A Factual Analysis of the Causal Effect of Sociocultural and Political Factors on Entrepreneurial Intention: Insights from Nigeria

Masoje O. M. Akpor-Robaro1*, Leke Abraham Oluwalogbon2, Rotimi Michael Sanni3

1. Department of Business Administration & Marketing, Redeemer’s University, Ede, Nigeria; E-mail: akpor-robarom@run.edu.ng

2. Department of Public Administration, Redeemer’s University, Ede, Nigeria; E-mail: oluwalogbonl@run.edu.ng

3. Department of Accounting, Redeemer’s University, Ede, Nigeria; E-mail: sannir@run.edu.ng

Abstract: The paper presents a factual analysis of the sociocultural and political determinants of entrepreneurial intention with insights from Nigerian society to provide an understanding of their manifestations and causal effect on entrepreneurial intention. The objective is to validate the provisional understanding of the effect of sociocultural and political factors on entrepreneurial intention provided in the literature. In consonance with the objective, a systematic review of the literature was carried out to search for pertinent factors using web based search engines, and several scholarly articles were isolated and examined. Topic search was used to identify articles on sociocultural factors in connection with entrepreneurial intention using their titles, abstracts, and keywords. It attempted, through an extensive literature review, to provide an integrated view for a more comprehensive understanding of sociocultural factors and entrepreneurial intention; and the key sociocultural factors that lead members of society to become entrepreneurs. For robustness, an extensive search for relevant literature was undertaken through a continuous filtering process and 134 articles dealing with sociocultural and/or political determinants of entrepreneurial intention were obtained. The factual analysis of the Nigerian context provided evidence that confirm the theoretical postulations in the articles reviewed. Evidently, all the sociocultural factors and political factors have some direct or indirect influence on entrepreneurial intentions in Nigeria. However, some of them only have modest influence. The strongest and most direct factual evidence was shown in unemployment, work experience, family values and ethnic values, while the weakest and most indirect influence was shown as religious values, social recognition and status, and social security. The effects of peer influence, social network, and job displacement are considered to be relatively weak. Essentially, however, the Nigerian experience and cases argued in this paper provides clarity to the hitherto provisional understanding of how entrepreneurial intention is affected and influenced by the sociocultural experience of a people.

Keywords: Sociocultural Factors, Entrepreneurial Intention, Factual Analysis, Causal Effect, Insights.

1. INTRODUCTION

In the last 30 years there has been greater focus on the need to get people to be interested in pursuing a career in entrepreneurship. The necessity to make people to follow the path of entrepreneurship can be attributed to an understanding of the relevance of entrepreneurship in achieving economic growth and development; and also as means to overcome household poverty among low income families. Entrepreneurship is considered a beneficial activity both at the level of households, firms, industries, regions, and nations (Audretsch 1995; Blanchflower, Oswald et al. 2001; Audretsch and Fritsch 2002; Carree, van Stel et al. 2002). Therefore, promoting entrepreneurship is regarded as a social good has to be supported by government and research institutions. While in many societies there is a high level of entrepreneurship involvement, in some societies the interest in entrepreneurial career among individuals is very low. The motivation by individuals to take on entrepreneurial career is a function of differing factors. This variation is essentially part of the motivation for better understanding of the factors influencing entrepreneurial intent. The desire to have insight into the precursors of entrepreneurial intent and understand the nature of these factors has given rise to different perspectives in research, leading to academic debate among scholars. The attempt to determine the factors underlying the interest of individuals towards entrepreneurial career is mirrored by the plethora of studies on entrepreneurial intention that is found in the literature. The academic study of motivation for entrepreneurial endeavour, although gained momentum only recently, it started some 60 years back with the works of McClelland (1961, 1971) and Hagen (1962, 1971).
In the early period, research interest in entrepreneurial motivation was largely focused on the psychological characteristics of business founders. A trait approach was usually employed, with an almost endless lists of entrepreneurial traits (Hornaday, 1982). However, the trait approach could not completely explain what makes people found their own businesses (Davidsson, 1992; Gartner, 1989). Many scholars (e.g. Reynolds, 1991; Stanworth et al, 1989) have argued strongly that non-psychological factors (sociological and environmental factors such as personal background characteristics) present a more reliable influence on the decision of a person to establish his/her own business than psychological traits present. Thus, in response to the limited success of the trait approach a new perspective was developed with a focus on a more aggregate level of analysis that considers external environmental/situational variables that can explain variations in individuals interest in new firm formation (Aldrich & Wiedenmayer, 1993). As a result of these contrasting views, two streams of factors are usually discussed as the determinants of entrepreneurial intention: the psychological factors usually referred to as personality traits (or cognitive approach), which constitutes the traditional approach; and sociocultural and economic factors usually referred to as situational or environmental factors. In this study, the focus is on the sociocultural factors.

In the literature, there are various conceptual explanations by scholars about the factors and their influence on entrepreneurial intention. The purpose of this paper is to present a conceptual explanations of the factors and analyze their possible influence on entrepreneurial intention as presented in the literature. The purpose is not so much to introduce entirely new insights in terms of new explanatory variables. Instead, it is to present the arguments around the different types of factors that have been used as determinants within the sociocultural model, agreements and disagreements among scholars and to throw light on their relative importance as well as their status as direct or indirect influences on entrepreneurial intentions. Secondly, to integrate the differing conceptual explanations given about the identified factors and thirdly, to provide the Nigerian perspective to the factors influencing entrepreneurial intention as a pointer to the cross-cultural differences in the determinants of entrepreneurial intention. This is against the backdrop of the increasing need for cross-cultural studies to understand the effect of different sociocultural system on entrepreneurial intention as a foundation for an emergent sociocultural contingency theory of entrepreneurial intention.

2. METHODOLOGY

The paper adopted a systematic literature review to search for most popularly discussed sociocultural factors that affect entrepreneurial intention. The search for articles was developed via the search engine “Google Scholar.” The search was limited to sociocultural factors and entrepreneurial intention and synonyms used interchangeably with entrepreneurial intention, using web based search engines. Topic search was used to identify publications that refer to sociocultural factors in connection with entrepreneurial intention and other synonyms using title, abstract, and keywords related to the research area, namely “sociocultural factors”, “entrepreneurial intention” and “sociocultural determinants of entrepreneurial intention.” For robustness, the search was extended to journal articles books and conference papers that were published since the early theories on sociocultural factors and entrepreneurial intention. Major online databases, such as Science Direct, Academic Search Complete, Wiley Online Library, Business Source Complete, and Emerald, were used.

After a series of filtration to exclude research articles which do not directly relate to the focal constructs of the paper, 122 publications found to contain discussion on the topic of the research were retained. Essentially, all research publications that did not mobilize sociocultural factors and entrepreneurial intention or its synonyms including research that relate sociocultural factors to entrepreneurial performance were excluded from the review, noting that entrepreneurial performance is different from entrepreneurial intention i.e they are separate dimensions of entrepreneurial behaviour.

3. LITERATURE ON THE FOCAL CONSTRUCTS

3.1. Entrepreneurial Intention

A number of works have been published lately about the antecedents of entrepreneurial intention among
individuals in attempt to know what drives individuals’ decision towards self-employment, and there is still a lot ongoing research to better understand which factors affect entrepreneurial perceptions and intention. The growing body of literature argue consensually that intentions play a very relevant role in the decision to start a new firm. The reason for a cognitive approach in understanding entrepreneurial intention was highlighted by Baron (2004) and Shaver & Scott (1991). In their view, the focus on cognitive variables provides more insights into the complex process of entrepreneurship, over and above those offered by others. The reliance on cognitive variables to yield positive results in the field of entrepreneurship is based on the impressive success of a cognitive approach in other fields (Baron, 2004) which may not necessarily hold true for entrepreneurship.

Although it is commonly agreed that entrepreneurial intention is a key construct relating to new business formation, but no generally accepted definition of the concept has yet emerged (Shook, Priem, & McGee, 2003 and Thompson, 2009). As Thompson (2009) noted, the term has been used loosely to refer to different but related concepts such as vocational aspirations (Schmitt-Rodermund & Vondracek, 2002), the desire to own a business (Crant, 1996) and looking towards self-employment (Singh & DeNoble, 2003). The absence of a clear and common understanding of the concept has made it difficult to identify the various factors in terms of individual cognitions, personality traits, personal circumstances, and micro- and macro-environmental conditions (sociocultural factors) associated with entrepreneurial intention (Bruyat & Julien, 2001; Gartner, 1985; Low & MacMillan, 1988; Shane & Venkataraman, 2000).

Reddy, Vinay, & Venkateswarlu, (2019) defined entrepreneurial intention (EI) as the instinct and willingness or desire to become an entrepreneur. Knight, (1921) cited in Verheul et al. (2010) explains that individuals, typically, have a choice between unemployment, self-employment, and employment and entrepreneurial intention connotes an individual’s choice of self-employment over unemployment and salaried employment. The decision (or choice) to be self-employed is considered voluntary, conscious and intentionally planned (Krueger et al. 2000) and borne out of inner desire (Akpor-Robaro, 2018). According to Linan, et al. (2013), entrepreneurial intention is the conscious awareness and conviction by an individual to set up a new business venture now or in the future. It refers to intentions to be self-employed or to start-up a business (Iakovleva and Kolvereid, 2009). In this study we define entrepreneurial intention as a conscious mental state that precedes the action and directs attention towards the goal of establishing a new business.

Studies that examine entrepreneurial intentions are often based on the Theory of Planned Behavior (TPB) (Ajzen, 2002) and the Shapero Entrepreneurial Event Theory (SEE) (Shapero 1982) and many scholars have argued that focusing on TPB and SEE have removed attention from the external factors that constrain or inspire entrepreneurial activity (Brannback et al. 2007). Their position is that, even as TPB may account for the personal factors that predict EI (Iakovleva et al. 2011), however, there are other factors which may be outside or within the control of the individual, particularly, in the social and cultural context of a people that can influence their intention which TPB model does not reflect (Brannback et al. 2007).

3.2. Sociocultural Factors

Motivational factors that influence human behaviour are of both internal and external dimensions (Ajzen, 2002). Whereas, internal dimension consists of the personality traits of individuals and accounts for the perceived desirability and the perceived behavioral control, the external dimension are the perceived social norms and take consideration of the perceived social and cultural conditions that ignite people to carry out entrepreneurial behavior.

There is a consensus among leading theorists (e.g. Ajzen, 2002; Sieger and Monsen, 2015) on motivational factors of human behaviour that the decision of entrepreneurs is also deeply rooted, besides the individuals’ personality, in the social life and cultural context in which individuals live. Essentially, social and cultural factors are considered to have an important effect on the formation of entrepreneurial intention. The theory of planned behavior by Azjen (1991) addressed social and cultural factors of entrepreneurial intentions under the concept of perceived social norms or "subjective norms." Thus, the determinants of entrepreneurial intention can be studied at two levels - through personal motivations, perceptions of self-efficacy and controllability, at one level, and through family and
socio-cultural context at another level.

As suggested in the literature research on entrepreneurial intention in terms of socio-cultural context has shown that the more positive a society’s subjective norms toward an entrepreneurial career are, the greater the likelihood that an individual will choose a specific career path, to be a founder of business (Schlaegel and Koenig 2014; Sieger and Modsen, 2015).

The following section of the paper will thus be devoted to discuss the socio-cultural context of entrepreneurial intention, highlighting the prominent elements contained in the literature. In this regard, the paper presents the contending views of scholars about the factors in terms of both conceptual interpretation and their causal relationship with entrepreneurial intention.

3.3. The Sociocultural Analysis of Entrepreneurial Intention and the Nigerian context

The most prominent elements of the sociocultural context of entrepreneurial intention contained in the literature and which are the focus of the analysis in this paper are presented as follow:

3.3.1. Unemployment

This is a situation where a person is unable to secure paid work either because of unavailable job positions both in public and private sector or lack of qualification e.g. requisite education (Sarasvathy, 2004) for the available job positions. Currently, there is a broad literature on the relationship between entrepreneurship and unemployment (Parker, 2009). Research has shown that unemployed individuals tend to become self-employed in a much higher rate compared to employed individuals (Carrasco, 1999). As Andersson and Wadensjo, (2007) put it, longer duration of unemployment are related to a high possibility for transitioning into entrepreneurship. A more recent study by Roed and Skogstrom (2014) showed that entrepreneurship is sought by the unemployed as a means to fill the economic gap created by unemployment.

In the Nigerian context the entrepreneurial engagement has increased in recent times with the reality of high unemployment being experienced in the country as a response to the need for economic survival. There are many people, especially among the youths and women, who have now established “nano” and micro businesses for themselves to eke a living and escape the hardship of unemployment. The unabated unemployment experience, thus, created in Nigerians business ownership desire. This validates the views in the literature that unemployment is a causal factor of entrepreneurial intention.

3.3.2. Social Recognition

Entrepreneurship is a source of social status and recognition (King, 2012). This is much so in society with material acquisition and achievement culture, that is, where your position in society and respect by the public is a function of the level of your achievement in material wealth. In the context of entrepreneurship, Giacomin et. al. (2011) classified social recognition as a push factor. Following social legitimization argument, Individuals with low social status will be pushed into entrepreneurship to obtain prestige or become socially recognized especially when a culture supports entrepreneurship (Thurik and Dejardin 2012). This is particularly so with females and young people. Singh et. al. (2011) found a significant relationship between the desire for social recognition and entrepreneurship amongst female entrepreneurs in Nigeria. Similarly, Giacomin et. al. (2011) found young people to be pushed into entrepreneurship by the search for social recognition.

Nigeria is an achievement society. It confers recognition and social status on the basis of material possession. People are given recognition by their material achievement and the level of control over sources of finance, and how much they are financially independent of other people in their family and community. Nigerians regard ownership of business as a means of achieving these elements of social recognition and indeed an achievement in itself. The high desire for social recognition is a major impetus for entrepreneurial intention in Nigeria. Therefore, the theory of social status and recognition as a determinant of entrepreneurial intention is valid for Nigerian society and
entrepreneurs.

3.3.3. Social Network

A social network consists of a series of formal and informal ties between the central actor and other actors in a circle of acquaintances and represents channels through which entrepreneurs get access to the necessary resources for business startup, growth and success (Kristiansen and Ryen 2002). A social network is defined by a set of actors (individuals and organizations) and a set of linkages between those actors (Thornton, Ribeiro-Soriano & Urbano, 2011). Social networks are the relationships through which one receives opportunities to use financial and human capital – relationships in which ownership is not solely the property of an individual, but is jointly held among the members of a network (Burt, 1992). The position in a group can be decided by the social capital owned by individuals, which affects not only the quality and quantity of social resources available for individuals but also the opportunities to obtain and use such resources (Lin, 2002).

Social network allows entrepreneurs’ access to resources that are not possessed internally (Bowey and Easton, 2007; Casson and Della Giusta, 2007). The underlying idea, as a number of scholars (Greve and Salaff, 2003; Ribeiro-Soriano and Urbano, 2009) have argued, is that, although entrepreneurs usually hold some of the resources necessary to create a business (e.g. ideas, knowledge and competence to run the business), generally they usually need complementary resources (e.g. information, financial capital, labour) which they obtain through their contacts to produce and deliver their goods or services. It is argued that networks represent a means for entrepreneurs to reduce risks and transaction costs and improve access to business ideas, knowledge and capital (Aldrich and Zimmer 1986). Thus, the more the networks an individual has, the more opportunity for entrepreneurial action and his propensity for entrepreneurial intention.

In Nigeria social networks are strong causal factor of entrepreneurial intention. Nigerians have the culture of coming together in associations, clubs, fraternities and other kinds of groups for social objectives and occupational support and to provide assistance to their members who may be in need. Many Nigerians belong to more than one group which broadens their network of relationships or connections with people who can provide them assistance in different forms. The assurance of support from such groups have been a source of encouragement and has ignited the desire of many Nigerians to establish businesses of their own. They have been propelled to pursue entrepreneurial career based on support from their circle of networks. Thus, in Nigeria entrepreneurial intention is positively impacted by social network.

3.3.4. Social Capital

Social capital is conceptualized as a set of resources embedded in relationships (Burt, 1992). Social capital is defined as the tangible and virtual resources that facilitate actors’ attainment of goals and that accrue to actors through social structure (Portes, 1998). It can be referred to as strong ties among a group of people that enable group members to obtain privileged access to resources. Social capital are embedded in social network and are derivative of a social network structure. It is the scale of an available social network and the aggregate quality of resources owned by all members in the social network (Bourdieu, 1986). Social capital also include intangible resources such as emotional support, and trust (Bates, 1997; Larson, 1992). Thus, the family is also a strong source of social capital. Sharma (2014) corroborate the view of Linan & Santos (2007) that social capital has a strong effect on career choices and can promote entrepreneurial intention. Shaw, Lam and Carter (2008) put it in clear terms that, social capital and entrepreneurship are positively related. Large social capital means high support for the individual towards entrepreneurship. As a person’s social capital increases the more confidence he gains in becoming an entrepreneur.

Many Nigerians enjoy social capital derived from their social networks and this serves as a propeller for entrepreneurial intention. As a way to perpetuate their culture, families, particularly, entrepreneurial families usually provide huge intangible resources for their members to be interested in entrepreneurial career. The provision of the requisite support from the family has been the source of desire and motivation for many Nigerians to become entrepreneurs. Essentially, social capital, particularly from the family has been a source of entrepreneurial intention.
3.3.5. Family Background

Family background refers to the family circumstance or situation under which the child grew or was reared. This includes the family economic status, occupational engagement by parents, family social experience, parental supportive resources, value orientation, hereditary factors and inheritance etc. Family background and parental role-modeling has been found to be the most prominent factor that affects early socialization and hence formation of attitude towards a career path (Matthews & Moser, 1995). In agreement with this evidence many have argued in the literature that family background has a considerable relationship with entrepreneurship. It is argued that entrepreneurial behaviour (risk taking, creating and managing new ventures) is largely a function of family background, and that individuals from nurturing family contexts, rich in entrepreneurial role models and supportive of new venture creation, are more likely to identify and initiate new ventures (White, Thornhill, & Hampson, 2007). According to Krueger (1993) and Matthews & Moser (1996), people with family business background are more likely to start their own ventures. In Scott & Twomey, (1998) it was found that children whose parents are having small business have high preference to engage in self-employment as opposed to being employees in large organizations, suggesting that entrepreneurship is highly linked with the family background (Aldrich & Cliff, 2003). Generally, the thesis on the influence of entrepreneurial family background is that self employed father or mother provides strong inspiration for the child to desire entrepreneurial career because at an early age, the independent nature of self-employment is radiated by the parent(s) to the child and caused to be deep rooted in the child (Matthews & Moser, 1996).

A child who had always helped the parent in petty trading or in hawking goods is more likely to be disposed to entrepreneurship. It is argued that it is much easier for individuals to set up their business if they already have a family background of business and mostly where the capital for startup is provided by the family (Lee & Tsang, 2001). Similarly, a child from a poor family background could also be forced into entrepreneurship as means for economic revival.

There is also the opposite argument that individuals who have parents who have had bad experience or difficulties in entrepreneurship, would also shy away from engaging in entrepreneurship and prefer to take up paid employment for security. The important lesson, however, is that parental background has influence on entrepreneurial emergence decision. Whether to or not to engage in entrepreneurial career is a function of antecedents of family members in entrepreneurship. Schenkel et.al. (2013) examined family entrepreneurial background and found no relationship with entrepreneurial intentions, although their study was limited by the use of a single-question measure to measure family entrepreneurial background. A number of empirical studies (e.g. Ranwala, 2016; Akinbode, et.al, 2018; Nguyen, 2018) have produced evidence of positive relationship between entrepreneurial intention and family background.

In Nigeria there is evidence of positive relationship between entrepreneurial intention and family background. In the Nigerian society, many of the entrepreneurs you find today are from such backgrounds as shown in the research findings in the literature. Many of them have had to be involved in petty trading in their childhood with their parent(s), some have come from poor backgrounds and had to do everything to come out of poverty. It is evident that a number of persons in Nigeria who had grown up under parents who own businesses turned out also to be owners of businesses outside the businesses of their parents, seeing their parents do it or having done it. Although, not all children of entrepreneurial parents had followed the steps of their parents to choose entrepreneurial career as it is probably the case in the findings of the research by Schenkel et.al. (2013) which showed no relationship between entrepreneurial intention and family background, but it is undeniable that the number of children of Nigerian entrepreneurs/business owners who have taken after their parent(s) to become business owners outweighs the number of those who do not. The start off impetus of many business owners in Nigeria can be traced to their entrepreneurial family backgrounds i.e. their parents and close relatives as entrepreneurs. This validates in the context of Nigerian society, the theory of family background as a causal factor of entrepreneurial intention.
3.3.6. Job displacement

Job displacement is defined as an involuntary loss of job due to economic downturns or structural change (OECD, 2013). It can be defined more broadly as the inability of an individual to get job placement or secure employment as a result of situations created to exclude him/her from gaining access to job opportunities within a region or society. It is the exclusion of an individual from job opportunities or denial of an individual access to certain job opportunities for reasons unconnected with his/her qualification for such jobs or general lack of jobs. Job displacement may be experienced by an individual due to uncontrollable factors (unplanned) or due to controllable factors (planned) within the society (ibid). But in both situations, the factors are outside the control of the individual. The consequence of displacement is a long period of unemployment and lack of earnings. Thus, when a person is affected by displacement, he/she takes up the challenge of creating a business venture as a means of generating income for his/her upkeep and survival. Although there are not too many studies yet on the displacement effect on entrepreneurial intention, the few studies so far undertaken have shown that displacements cause entrepreneurial intention. In the study by Magnergård (2013) it was found that about 2% of persons who experience displacement by job loss make the decision to become entrepreneurs within one year after displacement. In a similar study, von Greiff (2009) found that displacement doubles the probability to become self-employed. Roed and Skogstrom (2014) also found similar result, that displacement substantially increases the probability to become an entrepreneur.

The theory of Job displacement as a precursor of entrepreneurial intention is explained by the Nigerian context. Many Nigerians who have become business owners or entrepreneurs found themselves doing so because of their job displacement experience and being unable to find jobs or the desired placement. To get employed in any organization or government ministry or parastatal in Nigeria, a person must be sponsored by some top notch in the organization or by a high government official, politician, or a notable person e.g clergy or village head. Not too many vacancies are filled based on merit or qualifications of candidates. Employment in Nigeria is discriminatory on the basis of measures (e.g. tribal sentiments, political affiliation, gender discrimination, religion etc) outside the control of many job seekers. Evidently, many Nigerians do not have the required connection or contact to secure jobs and are therefore victims of circumstances beyond their control. The discrimination in employment in Nigeria that is experienced by job seekers is aggravated by the shrinkage in the general level of employment opportunities occasioned by a weak Nigerian economy. Many Nigerians who are unable to find job placement under the situation have had to resort to self-employment by establishing their own businesses to cater for their needs. It is therefore true for Nigeria that Job displacement has been a causative factor of entrepreneurial intention among Nigerians.

3.3.7. Work Experience

Work experience can be defined as any situation which a person is either not happy with or enjoys at his/her work place either in his/her relationship/interaction with his/her colleagues or his/her manager/supervisor in the course of his/her duties. It includes all the working conditions at an organization such as wages, job insecurity, and job dissatisfaction. A job may have a variety of meanings and values (Kalleberg 1977) and these work values and characteristics help to explain occupational choices and job satisfaction. In Kalleberg’s (1977) framework, work characteristics can be both intrinsic and extrinsic. The intrinsic dimension refers to the work task; i.e., if the work task is interesting, it allows for development and the worker can see the results of his or her work. Extrinsic work characteristics refer to the financial dimension (e.g., wages and fringe benefits), the convenience dimension (e.g., convenient travel to work and physical surroundings), relationships and coworkers (e.g., friendly and helpful coworkers that take an interest in you), career (e.g., chances of promotion and promotions that are handled fairly), and resource adequacy (e.g., the employee has adequate resources to perform the job) job security, wages and pecuniary returns, work hours, job satisfaction, and stress

Sorgner and Fritsch (2018) studied an occupation-specific environment influence on the choice to become an entrepreneur and found that people working in organization characterized by features not satisfactory to them have a high probability of transiting to self-employment. Sorensen and Sharkey (2014) studied the effect of wage structure on decision to become entrepreneur and found that employees who work in organizations with lower wage
ceilings and greater internal wage inequality are more likely to transition to entrepreneurship. Employees who receive unsatisfactory salaries or wages are very likely to transition to entrepreneurship to increase their income. For individuals with a preference for entrepreneurial work values, if there is no good fit between entrepreneurial work values and their personal characteristics, such individuals may not have sufficient job satisfaction at their current job and may need to become entrepreneurs themselves (Nystrom, 2021).

Sorensen (2007) argues that employees in less bureaucratic firms, have a higher probability of becoming entrepreneurs, because the work environment itself supports the learning effect and hence creates entrepreneurs. Thus, employees are inspired to become entrepreneurs as they gain entrepreneurial knowledge from their place of work. Furthermore, employees who experience frustration in their work place or perceive the existence of under exploited opportunities are also likely to transfer to spin-outs (Klepper & Thompson, 2010). All of these reports show that entrepreneurial intention has positive significant relationship with work place experience.

The work context in Nigeria is one that poses a nightmare to most workers and which many workers have found very difficult to cope with and as such decided to be self employed. In many organizations workers are used and treated as slaves with heavy work load but inadequate remuneration. Human relations in the organizations is very poor such that workers are unable to express themselves to full capacity and fully utilize their potentials. Workers are usually very frustrated and uninspired to give their best which result in high level of job dissatisfaction by many Nigeria workers. The extrinsic dimensions of work characteristics in Nigeria pose a serious source of unhappiness to many persons as workers and out of frustration and having no job satisfaction as employees, many have been forced to be self-employed. A major factor in this regard is poor salaries which are paid workers by employers across the Nigerian economy, particularly in the current time. Many persons have had to voluntarily leave paid jobs to establish their personal businesses in search for better income and independence from slave driver employers.

3.3.8. Peer Influence

It has been shown that social influence has a strong effect on an individual’s transition to entrepreneurship when exerted by spatially proximate peers, and peers who share gender or developmental experience (e.g. schooling) with the focal individual. Similarity of entrepreneurial behavior across peers arises due to social influence. Peer influence is a pathway of social transmission of entrepreneurship. Positive peer influence is believed to bring about entrepreneurial behavior among individuals because of the ability to shape the entrepreneurial identity through individuals’ socialization (Falck et. al., 2012).

Peers, due to social influence are understood to have a strong positive effect, particularly, on a youth’s entrepreneurial transition and the effect is supposedly stronger among spatially close peers (Kacperczyk, 2013). Even among workplace colleagues, peer not only influences entrepreneurial intention positively but also is a strong influence for workers with little prior exposure to entrepreneurship (Nanda & Sorensen, 2010). Many individuals become entrepreneurs because of the inspiration they draw from their coworkers. Nanda and Sorensen (2010) found that individuals are more likely to become entrepreneurs if their former coworkers had previously successfully become entrepreneurs. They have argued that peer influences are substitutes for other sources of entrepreneurial influence because the effects of peer influence on entrepreneurship are stronger than any other influence for individuals with less exposure to entrepreneurship.

As Van Auken, et al. (2006), and BarNir, et al. (2011) noted Peer influence usually manifests in two forms. First, peers may act as role models. People might find entrepreneurship a more attractive and realistic occupational choice when they see other entrepreneurs in their social network. Second, peers may provide learning opportunities and access to important networks. In order to start a new business, one may need informants, customers, and sometimes, investors. Entrepreneurial peers can deliver these intangible capital. Guiso, et al., (2015) points out that peers can also motivate and educate group members for entrepreneurship during the formative adolescence years. The higher is the entrepreneurship activity among friends, neighbours or colleagues, the higher is the probability that a person in that circle would embark on entrepreneurship, other things given. For example, through imitation, individuals can become entrepreneurs if their former coworkers have become entrepreneurs (Nanda and Sorensen,
Peer group effect on entrepreneurial intention is not readily evident in Nigeria, although it is a possibility. Many of the research on peer group influence on entrepreneurial intention in Nigeria are focused on university students who are yet to set up businesses and therefore do not provide practical evidence of the influence and effect of peer group relationships on already self-employed persons. The findings remain suggestive of possibilities among students and do not reflect reality of what the students will become when they may have been out of school. In other words, there is no concrete evidence of students who became entrepreneurs as result of their school or classmates who had become entrepreneurs. Similarly, there is no concrete evidence or examples in Nigeria to support the perception that individuals can or have become entrepreneurs as result of their former coworkers who had become entrepreneurs.

It is not unlikely that some entrepreneurs in Nigeria may have been influenced by their peers having become business owners, particularly among women entrepreneurs and youth entrepreneurs. However, there is no concrete evidence of this situation, and if it exists, it is scanty and insignificant. In general, the Nigerian context does not visibly validate practically the theory of peer group influence as a predictor of entrepreneurial intention. Therefore, in Nigeria the hypothesis is still in the realm of intuitive reasoning.

### 3.3.9. Social Security

Social Security refers to a measure established by government to maintain or provide income to members of society within certain classification with an intent to protect beneficiaries when all other forms of income have been disrupted or when heavy expenditure is to be incurred. Such income may be provided in cash or kind. Beyond the traditional understanding of social security as a state initiated social assistance programme, GAME, (2019) defines it as any mechanisms arising from state or non-state actors, creating a viable, comprehensive and robust safety net for entrepreneurs against personal and financial risks.

Although, there are only few studies (e.g. Parker and Robson, 2004; Wennekers et al., 2005; Steinberger, 2005) which have empirically explored social security as a determinant of entrepreneurial intention, the available research evidence suggest that social security has both negative and positive effect on entrepreneurial emergence. The arguments have been in different contexts but have generally been from macro perspective rather than the micro perspective of the individual.

On one hand, it is argued that a generous social security system leads to fewer self-employed (Parker and Robson, 2004; Wennekers et al., 2005; Steinberger, 2005), i.e. a negative impact on self-employment because its benefits for employees increase the opportunity costs of entrepreneurship. A relatively generous unemployment benefit scheme results in a lower ‘urgency’ for the unemployed to engage in entrepreneurial activity as an inevitable choice for work and income (Bosma et al., 2005). It is also argued that generous social security for employees creates “Job-lock” where employees are unable to or reluctant to leave employment due to the fear of loss of employee benefits such as insurance cover, pension etc (Madrian, 1993; 1994). As Wennekers, et al., (2005) puts it with a generous social security system people experience little incentive to set up their own businesses. In other words, a negative relationship exists between generous social security provisions and the level of entrepreneurial intention. On the other hand, it is argued that generous social security increases self-employment (Hessels, et.al, 2007), i.e. a positive effect on entrepreneurial activity by creating a safety net in case of business failure, especially for start-up enterprises.

There are two contexts in the argument about the effect of social security on entrepreneurial intention and emergence. The context of opportunity-based entrepreneurship and the context of necessity-based entrepreneurship. In the context of necessity-based entrepreneurship it is argued that there are two countervailing effects (Steinberger, 2005). On the one hand, opportunity costs of self-employment are not relevant when people have no other choices for work. On the other hand, unemployed people who cannot find a job may prefer unemployment to self-employment when unemployment benefits are generous. This suggests a negative effect of
social security on entrepreneurial intention.

In the Nigerian context, entrepreneurial intention cannot be said to have been affected by the state of social security in the country because there is no strong evidence of social security in Nigeria whether for the unemployed, employees or entrepreneurs. Therefore, the theory that a relationship exists between social security and entrepreneurial intention is not validated by Nigerian experience. There is no social security for the unemployed and entrepreneurs. For employees, if it exists, the schemes are not working. Experience of public workers has shown that retired workers do not get their Pensions in Nigeria and the gratuity paid to them is nothing to go by. For private organization workers, the contributory pension scheme is more or less a fraud with the number of challenges around it where it has been difficult for people to access their pension as experience has shown. And only very few private organizations have policy for gratuity payment to their retired workers. Insurance and medical schemes for the average worker in Nigeria is too limited to be an attraction to keep workers in paid employment; and no social security for entrepreneurship to attract workers to become entrepreneurs. Thus, the decision to become entrepreneur is not based on either situation. Apparently, the effect of social security on entrepreneurial intention, whether the negative effect proposition or the positive effect proposition, do not hold in the Nigerian context. However, one may argue intuitively that the absence of social security in Nigeria, particularly, for unemployed and employees as source of sustenance for the unemployed or the employee after retirement must have given impetus to some individuals to establish businesses in search of a source of livelihood, but the extent of this is debatable. Essentially, our argument is that the social security effect on entrepreneurial intention is too weak in the Nigerian context to validate the hypothesis of social security in itself as a predictor of entrepreneurial intention in Nigeria. Social security is not a strong causal factor/predictor of Entrepreneurial intention among Nigerians.

3.3.10. Religious Values

The argument on the influence of religion on an individual’s decision to become an entrepreneur is quite compelling. Generally individuals’ economic behavior and outcomes correlate with religion (Iannaccone, 1998). This implies that religion plays a role in shaping even the entrepreneurial decision of individuals (Minns & Rizov, 2005). Religion manifests itself in entrepreneurship through religious beliefs, which influence the attitudes, intentions, and behaviors of individuals (Balog, Baker, & Walker, 2014), and may encourage or discourage them from starting new businesses (Carswell & Rolland, 2007; Wiseman & Young, 2014).

Eisenstadt (1968) emphasized the importance of the “transformative potential” of a religion for economic motives and activities. By “transformative potential”, it is meant the “capacity to legitimize, in religious or ideological terms, the development of new motivations, activities, and institutions which were not encompassed in their original impulses and views.” Religions have transformative potentials which vary according to religions. It has been argued that religions with great transformative potential facilitate entrepreneurial behavior. Conversely, those religions with a low transformative potential may inhibit entrepreneurial behaviour.

As many scholars have noted (Kirkley, 2016; Tomczyk, Lee, & Winslow, 2013) values play a fundamental role in forming entrepreneurial behavior, and one of the important sources of values is religion (Ratten, Ramadani, Dana, & Gerguri-Rashiti, 2017). Individuals’ daily activities are most probably driven by religious values. A number of studies in entrepreneurship (Berthold & Ruch, 2014; Judge & Douglas, 2013; Nwankwo, Gbadamosi, & Ojo, 2012) have reported positive impacts of religion on entrepreneurial intention.

In Nigeria, there are two main religions which apparently have influence on the values and behaviour of Nigerians, both of which have western origin but with different beliefs and philosophy as well as indoctrination. These are Christianity and Islam. Although, Christianity is broken into different denominations but they operate with similar belief system. Islam also consists of different sects but are also largely subjected to the same religious values. There has been argument as to the extent of permissiveness by each religion with the general tendency for people to think that Christianity is more permissive and progressive, while Islam is conservative particularly in having its members exposed to public interaction and therefore, business engagement.

However, the values of these major religions in Nigeria are apparently not different in prediction/causal influence
or effect on entrepreneurial intention by each group. There is no evidence of more Christians being in business than Muslims or more Muslims being in business than Christians. In locations or areas in Nigeria where there is a predominant population of Muslims there are naturally more Muslim business owners and ditto for Christians, and this cannot be ascribed to influence of religious values. What is perhaps obvious is that in the core Northern areas of the country where Islam is the dominant religion, there are less women who run businesses than one may find in the South-South and the South-Eastern parts of the country where Christianity is the dominant religion. But this is only as far as women entrepreneurship is concerned. This may be explained not totally by Islamic religious values and practices such as Purdah but also by other native cultural values and prescriptions unrelated to Islam.

Evidently there is no strong evidence of religious values as a determinant of entrepreneurial desire and intention in Nigeria rather what religious values determines is the nature of the business. Because of religious values certain businesses are not permissible for Islamic faithfuls (e.g. dealing in Alcoholic drinks, Pig rearing, Money lending, illicit drugs) and Christians (e.g. Operating Brothels, Bear Palours, illicit drugs), but not desire to become business owners. Although, both religions do not condone indolence but they do not necessarily propel members to take up entrepreneurial career. Indeed, it is more likely that religion has a negative effect on entrepreneurial intention among Nigerians because most clergies particularly in Christianity enjoin their members to rely on God by faith to provide their needs without teaching them the fact that they need to engage in entrepreneurship and work with their hands before God can look on to them to provide for them through the works of their hands. Therefore, in Nigeria there is no convincing positive relationship between religious values and entrepreneurial intention.

3.3.11. Family Values

Family values are those values which run through members of the family as a binding force. That is, a way of behaviour that is associated and common with all members of the family. They refer to family norms and beliefs or ingrained ideas that are held in a family. It is believed that if children, for example, are exposed to a family culture where innovating thoughts have been successfully transformed into great business empire or a huge wealth for them, they tend to view this as a tradition which they need to take further. This belief inspires many of them to create a separate venture for themselves where they not only inherit their tradition of business success but also have opportunities to prove their mettle (Pant, 2015). Starting a business is often a response to changes in family relationships rather than rational discovery, development and exploitation of business opportunities. Therefore the influence of family values in entrepreneurship is considered as an important factor. Expectations of family and friends influence an individual for entrepreneurial behavior (Kennedy et. al. 2003).

Family values has positive relationship with entrepreneurial intention among Nigerians. This is evident in the fact that many entrepreneurial families in Nigeria have turned out children who have become entrepreneurs following the footsteps of their parents. This implies that children of entrepreneurial families are inspired by the family values about entrepreneurship to follow the family tradition to be self employed. Only few members of entrepreneurial family in Nigeria take up paid employment. Many of them who do not set up their personal business, are involved in the family business as intrapreneurs. The family values and tradition of entrepreneurship usually galvanize the younger generation of the family to go into entrepreneurship relying on the social capital and financial support from the family.

3.3.12. Cultural Tradition

This is defined as “a set of values, beliefs and attitudes commonly held in society which support the notion that an entrepreneurial life system is desirable, and that, in their turn strongly support the search for effective entrepreneurial behaviour by individuals or groups” (Gibb, 1996). Entrepreneurial behaviour has been defined as “…the sum of activities that can reasonably be construed as likely to lead to greater and/or better results in any human endeavour,…… an element of risk taking, drive, vision and planning constitute part and parcel of this entrepreneurial behaviour” (Dondo & Ngumo, 1998). Cultural tradition are essentially ideas which are attached with the societal norms and values that pass through one generation to the next. The explanation of the influence of cultural traditions in entrepreneurial intention is based on assumptions that self-employment of certain groups is the
result of their specific cultural predisposition (Putz, 2003).

The general tradition of Nigeria favours hard work and entrepreneurship and does not condone laziness. It is this traditional culture of hard work that is exemplified in the popular Nigerian saying “No food for Lazy Man.” Nigerians are naturally hardworking and creative people who find every situation as an opportunity to invest and generate income. This belief and orientation have propelled many Nigerians to desire to own their businesses and galvanized them to action. This is evident in the exploits that Nigerians make outside the Nigerian shores and the great businesses they have in foreign countries. Many Nigerians who own businesses today rose from grass to grace by adhering to the Nigerian tradition and culture of hard work as the solution to success. A major tradition of Nigerians irrespective of their background is risk taking and working under uncertainty. These are essential ingredients for entrepreneurial desire/intention. Thus, the Nigerian global culture is a great influence on entrepreneurial intention among Nigerians, which validates the hypothesis of cultural tradition as a predictor or causal factor of entrepreneurial intention.

3.3.1. Ethnic Values

Ethnic group is ‘a segment of a larger society whose members have common origin and a common culture and who, in addition, participate in shared activities in which the common origin and culture are significant ingredients’ (Yinger, 1985). Ethnic values are shared beliefs by members of ethnic group which culturally distinguish them from members of other groups with whom they have regular interaction (Eriksen, 2002). They are ‘a set of values and beliefs among people sharing common heritage and experiences’ which guide them in their regular patterns of interaction and search for livelihood and survival (Waldinger et al., 1990a & 1990b). Values serve as a guide for human actions and consequently tend to propel members of an ethnic group towards similar actions and behaviour including entrepreneurial actions and behaviour. What this implies is that where the values of ethnic group promote entrepreneurship and self-employment, members would tend to become self-employed, but where otherwise, members would largely decline self-employment. It is strongly argued in the literature that ethnic origin and contingencies play a role in either encouraging or discouraging people’s disposition towards entrepreneurship (Alexandre-Leclair, 2014).

This is very much evident in the Nigerian context with certain ethnic groups being known for their enterprising capacities and entrepreneurial tendencies. For instance, the Ibo ethnic group and the Ijebus ethnic group among the Yoruba tribe. These ethnic groups in Nigeria have common values that promote involvement in entrepreneurship. They cherish being self-employed and look at anyone not self employed as a weakling and subjugating his/her freedom to be in control of his/her life. The Ibos, especially, believe that the only way to wealth creation is through entrepreneurship and owning your own business, and hence, to work as a paid employee is to enslave oneself and remain perpetually poor. This value of freedom and self dependence among the Ibos ignites entrepreneurial intention in them and galvanize them to action even at very early age of growing up. Ibos are regarded in Nigeria as the most industrious ethnic group and the largest group of Nigerians with business ownership across the length and breadth of Nigeria and in foreign lands. They are involved in every legitimate kinds of businesses from servicing to manufacturing, and sizes from micro to large scale enterprises. Many other ethnic groups have imbibed the values of the Ibos for business ownership and beginning to be involved en-mass in entrepreneurship. In the context of Nigeria, evidence of the Ibo ethnic group antecedent validates the theory of ethnic values as a predictor of entrepreneurial intention.

3.4. The Political Factor Analysis of Entrepreneurial Intention and The Nigerian Context

In a business context, political factors usually relate to laws and regulations created and enforced by governments and other regulatory authorities. Essentially, Political factors include the external constraints linked to governmental activities and political conditions that affect business operations and the willingness of individuals to start new businesses. Politics has a very high weighting in the effect of environment on entrepreneurial behaviour of individuals. This is because every other set of factors are linked to the political structure. The wellness of the economy is largely a function of the political landscape and the political actors. The economy and society generally
are shaped by the laws and regulations created and enforced by governments. These may have positive or negative effects on entrepreneurial intention by individuals. Some of the political factors which have been suggested in the literature as critical factors affecting entrepreneurial behaviour at both the implementation and intention stages include, political instability, legal system, economic policy measures, government/institutional bureaucracy among others.

A few articles have explored the effects of the public sector i.e political factors on the decision that an individual will start a business (e.g. Cepel, Betas & Dvorsky, 2019; Autio & Fu, 2015; Levie & Autio, 2011; Lim, Morse, Mitchell & Seawright, 2010; Grosanu & Bota-Avram, 2015; and Kadocs & Francovics, 2011). According to Grosanu & Bota-Avram (2015) and Kadocs & Francovics (2011) political factors are an important area that influences the quality of the business environment and thus the behaviour of entrepreneurs.

Yasar, Paul & Ward (2011) cited in Cepel, et.al (2019) emphasize the positive relationship between entrepreneurial behaviour and perceived quality of legal system. They explained that quality legal system will boost the confidence of intending entrepreneurs that the state will ensure the legal protection of their property rights. It is argued by Artistovnik & Obadic (2015) that good quality legal environment causes efficiency of an economy. Similarly, Autio & Fu (2015) explained that high quality political institutions generally provide a conducive business environment and motivates people to entry into entrepreneurship. Lim, et.al (2010) also state that the decision to start a business is determined by the institutional environment in such dimensions as legislation and financial system.

However, the effects of political factors through government regulation on businesses are not always direct, predictable or restrictive (Mallet, Wapshott & Vorley, 2018). They can either be positive or negative, promotional or prohibitive. They can have negative and prohibitive impact on entrepreneurial intention with over regulation (Sambharya & Musteen, 2014). On the other hand, Valdez & Richardson (2013) state that institutional business support positively motivates some people to enter into entrepreneurial activities, which they called “occasionally motivated entrepreneurship” and has a negative impact on “forced entrepreneurship” (Cepel, et.al, 2019).

State bureaucracy also significantly affects the quality of business environment (Duvanova, 2012). It affects the cost of registration and starting a business negatively and significantly determine the willingness of people to be interested in business ownership or to start new ventures.

In Nigeria, there is high level of uncertainty of the laws enacted by the government. Every group that comes to power is accompanied by policies to change previous laws. This has been witnessed in this current regime with the removal of oil subsidy that has led to the economy completely somersaulting with unimaginable rate of inflation occasioned by cost of transportation and highly poor value of the Nigerian currency. The reality of the effect of the political factors on entrepreneurial intention in Nigeria is a mix grill. On one hand, lack of political will and interest by political actors to create an enabling environment for businesses to thrive has negative effect on entrepreneurial intention among Nigerians. On the other hand, it can be argued that the harsh economic situation created by the ruling class, with no employment opportunities for the teeming masses, has pushed many persons to take up entrepreneurial career as a way out.

Some of the characteristics of the Nigerian political environment relating to entrepreneurship include government/institutional bureaucracy in business establishment process; excessive regulation; inconsistent legislation; poor legal system for the protection of property rights of entrepreneurs; poor economic management policies-monetary and fiscal policy decisions, pervasive corruption among political actors.; Government failure to provide physical infrastructure, lack of political support to entrepreneurs in capital intensive ventures, lack of support for indigenous entrepreneurship.
CONCLUSIONS

There is enormous literature on the relationship between sociocultural and political factors, and entrepreneurial intention. In order to make meaning of the extant literature this paper has attempted to aggregate and integrate the jungle of views and explanations on the concept of each of the sociocultural factors and its relevance to entrepreneurial intention. Scholars have argued that sociocultural factors have a positive effect on entrepreneurial intention. However, the reference information both in theoretical analysis and empirical study have been largely devoid of practical proof that is based on visible evidence of the influence of social and cultural situations of societies on individuals to become entrepreneurs. Thus, our understanding of the effect of sociocultural factors on entrepreneurial intention is only provisional. To validate the propositions by scholars in the literature, this paper has attempted to provide visible manifestations of sociocultural influence on individuals to desire to be self-employed from the perspective of Nigerian society. And have also shown the dimension of political factors. The analysis have shown that sociocultural factors have effects on entrepreneurial intentions among Nigerians. The presentation of the Nigerian scenario with regards to how sociocultural factors have influenced entrepreneurial intention among Nigerians has added meaningfulness and validation to the theory of sociocultural factors as predictors of entrepreneurial intention. The dimension of political factors may not be as explanatory as the sociocultural dimension but there is no doubt that political factors in Nigeria have influence, whether directly or indirectly, on the desire of Nigeria to become entrepreneurs. Essentially, the political system and behaviour of actors are determinants of the sociocultural colouration of a society and consequently its influence on entrepreneurial intention of members of the society and Nigeria is not exception as it has been shown with evidence.

The revelations in the paper corroborate the views expressed in the literature. It is evident that all the sociocultural variables have some direct or indirect influence on entrepreneurial intentions. However, some of them only have modest influence. The strongest and most direct influence is shown for unemployment, work experience, family values and ethnic values, while the weakest and most indirect influence is shown for religious values, social recognition and status, social security, and peer influence. The effects of social network and job displacement are relatively weak, but they are likely to be crucial factors for consideration in the actual start-up decision among Nigerians and individuals in other developing societies. Essentially, however, the Nigerian experience and cases argued in this paper provides clarity to the still very provisional understanding of how entrepreneurial intention is affected and influenced by the sociocultural experience of a people.

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