UNIVERSITY OF GHANA

THE EFFECT OF ACCESS TO CREDIT ON STUDENTS’ ENTREPRENEURIAL INTENTIONS; A CASE STUDY OF VALLEY VIEW UNIVERSITY, OYIBI

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THIS LONG ESSAY PRESENTED IS SUBMITTED TO THE UNIVERSITY OF GHANA LEGON IN PARTIAL FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF THE DEGREE OF MASTER OF SCIENCE IN ACCOUNTING AND FINANCE

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DECLARATION

I, the undersigned hereby declare that this long essay is the result of my own original work towards the degree of Master of Science in Accounting and Finance and that no part of it to the best of my knowledge has been presented for another degree in this university or elsewhere except where acknowledgement has been made in the text.

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CERTIFICATION

I hereby certify that this long essay was supervised in accordance with the procedures laid down by the University.

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DEDICATION

I wish to dedicate this project to God Almighty for making it a success. I also dedicate this work to my family especially my parents who gave me the needed backing to climb this level of the academic ladder. The study is also dedicated to my supervisor, Prof. Godfred A. Bokpin.
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ABSTRACT

The critical role entrepreneurship play in economies made it necessary for the study to be done to examine critical factors that affect students’ Entrepreneurial Intentions. The heightened rate of unemployment in Ghana coupled with the Ghanaian youths’ overreliance on the state for employment made the conduct of this study critical and timely, as it sought to assess the effect of access to credit on students’ entrepreneurial intentions at the Valley View University, Oyibi.

The convenience sampling technique was used to select 150 students of VVU. The quantitative methodology was used for study. A self-designed questionnaire which consists of close-ended questions was used to collect data from VVU. After a cross-section data was gathered, the data was analyzed using the Statistical Package for Social Sciences (SPSS). The regression analysis that was conducted found a positive relationship (R² = 0.11) between access to credit and entrepreneurial intentions of students of VVU. The study also found that students have negative perceptions about entrepreneurship, as most of them perceived entrepreneurship to be a risky venture; the field is meant for only student who are talented entrepreneurs; and the field is meant for students who are from rich homes. The entrepreneurship education in universities was also found to be non-practical. It is therefore recommended that the state should consider creating equity fund to supporting the financing of entrepreneurship.

It was also recommended that students should be reoriented about the benefits of entrepreneurship.
CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

According to Holt (2003), entrepreneurship is a risk bearing activity which involves the combination of factors of production like land (natural resources); labor (human resource) and capital to produce goods and services to satisfy needs. Schumpeter (1934) also saw entrepreneurship as an enterprise of creativity where an individual entrepreneur formulates his own business pattern of ideas or models to solve problems. Unlike the earlier authors, Schumpeter situated his definition on not just the identification of needs but also the use of one’s ingenuity to introduce a new paradigm of problem-solving which otherwise did not exist. He describes this process of dismantling the already existing pattern and creating a new structure as “creative destruction”.

Kayode et al., (2014) saw risk bearing; investment of one’s effort and resources; creation of something of value; and profitability as the core elements of entrepreneurship. Considering all the diverse definitions by the different authors, it is clear that all the definitions seem to have some key resemblance, thus; risk bearing, creativity and problem-solving.

The importance of entrepreneurship to individuals and economies is not in any way in dispute, as it is seen as a medium from which useful and economic application of land, man power as well as capital spring. It therefore prevents resource dormancy and idleness (Holt, 2003). In this era of upsurge graduate unemployment in Ghana and other developing nations, entrepreneurship has
become a necessity. Several thousands of students graduate from the various tertiary institutions in Ghana. One would have expected that with the passing out of these youngsters who have obtain knowledge from different fields of academic discipline, these young graduates could apply the knowledge they have obtain to transform their societies by identifying and solving pressing problems but the contrary is true in the case of Ghana and many other developing nations. The main question that remains unanswered is, “why do graduates after acquiring skills end up as burden to society” Ghanaian youth, especially graduates seems to have an insatiable urge to work for others rather than for themselves, this phenomenon predates back to the country’s colonial days (Kayode et al., 2014).

The seeming lack of youth interest in entrepreneurship has heightened the country’s unemployment rate to an astronomical level. Those who have passion for entrepreneurship have had their dream shattered because of the difficulties that comes with raising funds to support their dream (Olowe et al., 2013).

Mokua (2013) postulates that accessing loan from the commercial banks is expensive and inconvenient for graduates. The incident of unemployment has become a national security threat, as the unemployed engage in several nefarious acts in their desperate quest to seek survival. Several attempts by successive government (both past and present) in the past two decades to deal with the problem have proven futile, as the rate at which graduates are being poured into the system far outweigh the employment opportunities that exist to absorb them. The 6th February, 2018 edition of myjoyonline.com stated that only 10% of graduates who enter the job market every year are able to secure jobs. A study by Ghana Statistical Service in the year 2017 also found that about 4.9% of Ghanaians were unemployed.
Without any doubt, entrepreneurship hold the magic wand to dealing with the problem of unemployment in Ghana, yet it is obvious that many students at the tertiary level as well as graduates are not involved in entrepreneurship. The current study seeks to examine the various factors that affect youth ability to engage in entrepreneurship by laying emphasis on access to credit.

1.2 Statement of Problem

The critical nature of entrepreneurship in this era of increased unemployment has attracted the interest of the academia on the issues of self-employment. There are manifold of researches that have sought to examine the factors that influence youth willingness to pursue entrepreneurship. Hisrich and Shepherd (2008) postulate that graduates perception about self-employment has the propensity to affect not only the supply side but also the demand side of entrepreneurship. The study was however limited in scope as it examined only the perception graduates have about entrepreneurship at the neglect of other variables.

Yarima (2014) also considered the impact of commercial banks on the establishment and growth of SME’s. Further studies by Kuratko (2005) perceives the decision by many tertiary institutions in the United States of America, Europe, East Asia and Latin America to design and implement significant entrepreneurship teaching programmes as a step in the right direction. Although almost all degree and diploma-awarding tertiary institutions have in recent time included entrepreneurship in their curriculum, significant majority of students fail to engage in entrepreneurship whiles they are in school (Basardien et. al, 2016). This situation has made job creation a major challenge of successive government.
Though some studies from Ghana have investigated the effect of access to credit and graduates’ entrepreneurship intentions, they have all been narrowed to graduates and tend to neglect students. Studies have shown that 90% of students who enter the job market every year are unable to secure jobs (myjoyonline.com, 2018). This has resulted to the increase in the rate of graduates’ unemployment to 4.9% (GSS, 2017). There is no single study that has focused on students’ entrepreneurship in Ghana, but the fact cannot be denied that in order to Ghana to win the fight against unemployment, a stronger emphasis must be laid on student entrepreneurship, as it will prepare students even before they enter the “world of work” (Turker & Selcuk, 2009). This makes it imperative for the entrepreneurial intentions of students to be examined. Unlike the earlier studies which were narrow in scope, this study will also consider a wide array of factors affecting self-employment, thus the perceptions graduates have about entrepreneurship, graduates interest in entrepreneurship and ultimately the effects of access to credits on graduates’ entrepreneurship.

1.3 Objectives of the Study

The objective of this study is to critically examine how accesses to credit affect students’ entrepreneurship in Ghana.

The specific objectives are to:

1. The effect of access to credit on students’ entrepreneurship at the Valley View University, Oyibi.

2. Examine the various perceptions students have about entrepreneurship at the Valley View University, Oyibi.

3. Examine the factors that hinder students’ entrepreneurship at Valley View University, Oyibi.
1.4 Research Questions

1. What is the effect of access to credit on students’ entrepreneurship at the Valley View University, Oyibi?

2. What are the various perceptions students have about entrepreneurship at the Valley View University, Oyibi?

3. What are the factors that hinder students’ entrepreneurship at the Valley View University, Oyibi?

1.5 Scope of the Study

This study is into the effect of access to credit on Students’ Entrepreneurial Intentions with specific emphasis on the Valley View University, Oyibi.

1.6 Significance of the Study

The importance of this study stems from the fact that a significant majority of student in Ghana become jobless soon after completing school. This study can be justified also on the grounds that its outcome will set the pace for revolutionizing the economy of Ghana through an increased youth self-employment. The study will also bring to bear the various inhibitions of entrepreneurship in Ghana. The outcome of this study will also add on to the existing literature on entrepreneurship by situating it within the context of developing economies like Ghana. The outcome will also be useful to policy maker with regard to battling unemployment. Universities and other academic institution will also find the outcome of this study useful, as it will guide them in their design of curricular that respond to the issue of unemployment which is invariably the most pressing challenge of economies across Africa.
1.7 Limitations of the Study

Although there are many private and public universities in Ghana, due to lack of resource and time constraint, the study was limited to only Valley View University, Oyibi.

1.8 Definition of Terms

**Entrepreneurship:** it is activity which involves that the productive use of factors of production to solve societal problem for gains.

**Unemployment:** is the situation whereby active, willing and productive human resources are left idle.

1.9 Organization of the Study

This study has been divided into five main chapters as follows:

Chapter one is the Introduction. This deals with the Background of the Study, Statement of the Problem, Objective of the Study, Research Questions, and Significance of the Study, Scope and Limitation of the Study, Definition of Terms and Organization of the Study.

Chapter two is the Literature Review.

Chapter three is Methodology. It entails the Type of Research, Population, Sampling and Technique, Data Collection and Method of Data Analysis.

Chapter four is the Results and Discussion of Findings. This highlights General Information on Sampled Firms, Data Presentation and Analysis, and Discussion of Research Findings.

Chapter five is the Summary of Findings, Conclusion and Recommendations of the Study.
CHAPTER TWO

LITERATURE REVIEW

2.1 Theoretical Literature

In the field of entrepreneurship, countless theories have attempted to assign explanations to the factors behind individual’s decision to engage in entrepreneurship. The study will review the Discovery and opportunity theory of Entrepreneurship (equilibrium destruction theory) by Schumpeter (1934); Sociological Theory by (Weber, 1920) and the Traits Theory by (McClelland, 1961). In order to understand the factor that affect the supply side of credit to entrepreneurs and the flow of credit from financial intermediaries, the study reviewed the Credit Rationing Theory and Access to Finance by Stiglitz and Weiss (1981) and Credit Channel Theory by Diagne and Zeller (2003).

2.1.1 Sociological Theory of Entrepreneurship

The sociological theory of entrepreneurship which was promulgated by (Weber, 1920) considers socio- cultural factors as the main driving force behind people’s willingness to start a business. In the view of the researcher, the founder of a business becomes a role-performer who acts in line with what the larger society expects. According to the proponent of the theory, the entrepreneurial decisions are founded on religious and customary considerations. The theory anchored on capitalism which revolves around free enterprise economic management. Weber stated that, “Capitalism thrives under the protestant work ethic that harps on these values. The right blend of discipline and an adventurous free-spirit defines the successful entrepreneur”.
2.1.2 Discovery and Opportunity Theory

According to Schumpeter, entrepreneurship should not be seen as imitating other people’s ideas but rather unleashing one’s innovation, creativity and ingenuity to create value to support societal development through the delivery of goods and services. In the view of the Schumpeter, entrepreneurs are economic and social leaders whose ultimate interest is in the joy of serving their society with less interest in the accompanying financial reward.

Marire et.al (2017), states that "Schumpeter hardly denied the fact that the process of accumulation is the ladder to social power and social prestige; but he thought the very mainspring of the exercise of the entrepreneurial role is the powerful will to assert economic leadership.”

The pleasure of carrying through novelties is the primary motive, the gaining of social power is a subordinate to it. The entrepreneur is not essentially the one who invents new combinations but the one who identifies how the new groupings can be applied in production. This line of thinking implies that a business owner is considered an entrepreneur only if he is carrying out new combinations of ideas.

2.1.3 The Traits Theory by McClelland (1961)

According to the researcher, McClelland (1961), there are some inherent qualities which entrepreneurs are born with. Innovation, restlessness, personal control, self-confidence and desire for independence were mentioned by McClelland as some core and unique qualities of an entrepreneur.

The traits theory, just like other theories has received criticisms however the fact that it exemplifies the various behavioral dispositions that promote entrepreneurship cannot be denied.
According to Shapiro and Sokol (1982), the urge to engage in entrepreneurship comes when an individual goes through entrepreneurial event. The change in individuals’ perception of the environment is influenced by such entrepreneurial events (Maalu & Magutu, 2010).

2.1.4 The Credit Rationing Theory and Access to Finance

The credit rationing theory, propounded by Stiglitz and Weiss (1981), offer a framework for examining financial market inadequacies. It declares that as far as developing countries are concerned, information asymmetry is the key source of financial market malfunction.

Interest on loans is not the only factor that commercial banks consider when lending to economic agents but also the risks of such loans. The authors further held that the interest on loans have the likelihood to affect the risks of a pool of financial institutions. The eventual outcome of these two key problems are that banks have the choice to various screening means to detect possible borrowers who are more likely to pay back their loans; since the likely return on such loans is contingent on the likelihood of payment.

One of the approaches of examining recommended by Stiglitz and Weiss is the interest rate that a person is prepared to pay. This is for the reason that, given the well-organized financial markets hypothesis, borrowers who are ready to pay high interest rate may on the average fail to pay the loans collected and the banks are not encouraged to provide loans to such borrowers (Diagne, & Zeller, 2001).
2.1.5 Credit Channel Theory

Diagne and Zeller (2003) pointed out that the recently progressive “credit channel view” denotes that real economic performance and supply of credit by financial intermediaries is greatly affected by monetary policy shocks. In turn, they stated, the literature makes a clear dissimilarity between a “bank lending channel” which relates to only commercial banks and is linked to the dual roles they play in the economy which is holders of depositors’ funds and generators of loans to businesses and a “broad credit channel” which treats the supply of external funds to firms by all financial intermediaries.

The credit channel similarly shares the view that there is an existence of market deficiencies, in specifically with regards to information lopsidedness between borrowers and lenders which result to this monitoring cost premium (Oluwatomiye et al., 2015).

2.1.6 The Concept of Entrepreneurship

The etymology of the word entrepreneur comes from a French word “entreprendre”, which translate into English as “to undertake” or “to attempt” (Carland & Hoy, 2002). The first theory of entrepreneurship is said to have been developed by Richard Cantillion in 1755. Cantillon saw an entrepreneur as an individual who engages in a business venture in the midst of uncertainties (Abualbasal et al., 2019). Subsequently, other definitions and meanings have been assigned to the term “entrepreneur”, where the central variation between the various definitions depends on their opinion of risk taking and the responsibilities associated with risk.

The issue of risk bearing is known to be the key difference between the manager and the entrepreneur, thus whiles an entrepreneur is a risk taker, and the managers’ job is risk-free (Bates, 2013). This is what characterized the field of entrepreneurship into three main subdivisions; such as the German division, the neoclassical division and the Austrian division.
The German division do not perceive the entrepreneur as risk bearer but as responsible for exploiting business opportunities, hence not the holder of risk. The neoclassical division sees the entrepreneur as people who both explores and exploit business opportunities, and also the risk taker. The final division, which is the Austrian branch, perceives the entrepreneur as an individual who is focused on manipulating business opportunities, which makes the entrepreneur the risk taker (Burritt & Schaltegger, 2014).

Shane and Venkataraman (2000) term the activity of entrepreneurship with exploring a gainful business prospect, then to have the understanding and the motivation to exploit it, and then the needs to be a leeway to exploit it. They simplified that process as an entrepreneur plus (prospect) opportunity equals entrepreneurship. There is a link between this and the neoclassical view of the entrepreneur, which consider both the conception of entrepreneurial ideas and the exploitation of opportunity. Others define entrepreneur as one who put together and manages a business and assumes the risk for the sake of making profit (Marire et al., 2017)).

Entrepreneurship is most often linked with novelty and high growth businesses but it is equally important to clarify that entrepreneurship also include startups (Burritt & Schaltegger, 2014). Schumpeter (1934) does not consider the entrepreneur as a risk bearer, he saw capitalists to be those responsible for taking risk. The neoclassical approach views the entrepreneur as the one who both explore and takes advantage of a business opportunity and is hence the carrier of risk (Yarima, 2014). Notwithstanding the lengthy history of entrepreneurship, scholars have been unsuccessful to agree on a sole description of who an entrepreneur is, and what entrepreneurship is (Gideon, 2010).
Some scholars are of the view that entrepreneur are born with the innate ability to explore opportunities within their environment and make gains out of them whiles other scholars hold a contrary view. The question on whether entrepreneurs are born or made is an ongoing debate, which has attracted divergent opinions from researchers (Matthews & Jenkins, 2011).

Schumpeter (1934) saw entrepreneur as an exceptional person, who is born with outstanding qualities. This view has been reinforced by countless scientific literature that considers the entrepreneur as a person with desirable personality traits and ability to bear risk (Burritt & Schaltegger, 2014). The other side of the argument clings to the idea that everyone capable of becoming an entrepreneur (Lange & Bygrave, 2011). Muhammed Yunus, Nobel’s laureate said, “All human beings are born entrepreneurs. Some get a chance to unleash that capacity. Some never got the chance, never knew that he or she has that capacity”. This statement gives impetus to the fact that none of us lack the ability of becoming an entrepreneur but the fact cannot be denied that not everyone in our society gets to reveal his talent (Yunus, 2013).

2.1.7 Students’ Entrepreneurship

The approach of students towards entrepreneurship has been studied in different countries, each study considered a number of variables and how those variables affect the attitude of students towards entrepreneurship. In the United Arab Emirate, Majumdar and Varadarajan (2013) conducted a study on the consequence of gender on the entrepreneurial intention among students, what triggered the need for the study was the gap that existed between female students’ in higher academic results compared to their low employment rate. Their research revealed that gender had negative relationship with entrepreneurial intention but it was found that there are numerous factors, which affect entrepreneurial intention. One of the key factors that was found to impact students’ attitude regarding entrepreneurship was awareness. On the other hand, a study which
was similarly conducted to examine the effect of gender on students’ entrepreneurial which sampled 3,420 university students in over ten countries concluded that gender has a significant positive effect on students’ attitude towards entrepreneurship. The study further found that female students are less eager to begin their own businesses as compared to their male counterparts (Burritt & Schaltegger, 2014).

According to Oluwatomipe et al., (2015) a friendly university environment that offer the needed information and motivation for entrepreneurship is one of the most important factors that influence students’ entrepreneurial intention resulting in an upsurge in selecting an entrepreneurial career among the youth. Furthermore, educational support was found to have a major effect on entrepreneurial intentions than mechanical support, which stresses the essence of entrepreneurship education in improvement of entrepreneurial undertakings in the economy.

A research which was done by Anabela et al., (2013) on the factors that influence entrepreneurial intentions examined factors like tolerance to uncertainty, locus of control, need for accomplishment and innovativeness. The study found that these variables are not linked with intentions of students to start their own businesses. Similarly a study by Sesen (2013) showed that there was a strong connection between access to business information, university’s supportive environment and students’ need for achievement from one side and the entrepreneurial intention from the other side is not substantial. The outcome of further research on the subject entrepreneurial intention of students has shown that a number of factors like personal, family and peer influences could influence students’ entrepreneurial ambitions of business school graduates (Burritt & Schaltegger, 2014).
Also, financial security was also established to be a significant variable that influence students’ entrepreneurial intentions; Hattab (2015) concluded that students are in most cases discouraged by a fear of financial uncertainty. In contrast, under developed countries were found to have positive factor affecting students’ entrepreneurial intention (Oluwatomipe et al., 2015).

2.1.8 Personality Traits of Entrepreneurs

Entrepreneurs’ personality traits have been proven by Bates (2013) to have great influence on a person urge to establish a business and his ability to excel.

Need for Achievement: In the early of 1961s, McClelland introduced achievement motivation into entrepreneurship literature. He claimed that high desire for achievement can be categorized by a desire to do something well in order to achieve a feeling of accomplishment. Later in the late of 1987s, McClelland demonstrated that “need for achievement” is one of the powerful personality traits of successful entrepreneurs. This was also supported by Barkham (1994), whose studies found that the need for achievement in individual’s characteristics was crucial to become a successful entrepreneur. According to Chatterjee and Dass (2015), the need for achievement culminates into high ambition and self-motivation, which is necessary for an entrepreneur to recognize larger goals even against many other odds.

Locus of Control: In late 1966s, Rotter defined theories of control that emphasize on the individuals’ perception towards the result of an event as being within or outside his or her control and understanding (Lawan et al., 2015). According to Mueller and Thomas (2001), individuals with internal locus of control are those who notice that the outcome of events is within their control; they highly trust in themselves to be in control of their fate. On the other hand,
individual with external locus of control always believe that events are outside their control and suppose they are under the control of people around.

**Propensity for Risk Taking:** Risk-taking inclination has an person’s ability to boldly venture into enterprise without any fear of failure (Chatterjee & Dass, 2015). Risk taking ability is always considered to have great bearings on entrepreneurial orientation, as entrepreneurs may not necessary know the full outcome of their investment decisions. For instance it takes boldness to borrow money from a bank and use it to start a business when one is not sure of his ability to succeed and repay the loan. According to Kumar and Sihad (2012), risk taker characteristics help an entrepreneur to become more effective when facing business challenges. Innumerable literatures on entrepreneurship underscore the significance of risk-taking attitude in entrepreneurship.

**Desire for Independence:** Successful entrepreneurs portray self-determination and independence, as innovators who voiced out their ingenuity and explored their ideas without the endorsement of others; in consequence they usually refuse to accept the status quo (Sirec & Mocnik, 2000). In the late 1977s, Kets de Vreis proved that autonomy or independent behavior is one of the requirements of entrepreneurial success. This is because the need for autonomy is critical to the venture commencement process which is associated with a firm decision making (Chatterjee & Dass, 2015). According to Bates (2013), the need for autonomy is a characteristic that makes one feel free from been influenced by authority and the control of others regardless of commanding structures, personal dependency and or procedural constraint.

**Self-Esteem:** According to Lawan et al., (2015), self-esteem often reveal individual’s character towards how much they will subject themselves to any probable personal or financial loss or
damage when confronted with any uncertainty. Self-esteem has become one of the key qualities of entrepreneurs (Marire et al., 2017).

Passion: Hattab (2015) found passion as one of the most practical traits of an entrepreneur. The author held that in order for one to succeed in his chosen field of endeavor; there is the need for the person to be passionate about that activity.

Proactivity: According to Crant (2000), proactive personality can be describes as a behavioral tendency to identify opportunity to take action that influence environmental change. An entrepreneur with proactivity behavior always scan for opportunities, show strong ingenuity in taking action, and persevere until they achieve their target by bringing the changes.

Tenacity: A person with high tenacity is the one who is able to sustain goal-directed action and toughness when faced with sudden difficulties (Lawan et al., 2015). This trait also describes ability and the willingness of the entrepreneurs to confront daunting barriers when entering the market.

Self-Efficacy: According to Bates (2013), self-efficacy refers to an individual’s decision with respect to their ability in implementation. In late 1997s, Bandura posits that self-efficacy is a trait that enables an individual to have strong trust in his or her own capability to attain a set goal by employing the right skills, resources, and expertise. Consequently, Chatterjee and Dass (2015) concluded that individual with advanced level of self-efficacy will be able to accept negative feedback in a more positive manner and absorb the response as one of the orientation to enhance their performance and efficiency. Therefore they are more self-responsible in decision making and when changes are needed (Kumar & Sihadg, 2012).
**Tolerance to Ambiguity:** Tolerance to ambiguity is one of the fundamental entrepreneurial traits, and it is assumed that an entrepreneur is more broadminded to vagueness in any condition compare with non-entrepreneurs. This view was supported by Abualbasal (2019) who suggested that entrepreneurial success is always linked with the readiness to bear instability.

**Innovativeness:** In the early 90s, Schumpeter stated that an entrepreneur should be an innovator. This view was also reinforced by Oluwatomipe et al., (2015) who held that novelty is a foremost tool for entrepreneurs to exploit ideas in generating new business opportunities. Mueller and Thomas (2000) also stated that novelty is one of the primary themes in putting business ideas to become a business venture. Innovation has therefore become a personality trait that allows entrepreneur to add new wealth-yielding capacity into resources (Marire et al., 2017).

**Optimism:** According to Oluwatomipe et al., (2015), successful entrepreneurs is the one who always execute and act by a distinct set of cognitive thinking process and responds accordingly due to the optimistic characteristics that believes things will get well. Further studies from literature that focus on entrepreneur characteristics show that successful entrepreneur often make decisions and judgment based on their positive outlook (Bates, 2013).

**Openness to Experience:** Sincerity to experience is a personality that includes traits like active imagination, intellectual curiosity, and independent judgment (Smith, 2013). Zhao (2010) found that openness to experience can greatly impact the entrepreneurial intensions and business performance.

**Agreeableness:** According to Marire et al., (2017), agreeableness is when an individual is concerned about the plight of others and ready to help them, at the same time believe that the others will be equally helpful in return. The statement proves that agreeable person is high
selfless. High level of agreeableness affect the social reactivity, but benefit in developing a reciprocal relationship with stakeholders which harmoniously help to increase the business profitability (Lawan et al., 2015). However, in the findings of Zhao and Seibert (2006), they expect entrepreneur with high level of agreeableness can be suffering more from bargaining disadvantage. Thus, they suggested that lower end of agreeableness will become an appropriate personality to increase business performance.

*Emotional Stability:* Emotional stability or neuroticism in its destructive description is comparable to unambiguousness toward entrepreneur success (Abualbasal et al., 2019). Caliendo et al., (2011) held that emotional stability can be described as relaxed, calm, and able to tolerate with indecision in stress situation. Hence, according to Olowa and Olowa (2015), individual with stable emotion can well manage in any pressure and maintain good relationship with others.

### 2.2 Empirical literature

Under this section of the study the researcher reviewed the various studies that have been done in relation to the entrepreneurship as well as the various literatures which can be linked to the research objectives. The review was done under the following headings: The effect of Access to Credit on Graduate Entrepreneurship; Factors that influence Graduate Entrepreneurship; and Factors that Hinder Entrepreneurship.

#### 2.2.1 Students’ Perception about Entrepreneurship

Mcgrath and Macmillan (2000) in a study among high school students in Scotland established that teachers and the media had a significance influence on students’ discernment of
entrepreneurship. In their discoveries, both the teachers and the TV depicted a negative image of the entrepreneur as one continually facing money worries.

Marire et al., (2017) also did a study to examine the drivers of entrepreneurial intentions among tertiary students in Zimbabwe. The study focused on four major areas, thus individual attitude, subjective norms, perceived behavioral control and entrepreneurship education on entrepreneurial intentions. The researchers used the quantitative approach to collect the views of 200 university students of Zimbabwe. The structural equation modeling procedure was used by the researchers tested the hypotheses of the study. The outcome of the study shows that the intention of students to engage in entrepreneurship is significantly influenced by individuals’ attitudes, students’ perceived behavioral control and entrepreneurship education. The study also revealed that factors like subjective norms did not have any major predictive link relationship with students’ entrepreneurial intentions.

A study by Luiz and Mariotti (2008) sought to examine the perceptions of people in developing countries regarding entrepreneurship. The study was situated within the context of the emerging culturally diversity of the economies. The study further examined the traits of entrepreneurs in various group of young people and adults in South Africa. The Global Entrepreneurship Monitor survey gathered data from all developing countries. The result of the study ranked South Africa as the lowest among all the developing countries that were selected for the study in terms of entrepreneurship activities.

Lawan et al., (2015) also conducted a research on the attitude and perception of students on entrepreneurship education programme. The study also considered how the awareness of students on entrepreneurship education can affect their employment ambitions. The researchers
used described cross section design to randomly select 340 final years student of Bayero University in Nigeria. The researchers used the statistical software, SPSS 16 to examine the data. The outcome of the study exposed that a significant majority of 85% of the respondents had positive perception about entrepreneurship (p = 0.0001), 58.8% of the respondents held that the entrepreneurship programs which were offered by their universities were not adequate to equip them to start their own businesses, as the courses were not specific and adequate. (72.1%). The outcome of the study also shows that 84.1% of the respondents had negative attitude towards entrepreneurship (p = 0.002). Finally the study revealed that 52.9% aimed to be self-reliant after graduation.

Abualbasal et al., (2019) also conducted a study on students’ attitude towards entrepreneurship at Princess Sumaya University for Technology. The main purpose of the study was to explore the various factors that affect the attitude of students towards entrepreneurship by concentrating on areas such as students’ entrepreneurial awareness, students’ entrepreneurial traits, as well as the impact of entrepreneurship on the society and on the individual and the society. The study included students who were pursuing varied academic programs at Princess Sumaya University for Technology. The various responses which were collected were analyzed using Chi-square test. The study found that students at Princess Sumaya University for Technology have high level of entrepreneurship spirit but the study revealed substantial dissimilarities as far as their attitudes towards entrepreneurship is concerned.

Ute et al., (2002) conducted a study on the perceived supportiveness of the environment towards entrepreneurs. The study examined the attitudes and people’s perceptions towards entrepreneurship in Europe. The study concentrated on three countries in the Central Eastern Europe which were going through various transitions from planned to market-based economic
The researchers saw entrepreneurs and Small and Medium-sized Enterprises (SME) as key players in the transformation process. The study was comprehensive and was segmented into two phases. The first study was designed to examine the opinion on the state’s perceived support. While the second phase of the study considered the various cultures’ interpretation of the concept of entrepreneurship. The researchers explored the two main sources of support of entrepreneurship; government support and support from the general public.

As far as support for entrepreneurship is concerned, one could track the number of entrepreneurship-oriented programs which have been instituted by the state to support entrepreneurs; the flexibility in securing license to start businesses; flexible regulator requirement for starting businesses; state protection against unfair competition from foreigners; tax incentives for start-up. On the side of support from the general public, some of the perceptions may include the viability of loans; low cost of renting; the desire of people to patronize local goods.

2.2.2 The effect of Access to Credit on Graduate Entrepreneurship

Accessibility to credit is of primary importance to start-ups as well as private entrepreneurs who are pursuing to grow and develop their businesses. Financial institutions like commercial banks offer credit facilities in the form of small business loan. Entrepreneurs often find it difficult to access this form of credit facility because of the small size of their businesses and lack of trust on the part of the commercial banks that the credit will be repaid. In other instances the stringent and non-flexibility of the lending conditions are unfriendly to graduate entrepreneurship (Mokua, 2013).
A study by Berger et al., (2005) sought to examine the factors that affect entrepreneurship in the United States of America and found that differences in the structures of financial intermediaries in the US influence the credit constraints of prospective entrepreneurs. Canales and Nanda (2008) also found a similar effect of commercial banks’ conditions of lending to private businesses in Mexico. The outcome of their study further indicate the central role of the collaboration between the structure of commercial banks and the competitive environment when considering the terms of lending to small and micro businesses in Mexico. Bozkaya and Kerr (2007) postulates that economies with resilient employment protection laws where dismissal of employees is more difficult are linked with weaker private equity markets. Their study further revealed that institutional environments has the propensity to affect the presence of certain types of financial intermediaries and hence on the availability of startup capital in certain types of businesses.

Babatunde et al., (2016) did a research with the aim of examining the effect of credit availability to SMEs on the economic growth in Nigeria. The study considered a period from 1981 to 2012. The researchers used vector autoregressive model to avoid the problem of endogenity. The outcome of the study shows that though inflation has a negative effect on SMEs financing, it still has a significant effect on economic growth. This study concludes that there is a need for government to deepen efforts to intensify SMEs financing in the country through the introduction of a special intervention fund for SMEs.

A study by Mwangi (2004) conducted a study to find the relationship between access to credit and financial growth of small and medium enterprises in Nairobi. The researcher used a descriptive survey design to conduct the study. They used the cluster sampling to select 40 SMEs in Nairobi. The researchers used secondary sources of data. The financial records of the
selected SME’s were examined from the year 2009 to 2013. Mwangi measured access to credit was examined through a scrutiny of the loan book records from SME’s, asset turnover was measured using sales proceeds divided total assets while the size of the firm was measured using the return on sales which is net income divided by sales. The dependent variable of the study was financial growth which was assessed using rise in net assets. Quantitative data was collected it was analyzed using descriptive method. Regression analysis was used to develop a model. The findings of the study show that access to credit to SMEs is a major problem faced by most owners and managers of SMEs because a significant majority of them lack security or collateral to be able to access credit facilities from banks.

2.2.3 Factors that influence Graduate Entrepreneurship

Kuttim and Kiss (2014) investigated the willingness of tertiary students to enter into entrepreneurship. The aim of the study was to identify the content of university education and its impact on students’ entrepreneurial intentions. The study design used was cross-sectional and the sample was made up of students from 17 European countries which had been group for the purpose of analysis by the level of economic development into two country groups: efficiency-driven and innovation-driven economies. Frequencies and binary logistic regression was used to analyze the impact of different factors, including participation in entrepreneurship education. The result indicates that the programs that were offered by universities were not necessarily the most relevant skill needed in entrepreneurship.

Olowa and Olowa (2015) conducted a study with the aim of assessing the factors that affect entrepreneurship development. The study focused on small and micro agribusiness firms. The researchers used purposive sampling to collect data from 120 owners and managers of SMEs within the agribusiness industry. Both descriptive statistics and multiple regression models were
used to analyze the data that was collected. 73.3% of the respondents were male. 71.6% of the total respondents were married. The outcome of the study shows that 85% of entrepreneurs who were sampled had a business size between 1 and 2 million Naira worth. 68.33% had an average family size and monthly income of 5.0 and ₦84,833.00 respectively. The outcome of the study also showed that 56.7% of the respondent were senior secondary school graduates. It was found that 56.2% of the entrepreneurs were motivated to engage in the agribusiness as a means of saving themselves from joblessness. The parameter estimates that were generated from the multiple regression analysis revealed that age, gender, marital status and estimated business size was positively correlated to the entrepreneurs’ rate of participation in agribusiness enterprise on the other hand a negative relationship was established concerning family size and primary occupation. Also it was found that factors like secondary occupation and educational background did not have significant relationship with entrepreneurs’ level of participation in agribusiness enterprise development. The researchers suggested that effective and adequate entrepreneurship policies such as price balance are needed to address factors that hinder the establishment and growth of entrepreneurship.

Bommes and Kolb (2004) conducted a research which examined the economic factors that affect entrepreneurship. The study examined the economic factors at two separate levels, namely, structural level and personal positions. Whereas structural levels were referred to as barriers and opportunities, personal position was considered as both potentials and limitations. The researchers saw tax rates, access to loans and competitive market under structural positions whereas personal positions included level of income cover, human capital and skilled training.

Similarly Jancikova (2004) examined the economic factors that affect entrepreneurial activities in the agricultural sector. The study categorized economic factors under measurable and
immeasurable factors. The research found that measurable factors that affect entrepreneurship in the agricultural sector include financial incentives for employees, organizational structure, and geographic location, quality of land and size of organization. The study on the other hand categorized immeasurable factors under variables such as non-financial incentives for employees, leadership style, quality of management and staffs' attitudes. In a related study which was conducted in Iran with the intention of examining factors that affect empowerment of villagers, finance, creativity, personal autonomy, persistence factor, sense of accomplishment, organizational factor, education, previous experience and internal control were factors that were more predictive individuals’ engagement in entrepreneurship.

A research by Li (2007) focused on attitude of student Chinese and Indian student entrepreneurs in the United States. The attitudes of individuals are influenced by the advanced position they get if they become self-employed and whether there are chances for those individuals to start a business (Engle et al., 2010). The views about repercussions of risk, income and freedom of performing certain behavior affect an individual’s attitudes, as suggested by Douglas and Shepherd (2002) and Ajzen and Fishbein (2005). These behavioral consequences can involve costs and benefits, behavioral beliefs or outcome expectations (Ajzen & Fishbein, 2005). Krueger (1993) stated that individual norms such as people’s views regarding beliefs and values are important to them and they wish to imitate those particular norms. Relevant people like co-workers, family members, spouse, close friends, an individual’s and parents can influenced entrepreneurial behavior (Liñán, 2008). People are most likely to have entrepreneurship intentions if they have any connections with other entrepreneurs (Autio et al., 2001).

Asuamah and Awuah (2013) performed an assessment of entrepreneurship intention among Sunyani Polytechnic marketing students. The main purpose of the study was to assess the
entrepreneurial intention among the students of Sunyani Polytechnic, and also to find out the motivators, and obstacles to entrepreneurial intentions. The study adopted a quantitative survey design. The sample size for the study was 136 comprising of 94 males and 42 females, who were selected by convenient sample method. Primary data were obtained using self-designed questionnaire which were administered by the researchers. Data were analyzed using percentages, One-way ANOVA. The result indicates that there was high entrepreneurial intention among the respondents. It was also found that there are important motivators for entrepreneurial intention as well as obstacles in setting up ones firm. The finding again indicated that demographic variables such as gender, age, religion affect responses given by respondents.

Virginia and Carlos (2011) conducted a study on the factors that motivate entrepreneurs to start their own businesses. The study considered 340 renounced entrepreneurs in Africa. The findings revealed that the key factor that motivates entrepreneurs to start new businesses is their commitment to the new idea; their efforts and willingness to perform in the new venture as well as their flair for the process. European Commission Communication “Youth on the move” held that the motivating factor behind entrepreneurship is independent work which may help to create jobs and can serve as a valuable opportunity for young graduates to put the skills they acquire from educational institutions in practice, as well as do a job that they have flair for. However entrepreneurship and characteristics attributed to entrepreneurship as a personal trait cover quite a wide range of aspects; from personal traits, abilities and competences to the attitude towards business, entrepreneurship and business people in the society. Hallberg (1998) therefore held that in fostering undergraduate students' entrepreneurship-based thinking, it is necessary to discuss not only the means of effective financial support allowing to successfully set up one's own
business, but also professional training, the development of attributes required for entrepreneurship, as well as stimulating interest in entrepreneur's profession.

2.2.4 Factors that Hinder Entrepreneurship

Mwasalwiba et al., (2012) conducted a study to assess the challenges faced by new entrepreneurs. The study found that some key challenges that entrepreneurs faced include difficulty in developing a business idea and vision; challenges in dealing with unforeseen contingencies; challenges in accessing capital to commence their new businesses; challenges in putting a formidable team to manage the businesses; difficulty in matching up with industrial dynamics; lack of marketing facilities; lack of positive mind set; lack of infrastructural facilities; difficulty in getting a suitable location for the business; challenges in getting a good caliber of employees; difficulty in finding loyal customers; difficulty in dealing with business competition; lack of patience in solving problems and lack of sustained motivation.

Lohitkumar1 et al., (2016) conducted a study on graduate entrepreneurship in Tanzania. The outcome of the research revealed that the graduate entrepreneurs in Tanzanian willingly take advantage of some key factors such as political dynamics, improved banking system; close family ties; partnership and improved tax systems. The outcome of the study however shows that graduate entrepreneurship in Tanzania had not reach an appreciable level and hence is battling with numerous challenges, some of which include corruption, the challenges in accessing start-up capital; unfriendly banking policies; lack of trust; rigid taxation policies, lack of technology; poor implementation of state policies and unfair business competition. The finding of this research is similar to the outcome of earlier study which was conducted by Kristiansen (2001) on youth entrepreneurship in Tanzanian.
Oluwatomipe et al., (2015) focused on examining the factors that hinder women entrepreneurship in Nigeria. The researchers used secondary data from the Federal Office of Statistics (FOS), NDHS (2008) and NBS (2007). The study further reviewed study conducted by Annabel and Mairo (2007) which focused on the factors that affect the growth of female entrepreneurship with strong emphasis on northern Nigeria.

The purposive sampling was used to collect views of (16) women entrepreneur. A semi-structured questionnaire was used to collect the primary data. The researchers used sourcing for fuel wood, child marriage and educational exposure of Nigerian women as the key variables and examined how these factors impede the growth of women entrepreneurship in Nigeria. The data was analyzed descriptively from where we made our own submissions on female entrepreneurship in Nigeria. The study found that early marriage was a major hindrance to women entrepreneurship. The study also identified poverty as the major hindrance to entrepreneurship among Nigerian women. Most of the Women who live in the northern part of Nigeria find themselves below the poverty line ($1.25) per day (WDI, 2013). This is proven by the fact that firewood is the source of livelihood to a significant majority population of women who live in the northern part of Nigeria. Hattab (2015) found the use of electricity, gas and kerosene as source of fuel is a sign of affluence in Nigeria whiles poverty is linked to use of firewood as source of fuel.

The study also revealed religious factors also impede women participation in entrepreneurship-related activities. Women in the northern part of Nigeria are restricted by their practice of the Purdah religion. The Purdah religion eliminates women from all form of social engagements and political activities which exclude women from entrepreneurship (Olowa & Olowa, 2015). Women are therefore under strict obligation to religiously submit to their husbands in every
aspect of their lives to the extent that they need approval from their husbands before they could execute their business ideas. Also spousal unwillingness to co-operate was found to hinder women entrepreneurship in the northern part of Nigeria for those who are married; young girls with prospects of becoming giants in the field of entrepreneurship are forced to pull out from school and marry because of pressure from their parents.

Early marriage is undoubtedly linked to poverty. The study further found that 14 of the 16 (87.5%) women entrepreneurs said that it was difficult for them to combine entrepreneurship with taking care of their family. At the end of the study it was recommended that delaying the age at which girls got marriage and allowing them to complete at least secondary education could increase women entrepreneurship and reduce poverty among Nigerian women.

Hattab (2015) postulated that the challenges of entrepreneurs’ ranges from financial indiscipline, regulatory and operational environment constraint, lack of access to credit, lack of skills and restricted market access.

2.2.5 Factors that Enhance Entrepreneurship

a) Favorable state policies: The state has a critical role to play in providing an enabling environment for the private sector to thrive. A study by Harper (2004) revealed that governments’ failure to promote private enterprise growth is detrimental to the success of private businesses and suggested that in order for the private sector to flourish; State policies should be formulated in such a manner that will be friendly to small and medium scale enterprises. Hagg and Kurczewska (2016) makes a similar observation that state policies regarding wages, taxation, licensing and others are important factors that influence the growth of private sector organization. He further posits that government policies could adversely affect the growth of
private sector organizations. The role of central government is to create an enabling environment for businesses to thrive. These incentives could be in the forms of tax holidays and other stimulus package, conversely due to the informal nature of economies of developing nations, the tax –burdens are rather heaped on private limited liability companies, since state revenue agencies finds it easier to get them to pay their taxes. Wanjohi (2009) however held that policies aimed at enhancing the growth of the private sector should not be engineered unilaterally by the state rather there should be a broader stakeholder consultation in order to get the policy to respond adequately to the needs and aspirations of all players.

b) Access to credit: Access to credit in the form of loans and credit supplies could spark the spirit of entrepreneurship in many young people and also help existing business to grow. Credit constraint is invariably a major challenge confronting both prospective and existing entrepreneurs. The phenomenon is partly as a result of Ghana’s undeveloped capital market. The small nature of Ghana capital market leaves entrepreneurs as well as prospective entrepreneurs with no opportunity than to rely on self-financing or borrowing from friends which is always not enough for business to achieve their expected growth (Wanjohi & Mugure, 2008).

A study by Hattab (2015) revealed that finance-related problems among private businesses is partly because of lack of proper structure to link businesses and banks as well as other financial institutions. The authors also held that there is little information on the source of finance available to entrepreneurs; demand for collateral security; restrictive nature of lending offered by commercial banks; entrepreneurs’ inability to meet track record required by the banks. It is not enough to have access to finance; it also has to be sufficient. Many small scale businesses struggle to meet the expansive demand by their customers. This is because they lack the production capacity to meet the demands by their customers, which is as a result of lack of
access to adequate capital. Some suppliers are only able to commence production after their customers have paid deposit. Most managers and owners of private businesses lack managerial skills and expertise to efficiently manage their organizations. The typical owner or managers of small businesses develop their own approach to management through a process of trial and error. As a result, their management style is usually more intuitive than analytical; more concerned with day-to-day operations than long-term issues and more opportunistic than strategic (Olowa & Olowa., 2015).

c) Lack of skills: Skills and experience are both indispensable to the success of businesses, thus businesses thrive and grow on wheels of skills. Although academic background may have no bearings on individuals’ entrepreneurial intentions, it has a relationship with the success of the business. Some core skills and competences like management skills; customer relation and records keeping are needed to enhance the growth of any business (Olowa & Olowa., 2015).

2.2.6 Entrepreneurship Education

Campbell and Mitchell (2012) postulated that entrepreneurship is a general field which has been studied from diverse angles and themes, and its writings can be traced to almost every field of academic discipline connected to humans and their behavior. The concept of entrepreneurship originates from an old literature and defined in countless ways (Bernstein, 2011), extending from basically the creation of a new venture (Hagg & Kurczewska, 2016), to limiting the definition of term completely to the businesspersons and their engagements (Miller & Collier, 2010).

The essence of entrepreneurship in the nation building and economic development increases the obligation of academic institutions like universities in equipping their students with sufficient entrepreneurial skills and mindset, which is required to give the countries the valued tycoons
who would be able to form businesses and start-ups, which progressively affect the stability of
the economy of the country since self-employment has proven to be the key panacea for
mitigating poverty, stimulating national growth and creating worth (Najim et al., 2013).
Entrepreneurship similarly plays essential role in a national economy and upturns the efficiency
of an economy through job creation which results to sustaining an economy and reduce nations
import burden, thereby offering them with favorable balance of payments (Olowa & Olowa,
2015). The role of tertiary institutions in developing the idea of entrepreneurship was developed
through many researches.

Kolvereid and Moen (1997) found in their study that a strong emphasis on entrepreneurship
education could increase the students’ inclination to self-employment and also increase the
students’ entrepreneurial intentions. Another research by Jones et al., (2008) concluded that
education process can be significantly affected by entrepreneurial orientation since universities
can develop the risk assessment techniques of their products (students), spark their creative
abilities, inspire them, intensify their tolerance for uncertainty and equips the students to
recognize opportunities. Conversely, Chrisman et al., (2012) concluded that entrepreneurship
courses have no significant influence on the performance of an entrepreneur but have a bearing
on the creation of business ventures; this could mean that entrepreneurship courses which are
taught by tertiary institutions could serve as a stimulation factor for students to start their
businesses but whiles in school the skills acquired from school will not be enough for the student
to succeed throughout the later stages of the entrepreneurial process.

Henderson and Robertson (2000) postulates that though entrepreneurial education at the tertiary
level of education is condemned by many researchers as theoretical, tertiary education has the
potency of giving students the inspiration and the insight which influence their choice of
entrepreneurship as a profession. Nonetheless, colleges were criticized for their inactiveness in this field, even though some tertiary educational institutions have developed the needed structures for enhancing the teaching of entrepreneurship like technology parks, most of universities do not put the facilities into effective use (Kharabsheh et al., 2011). A Spanish study revealed that the limited attention which tertiary institutions give to entrepreneurship could result to detrimental consequences on the prospect of entrepreneurship; these can include the limited responsiveness among students towards the impending, social, personal, and economic outcomes of starting their own businesses. (Luis et al., 2011).

Research by Kuttim et al., (2014) revealed that entrepreneurship education has a significant positive effect on students’ entrepreneurial intentions. They found that there is a substantial connection between entrepreneurial intention and entrepreneurship education (Hattab, 2015), through students’ participation in empirical and existential constant scholarship practices (Robinson et al., 2016), and through developing meaning of action, reflections, and experience (Hagg & Kurczewska, 2016). Likewise, the role of entrepreneurship education is to provide students with the ability to progress their accomplishment orientation, desire for independence, personal control, and self-esteem (Basardien et al., 2016).
CHAPTER THREE

METHODOLOGY

3.1 Introduction
This chapter elaborates on the processes and methods which were used by the researchers to provide answers to the research questions related to this study. It describes the research design of the study, the population of the study, and the sample size used. It includes the sampling techniques employed in the study. It also includes the source of data for the study and the research instruments used to collect the data as well as how the data was analyzed.

3.2 Research Design
Research design is the strategic plan a researcher adopts to achieve a valid result. Research design is the plan or strategy for the collection, measurement and analysis of data, (Cooper & Schinder, 1999). The study was descriptive and explanatory, as the study sought to present a clear view of issues relating to entrepreneurship and further explore deeply the factors that influence graduates’ willingness to engage in the activity.

The researcher employed the quantitative method of research design. According to Goski (2014), the quantitative research design presents the true view of the respondent without biases from the interviewer. The quantitative method expresses the response gathered in quantitative terms. The researchers’ resolve to use this research design was anchored on the fact that the quantitative method reduce researchers’ bias in the presentation of the result of the study, and hence present a more reliable and credible result.
3.3 Sources of Data

The researcher used both primary and secondary data. According to Christensen and Williams (1990), primary data is the data that is collected directly from the field with specific questions in mind. The study used primary data because it assures the originality and reliability of the data. On the other hand, secondary data is the type of data which has been used before by earlier researcher. It offered a guide and served as medium of comparison.

*Primary data source:* The researcher used questionnaires to gather data directly from selected students of Valley View University.

*Secondary data source:* The current study used journals, reports and online sources like Google scholar.

3.4 Population

Target population is defined as the complete group of object or element relevant to the research project. The Valley View University, Oyibi has a population of 9875 student. The current study hence considered a population of 9875 students.

3.5 Sampling Procedure

This refers to the technique that enables the researchers to decrease the number of respondents that are collected and used for the study. The researchers used convenience sampling to gather views from 150 students of Valley View University, Oyibi. The convenience sampling includes selecting elements that are readily available (Amin, 2005).
3.6 Sample Size

Saunders et al., (2007) pointed out that the size of the sample and the manner in which it was selected would certainly affect the confidence in the data and the extent to which it can be generalized. The sample size of the study was 150 students of Valley View University, Oyibi. The sample from the target population was drawn by the researcher.

Sample sizes of 150 students were used for the research; this figure was arrived at scientifically by (Nasiurma, 2000). This formula provides the minimum number respondents needed for conducting a research. It is however at the discretion of the researcher to either maintain the minimum figure or go beyond it during data collection so as to make the sample frame more representative.

\[
n = \frac{NC^2}{C^2 + (N-1)e^2} = \frac{(9875)(0.5)^2}{0.5^2 + (9875-1)0.05^2} = 78.32
\]

Where \( n \) is the sample size, \( N \) is the population, \( C \) is the coefficient of variation (0.5), \( e \) is the level of precision (0.05) (Nasiurma, 2000). The total number of student of Valley View University, Oyibi currently stands at (9875) as at 2016. Therefore by the Nasiurma formulae the minimum data to be collected is 78.32.

3.7 Data Collection Instrument

Data was collected using a questionnaire which was designed for the collection of primary data for the research. The instrument was organized into four sections, namely demographics; the effect of credit on students’ entrepreneurship at VVU, Oyibi; the various perceptions students have about entrepreneurship at VVU, Oyibi; and the various factors that hinder students’ entrepreneurship at VVU, Oyibi. The instrument was made up of close-ended questions. The use
of close-ended minimized the researcher’s ability to exercise discretion in the interpretation of the responses gathered from the respondents hence reduced the researchers’ bias and enhanced the reliability of the outcome.

3.8 Data Analysis

The study made use of data collected from both primary and secondary sources. As mentioned above, the researcher used questionnaires to collect the primary data whiles the secondary data was collected via academic journals, reports and internet sources like Google scholar. After collecting the primary data, the response gathered from the questionnaire was analyzed using Statistical Package for Social Sciences (SPSS) 14.0. Simple percentages and means (central tendencies) were used to analyse the quantitative data obtained from the questionnaires administered. Regression analysis was done to establish the relationship that exists between the dependent and the independent variables, thus students’ entrepreneurial intentions and access to credit respectively.

3.9 Ethical Considerations

In order to maintain the ethics of conducting the research, the consent of the respondents was sought by the researcher and the purpose of the study explained to them. Moreover, the researcher held the identity of the respondents under strict anonymity. Finally, the researcher acknowledged the authors as well as the sources of all the secondary data which were used for the conduct of the study.
CHAPTER FOUR

ANALYSIS OF DATA AND DISCUSSION

4.1 Introduction

This chapter explains the result which was obtained from the survey on assessment of the effect of access to credit on student entrepreneurial intentions. This chapter focuses on three main sections of data analysis, thus, demographic, descriptive analysis and discussion of the result. The analysis was done in demarcations of sub-headings. The discussion of main findings concludes this chapter.

4.1.1 Demographic Analysis

The demographic analysis of the respondents present the basic background details of the respondents. The demographics analysis of the respondents include: the age of respondents; the gender of respondents; the academic level of the respondents.

Figure 1: Age of Respondents

Source: Survey, 2019
4.1.2 Age of respondents

The age of respondents shows that out of the one hundred and fifty respondents, the respondents’ age background indicates that 96 of the respondents were within 20 to 29 years old which represent 64%; those who were within 30 to 39 years old were 47 respondents which stand for 31%; whiles 7 of the total respondents were within 40 to 49 years which stand for 5% of the total respondents. The outcome shows that a significant majority of the respondents were matured enough to provide a reliable input to the study.

**Figure 2: Gender of Respondents**

![Gender Distribution Chart]

Source: Survey, 2019

4.1.3 Gender

The gender disposition of respondents was as follows: 80 of the respondents which constitute 47% of the respondents were males; and the remaining 70 respondents which represent 53% of the total respondents were females. The outcome shows that the study is reflective of the views of both male and female students of VVU.
4.1.4 Programs offered by the respondents

The outcome of the study shows that: 24 of the respondents were diploma students which represent 16%; 111 of the respondents were degree students which represent 74% whiles 15 of the respondents were postgraduate students which represent 10%. The outcome shows that result of the study reflects views of student at varied levels.

4.2 Presentation of Data

This section presents the statistical analysis that was generated from the software, S.P.S.S. The statistical analysis focuses on the three main objectives of the study, thus: effect of access to credit on students’ entrepreneurial intention; regression analysis on the effect of access to credit
on entrepreneurial intentions; students’ perceptions about entrepreneurship; and barriers to students’ entrepreneurship.

Table 1: Student’s Access to Credit

<table>
<thead>
<tr>
<th>Description</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial banks readily offer students with capital to start their businesses</td>
<td>4.2467</td>
<td>0.68480</td>
<td>150</td>
</tr>
<tr>
<td>There is enough information on banks credit facilities</td>
<td>3.7933</td>
<td>1.01199</td>
<td>150</td>
</tr>
<tr>
<td>Interest on loan encourage me to start my own business</td>
<td>3.9800</td>
<td>0.97945</td>
<td>150</td>
</tr>
<tr>
<td>It is easy to access loans from banks</td>
<td>4.5067</td>
<td>0.54028</td>
<td>150</td>
</tr>
<tr>
<td>Banks demand for collateral security deter me from starting my own business</td>
<td>1.4800</td>
<td>0.78338</td>
<td>150</td>
</tr>
</tbody>
</table>

Source: VVU, 2019

Mean Scale: 1.0-1.49= Strongly Agree, 1.5-2.49= Agree, 2.5-3.49= Indifferent, 3.5-4.49= Disagree, 4.5-5.0= Strongly Disagree. Std. Deviation Scale: >0.49= Widely Spread.

4.2.1 Effect of Access to Credit on Students’ Entrepreneurial Intention

The table (1) above present the descriptive statistics (mean score and standard deviation) on each of the questions relating to access to credit to students. The respondents were asked to indicate their extent of agreement of each of the questions on access to credit to students. The results from the set of question which relates to that objective have been presented in the table (1) above.
as follows: On the question of whether commercial banks readily offer students with loans to start their businesses, a mean of 4.2467 was recorded. The result shows that majority of the respondents disagree with the question since 4.2467 > 2.5 with a standard deviation of 0.68480> 0.49 which also indicate that the mean value is widely spread. The outcome of this study is in line with a study by McCormick et al., (1996) which revealed that the finance-related problems in entrepreneurship is partly because of lack of proper structure to link entrepreneurship and banks as well as other financial institutions.

Credit Channel Theory by Diagne and Zeller (2003) also points to the fact that real economic performance and supply of credit by financial intermediaries is the core duty of commercial banks. This outcome therefore points to the fact that the commercial banks are failing to offer a level playing field for well established businesses and startups. Mokua (2013) on the other hand asserts that commercial banks’ reluctance to grant loans to startups is based on the lack of trust that the startups have the required skills need to manage the funds, and repay the loans offered to them by the banks. On the question of whether there is enough information on banks credit facilities, a mean value of 3.7933 was recorded. Since 3.7933 > 2.5, the result supports the fact that students do not have enough information on banks credit facilities, with a standard deviation value of 1.01199>0.49 which shows that the mean value is widely spread across.

The Credit Rationing Theory, propounded by Stiglitz and Weiss (1981), offer a framework for examining financial market inadequacies. It declares that as far as developing countries are concerned, information asymmetry is the key source of financial market malfunction. McCormick et al. (1996) also postulates that there is absence of adequate information on the source of finance available to entrepreneurs makes it difficult for startups to access credit from
financial institutions. Also on the question of whether interest on loan encourage student to engage to start their own business, a mean value of 3.9800 was recorded. 3.9800 > 2.5 with a standard deviation of 0.97945 > 0.49. The results therefore points to the fact that interest on loans discourage student from starting their own business. The Credit Rationing Theory, propounded by Stiglitz and Weiss (1981), found interest charged on loans by commercial banks as a major factor that could deter borrowers.

Further, on the question of whether it is easy to access loans from banks, a mean value of 4.5067 was recorded. 4.5067 < 2.50 which represent respondents’ disagreement to the question with a standard deviation value of 1.089 > 0.49. Canales and Nanda (2008) also found a similar effect of commercial banks’ conditions of lending to private businesses in Mexico. The outcome of their study further indicate the central role of the collaboration between the structure of commercial banks and the competitive environment when considering the terms of lending to small and micro businesses in Mexico.

Finally, on the question of whether banks’ demand for collateral security deter student from starting their own businesses, the response show a mean value of 1.4800 was recorded. 1.4800 < 2.50 which represent respondents’ agreement to the question with a standard deviation value of 0.78338 > 0.49. Demand for collateral security; restrictive nature of lending offered by commercial banks; entrepreneurs’ inability to meet track record required by the banks was found by McCormick et al (1996) to have effect on entrepreneurs’ ability to access credit facilities from commercial banks.
4.2.2 Inferential Statistics

From the descriptive statistics inferences were made to help achieve the objectives of this study. To achieve the objectives, regression and correlation analysis was used.

The regression analysis presented in the tables 2-4 below, thus the Model Summary table, ANOVA table and the Coefficient table show the statistical view of the comparison that was done to establish the relationship between the dependent variable (students’ entrepreneurial intentions) and the independent variable (access to credit).

Table 2: Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.134a</td>
<td>.018</td>
<td>.011</td>
<td>1.66745</td>
</tr>
</tbody>
</table>

a. **Predictors**: (Constant), Intentions

The table above indicates a summary of the importance of the variable used in this study. As stated, R = 0.134 explains that there is a positive relationship between the independent variables and students’ entrepreneurship intentions, thus a growth in the independent variables will lead to an increase in students’ entrepreneurship intentions and vice versa. R² is notably the regression coefficient whereas R square (R²) represents the coefficient of determination. The adjusted R² = 0.11 shows that an increase in the independent variables will increase students’ entrepreneurship intentions by 11% and vice versa. Thus, 11% variation in students’ entrepreneurship intentions is explained by access to credit.
Table 3: ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>7.495</td>
<td>1</td>
<td>7.495</td>
<td>2.696</td>
<td>.103</td>
</tr>
<tr>
<td>1 Residual</td>
<td>411.499</td>
<td>148</td>
<td>2.780</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>418.993</td>
<td>149</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable: Credit  
b. Predictors: (Constant), Intentions

Also table 3 showed the analysis of variance within the data gathered. Statistically the table is summarized as, F (1, 148) = 2696, p=0.103. This indicates that at a degree of freedom, 148 items were measured out of 150 possible items obtaining an F-test value of 2.696 indicating that access to credit is significant to students’ graduate entrepreneurship making at p>0.05.

Table 4: Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>16.408</td>
<td>.983</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 INTENTIONS</td>
<td>.074</td>
<td>.045</td>
<td>.134</td>
<td>1.642</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Students Entrepreneurial Intentions
From this table above a statistical model was reached to summarize the whole phenomenon of students’ entrepreneurship. Observably, a simple linear model was formed;

\[ Y = a + bX \]

where:

\( Y \) is the dependent variable

\( "a" \) is the constant in the model

\( "b" \) is the coefficient of \( X \)

\( X \) is the independent variable

Contextually, this study adopted similar model in the form;

\[ SEI = 16.408 + 0.074 \]

where;

\( GEI \) is Students Entrepreneurial Intentions

16.408 is the constant in the model

0.074 is the coefficient of “\( C \)”

\( C \) is Access to Credit

The model highlights the positive effect of Access to Credit.

Also a unit change in “\( C \)” will cause a positive change in \( GEI \) by the coefficient of \( C \) (0.074) given other variables or circumstances. For instance, a one unit increase in involvement will cause \( GEI \) to increase by 0.074 holding other factors constant. More so, \( GEI \) will always be equal to 16.408 when “\( C \)” is non-existent or zero.

Furthermore, the standardized coefficient beta value shows the correlation between two variables. As observed, there is a positive but weak relationship (correlation) between access to credit and Graduates Entrepreneurial Intentions. Statistically, \( r = 0.134 \) indicated this relationship.
4.2.3 Students’ Choice of Employment

In order to clearly appreciate students’ inclination to entrepreneurship, the respondents were asked to choose between working themselves as entrepreneurs and working in prestigious business. The outcome shows that 57% of the total respondents expressed their preference for working in reputable corporations whiles 43 would prefer to work as entrepreneurs.

Source: VVU, 2019
Table 5: Students Perceptions about Entrepreneurship

<table>
<thead>
<tr>
<th>STATEMENT</th>
<th>S.A</th>
<th>A</th>
<th>N</th>
<th>D</th>
<th>S.D.</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>I will only engage in entrepreneurship if I do not get my ‘dream job’</td>
<td>26%</td>
<td>58%</td>
<td>13%</td>
<td>3%</td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>Students whose parents are entrepreneurs are likely to succeed in entrepreneurship</td>
<td>48%</td>
<td>33%</td>
<td>2%</td>
<td>12%</td>
<td>5%</td>
<td>100%</td>
</tr>
<tr>
<td>Starting a business will not allow me to have adequate time to learn</td>
<td>21%</td>
<td>46%</td>
<td>1%</td>
<td>32%</td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>Starting a business is frustrating and time-consuming</td>
<td>25%</td>
<td>42%</td>
<td>6%</td>
<td>17%</td>
<td>10%</td>
<td>100%</td>
</tr>
<tr>
<td>Entrepreneurship is meant for students with rich family background</td>
<td>58%</td>
<td>26%</td>
<td>16%</td>
<td></td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>Entrepreneurship venture is risky</td>
<td>40%</td>
<td>58%</td>
<td>2%</td>
<td></td>
<td></td>
<td>100%</td>
</tr>
<tr>
<td>Entrepreneurship favours those who are talented entrepreneurs</td>
<td>6%</td>
<td>15%</td>
<td>2%</td>
<td>47%</td>
<td>30%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: VVU, 2019

4.2.4 Descriptive statistics on the Perception of students on Entrepreneurship

The table (5) above presents the descriptive statistics (expressed in percentages) on each of the questions; the respondents were asked on the perception of students on entrepreneurship. The respondents were asked to present their views using five-point likert scale where: 1 represent
Strongly Agree; 2 represent Agree; 3 represent Neutral; 4 represent Disagree and 5 represent Strongly Disagree.

The results from the set of questions which relate to that objective have been presented in the table above as follows: On the question of whether students will only engage in entrepreneurship if they do not get their dream jobs, the outcome of the study shows that cumulatively, a significant majority of 84% of the respondents expressed their agreement whiles 16% of the respondents stood for disagree. The outcome of the study shows that students are not willing to take entrepreneurship as their profession. Kayode et al., (2014) posit that the majority of students’ and other African countries have a strong desire to do white collar job; a phenomenon which predates back to colonial days.

The main underpinning of the Traits theory McClelland (1961) is that the main driver of entrepreneurship is individual’s behavioral dispositions. On the question of whether students whose parents are entrepreneurs are likely to succeed in entrepreneurship, the result of the study shows that cumulatively, 81% of the respondents expressed their agreement whiles an aggregate of 17% expressed their disagreement. Krueger (1993) stated that individual norms as people’s views regarding beliefs and values are important to them they wish to imitate those particular norms. Relevant people like co-workers, family members, spouse, close friends, an individual’s parents can influence entrepreneurial behavior (Liñán, 2008).

People are most likely to have entrepreneurship intentions if they have acquaintances with other entrepreneurs (Autio et al., 2001). On the question of whether starting a business will not allow students adequate time to learn, the responses received indicate that cumulatively 67% of the respondents expressed agreement; and aggregate of 32% of the total respondents chose disagree;
1% of the respondents were neutral. Considering the academic pressure that is piled on students and the fact that students in Ghana are of the view that their ability to secure better jobs after school is dependent on their ability to excel in their academic journey and graduate with good grades, students are therefore obsessed about making good grades at the disregard of entrepreneurship.

Also on the question on whether starting a business is frustrating and time-consuming, the outcome shows that aggregate of 64% of the respondents agree; 6% of the respondents held a neutral view; whiles 27% of the respondents expressed their disagreement to the question. Further on the question of whether entrepreneurship is meant for students with rich family backgrounds, an aggregate of 84% of the respondents chose agreed whiles the remaining 16% of the respondents chose disagree. This outcome is somewhat based on the backdrop of the fact that in Ghana, raising capital to start a business is a major barrier to entrepreneurship. However raising capital to start a business will obviously not be a challenge for the student from a rich family. Also on the question of whether entrepreneurship is perceived by students as a risky venture, an aggregate of 98% of the respondents chose agree whiles the remaining 2% of the respondents held an indifferent view. Gelderen et al., (2008) similarly concluded that students are in most cases discouraged by a fear of financial uncertainty. Risk-taking inclination has an individual’s ability to boldly venture into enterprise without any fear of failure (Petrakis, 2005).

Risk taking ability is always considered to have great bearings on entrepreneurial orientation, as entrepreneurs may not necessary know the full outcome of their investment decisions. For instance it takes boldness for one to borrow money from a bank and use it to start a business when the borrower is not sure of his ability to succeed and repay the loan. Brush (1985) saw risk bearing; investment of one’s effort and resources; creation of something of value; and
profitability as the core elements of entrepreneurship. The neoclassical approach views the entrepreneur as the one who both explores and takes advantage of a business opportunity and hence the carrier of risk (Wennekers & Thurik, 1999).

Finally, on the question of whether entrepreneurship favours those who are talented entrepreneurs, an aggregate of 77% of the respondents chose disagree; 21% expressed their agreement whiles the remaining 2% of the respondents held an indifferent view. This outcome is in contrast with the findings of Schumpeter (1934) who saw the entrepreneur as an exceptional person, who is born with outstanding qualities. The study is however in line with the view expressed by Muhammed Yunus, Nobel’s laureate who said, “All human beings are born entrepreneurs”. The quotes simply suggest that one does not need to have any natural gift to become an entrepreneur.

Table 6: Barriers to Students’ Entrepreneurship

<table>
<thead>
<tr>
<th></th>
<th>Descriptive Statistics</th>
<th>Std.</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean</td>
<td>Deviation</td>
<td>N</td>
</tr>
<tr>
<td>The training I have received from my school is not practical</td>
<td>1.9667</td>
<td>0.75455</td>
<td>150</td>
</tr>
<tr>
<td>enough to ensure my entrepreneurial success</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I lack the needed experience to start my own business</td>
<td>2.20000</td>
<td>1.422494</td>
<td>150</td>
</tr>
<tr>
<td>I am scared by the regimented regulatory requirements.</td>
<td>2.1267</td>
<td>1.21123</td>
<td>150</td>
</tr>
<tr>
<td>I lack business ideas to start my own business</td>
<td>3.7651</td>
<td>1.23786</td>
<td>150</td>
</tr>
<tr>
<td>I do not have the capital to start my own business</td>
<td>2.0333</td>
<td>1.04539</td>
<td>150</td>
</tr>
<tr>
<td>I cannot compete with existing businesses</td>
<td>1.7600</td>
<td>0.95313</td>
<td>150</td>
</tr>
</tbody>
</table>

Source: VVU, 2019
**Mean Scale**: 1.0-1.49 = Strongly Agree, 1.5-2.49 = Agree, 2.5-3.49 = Indifferent, 3.5-4.49 = Disagree, 4.5-5.0 = Strongly Disagree. Std Deviation Scale: >0.49 = Widely Spread.

**4.2.5 Descriptive statistics on Barriers to Student Entrepreneurship**

The table (6) above presents the descriptive statistics (mean score and standard deviation) on each of the questions relating to factors that hinder students’ entrepreneurial intention. The respondents were asked to express their extent of agreement of each of the questions on factors that hinder students’ entrepreneurial intention. The results from the set of questions which relate to that objective have been presented in the table above as follows: On the question of whether the training they had received from their school is not practical enough to ensure their entrepreneurial success a mean of 1.9667 was recorded. The result shows majority of the respondents agree with the question since 1.9667 < 2.5 with a standard deviation of 0.75455 > 0.49 which also indicates that the mean value is widely spread.

The study outcome deviates from the outcome of a study by Henderson and Robertson (2000) which found that though entrepreneurial education at the tertiary level of education is condemned by many researchers as theoretical, tertiary education has the potency of giving students the inspiration and the insight which influence their choice of entrepreneurship as a profession.

The outcome of the current study is however in line with the outcome of a study by Kharabsheh et al., (2011) which found that even though some tertiary educational institutions have developed the needed structures for enhancing the coaching and learning of entrepreneurship like technology parks, most of the universities did not put the facilities into effective use. Lawan et al., (2015) also conducted a research on the attitude and perception of students on
entrepreneurship education programme. The result of the study revealed that a significant majority of 85% of the respondents held that the entrepreneurship programs where were offered by their universities were not adequate to equip them to start their own businesses, as the courses were not specific and adequate.

On the question of whether the students’ lack experience to start their own businesses, a mean value of 2.20000 was recorded. Since 2.20000 < 2.5, the result points to the fact that students lack the needed experience to start their own businesses, with a standard deviation of 1.422494 > 0.49 which shows the mean value is widely spread across. Bennet (1997) postulates that skills and experience are both indispensible to the success of businesses, thus businesses thrive and grow on the wheels of skills. The study is in line with the study by Bennet because his study revealed that academic background had no bearings on individuals’ entrepreneurial intentions, yet it has a relationship with the success of businesses.

Also on the question of whether students are scared of the regimented regulatory requirements, a mean value of 2.1267 was recorded 2.1267 > 2.5 with a standard deviation of 1.21123 > 0.49. The response also points to excessive bureaucracy when it comes to registering business in Ghana. It was found that the state institution delay in granting permits for startups to commence business. Lewis and Pendrill (1999) also in their study found red tapis in state institutions as the major setback to many startups.

Further, on the question of whether students lack business ideas needed to start their own businesses, the response show a mean value of 3.765. 3.7651 > 2.50 which represent respondents’ disagreement to the question with a standard deviation value of 1.23786 > 0.49. Mwasalwiba et.al (2012) also conducted a study to assess the challenges faced by new entrepreneurs. The study
found that some key challenges that entrepreneurs faced include difficulty in developing business ideas and vision. On the question of whether student do not have the capitals to start my their business, the response show a mean value of 2.0333 was recorded. 2.0333 < 2.50 which represent respondents’ disagreement to the question with a standard deviation value of 1.04539 > 0.49.

The result is in line with the outcome a study by Mwangi (2004) which was conducted to examine the relationship between access to credit and financial growth of small and medium enterprises in Nairobi. The study revealed that access to capital was a major barrier to entrepreneurship. Finally, on the question of whether I cannot compete with existing businesses, the response show a mean value of 1.7600 was recorded. 1.7600 < 2.50 which represent respondents’ agreement to the question with a standard deviation value of 0.95313 > 0.49.

The Ghanaian market has been dominated by foreign businesses that take advantage of the flexible tax regimes of their home countries and supply a variety of goods at relatively cheaper prices than local entrepreneur. This creates an uneven level playing field for local entrepreneurs. Directly linked to their challenge is the failure on the part of a government to institute policies that will empower local entrepreneurs to fairly compete with their foreign counterparts.

A study by Harper (2004) revealed that governments’ failure to promote entrepreneurship growth is detrimental to the success of private businesses and suggested that in order for the private sector to flourish; State policies should be formulated in such a manner that will be friendly to small and medium scale enterprises. Mau et al., (1984) makes a similar observation that public policies regarding wages, taxation, licensing and others are important factors that influence the
growth of private sector organization. He further posits that government policies could adversely affect the growth of private sector organizations.

The role of central government is to create an enabling environment for businesses to thrive. These incentives could be in the forms of tax holidays and other stimulus package, conversely due to the informal nature of economies of developing nations, the taxes are rather heaped on private businesses, since the state revenue agencies finds it easier to get them to pay their taxes.

4.3 Discussion of the Result

The aim of the study was to examine the various factors that affect graduates’ entrepreneurship. The study however emphasised on how access to credit affect graduates’ entrepreneurship with three main objectives, the effect of Access to Credit on students’ Entrepreneurship; the various perceptions students have about Entrepreneurship; and factors that hinder students’ entrepreneurship. The study was conducted at the Oyibi campus of the Valley View University. This section discusses the key fallouts of the study under each of the objectives.

4.3.1 Objective one: The effect of Access to Credit on students’ Entrepreneurship at the Valley View University, Oyibi.

The first objective of the study was to evaluate the effect of access to credit on students’. In order to achieve this objective, the study examined access to credit to students. The study revealed that commercial banks are reluctant to offer loans to students. This outcome is in line with a study by McCormick et al., (1996) which revealed that banks unwillingness to offer students with loans is a major barrier to entrepreneurship.

The study also found that students do not have enough information on banks credit facilities that are entrepreneurial-oriented. This makes it difficult for perspective entrepreneurs to apply to the
banks for loans. High interest on loans was found to discourage student from starting their own business.

Finally, it was found that banks demand for collateral security deter student from starting their own businesses. Demand for collateral security; restrictive nature of lending offered by commercial banks; entrepreneurs’ inability to meet track record required by the banks was found by Mc Cormick et al., (1996) to affect entrepreneurs’ ability to access credit facilities from commercial banks. The outcome of the regression analysis points to the fact that access to credit has a significant effect on students entrepreneurship intention with \( R^2 = 0.11 \). This means access to credit account for 11% of students’ entrepreneurial intentions at the Valley View University. The result also shows a positive relationship of 0.74 between side and access to credit and students’ entrepreneurial intentions.

4.3.2 Objective two: The various perceptions students have about Entrepreneurship at the Valley View University, Oyibi.

The second objective of the study was to examine various perceptions students have about entrepreneurship at the Valley View University, Oyibi. The results of the study show that students will only engage in entrepreneurship if they do not get their dream jobs. This means that students are reluctant to enter into entrepreneurship as a profession.

Most Ghanaian youth prefer working in state owned corporation to working for themselves. This may be a signal that the youth are unwilling to bear the risk that comes with establishing and managing one’s own business. Also the outcome shows that students consider those whose
parents are entrepreneurs to stand a better chance of succeeding in the field of entrepreneurship. This perception is anchored on the fact that most people consider entrepreneurship as a field that requires practical experience and exposure which comes inevitably to those whose parents and relatives are entrepreneurs. A similar view was expressed by Autio et al., (2001) who posit that people are most likely to have entrepreneurship intentions if they have any connections with other entrepreneurs. The students also perceived entrepreneurship as a field that is time-demanding which will not allow students enough time to learn. Considering the academic pressure that is piled on students and the fact that students in Ghana are of the view that their ability to secure better jobs after school is dependent on their ability to excel in their academic journey and graduate with good grades, students are obsessed about making good grades as the disregard regard entrepreneurship.

Entrepreneurship also perceived that students from rich family backgrounds were likely to succeed. Considering the fact that access to credit has been found to be a major barrier to entrepreneurship, it is assumed that students whose parents are rich could easily mobilize resources to start their businesses. The study found that students perceive entrepreneurship as a risky venture; Gelderen et al., (2008) similarly concluded that students are in most cases discouraged by a fear of financial uncertainty. Risk-taking inclination has an individual’s ability to boldly venture enterprise without any fear of failure (Petrakis, 2005).

Risk taking ability is always considered to have great influence on entrepreneurial orientation, as entrepreneurs may not necessary know the full outcome of their investment decisions. For instance, it takes boldness to borrow money from a bank and use it to start a business when one
is not sure of his ability to succeed and repay the loan. Brush (1985) saw risk bearing; investment of one’s effort and resources; creation of something of value; and profitability as the core elements of entrepreneurship.

4.3.3 Objective three: Factors that hinder Students’ Entrepreneurship at Valley View University, Oyibi.

The last and final part of the study was to examine the factors that hinder students’ entrepreneurship at Valley View University, Oyibi. The results of the study shows that the entrepreneurial training students receive from their school are not practical enough to ensure their entrepreneurial success. The outcome of the current study is however in line with the outcome of a study by Kharabsheh et al., (2011) which found that even though some tertiary educational institutions have developed the needed structures for enhancing the teaching and learning of entrepreneurship like technology parks, most universities do not put the facilities into effective use.

Bennet (1997) also postulates that skills and experience are both indispensable to the success of businesses, thus businesses thrive and grow on wheels of skills. Abdul-Fatahi (2015) stated that “purposefully, Ghana’s educational system needs to be in touch with its relevance and, therefore make our graduates 21st century problem solvers and not problems themselves. As a result they should be made productive and efficient for our economic growth and development”.

The study also found that students are discouraged by the regimented regulatory requirements involved in starting a business in Ghana. The response also points to excessive bureaucracy
when it comes to registering business Ghana. It was found that the state institution delay in
granting permits to startups to commence business. The study also found lack of capital as a
barrier to entrepreneurship. The result is in line with the outcome of a study by Mwangi (2004)
which also found that access to capital was a major barrier to entrepreneurship.

Finally, it was found that students are discouraged by the fear of competing with well-established
businesses. The Ghanaian market has been dominated by foreign businesses that take advantage
of the flexible tax regimes of their home countries and supply a variety of goods at relatively
cheaper prices than local entrepreneur who are burdened with huge taxes. This creates an uneven
level playing field between local entrepreneurs and their foreign counterparts.

Mau et al., (1984) makes a similar observation that state policies regarding wages, taxation,
licensing and others are important factors that influence the growth of private sector
organization. He further posits that government policies could adversely affect the growth of
private sector organizations. The role of central government is to create an enabling environment
for businesses to thrive. These incentives could be in the form of tax holidays and other stimulus
package, conversely due to the informal nature of economies of developing nations, the tax are
rather heaped on private limited liability companies, since state revenue agencies finds it easier
to get them to pay their taxes.
CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter is organized into three parts. The first part presents the summary drawn from the findings. The second part deals with the recommendations and the final part discusses the conclusion of the study.

5.2 Summary of Findings

This study was done to examine the effect of access to credit on students’ entrepreneurial intentions. The conduct of this study was very vital because of the increased rate of unemployment in Ghana which is caused by the growth of the country’s population without a corresponding expansion of entrepreneurship to absorb the unemployed youth. The study considered Ghana’s first and arguably most populated private university, Valley View University, Oyibi. The study further sought to examine: the effect of access to credit on students’ entrepreneurship at the Valley View University, Oyibi; the various perceptions students have about entrepreneurship at the Valley View University, Oyibi; and the factors that hinder students’ entrepreneurship at Valley View University, Oyibi. The study reviewed the Discovery and opportunity theory of entrepreneurship (equilibrium destruction theory) by Schumpeter (1934); Sociological Theory by (Weber, 1920) and the traits theory by (McClelland, 1961).

In order to understand the factor that affect the supply side of credit to entrepreneurs and the flow of credit from financial intermediaries, the study reviewed The Credit Rationing Theory and Access to Finance by Stiglitz and Weiss (1981) and Credit Channel Theory by Diagne and
Zeller (2003). The methodology of the study served as the blueprint on how the study should be completed. A sample size of 150 students of VVU who were made up of 80 males and 70 female students who were randomly selected from varied departments of the university. The study also used 24 diploma students which represent 16%; 111 degree students which represent 74% and 15 postgraduate students which represent 10%. The convenience sampling technique was used to select the target 150 respondents and the respondents were asked using close-ended questions.

The quantitative methodology of research was used to conduct the study. The presentation of data was done in tabular forms with explanations, descriptive statistics and graphical form. The discoveries of the study are summarized under the three main objectives of the research as follows:

5.2.1 Objective One
The study found that access to credit has a significant effect on students entrepreneurship intention with ($R^2 = 0.11$). The study revealed that commercial banks are reluctant to offer loans; students do not have enough information on banks credit facilities that are entrepreneurial oriented; and banks’ restrictive requirement deter students from accessing credit from banks.

5.2.2 Objective Two
The second objective of the study was to examine various perceptions students have about entrepreneurship at the Valley View University, Oyibi. The study found that students perceive entrepreneurship as a stop in gap to wait for employment in prestigious organizations; students perceive that those whose parents are entrepreneurs stand better chance of succeeding in the field of entrepreneurship; students also perceived entrepreneurship as a field that is time-demanding.
which will not allow students enough time to learn; and students perceived entrepreneurship as a risky venture.

5.2.3 Objective Three

The last and final part of the study was to examine the factors that hinder students’ entrepreneurship at Valley View University, Oyibi. The research found that: the entrepreneurial training students receive from their school is not practical enough to ensure their entrepreneurial success; lack of capital is a barrier to entrepreneurship; and students are afraid of competing with well-established businesses.

5.3 The Conclusion of the Study

Based on the findings, the study concludes that access to credit has a positive effect on students’ entrepreneurial intentions. The strength of this outcome is that once credit is made accessible to students, many SME businesses will begin to spring-up in Ghana, which will culminate into a boost of the Ghanaian economy at large, and also reduce the rate of unemployment. The weakness associated with this finding is that in the long run, cost of labor will increase, as graduate will be unwilling to offer their services to other entrepreneurs and state agencies.

The study also concludes that students have negative perception about entrepreneurship. The inherent weakness in the finding is that since Ghanaian youth are attracted to the public sector employment, more effort and resources would have to be spent on educating students on the need to embrace entrepreneurship. The threat associated with this finding is that even if capital is made accessible to students, there is the high probability that some of the graduates might feel reluctant to access capital. Hence the likelihood that the fund will lie redundant.
Finally, the entrepreneurship education students receive at the tertiary level is not enough to equip them to start their own businesses. The weakness associated with this finding is that since tertiary institutions serve as the “laboratory” where human capital is manufactured, any failure on the part of the academia to inculcate into students the needed skills required for transforming society will make difficult it for the country to create a generation of industrialists.

5.4 Recommendations

The recommendations of the study are based on the current findings of the study.

- It is recommended that the state should consider setting up a special bank with the sole aim of financing students’ entrepreneurship.
- Government should offer startups with special incentives to enable them to compete fairly with well-established businesses and their foreign counterparts.
- There is the need for students to be deliberately reoriented about the benefits of entrepreneurship.
- It is also recommended that equity fund should be created to assist entrepreneurs.
- It is further recommended that business advisory centers should be established in all tertiary institutions to guide student to nurture their business ideas.

5.5 Suggestions for Further Studies

Considering the relevance of entrepreneurship to the development of economies, it is recommended that future studies should:

- Expand the scope to examine the effect of other factors other than access to credit on students’ entrepreneurship.
In order to get a more reliable, credible and representative outcome, it is suggested that the scope of future studies should be widened to include other universities.
REFERENCE


Amin, M.(2005). Social Science Research, Conception, Methodology and Analysis; Kampala, Makerere University.


Itasca. Illinois.


Lorz, M. (2011). The impact of Entrepreneurship Education on Entrepreneurial Intention. The University of St. Galen, School of Management, Economics, Law, Social Sciences and International Affairs, Germany


APPENDIX

UNIVERSITY OF GHANA BUSINESS SCHOOL

Dear Sir/ Madam,

I would be grateful if you could spend some time to answer the following questions as accurately as possible for me. You are assured that any information provided would be used for academic purposes only and will be held strictly confidential. Topic: the effect of Access to credit on students’ entrepreneurial intention; a case study of the Valley View University, Oyibi.

Section A - Personal details:

i) Age of respondent:  20 to 29 years [   ]  30 to 39 years [   ]  40 to 49 years [   ]  50 to 59 years [   ]  60 years and above [   ]

ii) Gender: Male [   ] Female [   ]

iii) Program: Certificate [   ] Diploma [   ] Degree [   ] Postgraduate [   ]
# SECTION A

## THE EFFECT OF ACCESS TO CREDIT ON STUDENTS’ ENTREPRENEURSHIP

The questions in this section relate to the effect of credit on students entrepreneurship at VVU, Oyibi. Please express your extent of agreement to each of the questions below by ticking (✓) the most suitable option. Where: S.A= Strongly Agree; A=Agree; N=Neutral; D=Disagree and S.D= Strongly Disagree

<table>
<thead>
<tr>
<th>Statement</th>
<th>S.A</th>
<th>A</th>
<th>N</th>
<th>D</th>
<th>S.D.</th>
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</thead>
<tbody>
<tr>
<td>1. Commercial banks readily offer students with capital to start their businesses.</td>
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<td>2. There is enough information on banks credit facilities.</td>
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<td>3. Interest on loan encourages me to engage me to start my own business.</td>
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<td>4. It is easy to access loans from banks</td>
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<tr>
<td>5. Banks demand for collateral security deter me from starting my own business</td>
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</table>
SECTION B

THE VARIOUS PERCEPTIONS STUDENTS HAVE ABOUT ENTREPRENEURSHIP

The questions in this section relate to the various perceptions students have about entrepreneurship at VVU, Oyibi. Please express your extent of agreement to each of the questions below by ticking (✓) the most suitable option. Where: S.A= Strongly Agree; A=Agree; N=Neutral; D=Disagree and S.D= Strongly Disagree

6. Which of these will you opt for?  a) Self-employment [   ] b) Working for others in a prestigious organization [    ]

<table>
<thead>
<tr>
<th>Statement</th>
<th>S.A</th>
<th>A</th>
<th>N</th>
<th>D</th>
<th>S.D.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. I will only engage in entrepreneurship if I do not get my ‘dream job’.</td>
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<td>2. Students whose parents are entrepreneurs are likely to succeed in entrepreneurship</td>
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<td>3. Starting a business will not allow me to have adequate time to learn</td>
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<td>4. Starting a business is frustrating and time-consuming</td>
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<td>5. Entrepreneurship is meant for students with rich family background</td>
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<td>6. Entrepreneurship venture is risky</td>
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<td>7. Entrepreneurship favours those who are talented entrepreneurs</td>
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<tr>
<td>8. I will only engage in entrepreneurship if I do not get my ‘dream job’</td>
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</tr>
<tr>
<td>9. Students whose parents are entrepreneurs are likely to succeed in entrepreneurship</td>
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</tbody>
</table>
SECTION C

FACTOR THAT HINDER STUDENTS’ ENTREPRENEURSHIP

The questions in this section relate to the various factors that hinder students’ entrepreneurship at VVU, Oyibi. Please express your extent of agreement to each of the questions below by ticking (✓) the most suitable option. Where: S.A= Strongly Agree; A=Agree; N=Neutral; D=Disagree and S.D= Strongly Disagree

<table>
<thead>
<tr>
<th>Statement</th>
<th>S.A</th>
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<tbody>
<tr>
<td>Descriptive Statistics</td>
<td></td>
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<tr>
<td>1. The training I have received from my school is not practical enough to ensure my entrepreneurial success</td>
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<tr>
<td>2. I lack the needed experience to start my own business</td>
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<td>3. I am scared by the regimented regulatory requirements.</td>
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<td>4. I lack business ideas to start my own business</td>
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</table>