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Factor Affecting Graduating Students Entrepreneurial intention and job creation:  
The Case of Addis Ababa University College of Business and Economics

By

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A Thesis Submitted to Addis Ababa University College of Business and Economics Department  
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## Declaration

I hereby declare that the thesis titled "relating the entrepreneurial intention of graduating student with intended job creation: The case of Addis Ababa university" is my original research work under the guidance of my advisor Worknh Kassa (PhD). This research has not been submitted for any degree in other universities. All sources of materials used for this project have been duly cited and acknowledged.

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DECLARATION I hereby declare that the thesis entitled “Factor Affecting Graduating Students  
Entrepreneurial intention and job creation

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## **Abstract**

*The aim of this study was to relating the entrepreneurial intention of graduating student with intended job creation in the case of Addis Ababa university college of business and economics. This study was conducted through a mixed research approach with in both a descriptive and exploratory research design. A total of 165 self-administered questionnaires were distributed to the all graduating student. 165 questionnaires were returned which gave response rate 100%. It was valid to run the data analysis. Therefore, the descriptive, correlation and multiple regression analysis were computed through SPSS version 23. The correlation analysis result shows that all independent variables positive relation with entrepreneurial intentions. However, government policy and risk taking have a positive but weak relation with entrepreneurial intention. And also entrepreneur attitude and training have positive and strong relation with job creation but culture have positive and weak relation with job creation. The multiple regression analysis revealed access to finance ( $\beta=0.657$ ), entrepreneur education ( $\beta=0.628$ ) locus of control ( $\beta= 0.53$ ) has a significant impact on entrepreneurial intention. However, government policy and risk taking has not significant effect on entrepreneurial intention. The multiple analysis revealed entrepreneur attitude ( $\beta=0.780$ ), training ( $\beta=.135$ ) has significant effect on job creation. However, culture has not significant effect on job creation. The multiple analysis revealed on entrepreneurial intention ( $\beta= .508$ ) has significant effect on job creation. Additionally, the regression analysis shows, ( $R^2 = 0.554$ ,  $p<0.05$ ) which indicates 55.4% variations in entrepreneurial intention is explained through a change in factor affecting of entrepreneurial intention variables. Generally, this study indicated that there is a positive relationship between entrepreneurial intention and job creation. This study recommended that government policy, risk taking and access to finance has no significant effect on Entrepreneurial intention so government reduce red trapezium and also the government give attention for the student to access finance and finical intuition reduce credit procedure. Students are risk aversive therefore the policy maker develops various program to minimize student precipitation regarding to risk. Entrepreneur education and locus control has significant effect on entrepreneurial intention therefore government give practical course in addition to theoretical and give training to create awareness. Training and entrepreneur attitude has significant on job creation therefor government give training for the student to develop entrepreneur attitude and prepare themselves for job.*

**Keywords: Entrepreneurial intention, Graduating students, Job creation**

# CHAPTER ONE

## Introduction

This chapter is the path in which the entire study followed. It serves the researcher as a guide throughout the entire research process. It contains background of the study, statement of the problem, research questions, objectives of the study, significance of the study, scope of the study, limitation of the study and Organization of the paper.

### 1.1. Background of the Study

Entrepreneur is defined as an individual who starts his/her own business. Entrepreneurship is identified as a key to reduce poverty and promote an equitable society. Entrepreneurial activity has been seen as an engine of a nation's long term economic growth (Romer,1994).

Understanding the entrepreneurial intention among the undergraduates can allow us to better predict whether they will take real action to start a new business (Hussain,2014)). (Krueger,2000) has suggested that understanding the nature of entrepreneurial thinking is central to understanding both entrepreneurs and entrepreneurship. Thus, the researchers are better to relating the entrepreneurial intention of graduating students with intended job creation.

Entrepreneurship in Ethiopia recently has been started and practiced. Today, entrepreneurship is taken as guarantee to avoid unemployment problem in the country. It is one of the dynamic processes of creating incremental wealth. On the other hand, development and growth requires shifts from low to high productivity, the creation and adoption of new goods and services, new skills and knowledge.

To develop the entrepreneurial intention of graduates and drive the employment creation by entrepreneurial activity, it is necessary to explore the entrepreneurial intentions of university students and their influencing factors. As stated by McLaughlin (2010)entrepreneurial intentions are the first step in an intensive process of venture creation which is the necessary precursor to entrepreneurial behaviors. Although the key role played by entrepreneurs in economic development is well recognized, graduated individuals in Ethiopia are not fully participating on the career of entrepreneurship that it seems the career of entrepreneurship is underestimated by the attitudes of youth graduated from higher institution Mulugeta (2010).Therefore, To realize

entrepreneurship as viable employment option for university students, the intention of those students who are too dependent on government and private sectors for employment shall be changed.

The Ethiopian government is encouraging graduates to create and start-up small businesses with an aim to reduce the graduate's unemployment rate. This will make the graduates to create employment opportunity rather than seeking employment opportunity. The number of graduates that enters the job market each year increases (Bezabih,2003). Demand exceeds the supply of jobs. Since academic qualifications do not guarantee a person to a job automatically upon graduation, there is a need to look elsewhere. There are different hindrance factors that affect their intentions to start up a business are lack of capital, bureaucratic system is long and rigid, lack of awareness, lack of motivation, individual or psychological factors, family background factors and social and environmental factors.

## **1.2 Statement of the problem**

University students are young and highly educated potential entrepreneurs and the choice to focus on them justifies the reason of their role in future economic development of one's economy. Besides, a new business created by university students and graduates are a powerful tool in bringing new knowledge and strategies to the market which turns out spur productivity growth and job creation (Ferrante, Federici and Parisi, 2016). So, the university students signify the most capable segment of the future entrepreneurial supply and their response may have stimulating policy inferences.

As a recent study by Goldida, (2013) stated, in Ethiopia the number of students graduating from both public and Private Higher Education institutions is expanding from time to time, and the drift will proceed as per the vision of higher education institutions of the country. Due time in course educated human resource supply would be in excess of demand of the public and private organizations. Easily, this would result in unemployment problem among students unless they seriously consider self-employment as their career option. According to Hiruy, (2012) many years ago. It was only those who couldn't find university degrees who had difficulties in getting jobs. By now even those with a master's degree are in trouble to get employed. Therefore,

entrepreneurship is the promising career option for students in Ethiopia. This is because both the public and private sectors have a very limited labor absorbing capacity in the country.

The Ethiopian higher education sector has experienced increasing expansion in the past two decades. But, the accompanying culture of growing graduate unemployment appears to have been overlooked. Moreover, there are insufficient entrepreneurial activities for the economic development in Ethiopia and hence, seriously needs to be addressed. Therefore, assessment of entrepreneurial intention among the university students is a necessity in order to identify their level of entrepreneurial orientation. This group of people is very crucial as the springboard or backup to the current entrepreneurs in Ethiopia's high-tech industries. A most of these students would immediately participate more to the economic growth after they graduate, not as salary workers but as entrepreneurs. But unfortunately, in Ethiopia there is a mismatch of education and training so that many do not have the skills needed to meet the needs of the labor market Tesfaye G. (2018).

Based on the International Labor Organization (ILO) currently urban youth unemployment in Ethiopia stands at an appalling 40%. Thus, studying this segment of the people is very crucial for achieving the intended economic growth in Ethiopia. Currently, studies had tried to explain how they are being determined to be entrepreneur after getting graduated. A recently study conducted to examine the impact of gender, family background, Social norm, entrepreneurship education, perceived government policy and Perceived access to finance to entrepreneurial intention of university students in Addis Ababa (Golodida, 2013; Abebe, 2015). However, they didn't try to explain how entrepreneurial intention of graduating students is related to their intention of job creation and employment. Therefore, the major objective of this research is to provide useful information on how entrepreneurial intention of university students is related to their intended job creation and employment in Addis Ababa University College of business and economics.

### **1.3 Research question**

This research attempts to answer the following interrelated questions

1. What motivates the graduating students in starting and running their business?
2. What is the position of Self-employment when compared with other career options?
3. What are the constraints that the student faces in starting up a business?

## **1.4. Objective of the study**

This research is designed to achieve the following general and specific objectives.

### **1.4.1 General objective**

The core and general objective of this research is to relating the entrepreneurial intentions of the graduating students with intended job creation of Addis Ababa university college of business and economics.

### **1.4.2 Specific objectives**

Specific objectives of the research were:

1. To determine that makes starting a business a viable alternative for the graduating students.
2. To compare Self-employment options with others career options.
3. To identify what motives the graduating student in starting and running their own businesses.

## **1.5 Significance of the study**

This study would benefit the university from the research findings which helps to improve the qualities of education with respect entrepreneurship, to create awareness for graduates how to run business and it can serve as a base and reference for any other researcher who wants to conduct further study in the area.

## **1.6 Scope of the Study**

The study focuses on students only because the objective of the research is relating to entrepreneurial intentions of the graduating students with intended job creation and it covers only Addis Ababa University College of Business and Economics.

## **1.7 Limitations of the Study**

The researcher believes that the findings of this study would be more productive if it would be conducted at Country or regional level. However, since the researcher is not full time researcher the time and financial constraints, it is out of the reach of the researcher to incorporate all the universities and colleges in country in this study. Due to this, the paper is limited to Addis Ababa University. Moreover, among many issues regarding entrepreneurship, this study focuses on

relating the entrepreneurial intention with intended job creation among graduating students and its influencing only.

The study, like any other studies, may face limitations. One of the critical limitations of the study will be lack of sufficient literature, time constraint to collect data. And also the recent epidemic pandemic disease (COVID19) was a grate problem to collect data form the students. Additionally, financial problem may hinder to pay its necessary expenditure to conduct the research.

### **1.8 Organization of the paper**

This paper is organized in to five chapters. Chapter one describe introduction part which consist, back-ground information of the study, statement of the problem, objective of the study, significant, scope, limitation of the study. The second chapter is literature Review, this help me to know what different authors (scholars) of the field have written about entrepreneurship. Chapter three is about Research Methodology: subject of the study, sampling techniques, methods of data collection, and methods of analysis. Chapter Four is data presentation and interpretation which is main body of the study. The last chapter is conclusion and recommendation. It summarizes the findings of the study and gives conclusion and suggestions.

## **CHAPTER TWO –LITERATURE REVIEW**

### **2.1. Theoretical Literature Review**

#### **2.1.1. An overview of Entrepreneurship and Entrepreneurs**

The term “entrepreneur” and Entrepreneurship is defined in a variety of ways. Yet no consensus has been arrived at one precise skills and abilities that make a person a successful entrepreneur. The concept of entrepreneur varies from country to country as well as from period to period and the level of development thoughts and perceptions. The term entrepreneur comes from French term ‘entreprendre’, meaning "to undertake" or from words "Entre" = "between" + "prendre" = “taker”. The verb is “entreprendre” or to undertake(Filion,2011).

There is no agreement in defining the word entrepreneurship. In different studies and by different scholars, it is defined in different ways. Entrepreneurship is the act of taking the risk to individually perform an activity and become successful. It is a continuous process which is related to the development and continuity of business (Drucker1985).

Other tasks or responsibilities are accomplished by people who are accountable and responsible. However, responsibility that are done under entrepreneurship are accomplished by entrepreneurs who take full responsibility and who effect change. So entrepreneurship is given to starting a new firms (organization) to produce new products and give new services. What makes entrepreneurship, the manifestation of the entrepreneur is way that creates the new products and services. The term entrepreneur is complex and imprecise as it has been defined and operationalized differently by scholars with respect to intention, a person can franchise, or buy an existing business without following the business formation processes. Based on this, (Thompson,2009) define a person’s entrepreneurial intention as self-proclaimed conviction of an individual that related to create a new firms and consciously planned to do as he intended in the yet to be experienced momentous. Thus, comes to their difference a mere hope and beginner entrepreneur, People that just have a desire to plane a new venture are different from binger entrepreneurs. While the entrepreneurial intention is necessary for binger entrepreneurs, it is not necessary for everyone that has entrepreneurial intention to be a nascent entrepreneur. Definition from dictionary, the words ‘entrepreneurship’ and ‘entrepreneurial’ are derived from the root

word 'entrepreneur'. An 'entrepreneur' is an individual who organizes and manages any firms, especially a business firms, usually with considerable initiative and risk. Thus, 'entrepreneurship' is the process of doing something new and different for the purpose of creating wealth for the individual and adding value to society(Murphy,2006) In contrast, 'entrepreneurial' is an adjective, commonly used by scholars to describe an entrepreneur's behavior(Stevenson,2007).

Entrepreneurship is the dynamic process of creating incremental wealth. This wealth is created by individuals who assume the major risks in terms of equity, time and career commitments of providing values for some product or service. The product or service may or may not be new or unique but value must be infused by the entrepreneur by securing and allocating the necessary skills and resources. Entrepreneurship is the process of creating and adding of value from practically nothing. Thus, it is the process of creating or seizing an opportunity and pursuing it regardless of the resources currently controlled(Stevenson,2007). It participates the definition, creation and distribution of values and benefits to individuals, groups, organizations and society. Entrepreneurship is very rarely a get rich-quick proposition (not short term); rather it is one of building long term value and time based cash flow streams. Entrepreneurship is the process of creating new with value by devoting the necessary time and effort, assuming the accompanying financial, psychic, and social risks, and receiving the resulting rewards of monetary and personal satisfaction and independence.

From the above definition, it is possible to generalized that almost all of the definitions of entrepreneurship by scholars, there is agreement that we are talking about a kind of behavior. such that: (1) initiative taking, (2) the organizing and reorganizing of social and economic mechanisms to turn resources and situations to practical account, (3) the acceptance of risk or failure.

Entrepreneurship can be viewed as a creative and innovative response to the environment. Entrepreneurship is described as the function of handling economic activity, taking risk, creating something new, organizing and coordinating resources for innovating new ideas, products and services). (European,2008, p.18), defined entrepreneurship as "an individual's ability to transform ideas into practice". Entrepreneurs are characterized by the ability of recognizing, initiating and exploiting an opportunity. Developing a business plan is also another quality of an entrepreneur by which the entrepreneurs will make profit by creating value for its customers,

shareholders, partners, and other connected entities. (European, 2008, p.26) also lists out qualities of an entrepreneur as more creative and innovative, highly motivated, self-aware, self-confident, willing to challenge, better communicator and decision-maker, leader, negotiator, networker, problem solver, team player, systematic thinker, and less dependent. The other qualities it also includes less risk averse, able to live with uncertainty and capable of recognizing opportunities diminishing marginal utility created enough impetus for entrepreneurship in the neoclassical movement (Murphy,2006).

## **2.2 Entrepreneurial Intention**

Individual's entrepreneurial intentions are important variables to predict their entrepreneurial behaviors. Intentions may reflect into a concrete behavior. However, looking at the definition of intention, researchers have no identical definition about individual's entrepreneurial intentions (Peng, Lu, & Kang, 2012). For example, Francis and Banning (2001) defined intention as business orientation. Given those different definitions, this study defines the entrepreneurial intention as a psychological orientation such as desire, wish and hope affecting their choice of entrepreneurship. Entrepreneurial intention is considered as individual orientation toward owning a business in the future. Research supported that entrepreneurial intentions play an important role in the decision to start a new business. However, the reasons why individual go into business and started by their own may vary depending on many reasons. The first is person's omission the job and go into business. It is because of some organizational inconvenience that are not comfortable to the employ and employer relationship (Lee, Wong, & foo, 2009). When an employee's sense that they are not happy and not growing. If they continue to work with the same company, they leave the company and established their own firm. There are also other factors such as culture and family background that encourages or discourage an individual person to go into business (Ozalli&Rivenburg, 2015). There are cultures that encourage entrepreneurial behavior but some cultures are not. In addition to this family background and training can become conducive environment for the entrepreneurial behavior to grow. Other researchers also conform that entrepreneurial intention can be caused by subjective reasons such as the expectation of the family, parents and from other important person who are closed or important to them (Krueger, 1993). They also found that entrepreneurship is associated with entrepreneurial attitude and mediated by intentions (Ajzen&Fishbein, 1977).

According to Liñán and Chen (2009), entrepreneurial intention has a very important role when deciding to start a business venturing, as evidenced by a significant number of scientific papers dealing with this issue. In order for a person to become an entrepreneur, he/she must first show a certain degree of entrepreneurial intent (Bird, 1988). The presence of entrepreneurial intention is a reliable indicator of entrepreneurial behavior and entrepreneurship (Koe, 2016). Similarly, the presence of a sufficient level of entrepreneurial intentions is not only an indication of future entrepreneurial behavior, but also necessary for launching an entrepreneurial venture (Koe, 2016). On the necessity of entrepreneurial intention to achieve entrepreneurial behavior, so the researcher studied Eisen (1991), Fayolle et al. (2006) and Kolvereid (1996). It is clear that knowing and understanding of entrepreneurial intent is of great importance. So, preconditions for the development and the emergence of a larger number of entrepreneurs are created, because entrepreneurs are created and not born (Mellor et al., 2009). So, the number of entrepreneurs in different countries can be influenced by the development of entrepreneurial intentions at individuals. This will certainly have a positive impact on society. Therefore, important to study entrepreneurial intentions. Entrepreneurial intentions are measured by the entrepreneurial intention questionnaire (EIQ) (Liñán& Chen, 2009). This questionnaire has four dimensions: personal attitude, subjective norm, perceived behavioral control and entrepreneurial intention. The first three dimensions represent motivational factors, antecedents that influence on entrepreneurial behavior (Ajzen, 1991; Liñán, 2004; Liñán& Chen, 2009).

## **2.3 Theory on Entrepreneurial Intention**

In this research, a simple and general definition is used, theory is a statement of concepts and their interrelationships that shows how and/or why a phenomenon occurs Gioia and Pitre (1990). Generally, study of entrepreneurial intention is based on two overlapping theories. They are; Theory of planned behavior, and Theory of entrepreneurial event.

### **2.3.1 Theory of Planned Behavior**

The theory of planned behavior (TPB) is an extension of the theory of reasoned action. Research performed in the behavioral sciences has proven that behavior can be predicted by intentions. According to the TPB, there are three conceptually independent predictors (attitudes) of intention, namely: attitude towards the behavior, subjective norms, and perceived behavioral control. As stated by Ajzen (1991), a general rule of the theory is: “the more favorable the

attitude and subjective norm with respect to a behavior, and the more the perceived behavioral control, the significant should be an individual's intention to perform the behavior under consideration." Notably, Ajzen expects the relative importance of attitude, subjective norm, and perceived behavioral control for the prediction of intention to be different across different behaviors and situations. Attitude towards the behavior refers to the degree to which the individual holds a positive or negative personal valuation about being entrepreneur. In this study, entrepreneurial behavior of students is expected to be influenced by attitudes of particular people that cause an impact in respondents' lives. Such people can be close friends and members of the family, or other people that have established entrepreneurial businesses. Social networks can serve as a valuable source for new ideas and interesting opportunities as well. The network with a large number of loose connections to individuals outside the network seems to be a valuable source Fridoline (2009). Therefore, this theory insists that entrepreneurial behavior and its subsequent outcomes such as starting one's own business or self-employment can be influenced and brought into being by a number of elements such as ones networking such as close friends, members of the family and role models who are successful in business Fridoline(2009) ; thus study from Tanzania by Olomi and Sinyamule (2009) found that the students who had families which engaged in business had been better socialized to the entrepreneurial carrier and were likely to engage in starting their own businesses. Perceived behavior control refers to the easiness or difficulty in fulfillment of the behavior of interest (becoming entrepreneur). Behavioral control as explained in this approach can indicate if an individual feel he/she can easily engage in entrepreneurial venture. The spirit of 'I will do it' Krueger, Reilly and Carsrud (2000) is the degree to which a student can feel individually able to start a business. Social norm refers social pressure to carry out or not to carry out that entrepreneurial behavior.

### **2.3.2 Theory of Entrepreneurial Event**

According to this theory, firm creation is a result of the interaction among contextual factors, which would act through their influence on the individual perceptions. The consideration of the entrepreneurial option would take place as a consequence of some external change – precipitating event Peterman and Kennedy (2003). There are two basic kinds of perceptions i.e., Perceived desirability and Perceived feasibility. Perceived desirability refers to the degree to which he/she feels attraction for a given behavior (to become entrepreneur). Perceived feasibility defined as the degree to which people consider themselves personally able to carry out certain

behavior. Based on these theories, this research was tried to examine entrepreneurial intention, and the perceived environmental factors those may influences entrepreneurial intention. Bloodgood, Sapienza, and Carsrud (1995), suggest that factors such as support systems for instance family, financial institutions; local community, government agencies, and rules and regulation can potentially affect entrepreneurship intentions and activities. In this regard a person who has a desire to create a new venture may never intend to do so because he/she is deterred by the perception that the environment is not favorable or the belief that starting a new venture is not feasible due to environment that surround him (Nguyen ,2008). According to theory of entrepreneurial event, the formation of the new business is based perception of contextual factors. The contextual factors influence perceived feasibility and desirability; they two antecedents of entrepreneurial intention, those in turn influence entrepreneurial intention. In line with this theory, this study was tried to investigate some contextual factors that influence entrepreneurial intention.

#### **2.4. Empirical Review on Factors Influencing Entrepreneurial Intention**

There are number of studies that were done on entrepreneurial intention to university students. Those studies are Kristiansen and Indarti(2004), a study that aim at identifying determinants of entrepreneurial intention among young people. This Study was done to Indonesia and Norwegian students. The study found that the level of entrepreneurial intention was high in one society and low in another society.

Another study by Boissin, Branchet, Emijn, and Herbert (2009) on entrepreneurial intention to French and American students found that the level of entrepreneurial intention was good in the USA due to entrepreneurial cultural settings in which there was positive attitude in the creation of enterprise and this made students to be in favors of creating their own business ventures. A study done by Phuong and Hieu (2015), on the Predictors of entrepreneurial intentions of university undergraduate students in Vietnam shows that risk taking propensity, locus of control, need for achievement, perceived support and creativity had a strong impact on the intention to start business.

Uddin and Bose (2012), in Bangladesh risk taking, and entrepreneurship education offered by university are the strongest determinant to start business. Moreover, PlantandRen (2010), another study on entrepreneurial intention to Chinese and American students. The study found

that male University students in China exhibited a significantly greater intentionality toward self-employment than University female students. In addition to this, Chen and Sung (2011), also found that male university students have stronger entrepreneurial intentions than female university students. Wang and Wong (2004) study on university students in Singapore, found that students from business parents have greater interest in entrepreneurship than non-business parent students. A study by Suraju (2016) in Nigeria showed that entrepreneurship education and personality traits (innovativeness and risk taking propensity) could significantly predict entrepreneurship intention among university graduates. On the contrary research in Eritrea by Petros, W and Dawit, T (2016), revealed that students' entrepreneurial education and family background has not any impact on the students' entrepreneurial intention. But similar to the students in Nigeria, risk taking readiness has a positive and significant impact on Eritrean higher institutions students' entrepreneurial intention. Additionally, a study by George (2017), in Kenya found that culture, family and friends are not significant in influencing student's intentions to starting a business but risk taking propensity and perceived barriers financial were important in determining entrepreneurial intentions of student.

## **2.5 Environmental Factors and Entrepreneurial Intention**

Environmental or Contextual factors include a large set of factors that might influence the intention to engage in entrepreneurship activities (Lüthje & Franke, 2003).

Individual will stimulate their entrepreneurial potential if he/she perceives that there are environmental possibilities (Kirby, 2007). This means that the entrepreneurial intention of an individual can be affected by perceived environmental factors. Accordingly, if the perceived environment is favorable to development of entrepreneurship; entrepreneurial intention of individual will be enhanced, and conversely, if the perceived environment is not favorable to the development of entrepreneurship, the individual entrepreneurial intention will be reduced.

According to Thurik and Uhlaner (2002), there are many environmental factors that can affect potential entrepreneurship. Among these factors, this study tries to give emphasis on the influence of perceived government policy, entrepreneurship education, and perceived access to finance on the entrepreneurial intention.

### **2.5.1 Perceived Government Policy**

The ease or simplicity of establishing own business in terms of procedures and requirements to obtain license can influence pursuing entrepreneurial career. Walid and Loay (2014) noted that the government role in creating a perceived climate and favorable policies encourages entrepreneurship to start business. According to Klapper (2004), it is essential to create the right entrepreneurial environment that really promotes the entrepreneurial activity. The government such as loans, rule and regulations would definitely key conditions for success in nurturing and promoting entrepreneurship. Thus, this research tried to assess the view of students' on overall legal and regulatory environments, subsidies available for establishing entrepreneurial venture and political condition.

### **2.5.2 Entrepreneurship Education**

Entrepreneurship education is an important component of education given that an incentive for individuals making career choices to consider self-employment to increase new venture creation and economic growth (McStay, 2008). It has a great potential to develop self-employment attitude of students, and it results in creating more jobs and achieving sustainable employment over time (Seyed, Hosseini, & Heidar ,2011).

The objectives of entrepreneurship education are changing students' attitudes that make them to understand entrepreneurship to become an entrepreneur that finally resulted in the formation of new businesses as well as new job opportunities (Keat et al,2011). An important component of entrepreneurship education is providing a stimulus for individuals making career choices to consider self-employment (McStay ,2008).

The finding of Manuere, Danha, and Majoni(2013)revealed that, entrepreneurship education is vital in changing the attitude of students towards entrepreneurship. Entrepreneurship education has been recognized as an important component of human capital development by positively influencing their entrepreneurial orientation. The finding of Ullah (2012) revealed that; educated entrepreneurs have more ability of operating their enterprise with higher entrepreneurial orientation than non-educated entrepreneurs. Student's exposure to entrepreneurship education has a positive influence on the students' entrepreneurial intentions Famous and Chinonye (2010). This study considers entrepreneurship education as the course or courses given to the students which might influence their career decision.

### **2.5.3 Perceived Access to Finance**

According to Kristiansen and Indart (2004) lack of access to capital and credit scheme, and the constraints of financial systems are regarded by potential entrepreneur as main hindrances to business innovation and success in developing economies. According to Fleming (1994) study in Ireland, Lack of finance is an obstacle that affects preferred future career choice of university students. Entrepreneurship is the less preferred future career choice of university students because of finance constraints. According to Grilo and Thurik(2005)financial constraints have a negative impact on the decision to become an entrepreneur, and lack of financial support is an obstacle to start a new business which has direct effect on the fact of being self-employed.

## **2.6 Personality Factor and Entrepreneurial Intention**

Personality traits are becoming popular as an explanation of entrepreneurial behaviors and intentions(Kadir, Salim, and Kamarudin 2012). Personality traits have the ability of constructing attitudes of people's regularly. These traits comprise risk taking and locus of control (Kadir,Salim, and Kamarudin 2010).Personality trait is the method that assesses entrepreneurial intention focusing on examination of traits such as locus of control and risk taking (Hatten and Ruhland 2004).

### **2.6.1 Risk Taking Propensity**

Risk-taking and venturing into an activity is one of the major characteristic of entrepreneurs. The risk taker attitude plays a vital role in the decision to become an entrepreneur (Cramer, Hartog, Jonker, & Praag ,2002); CaliendoFossen, &Kritikos ,2006). Entrepreneurship researchers have argued that it is precisely this risk taking character which separates the entrepreneur from non-entrepreneurs( Elston & Audretsch 2007). Accordingly, Phuong and Hieu 2015) also found that risk-taking propensity all strongly influenced the intention to start up a business among undergraduate students. But contrary to this finding, Agbim, Oriarewo and Owocho, (2013) found that risk taking behavior of students have no effect on their entrepreneurial intention. This study tries to investigate the influence of risk taking on entrepreneurial intention.

### **2.6.2. Locus of Control**

The concept of locus of control refers to a generalized belief that a person can or cannot control his/her own fate (Kadir et al. 2010). Individuals with an internal locus of control considers that they are capable to control life events, while individuals with external locus of control feel that

life events are the consequence of external elements, such as chance, luck or fate and other individuals affect their performance across range of activities( Ullah ,2012).Locus of control indicates the degree to which an individual feels responsibility for success or failure in his/her life as opposed to feeling that external agents like luck is in control (Bamikole and Ilesanmi ,2012). People with internal locus of control consider that they are able to control life events and struggle for success, while people with external locus of control feel that life events are the results of external elements, such as chance, luck or fate that other individual can affect their performance across range of activities (Ullah et al 2012).Regarding the advantage of internal locus of control, (Hatten and Ruhland ,2004), stated that students who have an internal locus of control will develop a more positive attitude towards entrepreneurship than students who do not possess an internal locus of control.

## **2.7 Demographic Characteristics and Entrepreneurial Intention**

According to previous studies, demographic factors such as gender and family background can influence entrepreneurial intention of an individual's (Mathews and Moser,1995).Even though, there is no consensus in their findings, according to most studies, the male has higher entrepreneurial intention than its female counter parts( Dunn ,2004, Sandhu,2011 & Vaciana, 2005) and the individuals from family with business back ground have stronger intention than the one whose family does not have business background. Accordingly, this study tries to examine the influence of Gender and family back ground on the entrepreneurial intention of the university students.

### **2.7.1. Gender**

Gender is an important aspect in entrepreneurial intention discussions. Many studies show that male have more entrepreneurial intentions and have more interest to start businesses than their female counterparts (Phan, Wong &Wang 2002). According to Davidson (1995), men universally are always on high rank to bear attitudes and values favoring them for competitiveness and achievement than women efforts to establish a business involves high degree of self- efficacy, thus women seem to have lower perceptions in this aspect. Moreover, the perceived natural inequalities in gender roles are other issues to be taken into consideration. For example; for many years, women were mainly regard as responsible for children care and kitchen duties. Thus, the traditional occupations for women did not attract much

entrepreneurship efforts. In addition to that, the institutional approach where there was patriarchal pressure in most society's hindered women into entering into business.

According to the study done by Brush (1992), found that men are more inclined towards entrepreneurial business than women with similar background. A many of researches proved that women face more difficulties in venturing process as compared to their male counterparts. Particularly, Women entrepreneurs face more difficult in arranging a capital to start or to support their business Fay and Williams (1993). The studies conducted in different nations discovered that the objective success rate for women entrepreneurs is very less and they face slower rate of growth, low profits, and low sales Brush (1992). Several studies reveal that gender stereotype influence the intentions of men and women to involve and pursue entrepreneurial activities as their career (Gupta and Bhawe 2007).

### **2.7.2. Family Background**

A significant variable for would be entrepreneurs is the background of the family they come from. Family background provides those would be entrepreneurs with an early social network for the potential entrepreneur to learn the social and cultural norms of a business (Vardhan and Biju ,2012). Family background has been found to be the most important factor that affects building of attitude towards entrepreneurship. Early communication received by an individual from the family's occupational background would impact career choices by inducing individuals to choose a career in which they are viewed positively and impact the attitudes of individuals towards entrepreneurship (Keat, Selvarajah and Meyer ,20110). Attitude towards entrepreneurship of individuals coming from business making and business occupation family background were found to be more positive. It is possible that people from business occupational background have better exposure to entrepreneurial efforts as they may be aware of the challenges of starting their own enterprise (Getinet ,2003). The findings of Laspita et al. (2007) shows that, family back grounds have partial influence on entrepreneurial attitude that the father has significant attitude towards the student's entrepreneurial attitude. For individuals with prior exposure to family business, their previous experiences are filtered through the individual's perception of themselves based upon the reflected appraisal of significant others in the context of self-employment. Entrepreneurial behavior that is positively and immediately supported is an important and necessary requirement for a new venture creation.

An individual who is without experience and whose family is not supportive can become discouraged and ultimately not continue with starting a business (Keat, 2012). Various studies described that it is not easy to set up a business for the first generation entrepreneurs, but majority of the entrepreneurs set up their business if they already have a family background (Ullah, Farooq & Ahmad 2012). The desire to start or not to start a business may also be affected by the meaning that one attaches to business; which in turn is socially generated and sustained. As for university students, this is very important as they may be at the stage to decide on their career preferences (Hmileski & Corbet 2006). Generally, individuals who have families with business tend to show higher attitude towards entrepreneurship than those families that don't have business undertakings

## **2.8 Empirical Review on the influence of Entrepreneurial Intention on Intended job creation**

Literature on entrepreneurial intentions over the years established some level of relationship between motivation and personal traits on one hand and entrepreneurial intentions and preparedness. Personality traits have been identified as having influence on individual conceiving entrepreneurial intentions. Some of these personality traits are considered by the researcher to serve as intrinsic motivation for individuals, which can influence their intentions towards entrepreneurship. There has been a strong evidence on personal traits as factors to predict entrepreneurial intentions (Ciavarella, et.al, 2004).

However, Gartner (1985) argued that personality traits could not be taken as an effective reasons or explanation of people choice of starting a business. Dominantly identified personal traits in many literatures include willingness to take risk; the need for achievement; to be own boss/independence and self-confidence/self-efficacy as having influences entrepreneurial intentions. De Pillis and Reardon (2007), viewed risk taking as the tendency of an individual to take risk. Individual who are willing to tolerate higher risks are more likely to venture into entrepreneurship than those that have lower risk tolerance.

According to Harding (2007) decisions on perceived desirability of any business endeavor (for example, poor image, or lack of personal desire) and perceived feasibility (for example, lack of finance, skills or self-efficacy to follow through and start up a business will influence an individual's decision to entrepreneurship. Robertson, Collins, Medeira, and Slater (2003) found

that a majority of student perceived that in addition to lack of access to finance, lack of motivation (including confidence), the ability to generate viable business ideas and lack of skills as the most constraining factors in starting a business. Geral and Saleh (2011) found that high inflations inside the country (economic, political and business boycott), there will be no suitable environment for entrepreneurial activities. Khuong and An (2016), found that factors such as loan and capital availability, the possibility to access the international and local market, the human and intellectual capital affect the firm ability conducting its basic activities.

According to Geral and Saleh (2011), market regulations, employee protection, labor regulations and tax regulations all have an impact on entrepreneurial intentions and must be viewed as such by those who are responsible for entrepreneurship policy creation and implementation. There are many reasons why individuals engage in entrepreneurial activities. A lot of research has been carried out in finding out the reasons that prompt people to engage in entrepreneurship. The individual willingness to undertake entrepreneurship may both be as a result of the pull and push forces. These factors include; unemployment, wealth creation, to be able to manage one's own time, to be own boss and among others. With respect to unemployment as a reason for engaging in entrepreneurship, (Feather, 1992; Klyver, Nielsen, &Evald, 2013; Shapiro, 2014) have found a certain relationship between the degree of unemployment and the growth rate of self-employment, which implies that self-employment increases when salary-based employment opportunities are limited.

## **2.9 Hypothesis**

Based on the above theoretical and empirical literature review the following research hypothesis had developed

H1: Access to finance significantly affect entrepreneurial intention

H2: Government policy significantly affect entrepreneurial intention

H3: Risk taking significantly affect entrepreneurial intention

H4: Entrepreneur education significantly affects entrepreneurial intention

H5: Locus of control significantly affects entrepreneurial intention

H6: training significantly affect job creation

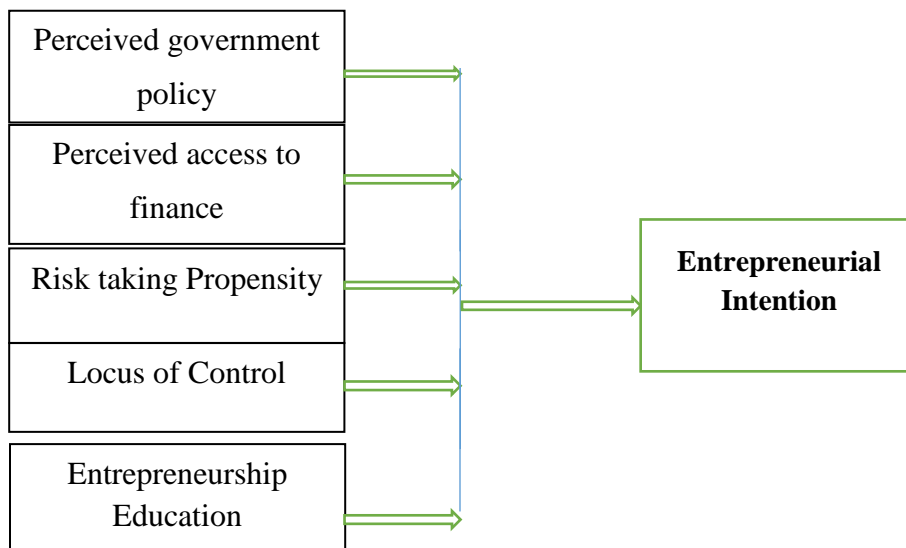
H7: entrepreneur attitude significantly affects job creation

H8: culture significantly affect job creation

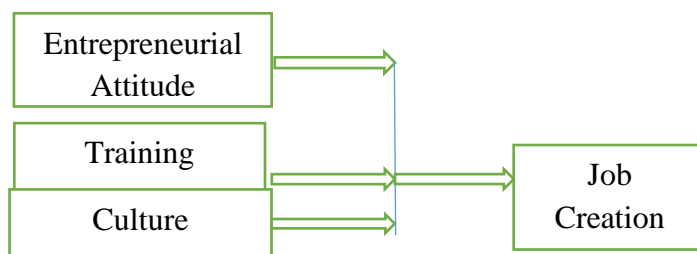
H9: entrepreneurial intention significantly affects job creation

## 2.10 Conceptual Framework

From the above different contexts that are the theoretical and empirical literatures there are different factors which affect the entrepreneurial intention of graduate students with intended job creation. According to theory of planned behavior three conceptually independent predictors (attitudes) of intention. Based on this theory researcher will have developed conceptual frame work.



**Figure: 2.1: Factor influencing on entrepreneurial intention (source own literature review)**



**Figure: 2.2: Shows the influence of entrepreneurial intention on job creation (Source: Own literature review)**

## **Chapter Three: Research Methodology**

### **3.1. Introduction**

This chapter focuses on Research design, Data collection procedure, Sampling technique and Method of data analysis.

### **3.2 Research Design**

Research design is a master plan specifying the methods and procedures for collecting and analyzing data. It is a strategy or outline that plans the action for carrying through the research project data. It includes a series of rational decision making choices depending upon the various options available to the researcher. Therefore, the researcher was used quantitative approach allows the researcher to examine the relationship between the two or more variables and explanatory research design in order to show the relationship between entrepreneurial intention and job creation with explanatory variables.

### **3.3 Sources of Data**

In this study the primary data source collected using the structured questionnaire is used. Researcher collected primary data through distributing questionnaire to target respondents. The primary sources of data comprise the information is collected from students through closed ended questionnaire.

### **3.4 Sampling Techniques**

To select the area of the study, College of Business and Economics is taken judgmentally because of this college student had strong accessibility to business education due to their course nature unlike others college. Which enables to consider factors that affect the entrepreneurial intension of graduating students is taken by using convenience non probability sampling technique.

### 3.5 Sample size Determination

The total number of regular students from the selected college is 281 (Source: AAU Registrar office). The college has four departments. These are Public Administration and Developmental Management, Economics, Accounting and finance, and Management. When the target population size is known, Yamane's (1996) provides a simplified formula to calculate sample size. His formula is presented as follows.

$$n = \frac{N}{1+N(e)^2} = \frac{281}{1+281(0.05)^2} = 165$$

Where, n =sample size; N = total population size =; e= margin of error

Given: N = 281 e =5% or 0.05

Source: Author's computation using solving formula through 95% of confidence interval

To conduct the research a sample size of 165 people is selected from the selected departments. To get manageable sample size the researchers used 95% of confidence interval formula and 0.05 or 5% of margin of error.

### 3.6. Data Collection Instruments

Data were collected through self-completed questionnaire. The questionnaire has two parts

Part 1: demographic information about the respondents.

Part 2: quantitative designed questioner measured through five point Likert scale to understand the response of the students. The five point Likert scale structured through two dependent variables such as entrepreneurial intention and job creation measured by eight independent variables like locus of control, government policy, access to finance, risk taking, entrepreneur education, training, culture and entrepreneur attitude. Each dependent and independent variables have their own item on the questioners.

### 3.7 Data Collection Methods

Data would be collected through preparing and distribute close ended questionnaire regarding with relevant questions related to the main objectives of the study and basic questions to be

answered to the targeted sample size of the population of the organization. In this study both primary and secondary data sources would be used.

### **3. 8 Data Analysis Method**

The questionnaire data once entered into SPSS is analyzed using the descriptive (e.g. percentages) as well as inferential statistics. The inferential statistics analysis is made using the multiple regression analysis. Thus inferential statistics analysis of the data was made using correlation and multiple regression. The quantitative study is analyzed using the multiple linear regressions which is specified in two equations as follows.

$$y_1 = \alpha_0 + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \beta_4x_4 + \beta_5x_5 + e$$

Where

$y_1$  is the dependent variable entrepreneurial intention,

$x_1$  is perceived government policy,

$x_2$  is risk taking propensity,

$x_3$  is locus of control,

$x_4$  is perceived access to finance,

$x_5$  is entrepreneurship education, and  $e$  is random error term.

$$y_2 = \alpha_0 + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + e$$

Where

$y_2$  is the dependent variable, job creation

$x_1$  is entrepreneurial attitude,

$x_2$  is culture,

$x_3$  is training, and  $e$  is error term.

### 3.9. Validity and Reliability

#### 3.9.1. Validity

Validity refers to how accurate an instrument is at measuring what it is trying to measure. To this end the content of validity of the data collection instrument was determined through discussing the research instrument with the researcher's supervisor. The valuable comments, corrections, and suggestions given by the research experts assisted the validation of the instrument.

#### 3.9.2. Reliability of the measurement

Reliability refers consistency. It measures the consistency of responses across either all the questions or a sub-group of the questions from your questionnaire (Saunders, 2009). The coefficient of reliability is measured through Cronbach's Alpha. The value of the test found between zero and one. The higher the value shows high internal consistency in the item. According to George and Mallery (2003) reliability test scale Excellent (1-0.9), Good (greater than 0.8), Acceptable (greater than 0.7), Questionable (greater than 0.6), poor (greater than 0.5) & Unacceptable (less than 0.5). Accordingly, the reliability analysis of the study depicted below.

**Table 3.1 Reliability Statistics**

Variables Name	No of Items	Cronbach's Alpha
Entreprenrial intention	6	.79
Access to finance	6	.80
Government Policy	6	.81
Locus of control	5	.79
Risk taking	6	.76
Entrepreneurship education	6	.88
Training	6	.73
Culture	4	.71
Job creation	6	.73
Entreprenrial attitude	5	.75
overall reliability	<b>52</b>	<b>.78</b>

The overall Cronbach alpha coefficient for all items is 0.78. Hence, the expected scales used in this study reveals high reliability.

# CHAPTER FOUR

## Data Analysis, Presentation & Interpretation

### 4.1. Introduction

This part of the study presents quantitative and qualitative data analysis and the results of research. The quantitative data were collected through five level rating using Likert scale questionnaire. The questionnaires were distributed to all selected students of college of business and economics.

The questionnaires consist two sections. The first section deals with biographic information which contain three questions whereas the second section consists of the main part of the research organized through 51 Likert scale rating questions to measure the dependent variable (entrepreneurial intention and job creation) and independent variables (perceived Access to finance, perceived government policy, Locus of control, risk taking, enterpreuship education, entrepreneur attitude, culture & training). From the total of 165 questionnaires that were distributed to the respondents, all questionnaires were appropriately filled and returned. The response rate is 100%. Therefore, the analysis is conducted based on 165 questionnaires which were returned. The return rate is very suitable for further analysis in this case.

### 4.2. Biographic information of the respondents

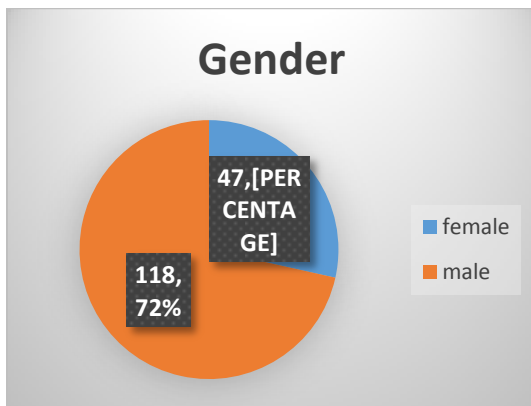


Figure 4.1 Gender of the respondents  
Source: Own survey (2020)

As the figure above clearly shows 118 respondents (about 72%) of the respondents are males and 28 % of the respondents are females. From this we can infer that majority of college students in Addis Ababa university are males.

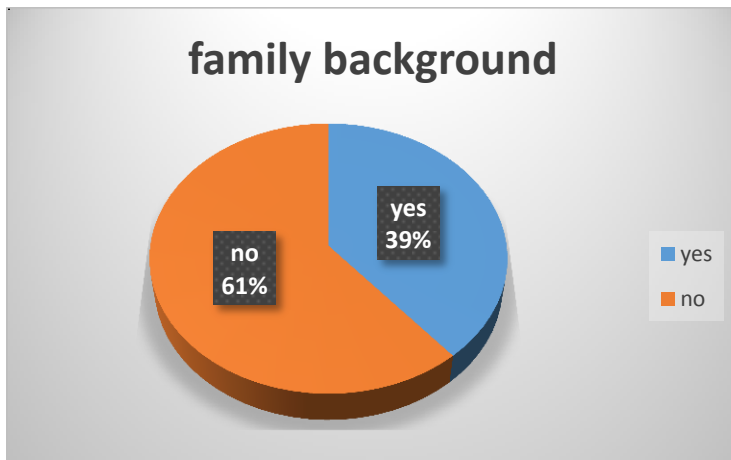
**Table 4.1 Department of the student**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid padm	20	12.1	12.1	12.1
mgmt	49	29.7	29.7	41.8
acfn	63	38.2	38.2	80.0
eco	33	20.0	20.0	100.0
Total	165	100.0	100.0	

Source: own survey (2020)

As indicated above majority of the students are graduated from accounting, management and economics with the frequency distribution of 63, 49, and 33 respectively. The remaining amount was graduated from public administration development management department.

**Figure 4.2 family background**



Source: Own survey (2020)

As figure 4.2 above indicates 39% (64 students) of Addis Ababa university college of business and economics graduating students' family have business background while 61%(101) have no business background.

Table 4.2 Career choice after studies

	Frequenc y	Percent	Valid Percent	Cumulative Percent
Valid employee	78	47.3	47.3	47.3
self-employee	42	25.5	25.5	72.7
no plan	45	27.3	27.3	100.0
Total	165	100.0	100.0	

Source: Own survey (2020)

Majority of respondents' 42%(78) career choice after study is to be employed in organizations. This indicates most students have no plans to be entrepreneurs. But the 26% of the students are dedicated to start their own business, which is really admirable. The remaining 27% of graduates are indifferent between being employed and being entrepreneurs.

Table 4.3. **Descriptive Analysis of Measurement items**

Q1, EI1 I am ready to do anything to be an entrepreneur
Q2-EI2 My professional goal is to become an entrepreneur
Q3-EI3 I have a strong intention to start a business one day
Q4-EI4 I will make every effort to start my own business
Q5 –EI5 I would rather be my own boss than have a secure job.
Q6-EI6 I prefer to be an entrepreneur rather than to be an employee in a company /an organization,

**Table 4.4 description item of Entrepreneurial Intention the students**

ITEM CODE	Q1-EI1		Q2-EI2		Q3-EI3		Q4-EI4		Q5-EI5		Q6 _EI6	
Response	NO	%	NO	%	NO	%	NO	%	NO	%	NO	%
Strongly dis agree (1)	-	-	-	-	14	8.5	-	-	-	-	31	18.8
Dis agree(2)	-	-	92	55.8	17	10.3	16	9.7	30	18.2	28	17.0
Neutral(3)	47	28.5	28	17.0	62	37.6	15	9.1	45	27.3	47	28.5
Agree (4)	87	52.7	45	37.3	28	17.0	58	35.2	62	37.6	45	27.3
Strongly Agree (5)	31	18.8	-	-	44	26.7	78	46.1	28	17.0	14	8.5
N valid	165	100	165	100	165	100	165	100	165	100	165	100
Mean	100											
s.deviation	3.903		2.7152		3.4303		4.1758		3.5333		2.8970	
	.68275		.86818		1.22586		.95606		.97863		1.23774	
Overall mean 3.4424												
Over all std ,deviation .70750												

Source: own survey (2020)

As depicted from the above table item Q4-EI4 is the highest mean value (4.1758) followed by item Q1-EI1, Q5-EI5, Q3-EI3, Q6-EI6 and Q2-EI2 with mean value of (3.903), (3.5333), (3.4303) (2.8970), and (2.7152) respectively. This indicates that Students have agreed with the idea or item of questions to evaluate the student Entrepreneurial intention. The overall average

mean value of entrepreneurial intention of the students is 3.4424 which is greater than the average value measuring. The Overall standard deviation is 0.70750, which shows small variability of response.

**Table 4.5 Descriptive item of Perceived access to Finance**

item cod	descriptive of item
Q1-PAF1	It is easy to obtain startup capital in Ethiopia
Q2-PAF2	Bank in Ethiopia are ready to give credit for new business
Q3-PAF3	It is easy to start one's own business due to the Availability of financial resources.
Q4-PAF4	Financial institutions are ready to give required finance to start business
Q5-PAF5	Saving money each month will help me to reach my business objectives
Q6-PAF6	I learn from mistakes other people make managing their business finances

**Table 4.6 descriptive statics of Perceived access to Finance**

Item code	Q1-PAF1		Q2-PAF2		Q3-PAF3		Q4-PAF4		Q5-PAF6		Q6-PAF	
	NO	%	NO	%	-	%	NO	%	NO	%	NO	%
Strongly dis agree	78	47.3	14	8.5	48	29.1	15	9.1	-	-	-	-
Dis agree	72	43.6	63	38.2	103	62.4	75	45.5	47	28.5	31	18,8
Natural	15	9.1	43	26.1	14	8.5	58	35.2	45	27.3	16	9.7
Agree	-	-	28	17.0	-	-	17	10.3	42	25.5	90	54.5
Strongly agree	-	-	17	10.3	-	-	-	-	31	18,8	28	17.0
Mean	1.6182		2.8242		1.7939		2.4667		3.3455		3.6970	
St deviation	.64838		1.13133		.57908		.80041		1.08569		.96540	

Source: Own survey (2020)

Over all mean (2.6242) and overall standard deviation (.63429)

The above Table 4.6 shows that the highest mean value of 3.6970 item of Q6-PAF6 followed by 3.3455 item of Q5-PAF5. These two mean value are greater than the average value of measuring scale. This indicates that saving money for every month and learn from mistake is important item for Perceived access to finance to graduating students. But the remaining items like Q1-PAF1, Q2-PAF2, Q3-PA3, Q4-PAF with mean value of (1. 6182), (2.8242), (1.7939), and (2.4667) respectively have lower mean than the average value of measuring scale. This shows Perceived access to finance for students is difficult after study. Overall mean value is (2.6242) lower than average value of measuring scale. This implies that the number of students to be an entrepreneur after graduation is low due to lack of finance. The standard deviation which is 0.63429 indicates there is no much difference of the response.

**Table 4.7 Descriptive item perceived government policy**

item code	descriptive of items
Q1-PGP1	There are sufficient subsidies available for new business in Ethiopia
Q2-PGP2	The procedures for establishing a new company are clear
Q3-PGP3	Government policy, rule and regulations are favorable to Start a business
Q4-PGP4	It is easy to start one's own business due to the simplicity of the administrative procedure
Q5-PGP5	Ethiopian government adopt rule and regulations to encourage graduates.
Q6-PGP6	Government policy of Ethiopia is transparent for entrepreneurs

**Table 4.8 descriptive statics of perceived access government policy**

Item code	Q1-GP1		Q2-GP2		Q3-GP3		Q4-GP4		Q5-GP5		Q6-GP6	
Response	N	%	N	%	N	%	N	%	N	%	N	%
	O		O		O		O		O		O	
Strongly dis agree(1)	30	18.2	-	-	4	27.5	32	19.4	62	37.6	16	9.7
Dis agree(2)	90	54.5	47	28.5	6	37.1	89	53.9	30	18.2	78	47.3
Neutral (3)	45	27.3	10	63.4	3	18.1	16	9.7	59	35.8	43	26.1
Agree (4)	-	-	14	8.5	2	17.8	28	17.0	14	8.5	14	8.5
strongly agree(5)	-	-	-	-	-	-	-	-	-	-	14	8.5
N Valid	165		165		165		165		165		165	
Mean	100		100		100		100		100		100	
std deviation	2.0909 .67008		2.8000 .57594		2.2545 1.03979		2.2424 .95733		2.1515 1.02770		2.5879 1.05915	

Source: Own survey, (2020)

Over all mean (2.3545), Over all standard deviation (.64816)

From the above table the mean value of all item is lower than average value of measuring scale. This infers that the overall item listed on perceived government policy regarding to establishing their own business is not encouraged. The standard deviation shows similarity of response of the respondents.

**Table 4.9 descriptive item of locus of control**

Item code      descriptive item

Q1-LC1	When everything goes right, I think it is mostly question of luck.
Q2-LC2	I am confident of my skills and abilities to start a business
Q3-LC3	When I make plans, I am almost certain to make them work
Q4-LC4	Diligence and hard work usually lead to success
Q5-LC5	I can take risks with my money, such as investing in stocks

**Table 4.10 descriptive statics of locus of control**

Item code	Q1-LC1		Q2-LC2		Q3-LC3		Q4-LC4		Q5-LC5	
Response	No	%	No	%	No	%	No	%	No	%
Strongly disagree	-	-	16	9.7	-	-	-	-	47	28.5
Dis agree	63	38.2	-	-	-	-	15	9.1	45	27.3
Neutral	88	53.3	60	36.4	76	46.1	32	19.4	-	-
Agree	-	-	58	35.2	59	35.8	73	44.2	59	35.8
Strongly agree	14	8.5	31	18.8	30	18.2	45	27.3	14	8.5
165	100	165	100	165	100	165	100	165	100	
2.7879		3.5333		3.7212		3.8970		2.6848		
.82483		1.10174		.75375		.90812		1.42198		

source: Own survey (2020)

Over all mean and standard deviation respectively (3.3248), (.75558)

As depicted from the above Table on individual item Q4-LC4 has highest mean value followed by item Q3-LC3 and Q2-LC2 and the remaining item Q1-LC1, Q5-LC5 has a mean value of 2.7879 and 2.6848 respectively. The overall mean value of locus of control is 3.3248 which is greater than the average value of measuring scale. This shows students are understanding about locus of control and the overall standard deviation is (.75558) which indicates low variability of the response.

**Table 4.11 descriptive item of risk taking**

Item code	descriptive of risk taking
Q1-RK1	Taking risks bothers me even if the gains involved are potentially high.
Q2-RK2	The risks involved in setting up a business are too high.
Q3-RK3	I always consider security as an essential element in every phase of my life
Q4-RK4	I would not be uncertain to put my money into a new business that could fail, if the possible rewards were very high
Q5-RK5	I considered as Risk is cretin in my own business
Q6-RK6	I ready to proceed my business anything is happen

Table 4.12 descriptive statics of risk-taking

Item code	Q1-RK1		Q2-RK3		Q3-RK3		Q4-RK4		Q5-RK5		Q6-RK6	
	No	%	No	%	No	%	No	%	No	%	No	%
Strongly dis agree	16	9.7	-	-	16	9.7	-	-	-	-	31	18.8
Dis agree	76	46.1	103	62.6	16	9.7	45	27.3	47	28.5	16	9.7
Neutral	59	35.8	62	37.4	60	36.4	60	36.4	45	27.3	59	35.8
Agree	14	8.5	-	-	45	27.3	60	36.4	42	25.5	31	18.8
Strongly agree	-	-	-	-	28	17.0	-	-	31	18.8	28	17.0
N valid	165	100	165	100	165	100	165	100	165	100	165	100
Mean	2.4303		2.3758		3.3212		3.0909		3.3455		3.0545	
Std deviation	.78262		.48579		1.15815		.79494		1.08569		1.31248	
Over all mean (2.9364), Stander deviation (.65629)												

Source: own survey, (2020)

As depicted from the above Table individual item of risk-taking shows that Q3 –RK5 (3.3455) the highest mean value followed by Q3-RK3, Q4-RK4, Q6-RK6 with the mean value of (3.3212), (3.0909), and (3.0545) respectively. This indicates that students understand about risk in doing business but the reaming item of risk taking is Q1-RK1 and Q2-RK2 with the mean value of (2.4303) and (2.3758) respectively. The two item of risk taking mean value is lower than the average measuring scale. This shows understanding risk taking in doing business somehow frustrated by the student.

**Table 4.13 descriptive item of Entrepreneurship Education**

Item code	descriptive of items
Q1- Entrepreneurship Education	
Q2-EE2	I think the entrepreneurship course is a good complement to my professional background that can help me to start a business
Q3-EE3	I believe I have acquired the necessary knowledge to start business from the business course is taking.
Q4-EE4	I think entrepreneurial skills are acquired through training
Q5-EE5	I am ready to do anything to become an entrepreneur
Q6-EE6	My career goal is to become an entrepreneur

**Table 4.14 Descriptive statics of Entrepreneurship Education**

Item code	Q1-EE1		Q2-EE2		Q3-EE3		Q4-EE4		Q5-EE5		Q6-EE6		
	No	%	N	%	No	%	No	%	No	%	NO		%
Strongly dis agree	16	9.7	-	-	-	-	-	-	-	-	16	9.7	9.7
Dis agree	16	9.7	32	19.4	-	-	-	-	30	18.2	45	27.3	27.3
Neutral	10	63.6	88	53.3	49	29.7	48	29.1	46	27.9	74	44.8	44.8
Agree	14	8.5	31	18.8	102	61.8	72	43.6	89	53.9	30	18.2	18.2
Strongly agree	14	8.5	14	8.5	14	8.5	45,	27.3	-	-	-	-	-
N valid	165	100	165	100	165	100	165	100	165	100	165	100	
Mean	2.9636		3.1636		3.7879		3.9818		3.3576		2.7152		
Std deviation	.95567		.83586		.58213		.75282		.77264		.87517		
Average mean value = (3.3283)													
Over all standard deviation= (.63262)													

Source: Own survey (2020)

As it is indicated on the above descriptive statistics of Entrepreneurship Education items Q1-EE1, Q6-EE6 have less mean value and lower average value than measuring scale. This demonstrates that Some students disagreed with the items that have been listed on entrepreneurship Education. On the other hand, the remaining item Q2-EE2, Q3-EE3, Q4-EE4, Q5-EE5 have greater than the average mean value. This confirms that majority of the students realize the important of entrepreneurship training on his /her life. The overall mean value of entrepreneurship education is (3.3283), which shows the positive response of agreement of students with the significance of entrepreneurship education on their whole life. Besides, the standard deviation which is (.63262) indicates a very low variability of the response.

**Table 4.15 description item of Job Creation**

Item code	description of job creation
Q1-JC1	Creating a job in Ethiopia is easy after graduation.
Q2-JC2	I will make every effort to create job in my own business
Q3-JC3	Government encourages graduate students to create new ideas and innovations
Q4-JC4	The bureaucratic process hinders job creation.
Q5-JC5	I am confident that I would succeed if I started my own business
Q6-JC6	I am confident that I would succeed if I have create my own job

Table 4.16 descriptive statics of job creation

Item code	Q1-JC1		Q2-JC2		Q3-JC3		Q4-JC4		Q5-JC5		Q6-JC6	
	No	%	No	%	No	%	No	%	No	%	No	%
Strongly disagree	44	26.7	-	-	-	-	-	-	-	-	-	-
Disagree	121	73.3	14	8.5	14	8.5	16	9.7	16	9.7	-	-
Neutral	-	-	16	9.7	-	-	-	-	-	-	16	9.7
Agree	-	-	121	73.3	135	81.8	105	54.5	90	54.5	90	54.5
Strongly agree	-	-	14	8.5	16	9.7	44	35.8	59	50	50	35.8
N valid	165 100		165 100		165 100		165 100		165 100		165 100	
Mean	1.7333		3.8182		3.9273		4.0727		4.1636		4.2606	
Std deviation	.44356		.70081		.65856		.80822		.85033		.62369	

Source: own survey (2020)

Average mean value (3.6626)      Std deviation (.41522)

As we can deduct from the above table item Q1-JC1 mean value is lower than the average value of measuring scale (1.7333). from this we can conclude that creating job after graduation is not easy or is very difficult for students. In addition, the table above also shows that remaining items Q2-JC1, Q3-JC3, Q4-JC4, Q5-JC5, and Q6-JC6 have mean values of (3.8182), (3.9273), (4.0727), (4.1636), and (4.2606) respectively. This also asserts that it is not as such easy to create job or start own business after completion of first degree. But there are some students that are ready to be entrepreneurs after completing their studies although they fear bureaucratic process

that hinders their goal of job creation. More importantly, the standard deviation is too low to show presence of variations in each item.

**Table 4.17 description of Entrepreneur Altitude**

Item code      description of the item

Q1-EA1	Entrepreneurship is an honorable profession
Q2-EA2	I seriously consider entrepreneurship as a career option
Q3-EA3	Entrepreneurs are largely responsible for new innovations, technologies and products.
Q4-EA4	I am too busy with classes to consider starting my own business.
Q5-EA5	Entrepreneurship is a good way to make a lot of money.

**Table 4.18 descriptive statics of Entrepreneur Altitude**

Item cod	Q1-EA1		Q2-EA2		Q3-EA3		Q4-EA4		Q5-EA5	
	No	%	NO	%	No	%	NO	%	NO	%
Strongly dis agree	-	-	-	-	-	-	16	9.7	-	-
Dis agree	-	-	16	9.7	-	-	88	53.7	-	-
Neutral	16	9.7	31	18.8	48	29.1	61	37.0	16	9.7
Agree	28	17.0	73	44.2	58	35.2	-	-	75	45.5
Strongly Agree	121	73.3	45	27.3	59	35.8	-	-	74	44.8

Source: Own survey (2020), Average mean (3.9176) Standard deviation (.59510)

As it is undoubtedly depicted on the above table individual item Q4-EA4 (2.6424) has mean value less than the average value measuring scale, which implies item that entrepreneurs' attitude is not a factor that affects creation of own business. But, the remaining items Q1-EA1, Q2-EA2,

Q3-EA3, and Q5-EA5 with the mean value of (4.6364), (3.8909), (4.0667), and (4.3515) respectively have a value greater than the average value of measuring scale. This shows that entrepreneurs' attitude is a major factor in creation of own business or creation of a new job. The standard deviation shows there is no much difference in the response.

**Table4.19 description of items culture**

Item code	description of items
Q1-CU1	Social norm hinders the entrepreneurial behavior.
Q2-CU2	The culture of to be employed after graduation in government sector is the main factor for not creating job.
Q3-CU3	The culture of team work encourages job creation and new innovative ideas.
Q4-CU4	Graduate student thinks that creating a job is the responsible blue collar work.

**Table 4.20 descriptive statics of culture**

Item code	Q1-CU1		Q2-CU2		Q3-CU3		Q4-CU4	
Response	NO	%	NO	%	NO	%	NO	%
Strongly dis agree	30	18.2	-	-	91	55.2	16	9.7
Disagree	105	63.6	-	-	74	44.8	17	10.3
Neutral	16	9.7	16	9.7	-	-	56	33.9
Agree	14	8.5	103	62.4	-	-	16	9.7
Strongly Agree			46	27.9	-	-	60	36.4
N valid	165		165		165		165	
	100		100		100		100	
Mean			4.1818		1.4485		3.5273	
Std deviation	2.0848		.58719		.49885		1.33235	
	.78403							

Source: Own survey, (2020), Over all mean 2.8106, Standard deviation (.59862)

As table 4.20 indicates items such as Q2-CU2 (4.1818) and Q4-CU4 (3.5273) have greater mean average value of measuring scale, that affirms that the employment after graduation in government organization and assumption of students for blue collar are the main factors in the process of job creation for students. Whereas, items like Q1-CU1 and Q2-CU3 have mean value lower than average value of the measuring scale, which asserts that team work and social norm are not major factors affecting students' aim of job creation. Moreover, the average mean value of culture is 2.8106 lower than average measuring scale showing culture is not also a major factor affecting job creation. The variability of response is low since the standard deviation is 0.59862.

Table 4.21 description of item of training

Item code	description of item
Q1-TR1	Getting different trainings before graduation facilitates job creation.
Q2-TR2	There is a huge difference in opinions on job creation among graduate students who does/does not get trainings on entrepreneurship and job creation.
Q3-TR3	Training is the corner stone for job creation.
Q4-TR4	Training by itself is not job creation.
Q5-TR5	purpose of training is to crate job for graduates
Q6-TR6	Training change the perception of the graduates

**Table 4.22 descriptive statics of training**

Item code	Q1-TR1		Q2-TR2		Q3-TR3		Q4-TR4		Q5-TR5		Q6-TR6	
	No	%	No	%	No	%	No	%	No	%	No	%
Strongly disagree(1)	16	9.7	-	-	-	-	-	-	-	-	-	-
Dis agree(2)	-	-	-	-	-	-	31	18.8	58	35.2	-	-
Neutral(3)	44	26.7	92	55.8	-	-	60	36.4	32	19.4	-	-
Agree (4)	77	46.7	45	27.3	88	53.3	74	44.8	75	45.5	121	73.3
Strongly agree (5)	28	17.0	28	17.0	77	46.7	-	-	-	-	44	26.7
N valid	165	100	165	100	165	100	165	100	165	100	165	100
Mean	3.6121		3.6121		4.4667		3.2606		3.1030		4.2667	
Std deviation	1.07968		.76180		.50041		.75625		.89459		.44356	

Source: Own survey (2020)

Average mean value (3.7202) and the standard deviation (.50404)

As shown above all items have greater mean value than average value of measuring scale. From this we can recognize that training is a very good facilitator of job creation. Moreover, the average mean value (i, e 3.7202) is greater than the average value of measuring scale, that indicates graduated students have agreed and strongly agreed with the idea that training is facilitator of job creation. The standard deviation (.50404) is too low indicating homogeneity of response.

**Table 4.23 Summary of descriptive statics of all variable**

Variables	N	Minimum	maximum	Mean	Std deviation
Entrepreneurial Intention	165	2.5	4.5	3.4424	.70750
Perceived access to finance	165	1.5	3.5	2.6242	.63429
Perceived government policy	165	1.67	3.83	2.3545	.64816
Risk taking	165	1.67	3.67	2.9364	.65629
Locus of control	165	2.4	5.0	3.3248	.75558
Entrepreneurship education	165	2	4.67	3.3283	.63262
Job creation	165	2.83	4.33	3.6626	.41522
Entrepreneur attitude	165	2.4	4.6	3.9176	.59510
Taring	165	3.17	4.67	3.7202	.50404
Culture	165	1.5	3.5	2.8106	.59862

Source: Own survey, (2020)

Table 4.23 shows the summary of mean and standard deviation of each variable with minimum and maximum value. From the above independent variable Entrepreneur attitude has (3.9176) mean value greater than the average measuring scale. This implies that entrepreneur attitude is one of the major factors affecting job creation. Generally, since the mean value lays between 2.3 and 3.9, the independent factors have strong effect on the dependent variables (entrepreneurial intention and job creation).

### **4.3 Correlation analysis of the data**

Correlation coefficient is a very important to the strength of the liner relationship between variables (Saunders, 2009). The coefficient represents through the letter r.it can take any value between **+1** and **-1**. The value of **+1** represent perfect positive correlation and **-1** represent perfect negative correlation. Correlation coefficient between **+1** and **-1** represents weaker positive and negative correlation (Saunders,2009).

**Table 4.24 Pearson correlations among all variables**

**Correlations**

		Job creation	Training	EntreAttitude	Culture
Jobcreation	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	165			
Training	Pearson Correlation	.498**	1		
	Sig. (2-tailed)	.000			
	N	165	165		
EntreAttitude	Pearson Correlation	.836**	.459**	1	
	Sig. (2-tailed)	.000	.000		
	N	165	165	165	
Culture	Pearson Correlation	.142	-.201**	.247**	1
	Sig. (2-tailed)	.069	.010	.001	
	N	165	165	165	165

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

From the above correlation table 4.24 job creation variables, entrepreneur attitude has  $r=.836^{**}$ ,  $P<0.01$  which means entrepreneur has strong and positive correlation with job creation. Based on the above correlation matrix all three independent variables training, entrepreneurial attitude and culture (.498, .836, .142) respectively have positive correlation with job creation. From these three independent variable entrepreneur attitude is the most important influencer for job creation. However, culture has weaker positive correlation with job creation. Generally, the above correlation analysis implies that all independent variable positively associated job creation.

**Table 4.25 Pearson correlation among all variables**

**Correlations**

		EntrIN	AcessFinance	GovetPolicy	Risk	EntreEdu	LocusCon
EntrIN	Pearson Correlation	1					
	Sig. (2-tailed)						
	N	165					
AcessFinance	Pearson Correlation	.558**	1				
	Sig. (2-tailed)	.000					
	N	165	165				
GovetPolicy	Pearson Correlation	.472**	.707**	1			
	Sig. (2-tailed)	.000	.000				
	N	165	165	165			
Risk	Pearson Correlation	.357**	.670**	.430**	1		
	Sig. (2-tailed)	.000	.000	.000			
	N	165	165	165	165		
EntreEdu	Pearson Correlation	.571**	.362**	.380**	.626**	1	
	Sig. (2-tailed)	.000	.000	.000	.000		
	N	165	165	165	165	165	
LocusCon	Pearson Correlation	.582**	.824**	.664**	.819**	.684**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
	N	165	165	165	165	165	165

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

From the above table, we can easily see that the dependent variable, entrepreneurial intention, is positively correlated with all the independent variables. Although government policy and risk taking have moderate positive correlation as their r values lays between the range of 0.3 and 0.5 (i, e for government policy .472 and for risk .357). The remaining variables such as locus of control, entrepreneur education, access to finance r values are 0.582, 0.571, and 0.558 respectively. Based on the above correlation matrix locus of control and entrepreneur education the most influential factors affecting entrepreneurial intention. Generally, the above correlation analysis implies that locus of control, entrepreneur education, access to finance, risk taking and

government are positively associated with entrepreneurial intention. This means that as the value of the independent variables increase, the value of the dependent variable also increases or decreases by much and vice versa.

#### 4.4 Regression analysis

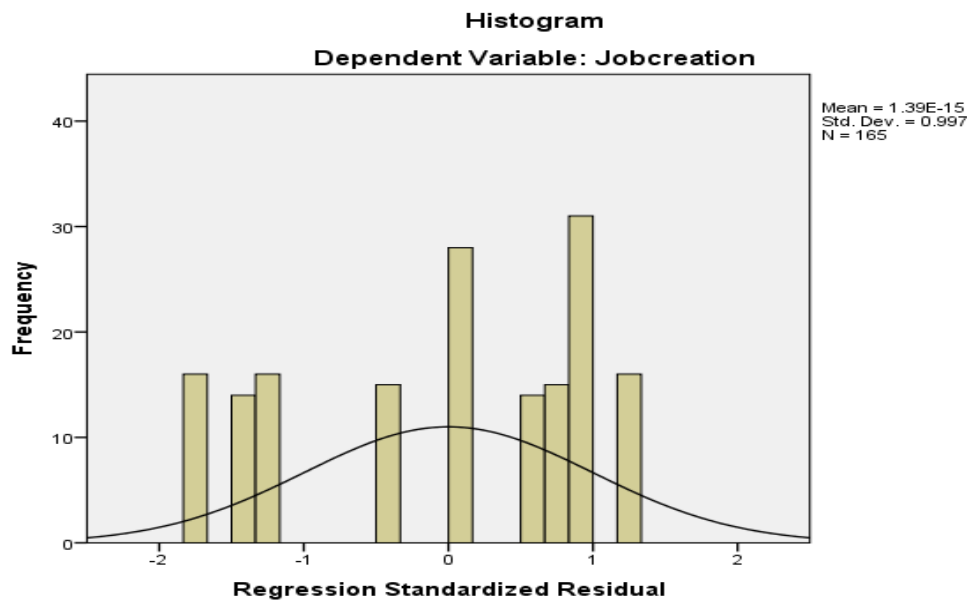
##### 4.4.1 Assumption underlying regression analysis

Regression function (Rf) is a description of the model that is thought to be generating the actual data and the true relationship between the dependent and independent variables. Therefore, before doing any regression analysis the researcher has checked, tested and confirmed regression assumptions.

##### Normality

Normality enables the researcher to understand the distribution of any value of dependent variable in relation to the independent variables in the model. Therefore, Normality test is applied in order to know the error term distribution is normal.

Figure 4.3 Normality Test



### No perfect Multicollinearity

Correlation can exist with in variables. But the existence of perfect multicollinearity violate this assumption which specifies variation in one explanatory variable cannot be completely explained by movements in another explanatory variable. In doing so, in all regression analysis the researcher conducted no perfect multicollinearity within each independent.

Table 4.26 Collinearity statics

Model		Collinearity Statistics	
		Tolerance	VIF
Training		.684	1.463
Entrepreneur attitude		.669	1.495
Culture		.814	1.229

a. Dependent Variable: Job creation

Table 4.27 Collinearity statics

Model		Collinearity Statistics	
		Tolerance	VIF
1	AcessFinance	.206	4.852
	GovetPolicy	.436	2.293
	Risk	.292	3.426
	EntreEdu	.389	2.571
	LocusCon	.156	4.330

a. Dependent Variable: EntrIN

A VIF of greater than 5 is generally considered as the evidence of multicollinearity. However, the VIF of every regressor in the above collinearity statistics table is less than 5. And all the tolerance value had higher than 0.1. Therefore, there is no multicollinearity problem in the independent variables.

#### 4.4.2. Factor influencing on entrepreneurial intention

Regression analysis has been conducted to test the influence of the independent factors of the dependent variable entrepreneurial intention.

**Table 4.28 model summary**

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.744 <sup>a</sup>	.554	.540	.47979

a. Predictors: (Constant), LocusCon, GovetPolicy, EntreEdu, Risk, ACESSFinance

b. Dependent Variable: EntrIN

As indicated from the above Table 4.28 regression model R Square is .554 or 55.4% which tells us 55.4% on variations entrepreneurial intention is explained through a change in all independent variable included in the model. However, the remaining variations in entrepreneurial intention explained by other variables that are not included in the model i, e the err terms.

**Table 4.29 summary of ANOVA**

**ANOVA<sup>a</sup>**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	45.491	5	9.098	39.523	.000 <sup>b</sup>
	Residual	36.601	159	.230		
	Total	82.092	164			

a. Dependent Variable: EntrIN

b. Predictors: (Constant), LocusCon, GovetPolicy, EntreEdu, Risk, ACESSFinance

From the above Table 4.29: ANOVA value helps the researcher to know the significance of the model in explaining the linearity relationship between the regressors and regressed variable of the regression model. As it is indicated in the above table, the significance value or the value of F statistics is less than 0.05, we can conclude that there is a linear relationship between

entrepreneurial intention and all independent variables such as locus of control, government policy, entrepreneur education, risk and access to finance.

Table 4.30 multiple regression coefficients<sup>a</sup>

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.725	.233		3.113	.002
	AcessFinance	.733	.130	.657	5.635	.000
	GovetPolicy	-.057	.088	-.052	-.650	.517
	Risk	-.537	.106	-.498	-5.082	.000
	EntreEdu	.703	.095	.628	7.402	.000
	LocusCon	.050	.143	.053	.346	.730

a. Dependent Variable: EntrIN

The above table 4.30 indicates that the beta coefficients and p value of independent variables with their standard error. So the variables are locus of control, government policy, entrepreneur education access to finance, locus of control and risk taking. The beta value measures how each independent variable affect dependent variables in the models. the beta value of the independent variable is .053, -.052, .628, .657 and -.498 for locus of control, government policy, entrepreneur education, access to finance, and risk taking in their respective order.

#### 4.4.3. The influence entrepreneurial intention on job creation

The relationship between the entrepreneurial intention and the job creation has been analyzed using the regression model. The entrepreneurial intention has been captured by three variables such as entrepreneurial attitude, training & culture.

**Table 4.31. Model summary of regression**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.846 <sup>a</sup>	.716	.711	.22341

a. Predictors: (Constant), Training, Culture, EntreAttitude

As indicated from the above Table 4.31 regression model R Square is .716 or 71.6% which tells us 71.6% on variations job creation is explained through a change in all independent variable included in the model. However, the remaining 28.4% variations in entrepreneurial intention is explained by other variables that are not included in the model or through changes in err terms.

Table 4.32. Summary of ANOVA

**ANOVA<sup>a</sup>**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	20.240	3	6.747	135.174	.000 <sup>b</sup>
	Residual	8.035	161	.050		
	Total	28.275	164			

a. Dependent Variable: Job creation

b. Predictors: (Constant), Training, Culture, EntreAttitude

From the above Table 4.32 ANOVA value helps the researcher know the significance of the model in explaining the linearity relationship between the repressors and regressed variable of the regression model. As it is indicated in the above table, the significance value or the value of F statistics is less than 0.05, that shows a linear relationship between job creation and all independent variables such as training, Culture, and Entrepreneur Attitude.

**Table 4.33 multiple regression coefficients<sup>a</sup>**

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.163	.172		6.774	.000
	Training	.111	.042	.135	2.660	.009
	EntreAttitude	.544	.036	.780	15.180	.000
	Culture	-.016	.032	-.023	-.500	.618

a. Dependent Variable: Job creation

The above Table 4.33 indicates that beta coefficients and p value of independent variables with their standard error. So the variables are training, entrepreneur attitude and culture. The beta value measures how each independent variable affect dependent variables in the models. The

beta value of the independent variable is .135, .780, -.023, for training, entrepreneur attitude, and culture respectively. To sum up, the independent variable entrepreneurial attitude positively and significantly influences job creation. The level of training also significantly and positively influences the job creation.

#### **4.5 Hypothesis testing**

##### **H1: Access to finance significantly influences entrepreneurial intention**

As indicated from the above Table 4.28 access to finance ( $B=0.733$ ,  $P < 0.01$ ) has positively and significantly influenced entrepreneurial intention of students. This means that for a unit change in the access to finance there is a 0.733 change in the entrepreneurial intention of the students. Thus, the hypothesis is accepted. The finding of the study illustrates that there is no significant positive relationship between perceived access to finance and entrepreneurial intention which is inconsistent with studies conducted by (Flemming, 1996, Grilo and Thurik ,2005, Greene, 2005) 2004).

##### **H2: Government policy significantly influences entrepreneurial intention**

As it is indicated from the above Table 4.28 government policy ( $B= - 0.057$ ,  $P > 0.1$ ) does not significantly influence entrepreneurial intention of students in this study. This shows that government policy was not found to have a significant influence on the entrepreneurial intention in this study. Thus, the hypothesis is accepted. The finding of the study shows that there is no significant positive relationship between perceived government policy and entrepreneurial intention which is inconsistent with studies conducted by (Kurlius, 2000, Chell and allman,2003, Busenitz et al, 2000, Nguyen et al, 2008 and Klapper.

##### **H3: Risk taking positively and significantly influences entrepreneurial intention**

As it is indicated from the above Table 4.28 risk taking ( $B= -0.537$ ,  $P < 0.01$ ) positively and significantly influences entrepreneurial intention of students. This means that for a unit change in risk taking, there is a -0.537 change in the entrepreneurial intention of the students. Basically this means that a higher risk taking decreases entrepreneurial intention of the students. Thus the hypothesis not rejected. In this study, the risk taking negatively and significantly influence

entrepreneurial intention. But in the contrary Melekam(2019),revealed that risk taking has no significant effect on students' entrepreneurial intention.

#### **H4: Entrepreneur education significantly influences entrepreneurial intention**

As indicated from the above Table 4.28 entrepreneur education ( $B= 0.703$ ,  $P < 0.01$ ) positively and significantly influences entrepreneurial intention of students. For a unit change in the entrepreneurial education, there is a 0.703 change in the entrepreneurial intention of the students. The hypothesis is accepted. Therefore finding of this study is supported by the study done by Uddin and Bose (2012),Melekam(2019) conclude that entrepreneurship education offered by university are the strongest determinant to start business.

#### **H5: Locus of control significantly influences entrepreneurial intention**

As indicated from the above Table 4.28 locus of control ( $B=0.05$ ,  $P > 0.01$ ) does not influence entrepreneurial intention of students in this study. Thus the hypothesis is rejected. Therefore, the finding of this study is supported by the study of, Indarti and Krinstiansen (2003),shows that locus of control has no significant effect on students' entrepreneurial intention. But in contrary the finding of this study is s not supported by the study of,Megibaru (2014),who concluded that locus of control has significant influence toward entrepreneurial intention.

#### **H6: Training positively and significantly influences job creation**

As it indicated in Table 4.30training ( $B= 0.111$ ,  $P < 0.05$ ) positively and significantly influences job creation of students. This means that the higher the intensity of trainings for the students, the higher is their propensity to create jobs by their own efforts. The hypothesis is thus accepted.

#### **H7: Entrepreneur attitude significantly influences job creation**

Table 4.30 shows that entrepreneur attitude ( $B=0.544$ ,  $P < 0.01$ ) significantly influences job creation of students. Therefore, hypothesis is accepted.

**H8: Culture positively and significantly influences job creation:** As indicated in Table 4.30, culture ( $B= -0.016$ ,  $P > 0.1$ ) was not found to influence the job creation of the students in this study. This means that cultural orientations of the students do not act as barriers on their job creation. Therefore, this hypothesis is rejected.

**Table 4.34 Summary of research question hypothesis and research finding**

<b>Research question</b>	<b>Hypothesis</b>	<b>Research Finding</b>
In what way does access to finance motivate the graduating student in starting and running their business?	Access to finance significantly influences entrepreneurial intention of students	Supported
To what extent government policy motivates the graduating student in starting and running their business?	Government policy significantly influences entrepreneurial intention of students	Not supported
In what way does risk taking constrain the students from starting up their business?	Risk taking positively and significantly influence entrepreneurial intention of students	Supported
In what way does entrepreneur education affect position of self-employment when compared with other carries option?	Entrepreneur education significantly influences entrepreneurial intention	Supported
Does locus of control constraint starting up business by student?	Locus of control affect entrepreneurial intention	Not supported
How does training motivate the graduating student in starting and running their business?	Training significantly influences job creation of students	Supported
Does entrepreneurial attitude act as constraint in students' business start-up business?	Entrepreneur significantly influence the job creation of students	Supported
How culture does motivate the graduating student in starting and running their business?	Culture affect job creation	Not supported

## Chapter Five

### 5.1 summary, conclusion and recommendation

The major objective of this study is factor affecting graduating student entrepreneurial intention and job creation in the case of Addis Ababa University College of Business and Economics. From the questioner which were distributed to the student 165 students fulfilled and returned properly. Because the students pass their time on social media so all the students returned. The response rate was 100 % and it was enough to make analysis the data. Form this 118 or 71.5% of the respondents are male and 48 or 28.5% are female. Off the 165 participant of this studies 12.1%(20) students are public administration and development management department, 29.7%(49) students are department of management,38.2%(63) are department of accounting and finance and the reaming 20%(33%) of the student are department of economics. From the table 4.2 ,47.3%(78) student Career choice after study is employee in government or non-government organization ,25.5%(42) student is to be self-employee and the reaming 27.3% (47) students are no plan after completed their degree. Based on the mean analysis the result the average value of entrepreneurial intention is greater than the average value measuring scale. This shows that most of the respondents have willingness to be entrepreneur after graduation.

Base on the mean analysis of the results the average value perceived access to finance, risk taking and government policy have lower than average value of measuring scale. This shows that the students have a problem of finical asscecibility to start their own business. It was perceived by the respondents. Average value of risk taking is also below average value of measuring scale. This shows that the students are not interested to started risky business. The average value of government policy also below the average value of measuring scale. This shows that government policy is not favorable for a graduating student to start a new business perceived by the respondent. The average value of locus of control greater than the average value of measuring scale. This shows that locus of control is good or important for Entreprenrial intention to star new business.

The average value of entrepreneurship education is greater than average value of measuring scale, this shows that entrepreneurship education is important to shape the mind of the student and change their mind positive outlook for entrepreneur.

The average value of training and entrepreneur attitude have greater than average value of measuring scale. This show that training is the most important things for job creation perceived by respondents. The average value of entrepreneur attitude is greater than the average value of measuring scale. This shows that the respondents perceived that to crate job entrepreneur attitude is special. The average value of culture is lower than average value of measuring scale. This shows that culture is main problem for job creation.

## **5.2 Conclusion**

This study, which is based on primary and secondary data critically relating the entrepreneurial intention of graduating student of Addis Ababa university college of business and economics with intended job creation. Relating the entrepreneurial intention of graduating students with intended job creation is a major objective of this study. The descriptive analysis revealed that the dependent variable mean value is greater than average value measuring scale. This indicates student have interested to be an entrepreneur.

On basis the basis of empirical result discussed in chapter four, it is concluding that there is a positive relationship between Entreprenrial intention and job ration. This indicates that the student with high enterprureial intention easy for job creation. This study concludes that all independent variable has positive relation but entrepreneur education, access to finance and locus control have strong positive effect on entrepreneurial intention, entrepreneur attitude and taring have strong positive effect on job creation. culture have negative relation with job creation.

### **5.3 Recommendation**

Based on finding of the study researcher has come up with the following to recommendation.

This study shows that government policy has no significant effect on entrepreneurial intention. The descriptive result show that student towards government policy is negative attitude. Therefore, the government needs to avoid red trapezium and bureaucratic system in their office.

Descriptive statics of the study shows that average value risk taking is below value of measuring scale this show that student is risk aversive. Therefore, policy maker develops various program to minimize student perception regarding to risk taking.

Entrepreneur education has significant effect on entrepreneurial intention to increase knowledge, skill and awareness about entrepreneurial intention therefore entrepreneur education course to be practical in addition to theoretical is more important to improve entrepreneurial skill of the students.

Locus of control has significant effect on entrepreneurial intention. Therefore, government needs to give support for graduating students to be an entrepreneur by giving any support to develop internal motivation.

Entrepreneur attitude has significant effect on job creation. This indicate entrepreneur attitude have positive effect on job creation. Therefor government should give attention for entrepreneur attitude and give training to increase attitude of the students. Training has significant effect on job creation. Therefore, students need to take training after graduation and prepare themselves for job.

### **5.4 Suggestion for further study**

This research focused only on final year undergraduate students of business and economics in Addis Ababa University. The researcher would suggest to include sample of all colleges in the university and other universities to makes better generalization and recommend comparative study between business students and non-business students, extension students and regular students, freshman students and final year students. The researcher would recommend including other variables that may determine entrepreneurial intention of university student.

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## **Appendix one**

### **Dear respondents**

I am a graduate student at Addis Ababa University Masters of Business Administration program. I am currently conducting a research on the factors that relating the entrepreneurial intentions of graduating students with intended job creation in Addis Ababa University.

I hereby request your assistance in filling in the provided questionnaire. The questionnaire is a tool used to achieve a research objective. This is an academic research and confidentiality will be strictly adhered to. Therefore, your genuine responses will contribute to the quality of the findings of the study. I do appreciate your valuable contribution for the study. Kindly spare your few minutes to fill the questionnaire attached.

**Kindly provide the information requested by putting a tick mark or filling on the spaces provided from question one to three.**

**1. Personal Details A. Gender**

Female-----

Male-----

Department

PADM-----

MGMT-----

ACFN-----

Econ-----

**2. Family background**

C. Are your parents ever having business background?

No,

Yes,

**3. Career choice after study.**

Employee

No plan

Self  
employed

Please indicate the most appropriate response with the Likert scale given below from question number four (4) to eight (8).

5= Strongly Agree.4= Agree.3= Neutral.2=Disagree.1=Strongly Disagree.

#### 4. Entrepreneurial Intention

Statements	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly disagree (1)
1. I am ready to do anything to be an entrepreneur.	5	4	3	2	1
2. My professional goal is to become an entrepreneur	5	4	3	2	1
3. I have a strong intention to start a business one day	5	4	3	2	1
4. I will make every effort to start my own business	5	4	3	2	1
5. I would rather be my own boss than have a secure job.	5	4	3	2	1
6. I prefer to be an entrepreneur rather than to be an employee in a company /an organization	5	4	3	2	1

#### 5. Perceived access to Finance

Statements	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly disagree (1)
1. It is easy to obtain startup capital in Ethiopia	5	4	3	2	1
2. Bank in Ethiopia are ready to give credit for new business	5	4	3	2	1
3. It is easy to start one's own business due to the Availability of financial resources.	5	4	3	2	1
4. Financial institutions are ready to give required finance to start business	5	4	3	2	1
5. Saving money each month will help me to reach my business objectives	5	4	3	2	1
6. I learn from mistakes other people make managing their business finances	5	4	3	2	1

## 6. Perceived Government policy

Statements	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly disagree (1)
1. There are sufficient subsidies available for new business in Ethiopia	5	4	3	2	1
2. The procedures for establishing a new company are clear	5	4	3	2	1
3. Government policy, rule and regulations are favorable to Start a business	5	4	3	2	1
4. It is easy to start one's own business due to the simplicity of the administrative procedure	5	4	3	2	1
5. Ethiopian government adopt rule and regulations to encourage graduates.	5	4	3	2	1
6 Government policy of Ethiopia is transparent for entrepreneurs				2	

## 7 .Locus of control

Statements	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly disagree (1)
1 .When everything goes right, I think it is mostly question of luck.	5	4	3	2	1
2 .I am confident of my skills and abilities to start a business	5	4	3	2	1
3. When I make plans ,I am almost certain to make them work	5	4	3	2	1
4. Diligence and hard work usually lead to success	5	4	3	2	1
5. I can take risks with my money, such as investing in stocks	5	4	3	2	1

### 8. Risk taking

Statements	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly disagree (1)
1. Taking risks bothers me even if the gains involved are potentially high.	5	4	3	2	1
2. The risks involved in setting up a business are too high.	5	4	3	2	1
3. I always consider security as an essential element in every phase of my life	5	4	3	2	1
4. I would not be uncertain to put my money into a new business that could fail, if the possible rewards were very high	5	4	3	2	1
5. I considered as Risk is cretin in my own business	5	4	3	2	1
6. I ready to proceed my business anything is happen	5	4	3	2	1

### 9. Entrepreneurship Education

Statements	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly disagree (1)
1. I think the entrepreneurship course would give me more ideas and opportunities to start a business in the future	5	4	3	2	1
2. I think the entrepreneurship course is a good complement to my professional background that can help me to start a business	5	4	3	2	1
3 I believe I have acquired the necessary knowledge to start business from the business course is taking.	5	4	3	2	1
4. I think entrepreneurial skills are acquired through training	5	4	3	2	1
5. I am ready to do anything to become an entrepreneur	5	4	3	2	1
6. My career goal is to become an entrepreneur	5	4	3	2	1

## 10. Job Creation

Statement	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly disagree (1)
1.Creating a job in Ethiopia is easy after graduation.	5	4	3	2	1
2.I will make every effort to create job in my own business	5	4	3	2	1
3.Government encourages graduate students to create new ideas and innovations	5	4	3	2	1
4.The bureaucratic process hinders job creation.	5	4	3	2	1
5.I am confident that I would succeed if I started my own business	5	4	3	2	1
6.I am confident that I would succeed if I have create my own job	5	4	3	2	1

## 11. Entrepreneur Altitude

Statement	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly disagree (1)
1.Entrepreneurship is a honorable profession	5	4	3	2	1
2.I seriously consider entrepreneurship as a career option	5	4	3	2	1
3. Entrepreneurs are largely responsible for new innovations, technologies and products.	5	4	3	2	1
4.I am too busy with classes to consider starting my own business.	5	4	3	2	1
5. Entrepreneurship is a good way to make a lot of money.	5	4	3	2	1

## 12. Culture

Statement	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly disagree (1)
1 Social norm hinders the entrepreneurial behavior.	5	4	3	2	1
2.The Ethiopian culture is the obstacle for entrepreneurs to create job for young graduate students	5	4	3	2	1
3.The culture of to be employed after graduation in government sector is the main factor for not creating job.	5	4	3	2	1
4.The culture of team work encourages job creation and new innovative ideas.	5	4	3	2	1

## 13. Training

Statement	Strongly Agree (5)	Agree (4)	Neutral (3)	Disagree (2)	Strongly disagree (1)
1. Getting different trainings before graduation facilitates job creation.	5	4	3	2	1
2 .There is a huge difference in opinions on job creation among graduate students who does/does not get trainings on entrepreneurship and job creation.	5	4	3	2	1
3.Training is the corner stone for job creation.	5	4	3	2	1
4 .Training by itself is not job creation.	5	4	3	2	1
5. purpose of training is to crate job for graduates	5	4	3	2	1
6. Training change the perception of the graduates	5	4	3	2	1