Differences in Age, Gender, Social Norm and Education as Determinant of Entrepreneurial Behaviour in Southern Nigeria

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Abstract

This paper sought to investigate if differences in Age, Gender, Social Norm and Education could determine the entrepreneurial behaviour of individuals in Southern Nigeria. Extant research in the entrepreneurship field identifies age, gender, social norm and education as demographics characteristics using them mostly to determine their relationship with entrepreneurial intention, entrepreneurial behaviour and the differences between entrepreneurs and non-entrepreneurs. However, limited research has focused on determining the differences between potential entrepreneurs and actual entrepreneurs especially those in the early years of creating their business. Using Mann-Whitney U test which is a non-parametric test of differences, differences between participants of government entrepreneurship promotion policy measures and non-participants on the basis of individuals who have started their own businesses and those who intend to start their own business was conducted. Findings reveal that age and social norm were a determinant of entrepreneurial behaviour while education and gender were not a determinant of entrepreneurial behaviour contradicting findings of extant research thereby adding new knowledge to the entrepreneurship literature. The findings provide implications that will guide government policy decision on individuals selected to participate in the different forms of entrepreneurship promotion programmes available in the region under study.

Keywords: Age; Gender; Social Norm; Education; Entrepreneurial behaviour

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1. Introduction

Do differences in age, gender, social norm and education determine the entrepreneurial behaviour of individuals? Demographics characteristics such as age, gender, education and even social norm have been used as control variables in various studies (e.g. Schwarz et. al, 2009; Linan and Chen, 2009; Brice and Nelson, 2008; Beugelsdijk and Noorderhaven, 2004) to basically determine their relationship with entrepreneurial intention (Crant, 1996; Kristiansen and Indarti, 2004) and entrepreneurial behaviour (Shook et al., 2003) and to determine the differences between entrepreneurs and non-entrepreneurs (Beugelsdijk and Noorderhaven, 2004). However, little have been done by way of determining the differences between prospective or potential entrepreneurs and actual entrepreneurs especially those in the early years of creating their business.

Given the interest of government all over the world towards the promotion of entrepreneurship to aid in the reduction of poverty through employment generation, many entrepreneurship programmes are implemented. However, with the limited resources available to the government, participants of such programmes are selected either on the basis of their age, gender, background, educational qualifications among others. The question is does these criteria determine individuals who will eventually proceed to starting their own business among the participants of such programmes? The aim of this paper is to investigate if differences in Age, Gender, Social Norm and Education could determine the entrepreneurial behaviour of participants of government entrepreneurship promotion policy measures and non-participants on the basis of individuals who have started their own businesses and those who intend to start their own business in Southern Nigeria.

2. Literature Review

Entrepreneurial Behaviour: The central focus of entrepreneurship research is new venture creation (Samuelsson and Davidsson, 2009). New venture creation is sometimes referred to as entrepreneurial behaviour or startup (Ibid.). Empirical researches have affirmed the effective use of entrepreneurship to tackle the problems of unemployment in the developed nations (Brownson, 2013). Various studies have found that the active role of government have enhanced entrepreneurship (Pietrobelli et al., 2004).
For instance, Benus (1994) found that the US self-employment assistance programme increased the likelihood of entry into self-employment, Brown (1990) found that Britain’s graduate enterprise programme positively affected the participants of the programme in that, half of them owed the start of their business to the encouragement of the programme. This implies that new ventures are likely to spring up with the focus of government entrepreneurship programmes in nurturing them. However, not all the participants do proceed to starting up hence, could the demographic characteristics such as age, gender, social norm and education determine those who proceed to starting up from those who do not start up? This could help conserve government resources for appropriate channeling to other economic areas for development and growth.

2.1. **Age** Age affects the movement to and from self-employment (Douglas and Shepherd, 2002). Although it is not often regarded as a significant determinant of business startup (Kristiansen and Indarti, 2004), previous research have suggested that it may substantially affect entrepreneurial intention and behaviour (Schwarz et al., 2009). However, there are contrasting views in the influence of age on entrepreneurial propensity (Bergmann and Sternberg, 2007) with significant findings (Schwarz et al., 2009; Sequeira et al., 2007; Bergmann and Sternberg, 2007), non-significant findings (Fitzsimmons and Douglas, 2010; Linan and Chen, 2009) and no relationship in terms of intention (Gupta et al., 2009). Studies have argued that young and old people are less likely to be self-employed (Beugelsdijk and Noorderhaven, 2004) for instance, Harada’s (2005) study of the probability of preferring to be self-employed and the probability of being self employed in Japan found that the former probability decreased with age while the latter probability increased with age. Others argued that the average age of 35 is most prevalent in determining an individuals’ entrepreneurial intent in starting up (Sequeira et al., 2007; Bergmann and Sternberg, 2007). Reynolds (2004) asserted that those in their late 30s and early 40s are more successful in creating a new firm than those in their late 20s and early 30s. The effect of age is associated with the age range of an individual and the type of employment such individual will feel suitable at the said age. For instance, young age is associated with enrollment in education, middle age is associated with employment and older age is associated with retirement (Davis and Aldrich, 2004) as such, age may affect entry into self-employment with people more often entering self-employment after age 35 and those entering self-employment at an early age differing from those entering later in life (Carr and Sheridan, 2001 cited in Davis and Aldrich, ibid.).
2.2. Gender: There is a lack of research into the influence of gender on new venture formation (Zinger et al., 2007). While scholars argue that there may be a relationship between gender and entrepreneurial behaviour, result of such studies have been mixed except that several studies controlling for gender have found relationship between gender (that is the Sex of an individual—being male or female), intention (Gupta et al., 2009; Brice and Nelson, 2008; Crant, 1996) and behaviour (Beugelsdijk and Noorderhaven, 2004) while few have found no relationship between gender, intention (e.g. Gupta et al., 2009; Sequeira et al., 2007) and entrepreneurial behaviour (e.g., Sequeira et al., 2007). Previous studies suggest that women have less positive attitude toward entrepreneurship and lower desire to found an own firm than their male counterparts (Schwarz et al., 2009). Empirical evidences have confirmed this premise (Athayde, 2009; Brice and Nelson, 2008; Beugelsdijk and Noorderhaven, 2004; Crant, 1996). The question here is having had the knowledge that females have less desire for self-employment than men; would it not be better for government to channel their resources to nurturing the kind of women and men who are more interested in self-employment than to try to motivate all classes of women? Hence, by examining the differences in the gender of individuals who have proceeded to start their own businesses both in the participants and non-participants of the government entrepreneurship promotion policy measures, this could give a good guide for better policy direction in the region under study.

2.3. Social Norm: Social Norms are considered important in the entrepreneurial intention research (Gelderen et al., 2008; Krueger, 1993). However, several studies have found it weak in explaining entrepreneurial intention (Linan and Chen, 2009) while others found it non-significant to explain directly on intentions (Ajzen, 1991 cited in Linan and Santos, 2007). This study agrees with Brownson’s (2011) conceptualization of social norm as a direct determinant of entrepreneurial behaviour instead of intention given that, the term social norms implies that the attitude of the society and reference people of the individual does impinge on the realization of the individual’s intention of starting his own business which is the entrepreneurial behaviour and not the formation of the intention itself. As such, limited study have examined social norm as a demographic factor that affects movement of an individual from the level of having intention to actually starting the business which is what this paper sets out to accomplish.

2.4. Education: In the early years, studies argued that entrepreneurs had lower levels of education than managers but that they were more educated than the general population (Collins and Moore, 1970 cited in Brush and Manolova, 2004).
This was due to the belief that higher educated persons may be less likely to become entrepreneurs because of their higher earnings expectations and therefore will consider that business activity is not an intellectual activity (the educated entrepreneur may become wearied because of the tedious task associated with the day to day running of the business) but only for the less academically successful to earn high income (Storey, 1994). However, in recent years, education is considered a key constituent of the human capital needed for business success (ibid.) as it enables the individual to organize a business by providing skills, training and knowledge required for such activities (Raijman, 2001; Barkham, 1994). Studies have proposed that highly educated individuals are more likely than less educated individuals to found new businesses (Lee et al., 2004). Empirical evidence to support this premise is somewhat mixed (Davidsson, 1995) for instance, some studies have found a relationship between educational level on entrepreneurial intention (Brice and Nelson, 2008), behaviour (Beugelsdijk and Noorderhaven, 2004; Crant, 1996), firm success (Gray et al., 2006), performances (Roper, 1998) and growth (Cooper et al., 1994) while others have found no such relationship (Fitzsimmons and Douglas, 2010; Brice and Nelson, 2008). Therefore, considering the above review and the importance of education in supporting ones inclination to innovate (Minniti et al., 2005), it is pertinent to differentiate those whose level of intention may not actually lead to entrepreneurial behaviour on the basis of their educational level in other to harness government resources in the right direction for the effective attainment of their objective of fostering Entrepreneurship.

3. Methods

The goal of this paper was to investigate the differences between participants of entrepreneurship policy measures and non-participants on the basis of individuals who have started their own businesses and those who intend to start their own business by examining the demographic factors of age, gender, education and social norms to determine individuals (within the prospective group) who may likely proceed from having intention to actually starting their own business. The research design used is a quasi-experimental design called the ‘posttest-only design with nonequivalent groups’.
It is the most commonly used design in social science research (Marczyk et al., 2005; Trochim, 2006) and in examining the role of policy especially in a setting that does not lend itself for experiments (Agodini and Dynarski, 2004) given that the programme had already started before this study hence control group were not possible. A purposive sampling method was used with a structured questionnaire to collect data from the targeted respondents in Akwa Ibom State a state in Southern Nigeria where the entrepreneurship promotion policy measures was in effect. A total of 308 respondents were used for the analysis comprising of 195 respondents who had participated in the entrepreneurship programmes and 113 respondents who had not participant in any of the programmes. Of the 195 participants, 97 were not business owners where 98 were business owners. Similarly, of the 113 non-participants 64 were not business owners while 49 were business owners.

4. Data Analysis

Age, gender, education and social norms were tested for normality to determine if they fit with the parametric test assumption but the result indicated that age, $D (308) = 0.29$; education, $D (308) = 0.36$; gender, $D (308) = 0.34$; and social norm, $D (294) = 0.29$ were all significantly non-normal at $p < .001$ hence the use of non-parametric test (Mann-Whitney U Test).

Mann-Whitney U test conducted on the differences in the variables (i.e., age, education, gender and social norm) of the respondents using the variable BOWNERNON (indicating all business owners vs. all non business owners in both participants and non participants) indicated significant differences in the ages of the business owners ($Mdn^2 = 2$) compared to the non business owners ($Mdn = 1$) at $U = 7609.00$, $z = -5.76$, $p < .001$, $r = -.33$ implying a medium size effect and significant difference in the social norm - SN2 (likelihood of getting support from friends if the respondents start his/ her business) of the business owners ($Mdn = 2$) compared to the non business owners ($Mdn = 1$) at $U = 9701.00$, $z = -2.25$, $p < .05$, $r = -.13$ with a small effect size.

\[ Mdn = \text{Median} \]
No significant differences were found for education, gender\(^3\) and social norm - SN1 (likelihood of family support to start own business) & SN3\(^4\) (likelihood of the society frowning at the individual for starting a business) between the business owners and non-business owners as their p value were greater than .05. This implies that in this context, age and social norms SN2 (likelihood of getting support from friends if the respondents start his/her business) are likely determinants of individuals who will likely progress from intention to the realization of starting their own businesses.

On examining the differences in the variables in the participants group only (using the variable TPARTS), the result indicated significant differences in the age of the business owners (Mdn = 2) compared to the non-business owners (Mdn =1) in the participants group at U= 3029.50, \(z = -4.64\), \(p < .001\), \(r = .33\) with a medium effect size and significant differences in the social norm SN2 of the business owners (Mdn = 2) compared to the non-business owners (Mdn =1) U= 3470.00, \(z = -2.94\), \(p < .001\), \(r = .21\) with small effect size. This also implies that age and SN2 are likely determinants of individuals who will likely progress from intention to the realization of starting their own businesses within the participants of the policy measures.

On analyzing the differences in the demographic variables in the non-participants group only (using the variable TNONPARTS), significant difference was found in the age (U= 1055.50, \(z = -3.23\), \(p < .001\), \(r = .31\)) with a medium size effect and social norm SN3 (U= 1368.00, \(z = -2.19\), \(p < .001\), \(r = .21\)) with a small effect size. This implies that age and SN3 (likelihood of being frowned at by the society if he/she starts their own business) are likely determinants of individuals who will likely progress from intention to the realization of starting their own businesses among non-participants of the policy measures.

On the whole, the analysis of the demographic variables revealed that age and social norm - SN2 does differ significantly in the comparison of all the business owners vs. non business owners in both the participants and non-participants of the policy measures except education, gender and social norms (SN1 and SN3) which did not differ significantly in the two groups.

\(^3\) Although this was a categorical variable which would have needed the use of a Chi-square test, the fact that non-responses were accounted for made it appropriate for used with Mann-Whitney U test even though the minimum cell count was appropriate and in both analysis, the results was the same.

\(^4\) Same as 3 above.
Age and social norm - SN2 did differ significantly in the business owners vs. non business owners in the participants group except education and gender while age and SN3 differed significantly in the business owners vs. non business owners in the non-participants group.

5. Discussion

The aim of this paper was to determine individuals (within the prospective group) who may likely move from having intention to actually starting their own businesses base on the differences in their demographics, an angle which is quite new in context compared to previous research. As such from this context, the findings contribute new knowledge to the entrepreneurship literature. The result for the variables revealed the following;

5.1 Age: In comparing the differences in the following group variables BOWNERNON, TPARTS and TNONPARTS, age showed significant differences in the comparison of those groups implying that age is indeed a determining factor for those who will progress from intention to actually starting their own businesses. Thus confirming extant research that age affects the movement to and from self-employment (Douglas and Shepherd, 2002) and influences ones entrepreneurial propensity (Bergmann and Sternberg, 2006; Schwarz et al., 2009; Sequeira et al., 2007). The findings are at odds with the non-significant findings of age on entrepreneurial propensity by Fitzsimmons and Douglas (2010) and Linan and Chen (2009).

5.2. Education: In comparing the differences in the group variables BOWNERNON, TPARTS and TNONPARTS, education showed no significant differences in the comparison. This contradicts the assertions that education is an important factor in determining those who will progress from intention to actually starting up their own business (Raijman, 2001; Barkham, 1994 and Storey, 1994) in the context of this study. The finding supports Fitzsimmons and Douglas (2008) as well as Brice and Nelson (2008) who found no significant relationship between education and entrepreneurship. The finding contradicts the studies by Beugelsdijk and Noorderhaven (2004) and Crant (1996) of the significant relationship between education and entrepreneurial behaviour and intention (Brice and Nelson, 2008). This suggests that educational level should not be used as criteria in the context studied for targeting participants of the entrepreneurship programmes.
This is not to imply that education is not important but rather, educational level should not be used to screen out participation in such measures as eligible participants may not have had the means to further their education hence see their participation in the policy measures as tool to aid alleviate their problems before pursuing their educational ambitions perhaps in the near future.

5.3. **Gender**: The findings from the entire comparison group revealed that gender was not significant in all the comparison as such implying that gender is not a determining factor for those who will progress from intention to actually starting up. This findings corroborates Gupta et al. (2009) and Sequeira et al. (2007) who found no relationship between gender and entrepreneurial intention and behaviour respectively while disagreeing with prior research that found relationship between gender and entrepreneurial intention (Gupta et al., 2009; Brice and Nelson, 2008; Crant, 1996) and behaviour (Beugelsdijk and Noorderhaven, 2004). This implies that all gender should be targeted in the entrepreneurship programmes since movement from intention to entrepreneurial behaviour is not dependent on the gender of the individual. As such, much harm may be created if only females are targeted above men. This might create a situation of increase crime rate amongst eligible unemployed male who have not been targeted hence as the saying goes that “an idle mind is the devil’s workshop” may resort to other forms of criminal activities just to make ends meet.

5.4. **Social Norms**: The findings revealed that Social norm SN2 was significant in two of the comparison groups (BOWNERNON, TPARTS) and SN3 significant in only one of the comparison group (TNONPARTS). This implies that social norm (especially the likelihood of getting support from friends to start up – SN2 and the likelihood of the society frowning at them – SN3) does hinder the movement of individuals from entrepreneurial intent to entrepreneurial behaviour. These findings contribute new knowledge to the entrepreneurship literature in that; social norm has only been examined as an antecedent of intention not as a determinant of the movement from intention to behaviour. The findings suggest that although these individuals may have intention of starting up, the realization of such intention may be constrained by lack of support from the friends for the first two groups compared and the impression that the society will not support them in the last group.
This may not necessarily imply that these friends do not have positive attitude towards entrepreneurship, but may imply that they may not be financially capable to support these individuals in their business startup as such; social norm may be contextually dependent.

6. Conclusion

Findings on the control variables of age, gender, education and social norm in determining the movement from intention to entrepreneurial behaviour showed that only age and social norm was a strong determining factor for individuals to progress from having intention to starting up. Results indicated that social norm may be highly dependent on the context of the study. Gender and education was not a significant factor in determining movement from intention to new venture creation. The implications of these findings are as follows:

1. **Involvement of all genders**: Given that gender was not a determinant of those who will move from intention to the creation of their own business, agencies in charge of implementing the entrepreneurship programmes in the region should restrict their use of gender as criteria for target group selection in the participation of policy measures. Rather, all genders should be given equal opportunity as long as they are eligible (based on status of employment and vulnerability) for a full realization of their job creation goal as well as to deter them from criminal activities.

2. **Specific age group should be targeted**: Since age was a determining factor for entrepreneurial behaviour, agencies in charge of the programme should ensure that the appropriate age which are agile and able to endure the rigorous process of business creation should be targeted for effective utilization of the resources given out for venture creation during the programme.

3. **All forms of educational level should be involved**: Individuals of different educational background should be accepted for such programmes in that education was not a determining factor in the region of study as such difficult circumstances may have hindered the progress of the individual educational wise.

4. **More support should be provided**: Given that social norm was a determining factor on entrepreneurial behaviour, participants of such programmes should be given more support in terms of access to capital, startup equipments and space to motivate and encourage them to actually proceed to start their new venture.
Finally, further research could investigate the actual age range that determines entrepreneurial behaviour in this and other context. Social norm could also be examined in other context to corroborate the findings of this study.

References


