

Psychological Readiness and Entrepreneurial Intentions of Unemployed Graduates: What Difference Can Vocational Psychologists Make?

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ABSTRACT

The aim of this study is to ascertain the psychological readiness, entrepreneurial intentions of unemployed graduates and the possible contributions of vocational psychologists in this context. Three research questions and three hypotheses guided the study. Three hundred and twenty-seven unemployed graduates constituted the sample. Questionnaire was used to collect data for the study. Mean, standard deviation, one sample t-test and Pearson Product Moment Correlation Coefficient were used to analyze the data. The researchers found that unemployed graduates had low levels of psychological readiness for entrepreneurship and entrepreneurial intentions. Further, the study revealed a positive correlation between psychological readiness and entrepreneurial intention of unemployed graduates. The contributions of vocational psychologists and limitations for the study were put forward.

Keywords: Psychological readiness, entrepreneurial intentions, unemployed graduates, vocational psychologists.

INTRODUCTION

Unemployment is a global problem but more prevalent in developing countries of the world. The ILO (2007) report showed that the global youth's unemployment rate was projected at 12.7 percent in 2012. The problems of unemployment permeate social, political and psychological realms. Thus, massive youth unemployment in any country is an indication of far more complex problem (Okafor, 2011).

In Nigeria, the situation is even gloomier. According to the National Bureau of Statistics, the average youth unemployed rate in Nigeria was 23.90 percent as opposed to 21.10 percent in 2010. Drawing from Manpower and National Bureau of Statistics records, Awogbenle and Iwuamadi (2010) and Okafor (2011), showed that Nigeria has a youth population of 80 million, representing over 60 percent of the population of the country. Of this number, 64 million are unemployed while 1.6 million are underemployed.

Graduate unemployment has become a national issue in Nigeria as the number of graduates from public and private universities that join the labour market increase every year. In 2012, for example, as much as 5,000 graduates including master's degree holders applied for the post of a driver in one of Nigeria's manufacturing companies. In May, 2014 about seven people were killed in desperate stampedes in National Abuja Stadium where close to 400,000 candidates were scrambling for 3000 job slots in Nigeria Immigration Service (NIS).

The concern over youth employment in Nigeria has triggered off policy initiatives which gave priority to entrepreneurship education and programmes. It is widely believed that entrepreneurship and self-employment are ways of solving the problem of unemployment in Nigeria (Ajufo, 2013) as graduates in Nigeria lack entrepreneurial skills to facilitate self-employment (Oladele, Akeke & Oladunjoye, 2011). Therefore, more and more youths are required to have positive disposition towards setting up their own enterprises. However, despite numerous entrepreneurship programmes and training and the many entrepreneurial options available to graduates, many still seek government and salaried jobs. It is possible that unemployed graduates are not psychologically ready for entrepreneurship and may not have strong entrepreneurial intentions.

Psychological readiness in relation to entrepreneurship has received little or no conceptual clarification. However, Plattner, Lechaena, Mmolawa and Nzingwane (2009) conceived psychological readiness as positive self-concept while Glazer (2009) operationalized it as one's sense of confidence to embark on a task. On the other hand, entrepreneurial intention has been defined as intent to own one's business (Igba, Melhem & Kokash, n.d). Early researcher in the area of entrepreneurial intent such as Ajzen (1991) posits that one's intention towards entrepreneurship can be considered as the predictor to becoming an entrepreneur. It is therefore very relevant that graduates' show high level of entrepreneurial intention.

Level of entrepreneurial intentions of undergraduate students has been examined in many international studies (Achuchuthan & Nimalathan, 2012; Olufunso 2010; Wang & Wong 2004; Zain, Akram & Ghani 2010) with contradictory evidence. In Nigeria recent empirical studies on entrepreneurial intentions (Mohammed & Aparans 2011; Yeboah, Kumi & Jacob 2013) used sample of undergraduates. There is need to ascertain the psychological readiness and entrepreneurial intention of unemployed graduates and the relationship between the two variables.

Literature Review

Literature in psychological readiness in relation to entrepreneurship has received a little attention from researchers. However, Chan (n.d) conceptualize psychological readiness as state of mental and emotional preparedness. In another study by Clement (2005), psychological readiness was conceived as individual readiness to embark on new behaviour measured by Transthematical model of behaviour change. In this study, entrepreneurial psychological readiness will be viewed as one's expression of confidence in his/her ability to start a new venture.

No empirical research is known to the researchers to have specifically dealt with psychological readiness but similar concepts such as self-efficacy and self-concepts have been used in relation to psychological readiness. Self-efficacy is a person's cognitive estimate of his/her capabilities to mobilize the motivation, cognitive resources and courses of action needed to exercise control over events in his/her life (Bandura, 1989). Self-efficacy or self-confidence in a given domain, is based on an individual innermost thought on whether they have the abilities perceived as important to task performance, as well as the belief that they will be able to effectively convert those skills into a chosen outcome (Bandura, 1997). Entrepreneurial self-efficacy has to do with the self-belief, willingness and persistence to overcome the initial anxiety that a new start-up process delivers (Alvarez, 2008). The stronger a person's self-efficacy in relation to a specific task, such as those involved in starting a new venture, the greater the probability that the individual will subsequently engage in that specific behaviour (Crick, Greene & Chan, 1998).

A body of research in the field of entrepreneurship has explicitly investigated the relationship between entrepreneurial self-efficacy and entrepreneurial intentions. Noel (2001) found a positive relationship between entrepreneurial intentions and perceived self-efficacy. Research studies also found that individuals with higher self-efficacy have higher entrepreneurial intentions (Fayolle, 2005; Wang, Wong & Lu, 2002). Respondents with high entrepreneurial self-efficacy also have higher degree of belief that they possess a viable idea for a new business. However, those with high entrepreneurial self-efficacy are more likely to believe they also have an actionable idea.

Entrepreneurial intentions have been defined as an intent to own one's business (Igba, Melhem & Kokash, n.d); while in some studies, entrepreneurial intention is defined as an intent to create a venture. Zhengxia, Genshu and Hui (2012) conceptualize entrepreneurial intention as a mental orientation such as desire, wish and hope influencing their choice of entrepreneurship. In another study, Krueger (1993) define entrepreneurial intention as a commitment to starting a new business. This is accepted as a more encompassing concept than merely owning a business, since intentions have been found to be immediate antecedents of actual behaviour. Entrepreneurial intentions are the first step in an intensive process of starting a venture which is the necessary precursor to entrepreneurial behaviour (McLaughlin 2009). Individuals can intend to become an entrepreneur when the expectation of the entrepreneurship is pleasurable, gaining freedom and the income is high (Venesaar, Kolbre & Piliste, 2006).

Several studies in literature have explored the entrepreneurial intentions of university students. A number of research evidence suggests that university students have low level of entrepreneurial intentions (Achuchuthan & Nimalathan, 2012; Mohammed & Aparans, 2011; Olufunso, 2010). Others found high level of entrepreneurial intentions among the university students (Solevik, 2007; Teixeira, 2010; Wang & Wong, 2004; Yeboah, Kumi & Jacob 2013; Zain et al, 2010). However, these studies did not deal with the entrepreneurial intentions of unemployed graduates and most within international context. Considering the rate of unemployment among graduates and negative consequences thereof, the study examines the level of psychological readiness and entrepreneurial intentions among unemployed graduates as well as the relationship between the two variables.

Hypotheses:

1. Unemployed graduates' psychological readiness for entrepreneurship will be significantly below average
2. Unemployed graduates' entrepreneurship intentions will be significantly below average
3. There is a significant relationship between psychological readiness for entrepreneur and entrepreneurial intentions among unemployed graduates.

METHODOLOGY

Participants

The participants were 327 unemployed graduates from Anambra State of Nigeria. The sample for the study consisted of 159 males and 168 females. 192 had prior entrepreneurship training while 135 had not received any. Convenient sampling technique was used to draw the size.

Instruments

The researchers used questionnaire to obtain information from the sample of the study concerning their psychological readiness and entrepreneurial intention. The questionnaire has three sections. Section A contained information on the demographic data of the respondents such as gender, courses studied in the university, year of graduation, whether they had prior entrepreneurial training and whether they had also received formal career counselling. Section B had nine items measured psychological readiness for Entrepreneurship. The response pattern was based on 5-point likert scale ranging from “Strongly Disagree” (1) to “Strongly Agree” (5). Section C measured entrepreneurial intentions of the participants. Entrepreneurial intention scale was 9-item scale adapted from previously used scale developed by Yeboah, Kumi and Jacob (2013). Its response format was modified from six to a five-point likert. Considering the cultural differences, the two scales were pilot tested before use for the main study. This was done using a sample of 30 unemployed graduates from Enugu State of Nigeria. The alpha coefficients recorded were .82 for psychological readiness for entrepreneurship scale (PRES) and .74 for Entrepreneurial Intentions Scale (EIS).

Data Collection Procedure

The data were collected by the researchers with the help of two research assistants. The procedures for data collection were made clear for the research assistants. The questionnaire was distributed during the youth empowerment programme organized by Anambra State Government for unemployed graduates in Atani and Neni towns in Anambra State in November, 2013. To assure the participants of confidentiality, no names were used. The exercise lasted for 25 minutes. After the exercise, the researcher collected the questionnaire with the help of research assistants before the programme commences. A total of 350 questionnaires were distributed to the participants and 340 were recovered, 13 discarded for improper completion and the final 327 copies were used for final analysis.

Method of Data Analysis

Mean, standard deviation, t-test and Pearson Product Moment Correlation Coefficient were used for data analysis. The following mean scores guided the decision on level of psychological readiness and entrepreneurial intentions: Mean scores below 31.49 = Low; 31.50 – 40.49 = Medium and 40.50 & above = High

RESULTS

Respondents Characteristics

Analysis of the demographic information of the sample shows that males constituted 49% of the respondents while females constituted 51% of the sample. The respondents' year of graduates ranged from 1 year to 13 years, with a mean of 5.81 and standard deviation 3.59. One hundred and ninety-two (59%) had received entrepreneurship training while 135 (41%) had not received any. Of the number that received prior training, greater proportion, 123 (64%) received through their school programme while 36% received from external sources. Greater proportion of the sample, 201 (61.5%) had also received formal career counselling while 126 (38.5%) had not received.

Table 1. Mean and Standard Deviation Scores of Male and Female Unemployed Graduates on Psychological Readiness for Entrepreneurship & Entrepreneurial Intentions

Variables	N	Mean	Std Dev.
Psychological Readiness	327	30.84	6.96
Entrepreneurial Intentions	327	30.18	7.89

Table 1 shows that the mean score on psychological readiness for the entire sample was 30.84. This shows a low level of psychological readiness for entrepreneurship. The mean score for entrepreneurship intentions was 30.18, an indication that unemployed graduates had low level of entrepreneurship intentions.

Hypothesis One:

Unemployed graduates' psychological readiness for entrepreneurship will be significantly below average

Table 2: Summary of One Sample t-test on Level of Psychological Readiness of Unemployed Graduates

	N	Mean	Test-Value	Std. Dev	Std. Error Mean	t	P-value
Psychological Readiness	327	30.84	31.50	6.96	.38485	-1.72	.09

Mean score on psychological readiness of unemployed graduates (30.84) was not significantly less than the test value (scale average = 31.50), $t(df=326) = -1.72, P>0.05$. It was concluded that unemployed graduates' psychological readiness was not significantly below average.

Hypothesis two:

Unemployed graduates' entrepreneurship intentions will be significantly below average

Table 3. Summary of one sample t-test on level of Entrepreneurial Intentions of Unemployed Graduates

	N	Mean	Test-value	Std. Dev	Std. Error Mean	t	P-value
Entrepreneurial Intentions	327	30.18	31.50	7.89	.44	-3.02	.00

Mean score on entrepreneurial intentions of unemployed graduates (30.18) was significantly less than the test value (scale average = 31.50), $t(df=326) = -3.02, P<0.05$. It was concluded that unemployed graduates' entrepreneurial intentions was significantly less than average.

Hypothesis Three

There is a significant relationship between psychological readiness for entrepreneurship and entrepreneurial intentions of unemployed graduates.

Table 4: Correlation between psychological readiness for entrepreneurship and entrepreneurial intentions.

	1	2
1. Psychological Readiness	-	
2. Entrepreneurship intention	.76*	-

*Correlation is significant at the 0.01 level

Table 4 shows that there was a significant positive correlation between psychological readiness for entrepreneurship and entrepreneurship intentions of unemployed graduates, $r(327) = .76, P = .000$. This is an indication that increase in psychological readiness among unemployed graduates will likely contribute to 57% increase in their entrepreneurship intentions.

DISCUSSION OF FINDINGS

The aim of this study is to ascertain the level of psychological readiness and entrepreneurial intentions of unemployed graduates as well the relationship between the two variables. The study also reveals that unemployed graduates have low level of psychological readiness. The finding failed to support the previous research by Noel (2001), who found that university students have high level of self-confidence to start a business. The reason for this

result may be that environment does not promote and nurture new business start-ups. Probably this made the graduates not to have sufficient self-confidence to start their own business. Entrepreneurship can flourish if potential entrepreneurs find opportunities in the environment, and if environmental conditions motivate and enhance entrepreneurs' ability to start and manage a new business.

The results of this study show that unemployed graduates have low level of entrepreneurship intentions. The result of the present study is consistent with the findings by Achuchuthan and Nimalathasan (2012), Mohammed and Aparans (2011) and Olufunso (2010) who found that university students have low level of entrepreneurial intentions. One of the plausible reasons for this situation is that entrepreneurship education in universities seems to have failed to nurture and develop the desirable skills and competencies required for job creation and self-employment. Most graduates therefore are inclined to work for and with others than to become entrepreneurs. However, the result of the present study did not support the works of Solesvik (2007), Teixeira (2010) and Yeboah, Kumi and Jacob (2013) who found high level of entrepreneurial intentions among university students.

Another interesting finding reveal that psychological readiness for entrepreneurship intentions have positive relationship. The result of the present study supports the works of Noel (2001) and Zhao, Seibert and Hills (2005) who found a positive relationship between entrepreneurial intention and self-efficacy. This means an increase in psychological readiness will likely lead to increase in entrepreneurship intentions. It is therefore a worthwhile venture to have more contribution of vocational psychologists and career counsellors in Nigeria towards enhancing psychological readiness of both undergraduates and graduates for entrepreneurship.

Implications for Vocational Psychology/Career Counselling

Even in periods of unemployment, vocational psychologists have been known to initiate interventions for the well-being of the affected (Audhoe, Hoving, Sluiter & Frings-Dresen, 2010). This is yet to be in practiced in Nigeria. In this time of high rate of unemployment, graduates are expected to be more of job creators and less of job seekers, therefore vocational psychologist/career counsellors are expected to develop both school-based and community based programmes to make this happen.

It terms of community based programmes, intervention programme for different groups of graduates by vocational psychologist/career counsellors could be organized to help them acquire the necessary mindset to make this transition and adjust to the changing demands nationally and globally. Similar community-based intervention was reported in Spain by Rodríguez (2013).

The vocational psychologists/career counsellors are seen as curriculum developers and innovators. This is shown in school-based programmes which could include; initiating the development of new courses and being part of the entrepreneurship education and training. These programmes should be geared towards helping undergraduates develop assertive behaviours and self-confidence. This will help students build supportive confidence and a more positive mindset towards entrepreneurship. Once they develop positive mindset on entrepreneurship, they will have the self-confidence to start a business venture after graduation.

Furthermore, vocational psychologist/career counsellors can play the role of advocates for the youth. In the Nigerian context where the business environment is currently difficult for doing business in terms of adherence to government regulations, they could form an advocacy group. The aim of which will be to create more amenable conditions for the youth entrepreneurs. This is likely to reduce anxiety over business set up by graduates.

Limitations of the study

The sample for the study was based on convenience and may not necessarily be representative of all the unemployed graduates in Anambra state. Hence, the findings may suffer from external validity. In addition, the small sample size may also affect the generalisation of the findings.

CONCLUSION

The solution to the high rate of youth unemployment in Nigeria is believed by many to lie in self-employment. After many years of providing the youth with many entrepreneurship training and options, greater proportion still seek

employment in government and private sectors. The reason why this is so has been explored from many angles but attention has not directed at the psychological readiness for entrepreneurship and entrepreneurial intentions of the unemployed graduates. This work found that there exists low psychological readiness and entrepreneurial intentions among graduates from Anambra State of Nigeria. Furthermore, it found a high positive correlation between the two variables such that increasing graduates' psychological readiness would likely lead to an increase in their entrepreneurial intentions. It further provided the possible contribution vocational psychologists/career counsellors can make in building self-confidence is associated with psychological readiness among the undergraduates and graduates so as to increase their entrepreneurial intentions. Although the sample size and approach limits the generalizability of study's findings, the work has contributed to the understanding of limited youth entrepreneurial engagement in Nigeria. Further studies may examine factors such as Nigeria business environment, nature of entrepreneurship training, among others that might be exerting some influence on graduates' psychological readiness and entrepreneurial intentions.

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