

# Correlates of Entrepreneurial Intention: Implications for Poverty Alleviation Programs

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**Abstract:** *This study investigated the correlates of entrepreneurial intention among youths and adolescents in Makurdi metropolis, Benue state Nigeria. The independent variables in this study included learned helplessness, self-concept clarity, and ambiguity tolerance. Data were collected with the aid of appropriate standardized questionnaires from 860 participants who were selected through a stratified sampling technique in Makurdi metropolis, Benue state Nigeria. The results of the analysis showed that learned helplessness, self-concept clarity and ambiguity tolerance have significant influences on entrepreneurial intention, with learned helplessness showing a significant negative relationship with entrepreneurial intention, while self-concept clarity and ambiguity tolerance showed significant positive relationships with entrepreneurial intention. These findings have great implications for entrepreneurship programs and other forms of poverty alleviation programs. Consequently, the discussion of findings, implications and recommendations were thus presented in this paper.*

**Keywords:** Learned Helplessness, Self-Concept Clarity, Ambiguity Tolerance, & Entrepreneurial Intention

## 1. Introduction

Entrepreneurship as a concept can find its roots in the efforts of Richard Cantillon who was an economist in the late 17<sup>th</sup> and the early 18<sup>th</sup> centuries. The first definitions of entrepreneurship were found in Cantillon's book titled "Essay on the Nature of Trade in General". Cantillon conceptualized an entrepreneur as a person who exchanges a specific price for a product and resells it at an uncertain price, such individual also makes decisions about obtaining and using available resources to maximize other opportunities in order to yield beneficial financial returns. For the purpose of this paper, the researcher carried out an investigation on the correlates of entrepreneurial intention.

Entrepreneurial intention is a dimension of the overall broad concept of entrepreneurship. Several scholars have provided definitions on entrepreneurial intention. Entrepreneurial intention is defined as a set of thoughts in which individuals exert efforts to startup a new firm or a new value driver inside existing organizations (Guerrero, Rialp, & Urbano, 2018). There are crucial traits that support the intention to become entrepreneurs, some of these traits include risk taking behaviors, need for achievements, openness to experience, innovativeness, resilience/ambiguity tolerance, etc.

Entrepreneurial intention is propelled or correlated with several variables, for example perceived economic hardship, availability of capital, perceived need in the society, and personal dispositions may correlate with an individual's intention to become an entrepreneur. However it is not clear on the actual psychosocial variables correlating with entrepreneurial intention (e.g. Uche-Benson & Ejike, 2018; Ismail, 2015; Freeman, Luke, & Phantom, 2018). Consequently, one important way in which further research can contribute to knowledge is to add to number of existing correlational studies on entrepreneurial intention.

In this light, the present study considers the role of certain psychological and socio-demographic variables in predicting

entrepreneurial intention among youths in the metropolis of Makurdi. The variables of consideration in this study included learned helplessness, self-concept clarity, ambiguity tolerance and gender. Learned helplessness refers to the perceived helplessness that individuals experience when they undergo stressful life threatening events. Self-concept clarity describes the extent to which people understand themselves, and the extent to which this understanding is stable and consistent over time. Ambiguity tolerance which refers to the ability for individuals to withstand or stand strong during times of difficulty. Some researchers have opined that ambiguity tolerance is synonymous to resilience.

Going by the aforementioned discussion which provides an insight into this study and describes the core variables in this study, it could become hypothetical that the independent variables in this study i.e. learned helplessness, self-concept clarity and ambiguity tolerance could be correlates of entrepreneurial intention. Possibly because these variables i.e. the independent variables are core skills that are required for individuals aspiring to be successful in entrepreneurship. Furthermore, these investigations are expected to yield results which enrich literature, as most correlational studies on entrepreneurial intention are yet to investigate the correlation of entrepreneurial intention with variables such as learned helplessness, self-concept clarity or ambiguity tolerance, especially within the context of the Nigerian society.

### Purpose of Study

The purpose of study is:

To establish a correlation among entrepreneurial intention, learned helplessness, self-concept clarity and ambiguity tolerance.

### Research Question

The research question is:

What kind of relationship exist among entrepreneurial intention, learned helplessness, self-concept clarity and ambiguity tolerance.

## 2. Theoretical Review

### Planned Behavior Theory

Planned behavior theory was postulated by Ajezen (1991). The theory of planned behavior is a popular theory in the field of entrepreneurship and it is widely utilized in explaining a behavioral approach towards the development of intention to become entrepreneurs. According to this theory, the thoughts processes of individuals can be correlated with their behaviors (i.e. overt & covert behaviors). The theory further postulates that certain psychological and social forces co-interact towards predicting the outcome of our thought and behavioral processes, they include: *attitude towards behavior*, *subjective norms*, and *perceived behavioral control*. In discussion, *attitude towards behavior* illustrates the thoughts processes, feelings and conative behaviors towards the attitude object, i.e. precise behavior. *Subjective norms* refers to the extent which behaviors are determined by the perception of observers. *Perceived behavioral control* refers to the extent to which people expect that the performance of a behavior will be simple or complex. In addition, the stronger the positive the attitude towards behavior and subjective norm, and the stronger the perceived behavioural control, the stronger the likelihood that a person will perform the required behaviour.

### Learned Helplessness Theory

Richter (1957) is credited for developing the theory of learned helplessness. This theory was developed in response to an experimentation using animals and human beings. According to this theory, after animals and human beings have been exposed to persistent life threatening events, there is a breed of perceived feelings of powerlessness, consequently this yields an outcome referred to as "*learned helplessness*". As a result of this experimentation, Richter (1957) defined learned helplessness as a state of perceived powerlessness or helplessness that arises after undergoing a persistent life threatening event.

### Self-Concept Clarity: Adopting a Rope Model

One popular theory of self-concept clarity is the rope model which was introduced by Wittgenstein (1958). According to this theoretical perspective, the strength in a rope rests not only in the fiber, but also in the clusters of many fibers. The theoretical perspective also opined a second assumption that there are numerous "strands" of self-concept that essentially acts as antecedents to the emergence of various situation specific thoughts about one's self, such as self-efficacy, or self-esteem, etc. Consequently these specific thoughts in individuals cause them to various approaches for actualizing these them. Hence understanding of the human self is largely dependent on the thoughts processes and interpretation of internal and external stimuli.

### Ambiguity Tolerance Using Resiliency Theory

Rutter (1987) developed the resilience theory to explain why individuals remain positive during the emergence of hardships within the environment. According to this theory, human beings have dispositions that could either strengthen them to be strong or weak during faces of hardships in the environment. Thus, the resiliency theory supplies the conceptual ideology for investigating and understanding the

justifications behind some entrepreneurs striving to be successful on their businesses in spite of obvious slim chances for success. In essence, resiliency which is largely synonymous to ambiguity tolerance has its focus on environmental and personal variables that interfere or disrupt the attainment of success especially in the setup of a business as applied to the present study.

## 3. Empirical Review

### Learned Helplessness and Entrepreneurial Intention

Eneizan, Al-Salaymeh, and Alshare (2018) in a quest to understand the correlation between learned helplessness and entrepreneurial intention among prospective youth entrepreneur, carried out a study to investigate the roles of psychosocial variables in predicting entrepreneurial intention among youths. The independent variables in this study included learned helplessness, innovativeness, perceived helplessness, gender, age, parents' involvement in businesses and social support. Using a sample size of 212 youths, who were selected using a multistage sampling technique, data were collected questionnaires and analyzed. The results from the analysis showed that, there was a significant negative relationship between perceived helplessness and entrepreneurial intention among research participants. Further findings showed that, there was no significant gender difference on entrepreneurial intention, however a significant positive relationship was found between innovativeness, age and parents' involvement in business and entrepreneurial intention. Consequently to these reported findings, the researchers recommended that further investigations on entrepreneurial intention can enrich knowledge by identifying more correlates of entrepreneurial intention among youth prospects with various cultural differences.

Veloutsou (2017) carried out a study to investigate the predictors of entrepreneurial intention among newly started business owners in Belgium. Using a sample size of 145 research participants who were selected using an accidental sampling technique, data were collected using questionnaires and analyzed. The results showed that there was no significant association between acquired helplessness and intention to become entrepreneurs. Consequently, the researcher concluded that learned helplessness may not account for entrepreneurial intention in this study, but may account for entrepreneurial intention in other studies due to cultural dynamism, hence further studies will be required to checkmate into this.

Alarape and Sunmola (2018) carried out a study to investigate the antecedents of intention to become entrepreneurs among youths in Lagos metropolis. Using a sample size of 600 research participants who were selected using a stratified sampling technique, data were collected with the aid of questionnaires and analyzed. The outcome of the analysis showed that there was a significant negative relationship between learned helplessness and entrepreneurial intention. This suggested that the stronger the perceived helplessness among youths, the weaker their likelihood of becoming entrepreneurs. In summary the aforementioned discussion reflects the related empirical studies on the association between learned helplessness and

entrepreneurial intention, and the knowledge gaps which the present study looks to address.

#### **Self-Concept Clarity and Entrepreneurial Intention**

Merisavo and Gabriel (2018) carried out a study in order to investigate the association between self-concept clarity and the intention to become entrepreneurs. With a sample size of 206 research participants, data were collected using questionnaires and analyzed. The results from the analysis showed that there was no significant correlation between self-concept clarity and intention to become entrepreneurs. Consequently, the researchers recommended that further investigations will be required on the mediating and moderating variables of the association between self-concept clarity and entrepreneurial intention.

Lee and Oh (2018) in a quest to understand the correlation between entrepreneurial intention and self-concept clarity, embarked on a study to investigate a relationship between self-concept clarity and entrepreneurial intention. With a sample size of 312 research participants who were selected using a multistage sampling technique, data were collected and analyzed. The results from the analysis showed that there was a significant positive relationship between self-concept clarity and entrepreneurial intention. This findings implied that stronger self-concept clarity resulted in stronger intentions to become entrepreneurs.

Ayetoro, Akibitan and Olukayode (2018) embarked on a study to investigate the correlates of entrepreneurial intention among youths and older adults in southwest metropolis of Nigeria. Data were collected from 282 research participants who were selected using a stratified sampling technique. The results showed that, among the significant correlates of entrepreneurial intention, it was reportedly observed that self-concept clarity showed a significant positive relationship with entrepreneurial intention. In this light, the researchers recommended that studies should cut across wider research setting for a better generalizability effects of findings.

#### **Ambiguity Tolerance and Entrepreneurial Intention**

Chukwuka and Omisore (2017) carried out a study to investigate the influence of ambiguity tolerance on entrepreneurial intention among prospective entrepreneurs in Nigeria. With a sample size of 516 research participants, data were collected using survey and semi-structured interview design. The results from the analysis showed that participants who were tolerant to highly ambiguous situations were reportedly found to have strong intentions for entrepreneurship. In addition, it was reportedly found that a strong positive relationship was found between ambiguity tolerance and entrepreneurial intention ( $r = 0.85$ ). Consequently to these findings, the researchers concluded that ambiguity tolerance is thus pertinent for entrepreneurial intention.

Lawanson (2018) in a quest to understand the influence of tolerance on intention to become entrepreneurs, embarked on a study to investigate the association between ambiguity tolerance and entrepreneurial intention among entrepreneurs in Lagos metropolis. Using a sample size of 506 entrepreneurs, who were selected using a stratified sampling technique, data were collected and analyzed. The results showed that self-concept clarity showed a significant positive correlation with entrepreneurial intention among research participants. Consequently, the researcher concluded that their finding highlights the core relevance of being tolerant of stressors during business development.

Lastly, Glitzman and Wonderland (2015) embarked on a study to investigate the influence of ambiguity tolerance on the intention to become entrepreneurs among high school students in northwest London. A sample size of 300 research participants were selected using a stratified sampling technique, data were collected from them and analyzed. The results from the findings showed that no significant relationship was found between ambiguity tolerance and entrepreneurial intention among research participants. In summary, the researcher concluded that further investigations were required on the associations between entrepreneurial intention and ambiguity tolerance. In summary, the aforementioned review illustrates the previous findings on the correlation between ambiguity tolerance and entrepreneurial intention, and suggests possible ways in which the present study can enrich knowledge.

#### **Research Hypotheses**

The following hypotheses were tested in this study:

- 1) Learned helplessness will have a significant negative relationship with entrepreneurial intention.
- 2) Self-concept clarity and ambiguity tolerance will have significant positive relationship with entrepreneurial intention.

#### **Research Methodology**

The present study deployed a cross-sectional design. Data were collected through the use of standardized questionnaires from 860 research participants who were selected through a stratified sampling technique from Makurdi metropolis of Benue state Nigeria. Appropriate ethical considerations which included informed consent, confidentiality, equal treatment and respect for participants were applied to research procedures. The research instruments for the study included the learned helplessness scale developed by Quinless and Nelson, (1988); self-concept clarity scale developed by Campbell, Trapnell, Heine, Katz, Lavalley and Lehman (1996); ambiguity tolerance scale developed by Budner (1962), and entrepreneurial intention questionnaire developed by Linen and Chen (2006).

#### **4. Result Presentation**

Inter-variable correlation table

Variables				
	Learned Helplessness	Self-Concept Clarity	Tolerance ambiguity	Entrepreneurial intention
Learned Helplessness	-			
Self-Concept Clarity	-.517**	-		
Tolerance ambiguity	-.534**	-.169**	-	
Entrepreneurial intention	-.796**	.176**	.470**	-
Mean	49.16	26.15	40.90	41.05
Standard Deviation	15.16	13.47	19.28	10.13

\*\* p&lt;.001

The inter-variable correlation result indicate that, there is a significant negative relationship between learned helplessness and entrepreneurial intention [ $r = -.796$ ,  $p < .001$ ]. Furthermore, it was observed that there was a significant positive relationship between self-concept clarity and entrepreneurial intention [ $r = .176$ ;  $p < .001$ ]. Lastly, it was reportedly observed that there was a significant positive relationship between ambiguity tolerance and entrepreneurial intention [ $r = .470$ ;  $p < .001$ ]. Consequently, hypothesis one which stated that learned helplessness will have significant negative relationship with entrepreneurial intention, and hypothesis two which stated that self-concept clarity and ambiguity tolerance will have significant positive relationship with entrepreneurial intention are thus accepted in this study. The positive relationship indicates that, an increase in the score of one variable result to an increase of another while the negative relationship indicates that, an increase in one variable will result to a decrease of another.

#### Discussion of Findings and Implications for Poverty Alleviation Programs

The aforementioned findings in this study thus have great implications for entrepreneurship and other forms of poverty alleviation programs in Nigeria. Firstly, it was reportedly observed that there is a significant negative relationship between learned helplessness and entrepreneurial intention among adolescents and youths in Makurdi metropolis. This observed significance could probably be because perceived helplessness may be considered as a discouragement for entrepreneurial intentions and other forms of risk taking behaviors. Secondly, it was reportedly observed that there was a significant positive relationship between self-concept clarity and entrepreneurial intention among adolescents and youths in Makurdi metropolis. This finding could probably be because a clear understanding of one's self is imperative for identifying a person's field of interests. Lastly, it was reportedly found that there was a significant positive relationship between ambiguity tolerance and entrepreneurial intention. This finding may be justified by the expectation that ability to resist ambiguous situations may make entrepreneurial activities appear attractive enough to individuals.

Hence, a major implication of these observations for poverty alleviation programs is that poverty alleviation programs in form of entrepreneurship or vocational skill training will be required to include and encourage trainings on self-concept clarity and ambiguity tolerance to prospects and trainees. In addition, it was recommended that measures that strengthen prospects against perceived helplessness should also be included during the development of poverty alleviation programs.

#### 5. Recommendations

On the bases of findings from this study, the following recommendations were arrived at:

- 1) Firstly, it is recommended that poverty alleviation programs in forms of entrepreneurial education programs or vocational skills training are recommended to consider trainings against learned helplessness as part of their curriculum.
- 2) Secondly, it is recommended that trainings that support self-concept clarity and ambiguity tolerance should also be inclusive in the development and implementation of entrepreneurial education programs or vocational skills training programs.
- 3) Thirdly, it is recommended that governments, private individuals and international organizations are required to formulate and implement policies that encourage youths and adolescents for entrepreneurship.
- 4) Lastly, as a result of limited resources, the present study did not cut across wider research settings, hence further studies will be required to enrich literature by extending knowledge on this.

Consequently to the aforementioned discussion, the present study concluded that learned helplessness, self-concept clarity and ambiguity tolerance have significant influences on entrepreneurial intention among youths and adolescents, and this has several implications for poverty alleviation programs. Hence, it is imperative enough for decision makers to consider and implement the recommendations from this study for the successful implementation of poverty alleviation programs.

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