

## Navigating on The Precursors of Entrepreneurial Inclination Among Students in South Africa

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**Abstract:** In the present contemporary business environment, students are bound to be inclined towards entrepreneurship. Hence, this study explored the impact of perceived family support, perceived desirability and opportunity recognition on entrepreneurial inclination among the students within the Gauteng Province of South Africa. Despite the extended research on entrepreneurship, the significance of determining the precursors of entrepreneurial inclination has largely been overlooked, especially in developing nations of Southern Africa. Hence, the essential goal of this investigation is to fill this void. The study adopted a quantitative approach and a structured questionnaire was used to collect data from 261 students. The collected data was examined using structural equation modeling, exactly by means of the AMOS 25 software. This investigation found that perceived family support; perceived desirability; opportunity recognition positively impacted entrepreneurial inclination in a significant way. The paper gives helpful implications and a couple of recommendations. For example, this investigation extends the information base that exists in the field of entrepreneurship by systematically exploring the impact of perceived family support, perceived desirability and opportunity recognition on entrepreneurial inclination. This study stands to add new knowledge to the present body of entrepreneurship and small business management literature in Africa – a setting that is regularly overlooked by academics in developing nations.

**Keywords:** perceived family support; perceived desirability; opportunity recognition; entrepreneurial inclination.

**JEL Classification:** L26

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## 1. Introduction

South Africa is encountering high rates of unemployment and poverty, especially among the youth (Mbuya & Schachtebeck, 2016). The youth unemployment rate in South Africa was 54.70% in the fourth quarter of 2018 (Trading Economics, 2018). This nation particularly has much lower rates of entrepreneurship than other developing and developed countries, and it needs to help potential and current entrepreneurs to address these issues (Mbuya & Schachtebeck, 2016). The starting point of term entrepreneurship can be followed to the French word “Entreprendre”, which is “to undertake”. Even though the strict meaning of entrepreneurship is yet to develop, it is broadly considered as the identification and exploitation of new prospects (Gupta, 2018, p.1401). According to Păunescu, Popescu, and Duennweber (2018), entrepreneurship is defined as “an intentional behavior to develop a business idea, create new products and services and obtain and generate economic and social benefits”. Entrepreneurship is synonymous with self-employment, it is accepted to be a powerful technique for dealing with the issue of employability, especially among the youth (Sahban, 2016, p. 1).

In a cutting-edge work atmosphere, perfect employment opening is inadequate. Therefore, entrepreneurship courses occupied a crucial role in a scholastic field; that incite the enthusiasm for business graduates toward the creation of employment for others by means of establishing a new business. Entrepreneurship encourages the student to end up being a wellspring of employment creator as opposed to employment seeker (Khan, Rasheed & Alam, 2018). As indicated by research, entrepreneurship is a purposeful and arranged conduct that can grow economic proficiency, introduce innovation to business sectors, generate new jobs, and raise jobs levels (Karimi, Biemans, Lans, Chirazi & Mulder, 2016). Policymakers are pursuing answers about what makes an individual willing to become an entrepreneur, how these impacting elements can be intensified, and how the quantity of potential or real entrepreneurs can be expanded to give increasingly noteworthy economic growth (Pfeifer, Šarlija & Sušac, 2016).

Entrepreneurial inclination is essential for a nation to have economic growth since entrepreneurship is related to employment creation, innovation, and venture creation. It is imperative to improve the entrepreneurial inclination among students as they are the potential entrepreneurs (Ranwala & Dissanayake, 2016). Entrepreneurial inclination is the tendency to make new enterprises. For the better comprehension of the essential elements of entrepreneurship different firms over the world host conferences, seminars, and workshops. To improve the entrepreneurship inclination most of the higher education institutions around the world are giving entrepreneurial education that provides the students essential information and abilities of entrepreneurial accomplishment (Baloch, Rahim & Manzoor, 2017). Entrepreneurship persists to attract much curiosity and

consideration from different stakeholders. As a result of contemporary difficulties and vulnerability in their future, there is more need for students with entrepreneurial abilities. Hence, students all over the world are urged to think about an entrepreneurial profession route (Koloba, Dhurup & Radebe, 2015).

Given the growing importance of entrepreneurship for students, numerous authors have examined on entrepreneurship inclination in different settings by focusing on factors related to the entrepreneurial inclination of students of a University of Technology in South Africa (Iwu, Ezeuduji & Eresia-Eke, 2016, p. 166); effects of self-efficacy on entrepreneurial inclinations among students in selected universities in the Southern Gauteng region of South Africa (Koloba, Dhurup & Radeba, 2015, p.65); motivations and obstacles to graduate entrepreneurial inclinations in South Africa (Fatoki, 2010, p.88); assessed the tourism entrepreneurial inclination of South African youth, and the mental attitude of those who have this inclination (Ezeuduji & Ntshangase, 2017, p.144).

Henceforth, concluding from the previously mentioned, there is a lacuna in studies that have examined perceived family support, perceived desirability and opportunity recognition as prognosticators of entrepreneurial inclination among students in South Africa. In this manner, given the various perspectives that impact entrepreneurial inclinations, this investigation aims to precisely explore the impact of perceived family support, perceived desirability and opportunity recognition on entrepreneurial inclination among the students within the Gauteng Province of South Africa.

The rest of this article is apportioned as follows: the next section outlines the review of the literature and the development of the conceptual model as well as the hypotheses. The methodology that guides the study is then discussed. Finally, the results of the study, discussions, implications, recommendations, and conclusions are provided.

## **2. Empirical Literature**

This section of the literature review discusses the different research variables undertaken as part of this study.

### **2.1 Perceived Family Support**

As indicated by Sahban, Ramalu, and Syhputra (2016) when an individual intends to start new business, the individual seeks support from different sources. Sources of support for the entrepreneurship activity of individuals are generally family, partner, and friends to whom they can trust to share the entrepreneurship ideas, the potential challenges to be experienced alongside the way and the manner to deal with these issues (Mustikawati & Bachtiar, 2008). Initially, as the closest

environment, the support of family can encourage the interest for entrepreneurship (Sahban, Ramalu & Syhputra, 2016). The family assumes an essential role in inspiring children to pursue entrepreneurial careers; parents are generally inclined to urge their children to take more challenging profession that permits self-freedom and autonomy (Buang & Yusof, 2006). According to Bhatia & Srilatha (2016), family members are an important source of social support. Families play a vital role in the new venture creation development. The role of family support, subsequently, needs more attention by research studies concentrating on understanding entrepreneurship. The family connections act as most grounded business ties in the business networks and the family of an entrepreneur is considered as offering various resources, extending from expert to non-expert resources, which strongly affect new venture creation and its activities (Sahban, et al., 2016). As stated by Anderson, Jack and Dodd (2005) family take a considerable part in new venture creation; this is because of the solid relationship among family members.

## **2.2 Perceived Desirability**

Moghavvemi, Phoong, and Lee (2017) described perceived desirability as the level of interest an individual perceives towards particular conduct with regards to entrepreneurship. Moreover, Fitzsimmons and Douglas (2011) show that elevated levels of perceived desirability will prompt elevated levels of behavioral expectation to act. According to Barton, Schaefer, and Canavati (2018), the term “perceived desirability” identifies with the fact how interesting it is to a person to create an entrepreneurial event, for example, creating a new venture. The dimension of perceived desirability shifts depending on individual attributes and is influenced by individual's qualities, needs, aptitudes and capacities (Barton, Schaefer & Canavati, 2018). In addition, Riquelme and Al Lanqawi (2016, p.129) contended that the perceived desirability is a particular character that emulates “the valence (positive or negative) of an action's end state and does not have the connotation of personal motivation to achieve an end state”. The authors confined the idea of perceived desire for entrepreneurship as intrinsic inspiration or enthusiastic reaction to the possibility of self-employment, in the analysis of Theory of Planned Behavior which underlines the significance of perceived desirability as the aspect of attraction and frame of mind toward entrepreneurship. Initially, the idea of “desire” described by Bagozzi (1992) aligns the Gollwitzer's (1996) concept of wishes or “volitional desires” as the driving force of changing certain manners and perceived desirability into intentions. The literature highlights that individuals who experience high desirability of entrepreneurship will in general build up a high entrepreneurial intention and later behavior (Păunescu, Popescu and Duennweber, 2018; Borton, et. al., 2018; Boukamcha, 2015), desirability being a determinant indicator of entrepreneurial inclination.

### **2.3 Opportunity Recognition**

Opportunity recognition is described by being aware of potential business openings, effectively pursuing and assembling data about them, communicating on them, addressing client needs, and assessing the practicality of such potential entrepreneurial activity (Kuckertz, Kollmann, Krell & Stöckmann, 2017). Besides, Ndofirepi and Rambe, (2016) characterize opportunity recognition as perceiving a possibility to create new businesses, or significantly improving the position of an existing business enterprise which results in new profit potential. Additionally, White and D'Souza (2014, p.22) describe opportunity recognition as the ability to retrieve information and process that information to make a decision regarding the pursuit of a value creation effort. While mental processing is basic to opportunity recognition, the desire to seek after the identified opportunity makes an entrepreneurial activity a reality (Ndofirepi & Rambe, 2016). In that instance, opportunity recognition is a principal component of the entrepreneurship process as it establishes the developmental phase of the venture creation process (Singh & Gibbs 2013, p. 643). It is obvious that opportunity recognition is the beginning stage from which all entrepreneurship develops (White & D'Souza 2014, p. 22) and it is the distinctive characteristic of an entrepreneurial from a non-entrepreneurial mentality (McGrath & MacMillan 2000).

### **2.4 Entrepreneurial Inclination**

As per Okeke, Okonkwo, and Oboreh (2016) an inclination basically implies the manner in which an individual feel about something, or it can be a feeling that drives an individual to settle on a decision or choice. In this way, entrepreneurial inclination could allude as the extent to which an individual is prone to taking up entrepreneurial activities (Okeke, Okonkwo & Oboreh, 2016). An entrepreneurial inclination is an individual's expressed behavior to become a business person (Ranwala & Dissanayake, 2016, p. 87). Molvi, Rauf and Gulzar (2018, p. 418) describe entrepreneurial inclination as the tendency and expectation of mind molding the decision of profession as an entrepreneur.

## **3. Conceptual Model and Hypothesis Development**

A conceptual model depicts the relationship between variables examined in the study (Gunzler & Morris 2015). Additionally, Sekaran and Bougie (2016) include that a schematic diagram of the conceptual model assists the reader to imagine the theorized relationship between the variables in the model and hence to get a quick idea regarding how you consider that the management issue can be solved. In this examination, the conceptual model suggests that perceived family support, perceived desirability, and opportunity recognition are the independent or predictor

variables. Moreover, the dependent or outcome variable for the present investigation model is entrepreneurial inclination. Based on a synthesis of the converging literature related to the research variables, a conceptual model was proposed to guide the empirical study as shown in Figure 1

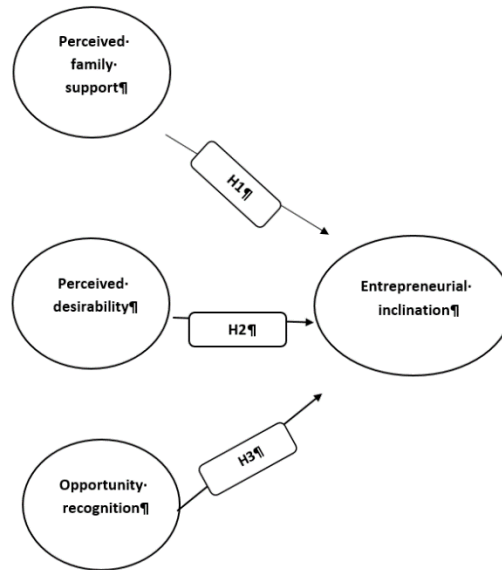


Figure 1. Conceptual Model

#### 4. Proposed Hypotheses

The literature throws a spotlight upon a few validated works, subsequently showing the prospects to test a series of hypotheses in this work. This investigation utilized hypotheses to state explicit relationships between variables so that the relationships can be empirically tested. Moreover, the hypotheses were utilized to validate the theories utilized in the exploration and to permit consistent analysis of relationships of variables in order to derive the interaction of those variables. In view of logical proof in regard to perceived family support, perceived desirability, opportunity recognition as well as entrepreneurial inclination and in light of the fundamental theory, the study developed three hypothesis statements which are discussed in the subsequent sections.

##### 4.1 Perceived Family Support and Entrepreneurial Inclination

Accordingly, as the closest environment, family support can synergize the enthusiasm for entrepreneurial inclination (Sahban, Ramalu & Syahputra, 2016). According to the study conducted by Mbuya and Schachtebeck (2016), it is

demonstrated that family support is an essential influencer in entrepreneurial inclination among students. Denanyoh, Adjei and Nyamekye (2015) uncovered that perceived family support positively affected the individual's inclination toward becoming an entrepreneur. Moreover, it recommended that family support offered an essential "emotional" support to a person who proposed to go into entrepreneurship. A critical connection has been found between perceived family support and entrepreneurial inclination (Molino, Dolce, Cortese & Ghislieri, 2018). In light of the above, this study proposes the following hypothesis:

*H1: Perceived family support has a positive and significant effect on entrepreneurial inclination among students*

#### **4.2 Perceived Desirability and Entrepreneurial Inclination**

Based on the findings by Urban and Kujinga (2017) perceived desirability is one of the attitudes and predictors that found to influence the entrepreneurial inclinations of becoming an entrepreneur. Bhandari (2016) revealed that the situational element such as perceived desirability can have a huge impact or effect on a person's entrepreneurial inclination. Furthermore, perceptions of the desirability of creating a business, just as the inclination to follow up on opportunities, are considered as key drivers of entrepreneurial inclination (Zampetakis, Gotsi, Andriopoulos & Moustakis, 2011). It has been found that students' perceived desirability significantly leads to the development of students' entrepreneurial inclinations to become entrepreneurs (Yousaf, Shamim, Siddiqui & Raina, 2015). Perceived desirability is noted to be a significant indicator of entrepreneurial inclination of students (Saadin & Daskin, 2015). Therefore, we formulated the following hypothesis:

*H2: Perceived desirability has a positive and significant effect on entrepreneurial inclination among students*

#### **4.3 Opportunity Recognition and Entrepreneurial Inclination**

Opportunity recognition is an essential part of the entrepreneurship process. People having this ability have possibly a higher inclination to entrepreneurship than the ones who do not possess them (Wasdani & Mathew, 2014). Within entrepreneurship literature, few studies have dissected the connection between opportunity recognition and entrepreneurial inclination. Moreover, proof has been discovered that opportunity recognition is positively connected with the entrepreneurial inclination (Camelo-Ordaz, Diáñez-González & Ruiz-Navarro, 2016). Opportunity recognition has for quite some time been acknowledged as a key phase in the entrepreneurial inclination. Indeed, without opportunity recognition, there is no entrepreneurship (Karimi, Biemans, Lans, Chirazi & Mulder, 2016). Opportunity recognition is considered to impact entrepreneurial inclination. At the point when people have a positive attitude towards the

entrepreneurial behavior, they may take part in an active search for opportunities and in this way have more grounded goal to entrepreneurial inclination (Dahalan, Jaafar & Rosdi, 2015). Based on the above, the following hypothesis is formulated:

*H3: Opportunity recognition has a positive and significant effect on entrepreneurial inclination among students*

## **5. Research Methodology**

This study adopted a positive paradigm in investigating the influence of perceived family support, perceived desirability, and opportunity recognition on the entrepreneurial inclination of students. The choice of this paradigm was justified by the need to analyze the data quantitatively in a more objective way in order to achieve the objectives of this study. A quantitative approach in research is “a formal and objective methodical process of describing and testing relationships and examining the cause-effect relations among variables of interest” (Burns & Grove 1993, p.777). Using a structured questionnaire, the study used a quantitative research design. The design was suitable for requesting the required information regarding perceived family support, perceived desirability, opportunity recognition, and entrepreneurial inclination. Moreover, the approach made it possible to examine the causal relationships with the variables used in the study. The measuring instrument was compiled from several existing scales, which were adapted for the purpose of the study, being quantitative in nature. Once the reliability and validity of the scale were established, structural equation modeling (SEM) was used to test the model fit, followed by testing hypotheses and path modeling. Using AMOS 25 software, SEM was performed, and the descriptive statistics were obtained using SPSS 25.0 software.

### **5.1 Sample and Data Collection**

Data were collected from students studying at a university in the metropolitan area of Johannesburg for this research. These students were conceived as potential entrepreneurs as they were exposed to entrepreneurial education aimed at providing students with the knowledge, skills, and motivation to foster entrepreneurial success in a variety of environments. The sampling framework was constituted by students from the Faculty of Commerce, Law and Management at this university in South Africa. The researchers chose university students as their sample for the purpose of this examination. Having completed a preliminary subject in entrepreneurship, the students were considered to have a range of career options. These were people on the precarious edge of settling on basic vocation decisions about whether to pursue a formal job or focus on being entrepreneurs. As regards to the sampling frame, a list of registered students within the university database was used as a sampling frame. Thus, this study used a simple random sampling



technique because each element of the population had an equal and known chance of being selected as part of the sample (Weideman, 2014); for example, where every name in the list of students registered in the university database had an equal chance of being selected. The questionnaires made it clear that the respondents' anonymity would be guaranteed and that the study was for academic purposes only. The sample size Raosoft calculator was used to calculate the sample size (Raosoft Inc. 2004). The calculation considered the total student population enrolment of approximately 33 346, a 5 percent margin of error, 90 percent interval of confidence, and the recommended 50 percent distribution, and returned a minimum sample size of 377 respondents. Of the 377 questionnaires distributed, 261 questionnaires returned were usable, resulting in a response rate of 69 %.

## **5.2 Measuring Instrument**

A self-administered questionnaire will be used for this study to collect the data needed. Leedy and Ormrod (2010, p.197) argue that a questionnaire is research in which the researcher asks willing participants a series of questions, summarizes their responses with percentages, frequency counts, or more sophisticated statistical indexes on which references are drawn about a population. The questionnaire will be divided into four sections, Section A, which will consist of questions related to the demographic factors of the respondents, including age, gender, study year and allowance.

Section B evaluated “perceived family support” and include adapted questions from (Shen, Osorio & Settles, 2017). Section C measured “perceived desirability” in accordance with the scales used by (Shen, Osorio & Settles, 2017). Questions on “opportunity recognition” included in Section D of the questionnaire had questions adopted from (Kuckertz, Kollmann, Krell & Stöckmann, 2017). Section E measured “entrepreneurial inclination” from the scales used by (Keat, Selvarajah, & Meyer, 2011). Responses were measured by a Likert scale of five points where one scale item denotes strong disagreement and five strongly denotes agreement.

## **6. Data Analysis**

Data analysis refers to the process of transforming the collected data into a more manageable size to enable behavior categorization and statistical techniques to be applied (Cooper & Schindler, 2016, p.94). Initially, preliminary data analysis was performed using the SPSS version 25.0 statistical software. Using the AMOS software package, a structural equation modeling (SEM) procedure was then applied to test the hypotheses.

### 6.1 Research Results: Demographic Profile of Respondents

Table 1 shows the participants' representation. The respondents were asked to report their demographic information, including age, gender, study year and allowance. Most of the respondents were presented by 73.9% between the ages of 18-24 years. This was followed by those who were presented by 13% of the total sample between the ages of 25-29 years. This was followed by those presented by 8.4% of the total sample between the ages of 30-35 years. The smallest group was those over 36 years of age and 4.6% of the total sample was presented. Table 1 also shows the respondents' gender. Most respondents were male, representing 48.3% of the total number of the study. Followed by 44.1% female respondents and 7.7% of the total number of the study was represented by the minority of respondents who preferred not to state their gender. Table 1 also illustrates respondents' year of study. Most respondents were first-year students, representing 33.7% of the study's total number. Followed by 2-year students, representing 29.9%, followed by 3-year students, representing 22.2%, followed by postgraduate students representing 14.2%, of the total number of study. In addition, Table 1 shows respondents' allowance. Most of the respondent's allowance ranged from 100-1000 and represented by 47.1% of the total sample. Followed by those 1000-2000 allowances, representing 30.7%, followed by 2000-3000 allowances and represented by 9.6%, followed by 3000-4000 allowances and represented by 5%, followed by 4000-5000 allowances, representing 3.4%, and finally, those above 5000 allowances are representing 4.2% of the total sample.

**Table 1. Sample demographic characteristics**

Characteristics	Frequency	%
Age		
18-24 years	193	73.9
25-29 years	34	13
30-35 years	22	8.4
Above 36 years	12	4.6
18-24 years	193	73.9
Total	261	100
Gender		
Male	126	48.3
Female	115	44.1
Prefer not to say	20	7.7
Total	261	100.0
Year of study		
1 year	88	33.7
2 year	78	29.9
3 year	58	22.2
Postgrad	37	14.2

Total	261	100.0
Allowance		
100-1000	123	47.1
1000-2000	80	30.7
2000-3000	25	9.6
3000-4000	13	5.0
4000-5000	9	3.4
Above 5000	11	4.2
Total	261	100.0

## 6.2 Scale of Accuracy Analysis

The scale accuracy analysis is presented in Table 2 followed by a discussion of the measurement scale reliability and validity.

**Table 2. Scale accuracy analysis**

Research constructs		Descriptive Statistics				Cronbach's test		CR	AVE	Factor loadings
		Mean Value		Standard Deviation		Item-total	$\alpha$ value			
<b>PFS</b>	PFS1	3.480	3.660	1.302	1.245	0.644	0.919	0.870	0.570	0.638
	PFS2	3.690		1.257		0.690				0.683
	PFS3	3.670		1.220		0.780				0.794
	PFS4	3.730		1.267		0.788				0.818
	PFS5	3.740		1.236		0.753				0.810
<b>PD</b>	PD1	3.550		1.153		0.640	0.890	0.790	0.550	0.686
	PD2	3.630		1.215		0.687				0.743
	PD3	3.543		1.344		0.689				0.801
<b>OR</b>	OR1	3.420	3.652	1.263	1.198	0.512	0.905	0.840	0.510	0.571
	OR2	3.570		1.201		0.737				0.758
	OR3	3.570		1.198		0.708				0.722
	OR4	3.630		1.196		0.718				0.729
	OR5	3.640		1.156		0.755				0.766
<b>EI</b>	EI1	3.570	3.638	1.233	1.202	0.611	0.848	0.740	0.420	0.675
	EI2	3.590		1.213		0.595				0.620
	EI3	3.570		1.135		0.565				0.612
	EI4	3.570		1.233		0.611				0.675

Note: PFS=Perceived Family Support; PD=Perceived desirability; OR= Opportunity recognition; EI= Entrepreneurial inclination; SD= Standard Deviation; CR= Composite Reliability; AVE= Average Variance Extracted

### 6.3 Reliability

According to Cortina (1993), if Cronbach's alpha is 0.70 or higher, the reliability of a measure is supported. Table 2 illustrates the results ranged from the lowest Cronbach alpha of 0.848 to the highest of 0.919. Cronbach's alpha scores showed strong internal reliability in each construct (Tak, 2012). Cronbach's construct alpha values, therefore, exceeded the recommended 0.70 thus meeting the required threshold and showing that the constructs used to measure variables are very reliable for all variables.

The loading of each item on their particular construct is shown in table 2 above. For the research constructs, the lowest value for each respective item load is 0,551. The recommended value of 0.5 (Anderson & Gerbing 1988) was therefore exceeded by all individual item loadings. This indicates that all measuring instruments are acceptable and reliable as all items converged well and with more than 50% of the variance of each item shared with their respective construct (Fraering & Minor 2006).

The formulae proposed by Fornell and Lacker (1981, p.22) were also used to calculate composite reliability (CR) and average variance extracted (AVE) for each construct i.e.

$$CR\eta = (\sum\lambda_i)^2 / [(\sum\lambda_i)^2 + (\sum\epsilon_i)]$$

Where

CR $\eta$  = Composite reliability,  $(\sum\lambda_i)^2$  = Square of the summation of the factor loadings;  $(\sum\epsilon_i)$  = Summation of error variances.

$$V\eta = \sum\lambda_i^2 / (\sum\lambda_i^2 + \sum\epsilon_i)$$

Where

V $\eta$  = Average Variance Extracted (AVE);  $\sum\lambda_i^2$  = Summation of the squared of factor loadings;  $\sum\epsilon_i$  = Summation of error variances”.

As shown in Table 2 results, the lowest composite reliability (CR) value of 0.740 is well above the recommended value of 0.6 (Hulland, 1999), whereas the lowest obtained average extracted variance (AVE) value of 0.420 is also above the recommended value of 0.4 (Anderson & Gerbing, 1988). This indicates the achievement of convergent validity, and this further confirms the excellent internal consistency and reliability of the measuring instruments used. “As such, a sufficient level of discriminating validity was revealed by all pairs of buildings (see Table 2). These results have generally provided evidence of acceptable levels of reliability of the research scale” (Chinomona & Chinomona, 2013, p.20; Chinomona & Mofokeng, 2016).

## 7. Discriminant Validity

The matrix of inter-construct correlation is used to evaluate the validity, specifically discriminating validity of measuring instruments. Constructs correlations were assessed to see if they were below 1. The higher the variable correlation, the lower the variable validity. To indicate discriminating validity, the inter-construct values must be below 0.6 and in some cases below 0.85. The highest correlation value was 0.673, according to Table 3, with the lowest correlation value being 0.499. These correlation values are below 0.85 and it can, therefore, be concluded that there is discriminant validity between all the constructs (Morar et al., 2015).

**Table 3. Correlation Matrix**

	<b>PFS</b>	<b>PD</b>	<b>OR</b>	<b>EI</b>
<b>PFS</b>	<b>1</b>	-	-	-
<b>PD</b>	0.547**	<b>1</b>	-	-
<b>OR</b>	0.517**	0.654**	<b>1</b>	-
<b>EI</b>	0.499**	0.576**	0.673**	<b>1</b>

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Note: PFS=Perceived Family Support; PD=Perceived desirability; OR= Opportunity recognition; EI= Entrepreneurial inclination

## 8. Measurement Model Evaluation

A confirmatory model development strategy was followed in order to confirm both the dimensional structure of the constructs used in this research and the level of internal consistency between the respective indicators. It was attained precisely using the technique of maximum probability extrapolation (MLE) that a measurement model was specified. Estimation of the initial model was extrapolated to  $CMIN/DF=2.464 (< 3.0)$ ;  $p.0.01$ . It is imperative to note that due to the sensitivity of the index to large sample sizes and many indicators, researchers ignore the significant chi-square value (Malhotra, 2010). To overcome this limitation, Byrne (2010,p.77) suggests that reporting on multiple indices that are not based on central distribution is a more “pragmatic approach.” Consequently, the following indexes showed adequate fit as follows:  $CMIN / DF$  1.711, CFI 0.931, GFI 0.918, NFI 0.927, TLI 0.912 and RMSEA 0.052.

### 9. Structural Model Assessment and Hypothesis Testing

Hypotheses have been tested in this study using the method of Structural Equation Modeling (SEM). SEM is a statistical procedure to estimate the relationship between the constructs in a proposed model (in this case Figure 1), according to Bagozzi and Yi (2012). However, before testing the relationship, it is necessary to perform another model fit analysis to verify whether the data collected fit the model proposed (Westland, 2015). When the structural model was tested, it was observed that all the statistics of the structural model fit were within the tolerable ranges: CFI=0.920, IFI=0.923; TLI=0.934; RMSEA=0.042. A good fit is usually considered to exist when NFI, GFI, and CFI were all above 0.9 (Chang & Chen, 2009). Figure 3 also depicts a model of a structure. An examination of a structural model aims to assess the strength and direction of relationships in a model between constructs (Lee, 2009). It should also be noted that the results of the individual hypothesis testing are reported in Table 4.

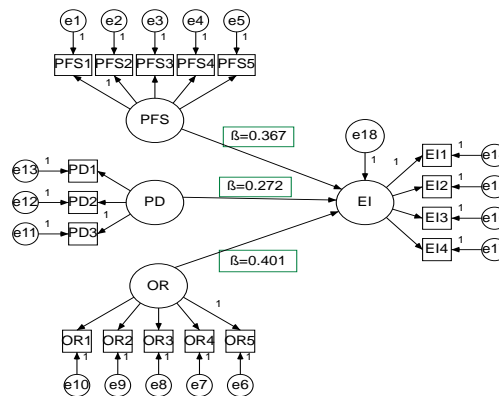


Figure 3. The Final Structural Model Of The Study

Note: PFS=Perceived Family Support; PD=Perceived desirability; OR= Opportunity recognition; EI= Entrepreneurial inclination

Table 4. The Summary of the Hypotheses Testing

Relationships	Hypothesis	Path Coefficient $\beta$	P-Value	Remarks
EI ← PFS	H <sub>1</sub>	0.367	***	Supported
EI ← PD	H <sub>2</sub>	0.272	***	Supported
EI ← OR	H <sub>3</sub>	0.401	***	Supported

Note PFS=Perceived Family Support; PD=Perceived desirability; OR= Opportunity recognition; EI= Entrepreneurial inclination.

## **10. The Outcome of Hypotheses Testing**

In this study, path coefficient values, as well as p-values for the structural model, were used to determine the testing of the hypotheses. In the model, the construct relationships suggested in this study generate the path coefficients. Hypotheses are examined on the basis of these coefficients.

### **10.1. Outcome of Testing Hypothesis 1**

Hypothesis 1 states that “Perceived family support has a positive and a significant effect on entrepreneurial inclination among students”. Based on the results of the final model testing, the relationship between perceived family support and entrepreneurial inclination shows a  $\beta = 0.367$  at p-value  $< 0.01$ . This evidence demonstrates that hypothesis 1 is supported. Hence, it can be noted that if students are to have family support then they will be inclined to start new entrepreneurial ventures. It is also worth to mention that these findings reinforce the results obtained in the studies of Sher, Adil, Mushtag, Ali, and Hussain (2017); Shamsudin, Al Mamun, Nawi, Nasir, and Zakaria (2017) who established that perceived family support has an influence on entrepreneurial inclination.

### **10.2 Outcome of Testing Hypothesis 2**

Hypothesis 2 asserts that “perceived desirability has a positive and a significant effect on entrepreneurial inclination among students”. The final structural model presents the relationship between perceived desirability and entrepreneurial inclination results in a coefficient  $\beta = 0.272$  at p-value  $< 0.01$ . Thus hypothesis 2 is supported. These results mean that if students have the desire to engage in entrepreneurship then there are inclined in starting to be engaged in entrepreneurial activities. It is also essential to mention that these findings corroborate the results obtained in the works of (Afolabi, Ola-Olorun, Abereijo & Uchegbu, 2016) who elucidated that perceived desirability influence entrepreneurial inclination.

### **10.3 Outcome of Testing Hypothesis 3**

Hypothesis 3 states that “opportunity recognition has a positive and significant effect on entrepreneurial inclination among students”. Based on the results of the final model testing, the relationship between opportunity recognition and entrepreneurial inclination shows a  $\beta = 0.401$  at p-value  $< 0.01$ . This evidence demonstrates that hypothesis 3 is supported. In addition, these results imply that students who recognize opportunities in entrepreneurship are inclined in starting to be involved in entrepreneurial activities. The results obtained in this study are also in accord with Camelo-Ordaz et al (2016) who examined the influence of gender on entrepreneurial inclination. Their study revealed that opportunity recognition has an effect on entrepreneurship inclination.

## **11. Managerial Implications**

The present study offers implications for academics. For example, research findings show that perceived family support and entrepreneurial inclination have a strong influence on each other, as indicated by a 0.367 path coefficient. This finding, therefore, enhances their understanding of the relationship between perceived family support and entrepreneurial inclination for academics in the field of entrepreneurship and small business management, as this is a useful contribution to the existing literature on these two variables.

Moreover, this study provides that the implications of these findings can benefit students. For example, given the robust relationship between opportunity recognition and entrepreneurial inclination, as indicated by a path coefficient of 0.401, South African students should be careful or alert to take advantage of any opportunities that come along. Taking advantage, for example, of government funding that supports business ventures like SMEs. Obtaining this funding will equip them to be financially stable in order to improve their entrepreneurial ventures' business performance across different sectors of the South African economy.

## **12. Limitations and Future Research Suggestions**

The findings from this examination may not be generalizable to students at other South African higher learning institutions, given the relatively small student sample used and the key focus of the inquiry on a solitary university. Therefore, future study should include students from other organizations to increase the representativeness of the sample. Furthermore, concentrating on university students limits the generalizability of findings as they do not reflect to the entire population of prospective entrepreneurs, and consequently, distinct students should be included in future inquiries, for instance secondary schools and other training centers. In conclusion, the examination's quantitative character may have resulted to disregard for more enlightening and extravagant data that a qualitative methodology could have produced if it had been included in the inquiry. Future examinations may, as needed, use a mixed-method method to explore indistinguishable points from the present examination to enhance the expansiveness of the examination outcomes.



### 13. Conclusion

The purpose of this study was to examine the influence of three factors, namely perceived family support, perceived desirability, and opportunity recognition on entrepreneurial inclination among students in South African. The study shows that perceived family support, perceived desirability, and opportunity recognition are positive predictors of entrepreneurial inclination among students. On the nexus between opportunity recognition and entrepreneurial inclination, a positive and significant robust relationship was found. All postulated hypotheses are supported. The managerial implications of the findings have been discussed. This study, above and beyond, contributes new knowledge to the African setting's existing body of entrepreneurship and small business management literature – a research context that most academics neglect.

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#### **Appendix: Measurement Instruments**

##### **Perceived Family Support**

PFS1: My family members will approve of my actions.

PFS2: My family members will encourage me to start my business.

PFS3: If necessary, my family members will loan me money to help me start my own business

PFS4: If necessary, my family members will provide me materials and equipment to help me start my own business.

PFS5: My family members will give me the advice to start my own business.

##### **Perceived Desirability**

PD1: I would love starting my own business.

PD2: I would be enthusiastic if I started my own business.

PD3: The idea of starting my own business is attractive to me.

##### **Opportunity Recognition**

OR1: I am always alert to business opportunities.

OR2: I research potential markets to identify business opportunities.

OR3: I search systematically for business opportunities.

OR4: I look for information about new ideas on products or services.

OR5: I regularly scan the environment for business opportunities.

##### **Entrepreneurial Inclination**

EI1: I seriously consider entrepreneurship as a highly desirable career option.

EI2: I have been planning to open a new venture

EI3: I would like someday to start my own business.

EI4: I could easily pursue a career involving self-employment.