

## BARRIERS TO ENTREPRENEURIAL INTENTION AMONG UNIVERSITY STUDENTS IN GHANA

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### ABSTRACT

Entrepreneurship education has become a major focus in the Ghanaian educational sector and governmental policies because entrepreneurship is seen as the major antidote to the increasing graduate unemployment. This study explores from students perspective barriers to their entrepreneurial intentions. In this study a model was developed and its impact on entrepreneurial intention was measured. In the model we theorised that the entrepreneurial intention of university students in Ghana is a function of four models: Economic, Legal, Sociocultural, and Personal factors. A survey-based methodology was used to collect data from 731 students from a public university in Ghana. Respondents' perception towards four categories of barriers to entrepreneurship (Economic, Legal, Sociocultural, and Personal) were analysed using descriptive statistics. Multiple regression analysis indicated that all four predictor variables contributed significantly as barriers to entrepreneurial intention. Economic factors was the highest ranked barrier to entrepreneurial intention ( $\beta = .242, p < .001$ ), followed by legal factors ( $\beta = .084, p < .05$ ), and then personal factors ( $\beta = .061, p < .05$ ). Socio-cultural factors served as the least form of barrier to entrepreneurial intention ( $\beta = .014, p < .05$ ). This research has filled a research gap by providing important insights into the barriers to entrepreneurial intention among university students in Ghana. The results of the study may have valuable implications for the policy makers and educators.

**Keywords:** Entrepreneurial, Barriers, Ghana, Students, Intention, University.

### 1.0 INTRODUCTION

Entrepreneurship is seen as one of the major economic development strategies needed to advance a country's economic growth and to sustain its competitiveness in operating in the increasing trends of globalization. In a speech delivered by Nana Akufo-Addo the president of Ghana, at the International Conference on Entrepreneurship, Business and Technology (ICEBUT), the president asserted that the fastest way to resolve economic issues and the alarming rate of unemployment lie in entrepreneurship, business and technology and it is time to take entrepreneurship seriously. The President noted that impediments to entrepreneurial activities in Ghana, such as petty corruption and excessive regulation, which demoralize businesses will be removed to ensure that businesses grow. On the role of educational institutions, President Akufo-Addo noted that "educational institutions would have to take a closer look at their curriculum content and the way they teach, and align it with present day realities", as "the value of a university is measured by how easily its graduates find jobs"

(myjoyonline, 2017). Furthermore, in an article published by the Ghana News Agency, captioned "Entrepreneurship in Ghana-Potential catalyst for economic growth" (2016), Win Naudé, a Senior Research Fellow at the United Nations University's World Institute for Development Economics Research noted that "Promoting youth entrepreneurship in developing countries is now a vital policy objective of many development organisations and

donors”. In the same article, John Armah, Executive Director of the Ghana Centre for Entrepreneurship, Employment and Innovation (GCCEI) noted that, challenges that entrepreneurs in Ghana have to grapple with to start and sustain their businesses, includes difficulties with business registration, access to good human resource, lack of skills to grow and to lead teams, lack of capacity to access finance, build ideas and access markets. According to Armah (2016), there are still various macro level fundamentals that are challenging to start-ups in Ghana, including interest rates and lack of ease in accessing capital. In the same article, Robert Jackson noted cultural as a challenge to entrepreneurial development in Africa. In another article, “the dynamics of entrepreneurship to the Ghanaian Economy” Opoku (2004), cited that, there is growing evidence of a significant causal relationship between entrepreneurship, economic growth and poverty reduction. According to him, the importance of entrepreneurship should not be underestimated, and the needs of this crucial sector must be understood to frame an effective and sustainable approach to modern development aid. He stated that although entrepreneurial activity is beneficial for Ghana at both the micro and macro level, Ghana has been unable to create and maintain the favourable environment needed to foster entrepreneurial activities. A report by the World Bank (2016), revealed that about 48 percent of the youth in Ghana are unemployed and this rate is increasing by the day. The report recommended that government must work towards equipping the youth with relevant skills through the educational system. According to the Labour Force Survey Report, posted on myjoyonline 2017, more than 12 million people in Ghana are unemployed (11.9%). In Ghana, the unemployment rate measures the number of people actively looking for a job as a percentage of the labour force. Literature have it that the most effective way of eradicating unemployment is through entrepreneurship. Awogbenle and Iwuamadi (2010) stated that entrepreneurship is a tool for minimizing the level of unemployment. For Alam (2009), entrepreneurship is an engine for economic development, job creation and social adjustment for developing economies. Nawaser et al. (2011) stated that there is a positive relationship between entrepreneurship and poverty reduction. Dzisi (2008), asserted that female entrepreneurs have significantly contributed to poverty reduction. These merits of entrepreneurship have inspired many governments to promote entrepreneurial activities in their countries. Entrepreneurship education among tertiary institutions in Ghana is growing. The government of Ghana and other private sector institutions have also taken measures to boost entrepreneurial activities to reduce graduate unemployment. However, despite these measures to encourage entrepreneurship in Ghana, the number of business start-ups in Ghana is not at its maximum. Research on entrepreneurial behaviours has revealed that certain personal characteristics differentiate entrepreneurs from non-entrepreneurs. Graduates also face many barriers on their quest to become entrepreneurs. For institutions and government to formulate effective policies to reduce graduate unemployment, it is paramount to understand barriers influencing their entrepreneurial intention. In spite of the numerous studies on entrepreneurial barriers and intentions, few has been focused on developing countries like Ghana and Ghanaian Graduands. Yet barriers faced by new entrepreneurs in developing countries may be different from those in developed countries. Developed countries may have more institutional support and an educational system that is more advanced hence reduction in potential entrepreneurial barriers. The Global Entrepreneurship Monitor Report (2007), revealed that, the proportion of early stage entrepreneurs who will engage in full time business are mostly from developed countries (Bosma et al., 2007). This may suggest that there might be more barriers to entrepreneurship in the developing countries as compared to the developed countries. According to Bowen & Clercq (2008) factors like economic freedom, regulatory environment can influence entrepreneurial intentions. Several external and internal factors shape an individual’s decision making to engage in entrepreneurship (Solesvik et al., 2012). Entrepreneurship is perceived as a solution to the

growing unemployment rate (Ahmad, 2012), entrepreneurial intention is the primary predictor of entrepreneurial behaviour, and therefore exploring the causes behind students' entrepreneurial intentions should be given special consideration (Gelard & Saleh, 2011). According to Taormina and Lao (2007), barriers to entrepreneurial intention can be assessed in the form of an individual's perception, Krueger and Brazeal, (1994), and Simonet al. (2000) supported this assertion by stating that assessing individuals' perception on barriers to entrepreneurial intention is the most powerful way of explaining peoples' intention to start a venture. This study thus explore from the perspective of university students barriers to entrepreneurial intention.

## 2.0 LITERATURE REVIEW

### Entrepreneurial intentions

Studies have shown that entrepreneurship is a key source of economic growth in developed countries, as well as in developing countries (Acs et al., 2013; Ortega-Argilés et al., 2009; Naude, 2013; Carree and Thurik, 2010). Entrepreneurial intention refers to the anticipation of a person to start and grow a new business venture. Research have shown that starting a new business is influenced by personal characteristics, such as parental background, educational level, ability of the individual to recognise and identify business opportunities and take risk, as well as culture, legal and the broader economic and environmental factors (Thompson 2009 and Bird 1988). According to Luthje and Franke (2003), Robinson et al. (1991) and Bird (1988), factors such as propensity for risk taking, locus of control, environmental support, and contextual barriers influence individual's intention to undertake an entrepreneurial venture. Entrepreneurial intentions (EI) is a state of mind, which guides and gives direction to individuals towards formulation of new business concepts (Bird, 1988). It is the conscious state of mind that precedes action and directs attention toward a goal such as starting a new business (Morianio et al., 2012). A lot of research has been conducted on entrepreneurial intention. For example, Franke & Luthje (2004) studied the impact of education and planned behaviour on the entrepreneurial intentions of students, similarly Ali et al. (2010) studied external factors that might influence EI. Shapero and Sokol (1982) studied on the impact of demographics, society, traits, financial support, and culture on EI. Yosuf et al. (2007), Shaver and Scott (1991), and Gartner (1988), studied on personality dimension. Carr & Sequeira (2007), Aldrich & Cliff (2003), studied on family background. Studies on personal and family experience and their impact on desire to become entrepreneur (Krueger, 1993; Raijman, 2001; Shapero & Sokol, 1982). According to Turker and Selcuk (2009), economic conditions, cultural surroundings, social aspects, as well as environmental and technological factors have an impact on a person's intention. According to Turnbull et al. (2001), factors such as opportunity to take risks, freedom, financial gain, and security of employment and control influence students' intention of becoming entrepreneurs. Institutional barriers such as lack of government assistance, lack of funds, infrastructure issues, lack of training, poor contract and property laws and corruption negatively influence entrepreneurial intention (Kiggundu, 2002; Chu et al., 2007; Ivy, 1997; Benzing et al., 2009). Literature points out the impact of government policies, physical infrastructure, legal requirement, cultural and social norms, entrepreneur social image, support to start-ups, and access to social network on entrepreneurial intention (Salimath and Cullen, 2010; Thorntonet al., 2011; Liñán and Fayolle, 2015). According to Biehl et al., (2014), lack of job opportunities, and other macroeconomic environment influence peoples' entrepreneurial intention. A study carried out in France reveals that the external entrepreneurial environment and entrepreneurial education influence the attitude of people toward new business creation (Klapper and Leger-Jarniou, 2006).

### **Barriers to entrepreneurial intention**

The Collins dictionary defines barrier as something such as a rule, law, or policy that makes it difficult or impossible for something to happen or be achieved. Barriers are obstacle that prevents movement or access. In this study we define barriers to entrepreneurial intention as factor that will discourage or hinders a latent entrepreneur from carrying out an entrepreneurial venture. According to Shinnar, Giacomini, & Janssen (2012), barrier to entrepreneurship includes difficulties in obtaining institutional support, receiving family support, securing financing from lenders, building a relationship with suppliers and a solid customer base. Pittaway and Cope (2007) as well as Carayannis et al. (2003) explain that an individual's entrepreneurial intentions can be shaped by his or her perceptions of barriers to business start-up, cultural values, and the environment in which he or she is located. Lüthje and Franke (2004) see infrastructure, administrative difficulties, banks' reluctance to finance new projects, stigma associated with failure, risk aversion, attitudes of friends and family as barriers to EI. Shinnar et al. (2009), and Pruett et al. (2009) found culture as a strong predictor of entrepreneurial intention. Shapero (1982), is of the view that, individuals with high entrepreneurial intention may not act on their intentions due to certain barriers that may exist. Barriers may include policies, laws, regulations, government assistance, culture etc. (North, 1990). According to Shinnar et al., (2012), individuals who perceive institutional, political, economic and their personal trait as an obstacles to their EI will prefer to work in a salaried job than to become entrepreneurs. An entrepreneur is a person with certain psychological traits, attributes, and values who initiates a business venture (Gurel et al., 2010). Solesvik et al. (2014), are of the view that individuals' environment, resources and processes influence their intention to become an entrepreneurs.

### **Economic**

Economic environment consist of all external factors which has a great influence on the functioning of a business. Businesses derive their input both human and material from the economic environment. Businesses also depends on the economic environment to sell their finished products. Economic environment influence the buying habits of consumers and businesses. You can divide the economic environment can be divided into the microeconomic environment and macroeconomic environment. The microeconomic environmental factors includes: market size, demand, supply, competitors, suppliers, and distribution chain. Macroeconomic environment are broad economic factors which indirectly or directly affect an entire economy and all of its participants. These factors includes: interest rates, taxes, inflation, currency exchange rates, consumers' disposable income, unemployment rate, recession, and depression. The economic environment of a business determines its success or failure. Research have shown that potential entrepreneurs show a high tendency to start up a new businesses venture when they find the market favourable, and they have several adequate business opportunities. On the other hand, people show a low propensity to become entrepreneurs when the market does not have sufficient opportunities and where various barriers deter them from entering the market (Turker and Selcuk, 2009). Literature has also revealed that ability to access business resources facilitates the processes of establishing an entrepreneurial venture. To establish and grow a business, the potential entrepreneur need financial resources, human resources, technological resources as well as social networking resources (Pickernellet al., 2011). Studies covering students also reveal that lack of funds is a barrier to entrepreneurship (Turnbullet al., 2001; Lane, 2002; Henderson and Robertson, 1999; Robertsonet al., 2003; Li, 2007). Beside business factors arising from the marketplace, entrepreneurial ventures are also influenced by political decisions which poses political risk. Government of a country make various decisions which influence individual businesses, industries and the economy as a whole. These government policies may include monetary and

fiscal policies such as taxes, spending, regulation, currency valuation, trade tariffs, labour laws such as the minimum wage, and environmental regulations. Political risk is a type of risk faced by investors, corporations, and governments that political decisions, events, or conditions will significantly affect the profitability of a business sector or the expected value of a given economic action. Research have shown that good governance promotes more entrepreneurship (Bjornskov and Foss, 2008). Potential entrepreneurs will assess the economic condition in the area they would like to start their business with respect to the expected costs and benefits of pursuing the entrepreneurial career path the outcome could positively or negatively shape their entrepreneurial intention (Franke and Luthje, 2004; Luthje and Franke, 2003; Choo and Wong, 2006; Gnyawali and Fogel, 1994; Taormina and Lao, 2007 ). Economic crisis will have an impact on entrepreneurial intention and behaviour because it can influence the psychology (e.g. perceived fear and opportunities) of starting up a business (Bosma et al., 2008). Economic factors such as less availability of finance or financial difficulties, lower customer demand and lower expected returns can influence entrepreneurial intention (Bosma et al., 2008; Stangler, 2009). Individuals with positive attitude towards entrepreneurship may not start a business when they perceive the economic environment as unfavourable. According to Iakovleva et al. (2011), economic environment in developing countries are unstable marked by strong turbulence and this can have positive or negative influence on entrepreneurial intention. For them, turbulent economies offer more opportunities for entrepreneurial activities, than stable, developed economies.

### **Legal**

The legal environment of business refers to the code of conduct that defines the legal boundaries for business activity. They are laws passed by the government of a country for business operation and for the regulation of business activities. The regulatory environment of a country affects an individual's entrepreneurial intention. Less stringent regulations on credit, business and labour, are conducive for entrepreneurial activities (Nyström, 2008; Capelleras et al., 2008). According to Ardagna and Lusardi (2008), external environment such as regulatory environment, ease of investment, plays a vital role in the creation of entrepreneurs within a country. Government policies should ease regulatory burdens so as to enhance entrepreneurship. It is important to understand the effects of regulations on individuals who intend to start their own business. The Global Entrepreneurship Monitor report (GEM) (2016), reveal that developing countries have stricter regulation and low entrepreneurial intention. A country's regulatory environment affects its entrepreneurship rate. Nyström (2008), used Index of Economic Freedom (EFW) to measure impact of regulation on entrepreneurial activities, the study concluded that less stringent regulation on credit, labour, and businesses, facilitates the growth of entrepreneurship. Bjornskov and Foss (2008) on the other hand did not find any significant effect of regulation on entrepreneurship rates when they used GEM data for entrepreneurship.

### **Personal**

According to Fayolle et al. 2014, Bae et al. 2014, Schlaegel and Koenig 2014, Zapkau et al. 2015, Frese and Gielnik 2014, and Nabi and Liñán 2013, personal level characteristics, such as values and motivations, education, self-efficacy, prior experience, personality characteristics and risk perception does not only influence entrepreneurial intention, but also influence the process of putting the intentions into actions. Raijman (2001), found that individuals, who have close relationship with other entrepreneurs be it family members or friends, have strong intentions of starting their own entrepreneurial venture. Taatila (2010) asserted that successful entrepreneurs have fascinating and charismatic characteristics that allow establish a good network. Zhang and Yang (2006) argued that a person's intention to

start an entrepreneurial venture can be adversely affected by one's inability to identify potential business opportunities. Ability of an individual to recognize business opportunities, has a significant impact on a person's entrepreneurial intentions. (Baron 2004; Taatila 2010). Turker and Selcuk (2009) pointed out that personal characteristics have a great influence on a person's entrepreneurial intention. Personal characteristics influence the way people recognise and evaluate opportunities. This explains why people differ in their entrepreneurial intentions (Kobia and Sikalieh, 2010). Certain personal characteristics level of risk tolerance, level of self-confidence and self-efficacy, locus of control, need for achievement, and fear of failure all influence a person's entrepreneurial intention. (Bonnett and Furnham, 1991; Turker and Selcuk, 2009; Sandhuet al., 2011). Entrepreneurship is associated with risk and uncertainty. Undertaking an entrepreneurial venture involves a high risk. The ability of an individual to tolerate risk influence their entrepreneurial intention (Hamidi et al., 2008). According to Luthje and Franke (2003), the tendency of a person to take and tolerate risk has a significant impact on an individual's entrepreneurial intentions. Similarly, other authors like Segalet al. (2005) and Ertuna and Gurel (2011) are of the view that individuals with high risk tolerance have more intentions of entering into entrepreneurial ventures. Baron (2004) defined self-efficacy as the perception and belief that people have in their capabilities to collect and utilize required resources and exhibit the required skills and competencies needed to achieve desired levels of performance and achievement. People with positive self-efficacy, have stronger entrepreneurial intentions than those with negative Self-efficacy. (Hamidiet al., 2008). Drnovsek et al. (2010) explained that entrepreneurial self-efficacy describes an entrepreneur's perceptions of their own self-confidence as well as their ability to master all the required entrepreneurial activities, in order to effectively and efficiently manage all the parties involved in an entrepreneurial venture. Ertuna and Gurel (2011) found that students with a high need for achievement have high intentions of setting - up their own business venture.

Other background factors such as previous employment and education (Storey, 1982), family background (Scott and Twomey, 1988; Matthews and Moser, 1995), ethnic membership (Aldrich, 1980), and religion (Weber, 1930) have also been found to influence individual entrepreneurial intention. According to Higgins et al. (2001), the self-esteem of a person is shaped by their past successes and failures as well as present environmental factors. Krueger and Brazeal (1994) noted that, entrepreneurship education shape students' perceptions regarding the feasibility and desirability of business creation. Literature have shown that a lot of people who were interested in business creation did not go through with it due to negative perceptions of entrepreneurship in their social environment. The probability that referent individuals or groups approve or disapprove of performing a given behaviour (Ajzen, 1991). This is known as social pressure. (Liñán and Chen, 2009; Díaz-García and Jiménez-Moreno, 2010; Moriano et al. 2012, Krueger et al., 2000). These authors are of the view that students value the opinion of parents, friends and other significant individuals when they have to make entrepreneurial decisions. A study on university in Singapore by Wang and Wong (2004) revealed that family, business experience and level of education have significant influence on students' intention to undertake a business venture. This is supported by other studies that higher education influences individuals to become entrepreneurs (Rees and Shah, 1986; Evans and Leighton, 1989; Bates, 1990). Ajzen (1991) proposes three antecedents to behavioural intentions: the attitude toward the behaviour, the subjective norm defined as the beliefs about what other people would advise and the extent to which the individual is likely to comply with the advice (Thompson and Panayiotopoulos, 1999), and perceived behavioural control, representing a person's perception of the ability to complete a behaviour.

## Sociocultural

Culture is defined as the norms, values, beliefs, and practices that members of a society subscribe and respond to (Gannon and Pillai, 2013). It is the characteristics and knowledge of a particular group of people, encompassing language, religion, social habits, music and arts. Hofstede (2001), asserted that culture relates to “the collective programming of the mind that distinguishes the members of one group or category of people from another”. Social norms are known as the perceptions of how people are expected to behave in their surroundings (Linan and Chen, 2006; Kolvereid, 1996). Sociologists associate social norms with economic perspectives (Meek et al., 2010). Entrepreneurship is directly associated with economic survival and growth of individuals (Carree and Thurik, 2010). According to Paicheler (1976), Social norms regulate individuals’ attitude and lead to the adoption of socially acceptable actions. Cultural factors can shape career choice decisions (Iakovleva and Solesvik, 2014), and promote or retard enterprise (Kreiser et al., 2010). An individual’s perception of cultural context has also been found to be associated with intensity of entrepreneurial intention (Lin and Chen, 2009). Cultural factors have been discussed in relation to opportunities seeking, entrepreneurial traits, beliefs, entrepreneurial fear or risk aversion (Stephan, 2009). Early research on the role of culture in entrepreneurship revealed that societies with cultures that respect achievement exhibit greater levels of entrepreneurial activities than societies that do not (McClelland, 1961). According to Reynolds et al. (1994) and Kibler (2013), entrepreneurship is the outcome of the interplay between individual characteristics and the environmental culture. A study done in USA revealed that America society does not frown on failure. Failure is viewed as a learning experience and part of individuals development. Their social norms therefore, are favourable to business failure, hence boost entrepreneurial intention (Saxenian, 1994). Whereas in Europe, business failure is highly stigmatized, there is less tolerance and acceptance of business failure, this is found to retard entrepreneurial activities locally (Vaillant and Lafuente, 2007). The case of Europe is not different from that of Ghana. The stigma associated in Ghana is assumed to be very high and this impedes entrepreneurial intention in Ghana as people want to be accepted and recognised in society. Research has shown that early formal entrepreneurship education could influence students’ attitudes, and impact on the path of their future career, as well as their propensity for entrepreneurship when they become adults (Finisterra do Paço et al., 2011). Entrepreneurship education provides general skills, training, and knowledge in entrepreneurship (Rajman, 2001). Gurelet al. (2010) asserted that entrepreneurship education can influence individuals’ cultural values and thus their entrepreneurial intention. Storen (2014), argued that entrepreneurship education, contributes to an increase in “generic” entrepreneurial skills. Entrepreneurship education is known to influence student’s entrepreneurial intentions. Socio-cultural factors are influential drivers for entrepreneurship (Shivani et al., 2006). Indeed, Thornton et al. (2011) views entrepreneurship as a social phenomenon.

Based on available literature, the below model was developed for the study. See fig 1

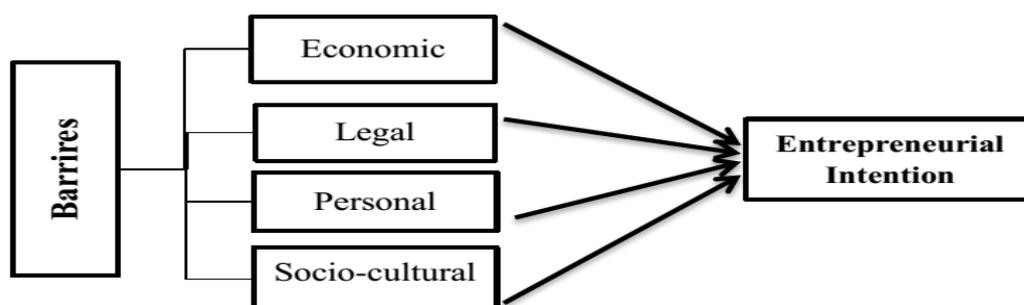


Figure 1: Barriers to entrepreneurial intention

### 3.0 RESEARCH METHODOLOGY

To achieve the objective of this study 731 students were purposively selected from a public university in Ghana. Questionnaire was designed to solicit respondents' entrepreneurial intention and their perception on the barriers to their intention. Based on available literature, barriers was categorised into economic, legal, socio-cultural and personal. Economic barrier considered availability of seed capital, availability of technical skill; availability of raw material; government policies/support, and political atmosphere. Legal considered challenges of registering businesses; legal constraints and regulations; corruption (One needs to bribe officers in order to get things done), sociocultural considered Educational background, environmental conditions, social stigma, religion, friends and traditionalism. Personal considered bad experience of other entrepreneurs, students own bad experience, family background, fear of failure, friends, complacency, and lack of business knowhow. Entrepreneurial intention questionnaire covered factors revealed by literature to push people into entrepreneurship. want to be their own boss; have freedom to express themselves in their business, have the capability to raise the needed fund to start their business; security for retirement, creation of job for others; want to manage their own time when it comes to work; continuation of family tradition; contribute to society by establishing a business; deal with a societal problem. The instrument for data collection comprised of 5 point Likert scale. Questionnaire for the barriers consisted of 20 items: economic 5, legal 3, socio-cultural 6 and personal 7. Questionnaire for intention had 11 items. To ensure the usability of the questionnaire, reliability test was conducted on the barriers and intention questionnaire. The reliability was 0.8 and 0.9 respectively. The questionnaires were personally distributed to the students at their lecture halls. The method was effective as clarification can be given to students to obtain better response. SPSS was used for analysis of data collected.

### 4.0 RESULTS

Multiple regression analysis was conducted to investigate economic, legal, socio-cultural, and personal factors as barriers to entrepreneurial intention among university students in Ghana. A preliminary analysis was conducted to ensure that there was no violation of the assumptions of normality. As indicated in Table 1, there was no violation in the assumption of normality as the skewness and kurtosis values fell between  $\pm 2$  (Tabacknick & Fidell, 2007). All predictor variables (economic, legal, socio-cultural, and personal) were statistically correlated with the outcome variable (entrepreneurial intention), indicating that the data was suitable for examination through multiple regression (see Table 1). The direct method was used for the multiple linear regression analysis. The four predictor variables explained 15.6% of the variance in entrepreneurial intention ( $F(4, 731) = 10.78, p < .001$ ). All four predictor variables contributed significantly as barriers to entrepreneurial intention (see Table 2). Economic factors contributed the most as a barrier to entrepreneurial intention ( $\beta = .242, p < .001$ ). This was followed by legal factors ( $\beta = .084, p < .05$ ), and then personal factors ( $\beta = .061, p < .05$ ). Socio-cultural factors served as the least form of barrier to entrepreneurial intention ( $\beta = .014, p < .05$ ).

**Table 1: Descriptive statistics and correlations with dependent variable**

| Variable                     | Mean  | Sd.  | $\alpha$ | Skewness | Kurtosis |
|------------------------------|-------|------|----------|----------|----------|
| Intention(r)                 |       |      |          |          |          |
| 1. Economic                  | 15.35 | 3.37 | .83      | -.298    | -.105    |
| 2. Legal                     | 6.77  | 2.87 | .79      | .397     | -.662    |
| 3. Socio-cultural            | 9.11  | 2.23 | .88      | -.126    | -.319    |
| 4. Personal                  | 6.60  | 1.83 | .84      | -.284    | .382     |
| 5. Entrepreneurial Intention | 43.15 | 7.60 | .83      | -.518    | -.179    |

**Notes.** \*\*\* $p < .001$ ; \*\* $p < .01$ ; \* $p < .05$ ; Sd. = Standard deviation;  $\alpha$  = Cronbach alpha.

**Table 2: Multiple regression results on barriers to entrepreneurial indentation**

| Variable      | b      | Se $\beta$ | $\beta$ |
|---------------|--------|------------|---------|
| Constant      | 41.940 | 1.501      | -       |
| Economic      | .348   | .166       | .242**  |
| Legal         | .641   | .105       | .084*   |
| Sociocultural | .047   | .139       | .014*   |
| Personal      | .184   | .104       | .061*   |

Notes.  $R^2 = .156$ ,  $\Delta R^2 = .151$ ; \*\*  $p < .001$ , \*  $p < .05$ .

## 5.0 DISCUSSION

The results of the survey revealed that economic factors are significant predictors of entrepreneurial intention. This indicates availability of seed capital, political environment, availability of raw materials and technical skills highly influence students' entrepreneurial intention. The result confirms the key role of economic environment in the development of entrepreneurial intention among university students. This support the assertion of Pickernell et al. (2011), that to establish and grow a business, the potential entrepreneur need financial resources, human resources, technological resources as well as social networking resources hence the absence of these create barrier to entrepreneurship. (Turnbull et al., 2001; Lane, 2002; Henderson and Robertson, 1999; Robertson et al., 2003; Li, 2007; Bosma et al., 2008; Stangler, 2009). The assertion by Iakovleva et al. (2011), that economic environment in developing countries positively or negatively influence entrepreneurial intention was also supported by this result. The result further support the assertion by Mr John Armah, Executive Director of the Ghana Centre for Entrepreneurship, Employment and Innovation (GCCEI) that, challenges that entrepreneurs in Ghana have to grapple with to start and sustain their businesses, includes difficulties with business registration, access to good human resource, lack of skills to grow and to lead teams, lack of capacity to access finance, build ideas and access markets, level of interest rates and lack of ease in accessing capital. Therefore, in the light of the study, it might be stated that entrepreneurship can be fostered if the economic environment in Ghana improves which the president Nana Akufo-Addo (2017) has asserted to do. The second factor, which also emerged significant in the survey, is legal environment. This support the view of Capelleras et al., (2008) that less stringent regulations, are conducive for entrepreneurial activities. President Nana Akufo-Addo (2017) also attested to this fact and noted that his presidency will ensure that impediments, largely found in the public sector, which include petty corruption and excessive regulation, which demoralize businesses will be removed to ensure that businesses grow. The third barrier revealed by the survey is personal factors. This result is not significantly different from the assertion of other EI authors. Contrary to what other researchers have said and the cultural environment in Ghana, socio-cultural factors were the least form of barrier to entrepreneurial intention among students. In fact, this result is quite surprising because social ties are significant for a person living in a collectivist culture, like Ghana. Since people are more integrated into society, a career selection decision of a young person might be influenced by family members and friends. Secondly, the insufficient level of structural support in Ghana, when compared with other developed countries, might be also expected to increase the importance of sociocultural factors. However, the result of the survey showed that entrepreneurial intention of respondents was less influenced by sociocultural environment. This result can be literary explain that the respondent are university students and the level education has built a level of confidence in them. In this case, the level of self-confidence might affect their outlook so culture and social norms has less influence on their decision. But there is a need for further studies to clarify this point.

## CONCLUSION

In conclusion, this research has provided an important insight into the barriers to entrepreneurial intention among university students in Ghana. Therefore, in order for educational programs to be efficient in Ghana, the educational institutions in Ghana should adjusted their programs to the perceived barriers of entrepreneurial intentions in Ghana. This is in fact is what Pittaway and Cope (2007) asserted, that entrepreneurship education should vary by nation as well as region. It is important for the government and universities to understand how to develop and nurture potential entrepreneurs even while they are still students. Activities to improve education, infrastructure, legal conditions and financial support for potential business founders should be further expanded. A proper support system, entrepreneurial education and the development of managerial competencies, and new government policies may go a long way in increasing entrepreneurial intentions among graduates in Ghana.

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