

Entrepreneurial Intentions of University Students: Insights for Entrepreneurial Education in Ethiopia

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Abstract

The purpose of this study was to determine the entrepreneurial intention of graduating universities students in Ethiopian and to identify factors which influence students' entrepreneurial behavior. A survey design was employed where 665 final year university students from five universities were randomly selected as participants. Quantitative data were collected through self-evaluation survey questionnaire and analyzed using Pearson Correlation and Logistic Regression. Additionally, data from open-ended questions were used to identify factors which influence students' entrepreneurial behavior. The study found high entrepreneurial intention for final year university students in Ethiopia, but, low propensity to venture into business within two years after graduating. Findings from the Logistic Regression analysis found strong support for perceived feasibility, perceived desirability and course support as predictors of entrepreneurial intention, and to some extent perceived locus of control, but, gender and prior experience in a business had no effect. Barriers that deter entrepreneurial attitude include: poor government support (policies and bureaucracy), institutional issues (lack of start-up capital, business premises, and poor access to adequate and quality inputs and markets), personal issues (lack of self-confidence and motivation, fear of failure, poor entrepreneurial skills and knowledge on opportunity identification), and societal issues (society/family support and perception). From this study, it was concluded that university students recognize entrepreneurship as the way forward for curbing unemployment, but, universities need to equip students with relevant competencies that are appropriate for business start-up. The government on its part should provide positive business environment and proper infrastructure for starting a new business.

Keywords: Entrepreneurial Intentions; Business; University Students; Logistic Regression; Ethiopia

1.0 INTRODUCTION

Policymakers in many developing countries recognize that entrepreneurship could stimulate rapid growth and structural changes in the economy (Ashokan & Suresh, 2012). The popularity of entrepreneurship has been due to its effect as a catalyst for wealth creation and employment opportunities (Asamani & Mensah, 2013; Keat, Selvarajah & Meyer, 2011; Liñán, Rodríguez-Cohard & Rueda-Cantuche, 2005; Dana, 2001). Based on Ashraf and Rasoul (2013) most developed and some developing countries recovered from economic crisis by developing their entrepreneurial spirit; that is, they paid more attention to entrepreneurial education, entrepreneurs, and they brought innovativeness in the business sector. However, scholars like Uslay, Teach and Schwartz (2002) argue that government interventions with the absence of entrepreneurial ideology could be detrimental to a country's economic development. Hence, understanding university students' entrepreneurial intentions is critical in developing more effective entrepreneurship education programs at the university level.

Researchers have shown that participation in entrepreneurial programs improves university students' entrepreneurial attitudes (Ali, Topping & Tariq, 2010). On their part, Gibson, Harris, Mick and Burkhalter (2011) argue that entrepreneurial education can change students' perceptions by creating awareness by providing them with complete skill sets to start a new business. Entrepreneurship according to Ashraf and Rasoul (2013, p.485) could be defined as "knowing how to discover, evaluate and exploit opportunities that lead to the creation of new goods and services." Entrepreneurship is also defined as "the process of doing something new and different with the aim of creating prosperity for individuals and adding value to the society" (Mulyadi, Riadi, Rochaida, & Paminto, 2016, p.91).

Literature shows that institutions of higher learning have been in the forefront in providing students with the entrepreneurial knowledge and skills (Asamani & Mensah, 2013; Keat et al., 2011). For example, Suartha and Suprapti (2016) noted that an education process could have an impact on students' entrepreneurial orientation. According to Mulyadi *et al.* (2016), an individual's ability to venture into business is affected by his or her education level, skill set and work experience in addition to other individual attributes. Entrepreneurship has therefore emerged as a major research domain in academic circles while courses in this field have become popular

at college and university levels. This trend according to Keat *et al.* (2011) could be explained by the fact that formal employment is no longer guaranteed especially in the public sector for university graduates.

Literature shows that designed curricula in most institutions do not provide graduates with adequate entrepreneurial education or skills (Ogah, Oko & Oshi (2013); meaning, education is oriented towards formal employment in the public sector. Graduating students in the universities therefore focus largely on government employment. Besides, innovativeness or generation of new ideas is also problematic in the business sector. For example, a study conducted by the Global Entrepreneurship Monitor (GEM) found that over 75% of the products or services were not new to the customers (Herrington & Kelley, 2012); that is, there was lack of innovativeness or creativity.

1.1 Entrepreneurship in Ethiopia

In Ethiopia, it has become increasingly very important to develop a strong and vibrant entrepreneurial community. In line with the Ethiopia's Second Growth and Transformation Plan (GTP II), the government has been paying more attention to entrepreneurship, especially in the development of the micro and small enterprises to create employment opportunities (Federal Democratic Republic of Ethiopia [FDRE], 2015). Based on the FDRE (2015) report, the government seeks to expend more effort to give timely and quality information to enhance the capacity of developmental entrepreneurs for wealth and job creation. This effort has been made possible through funding by UNDP-Microsoft East Africa partnership to support young entrepreneurs through trainings on 'Build Your Business' which aims at developing knowledge and skills for starters, and existing micro and small enterprise (UNDP, 2015).

Nations with high entrepreneurial initiative indexes tend to show a decrease in unemployment levels (Liñán *et al.*, 2005). However, a study conducted in 2012 by GEM in Ethiopia indicated that only 24% of Ethiopians compared to 53% in Sub-Saharan Africa are likely to be "intentional entrepreneurs"; that is, the likelihood to pursue a business opportunity in the next three years (Herrington & Kelley, 2012). The findings reflect low propensity of Ethiopian to be entrepreneurs compared to other individuals in Sub-Saharan African countries. Nonetheless, on the positive side, the GEM study indicated that roughly 92% of Ethiopians believe entrepreneurs have higher status in Ethiopia (Herrington & Kelley, 2012).

The main aim of this study was to examine the antecedents of entrepreneurial intention for graduating university students with special interest on universities located in the Southern Nations Nationalities and People's Region of Ethiopia. In addition, the study also identified factors that influence individual's entrepreneurial behavior.

2.0 LITERATURE REVIEW

2.1 Theory on Entrepreneurial Intention

Early research on entrepreneurship focused on personality traits and contexts under which individuals started new businesses (Autio, Keeley, Klofsten & Ulfstedt, 1998). However, Autio *et al.* (1998) argued that the trait research is problematic in that it focuses on individuals already in the business with the assumption that personality trait, attitudes and beliefs of entrepreneurs do not change due to the entrepreneurial experiences. Critics of the trait research argued that people rarely behave consistently in different times and situations; meaning, to predict future action, researchers need to study individuals before the entrepreneurial event. Two theory-driven process models of entrepreneurial intentions have been used; the Ajzen's (1987) theory of planned behavior (TPB borrowed from social psychology), and Shapero and Sokol's (1982) model (from entrepreneurship domain) of the entrepreneurial event (SEE).

Ajzen (1987) argued that human social behavior is intentional and planned. The researcher stated that any behavior that requires a certain amount of planning could be predicted by the individual's intention to adopt that behavior. Ajzen's TPB provides three predictors of entrepreneurial intention (e.g., Peterson, 2012; Krueger *et al.*, 2000; Autio *et al.*, 1998); 1) personal attitude toward the behavior; 2) subjective norms or the perceived social pressure to perform the behavior; and 3) the perceived behavioral control which indicates that the target behavior is within the decision maker's control which reflects an individual's past experience, anticipated impediments and obstacles.

Work by Shapero on 'Entrepreneurial Event' (Shapero & Sokol, 1982) builds on Ajzen model of intentional behavior and suggests that other forces act as moderators for individual's intentional behavior (Krueger, 2009). From the model, an individual's choice to venture into business depends on three factors: 1) desirability of the proposed behavior, 2) propensity to act, and 3) perception of the behavior's feasibility (Shapero & Sokol, 1982). These factors according to Shapero and Sokol are the most important factors that influence a person's intention to start a business.

Krueger, Reilly and Carsrud (2000) for example compared the TPB and Shapero's model of the entrepreneurial intent and found a strong statistical support on the predictive power of both models; meaning, intention models predict behavior better than either individual or situational variables (see also Almobaireek & Manolova, 2012). Krueger *et al.* (2000) argue that the more favorable the attitude and subjective norm with respect to the behavior, coupled with higher perceived behavioral control then the stronger the intention to perform the

behavior. Based on an observation made by Kruger et al. (2000) on a range of studies focusing on different types of behavior and intentions, the researchers noted that attitudes explain over 50% of the variance in intentions to engage in those behaviors.

2.2 Econometric Model

From literature, the use of discrete choice models such as a Logistic regression is an accepted approach to model entrepreneurial intention at the individual level (Jinying & Pelagie, 2014; WMPGC & HHAJ, 2014; Talaş, Çelik & Oral, 2013; Soon, 2010). If we consider the model of entrepreneurial intention, individuals may either have a low ($Y=0$) or a high ($Y=1$) intention to start a business. Following Green (2007), in a choice model a set of factors explain an individual's decision to exhibit this behavior, such that;

$$\text{Pr ob}(Y = 1|x) = F(x, \beta) \quad (1)$$

$$\text{Pr ob}(Y = 0|x) = 1 - F(x, \beta)$$

Where x is a vector of explanatory variables, and β is a set of parameters which reflect the impact of changes in x on the probability.

A more convenient approach to model this probability is the Logit transformation of p . In terms of p , the logistic regression model for entrepreneurial intention can be modeled (Gujarati, 2003) as:

$$P_i = E(Y = 1|X_i) = \frac{1}{1 + e^{(-\beta_1 + \beta_2 X_i)}} \quad (2)$$

Assuming that Z is a linear function of a single explanatory variable, then

$$P_i = \frac{1}{1 + e^{-Z_i}} = \frac{e^Z}{1 + e^Z} \quad (3)$$

where $Z_i = \beta_1 + \beta_2 x$ represent the (cumulative) logistic distribution function. According to Gujarati (2003), a case where Z is a linear combination of multiple explanatory variables, similar steps are followed.

Logistic regression allows the estimation of a discrete outcome from a set of independent variables, which could be categorical, continuous, dichotomous, or a combination of these variables. The model coefficients are usually estimated using maximum likelihood estimation. The parameter estimates in a logistic regression model represents the estimated change in the log odds which corresponds to a unit change in the corresponding explanatory variable holding other variables constant.

3.0 METHODS

3.1 Research design and data collection

A cross-sectional survey design was used taking into consideration that the approach could allow the description of the relationship of the variables and additionally it helps to account for changes which may occur in those relationships due to the time factor (Cohen, Manion & Morrison, 2000). It is also the best way to gather information from a large number of participants in our case universities.

Study site: The study was conducted in five universities (Arba Minch, Dilla, Hawasa, Mizan Tepi and Wolaita Sodo) located in the Southern Nation Nationalities and People's Region of Ethiopia. The universities were selected purposefully from first and second generation universities where the most recently established universities were excluded. The criteria was based on the understanding that the selected universities are well established and have been able to review their curricula and establish programs that include courses which stimulate entrepreneurial thoughts and intentions in relation to starting own business. Data were collected within a span of four months within 2015/16 academic year.

Sample selection: Survey data were collected from university students in the final year of their undergraduate program where efforts were made to include students who have taken entrepreneurial courses and those who have not. Departments were selected randomly from each category in each university. Data were collected from at least two departments in each category per university where intact classes were used as representative samples. In total 18 departments were included in this study from five universities. Efforts were made to ensure female students were represented in each selected department.

Data collection tools: A questionnaire was designed in English but due to language barrier, both English and Amharic versions were used. The questionnaire comprised of a range of Likert scale items adapted from various sources (e.g., Almobaieek & Manolova, 2012; Ashokan & Suresh, 2012) to determine the entrepreneurial intention and attributes that may explain students' entrepreneurial inclination. The questionnaire was pilot tested in Wachemo University and the Cronbach alpha tests were carried out to determine the reliability of the questions. Based on the test, alpha values range from .739 to .932 (see appendix A for details). Efforts were also made by the researchers to clarify the questions during the data collection time.

In total, 700 questionnaires were distributed to students of which 665 (95%) questionnaires were returned, however only 512 had complete data for regression analysis. Based on Cohen et al. (2000) a cross-sectional survey style usually requires a large sample, in particular, if data analysis includes inferential statistics. In a case where the population of interest is roughly 15,000, Cohen et al. (2000) suggests a sample size of roughly 375 with a sampling error of 5% and confidence level of 95%. In this study the sample size used was large enough to make inference and conclusion based on the findings. Both Pearson correlation and logistic regression were used in data analysis.

3.2 Model specification

Entrepreneurial intention (dependent variable) was measured through a 5-point Likert-type scale with four items (i.e., 1=strongly disagree, 2= disagree, 3=undecided, 4=agree and 5=strongly agree). From the aggregated Likert scale score, data were weighted by the number of items for ease of analysis. Two contrasts were created for the dependent variable low intent (mean of 1.0 - 3.44 = 0) and high intent (mean of 3.45- 5.0 = 1) for the logistic regression. The choice of explanatory variables was based on literature, including; demographic, institutional and attitudinal factors which are assumed to have a direct effect on behavioral intention.

Gender was considered a key factor on whether to become an entrepreneur or not. Based on literature, women who lack opportunities to pursue further education would most likely have less status in society in addition to less networking opportunities. According to Alshammari and Al-Tarawneh (2016) women have a greater intent to prove themselves by starting businesses; that is, they could take greater roles in the society, manage their low-paying careers, and get recognition. However, other researchers argued that there is no difference in entrepreneurial intention in terms of gender (Suartha & Suprapti, 2016).

Krueger et al. (2000) stated that individuals do not become entrepreneurs as a reflex. Rather they respond to the conditions around them, they think about the opportunity and process cues from the environment which help them to construct the perceived opportunity into a viable business proposition. Researchers argue that education system that pay attention to entrepreneurship could strengthen an individual's creativity by offering courses which develop competences that are essential to recognize and act on opportunities (Talaş *et al.*, 2013). Hence, course support was hypothesized to have a positive relationship with intentions to be an entrepreneur.

Researchers also argue that besides education, entrepreneurs need to increase their knowledge through informal training or work experience (Mulyadi *et al.*, 2016; Talaş *et al.*, 2013). These researchers argued that having some work experience can help individuals increase their abilities to manage a business. Entrepreneurial intention was thus assumed to increase with work experience in a business.

Based on Shapero's model three attitudinal characteristics are considered as antecedents of entrepreneurial behavior, including; perceived feasibility, propensity to act and perceived desirability (Suartha & Suprapti, 2016; Almobaireek & Manolova, 2012; Kruger et al., 2000). WMPGC and HHAJ (2014) on their study on antecedents of entrepreneurial intention for undergraduate students in Sri Lanka found that the higher the perceived desirability and perceived feasibility the higher the likelihood of entrepreneurial intention. On their part, Liñán *et al.* (2005) on factors affecting entrepreneurial intention levels in Spain found support for perceived feasibility or self-efficacy as a predictor for intentions to be an entrepreneur. All explanatory variables are described in Table 1.

Table 1: Description of the variables

Variables	Variable Description		Mean (Std. dev)	Frequency (%)
Dependent variable				
Intention	Low intention	L=0	2.52 (.712)	119 (18.5)
	High intention	H=1	4.39 (.508)	524(81.5)
Explanatory variables				
Gender	Male	M=1		474 (72.5)
	Female	F=0		180 (27.5)
Experience	Sales experience in a	Yes		333 (51.2)
	business	No		318 (48.8)
PLocus	Propensity to act/Locus of control		4.02 (.782)	
Self-Eff	Self-efficacy/Feasibility		3.79 (.956)	
Desirability	Desirability		4.10 (.689)	
Course	Institutional course support		3.67 .970)	

4.0 RESULTS AND DISCUSSIONS

This study examined antecedents of entrepreneurial intention of graduating university students as well as factors which influence the likelihood of acting on the behavior.

4.1 Descriptive analysis

Results presented in Table 2 indicates some slight variation on the age factor with male students having a wide variation (mean = 21.90 and standard deviation = 1.443) compared to female students (mean = 21.34 and standard deviation = .995). In terms of place of residence, majority (52.2%) reside in town areas while 47.6% were from the rural areas. Students were also asked to state if they have ever worked in a business premise (small or large). From Table 2, result show that 51.2% had experience working as sales persons in a business while 48.8% had no experience.

Students were also asked to give information regarding their parents' or guardians' education level and occupation. On education, 30.31% of the students stated that their parents or guardians cannot read or write or they had only informal education (i.e., from churches or mosques); about 34.85% had primary education (grade 1-8); roughly 16.33% had secondary education while 18.51% had college diploma or had earned a degree. Results show that only about a third of the parents/ guardians had college level education or above.

On occupation, less than a third (21.99%) of the parents/guardian own businesses; about 24.06% are salaried or skilled workers while most of the parents (46.05%) were engaged in farming or fishing. However, only 4.14% are casual laborers while 3.75% are retired or engaged in other unspecified jobs. In summary, data show that although a considerable percent of students had experienced working in a business, very few had a chance to learn entrepreneurial skills from home considering that only 21.99% of the parents/guardians were engaged in business. Worth of note is that majority of the parents/guardians were mainly in agriculture (traditional and subsistence farming) and allied activities; meaning, a considerable number of students lack exposure to activities which would initiate creativity or innovativeness.

Table 2: Descriptive Statistics

Variables	Description	Min.	Max.	Mean	Std. Dev.	Freq.	%
Age in years by gender	Male	19.0	35.0	21.90	1.443		
	Female	18.0	25.0	21.34	.995		
	Overall	18.0	35.0	21.75	1.352		
Place of Residence	Rural					304	47.6
	Urban					335	52.4
Experience	Yes					333	51.20
	No					318	48.80
Educ. Level of guardian	No /informal educ.					167	30.31
	Primary					192	34.85
	Secondary					90	16.33
	College/ degree					102	18.51
Occupation of guardian	Professional- own businesses					117	21.99
	Salaried /skilled workers					128	24.06
	Agriculture/ Fishing					245	46.05
	Non-skilled /laborer					22	4.14
	Other/retired					20	3.75

Note: variation in the sample size was due to incomplete data

4.2 Students' Entrepreneurial Intent

In this study, students were asked to rate on a scale of 0% to 100% if they intend to start a business in the next two or five years. Data were categorized in to Low = 0-33.44%, Average = 33.45-66.9%, and High=67.0-100%. Results from the analysis are presented in Table 3. From Table 3, data indicate that about 433 (66.5%) of the students had low intention of being entrepreneurs in the next two years. However, about 156 (24%) had an average likelihood of starting a business while only 62 (9.5%) indicated high intention to start a business in the next two years. The findings from this study align with what Herrington and Kelley (2012) reported in the GEM study which found that only 24% of Ethiopians compared to 53% in Sub-Saharan Africa are likely to be intentional entrepreneurs in the next three years. The low propensity to be entrepreneurs is an issue which need institutional and government attention in relation to goals set in the GDP-II plan for Ethiopia. Rating by respondent on their five year plan showed that about half 336 (51.6%) had low intention of starting a business while roughly 88 (13.5%) had an average likelihood of starting a business within five years. However, the percentage of students who intend to start a business in the next five years increased to 227 (34.9%). These findings indicate that entrepreneurial intention for Ethiopian students is still low compared to the rest of Sub-Saharan Africa countries as documented by Herrington and Kelley (2012).

Table 3. Probability of creating a business in the next two or five years

Category	Two years		Five years	
	Freq	%	Freq	%
Low	433	66.5	336	51.6
Average	156	24.0	88	13.5
High	62	9.5	227	34.9
Total	651	100	651	100

Societal stand on entrepreneurship is very crucial as a predictor of entrepreneurial behavior. Table 4 presents results from an item used in the Likert scale measure for perceived desirability. Based on the results, majority of male (61.67%) and female students (52.33%) agree that their intention to become entrepreneurs was to achieve higher social status while a small proportion (18%) of both male and female students were unsure about the issue. The finding relate with what Herrington and Kelley (2012) found from the GEM study that a high percentage of Ethiopians believe entrepreneurs have higher status in their community.

Table 4: Desire to be an entrepreneur

Item	Description	Disagree (%)	Undecided (%)	Agree (%)
To achieve higher social position	Male	85 (20.24)	76 (18.10)	259 (61.67)
	Female	51 (29.65)	31 (18.02)	90 (52.33)

4.3. Correlational Analysis

Results presented in Table 5 depict the relationship between entrepreneurial intention and six predictor variables including gender, experience, course support, perceived locus of control (propensity to act), perceived feasibility (self-efficacy) and perceived desirability. Results indicate a positive relationship with entrepreneurial intention for all the predictor variables, but, no significant statistical relationship for the gender variable. However, the coefficients for perceived locus of control, perceived feasibility/self-efficacy and desirability, and course support were significant at 1% probability level while experience was statistically significant at the 5% probability level. Results also indicate that perceived locus of control had a moderate and positive relationship with entrepreneurial intention ($r=.445, p\leq .001$). The coefficient of determination (R square) between perceived locus of control and entrepreneurial intention was .198, meaning, 19.8% of the variance of entrepreneurial intention can be explained by a student's perceived locus of control or propensity to act.

Table 5: Correlation Coefficients

Variables	1	2	3	4	5	6	7
1. Intent	1						
2. PLocus	.445**	1					
3. Self-eff	.492**	.563**	1				
4. Desirability	.425**	.422**	.446**	1			
5. Course	.363**	.337**	.313**	.358**	1		
6. Gender	.010	-.006	.052	.010	.117**	1	
7. Experience	.080*	.029	.026	-.006	.087*	.131**	1

**Significant at the 1% level and *significant at the 5% level (2-tailed)

From Table 5, results show a moderate and positive relationship between perceived feasibility/ self-efficacy and entrepreneurial intention ($r=.492, p\leq .001$). The coefficient of determination (R square) between perceived feasibility and entrepreneurial intention was .242; meaning, 24.2% of the variance of entrepreneurial intention can be explained by perceived individual's self-efficacy. Results from Table 5 indicate a moderate and positive relationship between perceived desirability and entrepreneurial intention ($r=.425, p\leq .001$). The coefficient of determination (R square) between perceived desirability and entrepreneurial intention was .181 indicating that 18.1% of the variance of entrepreneurial intention can be explained by perceived desirability.

From Table 5, course support and entrepreneurial intention had a degree of positive relationship ($r=.363, p\leq .001$). The coefficient of determination (R square) between course support and entrepreneurial intention was .132; meaning 13.2% of the variance of entrepreneurial intention can be explained by course support.

Two variables (gender and sales experience in a business) had a positive and weak relationship with entrepreneurial intention. However, only the relationship between experience and entrepreneurial intention was significant at 5% level.

Results support work by Kruger *et al.* (2000) that found the three attitudinal variables are the best predictors of entrepreneurial intention. The findings on course support further relate with what Talaş *et al.* (2013) found that entrepreneurial education has an association with individual's inclination to be an entrepreneur.

4.4 Logistic Regression Model Estimates

Logistic regression analysis results for entrepreneurial intention predictors are presented in Table 6. Results revealed positive and significant relationship for four variables: perceived locus of control, self-efficacy/feasibility, desirability and course support. Model interpretation is based on the odds ratio (OR). Two variables (gender and experience) maintained the expected signs but were not significant.

Results from Table 6 reveal that a student's entrepreneurial intention can be predicted by perceived desirability to be an entrepreneur. It was found that a one unit change in perceived desirability in the predicted odds ratio ($OR=1.804$, $p \leq .003$) would increase the odds of becoming an entrepreneur by 1.804 points (or 80.4%) other variables held constant.

Table 6. Logistic Regression

Variables	B	S.E.	Wald	df	Sig.	Exp(B)
P-Locus	.320	.187	2.936	1	.087	1.377
Self-eff	.551	.159	11.997	1	.001	1.734
Desirability	.590	.200	8.662	1	.003	1.804
Course	.485	.143	11.523	1	.001	1.623
Gender	.065	.292	.050	1	.823	1.068
Experience	.008	.273	.001	1	.975	1.008
Constant	-5.634	.894	39.735	1	.000	.004
-2 Log likelihood			370.575			
Cox & Snell R ²			.181			
Nagelkerke R ²			.301			
Sample			512			

Similarly, entrepreneurial intention can be predicted by a student perceived feasibility or self-efficacy. Result indicates that a one unit change in perceived feasibility in the predicted odds ratio ($OR=1.734$, $p \leq .001$) would increase the probability of becoming an entrepreneur by 1.734 points (or 73.4%) other variables held constant.

Results from Table 6 reveal that a student's entrepreneurial intention can be predicted by a student perceived locus of control/propensity to act. That is, a one unit change in perceived locus of control in the predicted odds ratio ($OR=1.377$, $p \leq .087$) would increase the odds of becoming an entrepreneur by 1.377 points (or 37.7%) other variables held constant.

From Table 6, result reveal that entrepreneurial intention can be predicted by institutional course support on entrepreneurship. Results show that a one unit change in course support in the predicted odds ratio ($OR=1.623$, $p \leq .087$) would increase the odds of becoming an entrepreneur by 1.623 points (or 62.3%) other variables held constant.

These findings support work by WMPGC and HHAJ (2014), Almobaireek and Manolova (2012) and Liñán et al. (2005) who argued that the higher an individual's perceived desirability and perceived feasibility, the higher the likelihood of entrepreneurial intention. Similarly, institutional support through courses offering was found to have an added advantage for entrepreneurs. Researchers like Talaş et al. (2013, Keat et al. (2011) and Baron (2004) argued that intentional entrepreneurs need to build competences related with creativity or innovativeness, opportunity identification, being proactive, and taking risks; thus, entrepreneurial education should be geared towards competences that students need to become entrepreneurs.

4.5 Barriers to Entrepreneurship

A sub-research question formulated for this study was "what are your greatest fears (challenges) in starting a business?" The responses were categorized into four themes, namely; government, institutional, individual, and society/family. The themes and sub-themes that emerged from the data are summarized in Table 7.

Theme #1 was on government related issues. A number of sub-themes came up based on the students' responses including; weak policies, tax policy and bureaucracy or red tape in the system. Respondents stated that government rules and regulations were not supportive for new starters. They argued that the business environment is not conducive enough to motivate students to take the risk as entrepreneurs.

Table 7: Challenges in Business Start-Up

Major themes	Sub-themes
Government related	<p>Legal/tax</p> <ul style="list-style-type: none"> ▪ Weak support of government and policy ▪ Bureaucracy on the system ▪ Tax policy -Taxes burden beyond the profit <p>Infrastructure</p> <ul style="list-style-type: none"> ▪ Poor infrastructure ▪ No insurance coverage
Institutional related	<p>Financial issues -</p> <ul style="list-style-type: none"> ▪ Financial constraints or lack of start-up capital ▪ Lack access to bank loans/credit facilities <p>Business premises,</p> <ul style="list-style-type: none"> ▪ Lack of premises or high rent <p>Input/materials,</p> <ul style="list-style-type: none"> ▪ Poor input access or materials constraints, ▪ No skilled personnel <p>Market</p> <ul style="list-style-type: none"> ▪ Fluctuation of market prices ▪ Market access and competition ▪ Illegal agents in the business sector ▪ Customer attraction
Individual related	<p>Motivation</p> <ul style="list-style-type: none"> ▪ lack of motivation/energy ▪ Personal attitude/Individual perception ▪ Lack of self determination/confidence <p>Competences</p> <ul style="list-style-type: none"> ▪ Lack of experience and knowledge on how to handle the business ▪ Fear of possible failure, ▪ Fear to take risk/hesitations ▪ Low self efficacy, ▪ Lack of perseverance/patience ▪ Poor decision making skills ▪ Coordination issues <p>Opportunities</p> <ul style="list-style-type: none"> ▪ Inability to identify opportunities or the right business type ▪ Question of profitability ▪ Lack of partners for joint venture
Society/family acceptance	<p>Societal issues</p> <ul style="list-style-type: none"> ▪ Society perception ▪ Discouragement from people ▪ Lack of support or motivation from family ▪ Interest of marriage partner

Theme #2 was on institutional support where sub-themes included; financial constraints, limited business premises, poor access to inputs/raw materials and market access. Students argued that access to bank loans for new starters was not forthcoming due to lack of collateral. Another issue was on access to adequate and quality inputs or high cost of the materials for business start-up. Respondents also argued that getting the right business place and the right personnel is problematic. Besides, marketing or getting customers for new business owners was identified by majority of students as a critical factor in business start-up. Students mentioned market access, price fluctuation, dealing with illegal agents and carving out a niche for their products/services as an area which requires a set of skills for new starters. The challenges relate with what was observed by Amentie, Gurmessa and Negash (2015) on perceived barriers to entrepreneurship in Ethiopia which includes financial constraints and insufficient business information.

Theme #3 was on individual attributes where sub-themes included; lack of motivation, lack of skills and competences, and lack of ways to identify business opportunities. Most of the students argued that they lack energy or intrinsic motivation to enter into business, hence, their attitude towards starting a business is low and they lack self-determination. Further, students highlighted lack of business competences (e.g., knowledge of how to handle a business, experience, and patience), self-efficacy, fear of taking risks, and poor business skills (i.e., decision

making and coordination). Besides, students noted that they lack ability to identify the right business or opportunities, issues of business profitability, and lack of information on partnership in joint venture. The findings relate to what Amentie *et al.* (2015) found in Ethiopia on female entrepreneurs that they lack ability to identify good ideas, fear of failure, lack of prior experience and access to information related with business start-up.

Theme #4 was on society and family acceptance. Sub-themes that came up included; society perception, discouragement, lack of family support, and interest of marriage partners. These issues relate more with female entrepreneurs where Amentie *et al.* (2015) found that responsibilities of running a business could deter female entrepreneurs from starting a business.

5.0 CONCLUSION

This main objective of this study was to examine the entrepreneurial intentions of graduating university students and to determine factors that might deter them from acting on this behavior. Although results indicate high entrepreneurial intention for Ethiopian university students the likelihood that students will start a business in the next two years was extremely low for many students and roughly only a third are likely to start a business in the next five years. This study found that students with high perceived feasibility and desirability coupled with university support through courses offering could increase entrepreneurial intention of graduating university students in Ethiopia.

This study documented a number of issues which affects the likelihood of starting a business for graduating students. Major issues relates with government rules and regulation especially poor policies, poor infrastructure and business environment which need to be addressed to motivate students to be entrepreneurs. Based on the responses, institutional support for new businesses, especially small businesses is lacking. Main constraints include poor linkage with financial/credit institutions, markets, and information on business start-up, and how to master the art of competition, and carve their own niche. This study further found that individuals struggle with personal issues regarding motivation, fear of failure, building self-confidence and discouragement from family or society at large while making decisions to be entrepreneurs. We therefore argue that if the government and the institutions could create a network of support systems to assist graduating students to be entrepreneurs, then students who previously dismissed the idea of starting a business might get motivated enough to think about it as a career path. This study argues that the high entrepreneurial intention of Ethiopian students is an opportunity that the government can capitalize on to stimulate economic growth and social change, and to curb unemployment.

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Appendix A: Questionnaire on Entrepreneurial Intention and Attributes

Variables	Alpha
Entrepreneurial intention	.919
1. I am ready to do anything to be an entrepreneur	
2. My professional goal is to become an entrepreneur	
3. I will make every effort to start and run my own firm	
4. I am determined to create a firm in the future	
Perceived support of the university courses	.861
1. I gain enough knowledge on how to do business through the courses that I took	
2. I found that the courses inputs are applicable in real life	
3. I am more motivated to do business after taking my undergraduate degree courses compared to before I took them	
4. Through the courses I learned my teachers enabled me to identify potential types of industries/business areas that I will be engaged.	
5. The creative university atmosphere inspires me to develop ideas for new business.	
Entrepreneurial attributes	
Perceived Locus of Control/propensity to act	.739
1. Diligence and hard work usually lead to success.	
2. I am confident of my skills and abilities to start a business.	
Perceived Self-Efficacy/feasibility	.786
1. I believe I have the ability to identify and develop new business opportunity	
2. I believe I am capable of initiating and building relationship with important people as an entrepreneur	
3. I believe I have the ability to manage tasks to achieve desired outcomes that relates with a business	
4. I believe I have the ability to work under challenging conditions	
Perceived Desirability	.822
1. For financial gain	
2. To be independent worker	
3. To create new job opportunities	
4. To achieve higher social position	
5. To have greater work flexibility	
6. To be creative	
7. To gain experience	
8. To have higher control	
9. To achieve my vision	

Note: Items are measured on a 5-point Likert scale: 1=strongly disagree, 2=disagree, 3= undecided, 4= agree and 5=strongly agree