

Obstacles and Motivations of Post Graduate Students to Go for Entrepreneurship Activities: A Study on Selected Ethiopian Public Universities

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Abstract: Entrepreneurship has been discovered to be indispensable part of economy and it is prevailing driver of economy in the entire planet. To this end; the study had the objective to assess the obstacles and motivators for post graduate students for entering into entrepreneurship activities. Research design for the study was descriptive research design. Data were collected from 146 Business and Economics college postgraduate students in three purposely selected Ethiopian universities. After the data has been collected, it was analyzed by using Descriptive Statistics (frequency, mean and standard deviation), and the result was presented using tables. The results of the study indicate that fear risk of running in to debt, lack of experience and fear of securing constant income are the main obstacles. The motivating factors are interest to be boss for their own, assertive and have strong personality that is necessary for business ownership, to best use of their personal skills and competencies. The possible suggestions for the problems are the students are better if they focus on the advantages of entrepreneurship activate and sharing experience from actual entrepreneurs through informal way than fearing risks associated to entrepreneurship. Further the universities are better to transform themselves to entrepreneurial University and prepare internship attachment for their students.

Index Term:Entrepreneurship, Motivations, Obstacles, Students, Universities

I. INTRODUCTION

Now days in Ethiopian universities different departments are begun to include Entrepreneurship course in their curriculum for instance under Business and Economics College (Management, Accounting and Finance, Economics, Hospitality and Tourism Management) and under Computing College (Information Technology and computer science) to mention some. According to Bae, *et al.* (2014) entrepreneurship education has helped the university students to develop positive attitude toward entrepreneurship and increased business opportunity analysis.

Interest of Entrepreneurship education is growing from time to time since Entrepreneurship development has direct relationship with economic growth of counties through establishing business organization which has a potential to be successful (Kiukumar and Somayeh, 2011). This strong drive is that entrepreneurship is recognized as a significant source of

minimizing unemployment problem and help to enhance the economic development of a country (Rasli, *et al.*, 2013).

In most parts the world many young and educated people are taking entrepreneurship (starting their own business) as a good opportunity because different countries are facing double digit unemployment in most parts in and a lots support is provided in order to create supportive and encouraging environment (Asif Tanveer, *et al.*, Nd).

Even though importance of entrepreneurship undeniable in many perspective different studies shows that there is an obstacle graduate student for going in to entrepreneurship actives. Fatoki and Olufunso (2010) lack of savings and difficulties in obtaining bank finance biggest obstacles. In addition to finance problem the other factors are lack of skills, lack of assistance, lack of awareness, and fear of future other hindering factor (Asif Tanveer, *et al.*, Nd).

Not only dark sides research done Ooi and Ahmad (2012) shows that the students are motivated to go into entrepreneurship due to extrinsic and intrinsic rewards, and independence/autonomy of being entrepreneurs. Taking this all above mentioned factors in to considerations this study determines the obstacles and motivators for post Graduate students in Ethiopia for going in Entrepreneurship Activities.

1.1. STATEMENT OF THE PROBLEM

Ignoring the youth unemployment problem bring remarkable challenge or cost on economic growth as well as on social development of the country (ILO, 2006). Though the crucial role, played by entrepreneurship in driving economic development and job creation, is increasingly understood, there has been little effort to look at it from a student's perspective. Autio *et al.*, (1997) fund that even if much attention is given on delivering the course, the students are facing the obstacle to go practically for an entrepreneurship.

Ferreira *et al.*, (2017,) conducted a research to compare motivations for entrepreneurship, business planning, and risk management between two groups of university students: those who already had a business and those intending to start one on undergraduate and graduate students. To determine the undergraduate student's entrepreneurial intention Rasli *et al.*'s, (2013) tested work experience, vicarious experience, general attitude, image of entrepreneurship and other demographic

variables. The study of Ooi and Ahmad (2012) and Fatoki, and Olufunso (2010) identify the perception of students on entrepreneurship; motivators as well as obstacles faced by them to start up their own business. Even though different studies are done on Obstacles and Motivations for going into entrepreneurship their findings were not uniform. In addition post graduate students are less involved in business endeavor comparing to undergraduate students after graduation and further the obstacle and motivation facing the students in Ethiopia take different form. In light of this, the study was attempted to answer the following basic questions:

1. What are the obstacles for post graduate students for going into entrepreneurship activities?
2. What are the motivators for post graduate students for going into entrepreneurship activities?

II. LITERATURE REVIEW

1.3. DEFINITION OF ENTREPRENEURSHIP

There is no single definition for Entrepreneurship different scholars define Entrepreneurship in different ways. According to ILO, (2003) Entrepreneurship is a process of bringing land, labor and capital together to make a significant contribution to economic development. Entrepreneurship is the abilities and skills of operating a business organization including skill of planning, organizing, analyzing, and communicating beyond a narrow perspective (Shapiro & Sokol, 1982).

It is fact that the role of university graduates is high in enhancing the innovative business (Robinson and Sexton, 1998). Even if, the role of the graduate students are high there are an obstacle as well as motivation for them to go for Entrepreneurship.

1.4. MOTIVATIONAL FACTORS

According to Ryan and Deci (2000) motivated mean that to be moved to do something or further explained as a person having high desire to do something at the same time as a person that has no desire or inspiration to act is called unmotivated. The study of Benzing, Chu and Kara (2009) shows that the main reasons for starting own business rather than being employed are to increase income, for job security and seeking financial independence.

In addition, driving factors towards entrepreneurial intension for Business students are to realize their dream, to maintain their family and to use opportunities available in the market (Yusof, *et al.*, 2014). Kautonen and Palmroos (2010) specified that the main motivation factor is dissatisfaction with job opportunities available, desire to practice their personal skills. Furthermore capabilities to run their own business Ferreira *et al.* (2017), the positive attitude toward learning new things, fear of unemployment and financial independence are also another motivating factors (Barba-Sánchez and Atienza-Sahuquillo, 2012).

1.5. CHALLENGES OR OBSTACLES

Entrepreneurship activities contributes into countries development in increasing country's revenue, reduce

unemployment problem and upgrade the living standard of the citizen, looking to this all facts it is very important to support the young adults to be an entrepreneur (Moi, *et al.* 2011). Even though importance of the Entrepreneurship very significant for the countries development different research's finding shows that there is an obstacle for the students to go for Entrepreneurship activities. The finding of Sandhu *et al.* (2011) shows that the obstacles for postgraduate students to go for Entrepreneurship activities are; lack of startup finance, fear of not being successful and lack of social networking. Further, lack of saving, lack of practical business experience and exposure, fear of uncertainty in future career of the business and fear of trust among partners are factor that hinder the students from going into entrepreneurship (Yusof, *et al.*, 2014).

Fatoki, and Olufunso, (2010) confirm that the main obstacle for graduate students in south Africa are listed accordingly; lack of access to funds, lack of personal competency, lack support from the government, and problem of macro macro-economy of the country.

As proved by many of the research findings shows the main obstacle for the students to go for entrepreneurship is finance. Unfortunately both governmental and nongovernmental financial institution working in Ethiopia asks for collateral as mandatory requirement to provide fund. According to World Bank report this stand of those financial institutions discriminates against the entrepreneurs who have promising business idea but lack adequate collateral.

III. RESEARCH METHODOLOGY

1.6. RESEARCH DESIGN

To meet the objective of the research descriptive research approach with cross sectional time horizon was employed.

1.7. SAMPLING METHOD AND SAMPLING SIZE

The target population of the study was students of three Ethiopian public Universities (Jimma University, Addis Ababa University and Ambo University). According to the data from each Universities in 2014/2015 academic year number of post graduate second year students in Business and Economic College were 48, 73 and 28 from Jimma, Addis Ababa and Ambo University respectively. The data were collected from the different department's student under Business and Economics College (Masters of Business Administration, Master of public Administration, MSc in Accounting and Finance, and MSc. in Economics)

The research only covered three universities Business and Economics College second year students with the rational that these three Universities are more close to the researchers and they have post graduate programs in Business and Economics. Considering Business and Economics College as target group was very important since the curriculum of the programs has entrepreneurship and entrepreneurship supporting courses, this implies that students have more concepts of entrepreneurship in theory. In addition the final year post graduates students were

chosen because they are at a period in their career development where they are considering different career routes and are therefore, there are potential source of current and future entrepreneurs.

As the numbers of post graduate students are less in number census of the population were taken from each university. Accordingly, the questionnaires were distributed to selected respondents.

Respondents were disproportional taken from each University since the size of students found in these Universities is not proportional.

1.8. METHOD DATA COLLECTION

Primary data were collected from the students using self-administered questionnaire. Self-administered mainly helps to gather the up to date information from the students themselves and it is easy for analysis and interpretation.

The researcher developed a questionnaire that comprises three parts. The first part was regarding the demographic aspect of the respondents, asking their age, sex, marital status and family background. This part of the questions helps the study to know more respondent's demographic profile and it was close ended questions.

The second part of the questionnaire was regarding the obstacle to enter in to entrepreneurship and third part was to know factor that motivates the students to enter in to entrepreneurship activities. Both the second and the third part of the questionnaire was a Likert scale of 5 levels (1=strongly disagree, 2= disagree 3=neutral, 4=agree and 5=strongly agree) to elicit information from respondents.

1.9. METHOD OF DATA ANALYSIS AND PRESENTATION

For data analysis purpose descriptive analysis such as frequencies, mean and standard deviation were used and summarized and presented using tables.

IV. CONCLUSION

Based on the objective of the study the general picture reflects that there are obstacles for post graduate students to go in to Entrepreneurship activities. From the analysis the factors are

VI. LIMITATIONS AND FURTHER RESEARCH

Studying about Barriers for a post graduate student for going into entrepreneurship is broad concept. The study is one time survey since the time is changing it is hard to generalize the result of the study for a long time.

For the study purpose the three Ethiopian public Universities Business and Economics college post graduate second year

identified and ranked accordingly; (1) fear risk of running in to debt, (2) lack of experience, (3) fear of securing constant income, (4) doubt about the success of the business and (5) difficulty to obtain the finance necessary to start the business are the significant limiting factor for the students.

The factors that motivates the postgraduate students are also identified and ranked accordingly; (1) interest to be boss for their own, (2) assertive and have strong personality that is necessary for business ownership, (3) to best use of their personal skills and competencies, (4) to have their own working time, (5) to get better work/life balance, (6) to use their own business ideas and to use their education to the best advantage and (7) it would give them the privilege to choose the work area/place respectively are significant motivating factors. From this it is possible to infer motivating factors for post graduate students are more of personal attributes.

V. RECOMMENDATIONS

On the basis of the findings and conclusions reached, the following recommendations are forwarded in order to minimize the limiting factors and enhance the motivating factors that are encountered by post graduate students..

Even though entrepreneurship is not free of risks, its better if they think the advantage of going into entrepreneurship activities because starting own business creates sense of independence, flexibility and freedom; give opportunity for family employment, help to be own boss, give time and financial freedoms. In addition now a days it better to be job creator than job seeker because of the serious competition throughout the world to get the dream work. So that it is advisable to take calculate risk by think the advantageous going in to entrepreneurship activities.

In addition, it's better if the students develop habit of sharing experience from the entrepreneurs through informal friendship so that they can learn a lot from best practices of those entrepreneurs.

To address the limiting factors that the students encountered, it is better if the Universities are transformed to the entrepreneurial University. Because this help the students to capture the practical part of the business world in addition to the theory.

Further, it is better if the university prepare the internship attachment on business companies for the students so that they can get the experience on real world.

students were included so that, it is not possible to generalize the result for under graduate and others university students who were not included in the research.

Furthermore other than variables considered in the study there are number of barriers for post graduate students for going into entrepreneurship. For further study it is possible to study the other variables and correlation of different variables.

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