



## Moderating Influence of Government Policy on Relationship Between Entrepreneurship Education and Business Start Up of Undergraduate Business Education Students in North East Nigeria

<sup>1</sup>Adamu, I. A., <sup>2</sup>Bello, H., <sup>3</sup>Dalhat, B. S. and <sup>4</sup>Inti.M. M.

Department of Vocational and Technology Education, Faculty of Technology Education  
Abubakar Tafawa Balewa University Bauchi, Bauchi state, Nigeria  
[adamu.bojude@gmail.com](mailto:adamu.bojude@gmail.com) 08060342694

### Abstract

*The study aimed at determining the Moderating Influence of Government Policy on Relationship Between Entrepreneurship Education and Business Start-Up of Undergraduate Business Education students in Nigeria. Survey was used for the study; the population of the study comprises 998 final year undergraduates' business education students. Stratified proportionate sampling technique was used for the study. Instrument used for data collection was a structured questionnaire. Reliability of the instrument was determined using Cronbach Alpha to test the internal consistency of the instrument. The data was collected by the researcher with the help of research assistants. Data collected was analyzed using Statistical Package of Social Science (SPSS, 25). The findings of the study revealed that Entrepreneurial mind set does not significantly influence business startup of undergraduate business education students and also Government policy does not significantly moderate the relationship between, entrepreneurial mind set on business startup. Based on this the study recommended among others that, Lecturers in the universities should ensure entrepreneurship education is directed toward inculcating, and instilling, entrepreneurial mind-set for business start-up of undergraduate business education students of federal universities in North-east, Nigeria.*

**Keywords:** Business startup, Business education students, Entrepreneurship, education, Government policy,

### Introduction

The global economic recession and continue fluctuation in the international trade cycles that results in high unemployment rates necessitates the increase in the policy makers to pay more attention to the potential roles of entrepreneurs as a key solution, as well as a recipe for economic prosperity with particular focus on the role of small business (Fairlie, 2013). The negative consequences of the recession and fluctuation makes several countries to view entrepreneurship education as the bedrock in solving these menace, and so encourages its incorporation in all curriculum of higher institutions in the country, which ultimately assumed to be the booster for start-up when they graduate from these institutions. Similarly, the importance of entrepreneurship education in solving unemployment and graduate business start-up has also resulted in its growing focus among scholars, for instance, Malebana and Swanepoel (2015) viewed that, governments all over the world have stepped up support and funding of entrepreneurship with a view

to foster and help create a new ventures and make better the existing entrepreneurs. Numerous studies have been conducted with regards to the role of government policies in the development of entrepreneurship, such as those of (Ihugba, Odii and Njoku, 2014 Friedman, 2011 Masson and Brown, 2011). Their various contributions have been contradictory as well as supportive. For example, Minniti (2008) Kumar and Liu (2005) are in support of government policies in encouraging entrepreneurship, while (Ihugba, Odii and Njoku, 2014 Fredman, 2011) are on the contrary. Also, literatures from several studies have shown that government policy is positively related to entrepreneurship (Masson and Brown, 2011 Greene, 2012). On the contrary, Ihugba, Odii and Njoku (2014) studies have found government policy to be negatively related to entrepreneurship.

Therefore, from the practical experience and literature's related to entrepreneurship education and government policies have contradictory relationship. Some studies have shown that government policy is



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positively related to entrepreneurship education while other studies have shown that government policy is negatively related to entrepreneurship education. Therefore, because of this contradiction a gap exists. Hence, the need for this study in order to fill the existing gap. Consequently, the study introduced government policy as a moderator to examine the moderating influence of government policy on relationship between entrepreneurship education and business start-up of undergraduate business education students of some selected Federal Universities in North-East Nigeria that are offering business education courses.

### Objectives of the Study

The main objectives of the study are;

1. Determine the influence of entrepreneurial mind-set on business start-up of undergraduate business education students of Federal Universities in North-east, Nigeria
2. Determine the moderating influence of Government policy on entrepreneurial mind-set and business start-up of undergraduates' business education students of Federal Universities in North-east, Nigeria.

### Research hypotheses

In line with the specific objectives the following hypotheses were formulated to guide the study.

**H<sub>01</sub>:** Entrepreneurial mind-set does not significantly influence business start-up of undergraduate business education students of Federal Universities in North-east, Nigeria

**H<sub>02</sub>:** Government policy does not significantly moderate the relationship between entrepreneurial mind-set and business start-up of undergraduate business education students of Federal Universities in North-east, Nigeria

### Literature Review

Entrepreneurship education is a purposeful action which should stipulate participants' mind set for generating innovative and creative business idea (Sadeghi, Mohammadi, Nosrati & Malekian, 2013). Similarly, Aliu (2014) stated that Entrepreneurship Education is learning

directed towards developing in young people those skills, competencies, understandings, and attributes which equip them to be innovative, and training them to identify, create, initiate, and successfully manage personal and or community business, and work opportunities, including working for themselves. Similarly, the study of Greene (2012) have shown that government policy is positively related to entrepreneurship. Cole, Rebel, Tatyana and Sokolyk (2014) describe business start-up as organizations established to search for reputable and scalable business models. Start-up according to Ries (2011) "is any organization aiming at creation of new product or services in condition of extreme uncertainty."

There are some cultures which encourage thrifts and savings among age groups, giving support to in-laws, religious support for the poor, promote hard work and dignity of labour. There are some cultures which at the same time frown at doing business involving alcohol, consumption of pork, drugs, gambling, fishing, saloon business, leather work, and the collection of interest on loan (Akhter & Sumi, 2014; Onodugo & Onodugo, 2015). The various examples mentioned above have an impact on the success of an entrepreneurial business. To perform successfully, entrepreneurs possessing an entrepreneurial mindset should possess a wide knowledge and a number of skills, geared to the general business knowledge (Cardozo & Ray, 2013). An entrepreneurial mind set includes greater knowledge of business creation. Entrepreneurial skills particularly necessary in complementing the mind-set relevant for entrepreneurs, include: knowing the business and markets, being an entrepreneurial force, accommodating diversity, as well as oral presentation skills, interpersonal skills, the ability to prepare and present a business plan, among others (Baron & Markman, 2009). To be able to perform the whole range of tasks at different levels of uncertainty while creating, discovering or recognizing opportunity and creating a venture, entrepreneurs ought to possess the ability and mind set to match decision making mode to the nature of the task. Presumably, this is an important skill which, being highly developed, would distinguish an entrepreneur with the entrepreneurial mind



set from a novice. These entrepreneurs might also be distinguished from novices based on the knowledge structures of scripts that they possess. Entrepreneurs with the entrepreneurial mind set are characterized by their ability to form and retrieve entrepreneurial knowledge structures or scripts, each pertaining to a distinct type of opportunity (Hynie & Shepherd, 2009).

**Need for Achievement Theory**

According to Professor David McClelland, in his book *The Achieving Society*, has propounded a theory based on his research that entrepreneurship ultimately depends on motivation. It is the need for achievement (N-Ach), the sense of doing and getting things done, that promote entrepreneurship. According to him, N-Ach is a relatively stable personality characteristic rooted in experiences in middle childhood through family socialization and child-learning practices which stress standards of excellence, material warmth, self-reliance training and low father dominance. According to him a person acquires three types of needs as a result of one’s life experience. These three needs are: Need for Achievement. A drive to excel, advance and grow. Need for Power. A drive to dominate or influence others and situations. Need for Affiliation. A drive for friendly and close inter-personal relationships. McClelland found that certain societies tended to produce a large percentage of people with

high achievement. He pointed out that individuals, indeed whole societies that possess N-ach will have higher levels of economic well-being than those that do not. Therefore, from the discussion of the theory above it shows that the theory is related to this study because According to Mccelland a person acquires three types of needs as a result of one’s life experience. These three needs are: Need for Achievement. A drive to excel, advance and grow. Need for Power. A drive to dominate or influence others and situations. Need for Affiliation. A drive for friendly and close inter-personal relationships and these are some of the major objectives of introducing entrepreneurship education in the universities to trained graduates to become self-employed, self-reliant and start up their business after graduation.

**Methodology**

Research Design for this study was survey. The population of the study comprises all the 998 final year undergraduate Business Education students that acquired training on entrepreneurship education from the three selected Federal Universities in the North-East that are offering Business Education. Namely; Abubakar Tafawa Balewa University, (ATBU) Bauchi, Modibbo Adama University of Technology, (MAUTECH) Yola and University of Maiduguri (UNIMAID). The distribution of the population is shown in (See Table 1).

**Table 1: Distribution of Business Education Undergraduate students and their various Universities offering Business Education**

S/N	Institutions	Location	Number of Final year Students
1	Abubakar Tafawa Balewa University, Bauchi. (ATBU)	Bauchi state	526
2	Modibbo Adama University of Technology, Yola. (MAUTECH)	Adamawa state	235
3	University of Maiduguri (UNIMAID)	Borno state	237
<b>Total</b>			<b>998</b>

**Source:** Academic units of the respective universities (2020).

The study used stratified proportionate sampling technique for the purpose of this study. The sample size of the study is 278 final year business education students that have already undertaken entrepreneurship as a course. They are drawn from the population of 998 students based on Krejcie

& Morgan, (1970), the estimated populations of 1000 should have a sample size of 278. Firstly, three Universities offering business education in the study area formed the strata they are (Abubakar Tafawa Balewa University Bauchi, Modibbo Adama University, Yola and University of



Maiduguri). Secondly, the sample size was divided by the total population and multiply by one hundred per cent (100%) which equals to the percentage of the population to be drawn from each stratum, that is (278/998

x 100 = 27.8%). Therefore, a proportion of 27.8% was drawn as the sample of respondents from the population of each stratum as shown in table 2 below using randomization technique.

**Table 2;** Percentage of Sample Size Drawn from the Population

S/N	Institutions	Population from each college of education	64.7% drawn	Sample Size from each college of education
1	Abubakar Tafawa Balewa University, Bauchi	526	27.8	147
2	Modibbo Adama University, Yola	235	27.8	65
3	University of Maiduguri	237	27.8	66
	<b>Total</b>			<b>278</b>

The instrument used in this study for the data collection was adapted from previous literature (Cristian et al., 2016; Okoro, 2014; Jayawarma et al., 2013; Krasniqi & Tullami, 2013). The questionnaire is titled Moderating Influence of Government Policy on Relationship between Entrepreneurship Education and Business Startup. Modified 4point likert scale was used and the questionnaire was ranked on a scale of four (4) representing SA- Strongly Agree (4), 3 representing A- Agree (3), 2 representing D-Disagree (2), and 1 representing SD-Strongly Disagree (1). The instrument used in this study has two sections, section one of the questionnaire address research question one that established direct relationship with the variables, while section two address research question two that has indirect relationship with the variables and was subjected to face and content validation by three experts from Business Education in the Faculty of Technology Education of the Abubakar Tafawa Balewa University, Bauchi. Cronbach Alpha was used to test the reliability index and establish the internal consistency of the instrument. The researcher with the help of three (3) trained research assistants each from the universities, two hundred and seventy-eight (278) questionnaire were administered to the target respondents and two hundred and fifty (250) were retrieved representing 90% rate of returned.

The data collected from the study were coded into Statistical Package of Social Science (SPSS, 25). The package was used to run descriptive inferential statistics of mean and standard deviation for answering

the research questions one (1). This was because mean and standard deviation has the greatest reliability than other measures of central tendency (Uzuogulu, 2012). The decision rule was based on interval scale used as follows; 1.00 to 1.49 (strongly disagree); 1.50 to 2.49 (disagree); 2.50 -3.49 (agree); and 3.50 – 4.00 (strongly agree). However, simple linear regression analysis was used to test the null hypothesis two (2) the null hypotheses were tested at 0.5% level of significant. The decision rule of null hypotheses was based on p-value, when the p-value was found to be less than the alpha value (0.05) the hypothesis was rejected and when the p-value was found to be greater than the alpha value, the hypothesis was accepted, 0.05% level of significance was used.

## Results

### Research question one

What is the influence of entrepreneurial mind-set on business start-up of undergraduate business education students of Federal Universities in North-east, Nigeria?

Table 3 presented the output of descriptive statistics with regard to the research question (1) the result indicated that, the mean scores of entrepreneurial mind-set items are ranging from 3.02 to 3.24. The grand mean is 3.13 with a standard deviation of .549. The result indicated that entrepreneurial mind-set influence business start-up of undergraduate business education students of Federal Universities in North-east, Nigeria.



**Table 3: Descriptive Statistics of entrepreneurial mind-set of undergraduate business education students of Federal Universities in North-east, Nigeria**

Items	M	SD	Decision
I feel confident about my business abilities	3.24	.844	Agreed
I accomplish whatever business I started	3.09	.871	Agreed
I have seriously thought about starting my own business	3.18	.888	Agreed
I would rather innovate than continue to do the same old thing	3.11	.916	Agreed
I don't want someone to be in control of my own destiny	3.15	.931	Agreed
Life's challenges are opportunities for personal growth	3.13	.870	Agreed
Most people think I'm a strong leader	3.02	.906	Agreed
<b>Grand Mean</b>	<b>3.13</b>	<b>.549</b>	<b>Agreed</b>

**Research question Two**

What is the moderating influence of Government policy on the relationship between entrepreneurial mind-set and business start-up of undergraduates' business education students of Federal Universities in North-east, Nigeria?

moderating influence of government policy is above 2.50. The grand mean of government policy 3.02 with a standard deviation of .613. The result indicated that government policy moderates the influence of entrepreneurial mind-set on business start-up of undergraduates' business education students of Federal Universities in North-east, Nigeria.

The output of descriptive statistics presented in Table 4 indicated that the mean scores of

**Table 4: Descriptive Statistics of government policy and entrepreneurial mind-set of undergraduates' business education students of Federal Universities in North-east, Nigeria**

Items	M	SD	Decision
I always aspire to get loan from Small and Medium Scale Enterprises (SMEDAN) for business start-up	3.18	.898	Agreed
I wish to access loan of farm inputs from North-east Commodity and Agricultural Scheme (NECAS) for business start-up	3.06	.911	Agreed
I'm not satisfied with Survival Fund loan as a capital for business start-up	3.03	.947	Agreed
I have the desire to obtained Covid-19 Palliatives to establish business with the fund	3.02	.931	Agreed
I intent to access loan from Anchor-Borrower programme to use it as a start-up capital	3.02	.928	Agreed
I do not want to start-up business with a loan from Trader Money	2.83	1.020	Agreed
<b>Grand Mean</b>	<b>3.02</b>	<b>.613</b>	<b>Agreed</b>

Source; Field work (2020)

**Test of Hypothesis one:** Entrepreneurial mind-set does not significantly influence business start-up of undergraduate business education students of Federal Universities in North-east, Nigeria.

undergraduate business education students of Federal Universities in North-east, Nigeria was rejected based on the result documented in table 5 that entrepreneurial mind-set has significant influence on business start-up of undergraduate business education students ( $\beta$  .499;  $t=17.154$ ;  $p=0.000$ ). Therefore, null hypothesis was rejected.

Null hypothesis one which stated that, entrepreneurial mind-set does not significantly influence business start-up of



**Table 5: Regression analysis on the influence of entrepreneurial mind-set on business start-up of undergraduate business education students of Federal Universities in North-east, Nigeria**

Variable	Standardized Coefficients Beta	t-Value	p-Value	Decision
Entrepreneurial mind-set	.499	17.154	.000	Rejected

**Test of Hypotheses two**

Government policy does not significantly moderate the influence of entrepreneurial

mind-set on business start-up of undergraduate business education student of Federal Universities in North-east, Nigeria.

**Table 5: Regression result of moderating influence of government policy on entrepreneurial mind-set and business start-up of undergraduate business education student of Federal Universities in North-east, Nigeria**

Variable	Standardized Coefficients Beta	t-value	p-Value	Decision
Entrepreneurial mind-set	.175	1.580	.115	
Int_terms2	.382	1.995	.026	Rejected

Table 6 revealed that the moderating influence of government policy on entrepreneurial mind-set and business start-up of undergraduate business education student of Federal Universities in North-east, Nigeria was positive and significant ( $\beta$  .382;  $t=1.995$ ;  $p=.026$ ). Therefore, the result did not support the prediction of hypothesis 2. This suggests that government policy significantly moderate the relationship between entrepreneurial mind-set and business start-up of undergraduate business education student of Federal Universities in North-east, Nigeria. Hence, hypothesis 2 was rejected.

**Discussion of Findings**

The result of research question two indicated that Entrepreneurial mind-set influence business start-up of undergraduate business education students of Federal universities in North east, Nigeria positively and significantly. The result of corresponding null hypothesis two also indicated that entrepreneurial mind-set influence business start-up of undergraduate business education students of Federal universities in North east, Nigeria. Therefore, the hypothesis was rejected. The findings of the study are in line with the submission of Gustafsson (2014) who stated that entrepreneurs with an entrepreneurial mind set, while engaging in an opportunity identification task, are able to recognize the nature of the opportunity they confront and adapt their behaviour to the nature of the task. This would suggest that

entrepreneurial mind set is not an inborn aptitude but a skill, which can be acquired by potential entrepreneurs. This, in turn, would suggest that appropriate expert behaviour in entrepreneurial situations could be taught and learned in schools. To perform successfully, entrepreneurs possessing an entrepreneurial mindset should possess a wide knowledge and a number of skills, geared to the general business knowledge (Cardozo & Ray, 2013). An entrepreneurial mind set includes greater knowledge of business creation. Other skills that are common for entrepreneurs and managers include the skill in motivating others, influence skills, information sharing and collecting, delegation, communications skills, control, organizing, and planning (Dunbar & Mullen, 1991).

Entrepreneurial skills particularly necessary in complementing the mind-set relevant for entrepreneurs, include: knowing the business and markets, being an entrepreneurial force, accommodating diversity, as well as oral presentation skills, interpersonal skills, the ability to prepare and present a business plan, among others (Baron & Markman, 2009). To be able to perform the whole range of tasks at different levels of uncertainty while creating, discovering or recognizing opportunity and creating a venture, entrepreneurs ought to possess the ability and mind set to match decision making mode to the nature of the task. Presumably, this is an important skill which, being highly developed, would distinguish an



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entrepreneur with the entrepreneurial mind set from a novice. These entrepreneurs might also be distinguished from novices based on the knowledge structures of scripts that they possess. Entrepreneurs with the entrepreneurial mind set are characterized by their ability to form and retrieve entrepreneurial knowledge structures or scripts, each pertaining to a distinct type of opportunity (Hynie & Shepherd, 2009). Thus, entrepreneurs with the entrepreneurial mind set possess a variety of scripts pertaining to the situations in which different types of opportunities occur. Having encountered specific cues, they would immediately recognize the situation and retrieve the appropriate script (Cardozo & Ray, 2013).

The result of null hypothesis indicated that government policy significantly moderate the relationship between entrepreneurial mind-set and business start-up of undergraduate business education students of Federal universities in North east, Nigeria. The finding is similar to the study of Bhat & Khan, (2014) they stated that Governments through their laws, regulations, investments, and other policies create a considerable impact on where entrepreneurs choose to establish new enterprises and the probability that those enterprises will succeed.

### Conclusion

The main purpose of this study was to examine whether government policy moderates the relationship between entrepreneurship education and business startup of undergraduate business education students in universities in North east Nigeria. The empirical evidence in this study have shown that government policy moderates the relationship between entrepreneurship education and business startup significantly and positively using entrepreneurial mind set as the variable to the study. Therefore, having government policy as moderator for entrepreneurial mind set will make business education students in universities to prepare them to become self-employed and self-reliant rather than job seekers after graduation and this will complement the government efforts and commitments towards entrepreneurship education especially at the tertiary institutions. These will guarantee the actualization of mission

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and vision of making entrepreneurship education as mandatory and also achieving the objectives of business education programme in universities in Nigeria. Consequently, the issue of unemployment and underemployment especially among business education students graduate of Universities can be drastically reduced.

### Recommendations

1. Lecturers in the Universities should inculcate and instilled entrepreneurial mind set among undergraduate business education students in the universities in order to prepare them for business startup after graduation so that they become self-employed and self-reliant instead of roaming about after graduation looking for white collar jobs which are not readily available.

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