



# Assessing the Attitude of University Students Towards Entrepreneurship In Malawi

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Date of Submission: 24-03-2023

Date of Acceptance: 06-04-2023

## ABSTRACT

The study was aimed at assessing the student's attitude towards entrepreneurship in Malawi. Using stratified random sampling, a sample of a hundred students were selected from a target population of nine hundred and sixty five. The study adopted both quantitative and qualitative approaches. Primary data was collected using self-administered questionnaire and interview guide. Collected data were analysed using statistical package for social sciences SPSS. The study revealed that government through its authorities collect high tariff from entrepreneurs, that there is Compromised procedures in contract awarding process by authorities in the country, most entrepreneurs are associated with indulging malpractices in conducting their businesses, and there is less effort by government to empower and safeguard domestic enterprises. All these points accompanied by heavy burden given by banks and money lending institutions for one to access loans frustrates graduating students inspiration to join the family of entrepreneurs. The study recommended that Government through ministry of industry and trade should establish flexible PPDA guidelines to accommodate newly start-up businesses and that revenue collection authorities should restructure the tax system to reduce liability of newly start-up businesses. On the other hand, it is again recommended that banks and other money lending institutions should come up with soft and flexible procedures to accommodate budding businesses.

## I. INTRODUCTION

Entrepreneurship plays an important role in economic prosperity and social stability in developed countries around the world. Malawi, as one of the least developing countries, facing enormous challenges with high youth unemployment, especially among graduates, due to lack of work experience, skills and education. Malawi's formal labour market is currently saturated and unable to accommodate the ever-

growing workforce; hence the government's decision to prioritize the development and support of small and medium sized enterprises through the National Economic and Empowerment Fund [NEEF].

Despite all these interventions, the country is still rated one of the least developed countries in the world. For the above reason, the topic of entrepreneurship continues to interest both academics and policy makers, with many universities and colleges now including entrepreneurship studies in their undergraduate and graduate programs. Similarly, there is a growing body of empirical research examining the extent to which entrepreneurship education influences the decision to become an entrepreneur. Entrepreneurship is now offered as part of the curriculum, but it is clear that the level of entrepreneurship in the country is still not improving. There is a trend that more and more of Malawians are entering higher education; this is attributed to poor market conditions for the low skilled and high financial gains from education. It is discouraging to note that while graduates are increasing, they are finding it difficult to find employment.

## II. LITERATURE REVIEW

### Introduction

Attitude toward a behaviour refers to "the degree to which a person has a favourable or unfavourable evaluation or appraisal of the behaviour in question. In the entrepreneurship context, attitude toward self-employment has been defined as "the difference between perceptions of personal desirability in becoming self-employed and organizationally employed" (Yan, 2014).

Attitude toward start-up is the degree to which the individual holds a positive or negative personal valuation about being an entrepreneur. Theorists have argued for a distinction between two components of attitude: affective/ experiential attitude, on the one hand, referring to feelings or



emotions (joy, satisfaction), and drives engendered by the prospect of performing a behaviour; and instrumental/cognitive attitude, on the other hand, referring to beliefs, thoughts, or rational arguments (Fernandes, 2013).

#### **Types of attitude towards business**

An attitude is a mental and neutral state of readiness organized through experience exerting a directive and dynamic influence upon the individual response to all objects and situations with which it is related. Attitude towards business is psychological preparation to perform a job that could be positive, negative, or neutral (Mohsen, 2012).

#### **Positive attitude towards business**

It is an attitude that the individual view his job with love and interest and believes that business is the factor of personal and social success and has a sense of satisfaction and happiness from work. In this type of attitude the individual makes relation with their job and tries towards his growth with more motivation by performing affairs in a better manner (Mohsen, Moslem and Mahdi, 2012).

#### **Negative attitude towards business**

It is when the individual doesn't like to perform the job because of any reason and wants to shrink from responsibility. In this type of attitude the individual works by force to conduct his task and is just spending his working hours without any motivation (Mohsen, Moslem and Mahdi, 2012).

#### **Neutral attitude towards business**

In this type of business, the individual has no negative or positive feeling towards business and evaluates performing of the job as a task instead of the income that he is received. In this state, the individual has no sense of belongingness to the job and performs job to the same amount that he is asked to and doesn't take action towards job excellence (Mohsen, 2012).

The entrepreneurial attitude of people is influenced by their previous knowledge about entrepreneurship (Merike, 2013). The entrepreneurship process is a complex effort carried out by people living in specific cultural and social conditions. For this reason, the positive or negative perceptions, which society has about entrepreneurship, can strongly influence the motivations of people to enter entrepreneurship. Societies benefit from people who are able to recognize valuable business opportunities and who perceive they have the required skills to exploit them. If the economy, in general has a positive attitude towards entrepreneurship, this can generate

cultural and social support, financial and business assistance, and networking benefits that will encourage and facilitate potential and existing entrepreneurs (Xavier et al., 2013).

### **III. IMPERICAL REVIEW**

#### **To know the entrepreneurship development initiatives available to students of Malawi**

study conducted among South African University students by Brijlal (2011) science students were having positive attitude towards entrepreneurship education with 49%, while humanities students show 44%. In a related study, Ifedili (2011) reported that students have 81% positive attitude towards entrepreneurship education, while 19% have negative attitude. Cheung and Chan (2011) in their study reported that management students indicated very strong agreement regarding their attitude about the importance of learning entrepreneurship education with 90%. In another study on the attitude of students towards entrepreneurship education conducted by Veciana et al (2005) shows that as higher as 92.2% of students gave affirmative responses in favour of entrepreneurship education. In a study carried out by Keat et al (2011) shows that students who are inclined towards entrepreneurship and its education responded Positively with 75.4%, while the image of entrepreneur with 73.8%.

#### **To ascertain the level of effectiveness of entrepreneurship development initiatives to the students of Malawi.**

There exist empirical research findings that support and gave evidence that entrepreneurship education influence students' intention to become entrepreneurs. According to Kakkonen (2010) in his research finding revealed that taking entrepreneurship education course has positive effects on entrepreneurial carrier choice of students and the effects are significant. Dyer (1994) found link between offering entrepreneurship education course and students intention to start business. He further explained that entrepreneurship education training might give some students the confidence they need to start their own business. Robinson et al (1991) found that entrepreneurship education increase and improve the perceived feasibility for entrepreneurship by increasing the knowledge of students, building confidence and promote self-efficacy. According to them, it also improve the perceived desirability for entrepreneurship by showing that entrepreneurship education is highly



desirable, regarded and socially acceptable and that it can be rewarding

According to Ajzen (1991) based on the understanding of the belief, attitude and intention relationship, individuals' beliefs and attitudes regarding entrepreneurship would inform their intention to become entrepreneurs. Kolvereid (1996) found attitude towards entrepreneurship, favourable social norms and strong entrepreneurial self-efficacy positively influence the intention of an individual/student to become entrepreneurs. Also, an empirical research finding by McStay (2008) reported that student's perceived desirability and self-efficacy influenced their intention to become entrepreneurs. This means that offering entrepreneurship education positively increases the students Perception of feasibility and desirability of entrepreneurship. Frank and Luthje (2004) state that lack of entrepreneurship education leads to low level of entrepreneurial self-efficacy and intention.

#### **To identify the Challenges Entrepreneurs face. Business Regulation**

Effective and efficient regulations give entrepreneurs a better chance to flourish at the lowest possible cost. Fast and over-simplified business regulations are quite essential to unleashing the entrepreneurship potential due to a nation. Regulations are like traffic lights put up to prevent gridlock. Alike efficient traffic rules in the city, smart business regulations are essential to allow business transactions to flow. Tougher business regulations show the growth of entrepreneurial works. They increase the time and cost needed to start a business, making it less likely for such a business to take root. Business regulation therefore should have to be flexible in the way that fits the dynamicity of market forces (World Bank Doing Business, 2015).

The World Bank Doing Business (2015) report notes that just as traffic systems have to adjust when a new path is being constructed, regulations need to adapt to new demands from the market and to changes in technology (such as the growing use of information and communication technology in business processes). Entrepreneurs face many regulatory disturbances along the path of new firm formation.

#### **Corruption**

Corruption is one of the serious challenges entrepreneurs face on their way to meet government requirements to start a business. Building on the World Bank Enterprise Survey corruption database around 27.8 percent of firms are expected to give

gifts to officials to get things done (World Bank Doing Business, 2015).

#### **Lack of Infrastructure**

Empowering infrastructure is crucial to thriving entrepreneurship. It is the base of exercising an entrepreneurial knowledge and harnessing the state of innovation in a country. Easy access to reliable and quality infrastructure increases productivity and efficiency, lowers transaction costs, betters access to markets, and sustainable growth. Entrepreneurs in Sub-Saharan Africa struggle with a low stock of infrastructure in their day to day activity (World Energy Outlook, 2014).

Lack of sufficient power is one of the threats entrepreneurs face to starting and growing business. Many businesses lack reliable power supply to operate higher value-added activities that heavily depend on electricity-based technologies (World Energy Outlook"s, 2014).

#### **Lack of Finance**

Financial problem has long been one of the stout challenges entrepreneurs faced along the years. They put inadequate funds as the biggest and critical problem in starting a firm and compete with mandatory firms. In fact, without adequate finance, proper functioning and growth of firms become a complicated nightmare. The lack of finance makes the opportunity cost of lending much higher for entrepreneurs. Lenders demand much higher levels of collateral from entrepreneurs (World Bank Doing Business, 2015).

#### **Lack of Entrepreneurial Knowledge and Skills**

Smart business regulation and adequate finance only do not guarantee an entrepreneurial growth and success. Entrepreneurial skills and knowledge are also fundamental for a promising entrepreneurial work. Basic entrepreneurship training ushers start-up formation and sustainability. It increases the self-confidence and self-efficacy of individuals to cope with challenges ahead. It also helps to ensure a good project proposal and secure a great pool of finance required of the entrepreneur to start a viable firm.

Prospective entrepreneurs need to be able to convince investors that they have a viable proposition and the determination and tenacity to succeed. The entrepreneur should be competent enough to demonstrate an intimate knowledge of his/ her business model, as well as the working environment of his/her firm. He/she need to have the skills used to sell, bargain, lead, plan, make



decisions, solve problems, organize and communicate (Shane, 2003).

### Chapter Summary

This section was intended at outlining in the first place, definition of terms, a few influential theories related to the subject matter providing a background for a better understanding of the student's attitude towards entrepreneurship in Malawi and then finally looked at empirical evidences in connection to the study.

## IV. RESEARCH METHODOLOGY

### Introduction

This chapter focused on the methodology that were used in the study. It dealt with research design, research approach, target population, sampling techniques, sample size, research instruments, and validity instruments, reliability of instruments, data collection and analysis and finished by looking at ethical considerations.

### Research Approach

This study used a mixed research approach. Mixed research methods is an approach to an investigation involving collecting both quantitative and qualitative data, integrating the two forms of data, and using distinct designs that may involve philosophical assumptions and theoretical frameworks. The core assumption of this form of investigation is that the integration of qualitative and quantitative data yields additional insight beyond the information provided by either the quantitative or qualitative data alone (John W. Creswell, 2018).

### Target Population

The target population included 100 graduate students from the selected Universities in Malawi and the population size was 965.

A population refers to the group of individuals from which the sample is taken for measurement. On the other hand, a sample is a subset of people, items, or events from a larger population that we collect and analyse to make inferences.

### Sampling Techniques/Method

There were a total of 965 total graduate students from DMI ST. John the Baptist University, African Bible College, Kamuzu University of Health sciences, Pentecostal Life University and Malawi Assemblies of God University from which 100 students were drawn as sample size using a stratified random sampling technique.

### Type and Data Source

The study used both primary and secondary data sources to attain the objective of the study. Secondary data were collected from newspapers,

published books, articles, journals and national statistical office reports and other researchers. Primary data were collected from DMI ST. John the Baptist University, African Bible College, Kamuzu University of Health Sciences, Pentecostal Life University and Malawi Assemblies of God University in areas of Commerce, Pure Science, Engineering and Humanities.

### Data Collection instruments

To increase the breadth of information obtained from the respondents to factors affecting students' entrepreneurial attitudes towards entrepreneurship in Malawi this study will use two types of data collection instruments namely questionnaires and interview guide. Data collection tools are instruments the researcher uses to gather information to address critical research questions identified before.

### Validity and Reliability

Checking the validity and reliability of data collecting instruments before providing for the actual study subject is the core to assure the quality of the data.

### Validity

Validity is concerned with whether the findings are really about what they appear to be about. This potential lack of validity in the conclusions was minimized by a research design that built in the opportunity for focus groups after the questionnaire results had been analysed (Adrian, 2007).

To ensure the validity of instruments, the researcher will developed a pilot study carried out at DMI University. The pilot test provided an advance opportunity for the investigator to check the questionnaires to minimize errors due to improper design of instruments, such as problems of wording or sequence (Adams and Waits, 2007).

The pilot-test was conducted to test the validity of the content. It was done with objectives of checking whether or not the items included in the instruments could enable the researcher to obtain the relevant information and to identify and eliminate problems in collecting data from the target population. Before conducting the pilot-test, respondents were oriented about the objectives of the pilot-study, how to fill out the items, evaluate and give feedback regarding the relevant items. To this end, draft questionnaires were distributed and filled out by the population selected for the pilot study. After the dispatch, questionnaires were returned, necessary modifications on items and the



complete removal and replacement of unclear questions was made.

### Reliability

The reliability of questionnaires on (assessment of the student's attitude towards entrepreneurship) were tested using Cronbach's Alpha. Reliability refers to the extent to which your data collection techniques or analysis procedures will yield consistent findings (Adrian, 2007). Reliability is a major concern when a psychological test is used to measure some attribute or behaviour (Reshow, 1991). In other words, reliability is the extent to which measurements are repeatable, when different persons perform the measurements, on different occasions, under different conditions, with supposedly alternative instruments that measure the same thing. In sum, reliability is the consistency of measurement (Bollen, 1989), or stability of measurement over a variety of conditions in which the same results should be obtained (Nunnally, 1978).

### Data Analysis Methods

The data collected through self-administered questionnaires and interviews were edited, coded, and cleaned before analysis. Simple descriptive statistical analysis such as frequency tables, graphs, mean, and chart, were used to

summarize data that shows variations between responses.

## V. MAJOR FINDINGS

### Introduction

This Chapter presents the results and interpretation as obtained in this study, it present the demographic information, the attitude of university students on entrepreneurship in Malawi

### Response rate

There were 100 respondents sampled for the study and a response rate of 100% was realized since all questionnaires were administered and responded to.

### Demographic information

The demographic information in this study was made up of gender, age, university, year of study and area of study. This information was sought in order to ascertain the respondent's demographic characteristics.

### Gender

Out of thirty one hundred respondents, 63 were male representing 63% and the remaining 37 were female representing 37%, meaning that the survey was dominated by male this was because, a section of transporters strata was dominated by males who are truck drivers, **Figure 4.1** shows gender of respondents.

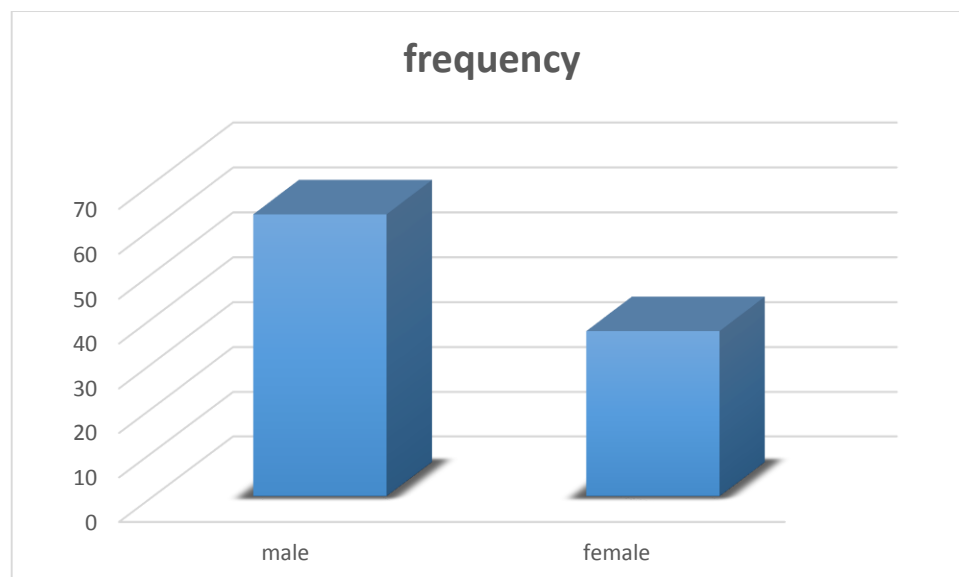


Figure 4.1 Gender of respondents

### Age of respondents

Information regarding age of respondents helped researchers to know the active age group among the students participants, it is indicated that a total of 58 respondents representing the highest score were between 20 to 25 years seconded by those on ages between 26-30 years, an indication that a young to middle aged group are



the ones studying in Malawi's universities. **Figure 4.2** shows age of respondents.

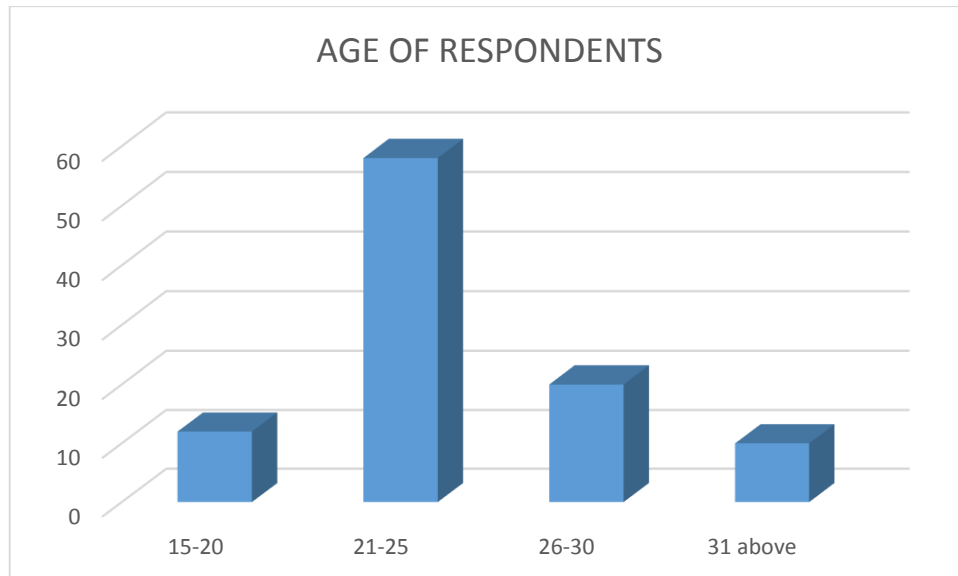


Figure 4.1 Age of respondents

#### Institution

From the table below, it is indicated that a total of 38 respondents representing 38% which is the highest score amongst the respondents were from DMI st John the Baptist University, 26 from Malawi Assemblies of God University, 12 from African Bible College, 16 from Pentecostal life University and 8 from Kamuzu University of Health Sciences, this further translate that there is higher response rate at DMI st John the Baptist University due to respondents familiarity with the researcher. **Table 4.3** shows the institutions that participated in the research.

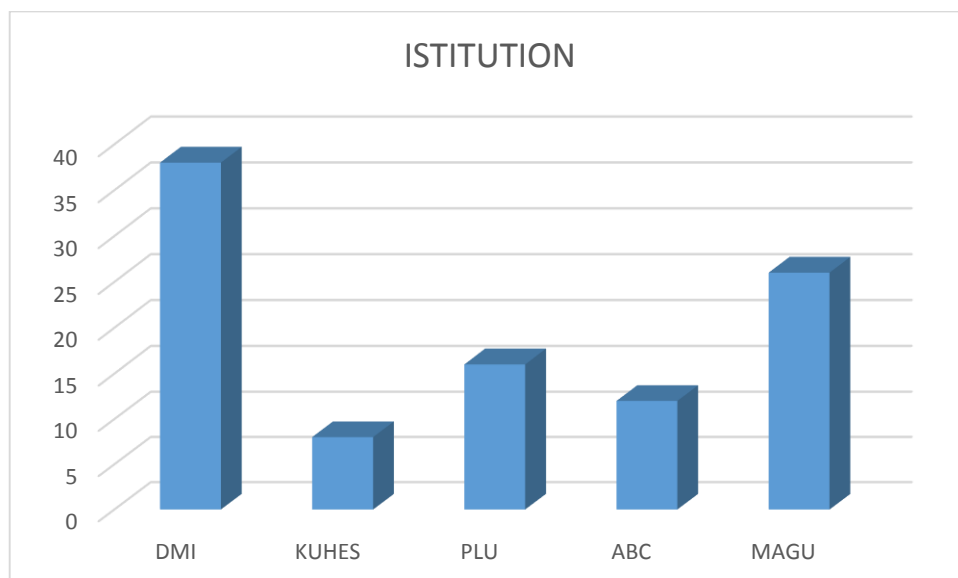


Table 4.3 Institution

#### Year of Study

This question helped researchers to know the year of study by each particular respondent, by tallying the scores researchers were able to know whether there is a change in altitude as the years of study increases



and whether this could indicate preparedness of the students to face the world as they come closer to completing their studies through the findings as witnessed by **Figure 4.4**, it is revealed that a total number of 16 were on second year 38 on third year and the rest were doing their final year on their respective programs respondents practicing both crop and animal husbandry followed by 14 respondents in crop husbandry.

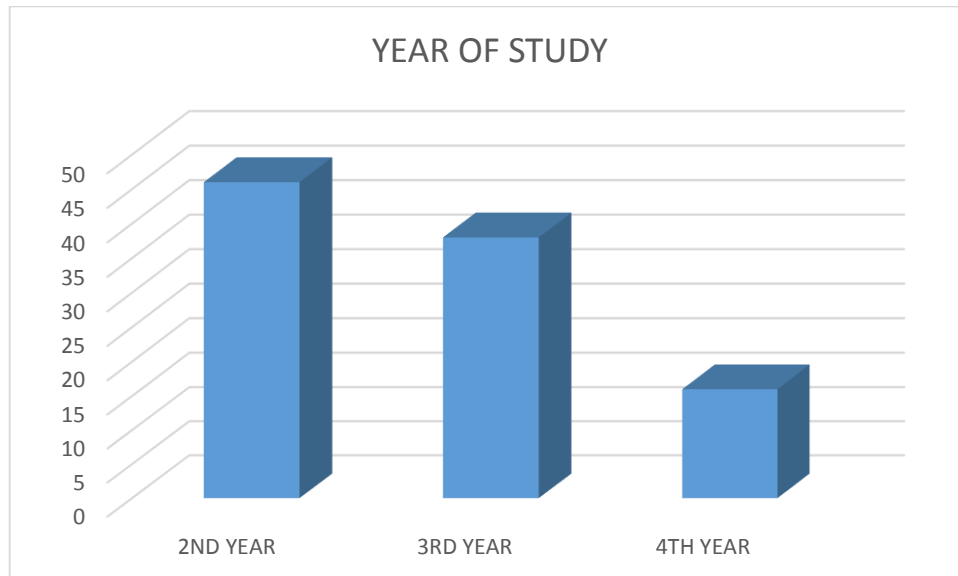


Figure 4.4 Year of study

#### Area of Study

This information answers the question, for what program is the respondent studying, from the table below, findings indicate that majority of participants 48 representing 48% were from the department of commerce followed by 26 from pure science, 14 from humanities and the remaining 12 from engineering. **Figure 4.5** shows area of study of respondents.

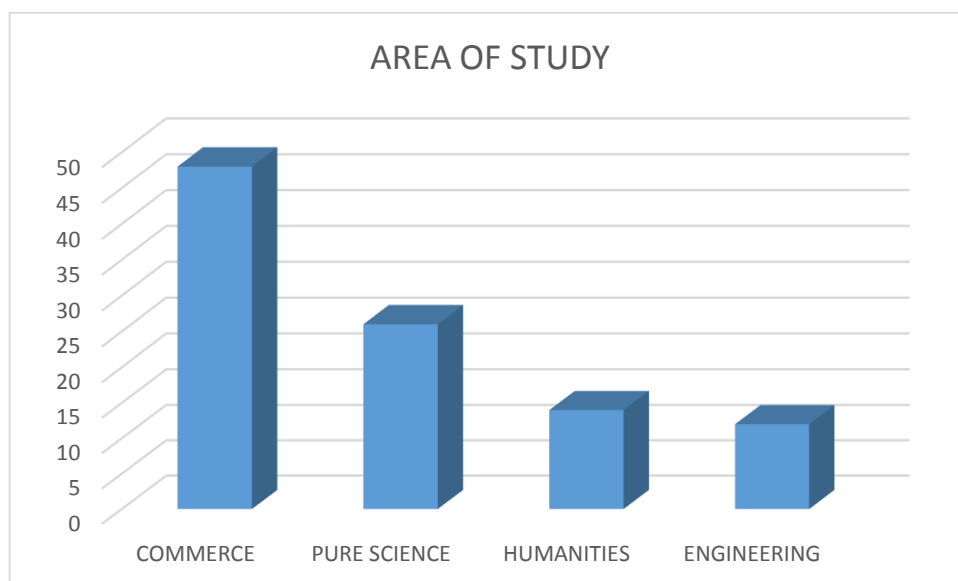


Figure 4.5 Area of study



## Presentation of Results

### Entrepreneurship development initiatives available to students in Malawi

The study wanted to find out entrepreneurship development initiatives introduced by government authorities in various universities, it was revealed that the university curriculum in the country is designed in such a way that entrepreneurship is included as an integral part although most students perceive entrepreneurship subjects as irrelevant and out of context of their studies, further to that it was again found that students who complete their studies in technical and vocational training are provided with tools for them to start up their own businesses.

### Effectiveness of the student entrepreneurship development initiatives in Malawi

Going further, under this heading the study wanted to find out how effective are these initiatives introduced by authorities in both public and private universities. The study revealed that there is much that the government have to put in place apart from curriculum development and handing out tools to those students completing their technical and vocational training, as these two are considered not sufficient to develop the interest of students towards entrepreneurship

### Challenges entrepreneurs face that influence students' levels of entrepreneurship altitude

The study further revealed that government through its authorities collect high tariff from entrepreneurs, there is high interest rates and that there is a compromised procedures in contract awarding process by authorities in the country, most entrepreneurs are associated with indulging malpractices in conducting their businesses, there is difficulties in access to finance, and there is less effort by government to empower and safeguard domestic enterprises in the country

## VI. SUGGESTIONS

### Introduction

This chapter concludes the study by looking at a summary of major findings, conclusion of conclusion, recommendations and winds up by looking at area for further study.

### Summery of research findings

The study was carried out in Lilongwe and the aim was to find out the attitude of students towards entrepreneurship in Malawi. The following were the findings;

➤ There is an increase in number of students who each and every year graduate from both public and private universities in Malawi.

➤ University curriculum are designed to equip students with sophisticated entrepreneurial skills which can vibrate the business environment if these students are empowered to start up their own businesses after completing their studies.

➤ There is a section of students who dreams of becoming entrepreneurs after completing their studies even without any intervention from active authorities

➤ The Malawi job market is currently saturated resulting into high levels of unemployment

➤ Graduating students in the country spend three to four years before securing permanent employment

➤ Government introduced interventions which aimed at promoting entrepreneurship spirit amongst university students.

➤ Strategies put in place by government to promote entrepreneurship amongst the students are not sufficient.

➤ There are a lot of challenges which entrepreneurs face that demotivate students from dreaming of becoming entrepreneurs after completing their studies

➤ Most graduating students in the country opt for employment rather than starting their own businesses

## VII. Conclusion of conclusion

The study was aimed at assessing the attitude of students on entrepreneurship in Malawi, the results clearly indicates that there is an increase in number of university students who graduate from both public and private universities every year in the country, these students are equipped with entrepreneurial skills which can change the shape of business environment in the future, amongst the students there is a section of students who dreams of becoming entrepreneurs after completing their studies. Challenges entrepreneurs face distracts students from holding on with their dreams of becoming future entrepreneurs, as a result most students opt to search for employment rather than starting their own businesses after completing their studies.

## CONCLUSION

➤ Government should provide financial packages for students to start up their own businesses after completing their studies

➤ Government should provide technical and vocational training completing students with equipment to start new businesses



- Banks and other money lending institutions should introduce soft loans aimed at accommodating students who inspire to start new businesses after completing their studies
- Government through ministry of industry and trade should establish flexible PPDA guidelines to accommodate newly start-up businesses

#### **Area for further study**

This section is based partly on the limitations above, and the researcher has through the implementation of the study recognized how future studies will be beneficial in order to understand the topic to a larger extent and to present even more reliable results. In this case *the role of the ministry of trade and industry in development promotion of entrepreneurship in Malawi*

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