

DECISION MAKING HABIT AND RISK TAKING BEHAVIOUR AS
CORRELATE OF ENTREPRENEURIAL ASPIRATION OF STUDENTS IN
OGUN STATE TERTIARY INSTITUTION

By

Adeola, Kiadese lukmon
Department of Business Education,
Adeyemi College of Education, Ondo.
Email: kiadese@yahoo.com. +23408056070882

&

Mrs Jane Itohan Oviawe,
Department of Vocational and Technical Education,
Faculty of Education, Ambrose Alli University, Ekpoma, Edo State

&

Owodunni Samuel A.
Department of Vocational Teacher Education
University of Nigeria, Nsukka, Enugu State.

ABSTRACT

This study investigated decision making habit and risk taking behaviour as correlates of entrepreneurial aspiration using descriptive design of correlation type. A total of 250 final year students selected through purposive sampling technique from four institutions in ogun state participated in the study. Two research questions guided the study. Data were collected using three validated instruments; Decision making habit questionnaire, Risk taking behaviour inventory and Entrepreneurial aspiration questionnaire. The statistical tools employed in the study were the multiple regression analysis (MRA), Pearson moment correlation coefficient and the ANOVA Analysis of variance). Findings from the study revealed a relative contribution of the two independent measures to the variance of the entrepreneurial aspiration of students. The two variables (Decision making habit and risk taking behaviour) when combined jointly predict the entrepreneurial aspiration of students. It is recommended among others that agency responsible for curriculum development in tertiary institutions should mount educational programmes aim at developing entrepreneurship personality attributes while Small and Medium Enterprise Development Agency (SMEDAN) should organize students Entrepreneurship development programme for graduating students with a view to launching them into the business world.

Introduction

The need to curb unemployment in Nigeria especially among the University graduates necessitated the introduction of entrepreneurship education in university curriculum. Report from Asia, Europe and India have indicated how medium and small scale Enterprise speedily fostered

employment generation and poverty reduction among the university graduates and the populace (Bankole and olayiwola, 2001). Such reports have become a propelling force for Nigeria government to begin initiatives and policies aimed at promoting self employment among university graduates. The government for

instance has initiated some economic empowerment and development plan. The plan was established for creating opportunities for employment, wealth creation, as well as promoting private business (National planning commission, 2004). These new economic initiatives promise to make self employment and private enterprise the engine of Nigerian growth. As a result, government hope to create an environment in which business will thrive by putting in place appropriate macro economic frame work.

However, the last four decade in the developed world has witnessed the emergence of entrepreneurship education. The inevitability of its global acceptance is occasioned by its capability for new venture creation and, promotion of entrepreneurial aspiration and economic development (Bassey, 2005). Entrepreneurship education as defined by the consortium for entrepreneurship (CEE, USA, 2005) is a form of education that seeks to prepare people, especially youth to be responsible enterprising individual, who become entrepreneur and entrepreneurial thinkers and who contribute to economic development and sustainable communities. It helps to exploit and launch business opportunities with the aim of creating jobs, and maximizing wealth (Kiadese, 2006). Entrepreneurship education develops and stimulates entrepreneurial process, by providing the entire necessary tool for start up of ventures (Postigo&Tambotini, 2002).

Nafukho (2005) is of the opinion that Entrepreneurship education is like catalyst for business formation; it teaches students how to start and run their business; play the stock market role and balance personal life. According to Okon

(1990) the basic objectives of Entrepreneurship education is to develop entrepreneurial aspiration and culture with purpose of fostering economic growth through creation of new firms. A study by Kiadese (2008) revealed high level of awareness of entrepreneurship education among tertiary institution students. Entrepreneurial aspiration is the desire of an individual to set up and manage a personal business enterprise (Denga, 2006) According to Okon (1990) it is the willingness of an individual to assume the ownership and risk bearing responsibility of a business. Studies revealing the high levels of entrepreneurial aspiration of students have been documented (Kiadese, 2008; Lee, 2006; Bassey 2005). In one of the study over 80% of the students opted for self employment. The students have come to realize that government and private enterprise are not certain to come to their aid through paid employment due to poor state of the economy.

However, Literature such as (Lee 2006; Bassey 2005) revealed that certain attributes are required for successful entrepreneurship. Such characteristics include achievement motivation, decision making habit, risk taking behaviour, level of education, management abilities etc. Decision making habit according to Denga (2006) is the ability and capacity to take a viable option in the phase of opportunities and threat. In every enterprise, the entrepreneur is expected to make decisions on financial management of that enterprise. Financial decision making in business as Ali (2001) opined, involve three inescapable tasks. They are: anticipating financial need, acquiring resources and allocating funds or resources. Enterprises require funding to

grow. The entrepreneur must know when, where and how to source for fund to run his or her enterprise (Ndanusa, 2004). Deciding vital management options (financial and non financial matters) could be very tasking. It indeed requires a great deal of experience and availability of necessary information to make fruitful decisions (Mullins, 1985). An entrepreneur must be a problem solver and a very resilient person (Whetten & Cameron, 1995).

An Entrepreneur needs such attribute to do well in developing countries like Nigeria where business environment is not investment friendly (NISER, 2005). The investment environment in Nigeria is indeed characterized by difficulties such as poor infrastructure, low level of technological know how, inadequate capital and credit facilities (Aregbeyen, 1995). Expectedly, entrepreneurship in such an environment is a great problem solving job. In Nigeria, would-be entrepreneurs must therefore be very determined to succeed and equally very resourceful to always find way out encountered difficulties (Ndanusa, 2004). Entrepreneurship also requires risk taking and determination from the entrepreneurs. Ayeni (2005) remarked that entrepreneur is the one who assume financial risk of starting and running a new venture. As a result he/she encounters some great challenges. He/She must therefore be someone who sees difficulties as opportunities and not opportunities as difficulties. He/She must be an optimist, a visionary, a builder and a risk taker. He/she innovates to enter and remain relevant in the market through risk taking behaviour.

While empirical study such as (Kiadese, 2006) revealed the relationship between

some psychological traits with entrepreneurship practices, there seem to be dearth of studies showing this relationship with entrepreneurial aspiration; especially in a developing country like Nigeria where research in various aspect of Entrepreneurship education are just emerging. This study therefore investigated decision making habit and risk taking behaviour as correlates of entrepreneurial aspiration of Ogun state tertiary institutions students.

Research questions

The following questions guided the study;

- (I) What are the composite contributions of decision making habit and risk taking behaviour to students' entrepreneurial aspiration?
- (II) What is the relationship between the decisions making habit, risk taking behaviour and student's entrepreneurial aspiration?

Design

This study adopted a descriptive research design of correlation type.

Population of the Study

The final year students in government owned four tertiary institutions in Ogun State constituted the population from which the sample used for the study were drawn.

Sample and Sampling Techniques

A total of 250 final year students were purposively selected from University of Agriculture (UNAB); Tai Solarin University of Education (TASUED); Moshood Abiola Polytechnic (MAPOLY) and Olabisi Onabanjo University (OOU).

Instruments for Data Collection

Three instruments were used for data collection. They are Decision making Questionnaire (DMQ); Adolescent risk taking inventory (ARTI) and Entrepreneurial Aspiration scale questionnaire (EASQ). The decision making questionnaire was made up of two sections; section A sought the demographic information of students: age, sex, level and name of institutions. Section B contained 25 structured items of 5-point likert type scale to elicit response on the decision making habit of the students. The total score of the students on the entire items is taken as the decision making habit score. The adolescent risk taking inventory has two sections; the section A sought for the respondent's age, sex, level and name of institution. Section B of (ARTI) has 30 items raised from various entrepreneurship related risk taking factor. Respondents are to rate themselves on each item by circling one out of the five options which best describe their risk taking behaviour. The options are as follows;

- hate to take risks (1 pt)
- may not take risks (2 pts)
- indifferent about risks (3 pts)
- may take risk a times (4 pts)
- like to take risks. (5 pts)

The total score of the students on the entire items is taken as the risk taking behaviour score.

The entrepreneurial aspiration scale questionnaire also has two sections. Section A sought for the respondent age, sex, level and name of institutions. Section

B of (EASQ) has 30 structured items to elicit response on the entrepreneurial aspiration of students. It has a five point likert scale.

The total score of the students on the entire item is taken as the entrepreneurial aspiration score.

Validation of Instruments

The instruments were given to experts in test and measurement and Business Management to vet and evaluate in relation to the concepts under study. The corrections and amendment made were incorporated in the final draft used for data collection. This was done to ensure the face validity of the instruments.

Reliability of Instruments

A cronbach alpha coefficient value of 0.65, 0.75 and 0.85 were obtained for DMQ, ARTI and EASQ respectively.

Administration of Instruments

The three instruments were administered to the students in their respective schools by the researcher and collected on spot.

Method of Data Analysis

Data from the study were analyzed using Multi regression analysis (MRA), Pearson moment correlation coefficient and analysis of variance (ANOVA)

Findings and results.

Research Question 1: What is the composite contribution of decision making habit and risk taking behaviours to students' entrepreneurial aspiration?

Table 1 Contribution of Decision Making Habit and Risk Taking Behaviour to Students Entrepreneurial Aspiration

r= 0.61
r square=0.372
adjusted r square= 0.39
standard error= 5.34

Analysis of Variance

	Sum of square	Df	Mean Square	F	Sig	Remark
Regression	528.46	2	528.46	5.255	0.001	*
Residual	111297.37	24	54.31			
Total	11825.83	249				

The result in table 1 revealed a significant outcome $F(2,247) = 5.255; P < 0.05$. This implied that the decision making habit and risk taking behaviour jointly and significantly predict the student entrepreneurial aspiration. The result further indicated that the predictor

variable when combined accounted for 37% of the variance observed in the dependent variable.

Research question 2: What is the relationship between decision making habit, risk taking behaviour and student entrepreneurial aspiration?

Table 2: Correlation Between Decision Making Habit, Risk Taking Behaviour And Students Entrepreneurial Aspiration

Variable	N	Mean	SD	Pearson r	Sig of r
Entrepreneurial aspiration	250	38	3.67		
Decision making habit	250	36.88	3.46	0.66	0.000
Risk taking Behaviour.	250	37.27	3.70	0.62	0.002

The result in table 2 revealed a significant outcome. The result showed that the relationship between decision making habit and entrepreneurial aspiration ($r=0.66$) is very high, positive and significant. The relationship between risk taking behaviour and entrepreneurial aspiration ($r=0.62$) is also high, positive and significant. Hence, there exist a positive and significant relationship between the possible pairs of independent and dependent variable.

Discussion of findings

In this study two research questions were raised and answered. Findings from research question1, revealed the relative and significant contribution of decision making habit and risk taking behaviour to students entrepreneurial aspiration. The results support Adetayo (2004) who reported that personality characteristics have relationship with entrepreneurship practices. This finding is in line with Ayem (2006) and Bloomsbury (2002)

who reported that risk taking behaviour and decision making habit are vital element of entrepreneurship aspiration and practices. It is also in consonance with international findings by Jkazali (2007) that risk taking behaviour and decision making habit is strong predictor of entrepreneurial aspiration of Singaporeans university students.

The outcome from research question 2 revealed a positive relationship between decision making habit and students' entrepreneurial aspiration. This is in agreement with the findings of Jjazali (2007) that a positive and significant relationship exists between decision making habit and entrepreneurial aspiration. This finding also corroborates the work of Denga (2006) that ability and desire to make a decision is a major determinant of success in Business and entrepreneurial aspiration. It also in agreement with the findings of Shane & Vekataraman (2000) that decision making

habit has the highest rank among the variables responsible for entrepreneurship success among the Ethiopian business men in Metal analysis study that involved 230 entrepreneurs .Findings from research question 2 also showed that a significant and positive relationship exist between risk taking behaviour and students entrepreneurial aspiration. This outcome is consistent with findings of Bloomsbury (2002) that ability to take risk is a great determinant of entrepreneurial intention. This finding is also in agreement with the submission of Adetayo (2004) that among all the psychological traits predicting entrepreneurial intention and success, risk taking behaviour was ranked the highest variable. The study also reported the variable to have a positive relationship with entrepreneurial intention

Conclusion and recommendations

The study has provided an empirical evidence to show risk taking behaviour and decision making habit as a strong predictor of students' entrepreneurial aspiration. The following recommendation are hereby made;

§ Agency responsible for curriculum development in tertiary institution should mount educational programmes aimed at developing students' entrepreneurship personality's traits.

§ Counseling centers in tertiary institution should regularly organize seminars and workshop for Business and entrepreneurship mentoring.

§ A model entrepreneurship incubation center should be established in all tertiary institutions with the support of ETF to serve as training ground for students

§ Agency for small Business development should organize sensitization and advocacy workshop to avail students of their services with a view of launching them into the Business world.

§ The National youth Council in collaboration with SMEDAN should organize Entrepreneurship development programme for students of universities and other tertiary institutions.

§ Entrepreneurship development should be incorporated into the National Youth development plan.

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