

Analysis of Business and Economics Students' Study Field and Future Occupation Choice: Case Study of Jimma University

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Abstract- Education is one of the most important instruments in alleviating poverty and bringing about sustainable socio-economic development. Students are at the center of Education and Educational System. They always make study field and occupation choices that determine their future life. The main aim of this study is to analyze Business and Economics Students' study field and future occupation choice in Jimma University. A total of 120 samples are taken from three departments (Accounting and Finance, Economics and Management) of College of Business and Economics. The study applied descriptive analysis, correlation, cross tabulation and binary logistic regression. The outcome of descriptive analysis shows that students' study field choice is influenced by many issues. The most important are: Job related factors (opportunity, security, and flexibility); Influence of family, teachers, friends and role models; and opportunities for future professional development. As regard to the desire for future occupation, the majority prefers employment in different institutions, especially governmental developmental institutions (in financial institutions like banks). Around 24% of the samples have an intention of self employment. Binary logistic regression result shows that a desire for self employment is determined by sex, training, personal and family experiences about business activities.

Index Terms- Education, Development, Study Field and Occupation Choice

I. BACKGROUND AND JUSTIFICATION OF THE STUDY

Development in general deals with the improvement of human well being. According to Todaro and Smith (2012; pp 16) it is pictured as "*a multidimensional process involving major changes in social structures, popular attitudes, and national institutions, as well as the acceleration of economic growth, the reduction of inequality, and the eradication of poverty.*" Education plays a key role in maintaining these social development and prosperity. It deals with all experiences individuals have and relies upon attitudes, values, social and communicative skills (Türkkahraman, 2012).

Education is the base of any economy so that economy is said to be good if literacy level is high. Therefore, countries are encouraged to have well educated human capital, most precious resource nations need to have (Sarwar and Azmat, 2013). As of Olamide and Olawaiye (2013) education is a solution for all socio- economic problems: poverty, ignorance, drought,

excessive rainfall, mental deficiency, joblessness, bad government, poor communication system, hunger and inadequate shelter among other things.

Students are at the center of education and educational system. Study field and occupation selection are two of many choices students make in determining future. According to Olamide and Olawaiye (2013), choice of career requires serious concern and caution. This is due the fact that it affects youths' life in many ways. It has a capacity to determine where the people live; type of friends they keep; amount of money one will earn. There are various factors behind study field and occupation selection. Fizer (2013) stated that family, role models', race, gender, passion, salary, and past experiences affects students' decision in this regard.

Many studies have been conducted to analyze what exactly is going in relation to study field and occupation choice. Shahzad et al (2014) explored the influences and determinant of decision of career selection in Gujrat city, Pakistan. The study identified that educational background, socio-economic condition, environment, personality, and opportunity and motivation determine student's career selection. In the same country, Sarwar and Azmat (2013) recognized that family, socializers, environmental influence, personality, and career preferences have impact on the career choice of business graduates.

Fabea (2014) studied the educational factors that affect students' career choices at University of Cape Coast, Ghana. The outcome reveals that self/professional upgrading is a factor that influence the career choice. Worthington and Higgs (2003) examined factors influencing the choice of an undergraduate finance major. The result proves that the choice of finance major is determined by gender, perceptions and interest in the profession. As of Crampton et al (2006) information about the profession, personal interest in the subject matter, starting and long-term salary prediction, probability of working in the field after graduation, and prestige of the profession, have great importance when selecting a career.

In Ethiopia Dibabe et al (2015) examined determinants of students' career choice in accounting. The regression model analysis shows that course interest, ability, family influences, job opportunity, responsibility and opportunity for experience, desire to run a business, the need for dynamic and challenging environment has a positive significant impact on students' choice. On the other hand, social status and stress have a significant negative impact on students' choice of accounting.

From above discussions it is difficult to provide a single conclusion as regard to what determines students study field and

occupation choice. Besides this, in Ethiopia only few papers are conducted to investigate students' career choice. In the view of that, the primary aim of this study is to examine students' study field and future occupation choice. This study provides important evidences for those who are primary responsible for youths' future: parents, teachers, academic institutions, policy makers and government. It also serves as potential reference for those scholars who want to conduct supplementary studies on the same topic.

II. LITERATURE REVIEW: CHOICE AND INDIVIDUAL'S DECISION

At the center of Economics analysis there is the issue of choice. All economic issues involve around individual's basic choice. It deals with assessment of different options and making a decision about which option to choose (Beresford and Sloper, 2008). Since it is difficult to get all things at the same time we have to choose the most important thing from another based on our intensity of want and derived satisfaction. Choice involves the existence of alternatives. By its nature choice involves sacrifice and the value of sacrificed thing is opportunity cost. Career or occupation choice, regardless of place and time, is multivariate in its causes and complex in its nature. Individual's choice and decision making is the base for microeconomics analysis. Rationality is the most important principle in making any decision. Edwards (1954), in its work before a half century, stated that the fundamental behavior an economic man posses is that he is rational. Economic man always chooses the best alternative from among the alternatives available to him with the aim of maximizing his benefit.

In line with this, the standard economic model refers rational choice as *"the process of determining what options are available and then choosing the most preferred one according to some consistent criterion"*(Milgrom and Levin, 2004: pg 1). Rational choice basically implies that people calculate the likely costs and benefits of all alternatives and choose the one that likely to gives

them the best benefit or satisfaction. In fact, the principle of "rationality" is based on the existence of perfect information. The theories of choices in general focus on the factors determining individual choices of something (good or service). Therefore, this study believes that students' study field and future occupation choice a multivariate function, affected with so many personal, social, economic, educational, environmental, and institutional factors.

III. METHODOLOGY

The study used a quantitative approach. The data is primary collected from graduating (3rd Year) students of college of Business and Economics, Jimma University. A total of 120 (40% of total population) samples are taken via stratified sampling techniques. This technique is appropriate because students in the college are not homogeneous group; they study different fields like Accounting and Finance, Banking and Finance, Economics, Management, and Hospitality and Tourism Management. Therefore, the research selected samples randomly from three Departments (Accounting and Finance, Economics and Management). Accordingly, from each department 40 samples are drawn evenly. The data is collected through self administered questionnaire. Descriptive statistics, correlation, cross tabulation and binary logistic regression is used for analysis. For data processing and analysis SPSS version 20.0 is used.

IV. RESULTS AND DISCUSSION

2.1. Respondents Background

As indicated in the table 1, the majorities of the respondents (72%) are male in their sex. This is a typical reflection of male dominated higher academic institutions of Ethiopia. The average age of the students' is 22.47 (+1.6) years.

Table 1: Respondents characteristics

	Mean	Percent
Students' Age (Mean)	22.47(+1.6) Years	
Students' Sex		
Male		72.5%
Female		27.5%
Marital Status		
Never Married		91.7%
Married		6.7%
Divorced & separated		1.7%
Location of Family		
Rural		68.3%
Urban		31.7%
Read and Write (Father)		
Yes		70%
No		30%
Read and Write (Mother)		
Yes		63.3%
No		31.7%

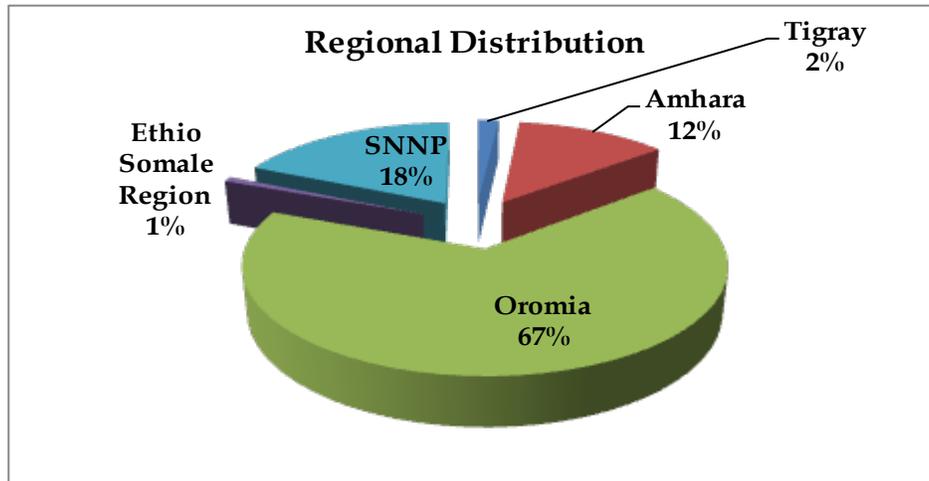
Students' field of study	
Accounting and Finance	33.33%
Economics	33.33%
Management	33.33%

Source: Own Computation, 2016

As regard to marital status the very majorities are never married (91.7%). In terms of students' family residential place, 68.3 percent of the respondents' are from rural areas of Ethiopia.

Parents' (mother and father) of the majorities of the respondents are able to read and write.

Chart 1: Regional Distribution of Students



Source: Own Computation, 2016

The respondents are from five regional states of Federal Democratic Republic of Ethiopia. Around 67 percent of the students are from Oromia Regional State, where Jimma University is found, while 18 and 12 percent are from SNNP and Amhara Regional States, respectively.

Table 2: Employment Condition of Parents

	Percent
Father's Occupation	
Self Employed	51.7%
Government/Private/NGOs Employee	45.8%
Unemployed	2.5%
Mother's Occupation	
Self Employed	33.3%
Government/Private/NGOs Employee	27.5%
House Management	39.2%

Source: Own Computation, 2016

Parents' employment status is one of the factors affecting students' academic performance and career choice. Accordingly, fathers' of 51.7 percent of students' are self employed (in agricultural activities, commerce and others). For around 46% of the respondents, fathers' are employed in different institutions (Public, private and NGOs). Mothers' of around 40% of students are engaged in home management, the remaining is either self employed or employee of different institutions.

2.2. Students' Study Field Choice and Academic Performance

As shown in table 3 students are asked to point out the most important factor responsible for study field or department choice. It is found that job related issues (opportunity, security and flexibility) and influences (of family, friends, teachers and role model) are the leading factors with 24.1 and 22.5 percent, respectively. Students have a good access to media, so that they know what is going on in the labor market in relation to job opportunities, security and flexibility.

Table 3: The most important factors in study field selection

Reasons	Percent
Job Security, Opportunities and Flexibility	24.1%
Influence of Family, Teacher(s), Friend(s) and Role Model	22.5%
Opportunities for ongoing professional development	15.8%
Subject Matter Easy for Me	12.5%
Good Salary in relation to the Field	11.7%
Prestige of Profession	8.3%
Orientation given by the department	1.7%
Probability of Graduating with honors	1.7%
others	1.7%
Total	100%

Source: Own Computation, 2016

When we come to the academic performance of their field of study, the following table shows that more than a half of students scored CGPA of between 3.00 and 3.5.

Table 4: Students' Academic Performance

	Percent
Prior Performance (University Entrance Exam Score out of 700)	
Below 370	2.5%
370-399	41.7%
400-449	27.5%
450-499	27.5%
Above 500	0.8%
Current Performance (CGPA of Five Semesters, out of 4.00)	
2.00- 2.74	1.7%
2.75-2.99	27.5%
3.00- 3.499	60%
3.5-4.00	10.8%

Source: Own Computation, 2016

The spearman's rho correlation test shows that there is positive relationship between high school (measured by university entrance exam score) and university academic performance (measured by CGPA of all semesters').

Table 5: Correlation between Entrance Exam Score and CGPA

		Entrance Exam Score	CGPA
Entrance Exam Score	Correlation Coefficient	1.000	.349**
	Sig. (2-tailed)	.	.000
	N	120	120
CGPA	Correlation Coefficient	.349**	1.000
	Sig. (2-tailed)	.000	.
	N	120	120

** Correlation is significant at the 0.01 level (2-tailed).

Source: Own Computation, 2016

2.3. Students' Future Occupation Choice

Students are also asked to state their ideal job after graduation (they are left only with two months for graduation). Accordingly, as shown below, around 24 percent have an intention to create their own jobs (private businesses).

Table 6: Students' Intention to self Employment

	Percent
Interest for Self Employment	
Yes	24.2%
No	75.8%

Source: Own Computation, 2016

The main reasons for intention of self employment are: personal experience, family influence and low benefits from employment (in others institutions).

Table 7: Reasons for Students' Intention of Self Employment

Reasons	Percent
Family/Friends influence	20.7%
Experience of self employment	44.8%
Low chance of getting job in private or public institutions	13.8%
Salary/benefit in private or public institutions is very low	20.7%
Total	100%

Source: Own Computation, 2016

Of total respondents, 75.8 percent have no intention of creating their own job; lack of finance, practical training and work place are the main factors in this case.

Table 8: Reasons' for "No" Intention to Self Employment

Reasons	Percent
Lack of finance	17.6%
Lack of practical training	19.8%
Lack of work place	18.7%
Lack of finance and training	24.1%
Lack of working place and finance	9.9%
Uncertainty in self business	4.4%
Lack of necessary skills	4.4%
Don't Know	1.1%
Total	100%

Source: Own Computation, 2016

Those who have no intention of creating their own job are asked to choose their ideal jobs. Around 50 percent stated that they want to be employee of government developmental organizations (particularly, Banks). Currently, financial institutions are one of the most flourishing sectors in the economy. The influence of state owned "commercial Bank of Ethiopia" is very high in this regard. The interest to be employed in academic and research institutions is relatively very low.

Table 9: Students' Ideal Occupation

	Percent
Employee-Government	16.5%
Employee-Government Development Organization	49.5%
Employee-Private Organization	12.1%
Employee-NGOs	15.4%
Academic and Research Institutions	5.5%
Others	1%
Total	100.0%

Source: Own Computation, 2016

2.4. Determinants of Self Employment

This topic mainly deals with identifying the determinants of students' intention of self employment. For this purpose binary logistic regression is used. The dependent variable, interest or intention to self employment, is a function of independent variables (age, sex, study field, family engagement in business, personal experience of business activities, training on self employment).

The chi-square and classification table shows that the model well fits with data. The chi-square test strongly rejects the hypothesis of no explanatory power. The row "Model" in the omnibus tests compares the new model to the baseline. The classification table indicates the model correctly predicted 86.7 percent of the observations. In addition to that multicollinearity is not a serious case in this analysis.

Table 10: Omnibus Tests of Model Coefficients

	Chi-square	df	Sig.
Step	48.509	7	.000
Block	48.509	7	.000
Model	48.509	7	.000

Source: Own Computation, 2016

Table 11: Model Summary

Step	2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	84.210 ^a	.333	.497

Source: Own Computation, 2016

Table 12: Classification Table

Observed	Predicted			Percentage Correct
	Self Employment Intention of Students		Percentage Correct	
	No	Yes		
Self-Employment Intention of Students	No	86	5	94.5
	Yes	11	18	62.1
Overall Percentage				86.7
The cut value is .500				

Source: Own Computation, 2016

In this study the dependent variables is regressed against six variables (independent variables). The estimate of the logistic regression is illustrated in table 13. It shows that four variables out of six are statistically significant and theoretically sound. These are sex, family engagement in business, personal experience to business activities and training.

Table 13: Determinants of self employment intention (Binary Logistic Output)

	B	S.E.	Wald	df	Sig.	Exp(B)
Sex(1)	1.255	.637	3.885	1	.049**	3.507
Family Eng.(1)	1.715	.629	7.423	1	.006**	5.555
Expr of Busine(1)	1.669	.598	7.791	1	.005**	5.307
Training (1)	2.103	.618	11.576	1	.001**	8.194
dept			1.307	2	.520	
dept(1)	.627	.737	.723	1	.395	1.871
dept(2)	.771	.702	1.206	1	.272	2.163
Age	.211	.172	1.512	1	.219	1.235
Constant	-9.528	4.141	5.293	1	.021	.000
**Statistically Significant at 5% level						

Source: Own Computation, 2016

Student’s sex is one of the factors that create difference in having intentions of self employment. Being female has a high probability of having an intention of self –employment. This might be due to the fact that: they want to stay closer to their families or it is relatively risky for females to travel here and there to look for job opportunities. The cross tab analysis shows that even if the majority of both males and females have no intention of self employment, females’ intention for self employment (30.3%) is higher than that of males (21.8%).

Table 14: Self Employment intention of Students * Student’s sex

		Sex		Total
		Male	Female	
Self Employment Intention of Students	No	78.2%	69.7%	75.8%
	Yes	21.8%	30.3%	24.2%
Total		100.0%	100.0%	100.0%

Source: Own Computation, 2016

The odds of having an intention of self employment are high for students’ whose families are self employed. They are 5.55 times more intention of creating their job. In support of this evidence table 15 shows that students’ whose family member engaged in self business have a higher intention (43.1%) for self employment as compared to their “No” counterparts (10.1%).

Table 15: Self Employment Intention * Family engage. in businesses

		Family eng. in self Emplo.		Total
		Yes	No	
Self Employment Intention of Students	No	56.9%	89.9%	75.80%
	Yes	43.1%	10.1%	24.2%
Total		100.0%	100.0%	100.0%

Source: Own Computation, 2016

In the same way, personal experience of self-employment and taking practical training raises the likelihood of having an intention of self employment. The cross tab analysis, in line with regression result, reveals that students’ with personal experience and those taken training have a high intention of self employment.

Table 16: Self Employment Intention of Students * Experience of working in business

		Personal Experience		Total
		Yes	No	
Self Employment Intention of Students	No	45.2%	86.5%	75.80%
	Yes	54.8%	13.5%	24.2%
Total		100.0%	100.0%	100.0%

Source: Own Computation, 2016

Table 17: Self Employment Intention of Students * Training on Self Employment

		Training		Total
		Yes	No	
Self Employment Intention of Students	No	54.7%	92.5%	75.80%
	Yes	45.3%	7.5%	24.2%
Total		100.0%	100.0%	100.0%

Source: Own Computation, 2016

V. CONCLUSIONS AND RECOMMENDATION

At the center of Economics analysis there is the issue of choice. Since it is difficult to get all things at the same time we

have to choose the most important thing from another based on our intensity of want and derived satisfaction. Career or occupation choice, regardless of place and time, is multivariate in its causes and complex in its nature. The study mainly deals with

the analysis of business and economics students' study field and future occupation choice. A stratified sampling system is used to take samples from three departments.

The descriptive analysis shows that job related issues (opportunity, security and flexibility) and influences (of family, friends, teachers and role model) are the leading factors that affect students study field choice. Students state their desired job, after graduation. Around a quarter have an intention to create their own job's (private businesses). A half of those who have no intention of creating their own job want to be employee of government developmental organizations (particularly, Banks). The results from both binary logistic regression and cross tab analysis show that student's sex, family engagement in business, personal experience to business activities and training are important in determining the intention of self employment. The study, finally, recommends that it is better if parents, academic institutions, government and all concerned bodies work together on the determinants of study field and future occupation choice, which would make future of youths bright.

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