Determinants of Entrepreneurial Orientation among Muslim Students in Kenya: A Case of United States International University-Africa

Usman Aisha Usman¹ and Joseph Ngugi Kamau²

¹ Chandaria School of Business, United States International University-Africa, Kenya
² Chandaria School of Business, United States International University-Africa, Kenya; Email: Kamaujn@usi.ac.ke

Abstract
Entrepreneurial orientation is one of the very essential main factors for any nascent entrepreneur to launch their own enterprise. Many studies on entrepreneurial orientation have been conducted to identify the principal factors which affect entrepreneurs’ ability to be engaged in own business. The purpose of this study was to confirm the dimensionality of Entrepreneurial Orientation (EO) based on an exploration of its constructs among Kenyan university business students in United States International university-Africa (USIU-A). A cross-sectional survey approach was conducted targeting students at USIU-A university. A descriptive quantitative research design was implemented for this study and the information gathered from the questionnaires was used to interpret and understand the significance of the study in relation to the selected target population. Using a sample of 150 students, the hypotheses were developed and tested using structural equation modeling. The findings revealed that EO in the Kenyan context was a three-factor instrument consisting of the three constructs: risk-taking, innovativeness and pro-activeness which had a strong correlation with the attitude of business students on entrepreneurial orientation. This study provides better comprehension into entrepreneurial orientation constructs among students in Kenya. Given the imperative need for universities to monitor and improve the entrepreneurial orientation and spirit among business students, this study can help business students to understand better regarding the business attitude they need to maintain, which can help them to improve proactive personality and formulate effective business strategies in the future.

Keywords: Entrepreneurship, Entrepreneurship Orientation, Proactive-ness, Risk Taking, Innovation Students, University

Introduction
The religion of Islam has its own entrepreneurship culture and guiding principles that is based on the Holy Quran and hadiths which gives direction in business operations. Islam encourages its followers to participant in productive entrepreneurial activities that are morally and socially accepted. Activities associated with alcohol, drugs, usury, gambling, prostitution and highly speculative business behavior are strictly prohibited (Maruf, Mahmud, & Yousuf, 2013). The influence of this culture depends on how strong an individual’s faith is toward the religion in carrying out their daily activities as well as business activities. Islam emphasizes
on how an individual should earn their living to support oneself, family and society in a just and lawful way (Mohd, Kamaruddin, Yahya & Sanidas, 2015). Thus, engaging in entrepreneurial activities is a way of fulfilling religious obligation to please Allah (Hassan & Hippler, 2014).

It is a responsibility for every Muslim to acquire knowledge of the religion to carry out daily activities. An entrepreneur must obtain sufficient knowledge about the rules and guiding principles in Islam in order to run a successful business (Hoque, Mamun & Ahshanul, 2014). Excellence in knowledge regarding business is highly required to identify the strengths, weaknesses, opportunities and threats relating to business which can ultimately help in devising necessary policies and strategies to make the business successful (Hoque, Mamun & Ahshanul, 2014). Entrepreneurship has become a topic of discussion with high priority all over the world (Luthje & Franke, 2003). The most significant element in the concept of entrepreneurship is the creation of new business and venture development within an industry (Kroft, 2010).

In the 21st century, researchers, scholars, and government officials have acknowledged the existence of individual business startup especially those that were established by well-educated young people. At both the macroeconomic and individual level, entrepreneurial activities play a substantial role in job creation as well as technological advancement and wealth maximization (Delbridge & Mariotti, 2009; Fafaliou, 2012). Bili, Prka, and Vidovi (2011) stated that working in rapidly changing, entrepreneurial and global environment is challenging due to external factors such as competition, technological turbulence, and demand uncertainty. An individual must therefore, constantly react to the dynamic challenges emanating from the markets to build and sustain competitive advantage in business (Wang, Hermens, Huang, & Chelliah, 2015).

The intention of starting a business depends on the individual perception observed from social groups such as family, friends and professors (Farouk, Ikram, & Sami, 2014). It also differs in individuals’ personality traits, personal experience, educational level, and societal beliefs (Ayub, Aslam, Razaq, & Iftekhar, 2013). According Bili, Prka, and Vidovi (2011) the knowledge gained from entrepreneurial exposure enables positive attitude towards improving entrepreneurship skills among students. Entrepreneurial education is an effective way to promote and boost the interest of entrepreneurship among university students. Entrepreneurship plays an important role in changing the mindset of an individual to look at opportunities, uncertainty and innovation in a strategic way to improve the standard of living among citizens of a country (Amma & Fahad, 2013). Entrepreneurial orientation on the other hand is a necessity in the pursuit of new opportunities to enhance business performance (Su, Xie, & Wang, 2015). Adopting a strong entrepreneurial orientation is considered necessary but inadequate for wealth creation by new ventures due to large resources commitment.

The concept of entrepreneurial orientation and its influence on students have received significant attention in the globe (Wang & Altinay, 2012). Many developed and developing countries such as United States, United Kingdom, Russia, Brazil, India, Libya, China, and Africa have greatly contributed in economic and business development as a whole (Thanos, Dimitratos, & Sapouna, 2016). In Sweden for instance, children at a very young age are encouraged and motivated to develop entrepreneurial skills such as inquisitive, initiative and self-confidence (Thanos, Dimitratos, & Sapouna, 2016). In Kenya, the government has taken measures to create jobs for the youth in the long term. They have invested massive amounts
of money to development infrastructures, conferences and trainings that will enhance business performance, attract investors, create jobs as well as reduce the cost of business in the country (Harry, 2014).

The Kenyan Youth Survey Report (KYSR, 2016) stated that the youth unemployment rate is 55% which includes overall population of youth ranging from (18- 35) years. Most of the Kenyan youth are below 35years old which are about 80% of the population. High unemployment rate is however massively increasing due to large number of graduate students in the country (Awiti & Scott, 2016). United States International University-Africa (USIU-Africa) is a private, and non-profit organization of higher education situated at Kasarani, Nairobi Kenya (Smith, 2016). The University has about 359 Muslim students which consists of senior undergraduate and graduate from both international and local students. The student population consist of 84.7% local students while 15.3% are international students (Smith, 2016). The USIU-Africa student population has successfully increased over the years and has generated development in the services that the university offers with an outlay of improving itself and providing its students with an opportunity to build and prepare themselves for a better future.

**Literature Review**

**Individual Entrepreneurial Orientation**

Entrepreneurial orientation (EO) was a concept originated from Miller (1983) and consists of three dimensions, namely; pro-activeness, risk-taking and innovativeness. It was further popularized by Covin and Slevin (1989) in their concept of entrepreneurial strategic posture (ESP). In later years, Lumpkin and Dess (1996) further refined EO and they suggested a five-dimension model which includes; innovativeness, risk-taking, pro-activeness, autonomy and competitive aggressiveness. Over several years, EO has been widely recognized by researchers as a firm level construct that determines a firm’s performance (for example: Hafeez et al. 2011; Taatila & Down, 2012; Chandrakumara et al. 2011; Grande et al. 2011; Gupta & Gupta, 2015).

However, in the recent past, researchers have suggested that EO can also be regarded as an individual level construct (Robinson &Stubberud, 2014). Such suggestion has given new rooms to researchers to investigate EO from a new level and perspective. Extant studies which examined individual entrepreneurial orientation (IEO) agreed that IEO is a multi-dimension construct and consists of elements similar to firm-level EO. This has indeed given some new insights on IEO at an individual-level of EO. However, most of the studies are focusing on IEO and performance relationship. Since IEO exists at the individual level, its relationship with individual’s attitude or behavior towards entrepreneurship is also worth researching. Moreover, since IEO is considered relatively new, researchers need to pay attention to the operationalization of its elements in their studies. This was the purpose of this study.

**Pro-Activeness**

Pro-activeness is the ability for an individual to anticipate and act on the future events rather than reacting to events that have already occurred in the market place (Madhoushi, Sadati, Delavari, Mehdivand, & Mihandost, 2011). Su, Xie, and Wang (2015) defined proactivity as a state of mind which is largely driven by a person’s desire to attain a vision, to develop a
mission, to find solutions to challenging goals and to arrive at objectives. That is, proactivity involves envisioning the use of strategic parameters to arrive at effective and efficient approach towards one’s defined objectives.

Lumpkin and Dess (2011) explained pro-activeness to be a forward-looking perspective involving being ahead of competition in terms of new products or services while taking large market share. They also mentioned how it has been applied in the pursuit of various business opportunities, hence, enhancing entrepreneurship. It provides the answer to the question as to whether the creation of technology, products, and techniques shape the environment or is merely an action (Nurul, Muhammad, & Jaafar, 2013). Proactivity is associated with marketing, research and development in the process of new entry, customer discovery and satisfaction, and also acting opportunistically in order to shape the market environment (Lumpkin & Dess, 2001).

Proactive strategies enable individuals and organizations to dominate and have first movers’ advantage as well as extra ordinary high rate of returns in the investment. Nabila, Ambad, and Wahab (2013) stated that being the first mover in the market create customer loyalty due to high switching cost or brand familiarity. Thus, it is very important for a firm to anticipate for future needs and demands. The ability to anticipate for future challenges and demands, gives a firm the capacity to shape the environment and direction of competition to its advantage. They also highlighted that is easier for start-up companies to use pro-activeness than compared to already existing firm in the market (Nabila, Ambad, & Wahab, 2013).

An organization determines the level of entrepreneurial pro-activeness through its survival in the dynamic market especially with the use of scarce resource, research and development, and the ability to sustainably compete with large companies in an industry (Wang, Hermens, Huang, & Chelliah, 2015). An individual who thinks in proactive manner can continuously improve on existing resources to introduce new products or services that are completely unique in the market environment. Also, it leads to better performance because entrepreneurs have greater understanding of customer needs and wants in the turbulent market. Amin (2015) stated that in the dynamic business environment an individual or a firm must have a strategic reactiveness and responsiveness for unexpected circumstances. Pro-activeness has the capability of projecting the future, shaping the environment, and providing new advantage to existing competitive capabilities (Wiley, Tang, Kam, Steven, Nevada, Vegas, & Janakiraman, 2012).

**Risk Taking**

Noer, Syafi, and Hadiwijoyo (2013) defined risk taking as the process of taking bold steps in decision making, and action without adequate information of the outcomes, in venturing into unknown market. Risk taking is one of the most important entrepreneurial orientations in starting a business in the competitive environment which drives cash flows. Entrepreneurs are individuals who sacrifice their time, effort, wealth, and income to make business decisions in an uncertain dynamic environment (Koudstaal & Sloof, 2014). In addition, the basic factor that separates entrepreneurs and employees is the ability to take risk of self-employment in an uncertain environment. They are known as risk takers in the process of making decisions to start a business which involves the use of personnel, raw materials, equipment, tools, skill, and money with expected revenue. These resources should therefore be utilized in a way that reduces cost and generates super normal profits in a business (Vesković, 2014).
entrepreneur is a risk taker that puts ideas and thoughts into practice without fear of uncertainty. Therefore, the higher the risk - the higher the rate of return on investment (MacKo & Tyszka, 2011). Risk requires bold intentions to implement strategic plans and actions that an individual takes to maximize profits effectively and expand market share. Entrepreneurs must put in mind that the future is unpredictable and challenging, thus an individual must take calculated risk to venture into the competitive business environment regardless of the outcome (Hoque, Mamun, & Ahshanul, 2014).

Lumpkin and Dess (2001) highlighted that individuals take calculated business opportunities when an immediate outcome is not clearly. Similarly, Wiklund and Shepherd (2005) argued that risk taking entrepreneurial orientation is the ability of an individual or a firm to willingly invest limited resources in a business project and the results are unpredictable. Lumpkin and Dess (1996) indicated that firms invest their financial assets with the aim of utilizing environmental opportunities and achieving higher return. Individuals that are not entrepreneurial oriented are risk averse, less innovative and they imitate competitors for their survival and performance of the business (Miller, 1983). Positive risk orientation leads businesses towards success and better performance in the turbulent environment. Risk taking orientation enables individuals or firms to identify and seize market opportunities, attain higher returns on investment and make incredible market deals (Lumpkin & Dess, 2001).

Risk taking entrepreneurial orientation varies from individual to individual as well as business to business in the ever changing market demand (Herranz & Krasa, 2013). The greatest challenge of an entrepreneur is the ability to cope with business risk in a competitive dynamic market in an industry. This arise due to uncertainty about the future expectations because of ever changing technology, customer preference and tastes, competition and other factors which have effect on the present decision (Vesković, 2014). Entrepreneurs are very focused and skillful towards minimizing risk by putting their best effort in the business. They evaluate and analyze the dynamic model of the business venture by selecting the firm size, capital structure and strategic management plan for better performance (Herranz & Krasa, 2013).

Grable and Lytton (1999) stated that education level of an entrepreneur is most important factor in determining the kind of risk to be taken in the business. Entrepreneurs with better education have greater aptitude when it comes to demonstrating knowledge on making decisions such as acquisition, assimilation, and transformation capability. Also, they are inclined to construct dignified procedures in their operations to maximize benefits and minimize losses as well as maintaining competitive advantage. In addition, entrepreneurs are very good at maintaining personal relationship and networks with trusted friends, family, colleagues, customers, suppliers, accountants, local politicians and banks managers for the purpose of sharing information and scarce resources for the survival of the business in the competitive environment (Wang & Poutziouris, 2010). According to Zahra (2005), the whole entrepreneurial process is associated with risk taking which allows entrepreneurs to recognize the value of business activities.

**Innovation**

According to Lumpkin and Dess (2001) innovation is the “willingness to support creativity and experimentation to introduce new products or services, technological leadership and
research and development in developing new processes”. They described economic process of innovation as “creative destruction” which leads to introduction of new products and services in a business environment that cause other firms to grow due to continuous improvement of existing goods and services in the competitive market as well as increased wealth (Bleeker, 2011). Innovation is one of the most important dimensions of entrepreneurial orientation that is often associated with individuals’ propensity to support new ideas, uniqueness, experiment, and creative processes that may lead to improvement or invention of new products and services (Lumpkin & Dess, 2001).

According to Celik (2013), innovativeness is the process of developing or inventing new ideas that turn into reality. Entrepreneurial orientation in relation to individuals or organizations is the willingness to accept new opportunities and responsibilities that would have influence on change (Morris & Kuratko, 2002). Individuals with high degree of innovation are passionate about using new information and technologies than other people with low innovation. Many scholars in the field of entrepreneurship believe that innovation is the fundamental aspect of entrepreneurship that necessitates resources and makes new capabilities to explore new opportunities in the market (Walter, Auer, & Ritter, 2006).

Drucker (2002) discussed that innovation is an instrument of entrepreneurship process that both require creativity. Creativity is the ability to create new concept or new solution to an existing problems in a beneficial way. Creative individuals have the capability to look at things in a different way within the environment and seize the opportunity in the market. Creativity also deals with an individual’s attitude which has to do with accepting changes, newness and flexibility in formulating ideas in an imaginative way. Okpara (2006) stated that individuals engage their minds in creative thinking to enhance productivity, efficiency, convenience, increase speed, maximize comfort and so on.

Methodology

Methodological Approach
In order to realize the objective and gather the necessary data, this study utilized descriptive research design and self-administered questionnaires respectively. The data was analyzed using AMOS-SEM version 21.0 and SPSS. We conducted a cross-sectional survey targeting a sample of business Muslim students with the total population of 359 at the United States International University-Africa. The items of IEO instruments were assessed on a seven-point Likert scale. Using a convenience sampling method, 150 self-administrated questionnaires were distributed to the business students.

The sample size constituted 120 students from all the departments in the university. The sample size was selected by taking into consideration the time frame available and cost of data collection. The questionnaires were semi-structured with both open and closed ended questions. The questionnaire was constructed in sections which constitute general information on respondents and the subsequent sections based on the research questions. Likert scaling was used in the questionnaires to measure the level of agreement and disagreement of the respondents on the scale 1 to 7 where 1 was totally disagree, and 7 was strongly agree.

The results indicated that majority of the respondents were females with 65% and 35% males. It is also indicated that majority of the respondents were between the ages of 18-24 years at 75%. Respondents in age bracket of 25-34 years were 22%, between the age bracket of 35-
46 years were 3% and 1% was above 36 years. The data analysis followed a two-step approach. First the measurement model was assessed and analyzed to confirm construct validity. The second step involved establishing the relationships between all latent variables using structural equation modelling (SEM). PLS algorithm and Bootstrapping algorithm was run in Smart PLS 2.0.

**Measurement Model**

The confirmatory factor analysis was conducted in order to assess the extent to which the observed data fitted the pre-specified theoretical model. The model fits for the measurement model in partial least squares (PLS) were validated using four criteria-uni-dimensionality, construct reliability, convergent validity, and discriminant validity.

**Construct Uni-dimensionality**

Construct uni-dimensionality was initially assessed by verifying that the measurement items measured the specific constructs. Further construct uni-dimensionality was performed through the verification of the cross loadings of scales and constructs to ensure that the scales loaded heavily on the relevant constructs. The loadings and cross loadings are indicated in Table 1 below. All the loadings and cross loadings were adequate and demonstrated construct uni-dimensionality.

<table>
<thead>
<tr>
<th></th>
<th>Innovation</th>
<th>Proactiveness</th>
<th>Risk taking</th>
<th>T Statistics</th>
<th>P-values</th>
</tr>
</thead>
<tbody>
<tr>
<td>NN1</td>
<td>0.858</td>
<td></td>
<td></td>
<td>11.366</td>
<td>0.000</td>
</tr>
<tr>
<td>NN2</td>
<td>0.931</td>
<td></td>
<td></td>
<td>39.334</td>
<td>0.000</td>
</tr>
<tr>
<td>NN3</td>
<td>0.908</td>
<td></td>
<td></td>
<td>29.577</td>
<td>0.000</td>
</tr>
<tr>
<td>PRO1</td>
<td>0.871</td>
<td></td>
<td></td>
<td>20.253</td>
<td>0.000</td>
</tr>
<tr>
<td>PRO2</td>
<td>0.788</td>
<td></td>
<td></td>
<td>10.293</td>
<td>0.000</td>
</tr>
<tr>
<td>PRO3</td>
<td>0.836</td>
<td></td>
<td></td>
<td>14.010</td>
<td>0.000</td>
</tr>
<tr>
<td>PRO4</td>
<td>0.846</td>
<td>0.706</td>
<td></td>
<td>14.453</td>
<td>0.000</td>
</tr>
<tr>
<td>R1</td>
<td>0.766</td>
<td>7.888</td>
<td></td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>R2</td>
<td>0.732</td>
<td>8.408</td>
<td></td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>R3</td>
<td>0.813</td>
<td>15.332</td>
<td></td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>R4</td>
<td>0.665</td>
<td>6.991</td>
<td></td>
<td>0.000</td>
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</tr>
<tr>
<td>R5</td>
<td>0.742</td>
<td>9.838</td>
<td></td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>R6</td>
<td>0.721</td>
<td>7.833</td>
<td></td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>R7</td>
<td>0.608</td>
<td>4.628</td>
<td></td>
<td>0.000</td>
<td></td>
</tr>
</tbody>
</table>

**Construct Reliability**

Construct reliability was assessed by computing the composite reliability and the Cronbach alpha of the constructs. Composite reliability measures were evaluated by using SmartPLS. The Cronbach alphas were all above the 0.6 threshold as specified for PLS analysis (Hair, Celsi, Money, Samouel, & Page, 2011). This indicated that good reliability and composite
reliability of reflective items were all above the acceptable 0.7 threshold which means all the variables in the study exhibited construct reliability as presented in Table 2.

<table>
<thead>
<tr>
<th>Construct</th>
<th>Number of Items</th>
<th>Cronbach's Alpha &gt;0.6</th>
<th>Composite Reliability &gt;0.7</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovation</td>
<td>3</td>
<td>0.881</td>
<td>0.927</td>
</tr>
<tr>
<td>Pro-activeness</td>
<td>4</td>
<td>0.856</td>
<td>0.903</td>
</tr>
<tr>
<td>Risk</td>
<td>7</td>
<td>0.847</td>
<td>0.884</td>
</tr>
</tbody>
</table>

**Convergent Validity**

Convergent validity refers to the degree to which two or more items that measure a construct in theory converge or share high proportion of variance in reality. It is measured by three measures; factor loadings, composite reliability (CR) and average variance extracted (AVE). Convergent validity is achieved if composite reliability values for the construct are at least 0.7 and the average variance extracted (AVE) are at least 0.5. All factor loadings should be statistically significant and should be above 0.5, as indicated in Table 3.

<table>
<thead>
<tr>
<th>Construct</th>
<th>Factor loading</th>
<th>T Statistics</th>
<th>P-values</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovation</td>
<td></td>
<td></td>
<td></td>
<td>0.809</td>
</tr>
<tr>
<td>NN1</td>
<td>0.858</td>
<td>11.366</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>NN2</td>
<td>0.931</td>
<td>39.334</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>NN3</td>
<td>0.908</td>
<td>29.577</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>Pro-activeness</td>
<td></td>
<td></td>
<td></td>
<td>0.699</td>
</tr>
<tr>
<td>PRO1</td>
<td>0.871</td>
<td>20.253</td>
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</tr>
<tr>
<td>PRO2</td>
<td>0.788</td>
<td>10.293</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>PRO3</td>
<td>0.836</td>
<td>14.010</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>PRO4</td>
<td>0.846</td>
<td>14.453</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>Risk taking</td>
<td></td>
<td></td>
<td></td>
<td>0.524</td>
</tr>
<tr>
<td>R1</td>
<td>0.766</td>
<td>7.888</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>R2</td>
<td>0.732</td>
<td>8.408</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>R3</td>
<td>0.813</td>
<td>15.332</td>
<td>0.000</td>
<td></td>
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<tr>
<td>R4</td>
<td>0.665</td>
<td>6.991</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>R5</td>
<td>0.742</td>
<td>9.838</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>R6</td>
<td>0.721</td>
<td>7.833</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>R7</td>
<td>0.608</td>
<td>4.628</td>
<td>0.000</td>
<td></td>
</tr>
</tbody>
</table>

**Discriminant Validity**

Discriminant validity is the third aspect of assessing construct validity. It refers to the degree to which a set of items estimate only one construct and how this construct is distinctly
estimated. In other words, high discriminant validity indicates that a construct is unique in measuring a phenomenon in such a way that cannot be captured by other constructs (Hair et al., 2010). There are two criteria to assess the discriminant validity. The first criterion is that the inter-construct correlation should not be higher than 0.9. The second criterion is the square root of the Average Variance Extracted (AVE) of the construct should be larger than its correlation with the other constructs. As in correlation matrix illustrated in Table 4, the diagonal elements are the square roots of the average variance extracted of all the latent constructs. The discriminant validity is assumed if the diagonal elements are higher than other off-diagonal elements in their rows and columns. This situation is apparently the case in the correlation matrix and thus the discriminant validity is confirmed.

Table 4: Discriminant Validity

<table>
<thead>
<tr>
<th>Construct</th>
<th>Innovation</th>
<th>Pro activeness</th>
<th>Risk taking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovation</td>
<td>0.900</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pro activeness</td>
<td>0.675</td>
<td>0.836</td>
<td></td>
</tr>
<tr>
<td>Risk taking</td>
<td>0.671</td>
<td>0.707</td>
<td>0.724</td>
</tr>
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</table>

Findings and Discussion
Using the approach of structural equation modeling adopting Amos v 21.0, first, as represented by Figure 1, we test the measurement model with its three original factors (i.e. Innovativeness, risk-taking and pro-activeness) as shown in Figure 1.

Figure 1: The Model Fit Measurement Statistics for the Overall Structural Model for Study Variables
Second, this study tested the three constructs represented by the generated measurement model (see Figure 2). The CFA was performed to confirm the dimensionality of the measurement model and the path coefficients as shown in Figure 2. Figure 2 also represents the output path diagram for our generated measurement model. In addition, this study arrived at a decision that three dimensions of EO model are fully supported, consisting of innovativeness, risk-taking, and pro-activeness. See Table 5 for the T-values.

![Figure 2: T-Statistics for the Path Coefficients](image)

**Table 5: Path Coefficients**

<table>
<thead>
<tr>
<th>Path</th>
<th>Path Coefficients</th>
<th>Standard Error</th>
<th>T-Value</th>
<th>p-values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurial Orientation -&gt; Innovation</td>
<td>0.83834</td>
<td>0.052749</td>
<td>15.893088</td>
<td>0.00</td>
</tr>
<tr>
<td>Entrepreneurial Orientation -&gt; Pro-activeness</td>
<td>0.915143</td>
<td>0.02792</td>
<td>32.777489</td>
<td>0.00</td>
</tr>
<tr>
<td>Entrepreneurial Orientation -&gt; Risk taking</td>
<td>0.936785</td>
<td>0.019363</td>
<td>48.378995</td>
<td>0.00</td>
</tr>
</tbody>
</table>

**Pro-activeness and Entrepreneurial Orientation**

Pro-activeness has a positive and significant standardized coefficient value ($\beta=0.915143$, T-value =32.777489, $p<0.05$) as indicated in Table 5 and Figure 1 and 2. This indicates that pro-activeness is a statistically significant indicator of Entrepreneurial orientation. This means that, Muslim students at USIU-A have great potential in seeking business opportunity in the uncertain environment. The study agrees with some other studies such as Hamdan (2013); Remeikiene et al., (2013).

**Risk Taking and Entrepreneurial Orientation**

Risk taking has a positive and significant standardized coefficient value ($\beta=0.936785$, T-value =48.378995, $p<0.05$) as indicated in Table 5 and, Figure 1 and 2. This indicates that
Risk taking is a statistically significant indicator of Entrepreneurial orientation. This indicated that the degree at which a student takes risks influences the degree to which they can venture into new business. Also, this means that, most of the Muslim students at USIU-A are risk takers. This findings was congruent to the findings of Yurtkoru et al. (2014), Bolton and Lane (2012) and Kropp et al. (2008); Hamdan (2013) and Remeikiene et al. (2013).

**Innovation and Entrepreneurial Orientation**

Innovation has a positive and significant standardized coefficient value ($\beta=0.83834$, $T$-value $=15.893088$, $p<0.05$) as indicated in Table 5 and, Figure 1 and 2. This indicates that innovation is a statistically significant indicator of Entrepreneurial orientation among USIU Muslim students. This means that the level of innovation and creativity of USIU-A Muslim students is very high which create competitive edge in the turbulent market. The finding agrees with some other studies such as Hamdan (2013); Remeikiene et al. (2013).

**Conclusion**

The study findings have adequately shown that majority of the Muslim students from the different departments at USIU-Africa understand proactive entrepreneurial orientation which will make it easier for them to navigate through the competitive world. The study findings also revealed that the students are willing to take bold action towards venturing into the uncertain competitive market with inadequate resources. It enables students to effectively and efficiently manage the resource at hand for better performance as well as increase profits. Also, the findings indicated that risk taking significantly influence entrepreneurial intention among Muslim students. Therefore, Muslim students are urged to take calculated risk and mitigation to starting business. The world of business is full of uncertainty in today’s economy due to massive rate of aggressive competition; hence, not all students can deal with ambiguity in the fast-changing business environment. Risk taking dimension affects the ability of some of the Muslim students to start their own business firms.

The study findings also revealed that the students are very innovative towards business creation. The results indicated that Muslim Students were able to provide creative solution to difficult problems and implement creativity in managing and controlling resources available to them. Innovation has significant and positive correlation which influences entrepreneurial activities among Muslim Students. It enables students to develop new ideas or improve existing products/services into ever changing competitive environment, thus, leading to competitive advantage in the turbulent market. The study has sufficiently shown that students at USIU-Africa believe that innovation is the key to entrepreneurial success in the digital age.

This study was however limited by the methodological choices used. The greatest challenge was data collection process since the authors only collected cross-sectional data. Longitudinal data would have provided better validity and support to the study. The next limitation was related to the fact that students were not selected at random and therefore not representative of all the characteristics of the sample-United States International University-Africa-which is one of the Kenyan leading private universities for both locals and internationals.

**Recommendations for Future Studies**

This research study was done to assess the factors that influence entrepreneurial orientation among Muslim students in only one university. Based on the research findings and conclusions, it is recommended that future studies should be carried out on different
universities to ensure more accuracy and reliability of the data in comparing the results. A study diverse in nature will increase the statistical relevance of the study due to differences in their background, culture, and moral values of their societies.

References


Determinants of Entrepreneurial Orientation among Muslim ... [Usman A. U. & Kamau J. N.]


