





“Family support, psychological capital, and start-up formation”

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FAMILY SUPPORT, PSYCHOLOGICAL CAPITAL, AND START-UP FORMATION

Abstract

The influence of family support and psychological capital (PsyCap) is a topical discourse in entrepreneurship studies due to the unsupportive and turbulent environments most entrepreneurs operate in. However, studies concluding on the nature and direction of family support and PsyCap effects on start-up formation appear scant. This study aims to empirically examine family support effects on start-up formation with psychological capital (PsyCap) as a mediation factor. Specific emphasis was given to extended family support. The study utilized the partial least square (PLS) method for hypotheses testing with cross-sectional data collected from 261 randomly sampled trainees in an entrepreneurship training program organized by the Delta State Ministry of Youth Development. The PLS analysis showed that family support ($\beta = 0.317$, $p = 0.000$) and PsyCap ($\beta = 0.202$, $p = 0.000$) have a significant positive effect on start-up formation. The results proved that family support and PsyCap are valuable antecedent factors for positioning entrepreneurs to engage and thrive productively in the start-up formation process. Furthermore, PsyCap did not mediate the significant positive effect of family support on start-up formation ($\beta = 0.235$, $p = 0.000$; $\beta = 0.103$, $p = 0.052$). This result demonstrates that family support may not be enough for PsyCap to transmit its significant positive effect on start-up formation. Hence, there is a need to procure other alternate support from formal or informal settings.

Keywords

family, extended family, supportive actions, psychological capital, start-up, entrepreneurs, Nigeria

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INTRODUCTION

Today, start-up formations in Nigeria are confronted with the problem of resource constraints in a highly uncertain and disruptive economic environment. This is further exacerbated by the weak institutional regimes that cannot support and position nascent entrepreneurs to thrive productively in the start-up formation process (Omeje et al., 2020). As a consequence, start-up activities tend to be impeded, with many entrepreneurs not following through with their decisions to start a new business. The lack of access to basic start-up capital may partly explain the discrepancies between the increased start-up activities and alarmingly low start-up success rates in Africa, Nigeria in particular (Baluku et al., 2016). This situation has shed more light on family support, which many believe may be a rallying point for entrepreneurs to mobilize critical and strategic resources for creating a new business (Edelman et al., 2016; Manolova et al., 2014; Nurlaily et al., 2018). However, the dwindling resources of many individuals due to poor economic conditions in Nigeria may have adversely and disproportionately affected the resources accruable to many families. Even so, with more individuals seeking self-employment due to rising unemployment among the young population, there may be a change in the support structure of most families due to competing demands for relatively scarce resources. The stretched resources may often cause

family support to occur differentially among members trying to form a new business, with some members obtaining and others not obtaining the needed support to facilitate their start-up activities. With this in mind, the problem is whether family support would affect start-up formations in Nigeria. It appears highly valued in developing economies that have weak formal institutional mechanisms for supporting start-up activities (Martinez & Aldrich, 2011), and where many entrepreneurs lack the credit history, experience, and resources to start a business on their own.

While nascent entrepreneurs are grappling with the problem of resource constraints in creating a new business, they are equally dealing with the frequent stressors and demands of the entrepreneurial process. Regrettably, all these put together may compromise their psychological well-being, resulting in intense negative emotions (frustration, depression, sadness, etc.) about the prospects in their chosen entrepreneurial field. Psychological capital (PsyCap), which depicts the personal motivational states accruing through optimism, self-efficacy, hope, and resilience, plays a salient role in this regard. Given the roles PsyCap plays in enhancing the psychological well-being of entrepreneurs during the start-up process, especially in the Nigerian economic environment, there is a growing interest in the factors influencing PsyCap. The social support theory posits that support accrued from family relations contributes to the formation of positive emotional states, and these positive emotional states are potent precursors to entrepreneurial motivation and actions (Boyd & Vozikis, 1994). While this suggests that family support is an important predictor of an entrepreneur's PsyCap, PsyCap can also be an internal mechanism in the family support and start-up formation link (Mahfud et al., 2020; Su et al., 2020). Considering the highly unsupportive and stressful environment most entrepreneurs in Nigeria find themselves in, it is important to know how PsyCap can be built to enable entrepreneurs to maintain optimal cognitive functioning during the start-up process. The engagement of individuals in start-up activities is rapidly increasing regardless of the uncertainties and challenges in the entrepreneurial environment, so family supportive actions offer meaningful and coherent guidance to facilitate the psychological adjustments of entrepreneurs as they look to navigate the start-up dynamics in Nigeria.

1. LITERATURE REVIEW

1.1. Family support and start-up formation

Family support refers to the exchange of resources from family members (i.e., parents, siblings, grandparents, uncles, aunts, and cousins) to an entrepreneur with the aim of rendering assistance (Klyver et al., 2018). These overt supportive behaviors may be expressed emotionally or instrumentally, and are provided in variable situations due to an inherent sense of obligation, shared responsibility, and reciprocity within the family. Emotional support represents the perceived affective expressions (such as care, encouragement, trust, listening, and empathy) by family members to an entrepreneur. Whereas, instrumental support is the perceived assistance in problem-solving by tangible and/or practical help. While there is no consensus as to what constitutes the latter, studies often consider the provision of financial assistance, access to physical capital (i.e., land, house, inven-

tory, and equipment), and information/advice as common types of instrumental support (Klyver et al., 2018; Neilsen, 2020; Semmer et al., 2008). The study focused on the content of what is being exchanged, irrespective of the relational or structural characteristics of the family (Baluku et al., 2020; Klyver et al., 2018).

Start-up formation encompasses all activities involving exploration, planning, organizing, and launch of a new business. Starting a new business is a journey in which an entrepreneur engages in the transformation of a new business idea into value. To achieve this, like every other activity, they need to follow a planned process to form the underpinnings for a new business. This will provide entrepreneurs with the opportunity to bring together all aspects of a new business, evaluate the implications of different tactics and strategies, and find out the tangible and intangible prerequisites for developing an idea into a manageable business (Lange et al., 2007). Start-up formation tends to be iterative and not linear as individuals

try to manage emerging situations, many of which are stressful and challenging. The formation of a new business is driven by opportunity or necessity. The former seeks to exploit an identified business opportunity, while the latter is forced into creating a business because of the highly limited employment options. Baluku et al. (2020) argue that African countries, Nigeria in particular, face greater economic challenges as high unemployment rates drive many individuals to engage in start-up activities out of necessity rather than opportunities. This phenomenon places many new businesses in a vulnerable position in highly volatile and competitive entrepreneurial environments.

Drawing from Aldrich and Cliff's (2003) family embeddedness perspective, entrepreneurs are embedded in networks of continuing family relations, and as a result, their behavior cannot be construed as independent from their immediate family decision context (Arregle et al., 2015). Through this network of familial relationships, entrepreneurial activities are either facilitated or constrained by the connections between entrepreneurs, resources, and opportunities (Edelman et al., 2016), which can affect business emergence, continuance, and exit (Xu et al., 2020; Meek, 2010). Klyver et al. (2018) argued that the importance of family support is mainly due to its availability, whereby it performs a supportive role built on cooperation and trust, as new business creation involves high risks and uncertainties. Martinez and Aldrich (2011) argued the family may represent a direct source for capital mobilization, and may also be an important source of indirect ties to other individuals capable of rendering tangible and practical help.

Several studies suggest that family support influences start-up formation. For instance, in a systematic review on family role and entrepreneurship, Cardella et al. (2020) contended that family support is important to entrepreneurs, particularly those who may not have access to other useful informal and formal networks during the business founding process. Using a student sample from Makerere University in Uganda, Baluku et al. (2020) found that the presence of family support is needed in the transitioning from implementation intention to start-up action, especially in African countries where nascent entrepreneurs have re-

stricted access to basic start-up capital. Edelman et al. (2016) found that family social capital, measured as family support, influences the scope of start-up activities. Furthermore, instrumental social capital alone does not enhance engagement in many start-up activities except both instrumental and emotional social capital are provided. Consistent with this finding, Kannadhasan et al. (2018) demonstrated that social capital and new venture creation are positively related using a sample of entrepreneurs in India. Adjei et al. (2019) argue that while family support affects the establishment of a new business, it may be too simplistic for studies to assume the same functional benefits for all family types (e.g., nuclear and extended family) in this regard. As such, variability may be observed in how the distinct family types facilitate the pursuit of entrepreneurship due to different cohesion levels and resource availability. In this study, emphasis is on the extended family system because of the collectivist mentality and communal culture of the people of Nigeria (Adinlofu, 2009), where members of a common ancestry take up different primary familial relationships such as father, mother, sister, or brother (Obayan, 1995). This diverges from related studies (Edelman et al., 2016; Manolova et al., 2014; Nurlaily et al., 2018) analysis from a nuclear family perspective. However, extended family support may increase the probability of forming a new business, insofar as the form of assistance matches the entrepreneurial needs (Baluku et al., 2020; Klyver et al., 2018).

1.2. PsyCap and start-up formation

PsyCap is an affirmative mental state of development marked by an entrepreneur maintaining: (i) confidence in his/her capacity to mobilize the requisite cognitive resources, motivation, and strategies to perform given tasks (self-efficacy); (ii) positive expectations about the present and future events (optimism); (iii) the determination to realize goals and, when necessary, reconstruct pathways to achieve those goals (hope); and (iv) the ability to adapt to stressors, risks and uncertainties in highly challenging context (resilience) (Baluku et al., 2020; Bockorny & Youssef-Morgan, 2019; Luthans et al., 2004; Luthans & Youssef-Morgan, 2017; Mahfud et al., 2020). Kotzé (2018) points out that PsyCap can be built through a pattern of investment in cognitive resources to en-

hance the development of intentions and actions that lead to start-up. Entrepreneurs who experience positive emotions tend to manage these uncertainties by staying optimistic, hopeful, and resilient, whilst being confident in their abilities to succeed in specific situations. The probability for success in entrepreneurship conditions of elevated risk and uncertainty can be a function of an entrepreneur's psychological capital. According to the cognitive view of entrepreneurship, start-ups are designed and formed based on the cognitive properties of the entrepreneur. This suggests that PsyCap has behavioral consequences on start-up formation (Baluku et al., 2018).

Baluku et al. (2020) contended that PsyCap has a positive association with entrepreneurial actions. Additionally, PsyCap resources are necessary for effectuating start-up actions as they include the ability to (i) formulate goals and plans, (ii) develop alternate ways for goal realization, and (iii) persevere in the pursuit of goals. Jin (2017) found that positive PsyCap was closely related to start-up intention. Because these intentions may translate to start-up actions, PsyCap influences on start-up actions may be direct and/or indirect. Other studies (Baluku et al., 2016; Baluku et al., 2018; Ephrem et al., 2021) demonstrated entrepreneurs' psychological strength as a positive catalyst for success and persistence in an entrepreneurial role. Although PsyCap is widely known in organizational studies (Mahfud et al., 2020), entrepreneurs are yet to understand how leveraging this psychological resource can be beneficial to start-up formations. This stems from the rarity of empirical studies applying PsyCap to entrepreneurs as prior studies mainly focused on employees – their attitude, behavior, and performance (Zhao et al., 2020). The study extends the scant knowledge in this regard.

1.3. Family support and start-up formation: PsyCap as a mediator

There is accumulating evidence to show the existence of a direct association between family support and start-up formation. However, it is reasonable to assume that some individual factors acting as internal mechanisms may explain why there is an association. Regarding this, the social cognitive theory of Bandura (1986) can be used as the theoretical basis for explaining the

mediation role of PsyCap. The theory states that the creation of a business is a consequence of interactions between social networks and certain psychological states in entrepreneurs, suggesting family support and PsyCap are antecedents for the successful emergence of a new business. Entrepreneurship does not occur in a vacuum, family environment dynamics and psychological investments weave the context for every attempt to start and operate a new business within the challenging contexts that characterize developing countries (Kerr et al., 2017). Furthermore, entrepreneurs' cognitive processes are intervening factors in the family decision context and behavior relationship. In this line, PsyCap can function as a cognitive process to mediate the family support and start-up formation relationship. Reinforcing this theoretical argument, Jahanshahi et al. (2020) argued that the extent of family support may affect the emotional space with durable psychological resources, which in turn enables the individual to persist in their actions, especially as the start-up process does not always follow a rational pattern due to uncertain contexts. This is because PsyCap cannot operate in isolation, and requires a supportive context to provide the motivational force that enhances goal striving and persistence in challenging entrepreneurial situations (Schwarz, 2017).

In a systematic review on entrepreneurial self-efficacy, Newman et al. (2019) argued that family network tie is an antecedent of entrepreneurial self-efficacy and venture creation is an outcome of entrepreneurial self-efficacy. Kannadhasan et al. (2018) found that self-efficacy mediated social capital (i.e., the aggregate of perceived support or resources connected to family relations) and new venture creation. Although these studies evaluated one of the sub-factors of PsyCap, the other PsyCap constructs (hope, optimism, and resilience) may likely produce similar mediation results in this relationship because PsyCap constructs represent positive emotional states. Bockorny and Youssef-Morgan (2019) state that self-efficacy, optimism, resilience, and hope as sub-factors of PsyCap work collectively to create results of greater significance than each of the PsyCap sub-factors. Since these sub-factors tend to relate with each other, an improvement in one may lead to an improvement in the other (Baluku et al., 2018).

2. AIMS AND HYPOTHESES

This study aims to examine family support effects on start-up formation with PsyCap as a mediation factor. Based on the literature review, three (3) hypotheses have been developed as follows:

- H1: Family support has a significant positive effect on start-up formation.*
- H2: PsyCap has a significant influence on start-up formation.*
- H3: PsyCap mediates the significant positive effect of family support on start-up formation.*

3. METHOD

The study randomly selected 261 trainees from the youth skill acquisition and entrepreneurship program organized by the Delta State Ministry of Youth Development. The program supports, encourages, and promotes the formation of a new venture in a practical manner, and as one of the requirements for selection, the individual must have an active and clear commitment, as seen from the time, energy and resources expended, to initiate the venture creation process. The study utilized Madriz et al.'s (2018) 3 filter questions via a phone call to the trainees to ensure the trainees are nascent entrepreneurs. The respondents who agreed to the first, second, and third questions were considered nascent entrepreneurs. The study also considered those who agreed to the first and second questions but were undecided about the ownership of the prospective business as nascent entrepreneurs. This screening process lasted for about two (2) months, beginning from November 2020 to December 2020.

The main survey was conducted between June 18 and July 24, 2021, after obtaining the needed approval for this study from the Ministry. The questionnaire was administered on site (i.e., the training venue) and in person. Phone calls were made to those who could not be located to ensure a high response rate. Furthermore, explanations were offered to guide the respondents in answering the questionnaire. The completion time of the questionnaire was about 8–10 minutes. The valid re-

sponse rate was 100% with no missing values in the questionnaires. The valid responses used for data analysis were above 100, which is the recommended minimum sample size for structural equation modeling (SEM) (Anderson & Gerbing, 1988; Mahfud et al., 2020). The sample comprises 155 (59.4%) males and 106 (40.6%) females, and their ages ranged from 18 to 29 years. Out of the 261 respondents, 177 (67.8%) were single, 84 (32.2%) were married. Also, 21 (8%) had elementary education, 55 (21.1%) had secondary education, and 185 (70.9%) had tertiary education. The respondents' mean work experience was 2.4 years, indicating an appreciable amount of foundational and practical knowledge in their chosen entrepreneurial area.

The measurement items of start-up formation (3 question items) were adapted from Madriz et al. (2018). The measurement items for PsyCap (12 question items) were adapted from Lorenz et al. (2016). The measurement items for family support (7 question items) were adapted from Chang et al. (2009), Edelman et al. (2016), and García-Martín et al. (2016). The respondents were asked to appraise the perceived family support from its generality rather than a specific extended family member. All the measurement items in the questionnaire were rated on a five-point Likert scale comprising 1 (totally disagree) to 5 (totally agree). The questionnaire had a demographic data sheet and a cover letter stating the aims of the study and issues of confidentiality of responses. Prior to the full application of the questionnaire, the draft copy was reviewed by 3 academics from the Department of Business Administration, the University of Nigeria, with expertise in the field of entrepreneurship and small business management for comprehensiveness, clarity, relevance, and ease of understanding. The question items were modified in line with their comments. This confirmed face validity. Thereafter, the questionnaire was pre-tested on 25 respondents through random sampling in January 2021. This was performed to ascertain the quality of the questionnaire before the final sample. Though the study made use of validated scales of previous studies, the respondents had no issues or problems with the questions. The construct reliability was determined using the Cronbach's alpha test with the aid of the Statistical Package for Social Science (SPSS) 20.0. The scores

(family support $\alpha = 0.787$, PsyCap $\alpha = 0.813$ and start-up activities $\alpha = 0.852$) were > 0.70 , demonstrating acceptable internal consistency.

A preliminary analysis was conducted to determine the data set factorability using the Kaiser-Meyer-Olkin (KMO) test and Bartlett's test for sphericity (BTS). These tests were performed with SPSS 20.0. Following this, the 261 valid responses were analyzed using the Partial Least Square (PLS) modeling technique aided with the SmartPLS 3.2.7. This multivariate analytical technique was adopted because it allows for the estimation of the relationships among latent constructs, providing an overview of the diverse elements relating to the constructs under study. Further, this technique is suitable for mediation analysis. The two-step procedure for SEM by Anderson and Gerbing (1988) was followed. First, the measurement model or outer model was assessed to describe the latent variables and the observed variables link through confirmatory factor analysis (CFA). The measurement model was evaluated using 5 quality criteria: standardized factor loading (FL), average variance extracted (AVE), composite reliability (CR), discriminant validity (DV) – Fornell-Larcker criterion, and variance inflation factor (VIF). Second, the structural model or inner model was estimated to test the hypothetical relationship between the latent constructs simultaneously. This enabled the study to ascertain the direction and strength of association between these constructs. The structural model was assessed using the beta values, t -values, and size coefficients of determination values (R^2).

In testing the mediating effect, the two-stage method as indicated in Hair et al. (2013) was used. First, the direct effects of the hypothesized relationships between the criterion and predictor variables were established. Second, the mediating variable was introduced to evaluate the indirect effects of the hypothesized relationships between the criterion and predictor variables. The study used the bootstrap method to test the statistical significance of the mediation hypothesis using 5,000 subsamples.

4. RESULTS AND DISCUSSION

The KMO and BTS values were used to demonstrate the factorability of the data set. The KMO

values (family support = .782, PsyCap = .819, and start-up activities = .751) were above the recommended value of .60, and the BTS values were found to be significant at $p < 0.005$, indicating that the data set is appropriate for CFA. Accordingly, the study proceeded to the two-step procedure for structural equation modeling by testing the measurement model using five quality criteria determined in the study.

Table 1. FLs, CR, AVE, VIF, and DV

Latent Constructs	FLs	CR	AVE	VIF	DV		
					FS	PsyCap	SUF
Family support		.891	.693	1.231	.760		
FS_1	.797						
FS_2	.804						
FS_3	.793						
FS_4	.719						
FS_5	.747						
FS_6	.754						
FS_7	.760						
PsyCap		.886	.649	1.076	.103	.736	
PsyCap_1	.767						
PsyCap_2	.832						
PsyCap_3	.840						
PsyCap_4	.782						
PsyCap_5	.740						
PsyCap_6	.737						
PsyCap_7	.835						
PsyCap_8	.731						
PsyCap_9	.810						
PsyCap_10	.734						
PsyCap_11	.784						
PsyCap_12	.773						
Start-up formation		.870	.691		.121	.159	.831
SUF_1	.846						
SUF_2	.864						
SUF_3	.780						

As shown in Table 1, the FLs were greater than the cut-off value of 0.707, indicating a correlation of measurement items with corresponding latent constructs. The CR estimates were above the acceptable cut-off value of 0.70, demonstrating satisfactory construct reliability. All the AVE values were within the acceptable score range of > 0.50 , indicating good convergence of the latent constructs. Collectively, the results (FLs, CR, and AVE) established convergent validity. The VIF values were within the range of $1 < VIF \leq 5$, suggesting no concerns of multicollinearity (Belsley, 1991). Since there are no multicollinearity prob-

Table 2. Structural model estimates – main effects

H	Path	β	T-stat	P-values	Decision
1	Family support → Start-up formation	0.317	4.773	0.000	Supported
2	PsyCap → Start-up formation	0.202	3.458	0.000	Supported

Note: $R^2 = .437, p < 0.05$.

Table 3. Structural model estimates – mediating effect

H	Path	β	T-stat	P-values	Decision
1	Family support → Start-up formation	0.235	3.816	0.000	Not supported
2	PsyCap → Start-up formation	0.103	1.945	0.052	
3	Family support → Start-up formation	0.264	3.563	0.000	Supported

Note: $R^2 = .424, p < 0.05$.

lems in the hypothesized model, reliable statistical inferences can be made from the model estimates. The results from the correlation matrix show that each construct’s AVE (bolded, diagonal scores) was greater than the correlations between constructs (non-bolded, off-diagonal values), thus, establishing discriminant validity. Having validated the measurement model, the structural model was evaluated using the criteria identified in this study. The direct and the indirect effect estimates of the hypothesized paths are summarized in Tables 2 and 3 respectively.

Table 2 contains the estimates of the main effects of family support and PsyCap on start-up formation. The results revealed that family support has a significant positive effect on start-up formation ($\beta = 0.317, 4.773 < 1.96, p = 0.000$), thus, *H1* is supported. This finding is consistent with the earlier studies (Baluku et al., 2020; Cardella et al., 2020; Edelman et al., 2016; Kannadhasan et al., 2018) which discussed family roles in entrepreneurship. The presence of a supportive extended family is critical to the actual engagement of an entrepreneur in start-up activities. Extended family members may be selflessly involved in new venture creation owing to a strong feeling of reciprocity and obligation toward kin, which increases their willingness to help entrepreneurs prepare for the venturing challenge (Chang et al., 2009). The support may be profound in Nigeria due to weak or near absent formal support structures. *H2* stated that PsyCap has a significant positive effect on start-up formation. The estimates ($\beta = 0.202, 3.458 < 1.96, p = 0.000$) support this hypothesis. This shows that PsyCap is an antecedent factor necessary for leading a new business through the start-up process, as it will empower nascent en-

trepreneurs with the cognitive capacity to persist in their entrepreneurial role under uncertain and challenging conditions. Entrepreneurs may show less vulnerability to negative emotions and other cognitive constraints (e.g., self-doubt) because of the development of internal motivation matching the stressors, pressures, and demands of the start-up process. This result is salient because negative emotions tend to be high in an unsupportive and stressful environment, which is typical of the Nigerian entrepreneurial experience. The R^2 value shows that the model accounted for 43.7% of the variance of start-up activities, suggesting a moderate explanatory power. The remaining 56.3% of the variance is attributable to other factors not included in this study.

Table 3 shows the estimates to determine the significance of the mediation role in the structural model. *H3* stated that PsyCap mediated the significant positive effect of family support on start-up formation. The estimates did not provide support for this hypothesis. This finding is interesting because PsyCap has a positive effect on start-up formation, but it was not significant enough to transmit extended family support influences on start-up formation. The no mediation result contradicts the social cognitive theory, which states that PsyCap can function as a cognitive process to mediate the family support and start-up formation relationship. It also disagrees with Jahanshahi et al. (2020) and Schwarz (2017), who presented theoretical arguments of PsyCap mediation role. This result may be attributed to the fact that access to family support is highly variable due to the scarce resources of family members. The mismatch between family resources and start-up demands cannot make PsyCap create an optimal

mediation link. Hence, the support provided may affect PsyCap, but the positive emotions developed may gradually attenuate as demands of the start-up process become excessive and menacing. Yang and Danes (2015) state that an appraisal of available resources can affect the degree to which psychological resources build necessary protective mechanism against liabilities connected to the start-up process. This is to say that the adequacy of supportive resources is of salience to the psychological state of an entrepreneur during the start-up formation process. Arguably, the accumulation of other external sources of support may help entrepreneurs to achieve some level of psychological stability in a highly complex, volatile, and competitive environment. This calls for entrepreneurs to be dynamic and creative in harnessing other alternate sources of support in formal and informal settings to make the accessed family support more meaningful and effective.

In another vein, the no mediation can be linked to the distinct nature, function, or valence of PsyCap sub-factors (i.e., hope, self-efficacy, resilience, and

optimism), and the fact that they may be influenced by different situational and environmental factors (Baluku et al., 2016). Jin (2017) found that not all PsyCap constructs were closely related to start-up behavior. Since nascent entrepreneurs can achieve some benefits in each of these sub-factors, the mediation link can be strengthened by identifying and managing psychological weaknesses whilst leveraging on psychological strengths. This technique may help entrepreneurs to maintain stable psychological functioning based on the uncertain entrepreneurial context and resource availability (Xu et al., 2020). Finally, the result showed that the family support has a significant positive effect on start-up formation was not compromised by the mediation factor. At the same time, family support influences PsyCap. As such, whilst being the main source of capital input, it strengthens the PsyCap of entrepreneurs to successfully navigate the dynamic process of new business creation (Hamedi & Mehdiabadi, 2020). The R^2 value shows that the model accounted for 42.4% of the variance of start-up activities, suggesting a moderate explanatory power.

CONCLUSION

This study examined family support effect on start-up formation with PsyCap as a mediation factor in the Nigerian context. The family support was examined from the extended family perspective. The results demonstrated that family support and PsyCap are important antecedent factors for start-up formation as seen from their significant positive effects. Furthermore, the study showed that PsyCap did not mediate the significant positive effect of family support on start-up formation. With PsyCap as a mediation factor, family support had a significant positive effect on both PsyCap and start-up formation. Based on the results, it is recommended that for entrepreneurs to cope and adjust to the dynamics and challenges of the start-up process in Nigeria, they should exhibit a great deal of social competence to effectively interact with key actors in their extended family network. This will sustain a certain degree of resources for start-up formation in relation to support quality and quantity. Second, to persist in the start-up process, entrepreneurs should invest considerably in PsyCap resources to eliminate the consequences of negative emotions in the formation of a new business. Furthermore, since the respondent were participants in an entrepreneurship training program, such training should emphasize the benefits of having a positive outlook on entrepreneurial life. There should be a custom assessment and counseling session to enable beneficiaries to be knowledgeable of and improve their psychological state during start-up preparations. Third, since the creation of a new venture is a highly demanding and challenging activity, nascent entrepreneurs should try to secure other supportive mechanisms alongside family support to create adequate and stable levels of PsyCap resources. They should bear in mind that the resources accruable to families are becoming scarce and there may be other family members competing for the same scarce resources. Hence, the accumulation of different supportive mechanisms or components may be crucial for entrepreneurs to improve their psychological state or functionality as they navigate the dynamic and harsh entrepreneurial environments. Finally, the role of the family in entrepreneurship seems to be downplayed by the succeeding government in Nigeria, its supports for

start-ups are numerous and have far-reaching implications for entrepreneurship in Nigeria. As a strategic imperative, governments should focus on family-oriented policies and actions to assist and empower families in aspects of their social and economic life.

AUTHOR CONTRIBUTIONS

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