

Factors Influencing Entrepreneurial Activity of Graduating Students:Evidenced From Management Graduating Students, Wollega University

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Abstract

In this 21st century higher educational institutions supposed to implement entrepreneurship educational strategies for creating entrepreneurial qualities into students and persuade them with innovative ideas, new ventures and new techniques of teaching present entrepreneurship education to match the global challenges in the contest of new demand. There is a need of the hour to washing out the old methods of teaching entrepreneurship education. The new teaching methods of entrepreneurship education aspires the students to become entrepreneurs. Thus, this findings focus on the need of improvement entrepreneurship education teaching methods and to identify factors influencing entrepreneurial activity of students which encourage the students to become entrepreneurs in Ethiopia. To make assessment on graduating students towards entrepreneurship development, descriptive approach was used. Census survey technique was employed to determine targeted respondents. The data analysis was done using descriptive statistics, Factor analysis, principal component analysis and T-test. The study found that present Entrepreneurship Education system of the University developing entrepreneurial qualities into the students. However, students were unfavourably responded Creativity and innovativeness (Mean=1.48) strongly disagreed and Dignity for labor (Mean= 1.90) disagreed that in present entrepreneurship education system is not given due attention to these issues. For these issues, students were suggested that industry academia interaction is the most important teaching method for creating entrepreneurial qualities of Creativity and innovativeness of students. This also study revealed a percentage of total variance of the original variable as explained by each factor includes corruption, family background, factors of production Government Policies/Support and Social status, Environmental Conditions and Fear of failure are together, summarize 70.644 percent of the total variance. This implies that each factor is influencing entrepreneurial activity of graduating students.

Entrepreneurial Activity, Graduating Students, Wollega University, Nekemte, Ethiopia

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1. INTRODUCTION

1.1 Background of the study

Entrepreneurship is a major source of employment, economic growth, and innovation, promoting product and service quality, competition, and economic flexibility. It is also a mechanism by which many people enter the society's economic and social mainstream, aiding culture formation, population integration, and social mobility. Entrepreneurship education is known as a specialized knowledge that inculcates in learners the traits of risk-taking, innovation, arbitrage and co-ordination of factors of production for the purpose of creating new products or services for new and existing users within human communities (I. Akhuemonkhan and L. Raimi, 2013). Study conducted on Entrepreneurship education in Sub-Saharan African universities by J. D. Kabongo and J. O. Okpara, in 2010 indicates that entrepreneurial education is considered central to the economic development of nations. M. Y. Cheng and W. S. Chan (2009) argued that entrepreneurship education has to increase entrepreneurial self-efficacy, self-employment, and risk-taking attitude of the entrepreneur. Entrepreneurship education creates enormous business opportunities and trains people with innovative enterprise skills to grasp the opportunities for starting new entrepreneurial activities.

Most recent study conducted by Nomthandazo J and Muhammad H.(2018), indicates that Entrepreneurship is a factor that gives students a different way of looking at the world, irrespective of whether they choose to develop their own business or not. The main purpose of the study was to conduct a formal assessment of the impact of higher education on entrepreneurial intentions on DUT students. The study examined the impact of education and other external factors that contribute to shaping students' intentions. The analyses discovered that primarily social external factors have a positive influence more than education and university life. However, these social external influences are based on students' perceptions not on the actual reality of business education. The implication is that students should be nurtured to make sustainable decisions.

Therefore, internationally, nationally and locally entrepreneurship is deemed to be of vital importance for economic development and growth desperate desire for growth among the developing countries have placed the spotlight squarely on entrepreneurship as a major factor in the success of capitalist economies. If we want

entrepreneurship to be considered as a potential career or job option, we have to raise the level of awareness of entrepreneurial qualities already present in the society in general and the students in particular.

Entrepreneurship has been recognized as an important element in the dynamics of all economies and it is regarded as the driving force in economic growth and job creation. Graduates involvement in the economic development is of paramount importance. Developing graduates to have the spirit and drive towards entrepreneurship development would entail preparing them to become successful, independent, employers of labour and hence very useful to the economy.

Government of Ethiopia has recognized that Science, Technology and Innovation sector seeks to achieve key objectives of enhanced access, equity relevance and quality of outcomes in higher education, science, technology and innovation.

As Ethiopia entered the twenty first century a lot of emphasis was put on youth entrepreneurship since majority of youths leaving Universities had no regular stable source of earning livelihood.

Currently, there are 42 public universities under the administration of ministry of education of Ethiopia. This high number of universities has produced many graduates ready for work. Yet, currently, the most accessible job opportunities involve farming. In the same manner, it would make the society and economy entrepreneurial inclined. Graduates of higher education in Ethiopia today increasingly recognize that; in the current economic climate, most jobs are rarely for life in the formal sector.

Eighty percent of Ethiopia's overall labor force is engaged in subsistence farming. So, more job opportunities are critically needed for higher educational institute graduates (Talent Youth Association (TaYa) 2013).

This study reveals Factors Influencing Entrepreneurial Activity of Graduating Students Evidenced From Management Graduating Students, Wollega University. More specifically, objectives of this study were; to evaluate whether a present entrepreneurship education system develop entrepreneurial competencies into students or not, to explain best match of entrepreneurship teaching methods for creating entrepreneurial qualities into students, to analyses factors influencing graduates' entrepreneurial development and to recommend additional inputs needs to be added in present entrepreneurship education system.

1.2 Research gaps

In Ethiopia, despite efforts in teaching and providing training on entrepreneurship at universities, recent tracer-studies have reported falling rates of graduate self-employment. This might be due to, inflexible teaching and learning entrepreneurship education, the changed political climate, strong family ties, access to factors of production and government support and policies are among the factors were expected to be conducive to graduate entrepreneurial activity in Ethiopia.

While current national policies emphasize graduate entrepreneurship, there is a failure to implement these policies at lower government level. Amidst inflexible higher learning institutions, educators are challenged to creative and innovate ways in which entrepreneurship courses will address issues that entrepreneurs face in Ethiopia.

Another most critical problem facing the Ethiopia economy is unemployment. This is due to low economic growth, corruption, partiality and the negative attitude towards entrepreneurship. Now days, the importance of startup companies to economic growth is well known. Entrepreneurs form the lifeblood of a healthy economy. They drive business, lead innovation, and create new jobs, new wealth, and new opportunities, and thus they help improve the quality of life for many. However, a paradigm of entrepreneurship is on an infancy stage in context of Ethiopia. Business culture is lacking in most university graduates hence this shall be explored. The shortage of job opportunities in the formal sector is one of the major problems faced by the graduates in the country. Because of this shortage entrepreneurship was viewed with great interest and encouraged ever since in a many economies, more so in developing and under developed economies. The lack of employment opportunities for Ethiopian young people is among the critical development challenges facing by the country and a key barrier to national efforts toward the achievement of the Millennium Development Goals (Talent Youth Association (TaYa) 2013).

Currently facing is graduate unemployment, and increased effort and support to foster an entrepreneurship culture among these graduates may help to overcome this problem. Thus, to accelerate the growth, security and sustainability of the Ethiopian economy development, each sector needs to be supported by young entrepreneurs.

As to researchers' knowledge, previous researches lacks in evaluating whether a present entrepreneurship education system develop entrepreneurial competencies into students or not, explaining best match of entrepreneurship teaching methods for creating entrepreneurial qualities into students, and lacks in identifying factors influencing graduates' entrepreneurial development

Even with all these concerted efforts, we still find most of our graduates suffering in poverty due to unemployment. Therefore, this study needs to examine the factors influencing Entrepreneurial Activity of Graduating Students, Evidenced from Management Graduating Students, Wollega University.

1.3 Research questions

- Does a present entrepreneurship education system develop entrepreneurial competencies into students?
- What methods / techniques in present entrepreneurship education system most important for creating entrepreneurial qualities into students?
- What factors/barriers influencing graduates' entrepreneurial development?
- What additional inputs need to be added in present entrepreneurship education system to develop entrepreneurial competencies into students?

1.4 Objective of the study

The main purpose of this study was to examine the factors influencing Entrepreneurial Activity of Graduating Students, Evidenced from Management Graduating Students, Wollega University.

1.4.1 Specific objectives of the study

The specific objectives of this study were as follows:

- To evaluate whether a present entrepreneurship education system develop entrepreneurial competencies into students or not
- To explain best match of entrepreneurship teaching methods for creating entrepreneurial qualities into students
- To identify factors influencing graduates' entrepreneurial development
- To recommend additional inputs needs to be added in present entrepreneurship education system

1.5 Significance of the Study

The findings of this study will be beneficial to the following stakeholders:-

- The findings of this study will help government of Ethiopia through the ministry of education science and technology of to have a better understanding of how the youth in Universities perceive the whole issue of entrepreneurship. Based on this better understanding, the two levels of government will be in a better position to come up with more supportive policies towards promoting entrepreneurship among the graduating students.
- Relevant Non-Governmental Organizations (NGOs) – NGOs that work to support graduate development in close collaboration with education sector players will benefit from the findings of this study as they will be better informed on the factors affecting choice of entrepreneurship among the graduates.
- The general public – when the interests of the graduates are looked after and researched on so as to ensure they have a better chance at social and economic progress, then the society as a whole benefits. This is particularly considering that the youth are the majority in Ethiopia.
- Other researchers – this study will provide a source of literature to be reviewed by others in their studies. The study will contribute to scholarship as it will advance the work of other researchers in this field and also make recommendations on areas that other researchers can focus on.

1.6 Scope of the study

This study delimited to Department of Management, College of Business and Economics, Wollega University graduates' entrepreneurship development. The real barriers encountered by graduates and core competences that permit those who actually want to start their own businesses were investigated in the study.

1.7 Limitation of the study

The sample size limits oversimplification because the study focused on one department, therefore the results may be generalized neither across the entire university nor across all of Ethiopian Universities. However, the results found can form a basis for further studies to cover all faculties because the study has ascertained that there is a need for change and improvement.

2. LITERATURE REVIEW

2.1 Graduation and Graduates

Graduation is a transition from; learning to working, Beneficiary to benefactor, Investment to harvest, Illusion to vision

“Graduates” can be described as students who are in their final year of study in the universities (Pihie, 2009).

They constitute a potential source of would-be entrepreneurs because of the high unemployment caused by limited opportunities in government and private firms in South Africa. In addition, as pointed out by Veciana A. et.al, (2005) last year students are about to face their professional career choice and secondly, these students belong to the empirically highest entrepreneurial inclination segment of the population. This implies that those individuals between 25 and 34 years old with high level of education tend to show a greater propensity towards entrepreneurship.

2.2 Concept of Entrepreneurship

According to D. E. Adenutsi (2009), Entrepreneurship is defined as the identification of a new business opportunities and the mobilization of economic resources to initiate a new business or regenerate an existing business, under the conditions of risks and uncertainties, for the purpose of making profits under private ownership. In simple, entrepreneurship is a process which may develop a single entrepreneur or enterprise with the main objective is to making profit by using of scarce resources most likely under private ownership. On the other hand, entrepreneurship is concerned with creating long-term value and creates regular cash flow streams on an individual or the group of individuals for the future through the process of imagination, initiative and innovation for the purpose of maximizing profits and minimizing risk with the view of long term expansion. Moreover, entrepreneurship is the key to the growth and development of local industries through the processing of local raw materials into finished and semi-finished goods for the domestic and foreign markets .It also promotes the utilization of improved and cost-effective technology in small and medium-scale enterprises which enhances higher factor productivity at the local level especially in low-income countries where the traditional rural economy is predominant”.

According to Kuratko and Hodgetts “entrepreneurship is a dynamic process of vision, change and creation”. M. Coulter in 2001 tries to find out the definition of entrepreneurship "entrepreneurship is the process whereby an individual or a group of individuals use organized efforts and means to pursue opportunities to create value and grow by fulfilling wants and needs through innovation and uniqueness, no matter what resources are currently controlled.

According to Bagheri and Z. A. L. Pihie (2010) entrepreneurship has been considered as self-employment. While, there is a consensus among entrepreneurship scholars on that entrepreneurship is not just running a small business that already exists. Rather, it is change management, creative thinking, opportunity seeking, and innovativeness.

Entrepreneurs demonstrate a need to achieve, a willingness to exploit a challenge, to persevere, to work hard and driven by self-belief, but tempered with the ability to be flexible and to delegate to others when necessary as well as willingness to listen to advice and to recognize that they are not experts in every aspect of their business (Good body Economic Consultants, 2002).

2.3 Entrepreneurship Education

Entrepreneurship education includes all activities aiming to foster entrepreneurial mindsets, attitudes and skills and covering a range of aspects such as idea generation, start-up, growth and innovation (Fayolle, 2009).

Entrepreneurship education covers a wide variety of audiences, objectives, contents and pedagogical methods (Fayolle et al, 2008). The most commonly cited objectives of entrepreneurship education by previous studies are: to acquire knowledge germane to entrepreneurship, to acquire skills in the use of techniques, in the analysis of business situations and in the synthesis of action plans, to identify and stimulate entrepreneurial drive, talent and skill, to undo the risk-adverse bias of many analytical techniques, to develop empathy and support for the unique aspects of entrepreneurship, to revise attitudes towards change, to encourage new start-ups and other entrepreneurial ventures, to stimulate the ‘affective socialization element’ (Alberti et al, 2004). The objectives of entrepreneurship education could be classified into three categories: raising awareness, teaching techniques, tools and how to handle situations and supporting project bearers (Fayolle, 2007). Generally, entrepreneurship education aims to increase the awareness of entrepreneurship as a career option, and enhance the understanding of the process involved in initiating and managing a new business enterprise Lee et al, The most important primary and short term results are to raise awareness, knowledge and understanding about enterprise/entrepreneurship concept and practice, to develop individual enterprising/entrepreneurial skills, behaviors and attitudes, to develop personal self-confidence and capability, to develop empathy with an entrepreneurial way of life, to embed entrepreneurial values and beliefs, to motivate and inspire students toward an enterprising or entrepreneurial career or life, to understand venture creation process, to develop generic entrepreneurial competencies, to develop key business 'how-to's', to develop personal relationship and networking skills, to prepare for becoming a freelancer or self-employed, to start a new business, and to exploit institutionally-owned IP (Hannon et al, 2006). On the other hand, entrepreneurship education long term results include change in attitude, culture, support system and influence on business created by youth (Azizi, 2009).

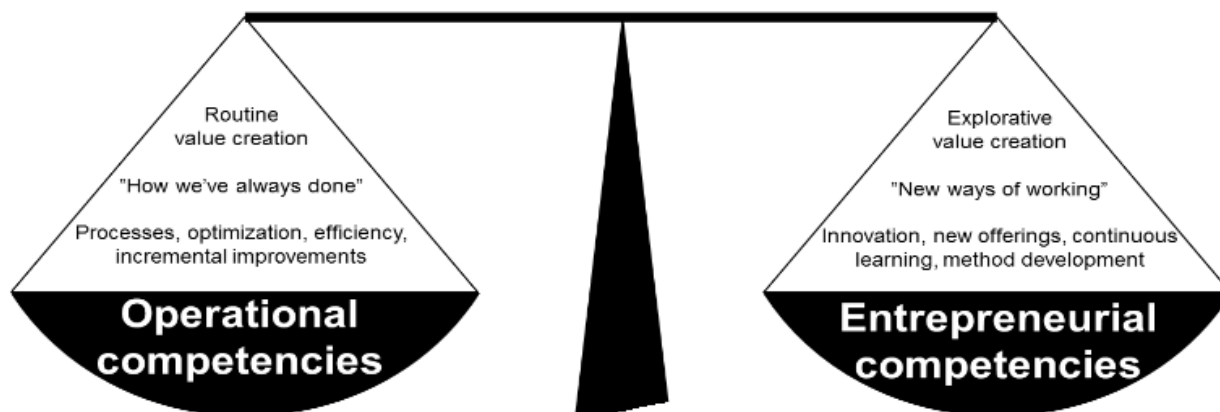
Challenges / Problems and Suggest Remedial Measures for Strengthening the Teaching Methods of Entrepreneurship Education

Challenges / Problems	Suggestions
Most graduates do not possess necessary entrepreneurial skills even if they feel entrepreneurially ready	To target an individual's —know-how through interactive methodologies. To shift from —how to run a business” to —how to develop a set of relevant competencies”
Economic and institutional frameworks are unfavourable to entrepreneurial activity	To create and sustain the entrepreneurial ecosystem
Embedding entrepreneurship and innovation, cross-disciplinary approaches and interactive teaching methods require new models, framework and paradigms	Entrepreneurship education should be interdisciplinary, developing multiple dimensions, such as employability, social and academic entrepreneurship and Entrepreneurship
Polarization between passive and experiential learning. Passive modes of learning do not meet requirements of the real life	To redesign curriculum. To focus on learning through experience and reflection
The majority of the entrepreneurship programmes lack contact with business world,	To change educational context: to take students out of the classroom into community and real business. To engage business through visits, role models, sharing experiences, student mini-companies with business mentors
Less than 1/3 of staff teaching entrepreneurship has practical experience in business	To train, enable and motivate educators to enhance entrepreneurial spirit and culture, to encourage cross-border exchange of experience among faculties to make casting stricter
Entrepreneurial intentions are high, but not actions. The intentions in the developing countries are higher than in the developed ones	Entrepreneurship education should desist from simply teaching knowledge on business creation and rather focus on experimenting and experiencing entrepreneurship
The gap between skills and jobs is widening	To establish closer cooperation between business and academia. Education should be better linked with practice to ensure that future skills match jobs
The results of entrepreneurship programmes are not immediate, since graduates' motivation and capabilities evolve overtime, hence, entrepreneurial intensions and the rate of graduate business creation are not the most suitable indicators to evaluate entrepreneurship education	More effective measurements and evaluations of the impact of entrepreneurship education programmes and policies require longitudinal studies, whilst the short-term impact can be determined by measuring entrepreneurial skills and qualities of students/graduates.

Source; compiled by the researcher from literature, 2019

Value creation as the common core of entrepreneurial education

There are two kinds of value creation. Routine value creation is based on operational competencies such as process management and execution, optimization and incremental improvements. Explorative value creation is based on entrepreneurial competencies. A balance between them is desirable but seldom achieved.



2.4 Personal Entrepreneurial Competencies or PECs

PECS are divided into three clusters and 10 specific competences. These competencies are a practical tool that will help you to assess your strengths and weaknesses and to further improve your entrepreneurial performance. Now is your opportunity to review the 10 Personal Entrepreneurial Competencies (PECs) that make business people successful entrepreneurs.

The first cluster

Achievement

1. Opportunity-seeking and initiative

An entrepreneur is someone who seeks opportunities. Where other people see problems, entrepreneurs see opportunities and take the initiative to transform these opportunities into profitable business situations.

They demonstrate the following behaviours:

- Do things before being asked or forced to by events;
- Take action to extend the business into new areas, products or services; and
- Seize unusual opportunities to start a new business, obtain financing, equipment, land, work space or assistance.

2. Persistence

Entrepreneurs have the determination to persevere in the face of obstacles. When most people tend to abandon an activity, entrepreneurs stick with it. They demonstrate the following behaviours:

- Take action in the face of significant obstacles and challenges;
- Take persistent actions, or switch to an alternative strategy to meet a challenge or obstacle; and
- Take personal responsibility for the performance necessary to achieve goals and objectives.

3. Fulfilling commitments

Entrepreneurs always do what they say they will do. They always keep their promises, no matter how great the personal sacrifice. They demonstrate the following behaviours:

- Make a personal sacrifice and extraordinary effort to complete a job;
- Pitch in with employees, or take their place if needed, to get a job done; and
- Strive to keep customers satisfied and place long-term goodwill above short-term gain.

4. Demand for quality and efficiency

This has to do with passion: being obsessed by the need to improve quality, to do something better, faster or cheaper. This passion is reflected in the integrity of entrepreneurs and the pride they have in their work. They demonstrate the following behaviours:

- Find ways to do things better, faster and cheaper;
- Act to do things that meet or exceed standards of excellence; and
- Develop and use procedures to ensure that work is completed on time and that work meets agreed-upon standards of quality.

5. Taking calculated risks

Taking calculated risks is one of the primary concepts in entrepreneurship, the element that makes them entrepreneurs. They are willing to take risks. They demonstrate the following behaviours:

- Deliberately calculate risks and evaluate alternatives;
- Take action to reduce risks and/or control outcomes; and
- Place themselves in situations involving a challenge or moderate risk.

The second cluster

Planning

6. Goal-seeking

This is the most important competency because none of the rest will function without it. Entrepreneurs know what they want. They know where they're going in business. They're always thinking about the future and set goals. They demonstrate the following behaviours:

- Set goals and objectives which are personally meaningful and challenging;
- Articulate clear and specific long-term goals; and
- Set measurable short-term objectives.

7. Information-seeking

Entrepreneurs do not like uncertainty or assumptions. They don't like to count on others for information. It seems that an entrepreneur spends a lot of time gathering information about their clients, suppliers, technology and opportunities. They demonstrate the following behaviours:

- Personally seek information from customers, suppliers and competitors;
- Do personal research on how to provide a product or service; and
- Consult experts for business or technical advice.

8. Systematic planning and monitoring

Systematic means "in an orderly, logical way". Planning is deciding what you are going to do. Monitoring means

checking. It is, in fact, what a business plan is for: to see if something is feasible prior to trying it. Entrepreneurs demonstrate the following behaviours:

- Plan by breaking large tasks down into sub-tasks with clear time-frames;
- Revise plans in light of feedback on performance or changing circumstances; and
- Keep financial records and use them to make decisions.

Third cluster - power

9. Persuasion and networking

Entrepreneurs use a definite strategy for influencing other people to follow them or do something for them. A successful persuasion strategy depends upon all parties involved, that is, the entrepreneur and the people he is trying to persuade. Entrepreneurs demonstrate the following behaviours:

- Use deliberate strategies to influence and persuade others;
- Use key people as agents to achieve own objectives; and
- Take action to develop and maintain a network of business contacts.

Power

10. Independence and self-confidence

This competency concerns entrepreneurs' quiet self-assurance in their capability or potential to do something. It is an internal confidence that is reflected by the challenges they choose to undertake in life. Being self-confident means taking total responsibility for making things happen. They demonstrate the following behaviours:

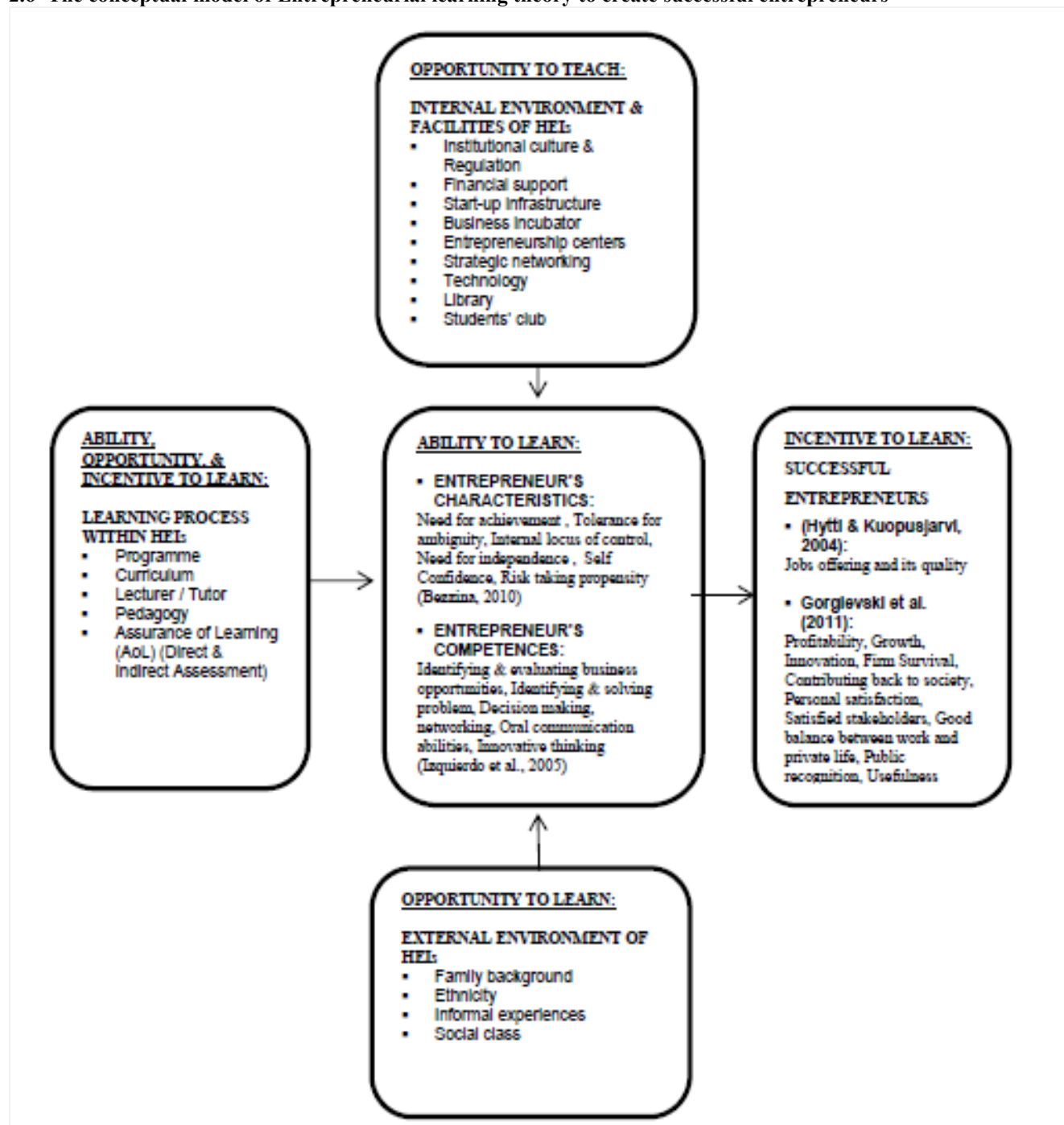
- Seek autonomy from the rules and/or control of others;
- Attribute the causes of successes and failures to oneself and to one's own conduct; and
- Express confidence in their ability to complete a difficult task or to face a challenge.

2.5 Empirical Reviews on Entrepreneurship Development

Kenneth Ch. et. al, (2013) was found that graduates who had gone through entrepreneurship programmes have intentions to start their own businesses. However, these intentions varied with respect to their level of creativity, access to start-up capital, family background, business experience, self-efficacy, influence of business minded friends, and exposure to entrepreneurial learning, risk propensity, age, course studied and ethnicity. It was also found that entrepreneurial intentions increased with increase in age.

Monavvarifard et al, 2013, concluded and suggested in study Analysis of factors affecting the development of an entrepreneurial student and drawing upon the students perspectives, in terms of psychological factors, motivation, need for achievement and providence had the greatest impact on entrepreneurial spirit, moreover among the educational and academic items, target orientation of schooling, favorable access to computer and internet and learned and efficient instructors were known as the most influential factors. The finding implicated a significant positive relationship among the level of education, age, educational and academic factors, need for achievement, innovativeness, risk taking and ambiguity toleration, control source and having a family with entrepreneurial spirit. Furthermore the results of regression test also showed that innovativeness, educational and academic factors and need for achievement had the greatest direct impact on the creation of entrepreneurial spirit. In order to persuade students to be behave more entrepreneurial, incentive instructions should be kept in mind while planning and policy making for the future of universities, Also it's worthy to familiarize faculty members with entrepreneurship and idea creation processes. It would be best if the curriculum of wood and paper industries major be provided in such ways that it can reinforce the impact of individual characteristics on entrepreneurial spirit creation. The universities have to prepare the incumbent environment for connecting students with entrepreneurs in order to nourish their motivation, confidence and hard work spirit for becoming entrepreneurs. Universities also need to plan their affairs in such a way to extol thinking and planning abilities of the students and hence reduce the risks of starting new businesses. Enjoying instructors who experience in the field of entrepreneurship is also suggested, while the incentive policies for furtherance entrepreneurship and innovation among students should not be forgotten. It's also necessary to increase academic equipment and extend communicational networks among students and knowledge societies with the purpose of consolidating the interaction between entrepreneurs and students.

2.6 The conceptual model of Entrepreneurial learning theory to create successful entrepreneurs



3. METHODOLOGY OF THE STUDY

3.1 Research Design

To make assessment on graduating students towards entrepreneurship development, descriptive approach was used. Census survey technique was employed to determine targeted respondents.

3.2 Type and source of data

To conduct this study; the researcher were used both primary and secondary data source. Primary data was collected through questionnaire and secondary data was collected through reviewing different literature.

3.3 Target Population and Size

The target population of the study was all Graduating class of Management students in college of Business and Economics, Wollega University.

To conduct this study the researcher were used census survey technique. Because the number of students in the department was small and also the researcher used census inquiry for the research was that the size of the population and need of accurate information so census survey is best fit. The target population was homogenous and they were small in number. This means all targeted students were participated in this study. The total students were sixty (60) and sample size 100%.

3.4 Measurement

The questionnaire predominantly made use of nominal and ordinal scales. Likert scale, ranking, coding, rating scale and dichotomy questions were used to assess graduates' entrepreneurship development. Close-ended questions were used for demographic variables.

Five point Likert scale with 1 to 5 questions were used to know reasons why graduates want to start their own business and to what extent entrepreneurship education develops core competencies into graduates. Ranking questions were used to identify preferred areas of graduates to start their business, coding No 1-7 questions were used to measure methods of developing core competencies into graduates. Rating scale 1 to 5 questions to identify factors affecting graduates' entrepreneurship development and lastly, yes or no questions were employed to know factors that permit graduates' to start their own business.

3.5 Data reliability

Questionnaire items provided to respondents are reliable and tangibly available on the realistic ground and data collection instrument i.e. questionnaire employed for data collection process can able to capture accurate opinions and information generated from target respondents of the study.

The normality of the data was determined by using the Kolmogorov-Smirnov test.

3.6 Methods of data analysis

The data analysis was done using SPSS Version 20, descriptive statistics, Factor analysis, principal component analysis and T-test. This research study used varimax orthogonal rotation method. Principal components with Eigen values greater than one are usually retained. Items with factor loading lower than 0.300 were removed as suggested by Leech *et al.* (2005).

4. RESULTS AND DISCUSSIONS

This chapter deals with the presentation, analysis and discussion of the collected data from targeted respondents. The researcher distributed 60 (100% for Management under graduates) questionnaires were properly filled and collected as well as used for the analysis. The first part of this chapter analyzes and presents the personal information and remaining sections of the chapter are organized according to the sequence of the objectives for which the study was conducted. Includes to evaluate whether a present entrepreneurship education system develop entrepreneurial competencies into students or not, to explain best match of entrepreneurship teaching methods for creating entrepreneurial qualities into students, to analyses factors influencing graduates' entrepreneurial development and to recommend additional inputs needs to be added in present entrepreneurship education system; The data analysis was done using SPSS Version 20, descriptive statistics, Factor analysis, principal component analysis

Part I: Personal information of Respondents

Table 4.1 Male and Female

		Frequency	Valid Percent	Cumulative Percent
Gender	1	36	58.1	61.3
	2	24	38.7	100.0
	Total	60	100.0	

As shown in the first part of the above table 4.1, out of the total graduates of the department, male accounts for 58.1% (36) and 38.7% (24) are female.

Table 4.2 Age of respondents

		Frequency	Valid Percent	Cumulative Percent
Age	18-20	1	1.7	1.7
	21-25	37	61.7	63.3
	26-30	20	33.3	96.7
	>35	2	3.3	100.0
	Total	60	100.0	

The age of targeted respondents were presented in Table 4.2 above. The Table shows that majority (about 95%) of the respondents were 21 years and

Below 35 years while only 2% were below 21 years and 3% were above 35 years.

Part II: Present Entrepreneurship Education develops following qualities into the students

Pooled Values of Mean and Standard Deviation of present Entrepreneurship Education develops entrepreneurial qualities into the students

Table 4.3 Evaluation of whether present Entrepreneurship Education develops entrepreneurial qualities into the students or not

Qualities	Mean	Std. Deviation
Creativity and innovativeness	1.48	.504
Dignity for labor	1.90	.706
High self esteem	4.47	.503
Initiative taking ability	4.30	.591
Knowledge for commercial and legal aspect of business	4.52	.624
Need for achievement	3.70	1.239
Need for influencing other	2.57	.698
Need for power	2.65	.606
Optimism	4.37	.712
Problem solving attitude	3.95	.723
Risk taking ability	4.40	.494
Strong willpower	4.50	.504
Time management	2.55	.675
Grand mean	3.5	0.658

As it can be observed in the above table 4.3, this part of the analysis presents the findings of regarding present Entrepreneurship Education system of the University. In other words, evaluation of whether present Entrepreneurship Education system developing entrepreneurial Qualities into students.

As indicated in table above table, concerning present Entrepreneurship Education system of the University creating entrepreneurial Qualities into students, students were reacted favourably on Knowledge for commercial and legal aspect of business (Mean= 4.52), Strong willpower (Mean= 4.50), High self esteem (Mean= 4.4), Risk taking ability (Mean= 4.40), Optimism (Mean= 4.37), Initiative taking ability (Mean= 4.30), Problem solving attitude (Mean= 3.95) and Need for achievement (Mean= 3.70). With respect to Time management (Mean= 2.55), Need for influencing other (Mean= 2.57) and Need for power (Mean= 2.65) students were in neutral. Whereas, students were unfavourably responded Creativity and innovativeness (Mean=1.48) strongly disagreed and Dignity for labor (Mean= 1.90) disagreed that in present entrepreneurship education system is not given due attention to these issues.

Part III: Methods/Techniques for creating entrepreneurial Qualities into students

Out of following teaching Methods/Techniques; which Method/Technique do you suggest for the development of entrepreneurial qualities as mentioned below?

Methods/Techniques for Creating entrepreneurial Qualities	Code No.
Assignments and Projects	1
Business Games	2
Case Studies	3
Industry Academia Interaction	4
Psychological Counseling	5
Role Play	6
Structured Syllabus	7

Table 4.4 Methods/Techniques for creating entrepreneurial Qualities into students

<i>Entrepreneurial Qualities</i>	<i>Methods</i>	Frequency	Valid Percent	Cumulative Percent
Creativity and innovativeness	Business Games	11	18.3	18.3
	Case Studies	5	8.3	26.7
	Industry Academia Interaction	44	73.3	100.0
	Total	60	100.0	
Dignity for labor	Psychological Counseling	11	18.3	18.3
	Role Play	49	81.7	100.0
	Total	60	100.0	
High self esteem	Psychological Counseling	45	75.0	75.0
	Role Play	15	25.0	100.0
	Total	60	100.0	
Initiative taking ability	Business Games	37	61.7	61.7
	Case Studies	13	21.7	83.3
	Industry Academia Interaction	10	16.7	100.0
	Total	60	100.0	
Knowledge for commercial and legal aspect of business	Assignments and Projects	17	28.3	28.3
	Structured Syllabus	43	71.7	100.0
	Total	60	100.0	
Need for achievement	Psychological Counseling	41	68.3	68.3
	Role Play	19	31.7	100.0
	Total	60	100.0	
Need for influencing other	Psychological Counseling	45	75.0	75.0
	Role Play	15	25.0	100.0
	Total	60	100.0	
Need for power	Psychological Counseling	54	90.0	90.0
	Role Play	6	10.0	100.0
	Total	60	100.0	
Optimism	Assignments and Projects	41	68.3	68.3
	Structured Syllabus	19	31.7	100.0
	Total	60	100.0	
Problem solving attitude	Psychological Counseling	45	75.0	75.0
	Role Play	15	25.0	100.0
	Total	60	100.0	
Risk taking ability	Psychological Counseling	17	28.3	28.3
	Role Play	43	71.7	100.0
	Total	60	100.0	
Strong willpower	Business Games	9	15.0	15.0
	Case Studies	51	85.0	100.0
	Total	60	100.0	
Time management	Assignments and Projects	10	16.7	16.7
	Structured Syllabus	50	83.3	100.0
	Total	60	100.0	

As table 4.4 above shows, majority of students 44 (73.3%) were responded that **industry academia interaction** is the most important teaching method for creating entrepreneurial qualities of Creativity and innovativeness of students. While, Dignity for labor and Risk taking ability can be highly created into students by following **Role play** teaching method of entrepreneurship which was supported by 49 (81.7%) and 43 (71.7%) respondents respectively.

According to respondents, most important teaching method for creating entrepreneurial qualities into students for Need for power 54 (90%), high self esteem 45 (75%), Need for influencing other 45 (75%), Problem solving attitude 45 (75%) and Need for achievement 41 (68.3%) is **Psychological Counseling**. With respect to making Strong willpower, **Case Studies** are the most important method which was supported by 51 (85%) respondents.

Given **assignments and projects** on present entrepreneurship education system makes students to have positive attitude on having their own business, evidenced by 41 (68.3%) respondents.

Structural syllabus helps students to create entrepreneurial qualities of Knowledge for commercial and legal aspect of business 43 (68.3%) and time management 50 (83.3%). As per respondents 37 (61.7%), responded that a Business game is the most important technique to create initiative taking ability into students.

Part IV: Factors/barriers on development of Entrepreneurial activity

Factors Analysis

This section started with an identification of factors/barriers on development of Entrepreneurial activity of university students. The identification of factors could be done by using factor analysis (FA). FA is used to reveal the dimensions/measurement of a set of variables.

Since the objective of this study, among university students, was identification of the factors influencing development Entrepreneurial activity university students, FA was used to reduce and categorize the variables considered as factors. Factor Analysis with principal components extraction to focus the analysis on a manageable subset of the predictors is reasonable for this study.

Kaiser-Meyer- Oklin (KMO), an instrument for measuring sampling adequacy, was used to measure the appropriateness of data for factor analysis. It measures the factors homogeneity and a KMO measure of greater or equal to 0.5 is acceptable.

In this study, the KMO measure of the data used is obtained to be 0.5 which shows the suitability and significance of the data for factor analysis.

Furthermore, the Bartlett test should be significant (i.e., a significance value of less than .05); this means that the variables are correlated highly enough to provide a reasonable basis for factor analysis. In this case see table 4.5 below. Bartlett test significant with 0.000 value which is below 0.05. So, it is suitable to undertake factor analysis.

Table 4.5 KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.513
Bartlett's Test of Sphericity	Approx. Chi-Square	118.549
	Df	36
	Sig.	.000

Using the SPSS software program, the rotated component matrix was obtained as on table 4.6. Nine (9) factors that were believed to have an effect on the development Entrepreneurial activity have been identified. By the help of factor analysis, these factors reduced into four. All the nine factors are accepted because they have factor loadings of 0.50 and above which is feasible to be accepted (Hair et al., 1998, as cited in Oly and kok, 2005). Reduction is made by bringing together all the factors having the same nature (highly correlated). The factors in each column with bold color are highly correlated with the corresponding columns headings.

Table 4.6: Rotated Component Matrix

Factors influencing...	Component			
	1	2	3	4
Availability of Capital	-.069	.869	-.115	.164
Availability of Labor	.095	.750	-.364	-.001
Availability of Raw material	.294	.627	-.104	-.315
Corruption	.899	.002	.043	.106
Environmental Conditions	.339	.277	.112	.589
Family background	.927	.013	-.032	.090
Fear of failure	.211	.188	-.028	.824
Government Policies/Support	-.123	.260	.685	-.199
Social status	.211	-.188	.765	.073

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

Rotation converged in 6 iterations.

In order to have this structure of factors influencing development of Entrepreneurial activity, FA analysis has repeated six times. The rotation is to have the best factor structure or organization.

Labeling the Structured Factors

Now the factors are identified as shown on table 4.6 (the four columns). The next step is cataloging of these factors based on the variable coefficients and researcher's know-how of them. The higher the variable coefficient indicates that the variable and the corresponding factors are highly correlated.

Based on this, the labeling is given for each factor that is influencing development of Entrepreneurial activity as follows:

Availability of capital, availability of labor and availability of raw material were consisted in.

Availability of starting capital

The controversial variable in many entrepreneurship researches is the role of starting capital to become

entrepreneur. The debate is over the significance of seed capital for starting a business. Regarding this argument the researchers classified in to two groups. The first group of researchers is those who believe that starting capital is a significant factor and they are mostly from less developed countries. Whereas the other group is those who claim starting capital is not significant; who are mainly from advanced countries (Biniyam, 2012).

Government Policies/Support

Entrepreneurial activities can help governments solve poverty and improve unemployment conditions by encouraging self-reliance through self-employment. Government policies and support such as low tax burden, provision of incentives and working premise, availability of credit service, training and education, and facilitation of infrastructure have contribution to a healthy and stable entrepreneurial environment. Government policies and supports are the economic and political environment which includes various factors that affect the likelihood of self employment. Hence, government economic policies and supports which encourage self-employment may include provision of credit services, facilitation of infrastructure, and imposition of low tax burden, provision of premises and education and training, but these are some to mention few (Hui, 2009). Moreover, Meager et al., (2011) found that access to different types of government policy and support can attract individual to start own business.

Social status/value and Family background

Family is one who supposed to take priority in encouraging their youth to be economically independent, especially by creating their own jobs.

Some families, even if they have a better place to undertake business activities, push their youth to wait the support of government and get some jobs.

The image, reputation and credibility of graduate entrepreneurs in a society can also have a crucial influence on graduates' decision to start up their own business. The appreciation and assessment of entrepreneurs can range from being regarded as successful, honest, independent and innovative people who create jobs to being perceived as ruthless, dishonest and selfish people.

Social factors such as social perception and expectation, family values, networks and social value of self employment play a key role in nurturing the entrepreneurial ecosystem.

Social perceptions and perceived legitimacy of self employment are also an important factor in helping or hindering entrepreneurial behavior. The degree of approval or disapproval of business activity will influence its emergence and characteristics, being favored by those environments in which entrepreneurs enjoy greater legitimacy. Basically literature recognizes the family as well as other social environment as important influencer for graduates to start or not to start their own business.

Environmental Conditions and Fear of failure

Some of factors influencing entrepreneurial activity are includes Political and policy change, Limited access to credit and inhibitive banking/ financial services, Improved business registration and taxation procedures, Negative attitudes towards graduate entrepreneurship, Improving general awareness of entrepreneurship, Corruption, collusion and theft, Good publicity of entrepreneurs in media, Fostering legitimacy and reputation, Poor taxation procedures, Growing banking and micro-finance sector, Poor implementation of government policies by officials, Increase in multinational companies and Threat from cheap imports. These are outside the control of entrepreneurs.

The above four factors are (table 4.6) chosen based on Eigen value greater than one rule of thumb. For this particular study, the Eigen value (amount of variance in the original variables accounted for by each component) greater than one rule is used in order to determine the number of factors.

According to this rule, those factors having greater than 1 are significant while the remaining (less than one) are insignificant because of the low correlation they have.

Table 4.7 Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.143	23.809	23.809	2.143	23.809	23.809	1.987	22.079	22.079
2	1.857	20.634	44.442	1.857	20.634	44.442	1.927	21.410	43.489
3	1.292	14.353	58.795	1.292	14.353	58.795	1.228	13.647	57.136
4	1.066	11.849	70.644	1.066	11.849	70.644	1.216	13.509	70.644
5	.790	8.783	79.427						
6	.700	7.775	87.202						
7	.654	7.262	94.465						
8	.306	3.397	97.861						
9	.192	2.139	100.00						

Extraction Method: Principal Component Analysis.

Table 4.7 reveals a percentage of total variance of the original variable as explained by each factor.

The first factor, corruption and family background summarizes 23.809 percent of the variance; the second factors of production, summarizes 20.634 percent; the third factor, Government Policies/Support and Social status, summarizes 14.3539 percent; the fourth factor, Environmental Conditions and Fear of failure, summarizes 11.849 percent.

Together, the four factors summarize **70.644 percent** of the total variance. This explanation of variance is equivalent to the R^2 in multiple regressions (Zikmand, 1997). Therefore, the remaining (29.356 %) variation in development is caused by factors that were not included in this factor analysis such as negative attitudes towards entrepreneurial activity. In other words, with the **possible error of 29.356 %**) the development entrepreneurial activity is affected by the identified factors.

5. CONCLUSIONS AND IMPLICATIONS

This study suggests the following implications for the restructuring and improvement of the present entrepreneurship education system for developing entrepreneurial competencies into students, explaining best match of entrepreneurship teaching methods for creating entrepreneurial qualities into students and factors influencing graduates' entrepreneurial development

First, today's entrepreneurial courses especially in Ethiopian Universities tend to focus on the financial aspects of business ownership, such as how to plan a business or how to submit proposals to investors. On the other hand, research shows that present entrepreneurship education system needs to be reshaped as it can develop entrepreneurial qualities into students. For example, Creativity and innovativeness, Dignity for labor, Flexibility, High self esteem, Initiative taking ability, Knowledge for commercial and legal aspect of business, Need for achievement, Need for influencing other, Need for power, Optimism, Problem solving attitude, Risk taking ability, Strong willpower, and Time management. Almost majority of respondents (**grand mean = 3.5**) were agreed [Table 4.3 can be referred].

Second, the linkage between university education and industry is important to improve the quality and relevance of present entrepreneurship education [Table 4.4 can be referred].

It may be helpful to understand and learn the actual field experience through courses such as business start-ups and case studies, industry academia interaction, role play, business games, assignments and projects and psychological counseling and having structured syllabus. Therefore, the educator needs to modify the course to reflect the curriculum to suit the changing economic environment and student needs. This changing economic environment requires entrepreneurship education, including broader market interest and opportunity discovery capabilities, including students from other disciplines.

Thirdly, This study revealed a percentage of total variance of the original variable as explained by each

factor includes corruption, family background, factors of production Government Policies/Support and Social status, Environmental Conditions and Fear of failure are together, summarize **70.644 percent** of the total variance. This implies that each factor is influencing entrepreneurial activity of graduating students. The major difficulty of graduating students towards entrepreneurship development still seems to be the lack of starting capital or seed fund. Thus, the researcher believes that improving availability of starting capital will have a central role to enhance the propensity to start own business among graduated students. In this regard, different financial institutions should work closely with potential and existing graduate entrepreneurs by lowering even avoiding the interest rates, offering collateral free loan, adopting easily accessible credit process, considering increasing graduate unemployment even at country level so that they can secure starting fund and easily engage in their own business. Besides to financial institutions, government should also work much on availing starting capital to encourage students towards entrepreneurial activity for graduates.

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