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**Perceptions of followers? performance, self-identity and communication  
skills and their impact on entrepreneurial intention in a developing  
country context**

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**Abstract**

A review of evidence on determinants of entrepreneurial intentions and empirical findings that suggests a relatively high incidence of entrepreneurial ventures in developing countries presents a puzzle, why do we observe individuals becoming entrepreneurs in developing countries, when market uncertainty and unfavorable business conditions should indeed lead skilled workers into more stable jobs? Building on the theory of planned behavior we identify factors which influence entrepreneurial intent, and test our predictions in a dataset based on a survey of 223 highly skilled university students from agribusiness, which is an important sector in Kenya. Our findings suggests attitude, entrepreneurial self-identity, communication skills and perceived behavioral control is positively associated with entrepreneurial intent, largely confirming prior literature. However, unlike prior studies, we show that perceived difficulties with future employees (followers) has both a direct and moderating negative effect in the association with entrepreneurial intention, indicating that not even the most skilled students or the persons with strongest entrepreneurial self-identity are unaffected of the perception of a challenging labor market situation. Our results add to the theoretical understanding of entrepreneurial intent, as well as explain under which circumstances perception of followers matter.

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## **Abstract**

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## **Introduction**

From theory we know that contextual factors, such as market (in)stability, social benefits, education, income level, institutions and support resources (human capital, infrastructure, etc) influence individuals wish for becoming entrepreneur (Noorderhaven et al., 2008; Manolova and Yunii, 2008; Valdez and Richardson, 2013;). The classical assumption is that the interaction of these factors simultaneously determines whether the business environment is more or less conducive to entrepreneurial action. In the case of developing countries, they are often characterized as being rife with market distortions and institutional deficiencies that hinders entrepreneurial activities (Smallbone and Welter, 2004; Acs and Virgill, 2010). Yet, still we observe a relatively high incidence of entrepreneurial action in these settings. This outcome can partially be attributed to the increase in necessity-driven entrepreneurship (as a result of the pervasive unemployment situation combined with low social welfare infrastructure) (Al-Shanfari, 2012). At a more macro level, the growth in entrepreneurship could also be as a result of the increased focus that governments place on the phenomena (in view of spurring economic

development). This interest in promoting entrepreneurship means that much resource is being vested in creating an entrepreneurship-friendly environment, as well as fostering the development of an entrepreneurial culture among citizens. Yet, despite this, it remains a shortcoming that relatively little is known about entrepreneurship and the determinants of high-impact or high-growth entrepreneurship in developing countries (Naude, 2010). Relatively little has been written about the motivational factors driving nascent opportunity-driven entrepreneurs, especially in unfavorable business conditions. We seek to address this limitation in prior work by examining the factors driving university students' entrepreneurial intention in a setting deemed as unfavorable to entrepreneurial action.

To contribute to filling this gap, our study draws on insights from the intention literature, with the underlying assumption that human behavior is planned and intention is an antecedent toward that planned behavior. Intention models are commonly used given that they offer a coherent, parsimonious, highly-generalizable, and robust theoretical framework for understanding and predicting behavior (Krueger et al. 2000, p. 411). As baseline we use the Theory of Planned Behavior (TPB) as a framework to explore the antecedents to entrepreneurial intention. The TPB model helps examine and interpret, from a social cognition perspective, key antecedents to performing a behavior. It is based on the premise that intention can be an effective predictor of actual behavior. The model has been widely applied in the domain of entrepreneurship. For example, it has been used to predict entrepreneurial intention among students (e.g. Luthje and Franke 2003; Engle et al., 2010) and to explore the antecedents to entrepreneurial behavior (e.g. Zhao et al., 2005; Carr and Sequeira, 2007; Liñan, 2008; Díaz-García and Jiménez-Moreno; 2010). However, the TPB has also been challenged in recent literature (insert source), in which it is argued that other factors are needed to enhance the predictability of the model. To respond to this challenge and contribute to the line of research we instigate three distinct additional constructs in which we

argue to be predictors of entrepreneurial intent: First, recent entrepreneurship literature shows that it is not only the entrepreneur but also the followers that are important for entrepreneurial success, --- therefore we argue that an entrepreneurs perception of the followers performance influences entrepreneurial intent in the first place. This factor might be extremely important in unstable environments, where there are often deficits of highly skilled and qualified labor. In addition we argue that self-identity and communicative skills carry strong indicators for entrepreneurial intent, in order to entrepreneurial intent.

To test our predictions we used a dataset consisting of 210 agribusiness students in Kenya. Agribusinesses have the latent potential to generate new technologies, products and services on a scale that can have a substantial impact in improving the economy. They can play a significant role in providing employment and generating income, especially in countries where agriculture is a mainstay of the economy. Agribusiness students are expected to play a greater role in bringing dynamism and creativity to the sector. Consequently, increasing attention is given to the development of their entrepreneurial skills, attitudes and mindsets. Hence, from this perspective it makes sense to examine their entrepreneurial intention.

We provide three distinct contributions to the entrepreneurship literature. First, the present study offers an important analysis of the factors that conditions entrepreneurial intention in an unfavorable business setting. Secondly, we contribute to the extant literature by expanding the use of Ajzen's framework on entrepreneurial intention to a developing country context. Intention-based models are likely to vary across cultures and there is a need to test (challenge) current models of entrepreneurial intentions (Devonish et al., 2010). Our study provides a test of the robustness of the intent approach and seeks to provide evidence to support the assumption that this framework can be applied universally. Thirdly, to the entrepreneurship literature engaged in understanding followers

we show that not only performance but also entrepreneurial intent is influenced by entrepreneurs' perception of followers.

## **Theory**

### Attitudes, subjective norms and perceived behavioral control

The theory of planned behavior has been used to assess a wide range of behaviors and is considered parsimonious with a good predictive power. Generally, attitude, subjective norm, and perceived behavioral control jointly explain about 30–45% of entrepreneurial intention (Liñán & Chen, 2009; Van Gelderen et al., 2008). The central construct of the TPB is the individual's intention to perform a certain behavior (Autio et al, 2001). As Ajzen, the founder of TBP explains: “Intentions are assumed to capture the motivational factors that influence a behavior; they are indications of how hard people are willing to try, of how much of an effort they are planning to exert, in order to perform the behavior. As a general rule, the stronger the intention to engage in a behavior; the more likely should be its performance” (Ajzen, 1991, p. 181). The theory views the intention to start a new venture as being dependent on three contextual elements: (i) Personal attitude toward outcomes of the behavior (attractiveness). This construct is similar to expectancy and refers to perceptions of the personal desirability (attractiveness) of performing the behavior (Krueger et al., 2000). Attitudes refer to “the degree to which a person has a favorable or unfavorable evaluation or appraisal of the behavior in question” Ajzen (1991, p. 188). (ii), Perceived social norms, taps into perceptions of what important people in the respondents' lives think about performing a particular behavior (Krueger et al., 2000). Basically, subjective norms refer to the perceived social pressure to perform or avoid a behavior (Iakovleva et al, 2011); and, (iii) Perceived behavioral control which refers to the ability and feasibility to execute a target behavior (Nabi et al., 2006).

While the theory suggests that these factors are universal, past findings, testing the theory, have been fragmented and the high variance of research results makes it difficult to make generalizations and to transfer experiences across domains or settings (Katounen et al., 2013). As such recent literature suggests that there is a need to challenge current models of entrepreneurial intentions (Devonish et al., 2010).

However, as a baseline hypothesis we argue, in line with the TPB framework, that each of the three factors will influence entrepreneurial intention:

H1: A greater positive attitude towards entrepreneurship is associated with a greater the intention to becoming self-employed.

H2: A greater positive attitude towards subjective norms of entrepreneurship is associated with a greater intention to becoming self-employed.

H3: A greater positive attitude towards behavioral control of entrepreneurship is associated with a greater intention to becoming self-employed.

Conceptually, the main elements of the TPB (proximal predictors) are assumed to be sufficient in explaining entrepreneurial intention (Ajzen, 2011). However, due to the inadequacy of the measurement instruments commonly used to assess intentions, the possibility exists of encountering additional variables that provide unique variance in intention over and beyond that which was already predicted by the TPB (Ajzen, 2011; Ajzen,2014). Furthermore, Ajzen notes that unless perfectly reliable and valid measures are used to measure attitude, subjective norms and perceived behavioral control, it is possible that additional variables will be identified; however, in his opinion, these will merely be accounting for variance that the proximal predictors (attitude, subjective norm and perceived behavioral control) would explain had perfectly reliable and valid measures been used to measure these proximal predictors.

The theory of planned behavior has been extensively used in industrialized nations; however, from a developing country context research has not been as forthcoming and there is a paucity of studies examining the entrepreneurial intentions of graduates in developing countries (Iakovleva et al, 2011; Nabi and Liñan, 2011; Sandhu et al., 2011). We undertake our study in an environment characterized by high level of instability and market imperfections. In this setting instability may arise from the institutional environment (e.g. the effects of changes in economic, regulatory and legal settings as a result of political change) as well as from the unsteady supply of human, capital and financial resources; for example, low wages may provoke a high rate of staff turnover (Rampur, 2009).

Furthermore, our context is characterized by market failures and imperfections such as information asymmetries, and financial market imperfections. According to market failure theory, market failure occurs when the business environment fails to provide the targeted resources and services that are needed to produce a desired outcome (Hacketts and Dilts, 2004), in our case entrepreneurship. Greene (2005) suggest that market failure, such as information asymmetry prevented increased awareness of entrepreneurship and the take up of the entrepreneurial option by young people. His research suggest that in terms of information asymmetry youth were less aware of entrepreneurship as a viable career choice, did not possess the requisite networks of support and found it more difficult to access appropriate finance.

The theory of planned behavior does not preclude the inclusion of these measures (Fishbein & Ajzen, 2010; Ajzen, 2014); however, their selection and subsequent addition to the framework should be grounded in the literature specific to the behavioral domain of interest. For this study we have chosen to focus on individuals in an unstable environment perception of problems with followers, self-identity and perception of communication skill. These variables are highly relevant in settings such as ours. For instance, where access to highly trained, motivated followers may be an

issue, individual's perception of potential problems with followers may be an important consideration when deciding to be an entrepreneur.

### *Perception of followers' performance*

Entrepreneurs must rely on followers to grow their business. The fate of entrepreneurial firms is at least partially determined by characteristics of its followers. For instance, O'Reilly and Pfeffer (2000) noted that business success (survival and growth) can only be attained when followers are completely dedicated and committed towards work. Moreover it has been proposed that human capital is a source of sustained competitive advantage (Wright et al., 1994; Chuang, 2004). Yet, in developing countries, access to high performing followers is not guaranteed. The limited pool of highly qualified, highly trained human resource makes problems with followers even more meaningful to the entrepreneurial startup and growth process. The entrepreneurial process more often than not requires the entrepreneur to have close interaction with followers. This is especially true in the startup phase where followers and founders are more integrated as one workgroup and the boundary between their functional roles is not as clear as that in more established firms (Chen, 2013). In such a setting problematic relationships can have detrimental effect and can have a negative impact on workers commitment and dedication. Hence it is reasonable to expect that perceived problems with followers will inhibit the intention to be self-employed. Along this line we hypothesize that:

H4: A negative expectation towards followers' performance is associated with a greater intention to becoming self-employed.

### Entrepreneurial self-Identity

Self-identity and role development has only been given cursory attention in the entrepreneurship literature (Krueger, 2007). People's motivation to formulate behavioral intentions (and,

subsequently, to enact those intentions) is to reinforce, support, and confirm their sense of self (Rise and Sheeran, 2010). A meta-analysis by Rise and Sheeran (2010) found that self-identity enhanced the prediction of entrepreneurial intention, accounting for 6% additional variance above and beyond that afforded by attitude, subjective norm, and perceived behavioral control. In terms of entrepreneurship, an empirical study by Farmar et al. (2011) found strong links between entrepreneur identity aspiration and discovery and exploitation behaviors and Vesalainen and Pihkala, (1999) recognized self-identity as a good determinant of intentionality. For McKenzie's (2004) entrepreneurial activity can be considered part of the process of developing one's self-identity. As such, it may be fruitful to triangulate role identity with quantitative measures of entrepreneurial intentions (Krueger, 2000). Hoang and Gimeno (2005, p. 16) believed that "entrepreneurial identity influences how individuals explore an opportunity or business idea, interpret environmental feedback, and evaluate alternatives; the results of these processes in turn influence key outcomes of the nascent stage that include the decision to persist or abandon one's efforts." Taking the aforementioned evidence into consideration we hypothesize:

H5 A greater entrepreneurial self-identity is associated with a greater intention to becoming self-employed.

Besides, recently it has been proposed that the positive emotions or passion associated with self-identity may lead individuals to expend time and resources in seeking solutions to barriers to their aspirations (Cardon et al., 2009). This argument seems to suggest that high levels of self-identity may nullify the effects of perceived barriers to entrepreneurial intention. Additionally, individuals who highly associate themselves with the entrepreneurial role may interpret feedback from the external environment in self-affirming ways (Hoang and Gimeno, 2005). To elucidate this point, Hoang and Gimeno pointed out that when denied financial credit individuals with high entrepreneurial self-identity may believe that the loan officer did not understand the business and

therefore that it would be reasonable to keep trying with other contacts. However this is only the case when the individual not only identifies with being an entrepreneur but that this identity is very important in comparison to all the other possible identities that make up an individual's self-concept (high identity centrality). In the case where the entrepreneurial is not high on the hierarchy of possible selves (or not the most important of the all the possible self-concepts -- low identity centrality), individuals are more likely to be more open to negative feedback, and are more likely (than those with high identity centrality) to abandon their aspiration (Hoang and Gimeno, 2005). From this perspective it would seem that for certain individuals who identify with being an entrepreneur, perceptions of obstacles to their intentions may have a moderating effect.

H6 The relationship between having a strong entrepreneurial self-identity and intentions of becoming self-employed is negatively moderated by negative expectations towards followers

#### Communication skills perception

Communication skill is part of the repertoire of resources that an entrepreneur need in order to be successful. As an entrepreneur one cannot hide from customers, stakeholders and others, entrepreneurs must convey their missions and goals, and be enabled to sell their goods or services. Moreover, the process of creating and sustaining a successful new business venture demands not only vision and resources, but also the ability to motivate followers to transform that into reality (Jensen and Luthans, 2006); therefore, the mastery of communication skills is essential (Morreale et al., 2000; Darling a Beebe, 2007). Individuals who have mastered the art of communication are better able to transmit the entrepreneurial vision, interact cooperatively to solve problems, and most importantly develop their social networks; aspects that are important: for example, individual's belief in their ability to pitch their business ideas to investors will influence whether they follow-up on the idea. An individual's perception of their skill level may be a relevant part of decision

process on whether to pursue self-employment or not. Authors such as Koellinger et al. (2008) and Liñan (2009) have reported that a positive assessment of one's own skills, knowledge and ability with respect to starting a business is positively linked to entrepreneurial propensity.

Consequently, we hypothesize:

H7: Greater communication skill is associated with a greater intention to becoming self-employed.

Furthermore, while employee commitment is a necessary condition for the success of a new organization, problems with followers may undermine any advantage such commitment may bring. The communication style of the entrepreneur will be important in resolving issues and strengthening such commitment (Pettigrew 1979). Given this, it is reasonable to expect that persons that perceive themselves as strong communicators will also believe that they can overcome problematic followers, as they can talk them into being more committed. Along this line we hypothesize:

H6 The relationship between having a negative perception on followers and intentions of becoming self-employed is positively moderated by communications skills.

### **Data and variables**

The aim of our study was to examine the antecedents to entrepreneurial intention among highly skilled students in an unstable environment. We utilized a theory-based survey that was developed using as a frame of reference validated questionnaires developed earlier. Before administering the questionnaire, we conducted a focus group to examine the validity of the instrument in terms of wording, structure and clarity in this unique setting. Overall no major inconsistencies were detected, and the minor detected were incorporated in the final design. In the focus group we also sought to identify additional relevant factors to be included. The final survey instrument (refer to full

questionnaire in Appendix 1) was divided into measures accounting for (1) entrepreneurial intention following prior studies, (2) proximal predictors, i.e. attitude, subjective norm, perceived behavioral control as prior studies (3) problems with followers (4) Self-identity and (5) control variables (gender age and past experience). In accordance to Ajzen and Fishbein (1980) recommendation, the questions included a specific timeframe in which the behavior would occur. In this study, the time frame was 24 months. A 5-point Likert scale were used, with verbal descriptors on points 1 and 5 (strongly disagree / agree); 2 and 4 (moderately disagree / agree); and 3 (neither agree nor disagree). To estimate the internal consistency of the tool, Cronbach's Alpha Coefficient test was used.

### Respondents

Agribusiness students were selected to represent our sample population. It is noted that in our setting agriculture plays a major role in economic development, moreover the sector is characterized by the high level of market distortions and uncertainty in which we are interested, hence examining agribusiness students' entrepreneurial intention is a logical choice. Overall 223 students responded to the survey (adjusted response rate= 93%). Participants had a mean age of 20.05 years ( $\pm$  1.66). The majority of the respondents were male (61.1%). Also 41.3% of the respondents reported having some sort of entrepreneurial past business experience.

### Dependent variable

We assessed participants' entrepreneurial intention via four items measured with a 5 point Likert scale (Strongly disagree to Strongly Agree). The four questions were: 1) 'I expect to be self-employed within two years after graduating' 2) It is likely that I am self-employed within two years after graduating. 3) I intend to be self-employed within two years after graduating. 4) I plan to be self-employed within two years after graduating.

### Independent variables

The independent variables were generated from the same questionnaire as the dependent variable following the work of Kolvereid (1996); Kolvereid (1996); Kraft et al. (2005); Postigo et al. (2006); Pruett et al. (2009); Farmar (2011); Kautonen et al., (2013) 'Attitude' was measured using affective and descriptive attitudes. The four affective attitude items used the following endpoints: exciting, enjoyable, pleasant and satisfying. The four items tapping instrumental attitudes had the following endpoints: useful, worthwhile, valuable and important. This approach to measuring Attitude is widely used in prior studies

'Subjective norm' was measured taking into account both injunctive and descriptive norms. Descriptive norms were assessed using three items (e.g. people who are important to me are self-employed). Injunctive norms were measured by three items (e.g. 'people who are important to me think that I should not pursue a career as self-employed').

'Perceived behavioral control' was assessed by six indicators that took into consideration different aspects of PBC (self-efficacy and controllability). Self-efficacy was measured making reference to perceived difficulty and confidence of performing the behavior. One item made reference to how easy or difficult (perceived difficulty) performance of the behavior was perceived to be, e.g. 'For me, being self-employed would be very easy'. Three questions measured how confident the respondent was that he/she would be able to perform the behavior successfully, e.g. 'If I wanted to, I could easily pursue a career as self-employed'. Controllability was measured by two items, e.g. 'The number of events outside my control which could prevent me from being self-employed is very few'.

'Perception of followers' was measured by tapping into students' perception of the problems they may encounter with followers if they pursue self-employment. Students were asked to rate their

level of agreement or disagreement to the following statement 'I would not want to be self-employed because of problems with followers'.

'Self-identity' was measured by 6 items. The measure included statements such as 'I often think about becoming an entrepreneur' and 'When I think about it, the term "entrepreneur" would fit me pretty well.'

'Communication skill' was measured by 1 item. The statement read 'How do you rate yourself on the following entrepreneurial abilities/skill sets? Indicate from 1 (no aptitude at all) to 5 (very high aptitude).'

#### Control variables

Several additional individual difference variables have been found to predict entrepreneurship, including gender, age and prior experience. The gender factor has been closely scrutinized in many past studies (e.g. Kristiansen and Indarti, 2004; Scheiner et al., 2004; Langowitz and Minniti, 2007; Zhang et al., 2009; Haus et al. 2013). It is expected and also observed that male students have stronger entrepreneurship aspiration than females (Wang and Wong, 2004). Similarly, age has been identified as one of the most important determinants of entrepreneurship (Parker, 2009), although the relationship is often reported as non-linear (e.g. Georgellis, 2005). Some studies have suggested that entrepreneurial intent increases up to a certain age then decreases, although the cut-off age is inconclusive (e.g. Schwarz et al, 2009; Verheul et al., 2012). Furthermore, in terms of prior entrepreneurial experience, it is assumed that persons with prior experience may be more likely to act on their ideas (Dimov, 2007). Individuals with no clear plan of action are more likely to rely on their previous experiences to gauge intentions (Ajzen, 2002). Prior start-up experience provides tacit and explicit knowledge, role familiarity, and social networks that can further entrepreneurial aspiration (Farmar et al., 201109, p. 251).

## Method

The model for examining entrepreneurial intent can be written as follows:

$$Pr(EI) = a, sn, pbc, f, si, si * f, sc, sc * f, \delta$$

where the probability of being associated with entrepreneurial intent (EI) depends on the individuals attitude towards entrepreneurship,  $a$ , subjective norms,  $sn$ , perceived behavioral control,  $pbc$ , perception of followers performance,  $f$ , self-identity,  $si$ , the interaction between self-identity and followers,  $f*si$ , skills in communication,  $sc$ , an interaction between skills in communication and followers,  $f*sc$ , and we control for a number of variables represented by  $\delta$ . The chosen approach in regards to our control variables focuses on controlling for two types of potentially confounding factors, those that affect the overall perception and those related to the underlying unobserved heterogeneity of individuals. We therefore control for the individuals age, gender, and past behavior in terms of business experience. As the dependent variable, entrepreneurial intention has both upper and lower limit we apply a TOBIT model. We cluster by the type of educational course the individual participated in. We enter each of the independent variables at a time, thereby being additional careful in regards to multicollinearity. In addition, we also employ robust estimators to avoid heteroskedasticity. To reduce the risk of suppressor effect we tested for multicollinearity via the variance inflation factors (VIF). As a general rule, VIF below 10 indicates multicollinearity is insignificant (Hair et al., 1998). All VIF scores for the independent variables were below 10, suggesting that multicollinearity was not an issue.

## Results

### Descriptive results

Initially we analyze the fit of our questionnaire. It is recommended that scale reliability be over the 0.7 threshold (Hair et al., 2006). Table 1 summarizes the reliability of each measure. Finally, the mean of the item scores was calculated for each measure, to give an overall score. In certain instances, items were negatively worded to avoid creating a patterned response. These items were reverse coded before conducting the final analysis.

"Insert Table 1 Here"

Descriptive statistics and Pearson's correlations among each of the main variables of interest are presented in Table 2 and Table 3.

"Insert Table 2"

In line with many past studies (e.g. Phan et al, 2002; Autio et al., 2001) attitudes, subjective norms and perceived control correlated positively with entrepreneurial intention; although the relationship was only significant in the case of attitude ( $\beta = .44, p < .05$ ) and subjective norms ( $\beta = .31, p < .05$ ). Among the exogenous variables, intentions had a weak significant negative correlation with perceived problems with followers ( $\beta = -.21, p < .05$ ). It also exhibited a moderate significant positive correlations with self-identity ( $\beta = .43, p < .05$ ) and a low significant positive relationship with communication ( $\beta = .25, p < .05$ ).

### **Regression analysis**

The results of the regression analysis is presented in Table 4

Attitude, perceived behavioral control and subjective norms

In order to test for our hypothesized effect of our independent variables on the outcome variable (entrepreneurial intention), we ran multiple block-wise entry TOBIT regressions. In Model 1, 2 and

3 we examined the effect of the proximal TPB predictors. We find support for hypothesis 1, indicating that higher levels of entrepreneurial intention is associated with more positive attitudes towards entrepreneurship. The result is consistent with a growing number of studies which has shown attitude as the main predictor of entrepreneurial intention (e.g. Phan et al., 2002; Frazier and Niehm, 2006; Schwarz et al., 2009; Iakovleva, 2011; Sihombing, 2012; Yang, 2013).

Also perceived control is significant and positive confirming hypothesis 2. This is in keeping with past studies which have found that perceived control is a significant predictor of entrepreneurial intention. In fact, perceived behavioral control has commonly been the best predictor of intentions (Davidsson, 1995; Autio et al., 2001).

From our data, subjective norms is negative; however, insignificant. Our findings diverge from studies such as Engle et al. (2010) whose results show subject norms as a significant predictor of entrepreneurial intentions. Instead, our results are in line with past research that has showed that subjective norm often failed to reach statistical significance in predicting entrepreneurial intention (e.g Krueger et al., 2000; Armitrage, 2001; Boissin, et al., 2009; Schlaegel and Konig, 2012).

#### Negative perception of followers and self-identity

To test hypothesis 4 and 5, we entered the perception towards followers and entrepreneurial self-identity in Models 5 and 6, respectively. Confirming hypothesis 4, we show a significant negative association between having a negative perception of followers performance and entrepreneurial intention, demonstrating that the more students believed that they would encounter problems with followers the less inclined they were towards self-employment. Our result is contradictory to the findings reported by Pruett et al. (2009) who did a cross cultural comparison of students intention across samples from the US, China and Spain and found that the perception of problems with followers were insignificant across all three samples. Likewise, Postigo and Iacobucci (2006) using

samples from Argentina and Italy, found that problems with followers was not considered to be one of the main obstacles for entrepreneurial activity. The contribution to literature on followers and entrepreneurship literature in general is therefore an important one, as we empirically confirm that in situations where the general access to a highly educated and high performing workforce is questionable, the influence from a negative perception of followers is significant. In essence this means that followers not only influence the outcome of entrepreneurship as argued prior in literature, but also influences intention to entrepreneurship.

In terms of hypothesis 5, self-identity is positive associated with entrepreneurial intention (see Model 5); however, these results disappear in the full specification Model 9. In Model 6 we show the estimation of followers moderating the influence self-identity has on entrepreneurial intent. The interaction term is positive and significant; however, self-identity loses its significance. As it is a Tobit regression we examine the interaction effect using the approach illustrated by Wiersema and Bowen (Wiersema and Bowen, 2009) based on true interactions (Ai and Norton, 2003). In Figure 2, the darker symbols (crosses) indicate values of the true interaction effect (recorded on the left axis), while the circular shaped symbols indicate z-statistic values (recorded on the right axis). As seen, the value, sign, and significance of the true interaction effect differs over the range of the predicted values of entrepreneurial intention. The values of the true interaction effect range from  $-0.009$  to  $0.748$ , with a mean value of  $0.0037$ . The z-statistic values range from  $-0.308$  to  $3.404$ , so some values of the true interaction effect are not significant. We therefore confirm hypothesis 6 showing that the relationship between having a strong entrepreneurial self-identity and intentions of becoming self-employed is negatively moderated by negative expectations towards followers .

"Insert Table 4 Here"

Negative perception of followers and communication skills

In regards to hypothesis 7, affirming to our prediction the effect of communication on entrepreneurial intention was significant in Model 7. On the other hand, when we tested the hypothesis that the relationship between having a negative perception on followers and intentions of becoming self-employed is positively moderated by communications skills (hypothesis 8, Model 8) our results showed that the interaction was negative and insignificant (see Figure 2).

## **Discussion**

In terms of the raw TPB model, attitude and perceived behavioral control were significant predictors of students' entrepreneurial intention. This suggests that students' intention to undertake entrepreneurial action had more to do with their personal attitude and their perceived control instead of the situation than with the social pressure to which they were exposed.

We found that subjective norms had no substantial impact on entrepreneurial intention. Liñan and Chen (2009) suggest the effect of subjective norms on intentions may be more indirect in nature, accordingly they argue that subjective norms modify both attitudes and perceived control. In their words "when individuals think that 'reference people' would approve of their decision to become entrepreneurs, they would be more attracted toward that option and feel more able to perform it satisfactorily" (p. 609). Moreover, it may be as Autio (2001) suggests, that persons of a young age are more likely to make entrepreneurial career decisions based on personal attitude or perceived behavioral control.

From our findings, it is shown that, as expected, problems with followers had a negative influence on entrepreneurial intention. Bunjongjit and Oudin (1992) identified several problems that entrepreneurs face with followers, e.g. high mobility of followers, conflicts on wages, insufficient skills, lack of experience and lack of discipline. The impact of these problems can be even more pronounced in the developing country context where human resource difficulties are more

prevalent. Taking wage as an example, efficiency wage theory argues that high wages can reduce monitoring costs, discourage turnover, attract a higher quality pool of applicants, and foster employee loyalty; however in many developing countries SMEs simply do not have the resources to offer high wages to their followers (Kim et al., 2008) and as such we often witness low levels of dedication to the job. Luthje and Franke (2003, p. 138) noted that regardless of students' positive attitude towards entrepreneurship if their perception of salient factors in the setting is negative they may decide against starting following their entrepreneurial aspiration.

As it regards self-identity, the findings are consistent with a growing number of studies demonstrating that the influence of self-identity on entrepreneurial intention (e.g. Farmar et al., 2009; Krueger, 2007). Entrepreneurial self-identity emerged as the second most powerful predictor of students' entrepreneurial intentions. It would seem, as identity theory (Stryker, 1987) points out, the stronger students' sense of themselves as potential entrepreneurs, the higher their intentions to undertake the action or as Farmar et al. (2011, p. 263) concludes "a possible self as an entrepreneur, when psychologically important to a person, initiates goal-strivings that are important motivational mechanisms in the nascent entrepreneurial process. In terms of the interaction between self-identity and anticipated problems with followers, the results show that the relationship between having a strong entrepreneurial self-identity and intentions of becoming self-employed is negatively moderated by negative expectations towards followers. Although when problems stand in the way of dreams, desires, or purpose persons who strongly identifies with being an entrepreneur are more likely to regulate their attention and motivation to identify solutions that could otherwise go unnoticed or unexploited Cardon et al. (2009). However, as Hoang and Gimeno (2005) points out, this is only the case when the entrepreneurial-self is one of the dominant self-concepts. From this argument, it seems that although the students in our sample identifies with being an entrepreneur,

their entrepreneurial self-concept is not dominant within all their possible self-concepts, therefore they are more likely to react negatively to perceived barriers to entrepreneurship.

Finally, the results showed that while students' rating of their communication skill was positively associated with entrepreneurial intention; their rating of their communication skill did not moderate the effect the perception of problems with followers on entrepreneurial intention. Our argument was that students with higher perceived skills would also think of themselves as being capable of overcoming issues with low performing followers, instead our findings seems to suggest that students did not believe that communicative ability can deal effectively with problems that might surface with followers. It could be that in an environment with very troublesome access to highly skilled persons (as in the empirical setting of our research), the challenges with followers are the main factor in keeping students, who also have potential in non-entrepreneurial job market, from becoming entrepreneurs if they have other ways to employment

### **Implications**

Our study has several implications that can inform both theory and practice. First, the result provides evidence of the utility of the TPB model in a unique setting, agribusiness students in Uganda. This is in line with several studies undertaken across developing and emerging economies that have demonstrated the robustness of the model (e.g. Iakovleva et al., 2011, Davey et al, 2011; Hunjra et al., 2011; Guzman-Alfonso and Guzman-Cuevas, 2012). Moreover, we provided evidence of the relative importance of the attitude and perceived behavioral control construct in our setting. It also reinforces the belief that attitude is a powerful predictor of entrepreneurial intention. Additionally, the findings show importance of skills rating, perception of followers and self-identity

On a more practical side, the research has implications for stakeholders interested in encouraging more widespread self-employment among agribusiness students, students that are thought as being

main contributors to the development in mainly agribusiness driven country. The strong negative influence from perception of followers indicates that students do view the labor market as a main obstacle for becoming entrepreneur. Why efforts in minimizing this barrier should be emphasized if wanting to influence future entrepreneurial engagement from top level students. In addition, we, as also prior studies show, that self-identity proved to be an important predictor of entrepreneurial intent. Given that self-identity develops at a young age, developing countries, as developed countries faces the same challenge, of how to support entrepreneurial self-identity.

### **Limitations and future research**

Our findings should be interpreted within the limitations of the study. First, our study relies on self-reported data and the possibility exists that students' projections of their future behavior may be biased. As, Straub et al., 1995 remark studies that rely on subjective measures may not be uncovering true, significant effect.. Second, we did not test for actual behavior but used intentions as a proxy; as such the scenario is merely hypothetical. Although intentions are a reasonable proxy for actual behavior there sometimes exist a gap between the two; therefore it would have been prudent to examine whether the action is actually conducted. Third, our model does not account for all factors that have been identified as possible determinants of entrepreneurial intention. More studies are needed to identify and explore the antecedents to entrepreneurial behavior.

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## Tables and Figures

**Table 1. Measures and Cronbach's Alpha Coefficients**

Domain	Item	References	Cronbach's $\alpha$
Intention	4	Kraft et al. (2005)	.803
Attitude	8	ISEEO (2012)	.898
Subjective norm	6	Kolvereid (1996)*	.704
Perceived control	6	Kolvereid (1996)*; Kautonen et al., (2013)	.754
Obstacles	1	Postigo et al. (2006); Pruett et al. (2009)	-
Skills	1	Liñan (2008)	.-
Self-identity	6	Farmar (2009)	.905

\* Measured with a shortened scale



**Table 2. Descriptive Statistics and Correlations**

	1	2	3	4	5	6	7	8	9	10	Mean	SD
1. Entrepreneurial Intention	1										3.96	1.02
2. Attitude	0.44*	1.00									4.47	.68
3. Subjective Norms	0.31*	0.39*	1.00								3.56	.83
4. Perceived Behavioral Control	0.10	0.15*	0.19*	1.00							3.41	.92
5. Perceived Problems with Employees	-0.21	-0.10	-0.06	-0.28	* 1.00						2.12	1.26
6. Self-identity	0.43*	0.52*	0.26*	0.03	-0.11	1.00					4.47	.80
7. Perceived Communication Skill	0.25*	0.28*	0.31*	0.02	0.00	0.30*	1.00				4.06	.88
8. Gender	-0.09	-0.05	-0.14	0.04	-0.04	-0.13	0.09	1.00			1.40	.49
9. Age	0.00	0.12	0.07	0.05	-0.02	0.07	0.06	-0.09	1.00		1.36	.52
10. Business Experience	0.05	0.07	0.06	0.12	0.00	0.04	0.10	-0.15	0.19*	1.00	0.41	.49

\* p<0.5

**Table 3: TOBIT regression, dependent variable is entrepreneurial intention**

	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7	Model 8	Model 9
Attitude	0.762***	0.645***	0.644***	0.615***	0.415***	0.454***	0.599***	0.558***	0.427***
	[0.105]	[0.065]	[0.059]	[0.054]	[0.022]	[0.035]	[0.052]	[0.041]	[0.024]
Perceived Behavioral Control		0.252**	0.250**	0.263**	0.240*	0.240**	0.214	0.226*	0.216*
		[0.117]	[0.121]	[0.116]	[0.125]	[0.108]	[0.134]	[0.134]	[0.119]
Subjective Norms			0.008	-0.068	-0.043	-0.051	0.012	-0.063	-0.049
			[0.055]	[0.068]	[0.072]	[0.070]	[0.046]	[0.064]	[0.066]
Followers				-0.196***	-0.173***	-0.925***			-0.700**
				[0.057]	[0.046]	[0.261]			[0.347]
Self-identity					0.354***	-0.039			-0.148
					[0.041]	[0.138]			[0.125]
Self-identity*Followers						0.169***			0.201***
						[0.064]			[0.067]
Communication							0.194	0.308***	0.356***
							[0.130]	[0.079]	[0.047]
Followers*Communication								-0.050***	-0.090***
								[0.016]	[0.031]

Gender	-0.178	-0.126	-0.127	-0.154	-0.098	-0.075	-0.153	-0.167*	-0.069
	[0.126]	[0.147]	[0.152]	[0.120]	[0.109]	[0.100]	[0.115]	[0.097]	[0.109]
Agegroup_2	-0.193	-0.203	-0.204	-0.220	-0.233*	-0.193	-0.148	-0.147	-0.100
	[0.125]	[0.133]	[0.135]	[0.155]	[0.122]	[0.140]	[0.108]	[0.117]	[0.127]
Agegroup_3	0.228	0.283	0.287	0.315	0.321	0.340	0.200	0.261	0.320
	[0.648]	[0.574]	[0.580]	[0.644]	[0.665]	[0.585]	[0.540]	[0.602]	[0.497]
BusinessExperience	0.020	0.010	0.009	0.018	0.028	0.028	-0.057	-0.037	-0.012
	[0.157]	[0.138]	[0.148]	[0.140]	[0.152]	[0.126]	[0.199]	[0.190]	[0.167]
Constant	0.803*	0.416	0.398	1.182*	0.412	2.007***	-0.034	0.328	1.235**
	[0.435]	[0.553]	[0.557]	[0.692]	[0.488]	[0.590]	[0.653]	[0.662]	[0.569]
Constant	1.092***	1.076***	1.076***	1.060***	1.028***	1.008***	1.054***	1.031***	0.972***
	[0.134]	[0.141]	[0.141]	[0.135]	[0.129]	[0.127]	[0.140]	[0.129]	[0.116]
No of Obs	210	210	210	207	207	207	206	203	203
Right censored observations	39	39	39	39	39	39	39	39	39
Left censored observations	3	3	3	3	3	3	3	3	3
Uncensored observations	168	168	168	165	165	165	164	161	161
Log likelyhood	-2.931.731	-2.900.154	-2.900.106	-2.815.896	-276.085	-2.729.187	-2.799.086	-2.704.082	-2.609.986
Pseudo R-squ~d	.0719299	.0819257	.081941	.0960768	.1137468	.1239107	.0927543	.110888	.1418271
F test	.	.	.	.	.	.	.	.	.

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\*p<0.1, \*\* p<0.5, \*\*\* p<0.001

**Table 4: OLS regression, dependent variables is entrepreneurial intention**

	Model 10	Model 11	Model 12	Model 13	Model 14	Model 15	Model 16	Model 17	Model 18
Attitude	0.650*** [0.102]	0.559*** [0.106]	0.556*** [0.105]	0.530*** [0.106]	0.354*** [0.105]	0.392*** [0.100]	0.521*** [0.100]	0.487*** [0.099]	0.372*** [0.102]
Perceived Behavioral Control		0.195** [0.081]	0.192** [0.082]	0.201** [0.083]	0.183** [0.086]	0.184** [0.082]	0.171** [0.083]	0.179** [0.085]	0.175** [0.081]
Subjective Norms			0.021 [0.071]	-0.033 [0.076]	-0.011 [0.071]	-0.021 [0.070]	0.023 [0.070]	-0.032 [0.075]	-0.021 [0.069]
Followers				-0.142** [0.058]	-0.123** [0.055]	-0.835*** [0.217]			-0.579** [0.269]
Self-identity					0.312*** [0.103]	-0.063 [0.164]			-0.152 [0.157]
Self-identity*Followers						0.160*** [0.049]			0.190*** [0.050]
Communication							0.138* [0.073]	0.221*** [0.074]	0.308** [0.131]
Followers*Communication								-0.037***	-0.095*

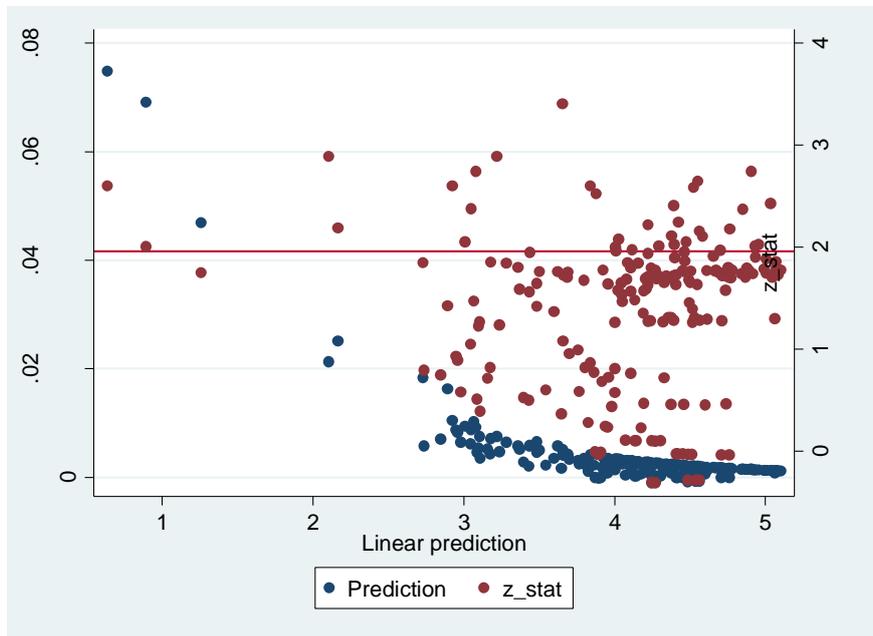
								[0.014]	[0.052]
Gender	-0.145	-0.105	-0.108	-0.129	-0.078	-0.057	-0.119	-0.131	-0.035
	[0.128]	[0.124]	[0.123]	[0.123]	[0.116]	[0.114]	[0.119]	[0.117]	[0.108]
Agegroup_2	-0.150	-0.158	-0.159	-0.175	-0.187	-0.150	-0.105	-0.109	-0.066
	[0.141]	[0.141]	[0.141]	[0.142]	[0.140]	[0.138]	[0.134]	[0.133]	[0.127]
Agegroup_3	-0.083	-0.051	-0.043	-0.028	0.005	0.017	-0.091	-0.064	0.011
	[0.600]	[0.575]	[0.561]	[0.510]	[0.506]	[0.481]	[0.576]	[0.509]	[0.439]
Business Experience	0.040	0.032	0.027	0.035	0.039	0.039	-0.025	-0.010	0.009
	[0.126]	[0.125]	[0.128]	[0.125]	[0.123]	[0.120]	[0.123]	[0.121]	[0.115]
Constant	1.151**	0.854*	0.810	1.393**	0.717	2.247***	0.499	0.791	1.497*
	[0.471]	[0.467]	[0.533]	[0.599]	[0.590]	[0.794]	[0.534]	[0.553]	[0.800]
Pseudo LL	-280.061	-277.266	-277.222	-270.372	-264.263	-260.065	-267.264	-259.219	-247.167
No of Obs	210	210	210	207	207	207	206	203	203

Wald-Chi2

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\*p<0.1, \*\* p<0.5, \*\*\* p<0.001

**Figure 1: Analysis of the interaction effect of low perception of followers on self-identity and the probability of entrepreneurial intent**



**Figure 2: Analysis of the interaction effect of low perception of followers on communication and the probability of entrepreneurial intent**

