

## **STUDENT ENTREPRENEURIAL INTENTION AT AN URBAN UNIVERSITY IN SOUTH AFRICA**

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### **ABSTRACT**

South Africa is aiming to tackle the problem of youth unemployment by promoting entrepreneurship and growing small and medium-sized enterprises. The purpose of this paper is to understand entrepreneurial intentions of undergraduate students at an urban South African university, as well as discovering which elements of entrepreneurial intent are more prevalent among an urban student body. The paper is quantitative in nature, utilising self-administered surveys, measuring key indicators of entrepreneurial intent. 603 undergraduate students from the Faculty of Management at the University of Johannesburg were sampled. Data were analysed utilising factor analysis and descriptive statistics. Results indicated that undergraduate students had moderate intentions to pursue an entrepreneurial career path. Students perceived entrepreneurship as an attractive career path, with their personal environment indicating support, yet had not seriously considered becoming entrepreneurs. Findings and recommendations of the paper are valuable for curriculum planning and entrepreneurial development in higher education institutions.

### **INTRODUCTION**

Entrepreneurship and, in particular, the creation of small and medium-sized enterprises (SMEs) are important for the advancement of the ailing South African economy. As a result of the high rate of unemployment across the country, the development and expansion of the existing pool of entrepreneurs is of vital importance (Nieman and Nieuwenhuizen, 2014:16).

In South Africa, SMEs comprise approximately 91% of registered, formal business entities and their contribution to national Gross Domestic Product (GDP) is estimated to be between 51%-57% (Cant and Wiid, 2013:707). In addition, the total number of SMEs is estimated at two million, employing approximately 55% of the country's labour force (Nicolaidis, 2011:1043). Entrepreneurship needs to be engaged at youth level already, as 41.2% of the population comprise of persons between the ages of 14 and 35 (Awogbenle and Iwuamadi, 2010:831). Herrington, Kew and Kew, in the 2014 Global Entrepreneurship Monitor (GEM) report, indicated that youth entrepreneurial activity was low and constituted only 0.9% of South Africa's Total Entrepreneurial Activity (TEA).

Further, Statistics South Africa (2016:24) stated that 67.3% of individuals between the ages of 15-24 are unemployed. In addition, recent data also shows that unemployment remains high at 26.7% overall (Statistics South Africa, 2016:iv). Therefore, sustainable economic growth and development cannot be achieved without taking into account this segment of the population. A South African study by Fatoki

(2010:92) highlights the very low level of entrepreneurial intentions of graduated students, the main drivers behind these intentions being factors such as possibility of employment opportunity, autonomy and wealth creation.

The ethical responsibility of furthering entrepreneurship, however, not only lies with the government, but also with universities. Universities, in particular, play an important role in shaping the existing mind-set and knowledge base of students. However, in order to exert a positive and effective influence on the student body, universities should be in an expert position when designing specific initiatives to promote the uptake of entrepreneurship as a career option, specifically in an urban environment. This means that universities need to know whether undergraduate students plan on becoming entrepreneurs, and if so, put into place mechanisms to assist in attaining this goal. Entrepreneurial opportunities in South Africa are far more prevalent in an urban setting, when compared to a rural environment (Mugobo and Ukpere, 2012:827).

Furthermore, the infrastructure in an urban environment is more developed than in a rural environment, thereby granting potential entrepreneurs easier access to resources. This could indicate the reason behind higher urban/metropolitan entrepreneurial activity levels when compared to a rural setting (Mugobo and Ukpere, 2012:828). A positive aspect of a university being located in an urban environment is the diversity the urban environment brings with it. Urban areas are characterised by a heterogeneous and very diverse population (Quigley, 1998). The urban university is thus unique in that it attracts a diverse student body, due to its surrounding communities.

It is believed that the promotion of entrepreneurship and small business development will enable South Africa to meet major developmental needs, such as providing additional employment opportunities, a reduction in poverty, increased labour participation rates and wealth creation (Nieman and Nieuwenhuizen, 2014:17).

With the importance of entrepreneurship, in particular of the youth segment, as a backdrop, it is positive to note that a number of studies have been conducted in the field of the entrepreneurial intention of undergraduate students (Fatoki, 2010:88; Malabena and Swanepoel, 2014:3; Urban and Richard, 2015; Farrington, Venter and Neethling, 2012), however few focus on the urban environment in particular. The purpose of this study is to investigate the entrepreneurial intent of undergraduate students, specifically when viewed within an urban environment. This study positively contributes towards understanding and predicting the entrepreneurial intent of undergraduate students in an urban environment, as limited knowledge is currently available on the topic.

This article is structured as follows. The next section provides a theoretical overview of the concept of entrepreneurship, youth entrepreneurship and antecedents of entrepreneurial intention. The section is followed by an overview of the methodology utilised, followed by the presentation of the empirical results. Thereafter, a discussion of the results is presented, together with practical recommendations. Finally, limitations to the study are presented together with a conclusion.

## **LITERATURE REVIEW**

### **Nature of entrepreneurship**

There exists a large volume of literature on entrepreneurship, yet most of the authors fail to agree on a generic definition of entrepreneurship. According to Beeka and Rimmington (2011:147), entrepreneurship can be defined as “the process of planning, organising, operating and assuming the risk of a business venture”. Entrepreneurship thus not only involves the task of starting a business venture, but also ensuring the venture is managed successfully. Blundel and Lockett (2011:4) describe entrepreneurship as an elusive concept, as it primarily depends on the temperament and personal qualities of the entrepreneur. This definition further establishes the central role of the personality of the entrepreneur in a new venture context. According to Kuratko (2009:21), entrepreneurship refers to “a dynamic process of vision change, and creation that requires an application of energy and passion toward the creation and implementation of new ideas and creative solutions”. Entrepreneurship is essentially a combination of new venture creation and innovation. Four dimensions exist by which this can be accomplished, namely by means of processes, the environment, individuals and organisation. An

institutional support structure, consisting of the government, education system and other institutions, can aid the entrepreneurial process (Kuratko, 2009:21).

Rwingema and Venter (2007:13) divide the decisions to pursue entrepreneurship into two categories, namely push and pull factors. Pull factors can be categorised as those factors that drive individuals to become entrepreneurs, such as the desire for profit, the personal challenge entrepreneurship presents, and a need to be independent. Push factors can be described as those negative factors that drive individuals to become entrepreneurs. These include poor pay and a lack of prospects in the job market, lack of innovation in the existing company and lack of alternate employment opportunities due to downsizing and cost reductions.

### **Youth entrepreneurship**

Steenekamp, van der Merwe and Athayde (2011:50) argue that a strong need exists to establish an entrepreneurial spirit and support, at secondary school level already, in order to foster a culture of entrepreneurship among the youth. This requires that an entrepreneurial focus be established at school in order to influence the entrepreneurial intention of the youth. Forrest and Jali (2012:21) further establish a link between local economic development, youth employment and youth entrepreneurship. A strong need exists to not only instil in youth the necessary skills to be entrepreneurs, but also to encourage youth entrepreneurship to address the need for local economic development (Forrest and Jali, 2012:21). It can thus be inferred that a focus on the youth could aid economic development and address socio-economic and developmental issues.

Further, unemployment among young graduates remains a concerning trend, which South African universities, led by the government, are seeking to address by means of entrepreneurial education, among other initiatives (Ndedi, 2009:464; Oluwajodu, Blaauw, Greyling and Kleynhans, 2015:2). This problem highlights the inability of the South African economy to generate sufficient job opportunities for young graduates. Entrepreneurship, and youth entrepreneurship in particular, can address the lack of employment opportunities, by allowing young graduates to craft their own paths. Zingoni (2012:12) states that for the youth, “running a business helps young people achieve economic independence, reducing their reliance on state welfare”. Youth entrepreneurship thus not only empowers young graduates to choose their own path, but further allows them to become independent of their families and the government. The impact of reducing youth unemployment by means of entrepreneurship is far-reaching, not only reducing the level of unemployment, but also creating a larger tax base and employment within those small and medium-sized business ventures.

### **Theory of planned behaviour**

Ajzen (2005:117) developed the theory of planned behaviour (TPB), which indicates that intentions have three conceptual characteristics, attitude, subjective norms and perceived behavioural control. *Attitude* is the perception of an individual about starting his own venture; the higher one's expectation is about pursuing an own venture, the higher the positive outcome will be. *Subjective norms* refer to the extent to which the individual's close social environment, such as family, friends and colleagues, supports and encourages his/her intention of pursuing an entrepreneurial venture. Finally, *perceived behavioural control* refers to the individual's perception about the resources and capacity required in order for one to successfully engage in a business venture. The more confident an individual is, the greater the chances of success will be (Kibler, 2013:295). Liñán and Chen (2006:16) successfully utilised the TPB in order to determine entrepreneurial intention based on the identified characteristics.

Three main elements were found to predominantly influence individual entrepreneurial intentions, namely individual factors, family background and social environmental factors (Peng, Lu and Kang, 2012:96), commonly referred to as Subjective Norm. These authors further state that senior university students are rarely the target of entrepreneurial intention research. This highlights the strong need for research in young individuals who have the potential to become next-generation entrepreneurs. Furthermore, knowledge of the level of entrepreneurial intentions of undergraduate and graduate students allows countries to assist these students in fulfilling the determined intention. A study by

Tenibiaje (2010:26) found that certain personality traits, such as low levels of neuroticism and agreeableness, coupled with being highly extroverted, have a positive influence on adopting entrepreneurial skills among the youth. This highlights the fact that personal factors have an influence on entrepreneurial intentions and skills.

A number of studies have been conducted on entrepreneurial intention, yet these have produced conflicting information. While Fretschner and Weber (2013:423) found that a student's personal attitude and subjective norm mainly influence their entrepreneurial intent, this is not supported in studies by Muofhe and Du Toit (2011:14), Ramos (2014:5), as well as Karhunen and Ledyeva (2010:229). Furthermore, Top, Colakoglu and Dilek (2012:942) found that students have a low attraction towards an entrepreneurial career path, while Karhunen and Ledyeva (2010:229) found the opposite to be true. Paradoxically, a recent South African study found that students displayed high-levels of self-efficacy and are strongly attracted to an entrepreneurial career path (Rankhumise, 2014:109)

### **Entrepreneurial intention**

According to Hisrich, Peters and Shepherd (2013:17), entrepreneurial intention refers to the "motivational factors that influence individuals to pursue entrepreneurial outcomes". Farrington, Venter and Neethling (2012:18) describe entrepreneurial intention as referring to the desire to engage in entrepreneurial activity. In the case of university students, this could occur before, while or after they have completed their studies. Entrepreneurial action can be broadly described as being mostly intentional. This means that entrepreneurs make a conscious decision to compete in a marketplace by means of a distinct product offering. Hisrich *et al.* (2013:17) link intention to motivational factors by correlating the strength of the desire to achieve a certain behaviour to the amount of effort required. Intention and performance are thus intrinsically linked.

Krueger, Reilly and Carsrud (2000:412) describe intentions as the single biggest predictor of future behaviour. This holds especially true for the predictions of future levels of entrepreneurial activity. Krueger *et al.* (2000:412) further state that situational and demographic factors are poor predictors of entrepreneurial behaviour, as these have little influence on entrepreneurial intent. A more accurate predictor is personal entrepreneurial intentions, which is the intention to engage in entrepreneurial activity. Fini, Grimaldi, Marzocchi and Sobrero (2009:8) further argue that while entrepreneurial intentions are personal and individual-specific in nature, these elements are still influenced by contextual domains.

Consequently, Remeikiene, Startiene and Dumciuviene (2013:302) found that the main factors influencing entrepreneurial intentions as personality traits, which include "self-efficacy, risk taking, need for achievement, pro-activeness, attitude towards entrepreneurship, behavioural control and internal locus of control". Furthermore, Remeikiene *et al.* (2013:303) state that entrepreneurship education can be an effective tool to address the problem of youth unemployment. The assumption is such that entrepreneurship education positively influences the probability of young individuals starting their own ventures, rather than seeking employment in established business ventures.

### **The urban environment**

The urban university can be described as being located in an urban environment, with a strong desire by the university to reach out to the community to perform research, address societal issues or assist in uplifting the community (Myntti, 2013:445). Winston (2010:132) describes the mission of the urban university as being unique in that it concerns "teaching a different student population, drawing more heavily on the local community for students" and its research focusing heavily on the "direct impact on urban resiliency, public and law enforcement policies and public expenditures". Heng (2014:245) sums up the role of the urban university as creating an enabling environment for a culturally and economically diverse student body. Wiewel, Carlson and Friedman (1996:129) describe an urban university as having a strong focus on its immediate communities, as well as having an urban agenda that aims to alleviate immediate societal problems in surrounding communities.

Entrepreneurship is different in an urban environment when compared to a rural environment. Orford *et al.* (2004:17) describe entrepreneurship in the rural environment as being mostly necessity-based, whereas in the urban environment, entrepreneurship is more opportunity driven. Furthermore, rural areas in South Africa are characterised by lack of infrastructure and opportunities, high levels of poverty and high levels of unemployment (Orford *et al.*, 2004:27). The higher levels of development in an urban environment thus have a positive influence on entrepreneurship, as opportunities can be found much more easily, thereby creating an environment conducive to entrepreneurship. Obeng-Odoom (2011:2) describes the rapid urbanisation in Africa as having caused a migration from rural areas to urban areas, as well as having strongly influenced the adoption and spread of communication technologies. This sudden access to technologies has had a positive impact on infrastructural resources available to entrepreneurs.

Recent studies focusing on entrepreneurial intention in rural universities (Malabena and Swanepoel, 2014:20, 2015:104) indicate that the majority of students in the sampled rural universities have the intent to start their own business, which compares favourably to the rest of South Africa. This can be explained by the nature of rural areas, which are characterised by unemployment and lack of opportunities (Malabena and Swanepoel, 2015:102). Furthermore, a positive correlation was observed between entrepreneurial intent and perceived capabilities, indicating that students in rural areas believe they have the capacity to start new ventures. Lastly, students in rural universities face an environment characterised by lack of infrastructure, smaller markets and lower skill levels (Malabena and Swanepoel, 2014:2). In addition, necessity-entrepreneurs, as found mostly in rural areas, often earn smaller profits, lack human capital to be successful and are seen as disadvantaged, when compared to their urban opportunity-entrepreneur counterparts (Block and Wagner, 2010:155).

## **METHODOLOGY**

### **Objectives of the article**

The primary objective of this article is to investigate whether undergraduate students at an urban South African university have the intention to become entrepreneurs. Secondary objectives for the study included determining the influence of close social environment on entrepreneurial intent, whether students believe they have the capacity to become entrepreneurs and lastly which constructs have an influence on entrepreneurial intent.

### **Research design**

The study was quantitative in nature and utilised an exploratory research design. A quantitative research paradigm was most appropriate for the purpose of the study, as a large number of students had to be sampled to ensure statistical validity. Further, an exploratory research design was chosen, firstly due to a lack of focus of prior studies on entrepreneurial intent viewed within the context of an urban environment, and secondly to improve on the existing body of knowledge in the field of entrepreneurial intentions among a student body. The study used the survey method to collect empirical data about the population.

### ***Sampling and data collection***

The target population for this study included undergraduate students at the University of Johannesburg. Undergraduate students had to be registered with the University of Johannesburg and be resident in modules offered by the Faculty of Management. Data was collected in the autumn of 2015. Samples were taken from courses willing to participate in the research. The research followed a two-phase approach, in order to test usability of the instrument. Initially, samples were taken of students registered for the Bachelor of Commerce Entrepreneurial Management. The second phase consisted of all undergraduate students attending modules with the Faculty of Management. The sample size was made up of 603 students selected at random within the Faculty of Management, of which 56% of respondents were female, and 44% male. The majority of respondents originated from Gauteng (47.6%), followed

by Limpopo (16.7%), Eastern Cape (7.5%) and Mpumalanga (7.1%). However, only 598 usable questionnaires were returned.

Participation in the study was voluntary. Students participating in the survey were informed of their anonymity and their right not to participate in the survey. Participants were informed of the purpose of the survey in the introductory letter. Furthermore, it was highlighted to students that the survey did not form part of their studies and had no mark implications. The front page of the paper-based survey further clearly stated the purpose of the research. The researchers obtained ethical clearance from the Faculty of Management. No follow-up interviews were conducted.

### ***Research instrument***

Data was collected by means of a paper-based, self-administered questionnaire. The questionnaire consisted of close-ended questions, using a 7-point Likert-scale. The questionnaire was based on an instrument developed by Liñán and Chen (2006:6). The original instrument showed reliability loadings of 0.707 for all constructs, as well as very high values (0.892 and greater) for composite reliability indexes. The instrument was adapted, however, for the South African context by modifying the wording of some statements in order to aid understanding in the local context.

The measuring instrument was divided into two sections that recorded biographical data and the main antecedents measuring entrepreneurial intentions. Section A of the questionnaire collected biographical data in order to determine possible correlations between demographics and entrepreneurial intent. Section B was structured according to key elements of entrepreneurial intention, namely personal attitudes (PA), subjective norm (SN), entrepreneurial capacity (EC) and entrepreneurial intentions (EI). While EC does not explicitly form part of the Theory of Planned Behaviour, Liñán and Chen (2006) have found EC to strongly influence entrepreneurial intent. EC can be defined as “recognition and the exploitation of opportunity. Thinking ability can be imparted through training” (Dhliwayo and Van Vuuren, 2007:131). The reliability of the sample was tested by means of the Cronbach Alpha, Bartlett’s test of sphericity and Kaiser-Meyer-Olkin (KMO). The Cronbach Alpha was used as a statistical tool to assess the scale’s internal consistency. Pallant (2010:97) suggested that the Cronbach Alpha coefficient should be  $> 0.7$  In order to check the factorability of data, two tests were performed, namely; Bartlett’s test of sphericity and KMO, measuring the adequacy of the sample. According to Pallant (2010:192), the Bartlett’s test should be significant ( $p < 0.05$ ) and a KMO score of 0.6 as a minimum.

### ***Statistical analysis***

Collected data was analysed using SPSS version 22. Descriptive statistics was utilised to analyse the data. The data was interpreted by means of a multiple comparisons analysis table, which outlined the mean, significance level, frequency of responses and mean difference. A frequency distribution table was further used to highlight trends in responses. Factor analysis was performed to assess entrepreneurial intention of undergraduate students.

## **RESULTS**

This section is structured according to three main headings. Firstly, the testing of the instrument for reliability and adequacy of the sample is presented, followed by the results of a factor analysis and a section detailing the descriptive statistics.

### **Reliability and Sample Adequacy**

A test for reliability was performed on the instrument by means of the Cronbach Alpha, as it was slightly adapted from the original instrument. Cronbach alpha for PA was 0.84, for SN 0.63, for EC 0.87 and for overall EI 0.90. The moderate, but acceptable, value for subjective norm can be attributed to the small number of constructs. Therefore, it can be argued that the variables, namely personal attitude, subjective

norm and entrepreneurial capacity, used to measure overall entrepreneurial intention demonstrated a high internal consistency. The utilised scale can thus be regarded as reliable.

Table 1 outlines the results of the KMO and Bartlett's test for sphericity. The recorded KMO value indicated that a factor analysis of the variable was possible because a correlation between the pairs of variables could be explained by other variables, due to its value being greater than the required level of 0.6. The sample returned a KMO ranging from 0.859 to 0.922, which is above the required level. Therefore, the set of data was suitable for factor analysis. The Bartlett's test also suggests that the *p* value should be  $p < .05$ ; the analysis, displayed in Table 1, indicates that all *p* values are  $< .05$ . Therefore, it can be argued that factor analysis was appropriate considering the sample size.

**TABLE 1**  
**KAISER-MEYER-OLKIN and BARTLETT'S TEST**

<b>Factors</b>	<b>Statistics (KMO)</b>	<b>P value (Bartlett's test)</b>
Personal attitude	0.859	0.000
Subjective norm	0.878	0.000
Entrepreneurial capacity	0.878	0.000
Entrepreneurial intention	0.922	0.000

### **Descriptive Statistics**

The means for each antecedent of entrepreneurial intention produced varying results. Personal Attitude and Subjective Norm are predominantly positive, with values of 5.69 and 5.74 on the 7-point Likert scale, therefore indicating a positive sentiment towards pursuing an entrepreneurial career path. The overall result for Entrepreneurial Intention and Entrepreneurial Capacity can be described as moderate, with values of 4.83 and 4.62, respectively. This indicates that while respondents are contemplating becoming entrepreneurs, the consideration is not strong.

**TABLE 2**  
**DESCRIPTIVE STATISTICS**

	<b>Mean</b>	<b>Std. deviation</b>	<b>N</b>
<b>Entrepreneurial intention</b>	4.8338	1.22584	598
<b>Personal attitude</b>	5.6915	1.17917	598
<b>Subjective norm</b>	5.7393	1.09020	598
<b>Entrepreneurial capacity</b>	4.6183	1.22852	598

Table 3 outlines the individual items for each category of the measuring instrument, together with the recorded mean and standard deviation for each item. It allows the researchers to identify statements with higher values; therefore, indicating a stronger agreement/disagreement of the respondents to specific statements. Table 3 further allows the researcher to discover significant deviations from the mean.

For Personal Attitude, the respondents emphasised the fact (mean = 6.09) that if they had the opportunity and resources to start a venture, they would do so. Under Professional options, it was discovered that respondents felt most strongly about becoming an entrepreneur (mean = 5.86), rather than pursuing salaried work or a liberal profession. Under Subjective norm, close family (mean = 5.98), friends (mean = 5.64) and colleagues (mean = 5.53) seem to have a similar influence on whether respondents would pursue an entrepreneurial career. Under Entrepreneurial Intention, respondents indicated a strong determination to create a venture in the future (mean = 5.75). However, it is noteworthy that respondents have not considered becoming entrepreneurs (mean = 1.19). This indicates that, while the intention is present to start a venture, practically, respondents have not seriously considered the route of entrepreneurship.

**TABLE 3**  
**ITEM STATISTICS**

<b>Personal attitude</b>	<b>Mean</b>	<b>Std. deviation</b>
Being an entrepreneur implies more advantages than disadvantages to me	5.33	1.551
A career as entrepreneur is attractive for me	5.62	1.608
If I had the opportunity and resources, I'd like to start a firm	6.09	1.421
Being an entrepreneur would entail great satisfactions for me	5.92	1.376
Among various options, I would rather be an entrepreneur	5.41	1.685
<b>Entrepreneurial capacity</b>		
To start a firm and keep it working would be easy for me	4.26	1.503
I am prepared to start a viable firm	4.69	1.701
I can control the creation process of a new firm	4.62	1.556
I know the necessary practical details to start a firm	4.63	1.647
I know how to develop an entrepreneurial project	4.50	1.628
If I tried to start a firm, I would have a high probability of succeeding	4.92	1.563
<b>Professional options</b>		
Salaried work	5.01	1.624
Liberal profession	4.68	1.536
Entrepreneur	5.86	1.424
<b>Subjective norm</b>		
Your close family	5.98	1.486
Your friends	5.64	1.506
Your colleagues	5.53	1.424
<b>Entrepreneurial intention</b>		
I am ready to do anything to be an entrepreneur	5.13	1.685
My professional goal is to become an entrepreneur	5.12	1.797
I will make every effort to start and run my own firm	5.54	1.646
I am determined to create a firm in the future	5.75	1.564
I have very seriously thought of starting a firm	5.47	1.708
I have the firm intention to start a firm some day	5.54	1.661
Have you ever seriously considered becoming an entrepreneur?	1.19	0.308

## Regression Analysis

Following the positive results of the KMO and Bartlett's test, a regression analysis was performed to describe the variability between the three factors of the measuring instrument. Table 4 indicates the unstandardised coefficient and standard error. The coefficient for personal attitude indicates it having the greatest influence on overall entrepreneurial intention with a value of .610. This is followed by entrepreneurial capacity with a value of .283. Subjective norm indicated the least influence on entrepreneurial intention, with a value of .082. The adjusted R<sup>2</sup> of .641 explains that 64% of the predictors influence entrepreneurial intention. A high value therefore indicates better fit of data to the model. A high F value also indicates better fit of the model; therefore, the recorded F value of 356.779 indicates good fit.

**TABLE 4**  
**REGRESSION ANALYSIS**

Factor	Entrepreneurial intention	
	Unstandardised coefficient	Standard error
Personal attitude	0.610	0.031
Entrepreneurial capacity	0.283	0.029
Subjective norm	0.082	0.029
Adjusted R <sup>2</sup>	0.641	
F	356.779	
N	598	

## DISCUSSION

The regression analysis determined the greatest influence on entrepreneurial intention is Personal Attitude, followed by entrepreneurial capacity. Subjective Norm, i.e. the influence that family, friends and colleagues have, displayed the lowest influence on entrepreneurial intent.

The high mean for the item 'If I had the opportunity and resources, I'd like to start a business' indicates that respondents emphasised the fact that new venture creation was a preferable option, should resources and the opportunity present themselves. As the respondents find themselves in an urban environment, which is characterised by opportunity-entrepreneurship (Orford *et al.*, 2004:26), this finding can be regarded as positive, as the conditions in the immediate urban environment of the students are more conducive to new venture creation. In addition, respondents highlighted the fact that they had a positive understanding of the process of starting, managing and sustaining a business venture.

Further, students have the intention to start a venture sometime in the future (mean = 5.54). The overall high mean of personal attitude indicates that undergraduate students believe they possess the appropriate attitude to pursue an entrepreneurial career. This means that students believe that an entrepreneurial career path is both attractive and satisfying from their point of view. The positive sentiment towards entrepreneurship should however be weighed against the finding that sampled students seem to exhibit a reluctance towards entrepreneurship as a career path.

This finding is supported by the higher observed mean for entrepreneurship as a professional option (5.86), than for salaried work (5.01) or a liberal profession (4.68).

The high mean for subjective norm (5.72) indicates that family, friends and colleagues all seem to have a positive sentiment towards the relevant student adopting entrepreneurship as a career. An environment supportive of an entrepreneurial career path is crucial to entrepreneurial intention (Peng *et al.* 2012:96), thereby indicating a generally positive attitude towards entrepreneurship.

Furthermore, respondents demonstrated a strong desire to become entrepreneurs (5.12) in future and are determined to create a small business venture in future (5.75). However, this finding is in contrast to the finding for the statement 'Have you ever seriously considered becoming an entrepreneur?', which recorded a mean of 1.19. This could indicate that while students have seriously considered starting a business venture (5.47), they have not considered becoming an entrepreneur in the future, but rather a business owner. This could indicate that entrepreneurship carries a stigma of risk, while traditional non-innovative small business and franchising are regarded as less risky (FASA, 2015:1) and therefore as the more attractive career option. This finding further highlights the role universities and government play in promoting entrepreneurship as an attractive career option.

An additional area of concern is the moderate value for entrepreneurial capacity. While students believe that entrepreneurship is an attractive career path, the moderate value for entrepreneurial capacity indicates undergraduate students not overwhelmingly believing that they possess the capacity to pursue entrepreneurship. This finding could explain the negative result in the statement whether students have seriously considered becoming entrepreneurs in the future. This means that while students see entrepreneurship as viable and satisfying, they do not strongly believe to possess the necessary skills to pursue entrepreneurship and as a result have not considered an entrepreneurial career path. The lack of entrepreneurial capacity could point to a shortcoming of university studies not adequately addressing the skills needed to pursue entrepreneurship. The mean (4.50) for the statement 'I know how to develop an entrepreneurial project' further strengthens the possibility of a gap in university curricula.

## **CONTRIBUTION TO RESEARCH**

The findings of this study positively contribute to the existing body of knowledge in the fields of urban entrepreneurial intention and entrepreneurial education. As few studies measuring entrepreneurial intent in an urban environment have been conducted in the South African higher education environment, this study therefore positively contributes to enhancing the understanding of the entrepreneurial motives of South African undergraduate students. The paper achieves this by providing perceptions from undergraduate students in an urban environment, as to whether they have entrepreneurial intentions, specifically when considering factors such as Personal Attitude, Subjective Norm and Entrepreneurial Capacity.

The following recommendations for associated public and private partners are put forward as research contributions.

### **Recommendations for government**

In light of the findings of the article, the following recommendations for governmental role players can be made:

- Entrepreneurial intent, particularly exhibited from an undergraduate student body, is translated into action.
- Additional support would further be beneficial to those who wish to pursue entrepreneurial ventures.
- Government may need to ensure that entrepreneurship programmes are implemented in order to assist youth who display entrepreneurial intentions. A need exists to focus on the assistance of youth-owned business ventures.

### **Recommendations for universities**

The lack of employment opportunities and the low entrepreneurship activity rates have an impact on the offerings of South African universities. The following recommendations for South African universities are thus made:

- South African universities should ensure that an entrepreneurship development programme is included in all course curricula, both theoretically and practically, in order to stimulate the entrepreneurial spirit among university students.
- Successful entrepreneurs should also be involved in the process of nurturing the entrepreneurial spirit among university students by providing mentoring services, when considering that sampled students have little serious intention in becoming entrepreneurs.
- Universities should measure entrepreneurial intentions at both undergraduate and postgraduate level in an effort to measure the success of entrepreneurial education, and to predict the likelihood of students choosing the establishment of a venture as a career, rather than seeking traditional employment.

### **Recommendations for other stakeholders**

Recommendations for stakeholders other than the government and universities are as follows:

- Family and friends should also participate in the process by guiding individuals on which steps to take in order to successfully begin an entrepreneurial career; this will provide emotional support that is crucial for their future successes.
- The media and advertising companies should also be more aggressive in the promotion of the allure of entrepreneurship. This could be done by developing television or online entrepreneurship courses in all languages in the simplest manner in order to nurture and develop the entrepreneurial skills of youth.

### **CONCLUSION**

This study focused on the entrepreneurial intention of undergraduate students at an urban university. South Africa is in desperate need of economic growth and lower levels of unemployment. The creation of small and medium-sized business ventures has been identified as a possible solution to South Africa's socio-economic concerns. The findings found a positive situation in that while undergraduate students have entrepreneurial intentions, they do not have business exposure as yet, which they will gain once entering a profession, and therefore may not be able to perceive opportunities as yet.

It is, however, noteworthy that while undergraduate students have entrepreneurial intentions, they do not seem to overwhelmingly believe they have the capacity to become entrepreneurs. This supported the finding that the students have not seriously considered becoming entrepreneurs. However, higher education institutions need to play a significant role in ensuring students are equipped with the appropriate skills to allow them to pursue entrepreneurship. The appropriate skills will enable students to identify opportunities, gather the appropriate resources to pursue the opportunity and initiate the venture creation process.

Future research could include students from various other faculties in order to uncover possible relationships between fields of study and entrepreneurial intentions. Also, research could be conducted on perceived access to finance and its relation to entrepreneurial intent. Research could further be conducted into the symbiotic relationship required between universities, government and other stakeholders to enhance entrepreneurial intention of students in an urban setting. Lastly, further insight could be gained into how entrepreneurial intention is translated into venture creation by means of a follow-up study of past students who took part in the initial study. This would provide valuable statistics as to what percentage of students, who have an entrepreneurial intent, actually start ventures when leaving university.

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