



WOLKITE UNIVESITY

COLLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF ECONOMICS

**DETRIMINANTS OF GRADUTE STUDENTS WILLINGNESS TOPARTICIPATE IN
THEIR OWN BUSINESS: IN CASE OF WOLKITE UNIVERSITY GRADUATE
STUDENTS**

**A RESEARCH SUBMITTED TO THE DEPARTMENT OF ECONOMICS, IN PARTIAL
FULFILLMENT OF THE DEGREE OF BACHELOR OF ARTS IN ECONOMICS**

PREPARED BY: ABEBE ALEMU

ID/NO, 022/08

Phone Number: 0916535440

ADVISOR: TEFAYE ETENSA (MSc.)

JUNE, 2018

WOLKITE, ETHIOPIA

Declaration

Abebe Alemu, declared that this work titled” **determinants of graduate students willingness to participate in their own business** is my own effort and study and that all source of materials used for the study have been acknowledged. I have produced it independently except for the guidance and suggestion of the research advisor.

Declared by: Name_____ Signature_____

Date_____

Confirmed by advisor: Name_____ Signature _____

Date: _____

Approval board of examiners:

Advisor name: _____ Signature_____

Examiner name: _____ Signature_____

ACKNOWLEDGMENT

First, I would like to thank the omnipotent GOD for his unreserved support throughout my work. In particular, I would like to express our deepest and warmest gratitude and appreciation to our advisor instructor Testate E (MCs) for his constructive comment, suggestion and advice that greatly enriched this paper.

Besides, to this, my deepest gratitude and thanks goes to my family to the big support until this and student Abdulfetah and the graduate students. For their cooperation and willingness to provide the necessary information and material for the study specially to have well-structured questionnaire

ABSTRACT

Although entrepreneur has become an important thing to support the decreasing of unemployment, it is not good. The aim of this study is to find the determinants of graduate student willingness to participate in their own business. The primary data for this study was gathered through structured questionnaires distributed to Wolkite University graduate students. Three stages random sampling method was employed to select the 169 respondents out of 2555 graduate students. The data collected were analyzed by descriptive statistics and econometric analysis. The study found that entrepreneurship education, attitudes, government support, and family business background, and are statistically significant and hence they are the determinants of graduate student willingness to participate in their own business. This study recommends that the concerned authority or the universities and higher institution should work more at changing the attitude of students on participating in their own business.

Keywords: *Graduate, Own business, logit, WKU, Ethiopia*

ACRONYMS AND ABBREVIATIONS

CSA.....	Central statistical agency
EDP.....	Entrepreneurship development program
EEM.....	Entrepreneurship event model
IMF.....	International monetary fund
LPM.....	Linear probability model
MODCO.....	Ministry of urban development and construction
SEE.....	Shapiro's entrepreneurial event model
TPB.....	Theory of planned behavior
WKU.....	Wolkite University

Table of Contents

Declaration	i
ACKNOWLEDGMENT.....	ii
<i>ABSTRACT</i>	iii
ACRONYMS AND ABBREVIATIONS	iv
LIST OF TABLE	viii
CHAPTER ONE	1
INTRODUCTION	1
1.1 Background of the study	1
1.2. Statement of the problem.....	3
1.3 Research Questions.....	6
1.4 Objectives of the study.....	6
1.4.1. General objective of the study	6
1.4.2. Specific objectives of the study	6
1.5. Significance of the study.....	6
1.6. Scope of the study	7
1.6. Limitation of the study.....	7
1.7 Organization of the study	7
2. THEORETHICAL AND EMPERICAL LITREATURE REVIEW.....	8

2.1. Theoretical literature	8
2.1.1. Shapiro’s Entrepreneurial Event Model (SEE).....	8
2.1.2. Theory of planned behavior	9
2.1.3. Other theoretical influences	9
2.2. Empirical literature	10
2.3. Hindering factors	15
2.4. The significance of entrepreneurship education	15
CHAPTER THREE	17
3. RESEARCH METHODOLOGY.....	17
3.1 DESCRIPTION OF THE STUDY AREA	17
3.2. Data type and source.....	17
3.3. Method of data collection	18
3.4. Sample size and Sampling Technique	18
3.6. Method of data analysis	18
3.7. Definitions of the Variables and expected signs of the variables	19
3.8. Model specification.....	21
3.8.1. Theoretical model	21
3.8.2. The Logit model.....	21
4.1 descriptive data analysis	24
4.1.1 Sex structure of respondents	24
4.1.3 Occupational background graduate’s family	24
4.1.4 Entrepreneurial intentions of graduates	25
4.1.5 Motivating factors towards entrepreneurship	25
4.1.6 Obstacles towards entrepreneurial activity	26

4.1.7 Distributions of total respondents by their risk taking behavior towards self-employment.....	26
4.1.8 Distributions of total respondents with attitude towards self-employment	27
4.1.9 Distributions of total respondents with entrepreneurship education is important for job creation.....	27
4.1.10 Distributions of total respondents with entrepreneurship course.....	28
4.1.13 Expected challenges of own business	29
4.2 Econometric analyses.....	30
CHAPTER FIVE	33
5. CONCLUSION AND RECOMMENDATION.....	33
5.1 CONCLUSION.....	33
5.2. RECOMMENDATION	35
REFERENCE.....	37

LIST OF TABLE

Table4. 0-1:Sex structure of respondents -----	24
Table4-0-2:occupational background graduate’s family -----	24
Table 4-0-3:Entrepreneurial intentions(interest) of graduates -----	25
Table4-0-4:motivating factors towards entrepreneurship -----	25
Table 4-0-5:obstacles towards entrepreneurial activity -----	26
Table4-0-6:risk behavior of respondents-----	26
Table 4-0-7:Attitude towards job creation of respondents -----	27
Table 4-0-8:The entrepreneurship education important for job creation of respondents.-----	27
Table 4-0-9:distribution of total respondents with entrepreneurship course-----	28
Table 4-0-10:distribution of total respondents with entrepreneurship training-----	28
Table 4-0-11:the expectation of government support of respondents -----	29
Table 4-0-12:expected challenges of own business -----	29
Table 4.2-0-1:table of logit regression result-----	30
Table 4.2-2:table of marginal effect -----	Error! Bookmark not defined.

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Now a day's professional or office job employment is no longer a fashion as people remains with less chance of getting salaried jobs. We have less chance of being employed in established Organization. Therefore, this forces many peoples to seek opportunities for self-employment. This has brought the problem solver characteristics among many people who behave entrepreneurially. So entrepreneurship has increasingly evolved to such an extent not only as a career choice but also a desirable employment option for most people these days (Linan, 2014)

Today political and academic interest in support of entrepreneurship as a career choice is on the rise probably because of the link between new venture creation and the economic development. As a result, there is more small business being created. This has been evidenced by the growing number of people specializing in the conduct of small business. Teixeira et al (2006) are quoted to show that the continued economic uncertainty, corporate, government downsizing, and declining number of corporate recruiters on the education system have been fostering the appeal of self-employment. But it is also being noted as common for tertiary education to prepare students not only as a job seeker but mostly as job creators by becoming self-employed (Golden et al, 2017).

Agbim, oriarewo, and Owocheo (2015) studied factors affecting the entrepreneurial intentions of Nigerian university graduating students from entrepreneurship programs are more inclined to start their own business. So Ethiopia has taken many steps to strengthen its entrepreneurial sectors, including the notable entrepreneurship development program (EDP).

The Ministry of urban development and construction (MUDCO) and the united nation development program (UNDP) create this program to stimulate the economy by tapping into a creativity and drive of existing and aspiring Ethiopian entrepreneurs. The EDP was designed to fast track the country's economic growth, create, jobs and wealth, and alleviate poverty. The

EDP provides training and comprehensive business advisory services to micro and small-scale enterprises. (Santos,2012)

The group for entrepreneurship education (2015) found the majority of new jobs in Ethiopia were created by small-scale businesses, which in turn started by entrepreneurially minded individuals. Entrepreneurship creates new jobs and it stimulates innovation in existing companies (haftendorn and salzano, 2016).

According to a recent study by smith and Beasley (2011), the entrepreneurial constraints faced by graduating students are both internal (e.g. lack of family entrepreneurial experience, lack of finance, lack of field specific “mentors”) and external (poor advisory assistance from institution and slow growth of the economy) with so many barriers to entering the entrepreneurial sector an analysis of student’s entrepreneurial intents become complex.

The importance of economic stimulation, however, demands comprehensive understanding by educators and policymakers. Hence, there is a need for research that evaluates student’s perception of entrepreneurial opportunities and the factors affecting their decisions to engage entrepreneurially. (Negash,2013)

As dynamics process of vision, change and creation (kuratko, 2016), entrepreneurship is required to be taught for the transfer of necessary skills and knowledge from an expert to someone else. Although entrepreneurship is a concept that involves mental activities like creativity, innovativeness and pro-activeness Souitaris, Zerbinati and Al-lahan (2015) revealed that entrepreneurial education could raise attitudes and behavior capable of provoking entrepreneurial intentions among youth who have interest in the economic development of their nation. This makes universities socially impactful and popular in the diffusion of the entrepreneurial spirit within the university campuses (Fayolle,2014). Such education programs are designed to prepare students for engaging in a self-directed economic future such as seeking opportunities, taking risks and having the tenacity to push an idea through to reality (Adenipekun,2004).

With this in mind, the following study will investigate the entrepreneurial intentions of graduating students including their determinants and challenges, as well as policy implications. The primary focus of this paper is entrepreneurial education for graduating students. This study

will stress the importance of public and government policies that create an encouraging and enabling environment for startup business initiatives and risk taking.

1.2. Statement of the problem

Entrepreneur would be the most important tools for the growth of the country because the economic cannot show improvement without the involvement of creative individual who create business rather than seeking job from the government. The role of university will significant in this case.

University student's attitude toward entrepreneurship would be in order to achieve the development strategy of any country because nowadays unemployment issues was highly related with graduate students from different private and government universities (Byabashaija and Isabalija, 2010.)

According to Rails, Rehman, Male Kifar, and Jabeen (2015), entrepreneurial activity promotes economic development throughout the world. So we will to identify what factors determine entrepreneurial willingness. The entrepreneurial willingness of graduates is determined by sex, attitude of graduates, risk taking behavior of graduates, family background, family income, entrepreneurial education, entrepreneurial training and expectation of government support.

Since Osterbeek, et al (2010) in their journal titled "the impact of entrepreneurship education on entrepreneurship skill and motivation" proved that the entrepreneurship education, which is given by the education institution, does not have impact to student's skill, motivation and intention to become an entrepreneur. Whereas Kumar, et al (2013) in his paper titled "students willingness to become an entrepreneurial" shows that entrepreneurship education influences the willingness of non-business student to become an entrepreneur. So the researcher, now, will interests to be a compromising idea with regard to entrepreneurship education.

Moreover, Kumar, Agota and Valerie (2013) show that students individual desire, education and family background influences student's willingness to become an entrepreneur. So the researcher is will be interests in analyzing the role of entrepreneurship education and family background on entrepreneurship willingness of graduate students.

Again Simone (2012) shows that men show greater interest in having own business than women, but Marvin and Flora (2014) said that gender and family background have no influence on student's attitude towards entrepreneurship. So the researcher wants to analyze the impacts of gender (now sex) on entrepreneurship willingness of graduate students. Marvin and Flora also say (2014) training on entrepreneurship has influenced their perception towards entrepreneurship. The student's attitude is an important element in determining entrepreneurial intentions. So the researcher wants to study entrepreneurship training and attitudes as a main determinant of entrepreneur willingness of graduate students:

Yustkoru, Acer and Tera in their paper titled as "willingness to take risk and entrepreneurial intention of university students: (2014) showed that being a risk lover has positive, moderate effect on entrepreneurial intentions. Therefore, the researcher will take risk as a determinant of entrepreneurial willingness of graduate student.

Plus, to these, Olufunso (2010) says that the obstacles to graduate entrepreneurial intention includes lack of access to capital, lack of competency, government support, risk and the macro-economy. The researcher from this analyzes that expectation of government support as a main determinant of entrepreneurial willingness of graduate students.

In order to strengthen economic conditions and combat poverty underemployment, Ethiopia needs to increase entrepreneurial activity. According to CSA facts population of Ethiopia was over 97 million in 2014. The government of Ethiopia recognizes the potential of entrepreneurs to support job growth and eradicate poverty. Entrepreneurship is the major driving engine of many nation's economic growth, innovation and competitiveness (Scarborough and Simmerer, 2003; Kuratko and Hodgetts, 2004).

Data gathered by central statistical agency of Ethiopia revealed a paradox that recent university graduates face higher unemployment than peers who have little or no formal education (CSA, 2011). In light of this trend an educated populace and few formal sector job opportunities, Ethiopia would seem to have a significance pool of potential entrepreneurs. This study will examine the entrepreneurial intentions of graduating students at, WOLKITE University. By

examining the entrepreneurial intent of Ethiopia's educated young people, the researcher can give recommendations for policies that may increase entrepreneurial activity, and therefore strengthen the Ethiopian economy. Without an understanding of the drivers and hindering factors associated entrepreneurial intent among young graduates, Ethiopia may be neglecting a large pool of potential industrious individuals. Entrepreneurial activity will not only provide jobs for those who enter in to business, but more business may provide more formal sector opportunities for graduating students in the future. A nation like Ethiopia, with a high rate of unemployment (around 25% nationally in 2012 according to IMF), must take use of available talent, energy, and brain power.

Prior to this research paper, only two other studies have been conducted on the entrepreneurial willingness of graduating students. Negsh and Amentie (2015) conducted the study at Jimma University in (2015) and Alkadhem Zerihun at Addis Ababa University in 2015. While Negash and Amentie mentioned subjective norms, perceived self-efficiency, university environment, and perceived educational support as a significant determinant for entrepreneurial intention of graduates. Zerihun also mentioned internal factors (gender, level education, family, family and background) and external factors (pressure from family, friends, and role models). In addition to the above mentioned factors, entrepreneurial training, family income, expectation of government support, and are incorporated in this paper as significant factors, which affect the entrepreneurial intention of graduates

To the best knowledge of the researcher, the scarcity of employment opportunities in the formal market is the source of the high unemployment rate among graduates. The university students possess a high potential in terms of starting their own businesses ventures due to their levels of education. Moreover, none of the above study used econometric model to analysis the determinants of graduate student's willingness to participate in their own business.

1.3 Research Questions

- ✎ What are the major factors that affect graduate's intention to be an entrepreneur?
- ✎ What are the student's perceptions and their risk taking behavior towards entrepreneurship?
- ✎ What do you think the student's future intention for entrepreneurship?

1.4 Objectives of the study

1.4.1. General objective of the study

The general objective of the study is to analyze determinants of graduate student's willingness to participate in their own business by taking students of Wolkite University as a case study.

1.4.2. Specific objectives of the study

The specific objectives of the study are:

- ✎ To examine the major factors that affect graduate's intention to be an entrepreneur.
- ✎ To identify student's perceptions and their risk taking behavior towards entrepreneurship to graduates willingness to participate in their own business
- ✎ To analyze the student's future intention for entrepreneurship

1.5. Significance of the study

The findings of this study was been used as a building stone for other relative researches by providing sufficient information about higher institution graduate student's willingness to participate in their own business. It enables Ethiopian authorities to have a better understanding about what motivates young people on entrepreneurial activities. Those authorities can hopeful implement educational and public policies that will enfranchise young entrepreneurs, and hence stimulate the Ethiopian economy.

Problem statement central to this study is expectation that poor attitudes towards entrepreneurship among graduates were been continues to contribute towards high levels of unemployment.

By having a good understanding of factors affecting entrepreneurial intention among students, the government and universities will be able to create and execute policies and curriculum based

on motivating and hindering factors. Entrepreneurs do not only help themselves but also create opportunities for others.

1.6. Scope of the study

This paper was limited both temporally and spatially to make more understandable and clear. The study was being conducted in Wolite University in 2017/2018. They considered only this year regular graduating students. It excludes previous year graduated students. It also excludes summer, extension, distance and evening students this due to cost and time.

1.6. Limitation of the study

Like other researchers, this paper has its own limitations. Some of the limitations are; Insufficient source of materials like related research paper, Lack of computer access in the campus and the sample of the study is selected from graduates of WU. This has limits to the generalizations of the findings of the study for all university students in Ethiopia. The study focused on only eight variables. There might be other variables that can determine entrepreneurial intention of university graduates. Finally, as the study is cross sectional and only addresses the opinion of students before graduation, there could be changes in said opinions once the respondents actually leave school and enter the job market.

1.7 Organization of the study

This paper is organized into five chapters. The first chapter is the introduction part which contains the background of the study, statement of the problem, objectives of the study, scope and limitation of the study. The second chapter is all about review of related literature which presents topics related to our study advanced by various writers. The third chapter deals with the methodology of the study including data collection method, sampling method, method of data analysis, hypothesis and model specification. The fourth chapter deals with the results and discussion based on descriptive and econometric analysis. The last chapter of the paper would be the conclusion of the study and recommendation based on the findings of the study.

CHAPTER TWO

2. THEORETICAL AND EMPIRICAL LITERATURE REVIEW

2.1. Theoretical literature

The word entrepreneurship originates from the French word “Entreprendre” meaning to begin, or undertake (Parker, 2017). Entrepreneurs are also known as self-employed people, which is the working definition of this paper. To this day, scholars have no consensus on the words exact definition. But the most generally acceptable definition of entrepreneurship, as defined by Histrich and Peters (2002), is the process of creating something new with value by devoting the necessary time and effort assuming the accompanying finance, psychic and social risk and reserving the resulting rewards of monetary and personal satisfaction and independence.

Theoretical frame works for analyzing entrepreneurial intent

An individual’s sense of the feasibility of initiating a new venture or business is referred to as entrepreneurial intention (bitumen, 2000). A number of models attempt to explain the relationship between an individual’s personal characteristics and his or her entrepreneurial intentions. The most noted examples are the entrepreneurial event model (Shapiro, 1982), the theory of planned behavior (Janzen, 1991), entrepreneurial attitude orientation (Robinson et al, 1991). Intentional model (Bird, 1988), and Davidson model (Davidson, 1995).

2.1.1. Shapiro’s Entrepreneurial Event Model (SEE)

Shapiro’s entrepreneurial event model proposes that entrepreneurial intention to start a new venture depends on three elements;

The perception of desirability

The propensity to act, and

The perception of feasibility (Shapiro, 1982)

Feasibility aligns with motivating and hindering factors, as well as the attitude students have toward Ethiopia’s entrepreneurial climate, and desirability aligns with social norms that value

entrepreneurship. TPB, supported by SEE provides a comprehensive theoretical perspective for analysis entrepreneurial intent.

SEE is increasingly used to measure antecedents of entrepreneurial intention. In short, this model frames that life changes lead to changes in entrepreneurial intention called “displacing events”, shaper identified that a person’s desire to in entrepreneurship is triggered by an event (E.g., being fired) which transforms their intention to actual behavior.

2.1.2. Theory of planned behavior

Another well-known model is based on Ajzen’s (1991) theory of planned behavior (TPB).

Any behavior requires a certain amount of planning (Autio, Keeley, Klofsdedt, and Ulfstedt, 2001). Such action can be predicted by the intention to adopt that behavior. These intentions are explained by:

The subject’s attitude towards the behavior

Subjective norms and

The subject’s perceptions of behavioral control

The subject’s attitude towards the behavior is defined as an individual’s perception of the advantages and disadvantages of participating in particular behavior, are analyzed through the questions of how an individual perceives the entrepreneurial environment of Ethiopia, whether he/she finds entrepreneurial activity to be as valid and compelling a career path as traditional employment.

Subjective norms are analyzed through questions about cultural views on engaging in risky business pursuits, particularly through the lens of gender.

The subject’s perception of behavioral control, defined as an individual’s perception of the ease and difficulty of act, is analyzed through questions about student’s personal opinions on reasons to enter in to entrepreneurial activity and, on the other hand reasons they must be deterred.

2.1.3. Other theoretical influences

Robinson et al. (1991) described the attitude of the entrepreneurs with more than demographic and personal characteristics. These authors generated entrepreneurial attitude orientation scale that explains the attitude prediction through four different categories (self-esteem, achievement, personal control, and innovation) and three types of reactions (affective, cognitive, or co native).

Bird (1988) developed another model of interpreting entrepreneurial intent: Bird considered entrepreneurial intention as based on a combination of personal contextual factors. Davidson's (1995) model test an economic-psychological pull of factors that influence an individual's intention to go into business.

According to this model, entrepreneurial intention is influenced by conviction defined by general attitudes (change, compete, money, achievement and autonomy) and domain attitudes (payoff, societal contribution and know how). This study, therefore, is based on identifying factors that are important in the development of entrepreneurial intent. While these theories make valid points, they focus more heavily on distinct inter-personal qualities. Less focus is given to outside, macro-level influences such as education and economic climate. So in this paper we are going to examine both the inter personal qualities like sex, attitude, risk and the outside or macro level influences such as expectation of government support, entrepreneurship education etc.

2.2. Empirical literature

Motivating factors influence entrepreneurial intent

As the different researchers point it out, numerous motivational variables influence the objectives and intention of graduating students. Factors of special notes include risk-taking ability, tolerance for ambiguity, and locus of control (Quant, 2012).

Various studies recognize the positive relationship between role models and entrepreneurship. Young individuals who are inspired by entrepreneurial role models develop greater entrepreneurial intentions (Deakins and Glancey, 2005; Van, Auken, Stephens, Fry and SILva, 2006). Smith and Beasley (2011) also determined a list of factor that enables entrepreneurial intent, including financial gain, content of graduate study program, and presence of business partners, and comfort with risk taking and wealth of creative ideas.

Entrepreneurial intentions are often prejudiced because of three common variables (Krueger et al., 2000). First, entrepreneurial intention is activated by a person's attitude towards entrepreneurial setup. Holden Jameson and Walmsley (2007) stated that the attitude of related actor in groups (i.e. family, colleges, friends and customers) influence the entrepreneurial intentions of young graduate. Another factor is self-effectiveness, self-efficiency. Self-efficiency significantly affects entrepreneurial behavior and amplifies entrepreneurial intentions among young individuals (Matlay, 2005). Souitaris, Zerbinati and Al-laham (2007) conducted research

on students who were enrolled entrepreneurial program, and found that numerous students experienced positive shifts in attitude towards entrepreneurial activity. Such movement revelations are referred to Bandura (1985) as self-efficacy. These revelations directly influenced students to think more favorable on entrepreneurship, and hence engage in entrepreneurial activity.

While education is an opportunity in itself, study programs must support graduating students. According to Krueger et al. (2000), independency is a strong motivational factor in the development of entrepreneurial intentions. Universities can instill independence in their students, and thus encourage entrepreneurial spirit.

Entrepreneurial increases the knowledge of the benefits of entrepreneurship and helps students understand how to implement entrepreneurial endeavors (Galloway and Brown, 2005). Overall, entrepreneurial intent increases in students who participate in such programs (Linen, 2004). When examined through the lens of TPB, entrepreneurial education performs as predictive factors for further entrepreneurial behavior. This is an example of how TPB's associates attitudes with behavior (Ajzen, 1991). When analyzed in the different cultural context, supportive university environments always influence the entrepreneurial self-insurance of graduating students (Auto et al. 1997).

The African continent is characterized by serious social issues, which can become opportunities for business creation, combined with a lack of resources and poor governance, which are likely to present particular challenges for social entrepreneurs and enterprises. Whilst these issues can be found in both developed and developing country contexts, recent research suggests important differences in the prominence of particular social and environmental issues within the public spheres of the Global North and South (Barkemeyer, Figge, & Holt, 2013). The prevalence of social and environmental issues in sub-Saharan Africa therefore resonates with Santos's (2012) description of the conditions in which social entrepreneurship can be expected to emerge, and reinforces the need to examine the unique attributes of the African Context Whilst poverty is a world-wide phenomenon, it is particularly prevalent in sub-Saharan Africa, as explained above.

A prevalence of visible poverty, stemming from a combination of high absolute levels of poverty and high inequality, is likely to impact both the venture's self-perception as a social enterprise as well as its actual activities. As the literature suggests, social entrepreneurship emerges when needs are not fulfilled by the government or the private sector, and when fulfilling these needs can lead to strong positive externalities (Santos, 2012). Both dimensions characterize environments of acute poverty, while the eradication of poverty has very important positive externalities for the rest of the economy (World Bank, 2000).

Therefore, we can expect higher levels of poverty to lead to more developed social missions on the ground. These social missions are likely to incorporate a more specific targeting of the poor and, more generally, of marginalized communities, in the venture's business model (Seelos&Mair, 2005), as both their needs and the environments in which they live are significantly different from those of more mainstream customers (Rivera-Santos et al., 2012; Subrahmanyam& Gomez-Arias, 2008).

Social missions in such an environment are also likely to engage the poor in a more inclusive manner, due to the difficulty of fully understanding their needs from the outside (Pless, 2012; Simanis& Hart, 2008). Beyond the social mission on the ground, an environment characterized by high levels of poverty should also impact the venture's self-perception as a social enterprise, as it is likely to increase the enterprise's members' perception that they are solving social problems with the venture. In particular, high levels of visible poverty are likely to increase the probability of compassion being transformed into social entrepreneurial ventures (Miller et al., 2012), resulting in a stronger perception of the importance of the social mission by members of the venture.

Overall, we can therefore expect that high levels of poverty will lead to a stronger self-perception as a social enterprise and to a choice of activities that emphasizes the venture's social mission. Like poverty, informality is a world-wide phenomenon (Godfrey, 2011; ILO, 2012), but it is also particularly prevalent in sub-Saharan Africa due to typically weaker or less efficient formal governments, as mentioned previously. Although informality is an important dimension of the sub-Saharan African environment, its impact on social entrepreneurship is not

straightforward. Both formal and informal businesses can emphasize social missions as much as they can emphasize purely for-profit missions. A local money lender, for instance, may be embedded in the informal economy and target the poor in its business model, but still maximize its profits (Collins, Morduch, Rutherford, & Ruthven, 2017), while a micro-finance institution has its roots in the formal economy and typically emphasizes a social mission alongside profitability (Akula, 2008). Similarly, the implications of the prevalence of informality in a venture's environment are not so easy to assess given the link between informality and poverty, well established by development economists at the macro and micro levels (De Soto, 2000; Gulyani&Talukdar, 2010; Günther&Launov, 2012).

Overall, based on current insights, it thus seems difficult to conceptualize the direction of the relationship between the prevalence of informality in sub-Saharan African countries and social entrepreneurship. In contrast, we can expect a country's colonial history to influence social entrepreneurship in sub-Saharan Africa, as much as it influences other aspects of the economy. Whilst corresponding to a 16 relatively short time in African countries' history, the impact of the ex-colonizing power is often still felt across range of dimensions including current levels of economic development (Acemoglu et al. 2000),

Institutions (Herbst2000) and cultural patterns (Nunn & Wantchekon,2011; Rodney, 1981; Whatley &Gillezeau, 2011). As indicated in the previous section, scholars have emphasized, among others, that African countries formerly colonized by the British tend to be more prosperous and have more developed formal institutions than African countries formerly colonized by the French, the Belgians, the Germans, the Portuguese or the Spaniards (Acemoglu et al., 2000), suggesting a stronger overall emphasis on, and trust in, economic institutions. This different emphasis seems likely to have implications for social entrepreneurship, and, in particular, for how social entrepreneurship is perceived. A stronger emphasis on, and trust in, economic institutions may lead entrepreneurs to view their activities more often as for-profit.

Than as social, reflecting a broader belief in the role of business to solve problems and a more positive experience with economic institutions.

Whilst the belief in for-profit business is likely to be higher in countries colonized by the British (Acemoglu et al., 2000) and should therefore impact a venture's self-perception as a social

enterprise, there is no reason to believe that it should impact the actual activities of the social venture, as these will relate to the needs of the people targeted by the venture, as we discussed above, rather than by the belief in for-profit business. We should note that this reasoning applies to the impact of British colonization in Africa, and it does not suggest a similar relationship for other former British colonies, such as the United States, India or New Zealand, since it is based on studies of the impact of colonization on economic development in Africa. Overall, we can thus expect an African country's colonial history to influence the venture's self-perception as a social enterprise, but not its actual activities, suggesting a disconnection between self-perception and social mission in this situation.

Finally, the sub-Saharan African environment is also characterized by a relatively stronger influence of ethnic groups than other parts of the world (Herbst, 2000; Michalopoulos, This issue). Ethnic group identity adds a parallel institutional framework to national institutions, which may be recognized by, or, more often, is at odds with, the state (Posner, 2005). Strong ethnic identities in sub-Saharan Africa are likely to influence social entrepreneurship, as they influence other parts of the economy. In particular, the typically sub-Saharan African Ubuntu approach, grounded in a view of the world in which human interdependence and reciprocity are emphasized over individualism (Mangaliso, 2001; West, 2014) may have an impact on social ventures in regions of Africa in which the ethnic or tribal identities are strong. In terms of self-perception, we can expect social ventures in these regions to associate with a more social than a for-profit-oriented approach, reflecting the less individualistic approach of traditional sub-Saharan Africa's worldviews. In terms of social mission, we can also expect social ventures to choose activities that emphasize the inclusion of communities in decision-making, as this is more aligned with the traditional Ubuntu and group-based approach to decision making than with top-down decision structures (Mangaliso, 2001). It is important to note that, whilst ethnic institutions are typically informal (Herbst,2000; Rivera-Santos et al., 2012), informality exists both inside and outside of ethnic groups (De Soto,2000; Godfrey, 2011), explaining why we expect a specific impact of ethnic group identity on social entrepreneurship, different from informality. Overall, this reasoning suggests that we can expect four contextual dimensions to have an influence on both the self-perception as a social enterprise and the venture's choice of activities, and thereby provide specifically African insights into our understanding of social entrepreneurship.

2.3. Hindering factors

According to a recent study by Smith and Beasley (2011), the entrepreneurial constraints faced by graduating students are both internal and external: poor advisory assistance from institutions, lack of familiar entrepreneurial experience, lack of finance, lack of field-specific mentors, and slow growth of the economy. Rae and Weodier (2006) identified another series of internal and external limiting factors: lack of awareness, lack of confidence, limited understanding of business planning and setup, insufficient guidance about entrepreneurial careers, family discouragement and financial uncertainty. The following discussion will further analyze some of these constraining or hindering factors.

All researchers agree that the university plays an important role in initiating entrepreneurial spirit among students (Wang and Wong, 2004). Universities that provide support for students to engage in entrepreneurial activities, and stress the value ideas in their programming, will turn out more entrepreneurial students.

The educational support that universities provide via professional education is an important element of entrepreneurial assessment. To strengthen this argument, Wang and Wong (2004) found that ineffective or improper preparation at the university level significantly hinders the entrepreneurial intent of graduating students.

In addition, Ahmad, Nawaz, Shaukat, Rehman, Usman and Ahmad (2010) also emphasized that the educational system plays a crucial role in shaping and identifying entrepreneurial intention in graduating students. Studies by Greene and Saridakis (2006) and Galloway and Brown (2002) found that entrepreneurial education is a vital factor for enhancing innovative skills in graduating students. At the same time, the lack of education becomes a serious hindrance. This confirms Wang and Wong's supposition: effective educational support and entrepreneurial education at the university level are crucial to the development of higher-level entrepreneurial intent among graduating students.

According to Hunjra, Ahmad, Ur-Rehman and Safwan (2011) the lack of available formal sector financing is a significant limiting factor in the endeavor of young entrepreneurs, furthermore, Demircuc-Kunt, Beck, Makisimovic and Leaven (2006) state that use of supplier's credit and difficulty in accessing bank loans is a motivating factor. In some countries, access to these resources is virtually non-existent for young entrepreneurs.

2.4. The significance of entrepreneurship education

Many researchers rigorously reveal that the advantage of entrepreneurship education to faster economic growth of the nation. For instance, Muller and Valery (2006), portray the importance of entrepreneurship education in influencing student's decision to become and choosing a future entrepreneurship career. Students participated in entrepreneurship education have shown more inclinations towards starting their own business because entrepreneurship education develop a vision among students to start their own business with innovation (Wilson, 2007).

Many researchers suggest that universities, (colleges, schools) and other institutions of higher learning have been given the mandate to play a leading role inculcating students with entrepreneurial knowledge and skill that will be useful in their future career endeavors (Nurmi and Paasio, 2007). Despite the exponential growing interest in the area of entrepreneurship education, very little research has been specifically investigated the relationship between entrepreneurship education and entrepreneurial inclination in Ethiopian university student.

CHAPTER THREE

3. RESEARCH METHODOLOGY

3.1 DESCRIPTION OF THE STUDY AREA

Wolikite University (WKU) is one the third generation higher institutions that have been founded in 2012. It is established for the purposes of providing and promoting higher education learning, research, and outreach program in the country to ensure the realization of the national vision of reaching the level of middle income country by 2020. The university is located in the Southern, national, nationality regional states in Gurage zone, 158km southwest of the capital city, Addis Ababa, on the way jima. In November 2009 the late prime minister Melese Zenawi, laid the foundation stone of the university in a plain landscape which is quite ideal for academic pursuit. It is situated in Guburiye sub-city, 14km away from the Wolikite town, of the Gubreyebutajira road. The major link road to university is the direct route to Wolikite-Jimma, Wolikite – Hossana and Wolkite-Butajira.

Now Wolkite University has three branches. These are main campus, Wolikite branch and Butajira branch. In these main campus they have eight colleges and 46 departments. It offers undergraduate and graduate courses ranging from Medicine and Health Science, Natural and computational Science, Technology, Agricultural and Natural resource, school of Law, Business and economics, the college of social sciences and Humanities, and college computing and informatics. Therefore, there are graduate students in main campus and stratified sampling helps as to have sample from each department. The study will try to access, graduate students' willingness to be an entrepreneur and what determines their willingness such as sex, attitude, risk taking behavior, family income, family business background, entrepreneurship education, entrepreneurship training and expectation of government support.

3.2. Data type and source

For effective accomplishment of the study, the researcher was being use primary and secondary data type. The study employed primary source and secondary source of data.

3.3. Method of data collection

The data was collected through distributed structural questionnaire.

3.4. Sample size and Sampling Technique

The study was used three stage sampling design. At first stage, the four colleges were selected randomly. At the second stage, from each college one department was been selected randomly. Finally, 196 respondents were selected from four departments by using Simple random sampling techniques to avoid sample selection bias.

Since the total number of regular undergraduate graduating students in Wolkite University in the year 2017 /2018 is 2553, and then the researcher used the Yamane formula in (1967). The sizes of the sample will be:

$$n = \frac{N}{1 + N(e)^2}$$

Where e=level of precision

N= Total Number of population

n=Number of sample size

e=10%

N=2553

$$n = \frac{2553}{1 + 2553(0.1)^2} = 169$$

3.6. Method of data analysis

Both descriptive and econometric method of analysis is employed to study the effect of different variables. By applying descriptive statistics such as tables, frequency and percentages the researcher can compare and contrast different categories of sample units with respect to desired characteristics. Under econometric analysis since the study mainly deals with categorical variables, therefore the researcher is forced to use linear probability model (LPM), Probit

(normit) or logit model to estimate these categorical variables. As linear probability model is plagued by different problems, probit and logit are preferred to be the best models of estimating categorical variables. Moreover, Logit and Probit models are essentially the same. Thus, the study employed logit model.

3.7. Definitions of the Variables and expected signs of the variables

SEX (_SEX): Simone (2012) shows that men show greater interest in having their own business than women so in this paper male are expected to have strong motive to be entrepreneur than females.

ATTITUDE (ATT): Marvin and Flora (2014) say that student attitude is an important element in determining entrepreneurship intentions. A positive mind set towards entrepreneurship will favor new Venture while a negative attitude will discourage their intentions. So those students who have positive attitude toward self-employment are motivated to start their own business than these who have negative attitude.

FAMILY BUSINESS BACKGROUND (FBB): Krueger (1993) suggest that students with self-employed father's gain exposure to high knowledge of entrepreneurship from an early age. So those students who come from a family business background is expected to have better initiation to be self-employed than government employed. This is because the business experience or entrepreneurial skills that have gained from their family enable to create for .

OCCUPATION (OCC): yurtkoru, Acar and tera (2014) suggest that being a have occupation moderate effect on entrepreneurial intentions. So graduates who have occupation have more probability to start their-own business than those who have not occupation.

ENTREPRENEURSHIP EDUCATION (EE): Amisa and Vasilika (2013), show that the entrepreneurial curriculum and content along with gender, work experience and mother's occupation are statistically significant. So those graduates who have taken entrepreneurial education will have more entrepreneurial intention than those who have not taken entrepreneurial education.

ENTREPRENEURSHIP TRAINING (ET): Marvin and flora (2014) suggests attending entrepreneurial training of course has favored student's intention to become an entrepreneur. Therefore, we expect that the students who have participated in the training program supposed to be intentional to enter in their own business following graduation.

FAMILY INCOME (FI): Those students whose families have higher monthly income are expected to encourage students to be an entrepreneur. Therefore, family income has positive contribution to entrepreneurship willingness of graduates.

EXPECTATION GOVERNMENT SUPPORT (EGS): Olufunso (2010) suggest that obstacles to graduate entrepreneurial intention of graduates include lack of access to capital, lack of competency, government support, risk and the macro economy. Therefore, if graduates expect that the government will support then they will have intention to be entrepreneur.

Variables	Short form	Expected sign	Description
Entrepreneurial willingness of graduates	Ewg	Dependent	1=if a graduates are willing 0=if not
SEX	Sex	+	1=if a graduate is male 0=if a graduate is female
Attitude	At	+	1=if a graduate has positive attitude 0=if a graduate has negative attitude
Risk	R	-	1=if the student is risk taker 0=otherwise
entrepreneurship education	Ee	+	1=if a graduate has taken the course 0=if she/he has taken not
entrepreneurship training	Et	+	1=if a graduate has taken the course 0=if a graduate has not taken the course
Family business background	Fb	+	1= if a family has family background 0=if has not

Family income	Fi		
Expectation of government support	Eg	+ -	1=if a graduate expect government support 0=if not

3.8. Model specification

3.8.1. Theoretical model

3.8.2. The Logit model

Even though there are many binary regression models in econometrics, in which the dependent variable is categorical taking a 0 or 1 value, here logit model is more preferable than linear probability model (LPM) when the response takes one of any two possible values representing success and failure. This is because LPM is plagued with many problems. Such as:

Non-normality of the disturbances

Heteroscedastic variance of the disturbance term

Non-fulfillment of $0 < E(y/x) < 1$ (possibility of laying out side 0-1 range)

Questionable value of R^2 as a measure of goodness of fit. So LPM is not logically a very attractive model because it assumes that even if $\pi_i = E(y=1/x)$ increases linearly with x, that is the marginal or incremental effect of x remain constant throughout. This seems sometimes very unrealistic. Therefore, there is a need of probability (logit) that has two features.

As x increases $\pi_i = E(y=1/x)$ increases but never steps outside the 0-1 interval

The relationship between π_i and x_i is non-linear, that approaches one at slower and slower rates, as X gets very large. As a result, logit model is the appropriate one. To estimate the determinant of entrepreneurial intention of graduates the researcher uses the logit model, because the dependent variable assumes only two values which shows the occurrence and non-occurrence of an events. In this setting, the dependent variable is dichotomous and assumes 1 if graduates are willing to participate in their own business and 0 if not. The binary choice model, which is used to determine the determinants of graduate’s entrepreneurial intention, can be given as the following form.

$$Y^* = BX_i \dots \dots \dots 1$$

Where the response variable (Y^*) is a vector of explanatory variable, is a vector of parameter to be estimated. 1 if graduates are willing of be an entrepreneur and 0 if not willing. Therefore, the probability that a graduate's willingness to be an entrepreneur is given by:

$$P(Y=1/X) = P(Y^* > 0) = P(BX + E > 0) = F(BXi) \dots \dots \dots 2$$

Where $F(KiB)$ is the cumulative distribution function,

This is structural model for estimating the probability and it can be estimated either using the probit or logit model, depending on the assumption on distribution of the error term (Green, 2003).

The model of this study used to identify factors that affect the probability of graduate's willingness to be an entrepreneur.

$$P_i = \frac{e^{Z_i}}{1 + e^{Z_i}} \dots \dots \dots (3)$$

Where Z is a linear function of n -explanatory variables(x) and can be stated as:

$$Z_i = \beta_0 + \beta_1 x_{1i} + \beta_2 x_{2i} + \beta_3 x_{3i} + \beta_4 x_{4i} + \dots \dots \dots + \beta_k x_{ni}$$

If p_i is the probability of graduate's willingness to be an entrepreneur, then the probability of not willing to be an entrepreneur is;

$$1 - p_i = \frac{1}{1 + e^{Z_i}} \dots \dots \dots (4)$$

So the expression $P_i / 1 - P_i$ is the odd ratio given as;

$$\frac{P_i}{1 - p_i} = \frac{e^{Z_i}}{1 + e^{-Z_i}} = e^{Z_i} \dots \dots \dots (5)$$

Where $p / 1 - p$ is the odd ratio or the ratio of the probability of that a graduates willing to be an entrepreneur to the probability of graduates not willing,

Taking the natural logarithm of the odds ratio, we get what is known as logit model.

$$L_i = \ln \left(\frac{p_i}{1 - p_i} \right) = Z_i = \beta_1 + \beta_2 x_i$$

Estimation technique of the model can be written follows

$$L_i = \ln \left(\frac{p_i}{1 - p_i} \right) = \beta_1 + \beta_2 x_i + u_i \dots \dots \dots (6)$$

3.9. EMPIRICAL MODEL

Suppose for example in the study the dependent variables (willingness of graduate's students towards job creation) many have two values or response. One for those graduates who are willing and zero for who are not.

In general, the dependent variables (entrepreneurial willingness graduates) is the function of attitude of students towards private business, gender, risk, family business background,

entrepreneurial training, family income and attitude, entrepreneurial education, expectation of government support.

Specification can be done as follows:

Thus $E_{wg} = F(S, At, R, Ee, Et, Fb, Fi, Eg)$ Therefore,

$$E_{wg} = a + \beta_1 S + \beta_2 At + \beta_3 Oc + \beta_4 Ee + \beta_5 ET + \beta_6 Fb + \beta_7 Fi + \beta_8 EG + U_i$$

Where, E_{wg} – Entrepreneurial willingness of graduates

Private business

Sex- Sex

Occ-Occupation

Att – attitude students towards

Ee- Entrepreneurial education

Et- Entrepreneurial training

Fbb – family business background

Fi – Family income

Egs- Expecting government support

U_i - disturbance term

β_1 - the coefficient of sex

β_2 - the coefficient of attitude

β_3 - the coefficient of occupation

β_4 - the coefficient of entrepreneurship education

β_5 - the coefficient of entrepreneurship training

β_6 - the coefficient of family business background

β_7 - the coefficient of family income

β_8 - the coefficient of expectation of government support

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1 descriptive data analysis

In this chapter, the researcher tries to discuss the collected data and results using both descriptive and econometric method of data analysis. Under descriptive method of data analysis, we use tables, frequency, percentages and qualitative data analysis method such as statement.

4.1.1 Sex structure of respondents

Table 4.1: Sex structure of respondents

Sex	Frequency	Percentage
Male	87	51.48
Female	82	48.52
Total	169	100

Source: Own survey, 2018

As we observed from the total number of respondents 169 the male respondents 87 and 82 of female respondent, the male respondents take the highest percentage which is 51.48 percent than females which is 48.52 percent. From the total respondents the majority that willingness to participate in their own business is male .

4.1.3 Occupational background graduate's family

Table4.1: occupational background graduate's family

Occupation	Frequency	Percentage
Having occupation	105	62.13
Not	64	37.87
Total	169	100

Source: own survey, 2018

This table indicates that from the total respondents 62.13 percent are they have occupation and the 37.87 percent have not occupation. So in owner study occupation are the determinants to highly affect the willingness to participate in their own business.

4.1.4 Entrepreneurial intentions of graduates

Table 4.2: Entrepreneurial intentions(interest) of graduates

Interest	Frequency	Percentage
Willingness	117	69.23
Not willingness	52	30.77
Total	169	100

Source: own survey, 2018

The entrepreneurship intention of the total number respondents 169, the 69.23 percent of graduates are willing to be self-employed while the remaining 30.77 percent are not willing to be self-employed. In this study the intention of entrepreneur of the graduate are the main determinants of the graduate willingness in their own business.

4.1.5 Motivating factors towards entrepreneurship

Table 4.3: motivating factors towards entrepreneurship

Motivating factors	Frequency	Percentage
To have own business	23	19.7
To be own bosses	20	17.1
Role models	24	20.5
Entrepreneurial skill	50	42.7
Total	117	100

Source: own survey, 2018

According to the table, entrepreneurial skill has a lion share (42.7%) to be a motivating factor to engage in entrepreneurship followed by to have own business (i.e. 19.7%). To be own bosses has also 17.1% share to be a motivating factor towards entrepreneurship followed by role models which has a 20.5% share. So, in the entrepreneurial activity there are many motivating factor. That are to be own business, to be own bosses, role models and Entrepreneurial skill. That of Entrepreneurial skill takes highest percent in this study.

4.1.6 Obstacles towards entrepreneurial activity

Table 4.4: obstacles towards entrepreneurial activity

Obstacles	Frequency	Percentages
Lack of capital	20	38.5
Fear to failure	10	19.2
Lack of entrepreneurial skill	9	17.3
Risk	13	25
Other	0	0
Total	52	100

Source: own survey, 2018

As we have seen from the above table 38.5 percent of the respondents are not willing to participate in their own business due to lack of capital while remaining 19.2, 17.3 and 25 percent of the respondents are due fear of failure, risk and lack entrepreneurial skills respectively. This indicates that the obstacles towards the entrepreneur activity affects the interests of graduate. So, the obstacles that are like lack of capital, fear of failure, lack of entrepreneur skill, risk and other are the major determinants of the willingness of participation on their own business.

4.1.7 Distributions of total respondents by their risk taking behavior towards self-employment

Table 4.5: risk behavior of respondents

Graduates risk behavior	Frequency	Percentage
Risk taker (lover)	3	23
Risk averse	10	77
Total	13	100

Source: own survey, 2018

According to the above table 4.7 from the total number of graduates 23 percent of students have risk taking behavior towards own business whereas 77 percent of graduates have risk averse behavior. We identify risk takers from risk averse by using weighted sum of questions. In other words, direct and indirect questions are prepared and those respondents who show consistency towards risk taking are considered as risk taker. Not only consistency but they have to answer more than the mean to be risk taker in this paper.

4.1.8 Distributions of total respondents with attitude towards self-employment

Table 4.6: Attitude towards job creation of respondents

Attitude	Frequency	Percentage
Positive	104	61.54
Negative	65	38.46
Total	169	100

Source: own survey, 2018

According to the above table 4.8 from the total numbers of graduates 61.54% of the students have positive attitudes towards self –employment whereas the other 38.46% of the graduate’s students have the negative attitudes among self-employment. As the result of the above discussion the attitude the students about the entrepreneur is the main determinants of the graduate willingness to participate their own business

4.1.9 Distributions of total respondents with entrepreneurship education is important for job creation

Table 4.7: The entrepreneurship education important for job creation of respondents.

Entrepreneurship education	Frequency	Percentage
IS important	120	71
Isn’t important	49	29
Total	169	100

Source: own survey, 2018

According to the above table 4.9 from the total numbers of graduates 71 percent of the graduates have entrepreneurship education is important for job creation whereas 29 percent are against. All of the factor that affects the graduate participation on their own business the entrepreneur education takes highest place in that of not take entrepreneur education.

4.1.10 Distributions of total respondents with entrepreneurship course

Table 4.8: distribution of total respondents with entrepreneurship course

entrepreneurship course	Frequency	Percentage
Taken	100	59.2
Not taken	69	40.8
Total	169	100

Source: own survey, 2018

Based on table 4.10 we can observe that 59.2 percent of graduates have taken entrepreneurship course.

In addition, the remaining 40.8 percent have not taken the entrepreneurship course. So graduate who have taken the course is expected to engage in entrepreneurial activity following graduation. This is because the entrepreneurial skills and knowhow, which they have gained during their learning, initiates them to be self-employed.

4.1.11 Distributions of total respondents with entrepreneurship training

Table 4.9: distribution of total respondents with entrepreneurship training

Entrepreneurship training	Frequency	Percentage
Yes	85	50.30
No	84	49.70
Total	169	100

Source: own survey, 2018

Based on table 4.11 we can observe that 49.7 percent of graduates have taken entrepreneurship training and the remaining 50.3 percent have not taken the training. The entrepreneurial training affects the willingness to participate their own business.

4.12 Distributions of total respondents with government support to start own business

Table 4.10: the expectation of government support of respondents

government support	Frequency	Percentage
Expect to support	119	70.41
Not expect to support	50	29.59
Total	169	100

Source: own survey, 2018

From the above table 4.11 we can observe that from the total respondents 70.41 percent expect the government supports to start own business whereas 29.59 percent's does not expect the government support to start own business. In our discussion the government support is the backbone the graduate participation on their own business

4.1.13 Expected challenges of own business

Table 4.11: expected challenges of own business

Expected challenge of own business	Frequency	Percentages (%)
Competition	50	29.6
Lack of finance	30	17.8
Fluctuation of business	50	29.6
Lack of gov't support	20	11.8
Other	19	11.2
Total	169	100

Source: own survey, 2018

According to this table, 29.6 percent of graduates were interested to enter in to own business but they fear that they would face a higher competition and fluctuation of business. The other that are lack of finance and lack of gov't support 17.8 and 11.8 percent respectively, that challenges own business and other. This implies that the expected challenges of the interested people. So, that the expected challenges that affect the graduate willingness to participate their own business.

probability of odds ratio of willing participate by 74.41348, on average; this infers that having positive attitude towards own business affects the willingness to participate.

Entrepreneur training (ert): it is a dummy variable that is significant at 5% level of significance and registered positive sign. The odd ratio indicates that being participated in entrepreneur training increases the probability of odds ratio of willingness to participate by 31.05674, on average. This indicate that the entrepreneur training on own business affects the willingness to participate.

Sex(sex): it is the dummy variable that is significant at 10% level of significance and positive sign. If a graduate, student is male, then the log of odd ratio in favor of willing to be an entrepreneur increases by 7.937482, *citrus paribus*; it shows that sex affects the willingness to participate their own business.

Occupation(occ):): This variable is statistically significant at 5% level of significance and it is positively affect willingness to graduate participation in their own business. The odd ratio indicates that occupation increases the probability of the odds ratio of willingness to participate by.1354852, on average. This indicate that the occupation on own business affects the willingness to participate in their own business.

Family business background(fbb): This variable is statistically significant at 1% level of significance and it is positively affect willingness to graduate participation in their own business. The odd ratio indicates that family business background increases the probability of the odds ratio of willingness to participate by 200.1503, on average. This indicates that the family business background affects the willingness to participate in their own business.

Expectation of government support(egs): This variable is statistically significant at 5% level of significance and it is positively affect willingness to graduate participation in their own business. The odd ratio indicate that the government support on the business increases the probability of the odds ratio of willingness to participate by 18.52899, on average. This indicates that the Expectation of government support affects the willingness to participate in their own business.

Risk(risk): This variable is statistically significant at 10% level of significance and it is negatively affect willingness to graduate participation in their own business. The odd ratios indicate that the risk on the own business decreases the probability of the odds ratio of

willingness to participate by 0.1840523, on average. This indicates that the risk of the business affects the willingness to participate in their own business.

Entrepreneurship education(Entpedu): This variable is statistically significant at 1% level of significance and it is positively affect willingness to graduate participation in their own business. The odd ratios indicate that the risk on the own business increases the probability of the odds ratio of willingness to participate by 278.6507, on average. This indicates that the entrepreneurship education of the graduate affects the willingness to participate in their own business.

CHAPTER FIVE

5. CONCLUSION AND RECOMMENDATION

5.1 CONCLUSION

Graduate unemployment is on the increase in Ethiopia due to lack of job opportunities. Entrepreneurship offers unemployed University graduates a way to become employed and also create jobs. This research is undertaken to identify the determinants of graduate student's willingness to participate in their own business in Wolkite University. So to identify determinants of entrepreneurial willingness to graduates both descriptive analyses such as tables, percentages and frequency and econometric analysis (logistic regression) are used. Based on the logistic regression sex, attitude, occupation, risk, family business background, entrepreneurship training, and expectation of government support are` positively affect entrepreneurial willingness of graduates and these the determinants of the graduate willingness to participate in their own business's.

- The sex composition of graduate students positively and significantly affects the entrepreneurial willingness of graduates. Male graduate students are more willing to be an entrepreneur than females. Females are negatively affected by social and cultural norms to be an entrepreneur. Male rather have leadership and strong motivational thinking to be an entrepreneur.
- Attitude of graduate students positively affect graduate student's willingness to participate in their own business. Those graduates who have attitude towards entrepreneurship are more willing to participate in their own business
- Entrepreneurial willingness of graduates is also positively affected by risk taking behavior of graduates. Risk taker graduate students are willing to be entrepreneur than risk adverse students since entrepreneurship involves risk taking.
- Entrepreneurship training positively affects entrepreneur willingness of graduates. Those graduates who have taken entrepreneurship training are more willing to be an entrepreneur than those who has not taken entrepreneurship training
- Entrepreneurial willingness of graduates also positively and significantly affected by family background, graduate student whose family has business background or self-

employed business experience are more willing to be an entrepreneur than others. This is because it enables students to get knowledge about starting on business.

- Entrepreneurial willingness of graduates is also positively affected by expectation of government support. Those graduate students who expect that government will support are relatively willing to be an entrepreneur than others.
- Entrepreneurship education on the entrepreneur is also significant. Entrepreneurship education is significant because entrepreneurship education needs different teaching pedagogy in which entrepreneurship education is linked (Derry house, 2001) experimental learning (Kolb, 1984), action teaching (smith, 2001) and entrepreneurial training (gibb, 1999). Entrepreneurship education can be offered in many ways.
- ✓ laukkanen (2000) argue that when business school teach their student to be analytic, problem-conscious and risk averse. They scare them from establishing new business ventures. Instead they prepare for jobs incorporations and suppress creativity and entrepreneurship. The point such authors are evidently making is that besides providing basic business knowledge, entrepreneurial education should also seek to empower students to become enterprising thinkers with enhanced self-worth and confidence to recognize business opportunities. Deal with challenge in business world, think creativity and serve catalyst for economic growth

If the objectives are to provide understanding of what entrepreneurship is about, the most effective way to achieve this objective is to provide information through public channels such as media, seminar or lectures. These methods are effective to send the relevant information to a broader population. If the objective is to equip individuals with entrepreneurial skills, the best way deliver the education and training is via industrial training. However, if the objective of education is to prepare individuals to act as entrepreneurs, the most effective techniques is to facilitate experiment by trying entrepreneurship out in a controlled environment, such as business simulation or role playing (myffi and O’Gorman, 2004).

5.2. RECOMMENDATION

The main purpose of this research paper is to identify the major determinants of entrepreneurship and give a way for policy makers to focus on the problem. So based on our result or finding we have the following recommendation.

Firstly, female students are relatively less willing to be an entrepreneur, according to the result. Therefore, the concerned authority should create awareness for females about entrepreneurship to increase their involvement. University should change the attitude of female students to have willing to start own business.,

Secondly, based on the result attitude of graduate student towards entrepreneurship is a significant determinant of graduate students to participate in their own business. So the concerned authority or the universities and higher institution should work more at changing the attitude of students on participating in their own business. They have to make students to have a positive mind set towards entrepreneurship.

Thirdly, occupation behavior of student is a factor to determine student's willingness to participate in their own business. So the concerned authority should engage in creating awareness how important taking moderate occupation is to be an entrepreneur.

Fourth, entrepreneurship training is a significant determinant of graduate student willingness to participate in their-own business. So universities should give entrepreneurship training (based on our culture) to students to increase their involvement towards entrepreneurship.

Fifth, family business background affects the entrepreneurial willingness of graduates. This is because if a family is self-employed then students gain knowledge, experience and attitude about self-employment. Therefore, the concerned authority should create awareness to families about the importance of entrepreneurship.

Sixth, family income affects the entrepreneurial willingness of graduates. Create the awareness about entrepreneurship and showing the previous success and failure of the business to the family.

Finally, expectation of government support is a positively determinant of graduate student's willingness to participate in their own business. So government should provide initiatives such as, financial borrowing, place for investment and tax advantage for those who start own business.

Further studies should investigate the weakness in the educational system and curriculum in Ethiopia in relation to graduates entrepreneurship. Further research could expand the study to more universities to improve the generalizability of the study.

REFERENCE

- Agbim, K., Oriarewo, G., and Owoch, M. (2013). Factors Influencing Entrepreneurial Intentions among Graduates of Nigerian Tertiary Institutions. *International Journal of Business and Management Invention*, 2(4) 36-45.
- Aheran, k.J. (1999). Pearls, Pith, and Provocation: ten tips for reflexive bracketing. *Qualitative Health Research*, 9(3), 407-11.
- Ahmad, I., Nawaz, M.M., Ahmad, Z., Shaukat, m.z., Usman, A., Rehman, W., and Ahmad, N (2010). Determinants of Students Entrepreneurial Career Intentions: Evidence from Business Graduates, *European Journal of Social Sciences*, 15(2): 14-22.
- Ajzen, I. And Fischbein, M. (1980). *Understanding Attitudes and Predicting Social Behavior* Englewood Cliffs, N.T.
- Ajzen, I. (1991). The Theory of Planned Behavior. *Organizational and Human Decision Processes*, 50(2), 179-211.
- Akmalia, Z.P. (2017). Entrepreneurship as A Career Choice: An Analysis of Entrepreneurial Self-Efficiency and Intention of University Students. *European Journal of Social Sciences*, 9(2), 338-349.
- Autio, E., Keeley, R.H., Klopfen, M., and Ultstedt, T. (1997). Entrepreneurial Intent among Students. Testing an Intent Model in Asia, Scandinavia and USA. *Frontiers of Entrepreneurship*.
- Bird, B.T. (1988). *Implementing Entrepreneurial Ideas: The Case for Intention*.
- Bird, B.T. (1988). *Implementing Entrepreneurial Ideas: The Case for Intention*.
- Birdthistle, N. (2017). An examination of Territory Students Desire to Found an Enterprise. *Education and Training*, 50 (7), 552-567, 65.
- CSA, (2011). *Key Findings On the 2010 Urban Unemployment survey*. Addis Ababa, Ethiopia Central Statistical Agency.
- Derkins, D. (2005). Enterprise Education: The Role of Head Teachers. *Intentional Entrepreneurship and Management Journal*, 1(4), 241-263, 66
- Derkins, D. (2005). Enterprise Education: The Role of Head Teachers. *Intentional Entrepreneurship and Management Journal*, 1(4), 241-263, 66
- Demirgüç-Kunt, A., Maksimovic, V., Beck, T. And Laeven, L. (2006). The Determinant of Financing Obstacles. *International Journal Money Finance*, 25(6), 932-952.

- Dixxon, R., Meier, R.L., Brown, D.C. And Custer, R.L. (2005). The Critical Entrepreneurial Competencies Required BY Instructors from Institution Based Enterprises: A Jamaican Study. *Journal Industrial Teacher Education*, 42(4), 25-51.
- Fishbone, M. And Ajzen, I. (1975). *Belief, Attitude, Intention and Behavior: An Introduction to Theory and Research*. Reading, MA: Addison Wesley.
- Galloway, L., and Brown, W. (2002). Entrepreneurship Education at University: A Driver in the Creation of High Growth Firms. *Education Training*, 44(8-9), 398-405.
- Haftendeorn, K. And Salzano, C. (2003). *Facilitating Youth Entrepreneurship, Part 1: An Analysis of Awareness and Promotion Programs in Formal and Non-Formal Education*. Geneva, Switzerland, International Labor Office.
- Henderson, R., and Robertson, M (2000). Who Wants to Be an Entrepreneur? Young Adult Attitudes to entrepreneurship as a career. *Career Development International*, 5(6) 279-287.
- Hirsch, R.D., Peters, M.P., and Shopherd, D.A. (2005 of Entrepreneurship 16th Ed). New York: McGraw-Hill Irwin.
- Hunjra, A.I., Ahmad, H.M., Ur-Rehman, K. and Safwan, N. (2011). Factors Influencing Intention to Create New Venture Among Young Graduates. *African Journal of Business Management Review*, 5(1), 121-127.
- Krueger, N.F., Reilly, M.D. and Carsful, A.L. (2000). Competing Models of Entrepreneurial Intentions, *Journal of Business Venturing*, 15(5-6), 411-432.
- Linen, F. (2014), Intention Based Models of Entrepreneurship Education. *PiccolaImpresa/Small Business*, 2004(3), 11-35.
- Littunen, M. (2000). Entrepreneurship and the Characteristics of the Entrepreneurial Personality. *International Journal of Entrepreneurial Behavior and Research*, 6(6), 295-309.
- Matlav, H. (2005). Entrepreneurship Education in UK Business School Conceptual, Contextual and Policy Considerations. *Journal of Small Business and Enterprise Development*, 12(4), 627-643.
- MbassanaElie Marvin, TchanaPentangCarine, Flora (2014). An Investigation of Students Radiness towards Entrepreneurial Intentions at Kigali Independent University.

Appendix

1. Correlation matrix

corr training gsupport entredu attitude fbb occup income sex

(obs=169)

| training gsupport entredu attitude fbb occup income sex

```
-----+-----
training | 1.0000
gsupport | -0.5407 1.0000
entredu | 0.2420 -0.2320 1.0000
attitude | 0.5034 -0.4059 0.4619 1.0000
fbb | 0.2687 -0.1959 0.2857 0.4528 1.0000
occup | -0.0442 0.0285 0.2094 0.0598 0.3689 1.0000
income | -0.0608 0.1560 -0.3225 -0.2067 -0.1479 -0.0106 1.0000
sex | -0.0890 0.0970 0.0865 0.1329 0.1921 0.3648 -0.1159 1.0000
```

```
. corr training gsupport entredu attitude fbb occup income sex
(obs=169)
```

	training	gsupport	entredu	attitude	fbb	occup	income	sex
training	1.0000							
gsupport	-0.5407	1.0000						
entredu	0.2420	-0.2320	1.0000					
attitude	0.5034	-0.4059	0.4619	1.0000				
fbb	0.2687	-0.1959	0.2857	0.4528	1.0000			
occup	-0.0442	0.0285	0.2094	0.0598	0.3689	1.0000		
income	-0.0608	0.1560	-0.3225	-0.2067	-0.1479	-0.0106	1.0000	
sex	-0.0890	0.0970	0.0865	0.1329	0.1921	0.3648	-0.1159	1.0000

. mfx

Marginal effects after probit

y = Pr(ewg) (predict)
= .41733282

variable	dy/dx	Std. Err.	z	P> z	[95% C.I.]	X
training*	.1635285	.11578	1.41	0.158	-.063403	.39046	.502959	
gsupport*	-.3902104	.10503	-3.72	0.000	-.596067	-.184354	.704142	
entredu*	-.2809034	.10505	-2.67	0.007	-.486791	-.075016	.769231	
attitude*	-.3020655	.12374	-2.44	0.015	-.544599	-.059532	.615385	
fbb*	-.2841603	.1212	-2.34	0.019	-.521711	-.046609	.798817	
occup*	-.1503283	.09947	-1.51	0.131	-.345282	.044625	.621302	
income	.0000286	.00001	2.25	0.025	3.7e-06	.000053	3064.91	
sex*	.0652044	.09063	0.72	0.472	-.112424	.242833	.514793	

(*) dy/dx is for discrete change of dummy variable from 0 to 1

sum

Variable	Obs	Mean	Std. Dev.	Min	Max
sex	169	.5147929	.5012664	0	1
income	169	3064.911	3537.832	200	15000
occup	169	.6213018	.4865043	0	1
fbb	169	.7988166	.4020762	0	1
interest	169	.6923077	.46291	0	1
attitude	169	.6153846	.48795	0	1
entredu	169	.7692308	.4225771	0	1
gsupport	169	.704142	.4577839	0	1
training	169	.5029586	.5014771	0	1
ewg	169	.4201183	.4950445	0	1

. logit interest attitude training ewg gsupport entredu fbb occup income sex, robust

Iteration 0: log pseudolikelihood = -104.31386

Iteration 1: log pseudolikelihood = -30.326768

Iteration 2: log pseudolikelihood = -22.655035

Iteration 3: log pseudolikelihood = -20.326931

Iteration 4: log pseudolikelihood = -20.228096

WOLKITE UNIVERSITY

COLLEGE OF BUSINESS AND ECONOMICS

DEPARTMENT OF ECONOMICS

Dear respondents

This questionnaire is designed by 3rd year economics student to collect information from graduate students of Wolkite University for identifying basic factors, which determine graduate student's willingness to participate in their own business. This is mainly for partial fulfillment of bachelor of art of degree in economics.

Dear respondents all information you provided will be kept strictly confidential and will not be used for other purpose than for intended research purpose.

Please put the check mark (×) in the provide box and write your idea for open ended question.

- 1) Sex: A. male B. female
- 2) Your family monthly income is estimated to be-----ETB.
- 3) In which occupation your families are engaged in?
 - A. Father is self-employed
 - B. Father is government employed
 - C. Specify if others-----
.....
 1. Mother is self-employed
 2. Mother is government employed
 3. Specify if others-----

4. Do you think family business background has a role in graduate students job creation?
 - A. Yes B. no
5. Do you have an intention to be self-employed after graduation?

iv) Do you feel that you can meet challenges in the job market?

A. Yes

B. No

v) What attitude you have towards self-employment?

A. positive y-----

B. negative y-----

10. Do you believe that entrepreneurship education is important for graduate's job creation?

A. yes

B. No

11. If your answer is "YES" in question 10, does entrepreneurship course offered in your university prepare you to be an entrepreneur?

A. YES

B. No

12. If you are decided to be an entrepreneur, do you believe you have some skills or capabilities required to succeed as an entrepreneur?

A. yes

B. No

13. Are you confident you will be succeeding if you start your own business

A. yes

B. No

14. If your answer in 13 is "NO" which challenges do you think you will face?

A. competition

B. financial inaccessibility

C. business fluctuation

D. lack of government support

E. others-----

15. Do you expect government will support you if you start your own business?

A. Yes

B. No

16. Have you ever taken entrepreneurship training before?

A. Yes

B. No

17. What do you recommend to students to develop entrepreneurship attitude in Ethiopia?

