



Financial Literacy and Development of Entrepreneurial Intentions among Graduates of Selected Tertiary Institutions Nigeria

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ABSTRACT

This study examined financial literacy and development of entrepreneurial intentions among graduates of selected tertiary institutions Nigeria. The specific objective of the study among others include to examine whether financial literacy influence entrepreneurial attitude of graduates and to determine whether financial literacy influence entrepreneurial innovativeness of graduates. This study made use of cross-sectional survey research design. The population of this study is 10,279. In determining the sample size, the researcher used Cochran's formula. The sample size for graduate respondents was 625. The sampling technique was random sampling. The researcher will make use of questionnaires as instrument for data collection. The data collected was analyzed, using both descriptive and inferential statistical techniques. The descriptive statistics include frequency counts and percentages. Thereafter, regression analysis was used to test the significance of the hypotheses earlier formulated. The findings suggest that financial literacy influence entrepreneurial attitude of graduates. The study also found that financial literacy influences entrepreneurial innovativeness of graduates. Based on the findings of this study, it is recommendations that a new learning approach in entrepreneurship education is required to increase the students' attitudes in entrepreneurial activities. Also, teaching methodologies should include a reflective on practice to motivate students in entrepreneurship studies

Keywords: Financial Literacy, Entrepreneurial Intentions, Opportunity Recognition, Entrepreneurship Development

1.0 INTRODUCTION

1.1 Background to the Study

Although, there is no universally accepted definition of entrepreneurship, there is an agreement that it is a process entailing recognition of a need, exploiting an opportunity to fulfill the need and building an enterprise around it. This behaviour would be best predicted by the entrepreneurial intentions (Liñán, 2004). For some scholars, venture creation is an outcome of intentions (Maina, 2011).

Entrepreneurial intention is a determinant element to perform entrepreneurial behaviour (Pribadi, 2012). It is a state of mind which directs and guides the actions of individuals towards the development and implementation of new business concepts (Bird, 1998). The intention to carry out a given behaviour can be predicted by the person's attitudes towards that behaviour (Maina, 2011; Pribadi, 2012), that is, whether the performance of this behaviour is positively or negatively valued. These attitudes converge with situational factors to drive or hinder the establishment of new businesses (Boyd & Vozikiz, 2014). According to Boyd and Vozikiz, (2014). situational factors include prior exposure to entrepreneurship, availability of role models and social attitudes towards entrepreneurship; all together are likely to have a positive bearing on individual's decision to venture into business.

According to Maina (2011) 'entrepreneurs discover entrepreneurship opportunities depending on the information they already have'. This information can be obtained from education programmes that aim at building knowledge and skills either 'about' or 'for the purpose of' entrepreneurship, generally, as a part of recognised education pro-grammes at primary, secondary or tertiary level educational institutions (Corduras et al., 2010). Enterprise education may, therefore, have a positive impact on entrepreneurial intentions by providing entrepreneurial skills and knowledge (Peterman & Kennedy, 2013; Rae, 2016).

A prior research in Anglo-Nations has demonstrated marked differences between students who are intending to be entrepreneurs and those who are not (Levenburg & Schwarz, 2015). Henderson and Robertson (1999) found that 67 per cent of those studying entrepreneur-ship expressed a desire for self-employment. A key assumption under entrepreneurship education is that entrepreneurial skills can be taught and are not fixed personal characteristics (Oosterbeek, Van Praag & Ijsselstein, 2013), which complies with existing views of entrepreneurship as a discipline and like any discipline it can be learned, and Rushing's (1990) contention that entrepreneurship education can enhance and develop traits that are associated with entrepreneurship and

provide skills needed to start businesses. Economic development of developed and developing world is associated with Entrepreneurship development. This implies that the developed economies have been able to tap on the entrepreneurial benefits than the latter.

1.2 Statement of Problem

In developing countries, entrepreneurship is considered vital for enhancing employment opportunities. Such impact of entrepreneurship is also evident from territories which reported declines in the unemployment levels because they have the higher level of increase in entrepreneurial initiative indexes (Audretsch, 2012). In spite of such global recognition, entrepreneurship remains limited in Nigeria. This happens due to limited attention of policy maker and government toward entrepreneurship in the past, and lower level of growth in key indicators for starting new business in Nigeria's, limited economy to absorb shocks (Haque, 2013). Such attitude towards entrepreneurship in the past have affected the entrepreneurial attitude and intentions of people in Nigeria which is just 23% according to the Global Entrepreneurship Monitor (GEM) report on Nigeria (Sarraz & Qureshi, 2013). Report of GUESS (2018) has ranked Nigeria lowest on students' intention to become an entrepreneur by starting their own business after completing the study.

1.3 Objectives of the Study

The main objective of the study is to examine financial literacy and development of entrepreneurial intentions among graduates of selected tertiary institutions Nigeria. The study is guided by the following specific objective:

1. To examine whether financial literacy influence entrepreneurial attitude of graduates.
2. To determine whether financial literacy influence entrepreneurial innovativeness of graduates.
3. To examine the relationship between financial literacy and entrepreneurial intentions of graduates.

1.4 Research Questions

1. To what extent does financial literacy influence entrepreneurial attitude of graduates?
2. To what degree does financial literacy influence entrepreneurial innovativeness of graduates?
3. How does financial literacy influence entrepreneurial intentions of graduates?

1.5 Research Hypotheses

H₀₁: Financial literacy does not influence entrepreneurial attitude of graduates.

H₀₂: Financial literacy does not influence entrepreneurial innovativeness of graduates.

H₀₃: There is no significant positive relationship between financial literacy and entrepreneurial intentions of graduates.

1.6 Significance of the Study

The study highlights the problems of the level of entrepreneurial education in the country and its equivalence to level of poverty in the society by virtue of lack of employment or knowledge of how to startup businesses; the resultant effect of which is a society that breeds healthy partnership and motivation, impacting on the development of the nation. One of the MDG goals highlights education as a critical factor to reduce poverty and dependency on developed nations, however, the contribution of this work to knowledge identifies what is important to the economy, which is qualitative education focused on the needs of the economy per time, rather than the resolution of the United Nations to increase budgetary details, increasing the people that go through school.

1.8 Limitations of the Study

The research is limited to respondents from the disciplines of Engineering, Business/Management, Law, Medicine and Science. The time frame between the students' graduation and their involvement in entrepreneurial activities is not taken into account. Factors like students' intentions are likely to change over time and could be influenced by other factors not covered in the research study.

2.0 THEORETICAL LITERATURE ON THE ROLE OF FINANCIAL LITERACY IN THE DEVELOPMENT OF ENTREPRENEURIAL INTENTIONS

2.1 Effect of Entrepreneurship and Career Intention of Graduates

Research by Souitaris (2017) indicated that there wasn't sufficient information as to the effects of different entrepreneurship programs on student's subsequent behaviour, but such programs increased entrepreneurial intentions. Souitaris (2017) conducted a survey on entrepreneurship programs for science and engineering students and found that the programs raised some entrepreneurial intentions among the students. Many of the students experienced key moments of inspiration that drastically changed their „heart and mind“ and made them consider becoming entrepreneurs. Education was the starting point where the entrepreneurship students would be expected to be more likely than other students to consider starting their own

businesses, because of the selection of the entrepreneurship programs (Zhao, 2015). There was ample international evidence that participating in entrepreneurship programs raised students' entrepreneurial intentions. However, except for the study by Souitaris (2017), there was little document evidence of what specific factors within the programs were effective in raising entrepreneurial intentions. Research indicated that creativity was a key part of the entrepreneurial process, which reflected a characteristic of entrepreneurial behaviour and a common attribute in the entrepreneurship educational programs. The introduction of innovation and creativity increased the students' eagerness to engage in entrepreneurship activities (Yar Hamidi, 2008).

The Global Entrepreneurship Monitor (GEM, 2018), Reynolds (2016) had indicated that people with limited education were less likely to participate in entrepreneurial initiatives, contradicting the famous paradigm of "entrepreneurs were born or made". There were different stories of successful entrepreneurs that stimulate this paradigm (Garavan & O'Connell, 2014). Personality traits were ignored and contextual factors were considered. Entrepreneurship education and training were among the most important elements in human resources development. Previous studies indicated a link between education and entrepreneurship (Gorman, 2019; Henderson & Robertson, 1999). According to Garavan and O'Connell (2014), there was clearly a major role and need for entrepreneurship education and training, where the universities were seen as a potential source to develop entrepreneurial behaviour among students (Linan, 2019). A mismatch was seen between skills acquired at the university and those needed by the students, as the entrepreneurial skills were poorly developed within the university study and showed adverse effects to engage in entrepreneurship. This resulted in resistance to the access of entrepreneurship education where the students did not recognise entrepreneurship education as an appropriate curriculum (Smith, 2018).

Entrepreneurship education has come to denote all forms of knowledge delivery that seek to empower the individual to create real wealth in the economic sector, thereby advancing the cause of development of the nation as a whole. According to Bassey and Archibong (2019), the goal of entrepreneurship education is intended to empower our graduates irrespective of their areas of specialization with skills that will enable them to engage in income yielding venture, if they are unable to secure jobs in the public sector. It is a reorientation from job seekers to job creators.

2.2 Entrepreneurship and Opportunity Recognition

According to Shane (2018) entrepreneurship process consist of capability to identify opportunity, collect resources, organize them and adapt strategy so that opportunity can be exploited. The knowledge, skills and information he obtained through education will likely improve the expected returns for exploiting the opportunity. Entrepreneurship education not only improves knowledge skill and information which needed to pursue an opportunity but also equip individual with analytical ability and knowledge of entrepreneurial process which improve the entrepreneurial judgment (McMullen & Shepherd, 2016).

This is the theory that explains that entrepreneurship process is viewed as a response to a certain environmental conditions that can help or hinder entrepreneurship intention and business growth and development by the nature of the climate they are established. Bloodgood, Sapienza and Carsrud (2015) suggest that factors such as support systems for instance family, financial institutions; local community, government agencies, and rules and regulation can potentially affect entrepreneurship intentions and activities.

In this regard a person who has a desire to create a new venture may never intend to do so because s/he is deterred by the perception that the environment is not favourable or the belief that starting a new venture is not feasible due to environment that surround him. (Nguyen, 2019). In a way, this approach has come about to challenge the Trait approach as Trait approach speaks only about the internal characteristics such as self confidence, need for achievement, internal locus of control while forgetting the outside influences such as cultural characteristics, social relations, economic and political conditions, physical and institutional infrastructure which are conditions termed after this theory. Mostly these environmental or contextual approaches are external environment that is they are beyond to the individual's control, however when combined they can together create threat or opportunities in the environment where the individual entrepreneur operate.

Entrepreneurship will always flourish in countries in which government regulations and societal norms support new ventures, and in which knowledge of creating new ventures is widely available (Busenitz, 2018). The best reference here is how easy are the procedures in starting the business as it is experienced in different countries, for instance Drost (2015) states that starting a new business in Finland is quite easy requiring registration with the tax authorities and the National Board of the Patents Registration (NBPR). The launching process of a new business takes about 1 to 2 weeks. The cost of starting a business is relatively lower in Finland compared to other OECD countries.

In this study, one can look at this theory and make reflection to see whether an environmental condition that is cultural characteristics, social relations, economic and political conditions, physical and institutional infrastructure in Nigeria has any impact in entrepreneurial intention decisions. In this case for example, one would like to know how Nigeria environmental condition do support or bar the entrepreneurial endeavours. For instance Nkya (2017) described business environment in Nigeria as "uneveled playing field" in both the input as well as output markets as adverse practices in which Cheaper untaxed imported goods are cited as having intensified the unfair competition.

This approach was introduced by McClelland (1965), who tried to relate entrepreneurship to psychology. In the trait approach or personal characteristics-oriented approach as it is sometimes called, there is an implicit assumption that an entrepreneur is the key actor. He is an individual who identifies opportunities, develops strategies, assembles resources and takes an action to set up and manage the business venture.

3.0 RESEARCH METHODOLOGY

This study made use of descriptive survey research design that allow for the use of questionnaires to elicit data from the respondents. However, the study will be limited graduates of selected tertiary institutions in South South Nigeria. Tertiary institutions covered include University of Benin, University PortHarcourt, Niger Delta University, University of Uyo, University of Calabar, Delta State Polytechnic Ogwashi-uku, Igbinedium University, Delta State University Abraka, Rivers State University, Petroleum Training Institute Delta State, Ambrose Ali University, Edo State.

The study will collect data from both primary sources. The study also will use questionnaires to collect primary data. The combined study population of graduates of the selected institutions is 10,279. In determining the sample size, the researcher will use Cochran's formula to calculate the sample size when population size is finite. The sample size for graduate respondents is 625. The sampling technique were purely random in manner, with possible permission from the institution alumina where necessary. The graduates were sampled from different faculties/disciplines in no particular order.

In this study in order to ensure validity and reliability of this work, many things were put into consideration. The questionnaire put across to the respondent was clear and unambiguous. Responses category was as exhaustive and exclusive; as possible and vetted by the research supervisors. In this study, Cronbach's Alpha is used to measure the internal consistency of the items used. From the result below, the Cronbach's Alpha co-efficient indicates that the instrument is 0.816 reliable (i.e. 82% reliable). Hence, the instrument has good (High-Stakes testing) reliability.

Table 3.1: Reliability Analysis: Cronbach's Alpha Value

| Dimensions | N0 of Items | Cronbach's Alpha |
|--------------------------------|-------------|------------------|
| Financial literacy | 10 | 0.883 |
| Entrepreneurial Attitude | 7 | 0.853 |
| Entrepreneurial Innovativeness | 6 | 0.712 |
| Overall score | 23 | 0.816 |

Source: SPSS 20

The researcher will make use of questionnaires as instrument for data collection. Out of 625 questionnaires distributed, 401 were successfully retrieved. The data collected was analyzed, using both descriptive and inferential statistical techniques. The descriptive statistics include frequency counts and percentages. Thereafter, Regression analysis will be used to test the significance of the hypotheses earlier formulated. Responses on the relationship between Financial Literacy and entrepreneurial intentions of graduates were varied from SA – SD Where: SA = Strongly Agree, A = Agree, U= Undecided, D = Disagree, SD = Strongly Disagree

4.0 PRESENTATION AND ANALYSIS OF DATA

4.1 Presentation of Data

4.1.1 Financial literacy

Table 4.10 Respondents Views on Financial Literacy

| S/N | SA | | A | | U | | D | | SD | |
|-----|------|---------|------|---------|------|--------|------|---------|------|---------|
| | Freq | % | Freq | % | Freq | % | Freq | % | Freq | % |
| 1 | 161 | (40.15) | 186 | (46.38) | 22 | (5.49) | 28 | (6.98) | 3 | (0.75) |
| 2 | 124 | (30.92) | 181 | (45.14) | 11 | (2.74) | 56 | (13.97) | 29 | (7.23) |
| 3 | 88 | (21.95) | 201 | (50.12) | 21 | (5.24) | 59 | (14.71) | 32 | (7.98) |
| 4 | 219 | (54.61) | 98 | (24.44) | 17 | (4.24) | 64 | (15.96) | 3 | (0.75) |
| 5 | 214 | (53.37) | 166 | (41.40) | 14 | (3.49) | 39 | (9.73) | 78 | (19.45) |
| 6 | 178 | (44.39) | 143 | (35.66) | 31 | (7.73) | 43 | (10.72) | 6 | (1.50) |
| 7 | 201 | (50.12) | 89 | (22.19) | 10 | (2.49) | 51 | (12.72) | 50 | (12.47) |
| 8 | 176 | (43.89) | 153 | (38.15) | 11 | (2.74) | 46 | (11.47) | 15 | (3.74) |
| 9 | 180 | (44.89) | 168 | (41.90) | 8 | (2.00) | 42 | (10.47) | 3 | (0.75) |
| 10 | 96 | (23.94) | 205 | (51.12) | 17 | (4.24) | 63 | (15.71) | 20 | (4.99) |

Source: Field Survey, 2020

The nature of relationship between financial literacy and the entrepreneurial intentions of graduates was demanded from respondents. Respondents were requested to explain how they determine their financial literacy and 186 (46.38) of them agreed that they were ready to do anything to be an entrepreneur. 161 (40.15) other respondents strongly agreed with this submission. 28 (6.98) and 3 (0.75) respondents disagreed and strongly disagreed respectively while 22 or 5.49% were undecided to it.

124 or 30.92% of the respondents strongly agreed that they insist on offering financial literacy to their graduates and that as a result of the entrepreneurship programme, graduates have applied for a job (project/work) in a start-up while 56 or 13.97% disagreed to it. Also, 88 or 21.95% of the respondents strongly agreed that as a result of the entrepreneurship programme, they have conducted market research for a business finance and that

they keep researching to attain the highest financial literacy to keep abreast with modern trends in the global market while 32 or 7.98% of them strongly disagreed to it.

On whether they have prepared a business plan, 219 (54.61) respondents confirm that they are regularly trained -on financial literacy and standards to make sure that they prepared a business plan. 214 or 41.40% of the respondents strongly agreed that as a result of the entrepreneurship programme, they have organized a start-up team before they graduate while 19.45% strongly disagreed to it. In another submission, 178 or 44.39% respondents strongly agreed that as a result of the entrepreneurship programme, they have sourced facilities / equipment which give them an edge among their peers in the area of financial literacy while 31 or 7.73% were undecided to it. Most of the respondents numbering 201 (50.12%) strongly agreed that they make sure that their institutions financial literacy education conform to industry standard as well as the standard set by the regulatory authorities. They also agree that as a result of the entrepreneurship programme, they have acquired facilities / equipment. 51 or 12.47% respondents however, strongly disagreed to it.

Similarly, 176 or 43.89% strongly agreed that they as a result of the entrepreneurship programme have developed product / service while 46 or 11.47% disagreed to it. However, 168 or 41.90% of the respondents agreed. 180 (44.89) strongly agreed that as a result of the entrepreneurship programme, they have organized finance for start-up, 42 (10.47) disagreed while 0.75% strongly disagreed to it. Also, 96 or 23.94% strongly agreed that they as a result of the entrepreneurship programme have devoted full-time to their business while 17 or 4.24% were undecided to this. The survey has revealed that quality approaches and strategies put in place by institutions in the study area are all aimed enhancing graduate entrepreneurial intentions and ensuring competitive edge.

4.1.2: Entrepreneurial Attitude

The result of the descriptive analysis for the influence of financial literacy obtained during entrepreneurial programme on entrepreneurial attitude is presented in the table below:

Table 4.3.4: Mean Score for Entrepreneurial Attitude

| Items | Mean | Mean |
|--|------|------|
| If I had the opportunity and resources, I would like to start a business | 4.01 | 4.62 |
| I like to be an entrepreneur as this will enlarge my circle of friends | 4.01 | 3.61 |
| I can control the creation process of a new firm | 4.01 | 4.32 |
| I have desire for entrepreneurial action, even if this would mean higher uncertainty. | 4.01 | 4.03 |
| The institution programs have developed me well to compete with other businessmen | 4.01 | 3.65 |
| I am determined to create a firm in the future | 4.01 | 4.51 |
| Financial knowledge acquired is adequate to help me manage my own business as well as lead and motivate others | 4.01 | 3.62 |
| Mean Average | 4.01 | 4.05 |

Source: Field Survey, 2020

The findings from the sub-scale items on entrepreneurial attitude as seen on table 4.3.4 indicate that, the mean scores ranges from 4.62 to 3.61. This indicates an overwhelming response of the majority of respondents strongly agreeing to all the items on the sub-scale. This shows that majority of the respondents perceive that financial literacy obtained during entrepreneurial programme influences entrepreneurial attitude of graduates.

4.1.3. Entrepreneurial Innovativeness

The outcome of the descriptive analysis for influence of financial literacy entrepreneurial on entrepreneurial innovativeness is presented below:

Table 4.3.5: Mean Scores for Entrepreneurial Innovativeness.

| Items | N | Mean |
|--|-----|------|
| I can control the creation process of a new firm | 401 | 4.18 |
| Financial literacy influenced my desire to be an entrepreneur because of its competitive nature | 401 | 4.27 |
| My institution is focused towards entrepreneurship, they provided with me with needed financial literacy and resources to embark on entrepreneurship | 401 | 4.22 |
| The academic policies in my institution promote entrepreneurial innovativeness | 401 | 3.57 |
| The institution's financial literacy programme in entrepreneurship inspired me to develop innovative ideas for new business | 401 | 4.61 |
| I gained adequate knowledge to create something new and to take advantage of my creative needs | 401 | 3.48 |
| Mean Average | 401 | 4.06 |

Source: Field Survey, 2020

The findings from the sub-scale items on entrepreneurial innovativeness as seen in table 4.3.5 indicate that, the mean scores ranges from 4.61 to 3.48. This indicates an overwhelming response of the majority of respondents strongly agreeing to all the items on the sub-scale. This shows that majority of the respondents attribute entrepreneurial innovativeness to financial literacy obtained during entrepreneurial programme of their institution.

4.2 Combined Effect of the Model Using Entrepreneurial Intentions of Graduates as the Dependent Variable

This section present the regression output generated using the average of the sum values of measures of entrepreneurial intentions used in this study. The output was further used to test the five hypothesis developed in the study.

Table 4.20: Model Summary

| Model | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson | |
|-------|-------------------|-------------------|----------------------------|---------------|-------|
| 1 | .830 ^a | .794 | .786 | 73.19583 | 2.612 |

a. Predictors: (Constant), FL

b. Dependent Variable: EIG

Source: SPSS 20.0 Output for Field Survey, 2020

The coefficient of determination R^2 for the study is 0.794 or 79.4%. This indicates that 79.4% of the variations in the model can be explained by the explanatory variables of the model while 20.6% can be attributed to unexplained variation captured by the error term. The Adjusted R Square (78.6%) show a negligible penalty for additional explanatory variables introduced by the researcher. The Durbin Watson statistics is 2.612; this shows that autocorrelation was not a problem in the model of the study.

Table 4.21: Regression Estimates for Entrepreneurial Intentions of Graduates Coefficients^a

| Model | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
|--------------|-----------------------------|------------|---------------------------|------|------|
| | B | Std. Error | Beta | | |
| 1 (Constant) | 12.911 | 4.083 | | .738 | .465 |
| FL | .378 | .139 | .353 | .226 | .002 |

a. Dependent Variable: EIG

Source: SPSS 20.0 Output for Field Survey, 2020

A negative relationship exist between financial literacy (FL) and entrepreneurial intentions of graduates (EIG) and the relationship is statistically significant ($p < 0.05$) and however not in line with a *priori expectation*. This means that a unit increase in FL will result to a corresponding decrease in entrepreneurial intentions of graduates (EIG) by a margin of 35.3%.

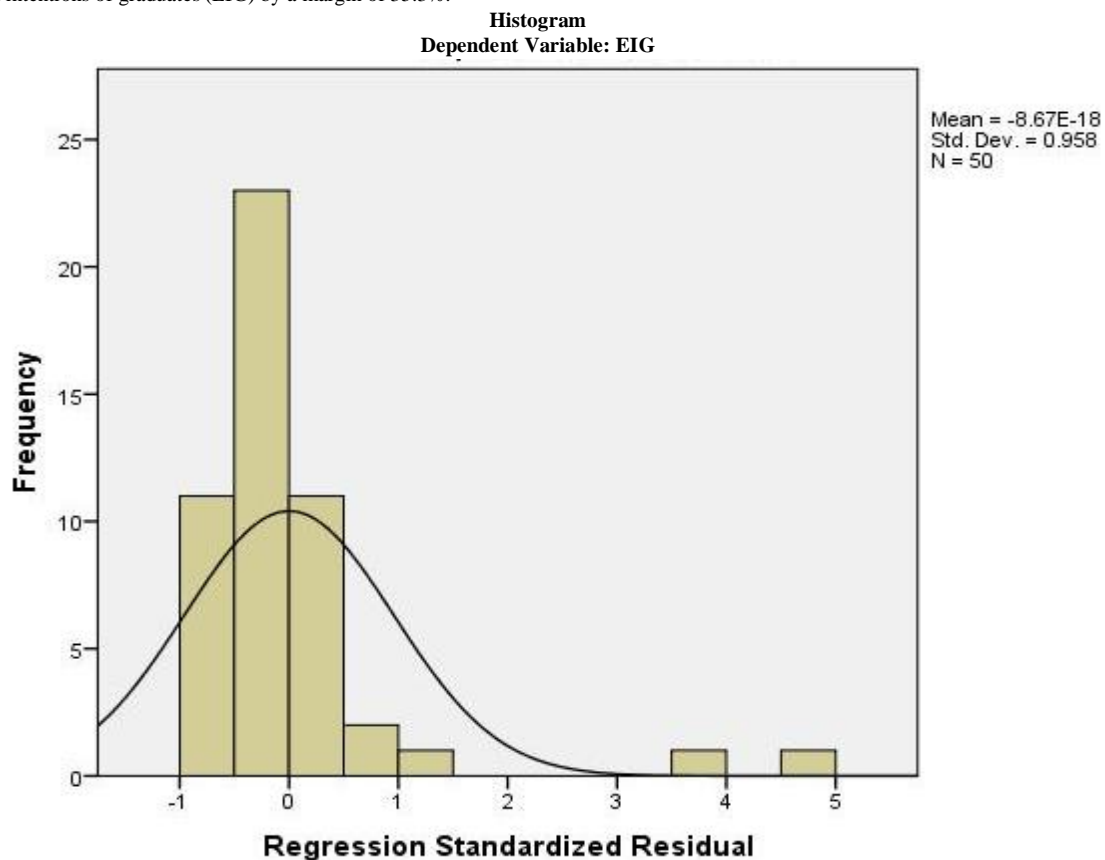


Figure 4.5: Regression Residual of entrepreneurial intentions of graduates
Source: SPSS 20.0 Output for Field Survey, 2020

The sketch above shows a plot of the residuals versus predicted Y which in our case is entrepreneurial intentions of graduates. The pattern show here indicates no problems with the assumption that the residuals are normally distributed at each level of Y and constant in variance across levels of Y.

4.3 Test of Study Hypotheses

Using standard error to test the study hypotheses, we have the following decision rule.

If the standard error of b_i [$S(b_i) > 1/2b_i$] we accept the null hypothesis, that is, we accept that the estimate b_i is not statistically significant at the 5% level of significance.

If the standard error of b_i [$S(b_i) < 1/2b_i$] we reject the null hypothesis, in other words, that is, we accept that the estimate b_i is statistically significant at the 5% level of significance.

Hypothesis 1

H0₁: Financial literacy does not influence entrepreneurial attitude of graduates.

HI₁: Financial literacy influence entrepreneurial attitude of graduates.

Table 4.2(a). ANOVA^a

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|----|-------------|--------|-------------------|
| 1. | Regression | .067 | 1 | .067 | 11.206 | .001 ^b |
| | Residual | 18.031 | 59 | .255 | | |
| | Total | 18.698 | 60 | | | |

Source: SPSS 20.0 Output for Field Survey, 2020

- Dependent Variable: employees ' performance
- Predictors: (Constant), compensation management

f-statistics of 11.206 shows that the model is statistically significant. It shows that financial literacy influence entrepreneurial attitude of graduates.

Hypothesis 2

H0₂: Financial literacy does not influence entrepreneurial innovativeness of graduates.

HI₂: Financial literacy influence entrepreneurial innovativeness of graduates.

Table 4.2b. ANOVA^a

| Model | | Sum of Squares | df | Mean Square | F | Sift |
|-------|------------|----------------|----|-------------|--------|-------|
| 1 | Regression | .016 | 1 | .016 | 21.022 | .000" |
| | Residual | 15.756 | 59 | .225 | | |
| | Total | 15.772 | 60 | | | |

Source: SPSS 20.0 Output for Field Survey, 2020

- Dependent Variable: employees' performance.
- Predictors: (Constant), good working condition

The f-statistics of 21.022 shows that the model is statistically significant. It shows that financial literacy influence entrepreneurial innovativeness of graduates

Hypothesis 3

Ho₄: There is no significant positive relationship between financial literacy and entrepreneurial intentions of graduates.

HI₃: There is significant positive relationship between financial literacy entrepreneurial intentions of graduates.

Table 4.26: Effect of Financial Literacy on Entrepreneurial Intentions of Graduates

Coefficients^a

| Model | | Unstandardized Coefficients | | Standardized Coefficients | T | Sig. |
|-------|------------|-----------------------------|------------|---------------------------|------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 12.911 | 4.083 | | .738 | .465 |
| | FL | .378 | .139 | .353 | .226 | .002 |

a. Dependent Variable: EIG

Source: SPSS 20.0 Output for Field Survey, 2020

Going by our model specification as shown below,
EIG = 12.911 + 0.353FL

$S(b_3)$: [0.139]
 P -value: {0.002}

From the regression equation above we have,

$$b_3 = 0.353$$

Standard deviation of $b_3 = 0.139$

$$H_0: b_3 = 0$$

$$H_1: b_3 \neq 0$$

$\frac{1}{2} b_3$ equals 0.1765

Using the standard error test, $S(b_3) > \frac{1}{2}b_3$ above, $0.139 < 0.1765$. We reject the null hypothesis. That is, we have no option than to accept the alternative hypotheses that the estimate b_3 is statistically significant at the 5% level of significance. This implies that there is significant positive relationship between financial literacy (FL) and entrepreneurial intentions of graduates (EIG).

4.4 Discussion of Research Findings

The fourth research question for this study was: To what extent does financial literacy influence the entrepreneurial intentions of graduates? The aim of the question is to assess whether content delivery and teaching methodology can be a good predictor toward entrepreneurial intentions of graduates. This research question also represents the fourth research hypothesis that: There is no significant positive relationship between financial literacy and entrepreneurial intentions of graduates. Again multiple linear regressions were used to test this hypothesis. From the outcome of the regression equation, we have $b_3 = 0.353$, Standard deviation of $b_3 = 0.139$, $H_0: b_3 = 0$, $H_1: b_3 \neq 0$, $\frac{1}{2} b_3$ equals 0.1765, Using the standard error test, $S(b_3) < \frac{1}{2}b_3$ above, $0.139 < 0.1765$. Thus, a positive relationship exist between financial literacy (FL) and entrepreneurial intentions of graduates (EIG) and the relationship is statistically significant ($p < 0.05$) and in line with *A priori expectation*. This means that a unit increase in FL will result to a corresponding increase in entrepreneurial intentions of graduates (EIG) by a margin of 35.3%. Thus, we reject the null hypothesis. That is, we have no option than to accept that the estimate b_3 is statistically significant at the 5% level of significance. This implies that financial literacy (FL) has a significant positive relationship with entrepreneurial intentions of graduates (EIG).

The finding of this study clearly agrees with findings of similar studies that financial literacy have positive impact on entrepreneurial intentions of graduates. The above finding is in line with similar studies including those of Flynn, Schroeder & Sakakibara, (2014), Khairul, Rushami & Zakaria, (2015), Madu, Kuei & Lin, (2015), Phillips, Chang and Buzzell, (2016), Powell, (2015), Zeithaml, Berry and Parasuraman, (2016), Rust, Zahorik and Keiningham, (2015). The findings of this study however contradict those of Singh and Smith (2016) and Terziovski and Samson (2019) whose studies found no empirical evidence that financial literacy promotes entrepreneurial intentions of graduates. Such differences may be attributed to factors like government interference, economic condition, influence of technology, political factors and other regulatory measures.

5.0 CONCLUSION AND RECOMMENDATIONS

5.1 Summary of Findings

The findings of this study show that:

1. Financial literacy influence entrepreneurial attitude of graduates.
2. Financial literacy influence entrepreneurial innovativeness of graduates.
3. There is significant positive relationship between financial literacy and entrepreneurial intentions of graduates.

5.2 Conclusion

The study found that There is significant positive relationship between financial literacy and entrepreneurial intentions of graduates. The findings of this study show that entrepreneurship education impacts positively on the entrepreneurial intentions of graduates of selected tertiary institutions in south-south Nigeria. As it is shown in this study, entrepreneurship education leads to increase in the level of graduates knowledge in entrepreneurial process. The present initiative by the National University Commission (NUC) to integrate entrepreneurship education into the formal University curriculum is making significant contribution in encouraging a positive orientation among University undergraduates. It is hoped that this initiative will bridge the gap and change the mindset of tertiary education graduates from job seekers to job creators.

5.3 Recommendations

1. A new learning approach in entrepreneurship education is required to increase the students' attitudes in entrepreneurial activities.
2. Teaching methodologies should include a reflective on practice to motivate students in entrepreneurship studies.
3. Additional measures should be taken to support entrepreneurial activities and enterprise culture in the country, through the strengthening of stakeholder support systems.

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APPENDIX

| N0 | INDICATORS | RESPONSES | | | | |
|----|--|-----------|---|---|---|----|
| | | SA | A | U | D | SD |
| | FINANCIAL LITERACY | | | | | |
| 1 | As a result of the financial knowledge I gained from entrepreneurship programme, I have applied for a job (project/work) in a start-up | | | | | |
| 2 | As a result of the financial knowledge I gained from entrepreneurship programme, I have conducted market research for a business idea | | | | | |
| 3 | Financial literacy from entrepreneurship programme helped me prepare a business plan for my proposed business | | | | | |
| 4 | As a result of financial knowledge I gained from the entrepreneurship programme, I have organized a start-up team | | | | | |
| 5 | Financial literacy from entrepreneurship programme helped me acquired facilities / equipment for my proposed business | | | | | |
| 6 | As a result of the entrepreneurship programme, I have developed product / service | | | | | |
| 7 | Financial literacy from entrepreneurship programme helped me organize finance for start-up | | | | | |
| 8 | Financial literacy from entrepreneurship programme helped me devote full-time to business | | | | | |