Factors Affecting Entrepreneurial Attitude of Prospective Graduates in Jimma University

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Abstract- This study investigates the Factors Affecting Entrepreneurial Career Intention of Prospective Graduates in Ethiopia the case of Jimma University. The population of this study was 362 prospective graduates of Jimma University. The researcher stratified the total population of the study based on their department and the samples were census was employed to the entire from each stratum. In this study, both primary and secondary data were used. The data were collected through respondent administered questionnaire. Quantitative design was employed to produce statistical figure for analysis. Data were entered in to SPSS v.20 and analyzed through cross tabulations and chi-square (p) values. It is found that there is statistically significant association between entrepreneurial intention with the value of (p= 0.030), when the respondents grouped by field of study, entrepreneurial motivation (p=0.001) and parents own a business which directly influence the entrepreneurial intention to become an entrepreneur. This implies that, entrepreneurship education must be introduced into the tertiary institutions which are not currently offering entrepreneurship courses. This may help reduce the rising unemployment situation in the country especially that of university graduates.

Index Terms- Entrepreneurial attitudes, higher education institutions, prospective graduates, unemployment, Career choice

I. INTRODUCTION

Ethiopia is one of the developing countries struggling to become a middle income country by 2020-2023 through remarkable achievement of economic growth, social development and good governance. In spite of the recent uninterrupted economic growth, the country face massive unemployment problem of youths including university graduates. Seemingly, to reduce the problem the government has been implementing a well thought policies and initiatives such as promoting the development of small and medium enterprises. Experiences, indeed, show that such problems can be alleviated to a larger extent through entrepreneurial engagements of the citizens.

As state by Autio et al., (1997) entrepreneurship plays a significant and critical role for economic development of a nation, especially in developing countries due to the role they play for economic progress, job creation, and social adjustment. It seems that University students are potentially suitable for directing their capabilities toward entrepreneurial actions (Autio et al., 1997).

In other words, the objectives of entrepreneurship education are aimed in changing students’ state of behaviors and even intention that makes them to understand entrepreneurship, to become entrepreneurial and to become an entrepreneur that finally resulted in the formation of new businesses as well as new job opportunities (Kuip & Verheul, 2003).

According to Nabi and Holdeni (2008) the aim of entrepreneurship education is to produce graduate entrepreneurship that defines the interaction between the graduate as a product of a higher education institution and their readiness to pursue their career as an entrepreneur.

Edwards and Muir (2005) entrepreneurial curriculum develops differently across universities, either as an optional module within business courses or a specific courses on entrepreneurship.

As stated by Nabi and Holdeni (2008), however, most graduates go about looking for employment in government/public institutions and private institutions after they have gone through a course in entrepreneurship. The proliferation of graduates from public and private higher educational institutions exceeding the level of demand for skilled labor as well as the incompatibility of skills of new graduates with the needs of employers have escalated unemployment of university graduate (Morshidi et al. 2008). Consequently, as indicated by the same authors aforementioned, unemployment of graduates has become a national issue in different countries (e.g., Malaysia). The issue of unemployment among graduates needs to be judiciously addressed such that this skilled workforce is not wasted. In this context, it has been proposed that graduates widen their career scope by investigating entrepreneurship as a possible basis for a career.

Entrepreneurship would help these new graduates develop their own career and also ease the current unemployment issue by expanding the job market (Norasmah 2004). Entrepreneurship has been acknowledged by most entrepreneurial researchers as a solution to the problem of unemployed graduates (Kamariah et al. 2004; Salmah 2006). From a societal perspective, both entrepreneurship and the educational system are important for economic growth, but the importance of education for entrepreneurship has been acknowledged only recently (Kuip & Verheul, 2003).

According to Nabi and Holdeni (2008) the aim of entrepreneurship education is to produce graduate...
entrepreneurship that defines the interaction between the graduate as a product of a higher education institution and their readiness to pursue their career as an entrepreneur. Apparently, in cognizance of the very fact, as stated by Edwards and Muir (2005) entrepreneurial curriculum develops differently across universities, either as an optional module within business courses or a specific courses on entrepreneurship.

One of the most important steps in the field of developing entrepreneurship and self-employment among students is influencing their attitudes into this category. The entrepreneurial tendency is a condition in which a person tends to show entrepreneurial behavior in an independent business or organization. In fact, creating tendency towards self-employment in the entrepreneurial behavior of students is a necessary condition for them (Amiri & Moradi, 2009). Whenever people have more positive trend towards entrepreneurial activities, undoubtedly they understand entrepreneurship as possible action and their success are possible. Therefore, decision for entrepreneurship is the first and most important step in the process of starting a business and entrepreneurial behavior (Khosravi & Chizari, 2011).

As Emmanuel et al. (2012) wrote that educational institutions can make positive contribution to improve the entrepreneurial orientation of the people by equipping them with the skills like; creativity, locus of control, ambitious drive to make them able to sense the opportunity and create the jobs for themselves and others in the society.

Ethiopia is one of the least developed countries in the world however, through a series of progressive economic development plans; it has been registering substantial economic growth over the past few years. The assessment of entrepreneurial intention among the College prospective graduates is a necessity in order to identify their level of entrepreneurial orientation. This group of prospective graduates is very crucial as the springboard to the current entrepreneurs in Ethiopia’s high-tech industries. A majority of these prospective graduates will immediately contribute more to the economic growth after they graduate, not as salary workers but as entrepreneurs. Could it be that Ethiopian university students lack entrepreneurial orientation and intention? What factors would enhance students” interest towards active entrepreneurial participation? What demographic factors influence entrepreneurial orientation? Seemingly, to reduce the problem the current government has been implementing a well thought policies and initiatives to support small and medium enterprises. Experiences, indeed, show that such problems can be alleviated to a larger extent through entrepreneurial engagements of the citizens. This research investigated the “factors affecting entrepreneurial career intention of prospective graduates in Ethiopia: the case of Jimma University”.

Jimma University (JU) is a public higher institute established in December 1999 by the amalgamation of Jimma College of Agriculture (founded in 1952) and Jimma institute of Health Science (established in 1983). The university though young for its age, has made remarkable and multifarious progresses in training, research and service provision since its establishment. Therefore, the university is making a valuable contribution to the overall development of the country by producing high-level professionals, by carrying out problem solving research and by providing service to the public (http://www.ju.edu.et).

II. OBJECTIVE OF THE STUDY

The aim of this study is to investigate the factors affecting entrepreneurial attitude of prospective graduate’s in Jimma University. The study specifically aims to examine entrepreneurial attitude of prospective graduates based on selected demographic variables, entrepreneurial career intention/aspiration and entrepreneurial perceived constraint of prospective graduates to start up their own business after graduation.

III. MATERIALS AND METHODOLOGIES

This study can be categorized a quantitative research design was employed to obtain information concerning the current status of the phenomena with the selected dependent and independent variables. In this research paper, both primary and secondary sources of data were used. The primary data was collected through questionnaires. Also, journals, internet, books and other related references were used as secondary data. The population of this study was Jimma University 3816 prospective graduates on undergraduate’s regular program in 2012/13 Academic year.

IV. RELIABILITY AND VALIDITY OF THE INSTRUMENT

Reliability refers to the consistency or dependability of the measuring instrument. In order to test the reliability of the instrument the Cronbach’s Alpha was applied. This model is used to measure internal consistency of the tools employed to get necessary data from respondents. As the result shows that the reliability of the instrument which employed for academic staff is ranging from 0.64 to 0.85. This implies that the reliability of the instrument is more than the acceptable standard in social science research. Validity, on the other hand, refers to the extent to which the measurement measures what is intended to measure with the objective of the study.

V. SAMPLE SIZE DETERMINATION AND SAMPLING TECHNIQUE

The sampling techniques were stratified sampling. By taking in to consideration the number of employees in each college, the population was stratified. While determining the sample size the following formula was taken from Yamene (1967) and will be: A 95% confidence level and P = 5% are assumed for the Equation.
The sample size was $362$ prospective graduates from the total population. The number of samples was determined proportionally by considering the number of prospective graduates in each college of the university. The sample sizes are shown in the following table 1.

<table>
<thead>
<tr>
<th>Table 1. Sample Size Determination</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Stratum</strong></td>
</tr>
<tr>
<td>College of Engineering and Technology</td>
</tr>
<tr>
<td>College of Public Health and Medical Science</td>
</tr>
<tr>
<td>College of Social Science and Law</td>
</tr>
<tr>
<td>College of Natural Science</td>
</tr>
<tr>
<td>College of Business and Economics</td>
</tr>
<tr>
<td>College of Agriculture and Veterinary Medicine</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

Source (Survey, 2013)

A set of questionnaire anchored on five-point scales is designed as to measure the demographic variables, motivation of entrepreneurship, general attitudes, perceived constraint and intention. The interplay between the aforementioned constructs was incorporated with following null-hypotheses accordingly:

H1: There is significantly difference in Entrepreneurial Intention by Age.
H2: There is significantly difference in Entrepreneurial Intention by Field of Study.
H3: There is significantly difference in Entrepreneurial Intention by Gender.
H4: There is significantly difference in Entrepreneurial Intention by Parent’s Occupation.
H5: There is significantly difference in Entrepreneurial Intention by Entrepreneurial motivation.
H6: There is significantly difference in Entrepreneurial Intention by Entrepreneurial perceived constraint.

VI. ANALYSIS OF DATA

The data were collected and entered to statistical package for social science (SPSS) version 20 The level of significance is determined as 0.05. Later the data were cleaned and coded for further analysis. After validity and reliability analyses, the factors were further tested using standard deviations and chi-square (p) values have been applied to analyze the data. This was followed with the presentation to generate frequency tables, cross tabulations and descriptive statistical values such as mean, standard deviations, T-test and chi-square (p) values to test for association between two categorical variables. The dependent variable in the study is career intention of the prospective graduates, while the independent variables are the gender, age, study of the program, entrepreneurial perceived constraint, entrepreneurial attitudes, and parent’s profession.

VII. RESULTS AND DISCUSSION

Demographic characteristics of respondents

The demographic characteristics of the respondents are shown below in terms of age, gender, program of the study, entrepreneurial motivation, entrepreneurial perceived constraint, parent’s profession.

Table (2): frequency distribution of the prospective graduates' personal characteristics

<table>
<thead>
<tr>
<th>Demographic variables</th>
<th>Items</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Age Category</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15-20</td>
<td></td>
<td>49</td>
<td>13.5%</td>
</tr>
<tr>
<td>21-25</td>
<td></td>
<td>313</td>
<td>86.5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>Total</strong></td>
<td><strong>100.0</strong></td>
</tr>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td></td>
<td>239</td>
<td>66.0</td>
</tr>
<tr>
<td>Female</td>
<td></td>
<td>123</td>
<td>34.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>Total</strong></td>
<td><strong>100.0</strong></td>
</tr>
<tr>
<td><strong>Academic Year</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Third Year</td>
<td></td>
<td>225</td>
<td>62.2</td>
</tr>
<tr>
<td>Fourth Year</td>
<td></td>
<td>67</td>
<td>18.5</td>
</tr>
<tr>
<td>Fifth Year</td>
<td></td>
<td>70</td>
<td>19.3</td>
</tr>
</tbody>
</table>
As indicated in table 2, the majority of the sample (239) or 66% was male, while the remaining 34% (123) was female respondents. The age category of respondent in this study were represented by the 21 to 25 age group and the 15 to 20 years age group (refer to table 2) where 86.5% and 13.5% were recorded respectively. As can been seen from the results shows for the proportion of the respondents’ program of study, 22.7% per cent or 82 respondents’ were studying in the college of Social Science and Law, 19.1 per cent or 69 of the respondents were studying in the Jimma Institute of Technology, 15.5 per cent or 56 of the respondents were studying in the College of Public Health and Medical Science, 14.6 per cent or 53 of the respondents were studying in College of Agriculture and Veterinary Medicine, 14.6 per cent or 62 of the respondents were studying in the college of Business and Economics and only 11 per cent or 40 respondents were studying in the College of Natural Science at the university. 

As it is clearly indicated in table that pertaining to the respondents’ parents’ profession, most of their fathers have been working as farmer (23.2 per cent; n=84) compared to their mothers who were unemployed (or households) (29 per cent; n=105). Administrative employee was ranked in the second higher by the respondents for their fath ers’ current occupations (20.4 per cent; n=74) and being a private sector employee.

### VIII. DETERMINE THE FACTORS AFFECTING PROSPECTIVE GRADUATES ENTREPRENEURIAL CAREER INTENTION

### Factors Affecting Entrepreneurial Career Intention of Prospective Graduates

#### Table 1: The relationship between entrepreneurial intentions by demographic variables

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Dependent Variable</th>
<th>Chi-Square</th>
<th>Significant level (p)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age Category</td>
<td>Entrepreneurial career intention</td>
<td>.054&lt;sup&gt;a&lt;/sup&gt;</td>
<td>0.817</td>
</tr>
<tr>
<td>Gender</td>
<td>Entrepreneurial career intention</td>
<td>2.631&lt;sup&gt;a&lt;/sup&gt;</td>
<td>0.105</td>
</tr>
<tr>
<td>Parents Monthly Income</td>
<td>Entrepreneurial career intention</td>
<td>1.774&lt;sup&gt;a&lt;/sup&gt;</td>
<td>0.183</td>
</tr>
<tr>
<td>Parents Occupation</td>
<td>Entrepreneurial career intention</td>
<td>0.802&lt;sup&gt;a&lt;/sup&gt;</td>
<td>0.370</td>
</tr>
</tbody>
</table>

Source (Survey, 2015)

The results on independent sample chi-square test indicate that four demographic variables, i.e., Age, gender, parent’s monthly income, and parent’s occupation, have no significant relationship with entrepreneurial intention. As observed in Table the P-value of each variable of relation is great than 0.05, all are not significant at this level. The findings support earlier findings of Tamizharasi and Panchanatham (2010) who found that there is no association between the level of entrepreneurial attitudes and their age, which is consistent with the researcher finding.
Table 2: Relationship between entrepreneurial intentions by field of study and parents own business classification

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Dependent Variable</th>
<th>Chi-Square</th>
<th>Significant level (p)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Field of Study</td>
<td>Entrepreneurial career intention</td>
<td>69.24^a</td>
<td>0.030</td>
</tr>
<tr>
<td>Parents own a Business</td>
<td>Entrepreneurial career intention</td>
<td>87.524^a</td>
<td>0.001</td>
</tr>
</tbody>
</table>

Source (Survey, 2015)

As observed from the above table there was statistically significant (Chi=69.24^a; p= 0.030), (Chi=87.524; p= 0.001) association between entrepreneurial intentions by study and parents own business. This findings is similar to Peterman and Kennedy (2003) finding, it is important to offer entrepreneurship courses to all University students so as to improve their entrepreneurial attitude since it give exposure to entrepreneurship orientations. This finding is also one and the same with Mentoor and Friedrich (2007) finding, they found out that there was a positive entrepreneurial attitude, but the curricula at the institutions of higher learning drive the employee culture rather than the self employment culture. This finding is also consistent with the findings of Herrington et al., (2009) highlighted that entrepreneurship education can have an influence on self confidence about their ability to start a business, understanding of financial and business issues, desire to start their own business, and desire to further studies at institutions of higher learning. The entrepreneurial intention has a positive and significant relationship with college environment and this has been recognized as one of the critical factors that help students to understand and advance an entrepreneurial attitude. Thus it is insufficient for college to just introduce courses on theory emphasizing entrepreneurship, but it needs to develop suitable educational programs to prepare students for future entrepreneurship.

Table 3: The Relationship between Entrepreneurial Intentions by Entrepreneurial Motivation

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Dependent Variable</th>
<th>Chi-Square</th>
<th>Significant level (p)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurial Motivation</td>
<td>Entrepreneurial career intention</td>
<td>99.724^a</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Source (Survey, 2015)

As depicted in the above table, prospective graduates (84) viewed entrepreneurship as an attractive career choice importantly. There were significant relationship between prospective graduate’s entrepreneurial motivation and entrepreneurial career intention to become entrepreneurs. This finding supports the findings of earlier study carried out by global entrepreneurship monitor (2004) there are various reasons why young people decide to start a business, relating to their living circumstances, their personal attitudes, preferences and objectives and their particular interests and individual strengths. The finding of the present study supports earlier findings of Bosma and Levie (2009) more important is that if the national attitudes toward entrepreneurship are positive, this will generate cultural support, help, financial resources, and networking benefits to those who are already entrepreneurs or want to start a business. Goodbody (2002) found out that 15% of the undergraduates surveyed indicated that, if given the option, they would prefer to be self-employed rather than work for someone else. These students also excited being their own boss, personal satisfaction, having control and a supportive policy environment for entrepreneurship as their main motivational factors.

Table 4: The Relationship between Entrepreneurial Intentions by Entrepreneurial Perceived constraint

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Dependent Variable</th>
<th>Chi-Square</th>
<th>Significant level (p)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived entrepreneurial constraint</td>
<td>Entrepreneurial career intention</td>
<td>17.631^a</td>
<td>0.527</td>
</tr>
</tbody>
</table>

Source (Survey, 2015)

As observed from the above table there was no statistically significant difference between entrepreneurial intentions by entrepreneurial perceived constraint. This finding is not supported by earlier findings of global entrepreneurship monitor (2004) there are various reasons why young people decide to start a business, relating to their living circumstances, their personal attitudes, preferences and objectives and their particular interests and individual strengths. The finding is not supported by the findings of Goodbody (2002), given the option student would prefer to be self-employed rather than work for someone else. Thus students are also exited by being their own boss, personal satisfaction, making their name, having control and a supportive policy environment for entrepreneurship as their main motivational factors.
IX. RECOMMENDATIONS

The conclusions made on the factors affecting entrepreneurial attitude of prospective graduates including the ability to better understanding on entrepreneurship, willingness to start a business soon after graduation. The management of the university the university should introduce entrepreneurship to promote awareness as part of the curriculum across all colleges and institution in such a way that it changes the attitudes of prospective graduates to the extent that they perceive job creation as the correct ideology of life. The university should be implemented entrepreneurial internship program (getting ready for Entrepreneur for a one month) if Entrepreneurship will be offered as a required subject in the Bachelor degree curriculum in order to build on planning and decision making skills and apply critical thinking to idea generation and evaluation for their business. The University should establish a bureau for small business development; assess local needs, social entrepreneurship, and office of innovation to provide support to the aspiring entrepreneur as well as prospective graduates. The University should be use better media coverage on entrepreneurship on various Media [the community radio station host talk shows, TV, News Papers, magazines, etc] through open discussion forum and celebrate the success stories by involving University professors, and others with the required expertise on the subject matter this can play a crucial role in stimulating the prospective graduates towards entrepreneurship. The University should be arrange campaigns, events, competitions and awards on idea or opportunity identification, business plan development can help to address the fear factor which prevents prospective graduates from becoming entrepreneurs. The notion that only government can provide jobs should be reduced through awareness campaign by all stakeholders. Graduates must be encouraged to take entrepreneurship as a career option rather than depending on government and the private sector for employment.

X. FUTURE RESEARCH

The findings of this research contribute to the growing body of literature on entrepreneurial attitude of prospective graduate’s in Jimma University therefore; it is recommended that further research the following topics concerning the factors affecting entrepreneurial attitudes of prospective graduates. Future research should include public and private universities which are analogues institutions so that larger and diverse sample could be used to support the findings in these studies and also improve generalization of the findings. Finally, it would be of benefit when considering these recommendations for future study to take into consideration the advantage that could be gained by employing a qualitative methodology in addition to the quantitative research process. Such an approach would achieve a more in-depth exploration into prospective graduate’s attitudes towards and perceptions of entrepreneurship leading to a deeper understanding and insight the subject matter very well and to come up with recommendations based on findings with a better scope/coverage in area and topic concerns.

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