Determinants of Entrepreneurial Intention among Graduating Students in Ethiopian Universities: The Case of Madawalabu University

Hailemichael Mulie Asmare (makyhaility@yahoo.com)
Kotebe University

Research Article

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Abstract

The major objective of the study was to investigate the determinants of entrepreneurial intention among graduating students at Madawalabu University. For this end, data collected from 333 graduating students selected with stratified sampling technique. The Binary Logistic Regression Model was used to analyze the determinants of the entrepreneurial intention of graduating students. The result of the study revealed that only 41.5 percent of the graduating students reported their intention to start their own business and the majority of them preferred to join public and private organizations as career choices. From the cohort of fields of study, Business and Economics graduating students retorted a better entrepreneurial intention followed by Engineering and Technology graduate students. The model result revealed sex, prior experience, residence, parental role model perceived social norms, risk-taking readiness and propensity, and entrepreneurship education were the major significant determinants of the entrepreneurial intention of graduating students, and most of the variables included in the model were found to be determinants of entrepreneurial intentions that conform both theoretical and empirical literature. Therefore, policymakers need to design entrepreneurship courses in different curricula to nurture students towards self-employment and Universities should establish business incubation programs to nourish entrepreneurial talent at the university level.

1. Introduction

Entrepreneurship, as a subject of academic inquiry, has increased stunningly recently principally due to the association thought that exists between entrepreneurial action and economic development. Because of this, new businesses engaged significantly in innovative activities, such that the role of innovative entrepreneurship has become a means of diffusion mechanism linking the creation of knowledge and economic growth (Audretsch, 2007). Because of this, entrepreneurship has a got immense recognition for contributing to employment creation, self-sufficiency, and social and economic welfare for a country. (Olufunso, 2010). Recently, due emphasis on entrepreneurship has evidenced that the nature and the role of entrepreneurs are indispensable for sustainable economic growth and the development of Business (Rasli et al., 2013).

Nowadays, higher education plays an imperative role in producing an increasing number of graduates in many countries that seeks to promote self or small-business employment as a pragmatic livelihood option (Nabi and Holden, 2008). Moreover, educators and education practitioners intend to better prepare their students for a changing market need by providing entrepreneurship education differently than business schools do (Shinnar, Pruett, and Toney, 2009). The contribution of youth entrepreneurs is equally important in this drive and their marginalization could close the doors of development (Ahmed and Ahmed, 2021).

The mounting importance of creating innovative businesses through the entrepreneurship process in the world, principally in emerging economies is due to the fact that entrepreneurial activities (typified by new venture development) are ever more being considered as a means of stimulating the economy and a way
of coping with unemployment challenges that characterize most developing economies (Mahadea 2013). The current employment crisis is the result of the cumulative inability to achieve an effective connection between employer expectations and perceptions from the graduates (Ahmed and Tessma, 2020). Studies on entrepreneurial intentions are still barely explored as a result; it has lured many scholars in the area and seen a quick gush in a number of studies. Defined as an interdisciplinary field, inquiries into entrepreneurial intentions bridge the gap between behavior prediction models that originated in the field of psychology and modern-day entrepreneurship research. Entrepreneurship plays a pivotal role in the economic development of nations. The level of entrepreneurship is an indicator of the economy.

Almost all authors working on innovative economics emphasize the significance of entrepreneurship; nevertheless, most of the research work ends at a purely appreciative level. On the other hand, still, a consistent theory of entrepreneurship is missed (Thomaset al., 2001).

Generally, this research was conducted because there are controversial results with the determinant factors on entrepreneurial intention and availability of little study on the topic in Africa in general and Ethiopia in particular. Moreover, the increasing unemployment tendency of graduating students and the less absorbing capacity of employers coupled with the low awareness level and readiness of graduating students in creating their own entrepreneurial ventures (self-employment) triggers the researcher to conduct this research work. The researchers conclude that educational level of father’s and Mothers’ of students have a significant association with student’s intention to start their own business (Ahmed et al., 2017). Research regarding the entrepreneurial intentions of university students has been primarily limited to developed countries and most research scholars in the field have concerted on Europe, America, Australia, and Asia (Ali; Lu, and Wang 2012). Moreover, there is a scant amount of literature and academic discussion about students’ entrepreneurial perceptions and intentions in developing countries. As a result, literature on African entrepreneurship especially on graduates’ entrepreneurial tendencies and intentions was very little. Therefore, conducting research on the factors of entrepreneurial intention propose that this field is important to the policymakers of different countries and scientists, researchers, and lecturers who have a meticulous interest to strengthen the disposition of young people to one of the forms of employment business start-up.

Therefore, the objective of this study was to investigate the different determinants of the entrepreneurial intention of graduating students. The remainder of the research organization is as follows; section one covers the introduction and rationale of the research and Section 2 presents the literature review. Section 3 presented the research methodology and methods used in the study. Section 4 presented the Results and finally, section 5 presented the conclusion and recommendations.

Entrepreneurship is an innovative and creative process where there is potential to add value to products, create job opportunities, raise productivity, revitalize and diversify markets, improve social welfare, and more broadly develop the economy (Guerrero, Rialp, & Urbano, 2008).

2. Review Of Related Literature
Entrepreneurship is an innovative and creative process, which has immense potential to create new products and services and open huge avenues for self-employment. Moreover, entrepreneurship fosters revitalization, diversifies the market, and improves social welfare. In addition to these, it has also untapped potential to contribute to the development of a nation’s economy at large.

2.1 Entrepreneurship: A Theoretical Reflection

2.1.1 The Theory of Planned Behavior (TPB)

According to the theory of planned behavior (Ajzen, 1991), the intention is the result of three conceptual determinants. The theory proposed by Ajzen in 1991 predicts that behavior can be deliberate or planned and the best predictor of behavior is intention. The intention is the cognitive representation of a person’s readiness to perform a given behavior and it is influenced by beliefs grouped in six categories including behavioral beliefs, attitude toward the behavior, normative beliefs, subjective norms, control beliefs, and perceived behavior control. As a rule, the more favorable the attitude and subjective norm and the greater the perceived control, the stronger should be the person’s intention to perform the behavior in question.

2.2 Determinants of Entrepreneurial Intention

3.2.1 The Attitude Against the Behavior

The attitude against the behavior states the mindset and predisposition to the degree of favorable or unfavorable assessment a person has, of the behavior in question. Attitude represents the lure of the behavior toward entrepreneurial intention (Emin et al., 2005). In this vein, for instance, the attitude toward risk determines individual risk-taking propensity either positively or negatively. By the same token, the attitude towards success and failure in establishing one’s venture stimulates or detriments the individual’s choice to start a business. Aimed to assess the state and determinants of entrepreneurial intention of TVET students in Ethiopia. Results indicated that the participants’ EI was low, correlating significantly with factors such as administrative support, training/education support and the student’s attitude (Ahmed et al., 2018).

3.2.2 The Perceived Social Norm

This theory postulates the perceived social pressure or support to perform or not perform a behavior (Ajzen, 1991). In other words, the perceived social norm is the perception and sensitivity of the individuals to the social pressure or norms pertaining to what family, friends, and relatives think it would take (Tounès, 2003; Fayolle et al., 2006). Attitudes against behavior and social norms refer to the perceived desirability concept proposed by Shapero and Sokol (Tounès, 2003; Fayolle, 2005).

3.2.3 Perceived Behavioral Control
The other theory developed by Ajzen 1991 to determine entrepreneurial intention is “perceived behavioral control”, which refers to the perceived ease or difficulty to perform a behavior. For one, it refers to a person's perception of the feasibility of personal behavior concerned (Emin et al., 2005). Perceived behavior control refers to the perceived capability to control one's specific behaviors. Therefore, three principal elements determine the construct of perceived behavioral control. These elements are attitude (e.g., an individual's belief or propensity to feel about something or their opinion regarding a behavior), subjective norms (e.g., the belief of individuals about how others close to them such as families and friends pressure are important in approving or disapproving of their behaviors). Self-efficacy on the other hand refers to the belief or confidence an individual feels that a behavior can be achieved or performed.

The notion that entrepreneurship involves individuals with unique personality characteristics has been one of the major themes in the academic community for decades. The investigator should examine the content of the variables that have high loadings from each factor to see if they fit together conceptually and can be named (Ahmed et al., 2018). The underlying assumption is that people tend to pursue careers and seek business environments that match their personalities Holland (1985). Several personality traits (such as the need for achievement, locus of control, risk-taking propensity, and tolerance for ambiguity) showed a positive correlation with entrepreneurial behavior. Nevertheless, the significance and predictive power of those variables is a matter of ongoing debate/discourse among researchers. Another stream of studies explores socio-demographic variables such as age, gender, educational background, and the presence of a parental role model. According to (Reynolds et al. 2004), most men and women enter the world of entrepreneurship in the 25–34 year category, coupled with the prevalence of men in all age groups. However, there is a positive relationship between the entrepreneur’s age and the financial success of the venture, age as a variable has no predictive power in the context of pursuing an entrepreneurial career.

In terms of male and female startup entrepreneurship, gender can be a point of difference and discussion in academic research works in the sense that men are more motivated by financial gain while women on average seek out personal fulfillment and a chance to balance private and professional life. Finance, market linkage, business training, working area, seed money, information support, technological and infrastructural supports given to women returnees to start their own business is limited. Moreover, administrative supports including business assistance, administrative network, legal and policy supports, loan support, bureaucracies, incentives and tax advantages are extremely weak (Ahmed and Wube, 2019).

These differences are reflected in personal attitudes and perceived behavioral control as the main antecedents of entrepreneurial intention. Education, especially entrepreneurship education, can have a positive impact on an individual’s self-employment decision but the research that is more experimental is necessary to confirm the direction of the causal relationship. Finally, exposure to an entrepreneurial lifestyle (in other words, having a parental role model) increases the likelihood that individuals will become self-employed.
Situational variables or triggering events, such as moving to a different city or country, losing a job and inheritance, can induce individuals to start contemplating a career of self-employment. Those factors are usually divided into “pull factors” (e.g., business opportunity recognition) and “push factors” (e.g., unemployment). Combined with the main antecedents of entrepreneurial intention, situational variables do show a certain predictive power toward choosing an entrepreneurial career (Akanbi and Ofoegbu 2011). The solution of the addressed problem will be through admitting the problem from the concerned offices and taking corrective action. Finally, researchers and academicians will find it an addition value to the literature in its field (Ahmed et al., 2022).

Another study confirmed a strong influence of social norms on the entrepreneurial intentions of individuals, and only a marginal role of personal attitudes in career choice decisions (Siu and Lo 2013). Similar conclusions were reached in a study of a sample of Malaysian students indicating that certain intention antecedents have a higher or a lower level of importance depending on the cultural context (Pihie and Akmaliah 2009). Effectuation is a new field within entrepreneurship theory and research introduced by Sarasvathy (2009) that focuses on entrepreneurial decision-making in highly uncertain environments in which the future is unpredictable.

Creation is at the core of effectual logic – effectuations begin with who they are, what they know, and whom they know, and, through interaction with other people, start creating opportunities by surrounding themselves with self-selected partners whose commitment to the venture reduces uncertainty and defines the goals. Since starting a business is a process characterized by high uncertainty, the hypothesis behind merging these two theoretical fields is that effectual individuals are more likely to choose a career as an entrepreneur. The study carried by Eshetu and Ahmed, (2022) shows that the bank’s payment is not based on performance which might have discouraged employees from improving their performance.

Parental occupation is one of the most important determinants that affect significantly entrepreneurial intention among individuals Hem Chandra K, (2013) parental occupation reveals the family acquaintance of the respondents. The study explains individuals whose parents were engaged in self-employment activities had more courage to choose entrepreneurship as a career choice.

According to Hem Chandra K, (2013), Gender was one of the important demographic factors affecting career choice. According to his study result, female respondents were less likely entrepreneurially intended than their counterparts were.

4. Methodology And Methods

Research methodology is a way of explaining how a researcher intends to carry out his/her research. It is a logical, systematic plan to resolve a research problem. A methodology details a researcher’s approach to the research to ensure reliable, valid results that address their aims and objectives. To conduct this study, the researcher used both descriptive and explanatory research designs and individual graduates from different respective Colleges/schools formed the sampling unit. The research approach used in this study was exclusively quantitative. Respondents were from different colleges and Faculties in the
University such as the College of Business and Economics and those who had not studied business courses (graduates of the College of Social and Behavioral Sciences, Institute of Technology, Natural and Computational Science, Health Science and Medicine, Agriculture, Language and School of Law). The determined sample size was 333 graduates whereby 51 graduates were from college of Business and Economics 89 graduates were from Institute of Technology 49 Graduates were from Natural and computational science, 38 from Social and Behavioral Science, 49 graduates from Health Science and Medicine, 27 from Agriculture 25 and 5 graduates were from Language and School of Law respectively. Moreover, a proportional Simple random sampling (PSRS) was used to get the required sample size using a scientific sample size determination formula. In order to collect the relevant data from the respondents, the researcher used a self-administered questionnaire validate questionnaire by many scholars, which included the General Enterprising Tendencies (GET). The GET test employed with little modification to include contextual realities, which are relevant to Ethiopian context. For a scientific and proper data analysis, the research employed different data analysis methods such as descriptive analysis methods (Mean, percentage, and, frequencies) and inferential self-employments such as Binary Logistic Regression Model. Moreover, Statistical Package for Social Sciences (SPSS) used to was help with the statistical analysis. A binary logistic regression model was employed to analyze the extent to which the different factors reviewed in the literature could determine entrepreneurial intention. Enterprising Tendencies or Entrepreneurial Intention was the binary dependent variable (dummy) (measured as 1 = High if the graduate had high scores on the attribute; or 0 = Low if the graduate had low scores on the attribute. The binary logistic regression is a generalized linear model used for binomial regression. In this study, the following is the General Binary Logistics Regression Model construct.
The odds of an event happening (e.g. the event that $Y = 1$) is defined as the ratio of the probability that the event will occur divided by the probability that the event will not occur. That is, the odds of the event $E$ is given by

$$\text{odds}(E) = \frac{P(E)}{P(\text{not}E)} = \frac{P(E)}{1 - P(E)}$$

Pi = ($x_1$ sex $x_2$ age $x_3$, prior experience, $x_4$, parental occupation (role model) $x_5$ Marital status $x_6$, risk taking propensity, $x_7$ Perceived Behavioral Control $x_8$, field of study $x_9$ perceived social norms $x_{10}$ Location/Residence $x_{11}$ Entrepreneurial Education

Therefore, above variables are hypothesized to determine entrepreneurial intention among graduating students statistically and significantly.

5. Results And Discussion
5.1 Characterizing Entrepreneurship as a career choice by Socio-Demographic and other Factors (Descriptive analysis)

Out of the total 318 respondents, 162 (50.9%) were female and 156 (49.1%) were male. The data revealed that the proportion of the gender in the study University was nearly equal. In line with this, it sought to explore the entrepreneurial intention of female and male students, therefore, the result revealed that out of 156 female students only 53 (34%) of female students reported they had the intention to start their own business in the foreseeable future. However, male graduating students reported a better entrepreneurial intention than their counterparts choosing entrepreneurship as a career path. Out of 162 male students, 79 (49%) of them showed their entrepreneurial intent. Therefore, from this descriptive analysis, it is possible to deduce that male students have a better entrepreneurial intent than female students do.

The majority of respondents, i.e. 58.5% not entrepreneurially intended. The remaining 41.5% of respondents prefer to start their own ventures. Consequently, graduating students prefer to depend strongly on formal employment opportunities as their source of living. The result of the descriptive statistics entails that majority of the graduating students have lower entrepreneurial intention and would prefer employment in government and non-government organization. This is because the Ethiopian higher education curricula is not developed in such a way to cultivate and nourish students during the due course of time to prepare them behavioral controls so as to start their own business. Even in business colleges, students took only one entrepreneurship course that focuses to theoretical contexts. Therefore, the curricula did not incorporate the practical business exposures for students to learn from their success and failure scenarios. Moreover, in Natural science, health, agriculture, social science, Engineering, and technology the curricula did not include important business and entrepreneurship courses to enable students to learn about starting their own businesses.

Out of the total respondents, 34 (69.38) percent were from the College of Business and Economics, 31 (39.24%) from Engineering and Technology fields, and 15 (31.25%) from Health Science and Medicine college showed their entrepreneurial intention. In addition, 1 (29.2%) from Natural and Computational Sciences, 1 (20) % from School Law, 10 (27.3%) of the respondents from Social and Behavioral Science, 6 (24%) from Language and Journalism, and 9 (33.33) from the College of Agriculture were intended to start and run their own personal business.

Relatively, entrepreneurship is the least desirable work career among those students in the College of Language and Journalism and College of Social and Behavioral Science. However, starting their one's own business as a career choice in the College of Business and Economics and College of Engineering and Technology showed encouraging results. The study proposes to provide a new impact of theoretical framework (Ahmed et al., 2022).

On the other hand, students from the College of Social and Behavioral, Language and Journalism, and the School of Law exhibited a low entrepreneurial intention. The reason could be that students are not aware of entrepreneurship and Business related courses in their curriculum, which affected their
The risk-taking propensity of graduating students

The most universal personality trait, associated with entrepreneurial intentions is the risk-taking propensity (Bosma et al., 2001). The result associated with the variable showed that (41.5%) of sample respondents were risk averted and manifested a high fear of failure in starting their own business. However, the remaining 171 (53.8%) respondents were relatively willing to take risks while doing their own business shortly. The rest insignificant numbers of graduating students were different in their responses.

Perceived Subjective/ social norms and Entrepreneurial Intention

It refers to the perceived social pressure to perform or not to perform entrepreneurial behavior. Social norms are assumed to be determined by the total set of accessible normative beliefs concerning the expectations of important referents. Normative beliefs are concerned with the likelihood that important referent individuals or groups approve or disapprove of performing a given behavior. According to Ferejo et al., (2022) individuals and their relatives are the main source of finance for the majority of MSEs for two major reasons. Therefore, the other important variable used to determine entrepreneurial intention as a career choice is Perceived social norms measured in three dimensions. Many empirical reviews witnessed the role of perceived social norms to positively contribute to entrepreneurial business startups. Psychological traits factors found to be significant in predicting the likelihood of youth considering entrepreneurship as an attractive life (Ahmed, et al., 2022)

Therefore, the result reaffirmed that respondents i.e. 193 (60.7%) confirmed the support of the families in starting their own business as an important component. The rest significant numbers of the respondents i.e. 110 (34.6%) reported that their families will not support their graduating students to engage in personal ventures rather their families would like to see them to the government or private organizations immediately after graduation.

Perceived Behavioral Control and Entrepreneurial Intention

Much of entrepreneurial intention literature base its theoretical framework on the Theory of planned theory, which focuses on the perceived behavioral control of people to begin their own business. In line with this, the study explored the confidence and internal locus of control of respondents in starting and succeeding in self-employment. The result showed that the majority of sample respondents (53.7%) lack behavioral control over their current behavior to determine becoming their own business owners. On the other hand, 137 (43.1%) of the reported that they a better behavioral control in becoming successful entrepreneurs and consider self-employment as career choice.

Attitudes of Graduates on the Entrepreneurial environment of their University
In line with the variable, the researcher sought to assess the student perception or understanding about their university in encouraging graduating students to start their own business. The first item was to explore whether the university encourage people to pursue their own ideas. Therefore, the overall attitude items i.e. 237(74.6%) respondents reported that they perceived their university environment unfavorable for trying and encouraging graduating students to start their business. Others 75(23.6%) reported a positive response.

5.2 The Binary Logistic Regression Model Result

The Model Summary

Generally, the findings from the estimated general binary logistic regression model signify a moderate relationship between explanatory variables and the dependent variable. The Hosmer and Lemeshow test of the null hypothesis that was hypothesized a linear relationship between the independent variables and the log odds of the criterion variable. A p-value of 0.449 on the Hosmer and Lemeshow test result affirms that there is no linear relationship between the explanatory variables and the log odds of the criterion variable; therefore, the null hypothesis was rejected. Correspondingly, the model generated a -2 Log likelihood of 264.092, Cox and Snell R Square of 0.410, and the Nagelkerke R Square of 0.551. Furthermore, the model Produced a Chi-square of 7.41 for the Hosmer and Lemeshow Test which is not significant at p-value = 0.449. When Hosmer and Lemeshow Test show an insignificant figure, it signifies that the model adequately fits the data.

The Determinants of Entrepreneurial Intention

The Logistic Regression Model Result

Effect of occupation or parental Role Model on graduating students’ entrepreneurial intention

In consistent with other previous studies, the result of binary logistic regression showed that graduating students whose role model's occupation was self-employment in business sectors was 3.646 times more likely intended to be an entrepreneur than those students whose role model occupation is other than self-employment occupation. This finding is consistent with Keat, et al., (2011) who stated that students with self-employed parents have a higher inclination towards entrepreneurship. Parents’ occupation on entrepreneurial intention significantly predicts the graduates’ desire for entrepreneurial intention (p-value = 0.000 and Exp (B) = 3.646). The model scored a Wald of 12.986, which entails that parents’ occupation contributes significantly in foretelling or forecasting graduates’ intent in starting their own business ventures. Findings further indicated that when 3.646 units raise parents’ occupation, the odds ratio is 1.294 signifying that graduates are 1.294 more likely to have higher entrepreneurial intention than those whose parents’ occupation is other than self-employment occupation. (Mangasini and Damian, 2014) have reported similar findings about parents’ occupation that could nourish and cultivate entrepreneurial intention of their children. They argue that in most cases, an entrepreneurial parent will have an entrepreneurial child. They further pointed out that out family entrepreneurship increases the likelihood of children's entrepreneurship by about 60%. The study is also consistent with (Mangasini and Damian, 2014). They reported parents’
self-employment occupation contributes significantly in nurturing their children towards entrepreneurial intention.

Effect of entrepreneurship education on entrepreneurial predisposition

In order to support the analysis of the model result about participation of entrepreneurship education, it is very important to refer to the Omnibus Tests of the Model. Therefore, the Coefficients associated with the test were statistically significant at p-value = 0.087 and produced a Chi-square of 167.535. When the Omnibus Tests of Model Coefficients are statistically significant, means that there is an adequate fit of the data to the model and that at least some of the covariates revealed a statistical significant correlation to the dependent variable. The Wald criterion shows that entrepreneurship education made a significant contribution in predicting the entrepreneurial predisposition of the respondent. The model produced a p-value of 0.087 and a Wald of 2.920. Exp(B) values indicated that when entrepreneurship education is increased by 1.793 courses the odds ratio is .584 times as large and therefore graduates are .584 times more likely to have higher entrepreneurial propensity than their counterparts. Siyanbola et al. (2009) studied the determinants of the entrepreneurial propensity of Nigerian undergraduates and found that entrepreneurial education, among other things, influenced the entrepreneurial propensity of Nigerian undergraduates and obtained similar findings. The authors further argued that entrepreneurship training and communication initiatives are key sources of positive entrepreneurial influence.

Effect of Residence/location of the respondents on entrepreneurial intention

The residence was hypothesized to determine the entrepreneurial intention of graduating students. The logic behind is being born in urban areas will provide the opportunity for people to learn more from the agglomeration businesses as cities are the home of the agglomeration of business. Therefore, people born and growing in urban areas will share the experience of many successful businesspersons around them. Therefore, the Coefficients associated with the test were statistically significant at p-value = 0.030. The Wald criterion shows that the residence of graduating students made a significant contribution to predicting entrepreneurial predisposition of the same. The model produced a p-value of 0.030 and a Wald of 4.731. Exp(B) values indicated residents in urban are 0.729 times more likely to have higher entrepreneurial propensity than graduates born and living in rural areas.

The Gender of the respondents was another explanatory variable to determine the entrepreneurial intention of graduating students. Therefore, the variable was hypothesized, that men are more likely triggered to entrepreneurial ventures than their counterparts are. Hence, the result revealed confirmed the theoretically and empirically reviewed literature depicting male graduating students are 0.773 times more likely to have an entrepreneurial tendency than female respondents. This may be because of women's different socialization experiences, may lack strong expectations of personal efficacy toward many careers related behaviors, be less confident in their abilities, score lower on self-efficacy, and therefore may not fully attain their career potential.
**Age** was another determinant variable to determine the entrepreneurial intention of graduating students’ propensity of entrepreneurial intent. However, the logistic regression model reported a statistically insignificant result among the different categories of age groups. This is because most of the ages of the graduating students are nearly the same.

**Marital status** revealed similar results to age. It sought to explore whether married graduating students express a better entrepreneurial intent. However, the result was not consistent with the theoretical hypothesis.

**Effect of Prior Experience on entrepreneurial Intention**

The result is associated with graduating students’ prior experience with their own personal or family business traditions. The result signifies a statistically significant result. Either this implies graduating students with prior experience in their own or family business backgrounds were 1.552 times more likely entrepreneurially lured. Therefore, people with a past personal or family business background, are background standards to their business ventures as they learn skills and knowledge about how to start and manage their own businesses. This result is consistent with (Delmar & Davidson, 2000 and Siraw 2013).

**Risk-taking propensity and Entrepreneurial intention**

As far as the determinants of graduates’ risk-taking propensity and entrepreneurial intention were concerned, the findings depicted that risk-taking is a statistically significant determinant factor that forecasts p-value = 0.000 and Exp (B) = 1.837. Likewise, the model produced a Wald of 14.814, which implies that risk-taking taking contributes significantly to graduates’ entrepreneurial intention. It was further found that when risk-taking propensity is increased by 1.837. It plausibly causes the odds ratio to be .608 entailing that graduates are .608 more likely to have higher entrepreneurial intent. The result suggests that graduates with higher risk-taking tendencies would increase their predisposition to be entrepreneurs by 60.8% more than their counterparts.

**Effect of Perceived social norms on entrepreneurial intention**

Perceived social norms tap the perceptions of what important people in respondents’ lives think about performing a particular behavior. The result of the logistic regression model affirmed the theoretically and empirically reviewed literature and the variable was statistically significant with p-value = 0.000 and Exp (B) = 1.927 to determine the entrepreneurial intention of graduating students. Likewise, the model produced a Wald of 15.287, which implies that perceived social norms contribute significantly to predicting graduates’ entrepreneurial intention. Moreover, the result suggests that when perceived social norms increased by 1.927 the odd ratio could be 0.656 suggesting graduates with higher perceived social norms will be 0.656 time times more likely entrepreneurially attracted.

**Effect of Perceived Behavioral Control on entrepreneurial intention**
Perceived behavioral control was the most consistent variable, used to determine Planed behavior of people toward entrepreneurial intentions. The importance of this variable resides in its predictive capacity, as it reflects the perception that the individual will be able and capable to control the behavior of graduating students toward entrepreneurship. However, as we can refer from the descriptive statistics the response the majority of the graduating students reported a very poor perceived behavioral control of their entrepreneurial intent. The majority of the students replied with their disagreement towards controlling their behavior, doubtful about their skills and abilities to start and establish their own personal businesses. Therefore, this result was consistent with the logistic regression model entailing a statistically insignificant perceived behavioral control over entrepreneurial intent. However, the result was inconsistent with many previous contexts. This may be because Ethiopian Universities do not have sound curricula to incorporate entrepreneurship courses to nurture or nourish students to develop an internal locus of control that enables them to make use of their skills, knowledge, and abilities to engage in their personal ventures.

Field of study and entrepreneurial Intention

The logistic regression model result shows a statistically significant p-value = 0.024 and exp (2.978) and an odd ratio of 1.091. The result implies that among the cohorts of another field of studies, those students who studied business are 1.091 times more likely manifest entrepreneurial intention.

The reason behind among cohorts who showed entrepreneurial intentions are, that respondents took at least one entrepreneurship course and other related business courses that brought about students the opportunity to have a better outlook and predisposition about self-employment.

6. Conclusion And Recommendations

6.1 Conclusion

This study result concludes eight major factors contribute to predicting the entrepreneurial intentions of the surveyed graduating students. These factors are Entrepreneurship education, the residence of graduating students, parents’ occupation, gender, perceived social norms, risk-taking, and prior experience. The study also concludes that some entrepreneurial determining factors such as marital status, age, and perceived behavioral control cannot be changed, hence they were found to be insignificant to determine entrepreneurial intent. It is fair to conclude that the majority of all the factors included in the model, entrepreneurial were significant to determine one's entrepreneurial intention. Moreover, graduates who had studied entrepreneurship courses are more likely to be interested in start-ups. This partially explains why few graduates had established their own businesses immediately after graduation, since a small number of them had studied entrepreneurship courses. Parents’ role model in self-employment strongly contributed to predicting graduates’ entrepreneurial tendencies. Having Parents with good self-employment business traditions increases one's possibility of having higher entrepreneurial tendencies. Moreover, demographic characteristics such as prior experience in family business backgrounds significantly contributed to predicting the entrepreneurial tendencies of university
graduates in the University. Furthermore, social context plays an important role in nourishing graduating aspirations towards entrepreneurial intention. Thus, entrepreneurship could be an outcome of a social context or subjected social norms. Since the family is the major agent of socialization, it may be pertinent to deduce that graduates who are intended to establish their own firms and become successful are to somewhat motivated by their family status. Readiness in risk-taking plays a significant role in determining entrepreneurial intention.

6.2 Recommendations

From the above summary and conclusions, several policy implications for university educators, administrators, curricula developers and policy makers can be put forward:

I. Since entrepreneurship-education has the potential of increasing entrepreneurial predispositions universities and colleges in Ethiopia should strive emphasizing entrepreneurial courses in their curriculum syllabus to emphasize to reflect a broadening market interest in entrepreneurial education. In addition to courses focusing on preparing the future entrepreneur, institutional frameworks should be developed in order to valve and develop the talents at an early stage in schools. This may enable to raise graduates’ entrepreneurial propensity and improve on self-belief and attitude towards career options. Attitude towards career alternative constitutes an important part of entrepreneurship development and must be developed during one’s study. Therefore, if a student is not fully aware of entrepreneurship as an alternative employment, the student will never develop a positive attitude towards it. The student will instead develop a positive attitude towards employment career alternatives with which he/she is very familiar.

II. Another policy suggestion emanating from this study relates to establishment of business incubator centers at universities so that the students entrepreneurial intent could be nurtured before graduation. The suggested incubator programs will not only support the graduates to develop their attitudes towards starting up firms but also enable in emergence of new, innovation-based firms at universities. Despite the fact that many higher learning institutions in Ethiopia have introduced entrepreneurship courses and courses in some programs, none of them has brought about significant change in students mind to start their own business therefore, readily functioning business incubator shall be established in each college and University to exclusively nourish and cultivate entrepreneurial talents from all walks of disciples.

III. There are several issues on graduate entrepreneurship in Ethiopia that call emphasis; this study draws attention, that is, the level of risk aversion. This study explores the risk-taking propensity among the graduates and the result showed a significant result. Hence, it will be very interesting to cultivate and educate students the risk-taking readiness among the graduates in the country considering the fact that risk taking is recognized by many scholars as a trait of a successful entrepreneur.

IV. Prior experience of the graduating students with their own or family business tradition contributes to cultivate entrepreneurial intent of people. Therefore, families need to nourish their children in participating in their business so that they could develop a positive attitude about entrepreneurial intent.
V. The other policy making suggestion is Ministry of education in Ethiopia shall incorporate entrepreneurship course in different field of study with practical orientation so that students from fields of engineering and technology, social science, natural science and health will learn internal locus of control, positive attitudes towards entrepreneurship, behavioral controls, skills and knowledge to establish their own ventures.

Declarations

This study was approved by the Business and Economics College Research Ethics Committee, Kotebe University of Education, Addis Ababa, Ethiopia the Author declares that there is no competing interest with this article

References


**Supplementary Files**

This is a list of supplementary files associated with this preprint. Click to download.
• AnnexTables.docx