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# Determinants of Entrepreneurial Intention among Graduating Students in Ethiopian Universities: The Case of Madawalabu University

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**Abstract**
The major objective of the study was to investigate the determinants of entrepreneurial intention among graduating students at Madawalabu University. For this end, data were collected from 333 graduating students selected with stratified sampling technique. The Binary logistic regression model was used to analyze the determinants of entrepreneurial intention of graduating students. The result of the study revealed that only 41.5percent of the graduating students reported their intention to start their own business and the majority of them preferred to join public and private organizations as career choices. From the cohort of fields of study, Business and Economics graduating students retorted a better entrepreneurial intention followed by Engineering and Technology graduating students. The model result revealed sex, prior experience, residence, parental role model perceived social norms, risk taking readiness and propensity, entrepreneurship education were the major significant determinants of entrepreneurial intention of graduating students. Therefore, policy makers need to design entrepreneurship courses in different curricula to nurture students towards self employment and Universities should establish business incubation programs so as to nourish entrepreneurial talent at university level.

**Key words: 1.** Entrepreneurship 2. Entrepreneurial intention 3. Planed behavior 4. Perceived behavioral control 5. Perceived social norms

## 1. Introduction

Entrepreneurship, as a subject for research, has grown spectacularly in recent years principally due to the relationship thought to exist between entrepreneurial activity and economic development. In line with this, new firms are also thought to be involved significantly in innovative activities, such that the role of innovative entrepreneurship is viewed as a means of transmission mechanism linking the creation of knowledge and economic growth [1].
Entrepreneurship is regarded to have contribution towards employment creation, self sufficiency and wealth for nation in general and individuals particularly [2]. Focus on entrepreneurship has revealed that

both the nature and the role of entrepreneurs are essential for economic growth and business development [3].
Nowadays, higher education plays an imperative function on producing an increasing number of graduates in many countries that seeks to promote self or small business employment as a pragmatic livelihood option [4]. Moreover, educators and education practitioners intend to better prepare their students for a changing market by extending entrepreneurship education further than the business school [5]. The mounting importance in entrepreneurship in most parts of the world, principally in emerging economies is due to the fact that entrepreneurial activities (typified by new venture formation) are ever more being considered as a means of stimulating the economy and a way of coping with unemployment challenges that characterize most developing economies [6].

Entrepreneurial intentions are a relatively young research area that has lured many entrepreneurship scholars and seen a quick gush in a number of research studies. Defined as an interdisciplinary field, inquiries into entrepreneurial intentions bridges the gap between behavior prediction models originated in the field of psychology and modern-day entrepreneurship research. Entrepreneurship plays a pivotal role in the economic development of nations. Level of entrepreneurship is an indicator of the economy. Resources are fully utilized where entrepreneurial activities are in run.

The significance of entrepreneurship is emphasized by almost all authors working on innovative economics; nevertheless, most of the research work comes to an end at a purely appreciative level. On the other hand, still, a consistent theory of entrepreneurship is missed [7]. Therefore, the controversial results with the determinant factors on entrepreneurial intention, the scant study conducted on the topic in Africa and Ethiopia particularly, the increasing unemployment tendency of graduating students and the less absorbing capacity of employers coupled with the low awareness level and readiness of graduating students in creating their own entrepreneurial ventures (self employment) triggers the researcher to conduct this research work.

## 2. Objectives of the study

The general objective of the study is to analyze the determinants of entrepreneurial intention among graduating students and in line with this the specific objectives are: to measure the entrepreneurial intention of graduating students in the selected University; to investigate the demographic factors those determine entrepreneurial intention of graduating students; to analyze the personality ad attitude factors those determine the entrepreneurial intention of graduating students; and to investigate the Perceived behavioral control and perceived subjective/social norms those determine the entrepreneurial intention of graduating students.

## 3. Review of Related Literature

### 3.1 Entrepreneurship: A theoretical Reflection

#### 3.1.1 The Theory of Planned Behavior (TPB)

According to the theory of planned behavior [8], the intention is the result of three conceptual determinants. According to him, behavior is determined by intention and perceived behavioral control.

The theory was proposed by Ajzen in 1991which predicts that behavior can be deliberate or planned and the best predictor of behavior is intention. Intention is the cognitive representation of a person's readiness to perform a given behavior and it is influenced by beliefs grouped in six categories including behavioral beliefs, attitude toward the behavior, normative beliefs, subjective norms, control beliefs and perceived behavior control. As a general rule, the more favorable the attitude and subjective norm and the greater the perceived control, the stronger should be the person's intention to perform the behavior in question.

### 3.1.2 Entrepreneurial Event Model (EEM)

The model was developed by Shapero and Sokol in 1982 which assumes that lethargy guides human behavior until some event displaces that inertia and unblocks previously undesired behaviors. The displacement such as job loss might change the perception of cachet to become self-employed. This model classifies these life path changes into three categories: First, negative displacements such as being fired, divorced or widowed. Second, between things such as graduating from university or released from jail. Third, positive pulls from partner or mentor. The EEM is relevant to the study as displacements trigger an individual's perception of attractiveness and feasibility which are strongly influenced by culture, family, mentors and role models and they lead to company formation which is the measure of EC in this study.

## 3.2 Determinants of Entrepreneurial Intention

### 3.2.1 The Attitude against the Behavior

The attitude against the behavior refers to the degree of favorable or unfavorable assessment a person has, the behavior in question. This variable represents the attractiveness of the behavior [9]. For example, the attitude towards risk causes a person to consider positively or negatively the taking of risks. Same attitude towards success and failure of business creation promotes or disadvantage the decision to start a business in an individual.

### 3.2.2 The Perceived Social Norm

It refers to perceived social pressure to perform or not to perform a behavior.
In other words, the perceived social norm is the perception of the individual to the social pressure regarding what close people, family and friends think it would take [10, 11]. Attitudes against the behavior and social norms refer to the perceived desirability concept proposed by Shapero and Sokol (cited in Tounès, 2003; Fayolle, 2005).

### 3.2.3 Perceived Behavioral Control

According to Ajzen (1991), perceived behavioral control is the perceived ease or difficulty to perform a behavior. For one, it refers to a person's perception of the feasibility of personal behavior concerned according to Emin et al.(2005). The concept of perceived behavioral control is very close to the concept of self-efficacy. Attitudes vis-à-vis the behavior, perceived social norm and perceived behavioral control are

expressed in terms of beliefs. These correspond to true or false information that a person has on the world around him.

### 3.2.4 Affective environmental factors

Among many factors that influence one's entrepreneurial intention[12] highlight the importance of affective environmental factors such as role model and social identification. It means that individuals who experience a positive view on entrepreneurship among their immediate contacts are more likely to have a greater intention to become entrepreneurs. Specifically, self-esteem, approval of family, availability of strong role models, and appreciation of friends were important in influencing a person's intention to engage in self-employment. However, Pruett et al. (2009) suggest cultural values associated with country and family support can explain entrepreneurial intentions but the influence is modest. They argued that the most influential predictor of entrepreneurial intentions is individual's perceptions of his or her own entrepreneurial spirit.

### 3.2.5 Person-career fit and entrepreneurial intentions

The Person-Environment (P-E) fit literature emphasizes the role of both individual and environmental (or organizational) factors in determining career decisions and outcomes, including entrepreneurial intentions and entrepreneurial performance. The idea of P-E fit draws on principles of Interactional Psychology, asserting that neither personal nor environmental factors alone are able to explain individual behavior. The underlying premise is that of the compatibility between people and their environment – the latter of which can refer to, for example, an organization, occupation, group of people, or supervisor. This congruence can be conceptualized and measured in different ways.

From a 'needs-supplies' perspective the work environment is aligned with individuals' needs, desires and preferences. According to Schneider (1987), people are attracted to organizations whose goals are comparable to their own goals and wishes. The 'demands-abilities' perspective on the other hand emphasizes a fit between individuals' abilities and the requirements of the work environment. In this paper we argue that there is a 'needs-supplies' fit when an individual possesses needs that an entrepreneurial career can fulfill (such as the wish to be independent or innovative drive), and that a 'demands-abilities' fit exists when an individual has skills or characteristics with which (s) he is able to fulfill the requirements of an entrepreneurial career (such as risk tolerance). This person-career fit is subsequently expected to increase the likelihood that an individual has entrepreneurial intentions.
Effectuation and entrepreneurial intention prediction models represent research fields that have rarely crossed their paths. Previous research in entrepreneurial intention was focused on personality traits, socio-demographic variables, entrepreneurial intention modeling using hierarchical multiple regression situational factors, and cultural idiosyncrasies of the geographical area in which an individual was born and raised.

The notion that entrepreneurship involves individuals with unique personality characteristics has been one of the major themes in the academic community for decades. The underlying assumption is that people tend to pursue careers and seek business environments that match their personalities. Several personality traits (such as the need for achievement, locus of control, risk-taking propensity and tolerance for ambiguity) did show to be positively correlated with entrepreneurial behavior. Nevertheless, the significance and predictive power of those variables are a matter of an ongoing dispute among

researchers. Another stream of studies explores socio-demographic variables such as age, gender, education background, and the presence of a parental role model. According to Reynolds et al (2004) [13], most men and women enter the world of entrepreneurship in the **25-34 year category**, coupled with the prevalence of men in all age groups. Though there is a positive relationship between the entrepreneur's age and financial success of the venture, age as a variable has no predictive power in the context of pursuing an entrepreneurial career.

In terms of male and female startup entrepreneurship, gender can be a point of difference in a sense that men are more motivated by financial gain while women on average seek out personal fulfillment and a chance to balance private and professional life. These differences are reflected in personal attitudes and perceived behavioral control as the main antecedents of entrepreneurial intention. Education, especially entrepreneurship education, can have a positive impact on an individual's self-employment decision but more experimental research is necessary to confirm the direction of the causal relationship. Finally, exposure to an entrepreneurial lifestyle (in other words, having a parental role model) increases the likelihood that individuals will become self-employed.

Situational variables or triggering events, such as moving to a different city or country, losing a job and inheritance, can induce individuals to start contemplating a career of self-employment. Those factors are usually divided into "pull factors" (e.g., business opportunity recognition) and "push factors" (e.g., unemployment). Combined with the main antecedents of entrepreneurial intention, situational variables do show a certain predictive power toward choosing an entrepreneurial career. [14]

Another study confirmed a strong influence of social norms on entrepreneurial intentions of individuals, and only a marginal role of personal attitudes in career choice decisions [15]. Similar conclusions were reached in a study of a sample of Malaysian students indicating that certain intention antecedents have a higher or a lower level of importance depending on the cultural context [16]. Effectuation is a new field within entrepreneurship theory and research introduced by Sarasvathy (2009) [17] that focus on entrepreneurial decision making in highly uncertain environments in which the future is unpredictable.
Creation is at the core of effectual logic – effectuates begin with who they are, what they know and whom they know, and, through interaction with other people, start creating opportunities by surrounding themselves with self-selected partners whose commitment to the venture reduces uncertainty and defines the goals. Since starting a business is a process characterized by high uncertainty, the hypothesis behind merging these two theoretical fields is that effectual individuals are more likely to choose a career as an entrepreneur.

According to the findings of Hem Chandra K, (2013) Parental occupation has also found very significant, which elucidate the family exposure of the respondents. Respondents whose father involved in entrepreneurial activity have more passion to opt an entrepreneurial career.

**Gender** is one of the important demographic factors affecting the career choice. Hem Chandra K, (2013) study shows that the female respondents are less intended to choose an entrepreneurial career than male respondents. Females have a major role in the traditional economy of Uttarakh and India.

## 4. Data and Methods

This study was conducted at the University of Madawalabu, Ethiopia graduates of 2017. Both descriptive and explanatory research designs were employed and individual graduates from their respective Colleges/schools formed the sampling unit. Graduates were grouped in to two different strata: those who had studied business in College of Business and Economics and those who had not studied business courses (graduates of the College of Social and Behavioral Sciences, Institute of Technology, Natural and Computational Science, Health science and Medicine, Agriculture, Language and School of Law). The determined sample size was 333 graduates whereby 51 graduates were from college of Business and Economics 89 graduates were from Institute of Technology 49 Graduates were from Natural and computational science, 38 from Social and Behavioral Science, 49 graduates from Health Science and Medicine, 27 from Agriculture 25 and 5 graduates were from Language and School of Law respectively. Moreover, a proportional .

Simple random sampling (SRS) was used to get the required sample size. A self administered questionnaire which included the General Enterprising Tendencies (GET) questionnaire was used in soliciting data. The GET test was a little modified to include realities which are relevant to Ethiopian context. The response rate was 95.49 % ie. 318 respondents have given their responses. The collected data were then analyzed descriptively and inferentially using the Statistical Package for Social Sciences (SPSS) whereby descriptive statistics and logistic regression were used. Binary logistic regression analysis was applied to test the extent to which factors such as entrepreneurship education, age, sex, birth place of a respondent, parents' occupation, marital status, prior experience in self employment, Field of study, be perceived behavioral control, perceived social norms and attitudes determine Entrepreneurial Intention. Entrepreneurial Intention was the binary dependent variable (measured as 1 = High if the graduate had high scores on the attribute; or 0 = Low if the graduate had low scores on the attribute. The binary logistic regression is a generalized linear model used for binomial regression. In this study, the following binary logistic model was used:

**The Binary Logistic Regression Model**

$$Logit[p(x)] = \log[\frac{p(x)}{1-p(x)}] = \alpha + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \ldots\ldots\ldots + \varepsilon \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots 1$$

$$Logit(p_i) = \alpha + \beta_1 x_{1,i} + \beta_2 x_{2,i} + \beta_3 x_{3,i} + \ldots\ldots \beta_p x_{p,i} + \varepsilon \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots 2$$

Where:

$Logit(p_i)$ = Y; is binary and represents the probability of having high or low entrepreneurial tendencies, coded as 0/1 respectively

$\beta_1 - \beta_p$ = Regression coefficients

$\alpha$ = Intercept

$x_{1,i} - x_{p,i}$ = Independent variables or predictor variables

$\varepsilon_i$ = Error term

The odds of an event happening (e.g. the event that ) is defined as the ratio of the probability that the event will occur divided by the probability that the event will not occur. That is, the odds of the event is given by

$$odds(E) = \frac{P(E)}{P(notE)} = \frac{P(E)}{1 - P(E)}$$

Pi = (X1 sex X2 age X3, prior experience, X4, parental occupation(role model) X5Marital status X6, risk taking propensity, X7 Perceived Behavioral Control X8, field of study X9 perceived social norms X10 Location/Residence X11 Entrepreneurial Education

## 5. Results and Discussion

### 5.1 Characterizing entrepreneurship as a career choice by Socio Demographic and personal factors

Out of the total 318 respondents, 162(50.9%) were female and 156 (49.1%) were male. The data revealed that the proportion of the gender in the study University was nearly equal. In line with this it was sought to explore the entrepreneurial intention of female and male students. Therefore, the result revealed that out 156 female students, only 53 (34%) of them reported they had intention to start their own business in the foreseeable future. However, male graduating students reported a better entrepreneurial intention than their counter parts choosing entrepreneurship as a career path i.e. out of 162 students 79(49%) of them showed their entrepreneurial intent.

As far as the overall the entrepreneurial intention was concerned, the majority of respondents, i.e. 58.5% were not entrepreneurially intended whereas; the remaining 41.5% of respondents prefer to start their own ventures.

### Determinants of the entrepreneurial intention (Binary Logistic Regression Model Result)

### The Model Summary

Generally, the findings from the estimated general binary logistic regression model signified a moderate relationship and effect between explanatory variables and the dependent variable. The Hosmer and Lemes how test of the null hypothesis that was hypothesized a linear relationship between the independent variables and the log odds of the criterion variable. A p-value of 0.449 on the Hosmer and Lemeshow (Table 1) test result affirms that there is no linear relationship between the explanatory variables and the log odds of the criterion variable; therefore, the null hypothesis was rejected.

Correspondingly, the model generated a -2 Log likelihood of 264.092, Cox and Snell R Square of 0.410 and the Nagelkerke R Square of 0.551 (Table 2). Furthermore, the model Produced a Chi-square of 7.41 for the Hosmer and Lemeshow Test which is not significant at p-value = 0.449. When Hosmer and Lemeshow Test show an insignificant figure, it signifies that the model adequately fits the data.

**Table1. Model Summary**

| Step | -2 Log likelihood | Cox & Snell R Square | Nagelkerke R Square |
|---|---|---|---|
| 1 | 264.092[a] | .410 | .551 |

**Estimation terminated at iteration number 6 because parameter estimates changed by less than .001.**

**Table2. Hosmer and Lemeshow Test**

| Step | Chi-square | Df | Sig. |
|---|---|---|---|
| 1 | 7.841 | 8 | .449 |

**The Determinants of Entrepreneurial Intention o Graduating Students**

**Effect of occupation or parental Role Model of graduating students' entrepreneurial intention**

In consistent with other previous studies, the result of binary logistic regression showed that graduating students whose role model's occupation was self employed in business sectors was 3.646 times more likely intended to be an entrepreneur than those students whose role model occupation is other than self-employment occupation. This finding is consistent with Keat, *et al.,* (2011) who stated that students with self-employed parents have higher inclination towards entrepreneurship. Parents' occupation on entrepreneurial intention significantly predicts the graduates' desire for entrepreneurial intention the (p-value = 0.000 and Exp (B) = 3.646).

The model scored a Wald of 12.986 which entails that parents' occupation contributes significantly in foretelling or forecasting graduates' intent in starting their own business ventures. The Finding further indicated that when parents' occupation is raised by 3.646,

the odds ratio is 1.294 signifying that graduates will be 1.294 more likely to have higher entrepreneurial intention than that of whose parents' occupation is other than self employment. Lindquist et al. (2012) have reported similar findings about parents' occupation that could nourish and cultivate entrepreneurial intention of their children.

**Effect of entrepreneurship education on entrepreneurial predisposition**

In order to support the analysis of the model result about participation of entrepreneurship education, it is very important to refer the Omnibus Tests of Model. Therefore, the Coefficients associated with the test revealed statistically significant at p-value = 0.087 and produced a Chi-square of 167.535. When the Omnibus Tests of Model Coefficients is statistically significant, means that there is adequate fit of the data to the model and that at least some of the covariates is significantly correlated to the dependent variable. The Wald criterion shows that entrepreneurship education made a significant contribution in predicting entrepreneurial predisposition of the respondent. The model produced a p-vale of 0.087 and the Wald of 2.920. Exp (B) values which indicated that when entrepreneurship education is increased by 1.793 courses the odds ratio is .584 times as large and therefore graduates are .584 times more likely to have higher propensity entrepreneurial intention than their counterparts. Similar findings were obtained by Siyanbola et al. (2009) who studied the determinants of entrepreneurial intention of Nigerian undergraduates and found that entrepreneurial education, among other things influenced predisposition to be an entrepreneur.

**Effect of Residence/location of the respondents on entrepreneurial intention**

The residence i.e. residing in urban was hypothesized to determine entrepreneurial intention of graduating students. The logic behind is being born in urban areas will provide the opportunity for people to learn more from the agglomeration businesses as cities are the home of the agglomeration of business. Therefore, people born and grow in urban areas will more share the experience of many successful business men around them. Therefore, the Coefficients associated with the test was statistically significant at p-value = 0.030. The Wald criterion shows that residence of graduating students made a significant contribution in predicting entrepreneurial predisposition of the same. The model produced a p-vale of 0.030 and the Wald of 4.731. Exp(B) values which indicated residents in urban are 0.729 times more likely to have higher entrepreneurial propensity than graduates born and live in rural areas.

The **Gend**er of the respondents was another explanatory variable to determine the entrepreneurial intention of graduating students. Therefore, the variable was hypothesized, that men are more likely triggered to entrepreneurial ventures than their

counter parts. Hence the result revealed confirmed the theoretically and empirically reviewed literatures depicting male graduating students are 0.773 times more likely to have entrepreneurial tendency than female respondents. This may be due to the fact that women's different socialization experiences, they may lack strong expectations of personal efficacy toward many career related behaviors, be less confident in their abilities, score lower on self-efficacy, and therefore may not fully attain their career potential.

**Age** was another determinant variable to determine entrepreneurial intention of graduating students' propensity of entrepreneurial intent. However, the logistic regression model reported a statistical insignificant result among the different categories of age groups. This is due to the fact that, most of the ages of the graduating students are nearly the same.

**Marital status** revealed similar result like age. It was sought to explore whether married graduating students express a better entrepreneurial intent. However, the result was not consistent with what has been theoretically hypothesized.

**Effect of Prior Experience on entrepreneurial Intention**

The result associated with graduating students' prior experience with their own personal or family business traditions. The result signifies a statistically significant result. This implies graduating students with prior experience either in their own or family business backgrounds were 1.552 times more likely entrepreneurially lured. Therefore, people with past personal or family business background, are tend to be lured towards to their own business ventures as they learn skills and knowledge about how to start and manage their own business. This result is consistent with Delmar &Davidson (2000) and Siraw (2013) [20, 21].

**Risk taking propensity and Entrepreneurial intention**

As far as the determinants of graduates' risk-taking propensity and entrepreneurial intention was concerned, the findings depicted that risk taking was a significant determinant factor that forecasts p-value = 0.000 and Exp (B) = 1.837. Likewise, the model produced a Wald of 14.814 which implies that risk taking propensity contributes significantly in predicting graduates' entrepreneurial intention. It was further found that when risk taking propensity is increased by 1.837. It plausibly causing the odds ratio to be .608 entailing that graduates are .608 more likely to have higher entrepreneurial intent. The result suggests that graduates with graduates with higher risk taking tendency would show their predisposition to entrepreneurs 60.8 % more than their counterparts.

**Effect of Perceived social norms on entrepreneurial intention**

Perceived social norms tap the perceptions of what important people in respondents' lives think about performing a particular behavior. The result of the logistic regression model affirmed the theoretically and empirically reviewed literature and the variable was statistically significant with p-value = 0.000 and Exp (B) = 1.927 to determine entrepreneurial intention of graduating students. Likewise, the model produced a Wald of 15.287 that implies that perceived social norms contributes significantly in predicting graduates' entrepreneurial intention. Moreover, the result suggests that when perceived social norms increased by 1.927 the odd ratio could be 0.656 suggesting graduates with higher perceived social norms will be 0.656 times more likely entrepreneurially attracted.

**Effect of Perceived Behavioral Control on entrepreneurial intention**

Perceived behavioral control was the most consistently variable, used to determine Planed behavior of people towards entrepreneurial intentions. The importance of this variable resides from its predictive capacity, as it reflects the perception that the individual will be able and capable to control the behavior of graduating students towards entrepreneurship. However, as we can refer from the descriptive statistics the response of the majority of the graduating students reported a very poor perceived behavioral control of their entrepreneurial intent. The majority of the students replied their disagreement towards controlling their behavior, doubtful about their skills and abilities to start and establish their own personal business. Therefore, this result was consistent with the logistic regression model entailing a statistically insignificant perceived behavioral control over entrepreneurial intent. However, the result was inconsistent with many previous contexts. This may be due to the fact that Ethiopian Universities do not have sound curricula to incorporate entrepreneurship courses so as to nurture or nourish students to develop internal locus of control which enables them to make use of their skills, knowledge and abilities to engage in their personal ventures.

**Field of study and entrepreneurial Intention**

The logistic regression model result shows a statistical significant p-value=0.024 and exp (2.978) and odd ratio of 1.091. The result implies that among the cohorts of other field of studies those students who studied business are 1.091 times more likely manifest entrepreneurial intention.

The reason behind among the cohorts who showed entrepreneurial intentions is, the respondents took at least one entrepreneurship course and other related business courses

that brought about students the opportunity to have a better outlook and predisposition about self employment.

**Table 3: The determinants of entrepreneurial intention**

| | | B | S.E. | Wald | Df | Sig. | Exp(B) |
|---|---|---|---|---|---|---|---|
| Step 1[a] | Sex(Male) | .773 | .325 | 5.669 | 1 | .017 | 2.166 |
| | Experience | 1.552 | .448 | 12.003 | 1 | .001 | 4.720 |
| | Marital status | -.001 | .494 | .000 | 1 | .998 | .999 |
| | Residence(urban) | .729 | .335 | 4.731 | 1 | .030 | 2.073 |
| | Family self employment(Occup) | 1.294 | .359 | 12.986 | 1 | .000 | 3.646 |
| | Perceived Bral control | .340 | .221 | 2.363 | 1 | .124 | 1.405 |
| | Perceived social/ Subj. Norms | .656 | .168 | 15.287 | 1 | .000 | 1.927 |
| | Risk propensity | .608 | .158 | 14.814 | 1 | .000 | 1.837 |
| | Entrepreneurship Educ | .584 | .342 | 2.920 | 1 | .087 | 1.793 |
| | Age(1) | 1.858 | 1.340 | 1.922 | 1 | .166 | 6.408 |
| | Age(2) | 1.040 | .875 | 1.414 | 1 | .234 | 2.830 |
| | Age(3) | 1.039 | .880 | 1.396 | 1 | .237 | 2.827 |
| | Age(4) | .279 | .956 | .085 | 1 | .770 | 1.322 |
| | Social &Bral sc. | -1.332 | .598 | 4.968 | 1 | .026 | .264 |
| | Agriculture | .212 | .588 | .130 | 1 | .718 | 1.237 |
| | Business &Economics | 1.091 | .483 | 5.109 | 1 | .024 | 2.978 |
| | Eng &Techno | .911 | .363 | 6.314 | 1 | .012 | 2.487 |
| | Health &Med | .222 | .444 | .250 | 1 | .617 | 1.249 |
| | Natural &compsc | .176 | .452 | .152 | 1 | .697 | 1.193 |
| | Language & journa | .496 | .548 | .818 | 1 | .366 | 1.642 |
| | Constant | -7.563 | 1.399 | 29.230 | 1 | .000 | .001 |

## Conclusion

This study result concludes eight major factors contribute in predicting entrepreneurial intentions of the surveyed graduating students. These factors are: Entrepreneurship education, residence of graduating students, parents' occupation, gender, perceived social norms, risk taking propensity and prior experience. The study also concludes that some entrepreneurial determining factors such as marital status, age and perceived behavioral control cannot be changed, hence they were found to be insignificant to determine entrepreneurial intent. It is fair to conclude that the majority of all the factors included in the model, entrepreneurial were significant to determine one's entrepreneurial intention. Moreover, graduates who had studied entrepreneurship courses are more likely to be interested in start-ups. This partially explains why few graduates had established their own businesses immediately after graduation, since a small number of them had studied entrepreneurship courses. Parents' role model in self employment strongly contributed in predicting graduates' entrepreneurial tendencies. Having Parents with good self employment business tradition increases ones' possibility of having higher entrepreneurial tendencies. Moreover, demographic characteristics such as prior experience in family business backgrounds significantly contributed in predicting entrepreneurial tendencies of the university graduates in the University. It is further concluded that, social context plays an important role in nourishing graduating aspirations towards entrepreneurial intention. Thus, entrepreneurship could be seen as an outcome of a social context or subjected social norms. Since the family is the major agent of socialization, it may be pertinent to deduce that graduates who are intended to establish their own firms and become successful are to somewhat motivated by their family status. Readiness in risk taking plays a significant role in determining entrepreneurial intention.

## 6.2 Recommendations

From the above summary and conclusions several policy implications for university educators, administrators, curricula developers and policy makers can be put-forward:

**I**. Since entrepreneurship education has the potential of increasing entrepreneurial predispositions, universities and colleges in Ethiopia should strive emphasizing entrepreneurial courses in their syllabus and curricula to reflect a broadening market interest in entrepreneurial education. In addition to courses focusing on preparing the future entrepreneur, institutional frameworks should be developed in order to valve and develop the talents at an early stage in schools. This may enable to raise graduates'

entrepreneurial propensity and improve on self-belief and attitude towards career options. Attitude towards career alternative constitutes an important part of entrepreneurship development and must be developed during one's study. Therefore, if a student is not fully aware of entrepreneurship as an alternative employment, the student will never develop a positive attitude towards it. The student will instead develop a positive attitude towards employment career alternatives with which he/she is very familiar.

**II**. Another policy suggestion emanating from this study relates to establishment of business incubator centers at universities so that the students entrepreneurial intent could be nurtured before graduation. The suggested incubator programs will not only support the graduates to develop their attitudes towards starting up firms but also enable in emergence of new, innovation-based firms at universities. Despite the fact that many higher learning institutions in Ethiopia have introduced entrepreneurship courses and courses in some programs, none of them has brought about significant change in students mind to start their own business therefore, readily functioning business incubator shall be established in each college and University to exclusively nourish and cultivate entrepreneurial talents from all walks of disciples.

**III**. There are several issues on graduate entrepreneurship in Ethiopia that call emphasis; this study draws attention, that is, the level of risk aversion. This study explores the risk taking propensity among the graduates and the result showed a significant result. Hence, it will be very interesting to cultivate and educate students the risk taking readiness among the graduates in the country considering the fact that risk taking is recognized by many scholars as a trait of a successful entrepreneur.

**IV**. Prior experience of the graduating students with their own or family business tradition contributes to cultivate entrepreneurial intent of people. Therefore, families need to nourish their children in participating in their business so that they could develop a positive attitude about entrepreneurial intent.

**V**. The other policy making suggestion is Ministry of education in Ethiopia shall incorporate entrepreneurship course in different field of study with **practical orientation** so that students from fields of engineering and technology, social science, natural science and health will learn internal locus of control, positive attitudes towards entrepreneurship, behavioral controls, skills and knowledge to establish their own ventures.

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