

# Perceived Locus of Control as a Predictor of Entrepreneurial Development and Job Creation among Students in the Tertiary Institution

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## Abstract

In light of the urgent need to train university graduates become more enterprising and self reliant, the paper took a study to explore the degree of students' readiness and entrepreneurial development skills towards achieving this course. The study was carried out through a correlation survey method of research. The sample was 444 students in the faculty of education, University of Nigeria, Nsukka. Data was collected and analyzed using mean and standard deviation. The hypothesis was analyzed using t-test. Findings indicated that students possess an internal locus of control (LOC) and entrepreneurial development skills. The result also revealed that perceived LOC significantly predicted entrepreneurial development among students. Parents and teachers are called to train children to become independent, creative and take responsibility for their actions.

**Keywords:** Entrepreneurship, Entrepreneurial Development, Locus of Control, University of Nigeria, Nsukka

## 1. Introduction

Entrepreneurship education has since been introduced in schools by the Nigerian government owing to the high level of unemployment among youths in the country. The introduction was necessitated by the need to help graduating students acquire skills that will enable them become enterprising and self reliant. Entrepreneurship education is a way of thinking, reasoning and acting that engenders the ability in young persons to recognize and seize opportunities without regard to the resources that are currently under control (Stevenson and Jarillo, 1991). It involves the acquisition of skills, ideas and management abilities necessary for job creation. Introducing students to entrepreneurship education develops their initiative and helps them to be more creative, self-confident in whatever they embark on and act in a socially responsible way. Thus Entrepreneurship education seeks to provide students with the basic knowledge, skills and motivation vital for entrepreneurial success in a variety of settings.

## 2. Drive for Establishing Entrepreneurial Development

Entrepreneurial development refers to the process of enhancing entrepreneurial skills and knowledge through structured training and institution building programmes. It is the ability to identify business opportunities, the ability to be able to harness the necessary resources to use opportunities identified, the ability and willingness to initiate and sustain appropriate actions towards the actualization of business objectives (Osemeka, 2012). It is distinctive in nature since it focuses on the realization of opportunity.

Entrepreneurs who may become successful must be internally driven. The act of creating new venture or becoming an entrepreneur is considered an onerous task which demands firm decision and goal driven activities. Drive affects the individual's ability to initiate, take risk or persevere in any enterprise. Seligman (1991), found that certain people have developed "learned optimism," in which they believe successes are the result of their own hard work while seeing setbacks as external and temporary hurdles they need to overcome. To experience success in any enterprise, Amaeshi (2007) affirmed that entrepreneurs must possess strong intrinsic motivation. In other words, entrepreneurs need a reasonable stock of internal control and mindset to pursue individual goals.

### 2.1 Perceived Locus of Control

Perceived locus of control (LOC) refers to the extent to which individuals believe that they can control events that affect them (Wikipedia, 2009); it is a personality construct defined as perceived control over the events in one's life (Inegbenebor, 2007). This can be internal or external. Individuals with internal locus of control tend to attribute outcomes of events to their own control. They believe that the outcomes of their actions are results of their abilities or efforts (Rotter 1966). People with internal locus of control believe that hard work which would lead to positive outcomes is dependent on critical decision and determination. They strive to have control over events in their lives knowing that every action has its consequences. On the other hand, externals attribute outcomes of events to external circumstances. Kaufmann, Welsh and Bushmarin (1995) defined perceived internal locus of control as the personal belief that one has influence over outcomes through ability, effort, or skills; whereas external locus of control is the belief that external forces control outcomes.

People who have external locus of control believe that important things that take place in their lives cannot be

controlled. They believe that their own actions are as a result of external factors that are beyond their control. Rotter (1966) suggested that people with external locus of control succumb to the belief that powerful others, fate, luck and the precarious nature of world order make the world too complex to predict its outcomes. They tend to blame others for the outcomes rather than themselves and have less control over their actions and goals. Knowing whether one tends toward internal or external locus of control can help a person think about strategies for career or entrepreneurship development and management as well as lifestyle management in general. For example, individuals who believe they are unable to control or influence their performance may not see any reason to start a venture or even improve on it. On the other hand, individuals with a high internal locus of control may even be overly optimistic about their abilities to create their own futures. Neill (2006) posited that with internal locus of control, an individual tends to be achievement oriented. They are bold, ready, original, enthusiastic and willing to explore their talents as well as any opportunity or circumstance that presents itself. The introduction of entrepreneurship education in schools was to allow students become self employed and employers of labour rather than wait endlessly for white collar jobs. This might be unrealizable if the individual has low internal locus of control. Gerrig and Zimbardo (2005) believed that individuals who generally believe they have the ability to control their own environments are more likely to be aware of actions and information that will help them achieve their goals. They tend to work towards improving their situations and to place higher value on their own skills. Conversely, external locus of control has been shown to be positively correlated with a higher risk of experiencing stress, a lower inclination to take risk and a higher preference for conservative behaviour (Inegbenebor 2007).

## 2.2 Empirical research internal LOC and entrepreneurial development

Perceived locus of control is believed to impact significantly on the level of determination, performance, resilience and wellbeing of persons. Other relevant researches also suggest that there is a positive correlation between entrepreneurship development and locus of control. Halim, Muda and Amin (2011) posits that an application of locus of control (LOC) in development of entrepreneurial personality is constantly seen as an effective way of providing entrepreneurs with the right attitude and behavior in order to develop and grow. According to Kaufmann, Welsh and Bushmarin (1995) those who have internal control over the events in their lives have the propensity to engage in entrepreneurial activity.

There seems to be a relationship between internal LOC and entrepreneurial development. However, Kaufmann, Welsh and Bushmarin (1995) reported that Russian entrepreneurs showed significantly high levels of perceived internal LOC. Similarly, Levin and Leginsky (1990) confirmed that entrepreneurial social workers tended to exhibit a greater internal LOC. In general, it is important to understand that entrepreneurs have a vision for a better way of doing things, thinking beyond the constraints of current rules and resources. Perhaps more importantly, they have the passion and sense of urgency that literally compels them to take the risks necessary to realize that vision. They create new organizations to make the changes they want to see in the world and by doing so, they inspire others to follow.

In the light of the above, the number of graduating students willing to embark on innovative ventures and the growth of businesses are most likely to be slim. Students are no longer willing to initiate ideas of their own, become creative or even complete a task. Many students copy and recopy assignments, the increasing rate of impersonation in examinations, poor attendance to lectures are all evidences that students may be far from developing or being masters of their own goals and accomplishments. The way students account for successes and failures in school work activities could also depict a locus of control that may engender entrepreneurship development or not. Many students complain there is no connection between what they write in examination and the grade they get at last. They wonder the parameter teachers employ in grading and awarding marks. Individual readiness and enthusiasm is seen as moving force for entrepreneurship development. Gartner (1990) maintained that those who achieve high level of internal locus of control will become more independent, self confident, realize ideal, control events and are good in decision making. The University is known for training students who will eventually take up leadership position in various professions. Therefore is it necessary for them to acquire the characteristics or exhibit tendencies for entrepreneurial development for the future, more so in the face of global dwindling of white collar jobs. It is against this backdrop that the study seeks to find the relationship between perceived locus of control and entrepreneurial development and job creation among students in the University of Nigeria, Nsukka.

## 3. Purpose of the study

The purpose of the study is to investigate the predictive power of perceived locus of control to entrepreneurial development and job creation among students in the University of Nigeria, Nsukka. Specifically the study sought to determine the:

1. perceived locus of control of students in the Faculty of Education
2. level of entrepreneurial development among students in the Faculty of Education

3. determine the extent to which perceived locus of control predicts entrepreneurial development

### 3.1 Research Questions

1. What is the locus of control of students in the Faculty of Education?
2. What is the level of entrepreneurial development among students in the Faculty?
3. To what extent will perceived locus of control predict entrepreneurial development among students in the Faculty of Education?

### 3.2 Hypothesis

One null hypothesis was tested at .05 level of probability:

H<sub>0</sub>: There is no significant relationship between perceived locus of control and entrepreneurial development

## 4. Method

The study is a correlation study which sought to determine the extent to which perceived locus of control predicted entrepreneurial development among students in the university. The population of the study comprised all the students in the Faculty of Education, University of Nigeria, Nsukka. Available record indicated that there are 2,400 registered students in the Faculty of Education, (*Source: Registrar's Department UNN-students records 2013*). The sample for the study consists of four hundred and forty four (444) registered students in the Faculty of Education. The four hundred and forty four (444) are students who registered for the Faculty course titled-Educational Psychology II (Ed.311). The course is a Faculty course such that students from the entire department in the Faculty undertake the course. They were drawn using purposive sampling technique to compose the sample. A 30-item questionnaire served as instrument for data collection. The questionnaire had two sections with 15 items for each section. The first section had items that helped to determine the perceived locus of control of students. The items were adapted from Rotter's Locus of Control Scale (Rotter's 1966). The second section had items on entrepreneurial development of students. The response options were Strongly Agree (SA), Agree (A), Disagree (D) and Strongly Disagree (SD). The questionnaire was face validated by two experts, one in psychology of education and one in measurement and evaluation in the Faculty of Education, University of Nigeria Nsukka. The experts made valuable observations which helped to improve the instrument. Questionnaire was trial tested using 20 students outside the study area. The internal consistency estimates of the instrument using Cronbach Alpha procedure were 0.70 and 0.76 respectively for the first and second sections. The questionnaire was administered to the respondents by the researchers. Data were presented using descriptive statistics and the null hypothesis was tested using t-statistic. The decision cut off mean was 2.50. Mean scores above the cut off mean were adjudged Agree (A) and mean scores below as Disagree (D).

## 5. Results

The results of the study were presented in line with the research questions and corresponding hypothesis.

**Research Question One:** What is the perceived locus of control of students in the Faculty of Education?

### 5.1 Table 1: Mean scores of respondents on the perceived locus of control of students in the Faculty of Education

S/No	Item Statement	N=444	Mean	Std. Deviation
1.	Becoming successful is a matter of hard work not luck		3.37	0.95
2.	When I study hard, I am almost certain that I will pass		3.38	0.73
3.	It is not always wise to plan ahead because many things turn out to be a matter of good or bad fortune		3.26	1.33
4.	There are some things good in everybody		3.11	1.01
5.	Who gets to be the boss often depends on who was lucky enough to be in the right place first.		2.74	0.96
6.	Getting people to do the right thing depends on ability		3.01	0.90
7.	There is really no such thing as 'luck'		2.77	1.04
8.	One should always be willing to admit mistakes		3.15	0.99
9.	Most misfortunes are the result of ignorance, laziness and lack of ability		3.09	0.95
10.	Sometimes I cannot understand how teachers arrive at the grades they give		3.13	1.01
11.	There is a direct connection between how hard I study and the grades I get		3.13	1.02
12.	What happens to me is my own doing		3.07	0.91
13.	I have not been taken by surprise during examinations		3.03	0.99
14.	The idea that teachers are unfair to students is nonsense		2.81	0.96
15.	Many of the unhappy things in peoples' lives are due to bad luck		2.90	0.96
	<b>Cluster</b>		<b>3.06</b>	<b>0.56</b>

Data presented in Table 1 indicate that all the items dealing with perceived locus of control of students had mean ratings above the decision cut off mean score of 2.50. The cluster mean is 3.06 which is above the benchmark or cut off mean score. The result suggests that students in the faculty of education have internal perceived LOC.

**Research Question Two:** What is the nature of entrepreneurial development among students in the Faculty of Education?

### 5.2 Table 2: Mean scores of respondents showing entrepreneurial development of students

S/No	Item Statement	N=444	Mean	Std. Deviation
16.	I am generally optimistic in life		3.15	0.92
17.	I enjoy competing and doing things better than anyone else		3.15	0.89
18.	When solving a problem, I try to arrive at the best solution first without worrying about other possibilities		2.99	0.91
19.	I will enjoy associating with co-workers after working hours		2.98	0.95
20.	I like setting my own goals and working hard to achieve them		3.02	0.92
21.	I am generally casual and easy going with others		3.27	0.90
22.	I work best when someone else is guiding me along the way		3.16	0.95
23.	I like to know what is going on and take action to find out		3.16	0.91
24.	I found that other people frequently waste my valuable time		2.93	1.06
25.	I like to communicate about myself very openly with other people		2.89	1.02
26.	If faced with failure/unemployment, I would shift quickly to something else rather than sticking to my guns		2.89	1.12
27.	Making a lot of money is largely a matter of getting the right things done		2.88	1.01
28.	I enjoy impressing others with the things I can do		2.98	0.95
29.	I will not try anything that I am not sure of		2.56	0.83
30.	A person only gets a job when he knows people in position		2.29	0.98
	<b>Cluster</b>		<b>2.95</b>	<b>0.47</b>

Data presented in Table 2 reveals that all the items on entrepreneurial development except item number 30 had mean ratings above decision cut off mean score of 2.50. The cluster mean is 2.95 which is above the benchmark or cut off mean score. The summary of the result in Table 2 shows that students in the Faculty of Education have skills for entrepreneurial development.

**Research Question Three:** To what extent will perceived locus of control predict entrepreneurial development among students in the Faculty of Education?

**5.3 Table 3: Correlation between perceived LOC and entrepreneurial development among students in the Faculty of Education UNN**

		Entrepreneurial devt.	Perceived LOC
Entrepreneurial devt.	Pearson Correlation	1	.440**
	Sig. (2-tailed)		.000
	N	444	444
Perceived LOC	Pearson Correlation	.440**	1
	Sig. (2-tailed)	.000	
	N	444	444

\*τ sig. at 0.01 level (2-tailed)

As indicated in Table 3, the relationship between perceived LOC and entrepreneurial development is positive. The correlation is significant at 0.01 level. Thus, the null hypothesis is rejected.

## 6. Discussion

The result of the study has shown that the perceived locus of control among students in the Faculty of Education is internal LOC. The result indicates that the students in the Faculty of Education perceive themselves as able to control events in their lives. That is to say that their lives are not controlled by luck or chance factors. This interpretation is consistent with Rotter (1966) that individuals with internal LOC believe outcomes of their actions are results of their abilities not luck. This suggests that the students are less likely to explain failures and passes in courses they take as dependent on chance factors such as victimization and favouritism by lecturers, uncertainties associated with difficultness of examination questions but on their own efforts. Such a mind set is fertile for entrepreneurial development among the students. The interpretation that a positive mind set enhances entrepreneurial development is consistent with the finding reported by Perry (1990) that an internal locus of control has been one of the psychological traits most often posited as predictive of entrepreneurship.

The interpretation of the result is also consistent with Anderson and Jack (2000) and Neill (2006) that individuals with internal LOC tend to be achievement oriented. They are bold, proactive, original, enthusiastic and willing to explore their talents as well as opportunities or circumstances that present themselves.

The result of the study also disclosed that perceived LOC significantly predicts entrepreneurial development among students in the faculty. Gartner (1990) maintained that those who had achieved high level of internal locus of control will be more enterprising, more independent, self confident, realize an ideal, control events and also good in decision making. The findings provide some support for the belief that perceptions of self reliance may be necessary, if not sufficient condition for entrepreneurial development. This assertion is in line with the findings of Levin and Leginsky (1990) that entrepreneurial social workers tended to exhibit a greater internal locus control. Also, Kaufman, Welsh and Bushmarin (1995) found out that Russian entrepreneurs reported significantly higher levels of perceived internal LOC than external control of powerful others or chance.

## 7. Conclusion

Perceived LOC predicted entrepreneurial development among undergraduate students of the University of Nigeria, Nsukka. Also the students were found to exhibit internal perceived LOC. Therefore there is much likelihood that the students will display great entrepreneurial skills on graduation even under disabling environment as is prevalent in Nigeria. The fund the University system in Nigeria is currently investing in infusing entrepreneurship development in the curriculum will prove money well spent in reducing the high level of unemployment among university graduates in Nigeria.

## 8. Recommendations

It is therefore recommended that:

- Since government has introduced entrepreneurship education in schools, there is urgent need to expand the practical aspects of the curricular relating to entrepreneurship education. Internship programme on business plan development should be integrated for all programmes as part of course requirements in



- entrepreneurship development.
- Students should be sponsored to attend workshops, seminars, conferences on entrepreneurial development and activities in industries.

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