Factors Influencing Entrepreneurial Intention among Muslim Undergraduate Students in Kenya

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Abstract: Research on entrepreneurship intention has and continues to be of interest to researchers, public and private due to its economic importance to the development for many nations. The literature on entrepreneurship intention has examined various issues with many focusing on the factors that influence entrepreneurship intention. However, most of these studies were conducted in general terms with very few research on Muslim entrepreneurial intention. This research empirically examined the influence of personal attitude, subjective norm and perceived behavioral control on Muslim entrepreneurial intention in university student doing undergraduate. The research conducted by collecting data using questionnaire from 200 students enrolled in undergraduate in United States International University–Africa. This study applied quantitative approach with statistical techniques used such as factor analysis, multiple regressions analysis. The results indicate that more than half of the respondents have an intention to become entrepreneurs and their decisions are attributed to the influence from their personal attitude, family and perceived behavioral control.

Keywords: Entrepreneurship, Entrepreneurial intention, Personal Attitude, Perceived Behavioral Control, Subjective Norm.

I. Introduction

Choosing to become an entrepreneur is not a fate but a decision made by individuals. Regardless of the common challenges such as high risk, uncertainties, barriers, and failure in making right decisions that may lead to the success or failure of the entrepreneur growth in their business (Nandan, 2007). In the past two decades, the world has experienced substantial growth in entrepreneurship education in most developing countries (Carey & Naudin, 2006). The number of entrepreneurship programs increased in the United States in between the period of 1979 to 2001, and investment in entrepreneurship programs is still rising.

Policymakers have very much realized the significance of entrepreneurship as the force of economic development and hence support and encourage entrepreneurship education to increase entrepreneurial activity (Fayolle, Gailly, & Lassas-Clerc, 2006). The European Commission, for instance, have endorsed such support, realizing that the "main purpose of entrepreneurship education at higher education level is to develop entrepreneurial capacities and mindsets" (European Commission, 2008) and therefore recommended integrating entrepreneurship education more fully into university curricula.

Per the data from the Kenya Youth Empowerment Project (KYEP) (2011), youth unemployment in Kenya is double the national average at 38% in 2011. This consists of youth who are neither in school nor working. According to Otieno (2011) an economic expert with the Federation of Kenya Employers asserts that, young people account for more than 35 percent of the national population, yet they account for a whopping 67 percent of the country’s unemployed workforce, this situation can lead to greater insecurity, as jobless young people turn to crime or radical militant groups.

Islam is basically a way of life, consisting all parts of human life, such as political, social, moral and economic, where all aspects are interrelated (Pramanik, 2002; Sakat, 2012). The manner of doing business in Islamic is inclusive in the Fiqhmuamalat, which is related to the social relationship between human and others inclusively (Jalil& Ramli, 2014). In fact, the Prophet was once an entrepreneur before he became a prophet. Given the undesirable unemployment issues among the Kenyan youth, it is key to understanding the factors that influence entrepreneurship intentions among youth in Kenya.

Beyond reasonable doubt, researchers have also concluded that entrepreneurs are made and not born (Mellor, 2009), which basically mean entrepreneurs can actually be trained. Thus, it is of value to look at the factors that nurture an individual into an entrepreneur and the issues related to the development of entrepreneurs (Jusoh, Ziyae, & Asimiran, 2011). As proven, entrepreneurship activities are based on intention (Krueger, 2000), in which entrepreneurs start with some degree of entrepreneurial intention before they turned out to
become one. In other words, persons will not become an entrepreneur in a sudden without definite triggers and most importantly, intention.

Public, private, and non-governmental organizations are taking various measures to promote entrepreneurship in different countries. Universities and colleges have implemented various postgraduate, undergraduate, and diploma courses on small business management and entrepreneurship. Entrepreneurship has become crucial to every country ever since the age of globalization due to competition. The growth of entrepreneurial activities will help in creating jobs for the society, decreasing the unemployment rate (Azhar & Javaid, 2010). Nafukho and Muyia (2010) proved that entrepreneurship is vital in creating and rewarding a healthy economy. This is supported by Dickson, Solomon and Weaver (2008) where the growth of entrepreneurship is noteworthy to a country’s economy.

Intentions have been proved to be the best predictors of individual behaviors, particularly when the behavior is rare, hard to observe or involves unpredictable or uncertain time lags (Melorose, Perroy & Careas, 2015). This study narrowed the gap in the literature by examining the factors that affect Kenyan undergraduate entrepreneurial intentions using the theory of planned behavior. The findings provide a better understanding of the factors that construct entrepreneurship intention and the path in which these factors influence students’ entrepreneurial intentions.

II. Literature Review

2.1 Personal Attitude

Personal attitude refers to individual’s perception of the desirability to perform an entrepreneurial activity (Tshikovhi & Shambare, 2015). A personal attitude is a measure of commitment towards starting a new business and the will to expense towards entrepreneurial initiatives (Díaz-García, Sáez-Martínez, & Jiménez-Moreno, 2015). Ajzen (2011) claims that people develop attitudes based on beliefs they embrace about the consequences of carrying out a certain behavior. Such consequences comprise both extrinsic and intrinsic rewards as personal or financial rewards, independence, family security, all of which play a key role in influencing favorably the intention to start a business (Choo & Wong, 2006; Vanvenhoven&Liguori, 2013). The idea of attitudes is fundamental to understand how experience or knowledge gives rise to pre-disposition of attitudes (Chen, 2014). Krueger, Reilly and Carsrud (2000) indicated that personal attitude is described as an enduring personality consisting of positive or negative evaluations of an object. It signifies the individual’s way of assessing and comparing an object against the obtainable options based on an individual’s thought belief and emotions towards the object. Leroy, Maes, Meuleman, Sels and Debrulle (2014) suggested that personal attitudes and perceived behavioral control work indirectly with social norms in influencing the individual’s intention in involving in the entrepreneurial intention.

The theory of planned behavior assumes that individual’s attitudes towards certain actions are subjective conscious. In the context of entrepreneurship, personal attitude refers to the degree to which individuals hold a positive or negative evaluation towards entrepreneurial behavior (Miralles, Riverola & Giones, 2012). As such, it is both a mental affair that deeply lies within oneself, at the same time the environment can also influence it.

2.2 Subjective norm

Subjective norm refers to the perceived social pressure to perform or not to perform a certain desired behavior (Ajzen, 1991). Pressure from family, friends, and society influences one’s behavior to be an entrepreneur. Subjective norm has been challenged by many researchers, stating its importance in predicting entrepreneurial intention. Some researcher found that subjective norm is insignificant in predicting entrepreneurial intention (Liñán & Chen, 2009), while some found that subjective norm is significant (Yordanova&Tarrazon, 2010) and some who completely neglect this variable in measuring entrepreneurial intention (Peterman & Kennedy, 2003; Veciana, Aponte & Urbano, 2005).

2.3 Perceived behavioral control

Perceived behavioral control refers to the extent to which the individual feels capable of performing the behavior. This is based on the individuals know how, experience and his or her appraisal of likely obstacles to performing the behavior. The greater the feeling of behavioral control, the stronger will be the intention to perform the behavior (Samuel & Ernest, 2013). Perceived behavioral control is one’s perceived ease or difficulty in performing a behavior (Ajzen, 2005). To explain the perception related to this perceived behavioral control, Ajzen (2005) distinguishes it from the locus of control suggested by Rotter (1966).

Locus of control is related to one’s beliefs which are relatively stable in all situations. Perceived behavioral control, on the other hand, may change depending on situations and kinds of behaviors to be performed. Locus of control is concerned with one’s beliefs that one’s success in doing something depends on one’s own effort.
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(Rotter, 1966). If this belief is related to specific achievements, such as one’s belief in mastering computing skill, then it is called perceived behavioral control (Huda, Rini, Mardoni, & Putra, 2012). According to Obschonka, Silbereisen and Schmitt-Rodermund (2010) indicated that individuals with early characteristics and entrepreneurial personality have higher entrepreneurial control beliefs and these beliefs will lead to higher entrepreneurial intention. Those who have entrepreneurial personality patterns such as locus of control appear to be more confident that they could be successful. Obschonka and Silbereisen (2012) implied that control beliefs are closely related to the concept of self-efficacy (Bandura, 1977) and locus of control (Rotter, 1989). Perceived behavioral control has a positive influence towards student’s entrepreneurial intentions (Basu & Virick, 2008; Zaidatol, Akmaliah, Lope & Pihie, 2009; Ruhle, Mühlbauer, Grünhagen & Rothenstein, 2010). Among them, Basu and Virick (2008), Ruhle, Mühlbauer, Grünhagen and Rothenstein, (2010) claimed that perceived behavioral control has a significant relationship with the intention.

III. Methodology

3.1 Sample Size and Data Collection

The population for this study consists of Muslim undergraduate students in United States International University-Africa. The Muslim population consists of about 288 students in undergraduate. The researcher adopted a convenience type of sampling. Primary data was gathered using self-administered questionnaire which was distributed to the classrooms, library, cafeteria and the prayer place. A Likert scale questionnaire was deployed with 1-total disagreement and 7-total agreement. The questionnaires had two sections; section one contained general information. Section two contained personal attitude, subjective norm, perceived behavioral control and entrepreneurial intention. The collected data for this research was coded and analyzed using the descriptive statistics, specifically mean and standard deviation to describe each variable under study. Factor analysis was used to measure the variability of the variables that were observed and correlated. The data was analyzed using Statistical Package for Social Sciences (SPSS) program and presented using tables, and figures to give a clear picture of the research findings at a glance.

3.2 Exploratory Factor Analysis

Among the 120 (60%) valid responses 54% were male and 48% were female. In addition, the majority (90%) of the respondents were of age bracket 20-25 years, followed by those aged between 26-30 years (6%) and thirdly age bracket 30 and older (4%). The findings indicated that majority of the respondent were males with 52% while 48% were female. Exploratory factor analysis was used to refine the constructs. The data was first run tests to assess its factorability using Kaiser-Meyer-Olkin Measure of Sampling Adequacy, Bartlett’s Test of Sphericity and commonalities. KMO Measures of sampling adequacy of manifest variables were above the threshold of 0.6 (Kaiser, 1974), and p-values for Bartlett’s test of Sphericity were significant (below 0.05) as indicated in Table 1.

### Table 1. KMO and Bartlett's Test

<table>
<thead>
<tr>
<th>KMO and Bartlett's Test</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kaiser-Meyer-Olkin Measure of Sampling Adequacy.</td>
<td>.918</td>
</tr>
<tr>
<td>Bartlett's Test of Sphericity</td>
<td></td>
</tr>
<tr>
<td>Approx. Chi-Square</td>
<td>1610.422</td>
</tr>
<tr>
<td>Df</td>
<td>120</td>
</tr>
<tr>
<td>Sig.</td>
<td>.000</td>
</tr>
</tbody>
</table>

Based on these Kaiser’s criterion, four factors, out of a total 16 factors, were imputed which were able to explain 78.144% of the total variance in the data. Table 2 indicated that the four factors in the initial solution have eigenvalues greater than 1.

### Table 2. Total Variance Explained

<table>
<thead>
<tr>
<th>Component</th>
<th>Initial Eigenvalues</th>
<th>Extraction Sums of Squared Loadings</th>
<th>Rotation Sums of Squared Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>% of Variance</td>
<td>Cumulative %</td>
</tr>
<tr>
<td>1</td>
<td>8.813</td>
<td>55.083</td>
<td>55.083</td>
</tr>
<tr>
<td>2</td>
<td>1.488</td>
<td>9.302</td>
<td>64.385</td>
</tr>
<tr>
<td>3</td>
<td>1.166</td>
<td>7.287</td>
<td>71.671</td>
</tr>
<tr>
<td>4</td>
<td>1.036</td>
<td>6.472</td>
<td>78.144</td>
</tr>
</tbody>
</table>

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3.3 Pattern Matrix

Communality values to measure the variability of each observed variable that could be explained by the extracted factors were checked (Field, 2009). A low value for commonality, for instance, less than 0.3, could indicate that the variable does not fit well with other variables in its component, and it is undesirable (Pallant, 2010). Commonalities were above 0.5 signifying satisfactory factorability for all items as indicated in Table 3. In this study, the pattern matrix coefficients ranged from 0.534 to 0.981 thus showing variables are almost perfectly related to a factor pattern.

Table 3. Pattern Matrix and Commonality.

<table>
<thead>
<tr>
<th>Items</th>
<th>Entrepreneurial Intention</th>
<th>Perceived Behavioral Control</th>
<th>Perceived Behavioral Control</th>
<th>Subjective Norm</th>
<th>communalities</th>
</tr>
</thead>
<tbody>
<tr>
<td>PA1</td>
<td>0.908</td>
<td></td>
<td></td>
<td></td>
<td>.759</td>
</tr>
<tr>
<td>PA2</td>
<td>0.858</td>
<td></td>
<td></td>
<td></td>
<td>.765</td>
</tr>
<tr>
<td>PA3</td>
<td>0.884</td>
<td></td>
<td></td>
<td></td>
<td>.786</td>
</tr>
<tr>
<td>PA4</td>
<td>0.887</td>
<td></td>
<td></td>
<td></td>
<td>.896</td>
</tr>
<tr>
<td>PA5</td>
<td>0.67</td>
<td></td>
<td></td>
<td></td>
<td>.748</td>
</tr>
<tr>
<td>EI1</td>
<td>0.759</td>
<td></td>
<td></td>
<td></td>
<td>.657</td>
</tr>
<tr>
<td>EI2</td>
<td>0.82</td>
<td></td>
<td></td>
<td></td>
<td>.713</td>
</tr>
<tr>
<td>EI3</td>
<td>0.855</td>
<td></td>
<td></td>
<td></td>
<td>.798</td>
</tr>
<tr>
<td>EI4</td>
<td>0.851</td>
<td></td>
<td></td>
<td></td>
<td>.865</td>
</tr>
<tr>
<td>EI5</td>
<td>0.981</td>
<td></td>
<td></td>
<td></td>
<td>.805</td>
</tr>
<tr>
<td>EI6</td>
<td>0.786</td>
<td></td>
<td></td>
<td></td>
<td>.696</td>
</tr>
<tr>
<td>SN2</td>
<td></td>
<td>0.92</td>
<td></td>
<td></td>
<td>.811</td>
</tr>
<tr>
<td>SN3</td>
<td></td>
<td></td>
<td>0.871</td>
<td></td>
<td>.782</td>
</tr>
<tr>
<td>PBC3</td>
<td></td>
<td></td>
<td>0.534</td>
<td></td>
<td>.622</td>
</tr>
<tr>
<td>PBC4</td>
<td></td>
<td></td>
<td>0.773</td>
<td></td>
<td>.810</td>
</tr>
<tr>
<td>PBC5</td>
<td></td>
<td></td>
<td>0.966</td>
<td></td>
<td>.784</td>
</tr>
</tbody>
</table>

Extraction Method: Principal Component Analysis.
Rotation Method: Promax with Kaiser Normalization.

a. Rotation converged in 5 iterations.
3.4 Confirmatory Factor Analysis.
Confirmatory factor analysis (CFA) was then performed using IBM AMOS software to assess the reliability and validity of the measures before using them in the research model (Anderson & Gerbing (1988)).

\[ \chi^2 = 204.39; \text{df} = 98; \chi^2/\text{df} = 2.086; \text{CFI} = .933; \text{GFI} = .796; \text{RMSEA} = 0.095 \]

Figure 1. Confirmatory Factor Analysis for Study Variables.

The CFA fit statistics of the overall measurement model for study variables was then extracted as shown in Fig.1. The CFA model fit the data adequately since the fit indices were within an acceptable range (Gold et al., 2001).

3.5 Reliability and Validity of the Constructs
3.5.1 Reliability
Construct reliability was assessed by computing the composite reliability and the Cronbach alpha of the constructs. The Cronbach alphas were all above the 0.6 thresholds as specified for PLS analysis (Hair et al., 2006). Composite reliability of reflective items were all above the acceptable 0.7 threshold which means all the variables in the study exhibited construct reliability and is credible as indicated in Table 4.

<table>
<thead>
<tr>
<th>Construct</th>
<th>Composite Reliability</th>
<th>Cronbach's Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Attitude</td>
<td>0.932</td>
<td>0.93</td>
</tr>
<tr>
<td>Subjective norm</td>
<td>0.796</td>
<td>0.767</td>
</tr>
<tr>
<td>Perceived behavioral control</td>
<td>0.845</td>
<td>0.899</td>
</tr>
<tr>
<td>Entrepreneurial intention</td>
<td>0.934</td>
<td>0.932</td>
</tr>
</tbody>
</table>
3.5.2 Discriminant Validity.

In correlation matrix Table 5, the diagonal elements in bold are the square root of the average variance extracted (AVE) of all the latent constructs. The discriminant validity is assumed if the diagonal elements are higher than other off-diagonal elements in their rows and columns (Compeau, Higgins, & Huff, 1999). Discriminant validity was confirmed for the measurement model.

**Table 5. Correlation Matrix**

<table>
<thead>
<tr>
<th></th>
<th>Personal Attitude</th>
<th>Entrepreneurial intention</th>
<th>Perceived behavioral control</th>
<th>Subjective norm</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Attitude</td>
<td>0.857</td>
<td></td>
<td></td>
<td></td>
<td>0.734</td>
</tr>
<tr>
<td>Entrepreneurial int.</td>
<td>0.755</td>
<td>0.839</td>
<td></td>
<td></td>
<td>0.703</td>
</tr>
<tr>
<td>Perceived behavioral control</td>
<td>0.683</td>
<td>0.733</td>
<td>0.805</td>
<td></td>
<td>0.648</td>
</tr>
<tr>
<td>Subjective norm</td>
<td>0.342</td>
<td>0.428</td>
<td>0.416</td>
<td>0.815</td>
<td>0.663</td>
</tr>
</tbody>
</table>

3.6 Structural Equation Model

\[ \chi^2 = 280.140; \text{df} = 101; \chi^2/df = 2.774; \text{CFI} = .908; \text{GFI} = .756; \text{RMSEA} = 0.090 \]

![Figure 2. Structural Model for Study Variables.](image)

The structural model fit statistics of the overall structural model for study variables was then extracted as shown in Fig.2. The structural model fit the data adequately since the fit indices were within an acceptable range (Gold, 2001).

**Table 6. Path coefficients**

<table>
<thead>
<tr>
<th>Path</th>
<th>Estimate</th>
<th>S.E.</th>
<th>T-value.</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>EI &lt;--- SN</td>
<td>0.164</td>
<td>0.078</td>
<td>2.102</td>
<td>0.036</td>
</tr>
<tr>
<td>EI &lt;--- PA</td>
<td>0.475</td>
<td>0.076</td>
<td>6.212</td>
<td>***</td>
</tr>
<tr>
<td>EI &lt;--- PBC</td>
<td>0.373</td>
<td>0.082</td>
<td>4.546</td>
<td>***</td>
</tr>
</tbody>
</table>

3.6.1 Subjective norm and Entrepreneurial Intention

Subjective norm was found to have a positive and statistically significant relationship with Entrepreneurial Intention. The path coefficient was positive and significant at the 0.05 level (β=0.164, T-value=2.102 p<0.05) as indicated in Table 6. The positive relationship means that if, Subjective norm change in magnitude of a unit, Entrepreneurial Intention of the respondents will change in a magnitude of 0.164.

3.6.2 Personal Attitude and Entrepreneurial Intention

Personal Attitude was found to have a positive and statistically significant relationship with Entrepreneurial Intention. The path coefficient was positive and significant at the 0.05 level (β=0.475, T-value=6.212 p<0.05) as
indicated in Table 6. The positive relationship means that if, Personal Attitude changes by a unit, Entrepreneurial Intention of the respondents will change by a magnitude of 0.475.

3.6.3 Perceived behavioral control and Entrepreneurial Intention

Perceived behavioral control was found to have a positive and statistically significant relationship with Entrepreneurial Intention. The path coefficient was positive and significant at the 0.05 level (β=0.373, T-value=4.546 p<0.05) as indicated in Table 6. The positive relationship means that if, perceived behavioral control changes by a magnitude of a unit, Entrepreneurial Intention of the respondents will change by 0.373.

IV. Conclusion

The findings from the study uncover that all the variables used in this research has significant influence on majority of the respondents. Furthermore, the majority of the students are more than willing to venture into business among all possible options. Students who have family members who are exposed to the business had a higher intention to become an entrepreneur, this can help the student build confidence as well as knowledge and experience of starting a business. Students who were exposed to the family business were as well ready to engage in entrepreneurship. This shows that attitude of the student toward the family business could either positive or negatively affects the influence on their entrepreneurial intention.

Personal attitude and entrepreneurial intention are strong predictors of an individual’s intention to start a venture. 79% of the respondents have a strong intention of starting a business in the nearest future and 67% would rather choose to be an entrepreneur than various other options. According to Kisolo (2015) students generally, consider starting their own venture after graduation and are willing to look for opportunities even on the job assigned to them. Furthermore, students would start their own business if they have the resources as well as the idea on how to run it.

Subjective norm is significant in prediction entrepreneurial intention, this finding has very similar outcome all over the globe. The role of the family, friends, and the society, in general, cannot be undermined. The higher the level of supports from parents, family, friends, and colleagues surrounding them, the better the entrepreneurial their intention is. It is found in the literature that, the role of friends and roles models is prominent in influencing the decisions to become an entrepreneur (Altinay, 2012; Nanda & Sorensen, 2006; Yurtkoru et al., 2014; Zapkauer et al., 2015).

From the findings, the subjective norm is key in predicting Muslim entrepreneurial intention among undergraduate student. However, previous studies that tested this theory (Liñán, Urbano, & Guerrero, 2011; Liñán & Chen, 2009) indicated that subjective norms do not really predict entrepreneurial intention but nevertheless have an indirect influence by means of personal attraction and perceived behavioral control. These findings support those in Krueger et al. (2000) and (Nishimura, 2011). Equally, other findings reported full backing for the Theory of Planned Behavior with regard to the three antecedents of entrepreneurial intention (Mueller, 2011; Angriawan, Conners, Furdek & Ruth, 2012; Otuya, 2013).

From the findings, the most respondent families were self-employed, in such a case where the parents themselves are entrepreneurs, the parent becomes role models for their children and the youth ingeneral. Due to the level of exposure, students are able to gain more respect from their colleagues as they are more experienced and knowledgeable. According to Krithika(2015), all important matters consigning business are discussed in the family and the children are engaging as they work together to achieve the business objective. Success in family business makes the younger generation feel attracted to entrepreneurship as a career choice.

4.1 Limitation

The size of the respondent is concern because they were no data indicating the actual number of Muslim student in the university. Also, the study premised on the theory of planned behavior which has three variables in the study.

4.2 Future Study

The study premised on the theory of planned behavior which has three variables in the study. It is therefore recommended that other studies be done to unearth more on the topic using another variable. This will ensure more reliability and accuracy of the data as well as the results. The study was carried out only one university, this means that the results of this study are skewed to the perceptions, believe and culture of the university. It is suggested that such a study be done in other universities to increase the statistical relevance of the study and more reliable results.

Reference


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