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THE LINK BETWEEN ENTREPRENEURIAL AUTONOMY AND NEW VENTURE INITIATION

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DOI: <https://doi.org/10.5281/zenodo.13902636>

Abstract: The study investigates the nexus between desire for independence and new venture creation in Oredo local government area of Edo State. The study adopted a survey design. The study's population comprised of 279 serving corps member, from which the same figure was chosen as the sample size. Data were collected through primary source. Copies of questionnaire were distributed and hypotheses were tested using logistic regression. The findings revealed that independence has significant effect on new venture creation. The study recommended that, there is need for skill training and development programmes anchored on supporting young graduates to be independent, as it has a greater capacity to ensure they develop the will power to create a new venture.

Keywords: Independence, Pull factor, Venture creation, Autonomy, Freedom.

Introduction

The desire for Independence is principally a motivation for new venture creation (Verheul et al. 2010; Ojiaku, et al 2018). Independence in the context of entrepreneurial development means the right to make decision, start or own a new venture with no external interference or control. Also, desire for independence depicts freedom from external control in decision making and having autonomy over the dreams and aspirations one chose to pursue. Independence is vital to entrepreneurial development. When people have the freedom to choose the course and path of their lives take, it often turns out in the pursuit of dreams, goals and aspirations that are very dear to their hearts. Independence has been found to be a pull factor for new venture creation (Ojiaku, et al 2018). By pull factor, we mean it signifies magnetic elements that draw individuals towards certain things (Fu, 2011).

Pull factors are fascination at the end point that draw people into starting their own business in search for autonomy, prosperity and self-actualization. The pull factors consist of elements such as improved earnings, job openings, quality education, wellbeing, improved standard of living and independence (Fu, 2011). The pull factors comprise of people who are drawn simply by the opportunities of starting their own commercial venture. It is the charm at the end point that draw individuals towards owning their business and the end point is entrepreneurship. The feeling of running one's affairs, seemly found in starting a business will stir an individual into starting his or her own business as this freedom is noted to influence entrepreneurial incentive (Giacomin, et al, 2011). Principally motivation for new venture are mostly reflected as an aspiration to be autonomous, desire for independence and opportunity to explore prospects in the marketplace.

A pull factor is defined as alluring conditions, situations or attractions in the destination area that act to lure an individual into new venture creation. Nieman & Nieuwenhuizen (2009) argue that although some persons are compelled or pushed into self-employment by their conditions, others are lured into it by market opportunity or desire for independence. A pull factor comprises of positive circumstances and conditions that attract an

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individual to new venture creation (Ojiaku et al, 2018). The desire to be one own boss is predominantly acts to lure an individual to new venture creation (Ritsilä & Tervo, 2002). Ojiaku et al, (2018) highlighted motivation new venture to include desire for independence, that is the desire for an individual to be autonomous and free from external control, second, desire for achievement which emphasize the willingness of an individual to achieve something worthwhile, and lastly self-fulfillment which emphasizes self-actualization (Singh et al. 2011)). Giacomini et al. (2011) and Ismail et al. 2012) opine that independence, selffulfillment and desire for achievement are factors which influence decision to be an entrepreneur.

Theoretical and Hypothesis Development

The McClelland's need for achievement theory was developed in the 1960s. The theory attempts explaining the rise of entrepreneurship and attitudes that sponsor its rising and prevalence. The theory recognizes the part played by mental elements in driving people towards entrepreneurship. He also took cognizance of the need for achievement in his period. He posited that the major theory of entrepreneurship is derived from psychology. He went further to state that individuals chase after starting their own business as a result of an increasing need for achievement (Steinmayr, et al, 2018). People are given birth to with inward desires namely: the desire to achieve, desire to control and the need for relationship. Hence, an individual's attitude is governed by the overriding desires of any of the stated desires. Although, how a person is being brought up and his belief system can help in shaping his attitude. The desire to be free and achieve something are the foremost of all the desires mentioned. It makes an individual to act with huge ambitions, anticipations and expectant towards his pursue of desire.

The need to achieve can also be explained in two ways which include; the need to make something happen for its own sake which is primarily because of its attendant benefits to the society and not reward centered while the second need is guided by personal reward or consequence of making it happen (Lotz, et al, 2018). Individuals possessing this need are capable of undertaking threats which also drive them towards exerting increased efforts in order to achieve their aim. He pointed that the differences in the number of entrepreneurs in different societies can be traced to the number of people with high achievement need that they produce in each society. A lot of scholars agreed with this theory as a result of its attempt to detect the psychological element in entrepreneurship development. The theory stated that individual's pursuit for starting their own business is as a result of an increasing need for achievement and desire to be independence (Steinmayr, et al, 2018)

The application of this theory underscores the fact that psychological elements (need for achievement, autonomous and freedom of choice) are crucial to entrepreneurship development. Entrepreneurship can develop in a society when its culture permits a variety of choices and where people are free and supported to aspire and achieve something worthwhile. In addition, entrepreneurship grows in a society where social processes are not rigid but encourages the development of individual personalities and freedom to pursue the enterprise one is interested in. Hence being a business owner entails commencing, directing, administering as well as being responsible for the commercial venture. (Osadolor, et al, 2021).

This provides a peculiar fulfillment that a lot of people would rather engage in than getting a paid job. Hence, a lot of individuals become self-employed as everything linked to operating a commercial venture is fulfilling in itself. Therefore, it can be concluded that fulfillment occurs when one has the freedom with no external control in operating one's commercial enterprise (Schneider, et al, 2018).

Desire for Independence

The desire to be independence is mostly regarded as the foremost element of inspiration for individuals to become entrepreneur (Verheul, et al, 2010). The need for independence entails bearing the burden of depending on one's decision which differs from relying and following the decision of others. It means to be in charge of one's life rather than leave it in the hands of others. Moreover, entrepreneurship requires independence as entrepreneur must go after opportunities that is not usually visible to others and he or she bears the burden of the consequence of his decision regardless of whether it is favorable or not. Hence, individuals may decide to be an entrepreneur

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so as to be independent. In reality, a lot of entrepreneur becomes entrepreneur just to be independent (Tettey 2014). Independence in relation to entrepreneurship means a disposition to be able to make judgment without influence from peripheral element; it also depicts a yearning for autonomy, with no superior control and the ability to design one's job (Giacomin, et al 2011).

Independence depicts a person's craving for autonomy, management and plasticity. To Khan, et al (2012), it is a desire to chase entrepreneurial professional lane. The idea of independence to an entrepreneur may be a leeway to his or her inbuilt character and may express his or her fundamental thought process. It is an everyday resolve to lead his or her life and establishment (Osadolor, et al, 2021).

Individuals who are self-employed are noted to be more satisfied as a result of the freedom they enjoy managing their business affairs. (Lange 2012). Pursuing independence entails individuals wanting to separate themselves from apparent restrictions within the environment they found themselves (Eijdenberg & Masurel, 2013). Croson & Minniti (2012), Dalborg & Wincent (2015) asserted that independence is the main benefit of entrepreneurship. Independence is mainly regarded by entrepreneur and it formed a major part and reason for an individual who decided to become an entrepreneur. Moreover, it was found that independence along with other elements like character, principles and self-sufficiency increases job satisfaction. Hence, people who are more incline towards non-financial facets of job relationship are more prepared to let go of salary in order to enhance the non-financial facet of their work (Croson & Minniti, 2012). Tyszka, et al, (2011) reiterated that entrepreneurs are more probably driven by the need to be independent than any other motivation which also help in shaping their intention and actions to start a business of their own.

The yearning for Independence is principally responsible for new venture creation. (Verheul et al. 2010; Van Gelderen & Jansen 2006). Giacomin et al. (2011) define Independence as the freedom to make one decision or choice without undue external influence. This freedom expands to the willingness to be one own boss without being subservient to a superior authority. Independent spirits hardly settle for less, they tend to rise above the tides of life and create something of their own, where they can fully be in charge. Independence people prioritize freedom above all else, and like to be in control and be responsible for the outcome of their choices (Giacomin et al. 2011; Caliendo & Kritikos 2009).

Zellweger et al. (2011) compare Independence in the context of entrepreneurship to political independence in migration literature. They argue that what make motivate an individual to migrate during political persecution and seek political freedom in a foreign land is synonymous with the desire to be an entrepreneur. Furthermore, a migrant might be pulled to a place as a result of political freedom, so also an individual may set up a new business, just to enjoy the freedom that come from being in charge (King 2012). Consequently, the yearning for autonomy as highlighted in entrepreneurship studies forms the motive for new venture creation.

Douglas & Shepherd (2002 and Fitzsimmons & Douglas (2005) study the effect of independence autonomy on entrepreneurship development; they found out that the desire for independence significantly influences decision for self-employment. An independence person is pulled rather pushed to pursue entrepreneurship career path. Though there are several factors that constitutes independence, but the desire to be free from external control in making own decision is ranked higher, than mere economic gain from undertaking a new venture. Thus, freedom becomes an attraction and motivation for new venture creation (Osadolor, 2021).

Lending support to this premise is the study by Mkubukeli, & Cronje, (2018) that posit people are attracted to self-employment by the opportunity that present itself in form of independence. Similarly, (Mkubukeli, & Cronje, 2018) investigate women in self-employment and found out that these women were attracted to entrepreneurship by the steer need for independence. The desire to avoid the challenges that come from striking a balance between being a mother and pay employment pulled them into self-employment. Mkubukeli, & Cronje (2018) were of the view that the pursuit of independence becomes the underlying reason for new venture creation. Therefore, the

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desire to be in charge is a strong motivation to become an entrepreneur. The prospects of freedom and as well as being in control entice people to become entrepreneur.

Independence is priceless to young people, many of them leaves home as early as possible to avoid being under the control of the parents. The desire for independence entices many young people to become an entrepreneur. Giacomini et al. (2011) study the motives for establishing an enterprise by young people, and found that independence is the main factor responsible for new venture creation.

H₁: Independence has a significant effect on new venture creation

Methodology

The adoption of survey design was justified by the requirement to gather data from a sizable population. 279 graduates who were National Youth Service Corps volunteers in Oredo local government area of Edo State of made up the study sample. Based on the graduates' willingness to take part in the survey, respondents for the study were chosen. This group of graduates was selected because they are young, recent university graduates who have taken part in entrepreneurship education programs, which increases the possibility that they plan to launch a firm. Additionally, this was done to fill in research gaps that mostly focused on students, particularly in studies on youth entrepreneurship, with few studies accounted for recent graduates, who would have strong desire on entrepreneurship. The study used a method called purposive sampling. While construct and content were employed to ensure the validity of the instrument, the internal consistency technique was utilized to ensure reliability. The study's data were analyzed using logistics regression technique.

Measure

The study adapted the unidimensional scale from the study of Singelis (1994), measuring independent self-construal. However, the scale was slightly modified to suit the current study. The instrument was created in the form of a 5-point Likert scale. The scale consists of 5 items, and samples from the scale are "I want to create my own job," "There are opportunities I need to exploit" and "I wish to be financially secured." "I want to be my own boss" "I want to have flexible time to spend with family and other interest". The scale was subjected to content validity using two experts in psychology and entrepreneurship and a V-rating of 0.812 was obtained for the scale.

Table 1.1: Responses on Independence

Responses on Independence and new venture creation

S/N	Independence	SA	A	UD	D	SD
1	I want to create my own job	181 64%	34 12%	16 6%	16 6%	32 12%
2	There are opportunities I need to exploit	190 68%	24 9%	15 5%	22 8%	28 10%
3	I wish to be financially secured	192 68%	28 10%	21 8%	23 8%	15 5%
4	I want to be my own boss	24 9%	181 64%	30 11%	14 5%	30 11%
5	I want to have flexible time to spend with family and other interest	22 8%	194 69%	21 8%	21 8%	21 8%

Source Researcher's analysis, 2023

Table 1.1 shows response on whether they would want to create a job shows that 181(64%) strongly agreed, 34(12%) agreed, 16(6%) were indecisive, 16(6%) disagreed, (32(12%) strongly disagreed. Also, the response on whether there are opportunities they need to exploit indicates that 190(68%) strongly agreed, 24(9%) agreed,

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15(5%) were indecisive, 22(8%) disagreed and 28(10%) strongly disagreed. The response also confirms that the respondents wish to be financially secured as a basis to engage in entrepreneurship, as 192(68%) strongly agreed, 28(10%) agreed, 21(8%) were indecisive, 23(8%) disagreed. 15(5%) strongly agreed. 24(9%) strongly agreed, 181(64%) agreed, 30(11%) were indecisive and 11(5%) disagreed and 30(11%) strongly disagreed that they want to be their boss. The response also shows that 22(8%) strongly agreed, 194(69%) agreed, 21(8%) were indecisive, 21(8%) disagreed and 21(8%) strongly disagreed that they want to have a flexible time to spend with family and other interest.

Hypothesis 1. Independence has significant effect on new venture creation

Table 1:2 Omnibus Tests of Model Coefficients on Independence and new venture creation

	Chi-square	df	Sig.
Step 1	64.101	1	.023
Block	64.101	1	.023
Model	64.101	1	.023

Table 1.3: Model Summary on Independence and new venture creation

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	385.328 ^a	.702	.403

a. Estimation terminated at iteration number 3 because parameter estimates changed by less than .001.

Table 1.4: Variables in the Equation on Independence and new venture creation

	B	S.E.	Wald	df	Sig.	Exp(B)
Step 1 ^a IDP	.075	.094	.638	1	.024	.927
Constant	.405	.391	1.070	1	.001	1.499

a. Variable(s) entered on step 1: IDP.

Tables 1.2, 1.3, 1.4 present the logistics regression results for the hypothesis. The focus was to explain the effect of desire for independence on new venture creation. Table 1.2 shows the overall indication of the study model, as it provides the goodness of fit result of the study model. The chisquare is 64.101 and p-value (0.023) < 0.05, therefore, it can be concluded that the model is fit. This implies that desire for independence has significant effect on new venture creation

The result in table 1.3 provides further information on the model. The extent of variability of the dependent variable (new venture creation) that is explained by the independent variable (independence) is expressed by the R-square (Cox & Snell R Square and Nagelkerke R Square). Thus, from the result it indicates that between 70.2% and 40.3% of variability in new venture creation is explained by the desire for independence.

Table 1.4 shows the variables in the equation which accounts for the contribution or importance of each of independent variable in the study model. The Wald test (sig) provides the information on the extent desire for independence contributes to. Finally, for every 0.075, unit increase in the desire for independence, it will result in 0.405 increase in new venture creation

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Sequel to the result as seen in the tables above and applying the decision rule, it thus, implies that the alternate hypothesis is accepted while the null hypothesis is rejected. This implies that desire for independence has significant effect on new venture creation.

Discussion of findings

The hypothesis was to ascertain the effect of desire for independence on new venture creation. The result shows that for independence has significant effect on new venture creation. The extent of variability of the dependent variable (new venture creation) that is explained by the independent variable (independence) indicates that between 70.2% and 40.3% of variability in the new venture creation is explained by the desire for independence. This implies that independence is critical determinant in new venture creation. This result agrees with the study of Malebana (2014) and Farzana (2018) that found that independence is a motivation that drives new venture creation

Conclusion and Recommendation

The study concludes that desire for independence is a major determinant in the development of new venture creation, most especially young graduates in Oredo, local government Area. Skill training and development programmes should be anchored on supporting young graduates to be independent, as it has a greater capacity to ensure they develop the will power to create a new venture.

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