Locus of Control, Gender and Entrepreneurial Ability

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Abstract
The study surveyed 668 (Male = 356, Female = 312) University undergraduates two Nigerian Universities in Western Nigeria. Using the correlation and factorial statistical designs, the study which examined the influence of locus of control and gender on entrepreneurial abilities, found that gender has no significant influence on entrepreneurial abilities. Locus of control did not have significant correlation with entrepreneurial ability (r = .041). Participants with Internal and External locus of control show no significant difference in entrepreneurial abilities (F (1/651) = 0.004 p< .05), Gender difference does not influence entrepreneurial abilities as indicated by findings in this study (F (1/651) = 0.522, p<0.05). Though literatures appear to suggest that entrepreneurs are people with external locus of control, this was not confirmed in this study. Similar trend is true for gender. This result is an indication that hypothesized relationship between certain personality variables and entrepreneurship should be viewed with caution. Equally true is the belief that entrepreneurship is a ‘male turf’. Further local study of these variables is suggested to further confirm these findings.

Key words: Entrepreneurial abilities, Locus of control, Gender
Introduction.

According to Baumol (1968) “…the entrepreneur is at the same time one of the most intriguing and one of the most elusive characters in the cast that constitutes the subject of economic analysis…”. The implication of the statement above is enormous if one considers the desperate need for employment generation via entrepreneurship in Nigeria. The personality of the entrepreneur hardly comes into focus in governmental policies, pronouncements and mediatory actions. The understanding of some personality factors as they impact on success and failure of businesses is definitely crucial. Such variables as locus of control and gender have been shown in literature to have relationship with a number of other variables (Collins, 1974; Phares, 1976; Lefcourt, 1976; Ahmed, 1985 and Ajzen, 2002) and some of these have found specific link between locus of control and entrepreneurship. Ajzen (1988) had suggested that attitude and personality determines entrepreneurship. Most of the time our attitude, personality and behaviour are influenced by our belief system and the extent to which we believe we have influence over situation and events in our lives. Entrepreneurs, much more than the average person, are believed to exhibit strong control over events that interplay in formation of their personality (Allen, 2006). Also, he observed that entrepreneurship is not a unique domain of any gender or socioeconomic sector. The typical assumption is to type women as incapable of certain life pursuits because they are seen as incapable in many aspects. The study examines the influence of both locus of control and gender on entrepreneurial abilities of male and female undergraduates of two Nigerian Universities.

Background to the study

Research on personality variables influencing entrepreneurial abilities is hard to find in Nigeria. In recent past, entrepreneurship has become a lively subject in both public and private domains. Government had overly emphasized the financial mediatory actions aimed at encouraging entrepreneurship. Not much attention is paid to the human angle. The entrepreneur is primarily a man or woman with certain personality make up that needed to be identified, studied and understood. In the Western world, the 20th century is seen as a decade of entrepreneurship (Drucker, 1985). Also in Asia and Europe much stride has been made in developing an entrepreneurial society built on individual initiatives and private capital. It is not surprising that most of the studies on personality, as well as other aspects of entrepreneurship are from these sources.

Aim and objectives

The first and major aim of this study is to provide local data on the personality of the entrepreneur, by considering the influence of locus of control and gender on entrepreneurial abilities. Another aim is to review and synthesize literature on the variables under study. Specifically, the study confirms the relationship between locus of control and entrepreneurship and examines the extent of influence of locus of control on entrepreneurial abilities. Also the study will investigate gender differences in locus of control and entrepreneurial ability.

Hypotheses

1. There will be significant correlation between locus of control and entrepreneurial abilities.
2. Participants with external locus of control will possess greater entrepreneurial abilities than those with internal locus of control.
3. Males and females will differ in locus of control and entrepreneurial abilities.

Significance of study
That the hypothesized relationship of relationship between locus of control and gender with entrepreneurial abilities is not withheld is significant in the sense of providing additional information to what is already known about entrepreneurial subject. More importantly is the enriching of local data on the variables studied. Also an exhaustive but synthesized review of literature is achieved.

**Operational definition of key terms.**

**Entrepreneurial Abilities.** For the purpose of this study, entrepreneurship as a term popularly used in literature is more of a constitutive definition and capable of having surplus meaning (Kerlinger, 1973). In this wise, Entrepreneurial Ability is used in this study and conceived as possession of abilities necessary for the starting and nurturing to growth of a new enterprise, especially in a competitive environment. That is, the ability to start, nurture and grow businesses to both profitability and survival. This definition conceives entrepreneurship as a form of ability/potential that can be measured using appropriate psychometric procedure. The Entrepreneurial Ability Scale developed as part of a PhD thesis is used to measure entrepreneurial abilities.

**Locus of Control.** Locus of control (L.O.C) as a term indicates the degree to which an individual assumes or feels responsibility for success or failure in his life as opposed to feeling that external agents, like luck, is in control. The concept which was introduced by Rotter (1966) and expanded by Phares (1973) and Lefcourt (1976) is derived from social learning theory.

**Gender.** The term gender, though a categorical variable has social significance in the sense that it is about assignment of roles rather than a biological phenomena. The term therefore is conceived as those roles that distinguish males from females and here in focus, their roles as owners and operators of businesses.

**Theoretical Review**

**Entrepreneurship.** Today, there are several theoretical formulations/perspectives, but the work of Rumelt (1987) establishes the foundation for a theory of entrepreneurship. He argues that a good working theory would: (1) explain the conditions under which entrepreneurial talents should be employed, (2) address issues that relates to the supply and demand for entrepreneurs, (3) develop connections to observable and predictable phenomena, (4) deal with the type of resources that need to be associated with a new venture and (5) to be concerned with the structural and contextual arrangement that needs to be associated with entrepreneurship.

**Locus of control.** Locus of control (L.O.C) as a term indicates the degree to which an individual assumes or feels responsibility for success or failure in his life as opposed to feeling that external agents, like luck, is in control. The concept which was introduced by Rotter (1966) and expanded by Phares (1973) and Lefcourt (1976) is derived from social learning theory. The core emphasis of social learning theory in this regard is the dimensions of choice that the individual executes when confronted with situations that present alternative behaviours. Rotter (1975) stated that the concept has two dimensions; internality, externality, and those dimensions have been found to influence a wide range of behaviours. As reported by Brouckhaus (1980), Rotter specifically studied internality-externality (I-E) dimensions of entrepreneurs. Of nine such studies, only three depicted entrepreneurs as having a sense of control over their lives, that is, being internal. One study indicated that entrepreneurial intention is associated with internality, and another reported a positive correlation between career success and internality. Using stress as a moderating factor, entrepreneurs, under stress shift towards greater externality. Successful entrepreneurs in another study were decidedly more internal and entrepreneurs were more internal than the general population. Managers are
however not distinguished in locus of control from entrepreneurs as both are seen to be internals. It has been found that L.O.C can influence need for achievement and need for power (Chiemeka, 1991). How useful is the concept in terms of providing explanatory power for possession of E. A? L.O.C. strictly speaking is not a typological concept in which people are expected to be either externals or internals, but it is, like most other personality attributes, a continuum along which people are placed with internality and externality at the extremes. For convenience however, reference is made to externals and internals (Phares, 1979).

Rotter’s (1966) L.O.C concept categorises individuals according to their perception of contingencies. Internals perceive the consequences of their lives as resulting from their own actions whereas externals view fate, luck, chance, etc, and manipulation by others as determining their destiny.

L.O.C as a variable can be measured and Rotter (1966) made his attempt by conceiving L.O.C as a unidimensional concept. L.O.C has however been shown as multidimensional. Hersch and Schiebe (1907) and Collins (1974) suggested the multidimensionality of the internal-external (I-E) scale of Rotter. Levenson (1981) for instance questioned the validity of combining expectancies of facts, chance, and powerful others under the rubric of external control. She proposed that in addition to internal orientation of personal control, two types of externality may be differentiated. That is, a belief that the world is unordered and unpredictable and that one is subject to chance or fate and (2) a belief that the world is ordered and predictable coupled with the expectancy that powerful others are in control. Levenson further suggested that people with belief in control by powerful others may perceive enough regularity in the actions of such people as to belief that the potential for personal control exists. The same argument can also be made for internals who perceive the world as either ordered or unordered but believes that they have control over events around them rather than being susceptible to external manipulations. Such individuals with belief in ability to control their destiny are the entrepreneurs (McClelland, 1965).

Literature Review

*Locus of control on entrepreneurship.* Apart from Ahmed (1985) who in a study found that significant relationships exists among nAch, risk-taking propensity, locus of control and entrepreneurship, there exist little studies relating locus of control to entrepreneurship; while some specifically relate creativity with entrepreneurship. But McClelland (1961), as earlier introduced, noted that entrepreneurs show responsibility for their actions and are innovative, suggesting relationship between control orientation and entrepreneurship on the one hand and creativity on the other.

Lefcourt (1976) and Phares (1976) suggested that internal individuals differ from externals in a variety of ways. Internal persons appear to take more initiative and are responsible in performance situation. Internal persons seek and utilize information more efficiently and seem to be more in touch with external realities. These characteristics that were credited to internals are essential factors in enhancing achievement motivation. For instance, internal-external controls have served as predictors of academic success and Rotter has argued that internals appear to persist at tasks and feel responsibilities for their actions. On the other hand, Lefcourt (1976), after a review of many studies, reached the conclusion that externals are less likely to persist at a task since they do not feel that exertion of energy is likely to lead to meaningful results. They have the belief that external determinants, such as fate, luck and powerful others are at work in any situation requiring a need for attainment of goals.

Literature of relationship between locus of control, sex and achievement has shown that males are more achievement oriented, energetic, and enterprising than females (Wolleat, 1980). This he related to the fact that the female is typed and trained for subordinate role.
Using Nigerian sample, consisting of handicapped secondary school pupils, Osuo (1989) found that internals are higher in achievement motivation than externals. The studies available are limited to academic achievement except for Ahmed (1985). It will be interesting to find how locus of control relates to achievement motivation in a different context. Also, it will be interesting to examine which of external and internals will demonstrate greater entrepreneurial ability?

Methodology

Research setting and sample characteristics

Setting.
Participants were drawn from two universities located in Lagos and Agowoye, Ogun State, that is, Lagos State University (LASU) and Olabisi Onabanjo University (OOU). The two institutions were visited while in session. Students at 300 and 400 levels of academic career were considered as appropriate sample. This is because attributes and abilities are to be measured and educational level cannot possibly contaminate the outcome of study

Sampling and Sample Characteristics.
Participants in the main study were 668 students (M = 312, F = 356) drawn from two Nigerian Universities in the Western part of the country. 334 students were sampled from each of the Universities. By selecting university students, the moderating role of intelligence as well as age, was controlled for. Age of participants range between 18 and 27 years and the average age is 21 years.

Data collection instruments
Locus of Control Scale (LOC). The LOC by Rotter (1966) is popular with psychologists and has been used extensively. It consists of two alternate statements one loaded on externality and the other on internality. The participant is to make a choice between either. Its reliability coefficient is .76. Equally, this researcher in a pilot study generated the following reliabilities; alpha= .91 and standardized item alpha= .91, Spearman Brown= .85 for both equal and unequal length and Guttman= .84

The entrepreneurial Ability Scale (EAS) is self-constructed by loading items on identified attributes. It is a multidimensional scale set in the Likert format and designed to yield quantitative scores useful for statistical analysis. A 42-item scale was derived as explained in table 4.1 below in such a way that the domains of entrepreneurship attributes are adequately sampled.

Scoring of Scales. Two scales were used in all. These were scored as follows:

i. EAS. The options range from A-F; A=5, B=4, C=3, D=2, E=1 and F=0 i.e. from ‘statement applies in every instance’ to ‘statement does not apply at all’. All the 42 items were scored in the same direction.

ii. LOC. The items were a pair of alternatives lettered a or b. There are 29 items in all, in items 1, 2, 6, 7, 8, 9, 14, 16, 17, 18, 20, 21, 23, 25, 27 and 29 represents externality and the rest of the items 3, 4, 5, 10, 11, 12, 13, 15, 19, 22, 24, 26 and 28 represents items measuring internality. ‘a’ represents items measuring internality and ‘b’ externality. Items measuring internal locus of control were rated 2 and those measuring externality were rated 1. The implication is that the higher scorers are internals and low scorers are externals.
Research Design.

The study employs non-experimental survey design, using Ex-post-Facto and correlational techniques. Statistical designs used includes: correlations and factorial designs.

Study procedures.

In deciding on choice of University, the list of State Universities in the Western states of Nigeria were made and two - Lagos State University (LASU), Ojo and Olabisi Onabanjo University (OOU), Agowoye - were randomly selected. Since course of study could have moderating role on the variables under study, it was decided that participants will be those pursuing similar course of study in either the social or management sciences. Using random selection, two courses; Industrial Relations and Personnel Management and Psychology were selected. At the time of collecting the data only a handful of students were on enrolment in the Psychology programme at The Lagos State University. It was decided that students studying Industrial Relations and Personnel Management which exist in good numbers in both Universities be sampled. Finally participants were drawn using the simple random sampling technique. The sampled population was stratified into male and female. Though unintended, it turned out that equal number of males and females, that is, 344, took part in completing the scales from both Universities.

Data Analyses. Responses to the instruments were entered into the Statistical Package for the Social Sciences (SPSS) software, version 13, after they were appropriately coded and the various analyses; correlation and factorial analyses were carried out.

Presentation of results of study.

The results obtained are presented in tables 1, 2, 3 and 4 as descriptive and inferential statistics.

Table 1: Correlation between risk propensity and entrepreneurial abilities.

<table>
<thead>
<tr>
<th></th>
<th>1</th>
<th>2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Locus of control</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>2. Entrepreneurial abilities</td>
<td>.024</td>
<td>1</td>
</tr>
</tbody>
</table>

Table 2: Sex, University and Course of study.

<table>
<thead>
<tr>
<th></th>
<th>LASU(IRPM)</th>
<th>OOU(ILR)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Frequency</td>
<td>Percentage</td>
<td>Frequency</td>
</tr>
<tr>
<td>Gender</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>150</td>
<td>45</td>
<td>162</td>
</tr>
<tr>
<td>Female</td>
<td>184</td>
<td>55</td>
<td>172</td>
</tr>
<tr>
<td></td>
<td>334</td>
<td>100</td>
<td>334</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Younger</td>
<td>129</td>
<td>39</td>
<td>151</td>
</tr>
<tr>
<td>Older</td>
<td>205</td>
<td>61</td>
<td>183</td>
</tr>
<tr>
<td>(17-23)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(24-30)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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Descriptive statistics showing the distribution of participants table 2 indicates that of the 668 respondents 356 (53.3%) were female, while males were 312 (46.7%). Half of these are from Lagos State University (LASU) and the other half from Olabisi Onabanjo University. The course of study for LASU students are Industrial Relations and Personnel Management and Industrial and Labour Relations for those in OOU. Both courses are similar in a lot of respect. This is partly to control for influence of course of study on participants responses.

The age range is between 17 and 30 and these were categorized into young (17-23) and old (24-30). 280 (41.9%) participants are in the first category and 388 (58.1%) in the latter. Average age is 25.6

### Table 3: Mean and standard deviation for male and female internals and externals.

<table>
<thead>
<tr>
<th>Respondent's sex</th>
<th>Locus</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>N</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>Internal</td>
<td>124.68</td>
<td>18.58</td>
<td>239</td>
</tr>
<tr>
<td></td>
<td>External</td>
<td>123.72</td>
<td>21.10</td>
<td>71</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>124.46</td>
<td>19.15</td>
<td>310</td>
</tr>
<tr>
<td>Female</td>
<td>Internal</td>
<td>122.29</td>
<td>17.40</td>
<td>268</td>
</tr>
<tr>
<td></td>
<td>External</td>
<td>123.90</td>
<td>18.51</td>
<td>89</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>122.69</td>
<td>17.66</td>
<td>357</td>
</tr>
<tr>
<td>Total</td>
<td>Internal</td>
<td>123.42</td>
<td>17.99</td>
<td>507</td>
</tr>
<tr>
<td></td>
<td>External</td>
<td>123.82</td>
<td>19.64</td>
<td>160</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>123.51</td>
<td>18.38</td>
<td>667</td>
</tr>
</tbody>
</table>

The mean differences displayed in table 3 are subjected to 2X2 factorial analysis and the results are displayed in table 4.

### Table 4: 2X2 Analysis of variance for male and female internals and externals

<table>
<thead>
<tr>
<th>Source of variance</th>
<th>Sum of square</th>
<th>df</th>
<th>Mean square</th>
<th>F</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corrected model</td>
<td>738.25</td>
<td>3</td>
<td>246.08</td>
<td>0.72</td>
<td>Not significant</td>
</tr>
<tr>
<td>Intercept</td>
<td>7360083.96</td>
<td>1</td>
<td>7360083.96</td>
<td>21749.16</td>
<td>Significant</td>
</tr>
<tr>
<td>Sex</td>
<td>145.95</td>
<td>1</td>
<td>145.95</td>
<td>0.43</td>
<td>Not significant</td>
</tr>
<tr>
<td>Locus</td>
<td>12.50</td>
<td>1</td>
<td>12.50</td>
<td>0.04</td>
<td>Not significant</td>
</tr>
<tr>
<td>Sex*Locus</td>
<td>197.74</td>
<td>1</td>
<td>197.74</td>
<td>0.58</td>
<td>Not significant</td>
</tr>
<tr>
<td>Error</td>
<td>224364.36</td>
<td>663</td>
<td>338.41</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>10400700.00</td>
<td>667</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corrected total</td>
<td>225102.61</td>
<td>666</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Critical F = 3.84, df = 1/667, p < 0.05.

From table 4, locus of control has no significant influence on entrepreneurial abilities. Since F (1/667) = 0.04, p < 0.05, the hypothesis which states that participants with internal locus of control will show greater entrepreneurial ability is rejected. Also male and female shows no significant difference in entrepreneurial abilities since F (1/667) = 0.43, p < 0.05. The hypothesis which states that males will show greater entrepreneurial abilities is rejected. Equally, there is no significant interaction between gender and locus of control in their influence on entrepreneurial abilities.
Discussion of results

Correlation between of locus of control and entrepreneurial ability was not significant as shown in the result; $r = 0.024$. Ahmed (1985) had found significant relationship between locus of control and risk propensity. The current study differs from this view. The hypothesis that states that Internals will show greater entrepreneurial ability than Externals was not confirmed. This is contrary to the studies of (Mueller and Thomas, 2000; Hansemark, 1998; Koh, 1996 and Utsch and Rauch, 2000). While the outcome of this study failed to confirm a commonly held position, it may be necessary to further investigate the dichotomy between Internals and Externals in their degrees of possessions of entrepreneurial ability. A preponderance of participants was assessed to be internals (507; 76%) as against Externals (160; 24%). Since mean scores are being compared, this cannot be said to affect the outcome of the study. It is noteworthy that such high degree of internality is recorded in the sampled population. Perhaps this is not surprising of University undergraduates which outcome and attainment of good degree depend on a high level of internal control. Surprisingly however, high and low n-ach even out in the same population.

The common index in the reported interactional effect is gender. For instance, Baron et al (2001) had noted that the role of entrepreneurs appear to be less subject to gender stereotyping and that when cast as an entrepreneur, male and female enjoy favourable ratings on attributes like decisiveness, career seriousness, assertiveness and ambitiousness. Unlike Baron et al (2001) who showed pictures depicted as entrepreneurs and managers, the present study was based on self report on certain traits. It will appear that the male’s and female’s potential for entrepreneurship is not significantly different. According to Aldrich (1989) entrepreneurship is a male ‘turf’ and women can only break into what is the old boys’ network. When viewed against the Nigerian environment it will appear that female entrepreneurs have indeed broken into the male network. They mostly dominate the informal sector and their less representation in the formal sector may be traceable to the nature of organizational structure, access to fund and historical, albeit cultural, practices that had prevented women from the world of work. Brenner (1987) however stipulated that entrepreneurs are those male or female who face prospect of their social status. Male and female also do not differ significantly in locus of control. It may also be necessary to investigate whether such differential has effect on possession of entrepreneur ability and in carrying out entrepreneur act.

Conclusion

The study shows that hypothesized relationship between locus of control and entrepreneurial ability need to be qualified or at best taken with caution. Also that male and female did not differ in entrepreneurial abilities may confirm the preponderance of females in self-employment activities especially in the growing informal sector of the Nigerian economy. It will appear that capital mediation, sociological factors, especially role aspiration of females, historical and other factors rather than ability may be the likely explanation for more men as entrepreneurs in most economies.

Suggestion for future studies

Much research work is required to understand issues that are militating against entrepreneurship in Nigeria. Many other personality variables like motivation, creativity/problem-solving, tolerance of ambiguity, risk propensity and achievement motivation need to be examined on their influence on entrepreneurial ability, behaviour and success and failures of enterprises. Also important for studies are sociodemographic variables like age, education, work history and the role of technology and support systems in fostering entrepreneurial culture (Allen, 2006; Hisrich, and Peters, 2002).
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