

# Employability Skills, Risk Taking Capacity and Entrepreneurship Inclination of Graduates in Public Universities in Lagos State, Nigeria

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**Abstract:** Securing a good job after higher education or starting a new venture is the prime focus of every fresh graduate which is geared towards addressing the issue of high unemployment rate through skills development and good capacity to take risks on the part of entrepreneurs and job seekers. Hence, this study aimed to identify the relationship between employability skills, risk-taking capacity and entrepreneurship inclination of graduates in public universities, Lagos, Nigeria. Consequently, adopting the descriptive survey research design, the population of the study comprised 11,383 registered postgraduate students during 2016/2017 academic session in public universities in Lagos, Nigeria. 340 postgraduate students emerged as sample of the population using simple random sampling technique at 5% margin and 95% confidence level, who responded to a self-designed and validated questionnaire titled “Graduate Employability Skills, Risk-Taking Capacity and Entrepreneurship Inclination Questionnaire (GESRTCEIQ)”. The reliability coefficient was 0.87, using the Cronbach Alpha reliability test. Six research hypotheses were tested at .05 significant levels using Pearson Product Moment Correlation and ANOVA. Findings of the study showed that problem-solving skills ( $r=.54$ ;  $df= 328$ ;  $P<.05$ ), teamwork skills ( $r=.48$ ;  $df= 328$ ;  $P<.05$ ) as well as business-related factors ( $r=.57$ ;  $df= 328$ ;  $P<.05$ ) and economic factors ( $r=.82$ ;  $df= 328$ ;  $P<.05$ ) respectively were significantly correlated with entrepreneurship inclination of university graduates. More so, employability skill and risk-taking capacity were correlated as a single index with entrepreneurship inclination of graduates. Premised on the findings, it was recommended that graduates who are entrepreneurial driven should strive for skills development, proper assessment of risks and prioritizing them appropriately so as to ensure that resources are utilized profitably to tackle risks.

**Keywords:** Employability skills, Risk-taking Capacity, Entrepreneur and Entrepreneurship inclination

## 1. INTRODUCTION

The twenty-first century entrepreneurs cannot survive in the global integrated competitive market without capacity to manage risk and improved employability skills. Hence skill development has become increasingly crucial for their foreseeable future in the market. Conventional education that is basic, secondary and tertiary education are fundamental and essential to the growth of every career, however, employers of labour are seeking applicants with more. They want employees who have necessary employability skills such as willingness to learn and acclimatize; literate and compute

adeptly; listen and communicate effectively; think creatively; solve problems independently; manage themselves at work; interact with co-workers; work in teams or group; handle basic technology, lead effectively as well as follow supervision. These skills are crucial to employers' recruitment as it greatly determine employee ability to secure a job, retain employment and move flexibly in the labour market [9]

Arguably, the youths are struggling with redundancy, under-employment and difficult transitions into decent work, paradoxically, the world is experiencing shortage of graduates with required skills and creativity in the labour market [9]. Hence, graduates of higher institutions of learning must have

positive inclination for entrepreneurship. Finding solutions to the issue of high unemployment rate requires creative and innovative entrepreneurs and skills development. In fact, skilled labour force are inseparable from economic growth. Hence, skills acquisition needs to be part of a comprehensive, integrated strategy for growth that will improve the livelihood of all job seekers [9].

In a world of increasing complexity and uncertainty, graduates' applicability of the knowledge acquired in school is more pressing now than ever because of limited supply of white-collar jobs. Finding solutions to national and global problems, such as business failure and unemployment, is incontestable. The expansion of universities in Nigeria have resulted to a high number of graduates who compete for inevitably limited white collar jobs annually. With growing interest for university education in Nigeria, one would have expected that everyone who acquire a university degree should be able to secure a job easily which will in turn, transform and enhance such person's quality of life and be able to live above poverty line but this is far from veracity.

However, as evidence in National Bureau of Statistics (2017) report which states that unemployment rate in Nigeria increased exponentially from 14.2 per cent to 18.8 per cent in 2017. The report states that the total percentage of unemployed and underemployed persons increased from 37.2 per cent in the first quarter to 40.0 per cent in the third quarter of the year. According to NBS (2017), 21.2 per cent of women in Nigeria within the labour force (aged 15-64 and willing, able and actively seeking work) were unemployed, compared with 16.5 per cent of men within the same period. More so, many graduates in Nigeria are becoming worried about high rate of unemployment and therefore the need for self reliance in entrepreneurial activities to meet the global challenges of wealth creation is indisputable.

In the globalized world, risk-takers have become the prime mover of economic growth and development as countries devise means to encourage entrepreneurship (Kuratko & Hodgetts 2004). Taking risks and dealing with uncertainty are essential parts of entrepreneurship. Risks loom the vision of almost every entrepreneur, forcing them to exert strength, spend effort, time, and money to better manage it. The problem why some entrepreneurs do not succeed in business and while others do survive led this study to examine employability skills, risk taking capacity and entrepreneurship inclination of graduates in public universities in Lagos State, Nigeria. Creation of new entrepreneurial ventures based on novel discoveries and innovations entail a great deal of risk and skills development. Hence, the survival rates of new firms are extremely low; according to Bartelsman (2005) about 20% to 40% of entering young entrepreneurs fail within the first two years in business, while only 40% to 50% survive beyond the seventh year (Organization for Economic Cooperation and Development OECD, 2003). Also, in 2005, the United States lost over \$400 billion in the industrial sector around the world (Van Staveren, 2006). More so, in financial markets and banking, experts estimate thousands of billions of dollars incurred by world markets and banks in 2008 as well as 2009 amounting to over \$50 trillion were lost [3]. In the educational sector, the Poland Ministry of Science and Higher Education encourages academics and doctoral students to set up, start-

ups and commercialise their research outcomes through programmes such as "The Top-500 Innovators" towards increase students interest in risk-taking capacity so that entrepreneurial activities will be attractive to graduates [2, 19]. On this basis, some organizations in the early 2000s, emerged to work on establishing standards in risk-taking capacity in Europe, the United States, Canada and Australia [16]. These established standards help entrepreneurs diagnose and confront risky situations before they happen. Undoubtedly, industries in Nigeria also suffer losses due to improper risk-taking capacity measure as evidence by Arogundade (2011) who stated that there was large-scale layoff of workers and shutting down of businesses as a result of poor risk-taking capacity and bad economic trends in the country. In fact, Nafiu, Okpanachi & Nurudeen (2014) asserted that the high liquidity rate of infant industries and vitiated standards of living in the northern region of Nigeria due to terrorism is as a result of unfavourable government regulatory policies which is one among the risk-taking capacity factors. They concluded that terrorism will not only lead to high liquidity rate of industries and worsen living standards of the people, but may crumble the country's national economy in the long run if no vibrant measures are taken to halt the menace.

Losses and the collapse of businesses due to failures in risk-taking capacity have hurt the wider community through loss of jobs, goods and services which could be traceable to unfavourable government regulatory policies. These losses are felt particularly severely in developing country like Nigeria where the economies are vulnerable and jobs are scarce. The level of risk-taking reveals whether an entrepreneur would choose to invest a risky venture (Li, 2016). The effective implementation of practical creativity through combining of resources and opportunities in a new ways depends on the ability of the entrepreneur to identify and control risk appropriately. In fact, the number of graduates' involvement in entrepreneurial activities who correctly understand risk-taking capacity is infinitesimal because the concept of risk management is not well understood, the number of entrepreneur who practices risk-taking capacity consciously is probably small (Ndope, 2016). However, it is necessary to understand systematic risk-taking capacity and how to respond to issues that might arise as entrepreneur. Thus, the research considered it necessary to examine employability skills, risk taking capacity and entrepreneurship inclination of graduates in public universities in Lagos State, Nigeria.

## **2. LITERATURE REVIEW**

Education is an experience, the aggregate of a person's experience throughout life span (Nduka as cited in Jaja, 2013). The educational system transfers art, music, custom, tradition, the language and the skills of the society to the younger generation with a view of prolonging and advancing the ethos of the people. The National Policy on Education of the Federal Republic of Nigeria (FRN, 2004: Section 8, No. 58, p.30) defines "Tertiary Education as "the education given after secondary education in universities, colleges of education, polytechnics, monotechnics including those institutions

offering correspondence courses". Therefore, this study focuses specifically on entrepreneurship inclination of graduates in higher institutions of learning in Lagos, Nigeria. Regarding university education in Nigeria, Section 8 no.64 of the NPE states that the university education shall contribute to national development by ensuring that technically-based entrepreneurial courses in the universities are relevant to future working environment while it is believed that "instructors in professional entrepreneurship fields have relevant industrial and proficient experience" (Adebisi, 2014). Technically speaking, the university education in Nigeria should inculcate acquisition of relevant employability skills in their students through practice based entrepreneurship courses. Furthermore, Adebisi (2014) opined that in spite of the increment in the number of universities in Nigeria, it is extremely disheartening that the nation is suffering from severe shortage of graduates with relevant employable skills that meet the challenges of the labour market. More so, Fakomogbon & Adebijaja (2011) lamented that regardless of the rise in universities in Nigeria, students could not develop entrepreneurial skills rather they depend largely on government employment. Furthermore, Joseph & Rahmat (2019) argued that for learners problem-solving capacity to be developed, learning must be activity-based. Also, Serjali & Abdul Halim (2020) affirmed that engaging learners using industrial based model has significant improvement on learners' interest, attitude and achievement in entrepreneurship courses in higher institutions of learning. Thus, university system must instill entrepreneurial spirit in their students through entrepreneurship education and enabling environment so that the goals of university education can be attainable.

The efficiency, effectiveness and sustainability of any enterprises is a function of the skills induced by those working in such an enterprise through improved working conditions and employability skills of workers. More so, securing a job or breezing through the labour market, one needs the technical skills to perform assigned tasks as well as the main work skills which include readiness to learn on the job, communicating fluently, prompt identification of problem and critically providing solution to such problems as well as collaboration with co-workers towards achievement of organizational goals and objectives which are crucial for easy getting of job as well as the development of organizations and the nation. ILO [9] stated that employability skills are the skills, knowledge and competencies that enhance a worker's ability to secure and retain a job, progress at work and cope with change, secure another job if he/she so wishes or has been laid off and enter more easily into the labour market at different periods of the life cycle. Individuals are most employable when they have broad-based education and training, basic and portable high-level skills, including able to collaborate easily with co-worker, proactive at identifying problem and critically proffer solution, proficiency in Information and Communications Technology (ICT) and good communication and language skills. This combination of skills assists them to acclimatize to changes in the world of work [9].

Securing a job is a great achievement for job seekers. However, employability skills entail much more, rather it is having the aptitude to network and market oneself, navigate

through a career and remain employable throughout life. The aforementioned skills are critical skills that enable workers to attain decent work and manage change at work as well as enabling entrepreneurs to adopt new technologies for risk taking capacity while entering new markets. More so, various hurdles are faced by disadvantaged youth in the labour market, there is need for integrating employability skills into core academic content so as to acquire such skills. These skills are often not certified nor formally recognized but are needed for survival as entrepreneurs in the integrated global competitive market. The skills are categorized under four broad headings: learning to learn, communication, teamwork and problem-solving [9].

There are diverse views on the concept of risk. Management of risk is an integral aspect of entrepreneurship. It is the potential loss of funds between the beginning and the end of the investment period [26], a decline in an organization's total income [7], risk of loss [8], the possibility of failure of part or all of the system leading to undesirable results (Molak, 2000), the uncertainty of achieving desired results (Keegan, 2004), an event or circumstance that, if occurred, would affect the achievement of the project objectives [5] and the potentiality that future events may have an adverse effect on the survival and growth of business (Ng'ang'a, Muthusi & Nassiuma, 2015). Risk management helps to optimize reward so as to avoid failure in business. Reward can take the form of a new products or services or ideas through creativity and innovation which are beneficial to potential customers as well as for national development. However, developing something new, entrepreneurs asked many questions namely, whether their idea will not work, that someone will get there first or that their idea will not appeal to their target market.

The first phase in effective risk taking capacity is to understand the qualitative distinctions among the types of risks that organizations face [13]. There are different classification of risk. According to Campbell [4] risk can be classified based on its effect type namely: Strategic risk, financial risk, operational risk and hazard risk. More so, Malevergne & Sornette, [17] classified risk as measurable or random events, meanwhile, Williams, Bertsch, Dale, Vander Wiele, Van Iwaarden, Smith & Visser [28] classified risk as measurable immeasurable components. Irrespective of the differences in classification, risk taking capacity helps organizations to understand and analyze risks through designing and implementing of preventive and remedial plans for the success of their businesses.

Risk taking capacity does not only require appropriate identification, assessment and managing of risks, but also essential is an understanding of how much risks is acceptable and how much the entrepreneur can bear. All businesses need to take on some risk in order to achieve strategic objectives and deliver returns which include operational risk, financial risk, market-based risk, hazard risk, economic risk and strategic risk just to mention a few that can be exogenous or endogenous in nature [4]. The key risks that an entrepreneur is exposed to will be those that affect its ability to achieve its strategic or performance objectives. In fact, Abotsi, Dake & Agyepong identified certain variables that influence entrepreneurs' decision to undertake risk. According to them,

government regulatory policy is an integral factor that influences entrepreneurs' decision to undertake risk[1].

Risk taking capacity is not the capacity of the occurrence of risk rather it is the prediction of the risk of possible events by multiplying risk probability by the severity of possible risk outcome and the effort to keep the figure obtained below a certain level (Moriya, 2014). Therefore, the success or failure of any education graduate entrepreneur rests on his ability to skillfully identify and control the various risks presented by the business through minimizing risk and maximizing return. Indubitably, entrepreneurs must adopt various measures of risk taking capacity depending on the organization situations and challenges. Some of the measures include access to insurance, attention to human rights, information technology, good governance, integrated economy, trust and commitment of employees (Bettencourt, 2006)

Entrepreneurship inclination is a state of mind directing a person's thoughtfulness, technical know-how and action towards a specific goal, or a path to achieve business goals through creative and innovative combination of resources and opportunities in a new way. It displays certain characteristics that are identified by an individual's attitude, skills and environmental influences as well as psychological characteristics [11]. Undoubtedly, many countries are responding to the challenge of graduates' inability to secure good job upon graduation as institutions of higher learning equipping graduate with the necessary entrepreneurial knowledge and employability skills through risk management courses so as to succeed in running businesses or to create a job from seizing existing entrepreneurial opportunities. Therefore, it is essential to instill entrepreneurial spirit as well as expect attitude change in graduates towards entrepreneurship. Entrepreneurship plays a vital role towards sustainability development of a country as it is seen as the major engine driving many nations' economic growth, innovation and competitiveness (Scarborough & Zimmerer, 2003; Kuratko & Hodgetts 2004). From the foregoing, the importance of employability skills and proper knowledge of risk-taking capacity to attract huge economic returns by entrepreneur in a declining economy cannot be overemphasized. Providing solutions to limited white collar jobs through entrepreneurial activities and skills development is a step toward sustaining the wealth of the nations.

Most developing nations of the world, Nigeria inclusive are faced with numerous problems and harsh realities which include large scale unemployment saga that has been staring graduates in recent times as well as incompetent entrepreneurs faced with bankrupt due to inability to manage investment in risky ventures. These problems are said to be traceable to the disequilibrium between labour market requirements (employability skills) and adequacy of essential risk-taking capacity by the higher education graduates. More so, the main incentive for studying employability skills and risk taking capacity of entrepreneurs is to enlighten young graduates against the pitfall to avoid in business through adequate knowledge of risk-taking capacity as well as to better understand why businesses fail possibly due to inappropriate risk management techniques and inadequate skills. It is essential to stress that infant

businesspersons fail within the first two years in business, while only few of them survive beyond the seventh year. Therefore, assessing graduates inclination towards entrepreneurship is crucial. In our highly competitive market, entrepreneurial driven university graduates need rapid information so as to come up with proper solutions and appropriate ideas not recklessness and gambling which has been the problem of some entrepreneurs who lack risk management skill. Different people jump into business without risk capacity rather they relay on the rules of thumb, which eventually run them out of the market. Also, the frequent downturn in economic activities has motivated this research work to isolate Employability skills, risk-taking capacity and entrepreneurship inclinations as one of the tools for economic growth and development. The problem of failure by graduates despite the readiness for entrepreneurial activities spurs the need for advancement in the techniques of risk-taking capacity skills. More so, it seems that the unstable and unfavorable political environment drives away investors' intention into entrepreneurial activities. In addition, it seems that the level of infrastructure provided by the government is still very low and this may affect the level of entrepreneurial activities in the country. It is against this pedestal that this study was set to examine the risk-taking capacity and entrepreneurship inclination of education graduates in Nigeria[24].

This study is out to provide detailed analysis of the major impact of employability skills, risk-taking capacity and entrepreneurship inclination of newly creative and innovative entrepreneurs who are university graduates in Nigeria. The study will become a good source of raw materials for students, policy makers and curriculum developers who may want to know the extent of which improper decisions on what, how and when to do any economic activity due to inadequate knowledge of important factors such as skills development, risk management and financial management just to mention a few that can make or mar the success of an entrepreneur by making available the findings of this study to university management as well as policy makers and curriculum developers. Also, the study will sensitize university management on how to make the university system and environment conducive for entrepreneurial activities so as to inculcate in their students the culture and readiness for entrepreneurial activities after graduation since white collar jobs are certainly limited and thus one must compete to secure it as its supply is inadequate. Furthermore, the report of this study would benefit the society as it serves as a catalyst for sustainable development. It will help to motivate youths through skills development for entrepreneurial activities which will lead to reduction in unemployment and crime rate in Nigeria. Finally, the study could be useful to future researchers on risk-taking capacity in entrepreneurship related issues.

Based on the previous discussion, the broad objective of the study was to examine the relationship between employability skills, risk-taking capacity and entrepreneurship inclination of graduates among postgraduate students in public universities in Lagos, Nigeria. In this study, employability skills were divided to 2 sub-dimension. Thus, these sub-dimensions are problem-solving skills and

teamwork skills. Also, risk-taking capacity were divided to 2 sub-dimension which are business-related and economic factors. The study answered the following research questions when formulated.

- a. What relationship exist between employability skill and entrepreneurship inclination of graduates in public universities in Lagos State, Nigeria?
- b. Will problem-solving skills enhance graduates inclination towards entrepreneurial activities?
- c. To what extent would teamwork skills determine entrepreneurship inclination of graduates in public universities in Lagos State, Nigeria?
- d. What relationship exist between risk-taking capacity and entrepreneurship inclination of graduates in public universities in Lagos State, Nigeria?
- e. Will business-related factors augment graduates drive into entrepreneurship?
- f. To what extent will economic factors enhance graduates drive into entrepreneurship?

Correspondingly, the following hypotheses were developed for testing at 0.05 level of significance.

- H1: There is no significant relationship between employability skills and entrepreneurship inclination of graduates in public universities in Lagos State, Nigeria.
- H1a: No significant relationship exist between problem-solving skills and graduates entrepreneurship inclination in Lagos State, Nigeria.
- H1b: No significant relationship exist between teamwork skills and graduates entrepreneurship inclination in public universities in Lagos State, Nigeria.
- H2: There is no significant relationship between risk-taking capacity and entrepreneurship inclination of graduates in public universities in Lagos State, Nigeria.
- H2a: No significant relationship exist between business-related factors and graduates entrepreneurship inclination in public universities in Lagos State, Nigeria.
- H2b: No significant relationship exist between economic factors and graduates entrepreneurship inclination in public universities in Lagos State, Nigeria..

### 3. METHOD

This study adopted a descriptive survey research design, which is “ex-post facto” in nature and the targeted population for the study was made up of university graduates who were master’s degree students in public universities in Lagos, Nigeria. The total population for the study was 11,383 Masters students given 9355 and 2028 registered postgraduates students for 2016/2017 academic session from the University of Lagos and Lagos State University respectively (School of Postgraduates Studies, University of Lagos and School of Postgraduate Studies, Lagos State University, 2018). As at the time of collection of data, there were 11,383 registered postgraduates’ students in public universities in Lagos state. Data were sampled using

multistage sampling technique. First, the selection of five faculties namely: Art, Education, Engineering, Social Sciences and Science in University of Lagos, Akoka and Lagos State University, Ojo was carried out through simple random sampling technique. Finally, stratified sampling technique was applied to select 34 postgraduate students from each of the selected faculties in the two Nigerian public universities in Lagos state, Nigeria. These two universities namely, University of Lagos and Lagos State University were purposively selected because they are the only Nigerian public universities in Lagos State. Therefore, the sample size for this study was 340 participants.

The data collection involved employing a survey using a structured questionnaire titled “Graduate Employability Skills, Risk-Taking Capacity and Entrepreneurship Inclination Questionnaire” (GESRTCEIQ) to elicit responses from participants. This was done to obtain feedback relating to the information needed for achieving the specific objectives of this study. The questionnaire was divided into two sections, Sections 1 and 2; Section 1 sought background information of the participants such as gender, age and marital status. Section 2 was designed to sought the relationship among employability skills: learning to learn, communication, teamwork and problem-solving skills; risk taking factors in terms of demographic factors, business related factors, economic factors, government regulatory policies, market conditions and entrepreneurship inclination of graduates. There were 10 items each on employability skills, risk taking factors and entrepreneurship inclination making a total of 30 items in the instrument. The rating scales used for the questionnaire were ‘Strongly Agree’ (SA), ‘Agree’ (A), ‘Disagree’ (D) and ‘Strongly Disagree’ (SD).

In order to validate the instrument, two experts from the field of Educational Management examined the items of the questionnaire to ascertain both the content and construct validity of the instrument for necessary corrections. This was done in order to ensure that the instrument measures what it is expected to measure. As regards reliability of the instrument, the researcher used Cronbach Alpha method in a pilot study among similar subjects outside the target population using the test-retest method conducted on 105 postgraduates’ students’ from other faculties namely: Law, Management Science and College of Medicine within an interval of two weeks. The reliability Alpha value obtained is (0.87) which shows that the instrument is reliable.

The researcher administered the instrument on subjects. 340 copies of the questionnaire were administered to the participants. However, only 330 copies of the questionnaire were retrieved and good for analysis. This represented 97% return rate which is high enough for the study. The information gathered was analyzed. The demographic characteristics of the participants were analyzed using descriptive statistics such as frequency count and percentage. Also, the research questions were answered with the use of frequency count and percentage while research hypotheses were tested using correlation analysis of Pearson Product Moment Correlation statistical tool and Ordinary Least Squares (OLS) regression (ANOVA). The analyses were done using IBM SPSS Statistics software version 20.

## 4. RESULTS

### Problem-solving Skills and Graduate’s Entrepreneurship Inclination.

**Table 1: Problem-solving skills and Entrepreneurship Inclination in Public Universities in Lagos State.**

Variable	N	Mean	S.D.	Df	R	P	Decision	Remarks
Problem-solving Skills	330	9.76	2.47	328	0.54	0.00	Reject: H <sub>0</sub>	Significant
Entrepreneurship Inclination		11.62	1.45					

The results presented in Table 1 show the relationship between problem-solving skills (Mean = 9.76, Sd = 2.47) and Entrepreneurship inclination (Mean = 11.62, Sd = 1.45) in public universities. There was moderately positive significant

relationship ( $r=0.54$ ;  $df= 328$ ;  $P<0.05$ ). Therefore, the null hypothesis was rejected. This result implies that problem-solving skills positively correlate with graduates’ entrepreneurship inclination.

### Teamwork Skills and Entrepreneurship Inclination of Graduates.

**Table 2: Teamwork Skills and Entrepreneurship Inclination of Postgraduates Students**

Variable	N	Mean	S.D.	Df	R	P	Decision	Remarks
Teamwork Skills	330	10.84	2.51	328	0.48	0.00	Reject: H <sub>0</sub>	Significant
Entrepreneurship Inclination		11.62	1.45					

Table 2 revealed the relationship between teamwork skills (Mean = 10.84, Sd = 2.51) and Entrepreneurship inclination (Mean = 11.62, Sd = 1.45) in public universities. Pearson Product Moment Correlation statistics result showed that moderate, positive and statistically significant relationship exist between teamwork and graduates

entrepreneurship inclination( $r= 0.48$ ;  $df= 328$ ;  $P<0.05$ ). Therefore, the null hypothesis was rejected while the alternative hypothesis was accepted. This implies that teamwork skills and entrepreneurship inclination are significantly related.

### Employability Skills and Entrepreneurship Inclination of Graduates

**Table 3: Regression Analysis, the Model Summary of the Relationship between Employability Skill and Graduates Entrepreneurship Inclination.**

Model	R	Adjusted	Std. Error	R Square	F	Df1	Sig. F	Durbin-
R	Square	R Square	of the	Change	Change	DF2	Change	Watson
			Estimate					
1	0.986	0.958	27.41754	0.986	34.853	2	0.028	2.041
0.993a						1		

a. Predictors: (Constant), Problem-solving skills and teamwork skills

b. Dependent Variable: Entrepreneurship Inclination

**Table 4: ANOVAa**

Model	Sum of Squares	Df	Mean Square	F	P	Sig.	Remarks
Regression	104799.197	2	26199.799	34.853	0.00	0.028b	Significant
Residual	1503.443	1	751.722				

a. Dependent Variable: Entrepreneurship Inclination

b. Predictors: (Constant), Problem-solving skills and Teamwork Skills

Firstly, the data of the current study were analyzed through the following techniques: 1- correlation analysis (for determining whether the researcher is allowed to use 2 employability skills dimensions as a single index of employability skill); 2 – Ordinary Least Squares (OLS) regression (for measuring the direct and moderation relationship of the hypotheses under the label H1 and H2 as well as H4 and H5 for risk taking capacity as a single index). Also, two employability skills measures (problem solving and teamwork skills) have significant relationship with entrepreneurship inclinations indicating that the researcher can treat them as a single index of employability skill. Hence, Employability skill as a single index has a significant relationship with entrepreneurship inclination of graduates in public universities in Lagos State, Nigeria.

variables (problem-solving and teamwork skills) and the dependent variable (entrepreneurship inclination) was 0.993, the estimated adjusted R square was 0.958. This implies that independent variables (problem-solving and teamwork skills), when taken together, accounted for 95.8 percent of the graduates entrepreneurship inclination. Further verification using Regression ANOVA revealed that there was significant relationship between graduates entrepreneurship inclination and employability skill (as a single index, i.e. problem-solving and teamwork skills). Evidence given in the Table 4 based on hypothesis tested above showed that the calculated r (0.993) and F (34.853) was greater than the tabulated r (0.3494) and F (19.25) given 3 degree of freedom at 0.05 level of significance, thus rejecting the null hypothesis which states that there is no significant relationship between employability skills and graduates entrepreneurship inclination in public universities in Lagos State, Nigeria

Further analysis as depicted in the Table 3 and 4, shows that while the correlation (R) between the independent

**Business-related Factors and Graduates Entrepreneurship Inclination.**

**Table 5: Business-Related Factors and Entrepreneurship Inclination of Postgraduates Students**

Variable	N	Mean	S.D.	Df	R	P	Decision	Remarks
Business-Related Factors	330	11.60	2.26	328	0.57	0.00	Reject: H <sub>0</sub>	Significant
Entrepreneurship Inclination		11.62	1.45					

As showed in table 5, the r-value (0.57) shows that there was positively moderate relationship between business-related factors and entrepreneurship inclination. The result indicates that the mean for business-related factors was 11.60 with standard deviation of 2.26 while the mean for entrepreneurship inclination was 11.62 with standard

deviation of 1.45. It can be deduced from the above table that business-related factors were statistically significant correlate with graduates entrepreneurship inclination. Thus, the null hypothesis was rejected while the alternative hypothesis was accepted. This implies that business-related factors and entrepreneurship inclination are significantly related.

**Economic Factors and Graduates Entrepreneurship Inclination.**

**Table 6: Economic Factors and Entrepreneurship Inclination of Postgraduates Students**

Variable	N	Mean	S.D.	Df	R	P	Decision	Remarks
Economic Factors	330	9.52	2.21	328	0.82	0.00	Reject: H <sub>0</sub>	Significant
Entrepreneurship Inclination		11.62	1.45					

The results presented in Table 6 show the relationship between economic factor (Mean = 9.52, Sd = 2.21) and Entrepreneurship inclination (Mean = 11.62, Sd = 1.45) in public universities. There was strong positive significant

relationship ( $r=0.82$ ;  $df= 328$ ;  $P<0.05$ ). Therefore, the null hypothesis was rejected. This result implies that economic factors positively correlate with graduates' entrepreneurship inclination.

**Risk-Taking Capacity and Entrepreneurship Inclination of Gradautes**

**Table 7: Regression Analysis, the Model Summary of the Relationship between Risk-Taking Capacity and Graduates Entrepreneurship Inclination.**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	Df1 Df2	Sig. F Change	Durbin-Watson
1	0.959b	0.919	0.818	69186696710.67958	0.919	29.098	2 1	0.026	2.753

P<0.05

a. Predictors: (Constant), Business-Related Factors and Economic Factors  
 b. Dependent Variable: Entrepreneurship Inclination.

**Table 8: ANOVAb**

Model	Sum of Squares	df	Mean Square	F	P	Sig.	Remarks
Regression	2.177E+23	2	4.355E+22	29.098	0.00	0.026b	Significant
1 Residual	1915E+22	1	4.787E+21				
Total	2.369E+23	3					

P<0.05

a. Dependent Variable: Entrepneruershhip Inclination  
 b. Predictors: (Contant), Problem-solving skills and Teamwork Skills

Futher analysis as depicted in the Table 7 and 8, shows that while the correlation (R) between the independent variables (business-related factor and economic factors) and the dependent variable (entrepreneurship inclination) was 0.959, the estimated adjusted R square was 0.818. This implies that independent variables (business-related factors and economic factors), when taking together, accounted for 81.8 percent of the graduates entrepreneurship inclination. Further verification using Regression ANOVA revealed that there was significant relationship between graduates

entrepreneurship inclination and risk-taking capacity (as a single index, i.e. business-related factors and economic factors). Evidence given in the Table 8 based on hypothesis tested above showed that the calculated r (0.959) and F (29.098) was greater than the tabulated r (0.3494) and F (19.25) given 3 degree of freedom at 0.05 level of significance, thus rejecting the null hypothesis which states that there is no significant relationship between risk-taking capacity and graduates entrepreneurship inclination in public universities in Lagos State, Nigeria.

**5. DISCUSSION**

Findings generated from the analysis of data as well as its subsequent discussions are as presented in this sub-section.

The postulation that no significant relationship exist between problem-solving skills and graduates entrepreneurship inclination in public universities in Lagos State was rejected because graduates entrepreneurship inclination was significantly correlated with problem-solving skills ( $r=.54$ ;  $df=328$ ;  $P<.05$ ). This implies that problem-solving skills such as: thinking creatively, solving problems independently, testing assumptions, identifying problems, ability to detect and suggest new ideas to get job done, mapping out plans, effective and efficient use of time and money and other resources towards achievement of setgoals and objectivesdetermine graduates inclination for entrepreneurship. This is in agreement with the study of Hutter

and Jones (2006), which identified two main sources of problem-solving skills that are autonomous and independent from the state, (namely: the availability of training opportunity and access to education) that may influences the business risk management for entrepreneurs. The result findings corroborate the assertion of Kansal [12] that indentifying problems, especially actions of government, stifle entrepreneurs through adverse actions such as putting restrictions on businesses to benefit from their assets. The result of the study is consistent with the finding of Wanyingi (2013) in which problem-solving skills were ranked high among the employability skillsdemandedby import oriented SMEs. Infact, Suneela opined that employers recruit outstanding, motivated individuals; people with enthusiasm; have the courage to lead, have values, skills, strong analytical and conceptual abilities and individuals passionate about learning towards problem solving within the organization[24].



Also, Table 2 revealed no significant relationship exists between teamwork skills and graduates entrepreneurship inclination. It was shown that graduates entrepreneurship inclination and teamwork skills are significantly related ( $r=.48$ ;  $df= 328$ ;  $P<.05$ ). The findings of the study show that majority of the participants agreed that: interacting with co-workers, understanding and contributing to the organizational goals, acceptance of feedback, resolving of conflict and management of oneself at work encourages the inclination of young entrepreneurs and that reckless and unsustainable activities of the financial institutions frustrate the young entrepreneurs' business inclination. Therefore, the opinions of Nganga [18]; Kansal[12] are in line with the present result which revealed that good teamwork spirit offers far more than just keeping track of purchases and sales but plays a vital role for business inclination, survival and growth. More so, Paadi [20] reminds that a graduate can be very intelligent and actually pass their degree with distinctions but if they do not display a fair amount of the necessary soft or generic skills such as teamwork they can jeopardise their chances of employability which is in support of the current study.

Furthermore, Table 3 and Table 4 shows that while the correlation (R) between the independent variables (problem-solving and teamwork skills) and the dependent variable (entrepreneurship inclination) was 0.993, the estimated adjusted R square was 0.958. This implies that independent variables (problem-solving and teamwork skills), when taken together, accounted for 95.8 percent of the graduates entrepreneurship inclination. Also, the verification using Regression ANOVA revealed that there was significant relationship between graduates entrepreneurship inclination and employability skill (as a single index, i.e. problem-solving and teamwork skills). Evidence given in the Table 4 based on hypothesis tested above showed that the calculated  $r$  (0.993) and  $F$  (34.853) was greater than the tabulated  $r$  (0.3494) and  $F$  (19.25) given 3 degree of freedom at 0.05 level of significance, thus rejecting the null hypothesis which states that there is no significant relationship between employability skills and graduates entrepreneurship inclination in public universities in Lagos State, Nigeria. This result agreed with the submission of Istoroyeki [10] which stated that private companies complain on the inability of the fresh graduates to perform duties properly in workplace due to lack of appropriate employability skills despite the fact they majority of these fresh graduates had distinction while in school. Besides, best score shown in the academic transcript does not guarantee job performance as evident by Istoroyeti [10] and that academic performance if not accompanied by employability skill salient to workplace which also raises questions on criteria used to assess students in higher learning institutions and if what is taught in these institutions is compatible with what the labour market demands.

More so, the fourth hypothesis which states that business-related factors and graduates entrepreneurship inclination in public universities in Lagos State do not relate significantly was equally rejected. Finding showed that graduates entrepreneurship inclination and business-related factors are correlated significantly ( $r=.57$ ;  $df=328$ ;  $P<.05$ ). Thus, majority of the participants agreed that: involvement in

business is a function of their knowledge in risk management, knowledge in financial management determine their accuracy of financial figures in business, insurance policies against eventuality determine their business involvement and threats to intellectual property frustrate their business inclination. Therefore, the opinion of Ulsch (2009) is in line with the present result which revealed that business-related factors are essential in business and such statistical significant as young entrepreneur cannot success and grow in business without knowledge in risk taking capacity management strategies even if they hire risk manager in risk avoidance.

In addition, the postulation that no significant relationship exist between economic factors and graduates entrepreneurship inclination in public universities in Lagos State was rejected because graduates entrepreneurship inclination was significantly correlated with economic factors ( $r=.82$ ;  $df=328$ ;  $P<.05$ ). This implies that entrepreneurship inclination is dependent on economic factors. The findings of the study show that majority of the participants agreed that: government weak policy on exchange rate frustrates entrepreneurs' business inclination, the value of the country currency at the international market stimulate business engagement, instability in interest rate discourages the inclination of young entrepreneurs and reckless and unsustainable activities of the financial institutions frustrate the young entrepreneurs' business inclination. Therefore, the opinions of Nganga [18]; Kansal [12] are in line with the present result which revealed that good financial capacity offers far more than just keeping track of purchases and sales but plays a vital role for business inclination, survival and growth.

Finally, further analysis as depicted in the Table 7 and 8, shows that while the correlation (R) between the independent variables (business-related factor and economic factors) and the dependent variable (entrepreneurship inclination) was 0.959, the estimated adjusted R square was 0.818. This implies that independent variables (business-related factors and economic factors), when taken together, accounted for 81.8 percent of the graduates entrepreneurship inclination. Also, the verification using Regression ANOVA revealed that there was significant relationship between graduates entrepreneurship inclination and risk-taking capacity (as a single index, i.e. business-related factors and economic factors). Evidence given in the Table 8 based on hypothesis tested above showed that the calculated  $r$  (0.959) and  $F$  (29.098) was greater than the tabulated  $r$  (0.3494) and  $F$  (19.25) given 3 degree of freedom at 0.05 level of significance, thus rejecting the null hypothesis which states that there is no significant relationship between risk-taking capacity and graduates entrepreneurship inclination in public universities in Lagos State, Nigeria. This result finding is in agreement with the study of Kouamé (2010) that age was found to decrease the likelihood of taking risk as entrepreneurs, education had both increasing and decreasing likelihood of adopting a risk management tool and business size was found to increase the likelihood of adopting a risk management tool as entrepreneurs. Also, the finding is in line with the studies of Powell & Ansic (1997); Jianakoplos & Bernasek (1998); Donkers & Van Soest (1999); Weber, Blais, & Betz (2002) which revealed that risk-taking capacity such

as; gender, marital status, level of education and location could limit new entrants into business which could strengthen capacity to take risk.

## 6. CONCLUSION

This study has made it clear that employability skill (as a single index) and risk taking capacity (as a single index) indicators have role in effecting entrepreneurship inclination of graduates in Lagos State. Findings of this study are in conjunction with a number of other studies in recent years reveal some noteworthy results. The six independent variables namely: problem-solving skills, teamwork skills (when correlated together as employability skill) as well as business-related factors and economic factors (when construct as a single index as risk-taking capacity) were positively correlated with entrepreneurship inclination of graduates. These results suggest certain implications on policy intervention to improve the quality of entrepreneurship education offer at higher institutions of learning as well as a drive for entrepreneurship among young individuals even in this period of global pandemic caused by Coronavirus (COVID-19), which will consequently enhance attainment of sustainable development.

To this end, the following recommendations are hereby suggested based on the findings generated from the analysis of the collected data:

- a. Graduates who are entrepreneurial driven should strive for skills development, proper assessment of risks and prioritizing them appropriately so as to ensure that resources are utilized profitably to tackle risks that are likely to emerge in infant business through provision of attractive packages and policies from insurance companies. Insurance companies should increase the awareness of existence of such policies.
- b. There is need for professional development of higher education teachers in every discipline especially entrepreneurship related courses so as to connect learning content with experiential and practical issues for skills development because risk in business can never be avoided or mitigated.
- c. Effective monitoring and supervision mechanism by the university management as well as other regulating board of the higher institutions of learning must be put in place to check the learning content and the real life situation of the economy so that graduates can fit into the real life situation in the world of uncertainty.
- d. Universities should be provided with adequate resources to train graduates by realigning with industries through initiation of action based researches to address problems of national development as entrepreneurs are agent for national development via skills development.
- e. Information on interest rates or no interest loan by the various financial institutions should be made available by the National Board for Small Scale Industries to graduates who are prospective business men and women so that they can make informed decisions on when and where to borrow.

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