

Examining Entrepreneurial Intention and Its Correlates among Undergraduate Students in Ethiopia: An Empirical Study

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The current study tried to investigate entrepreneurial intention and its correlates among students of Addis Ababa University. Primary data were collected from 309 randomly selected undergraduate final year students from different colleges and departments of the Addis Ababa University using a standardized survey questionnaire. Descriptive and inferential statistics as well as linear regression model were used to analyze the data. The results of descriptive analysis indicated that the overall mean score of entrepreneurial intention of the graduating students was 2.10 out of 5, which shows that the graduating students had weak entrepreneurial intention. Results of the study indicated that personal attitude and perceived behavioral control affected entrepreneurial intention positively whereas age affected it negatively. The findings of the study implied for the need to work on changing the attitude of graduating students towards entrepreneurship and self-employment and enhancing their perceived behavioral control through entrepreneurial education and training in order to realize entrepreneurship development in the country.

THE PROBLEM AND ITS CONTEXT

In today's world, achieving economic development is at heart of every government's endeavor. Indeed, youths (especially, educated youths) are the most important resources countries need to have to transform their economies. Wise and effective utilization of youth is at the heart of development of nations. They are snooping about the dynamics needed to create jobs for the increasingly developing oversupply of graduate manpower on the one hand and fostering economic growth to catch up population growth in their countries. From the globalization perspective, the necessity to move to competitive market based economy is also becoming a pressing issue of governments to invest on graduating students to produce entrepreneurs and self employed people.

In Ethiopia, the number of graduates has been dramatically increasing since the Government has intensely provided educational opportunity for the youth (for example more than 150,000 students graduated in 2016/17, Ministry of Government Communication Affairs-MoGCA, 2017). For instance, in 1999, only 4 percent of youth had some form of higher education but in 2011 this share rose to 20 percent (Broussard & Tsegay, 2012) and university enrollment increased by 15.5% between 2009 and 2013

(Ministry of Education-MoE, 2013). This could not be a big headache for a country with low human capital but the current economy in Ethiopia is not capable of absorbing this number of graduates; leaving most of them unemployed on the one hand and the creation of decent employment opportunities for the growing numbers of young Ethiopians remains an elusive development goal (ECA & ILO, 2009) on the other. It is well argued that labor demand in the country is unable to keep pace with the increases in educational attainment. Thus, graduate/educated unemployment has become pervasive among urban youth these days. Indeed, a period of unemployment is becoming a normal part of transition from school/university to work in Ethiopia. The share of educated unemployment is increasing in the country (Broussard & Tsegay, 2012; Daniel, 2016) where there is a positive relationship between educational attainment and unemployment. A brief review of literature regarding the causes of graduate/educated unemployment in the country revealed that lack of entrepreneurial skills counts higher proportion than other factors.

Like in many African countries, which are challenged by employment creation, the opportunity to engage in the formal sector is very limited in Ethiopia, as a result of which many young people are engaged in informal and marginalized activities (ECA & ILO, 2009). Realizing this case, the government has started to enhance professional skills and the ability for graduates ranging from TVET to higher level education to create their own employment, by offering entrepreneurship as a course at the level of degree granting universities and different training institutions (FDRE & MOFED, 2002). Many developed and developing countries have been using development of entrepreneurship as a means to overcome the problem of unemployment (Hosseini & Ahmadi, 2011). This indicates that entrepreneurship is mostly raised with employment creation and development promotion all over the world. The current Government of Ethiopia has since 1997 formally endeavored to the promotion of enterprises that range from micro to medium size with the establishment of national proclamations, regulations, authority and regional and local offices to facilitate this mission. As a continuation to the effort, the Government in collaboration with UNDP officially launched a national Entrepreneurship Development Program at the beginning of 2013 to unleash a transformational change through tapping into the creativity and drive of existing and aspiring Ethiopian entrepreneurs to accelerate country's economic growth, create jobs, wealth and alleviate poverty (UNDP Website, 2013). Even if such attempts have been made by the government and other development promoters, the proportion of entrepreneurial engagement and self-employment in the country is pretty low. As evidence for this, result of a study on types of jobs unemployed youth look for shows that self-employment as an option is low rated whereas any available job is highly rated by job seekers.

TABLE 1
EMPLOYMENT SEEKING BEHAVIOUR

Types of job unemployed youth look for	Percent
Self-employment	27.4
Paid private employment	7.1
Paid government employment	13.9
Any available work	51.0
Other	0.7
Total	100
Source: Muhdin (2016 based on CSA 2015 data)	

In conformity to this, there is a decline in the intention of starting own business as a route to employment (Broussard & Tsegay, 2012). The same source indicated that 8.82% of unemployed male youth tried to start their own business as way out of unemployment in 1999 but only 4.43% of unemployed male youth tried to do so in 2011. The figures were 12.43 and 3.29% respectively for unemployed female youth. Importantly, enrollment in TVET programs is drastically declining these days.

In fact, the decision and action of a person to be an entrepreneur depends up on the individual's entrepreneurial orientation and intentions. Gibson *et al.* (2011) indicated that attitudes and intentions are precursors of entrepreneurial action. Therefore, an understanding of the attitudes and intentions and the way university education influences is a critical step in promoting greater entrepreneurial initiative. According to management guru Drucker, entrepreneurship is a behavior rather than personality trait"(Drucker, 1993, pp. 29). It means that a person is not born as an entrepreneur; rather he acquires entrepreneurial skill and behavior through time. As stated in Inegbenebor and Ogunrin (2010), the psychological literature suggests that attitude and intention precede corresponding behaviors. Therefore, the starting point for shaping a person's behavior is to understand his/her intention. Understanding University students' intention towards entrepreneurship is at the heart of this research, which is was actually conducted in Addis Ababa University. Undeniably, university education is one of the means to develop entrepreneurial intentions, skills and finally lead to self-employment.

In the context of Ethiopia, a handful of researches have been carried out on entrepreneurial intentions of youth as well as university graduates. For example; survey has been carried out by Welday *et al.* (2014) towards understanding characteristics and determinants of entrepreneurship in Ethiopia. Result of this survey revealed that, although Ethiopia has relatively the highest perception in entrepreneurial opportunities and capabilities, the intention to start a new business is relatively very low, which is below the sub-Saharan African countries. However this research did not make any attempt to clarify the gap in understanding entrepreneurial orientation and the associated factors of the youth. Other researchers have investigated entrepreneurial orientation of university students in some Ethiopian universities. A cross-sectional research conducted by Mesay (2013) on three different undergraduate University students located in the southern region of Ethiopia, revealed that there is positive relationship between the dimensions of entrepreneurship and entrepreneurial intention of students. Throughout their study students might have been influenced by the university environment or their personal and demographic background, however this research does not indicate any behavioral changes that the students have made during the course of study. In a similar manner Robson (2015) has investigated determinants of entrepreneurial motivation of undergraduate students at Haromaya University. Like the research work of Mesay, Robson has also followed cross sectional research approach. Other scholars (Kannan, 2015; Negash & Amentie, 2013; Srivivasan, 2014) have made similar investigations in different Ethiopian universities. Thus, the problem of low entrepreneurial intention and subsequently low self-employment is prevalent. However, a detailed case study and wider scope research (in terms of colleges, departments and sample size) has not been conducted in the country, particularly in Addis Ababa University.

This research aims to fill the gap observed on the research work of the above scholars. One of the prominent gaps is the coverage of students from different fields of study. While the majority of the university graduates are from non business disciplines most research works on entrepreneurship have focused only on business students' behavior. Indeed, non business students are large in number (note the 70:30 educational policy of the country) and their fields of study have huge potential for entrepreneurial and small business engagement. It is the aim of this research to consider students from diversified fields of study in the natural science, technology, social science, and business colleges, so as to provide overall entrepreneurial intentions of the university students. By doing so, the study will contribute to the limited stock of literature on entrepreneurial studies in the country in general and entrepreneurial intentions and self-employment of college and university students in particular. By emphasizing on the correlates of undergraduate students' entrepreneurial intentions and sel-employment and by its wide scope, it will alert policy issues to establish specialized entrepreneurial training and incubation centers. Moreover, it will serve as an input for educational planners to incorporate entrepreneurship as a course in all fields of study and most courses entrepreneurship oriented.

OBJECTIVES OF THE STUDY

The overall purpose of the study was to examine the entrepreneurial intentions of undergraduate graduating students of Addis Ababa University who graduated by the year 2015/16. It tried to investigate a wide range of expected determinants of graduating students' intentions towards entrepreneurship and self-employment. The specific objectives included:

- To describe the overall entrepreneurial intention of undergraduate students of AAU.
- To investigate the determinants of entrepreneurial intention of the students under study.
- To examine the role of entrepreneurship courses in creating entrepreneurial intentions among the students under study.

RESEARCH METHODOLOGY

The study is cross sectional explanatory type of research. It tried to examine students' entrepreneurial intentions and self-employment among different colleges and departments of Addis Ababa University. It also shares the nature of case study because it just focuses on one university. A multistage sampling technique was used in this research. First Addis Ababa University was purposely selected due to the fact that it is a pioneering university that has well established system. Then five colleges were randomly selected and included in the survey. These are the Natural Sciences, Technology, Social Sciences, Education and Behavioral Studies and Business and Economics. In each college, departments were selected randomly. A sample of 350 students was selected using standard methods of sample size determination. A sample to population proportion was used to allocate the sample of the study to the selected departments. It has been argued that a person's intention is deriver of action; however the intention could be changed through time (Ajzen, 1985) . Therefore this research considered the graduating students of 2016 who were near to searching jobs or intending to become self employed. A sytematic simple random sampling was used to select each sample respondent from the registrar's list of students of each department. The data for the study was collected using a standardized survey questionnaire previously developed by Davidsson (1995) and vastly employed in the literature. The questionnaire is designed as five point Likert scale (for most of the questions) and consists of a wide range of personal, social, educational and other factors. The items are adapted from previous works Davidsson (1995) that are already validated and commonly used (Kannan, 2015; Robson, 2015; Negash & Amentie, 2013; Samuel, 2013; Mesay, 2013; Srivivasan, 2014; Tong, Tong, & Loy, 2011). The questionnaire was administered during the last semester of the graduating students. A reliability analysis is also used to test the internal consistency of the items used in the instrument (Rasli *et al.*, 2013a) before the actual analysis. Then, a combination of descriptive, statistical and and regression analysis was used to analyze the data and come up with the research findings for the study. The descriptive analysis is used for the demographic characteristics of the sample students. The statistical analyses was employed to check the significance of the results (relationships and differences). Finally, regression analysis is used to investigate the determinants of students' entrepreneurial intentions and self-employment tendency (which is the dependent variable for the study). SPSS version 20 was used to process the data.

CONCEPTUAL FRAMEWORK FOR THE STUDY

This section reviews the key issues and concepts that have been addressed by researchers in the field, and provides an overview of the determinants of entrepreneurial orientation and framework of analysis of this study. The word entrepreneur comes from the French word "entreprendre", which means to do something, and in the Middle era it was originally used in the sense of a person who is active, and gets

things done (Kaur, 2013). Entrepreneurs are marvelous people who are capable of devising new ideas, evaluating opportunities and risks, or starting and running a business (Wu, 2009). Entrepreneurs bring to light the resources, technologies and trading opportunities that make economic development possible (Harper, 2003). Entrepreneurship thus, is about creation of 'social and economic value' which could be applied to both private, entrepreneurial ventures as well as social enterprises (Chell, 2007), it is not about duplicating or copying technologies, processes or working system, rather, is all about invention and innovation of new product, service, processor system. However, anybody cannot be an entrepreneur unless he/she possesses entrepreneurial behavior. The entrepreneurial behavior of a person can be understood among other things through its entrepreneurial orientation. Many scholars (Ajzen, 1991; Davidsson, 1995; Kannan, 2015; Mekonnin, 2015; Negash & Amentie, 2013; Samuel, 2013; Sata, 2013; Srivivasan, 2014; Tong, Tong, & Loy, 2011) have agreed on the fact that entrepreneurial orientation is predictor of entrepreneurial behavior. The common element of these researches is that, even if they were conducted in different cultural backgrounds, they have used university students and the youth as a unit of analysis. However the context from which they have investigated entrepreneurial orientation is different, i.e. they have answered the question 'why one decides to be an entrepreneur?' in different ways. For instance a study conducted by Tong, Tong, & Loy (2011), on four Malaysian University students revealed that, the need for achievement, family business background, and subjective influences are among the factors of entrepreneurial intention for students who choose to become entrepreneurs. On the other hand the cognitive approach to entrepreneurship points out that cognitive ability of a person determines as to whether a person decides to become an entrepreneur or not, these measures constitute entrepreneurial traits like opportunity recognition, proactive personality, self-efficacy, social competence, and intuition as primarily related to the cognitive capability (Santos, Caetano, & Curral, 2014). Following an economic-psychological model of the factors that influence individual's intention to become an entrepreneur, Davidsson (1995) found that person's conviction to start own business is the strongest influencer while educational background has very weak influence on entrepreneurial orientation. He further stressed that, psychological characteristics such as autonomy, change orientation, achievement could make an individual more convinced about the desirability to start ones business, however, such characteristics are 'neither necessary nor sufficient prerequisite for an entrepreneurial career choice' pp 22. Research work conducted by (Mekonnin, 2015; Sata, 2013; Zegeye, 2013) on graduating Ethiopian University students indicates that students' intention to create new venture after graduation is influenced by their family background and perceived self-efficacy. The researchers observed that students whose families are engaged in other profession have lower intention to pursue entrepreneurial venture, while those students whose families have business have the same intention as their families to start business. Researchers conducted in another context revealed the same result. For instance Fatoki (2014) statistically tested the relation between family background and entrepreneurial intension; the results indicate that students whose parents are involved in business have a higher level of entrepreneurial intention compared to students whose parents are not involved in business; however, the difference is not statistically significant. Another factor determined to be influencing entrepreneurial intention of a person is education (Inegbenebor & Ogunrin, 2010; Rasli *et al.*, 2013a). Different scholars have investigated the impact of university environment and university education influencing entrepreneurial behavior of students. For instance (Mekonnin, 2015) investigated the significance of entrepreneurship course and the role of the university in promoting entrepreneurial motivation of undergraduate students of higher learning institutions in the case of Haramaya University and found positive relationship between these variables. Furthermore, gender has been observed as an influential element on entrepreneurial behavior of students. An analysis made by (Fatoki, 2014; Rasli *et al.*, 2013b) indicated that male students have a higher level of entrepreneurial intention compared to female students, the difference is not statistically significant. Thus, this study considered entrepreneurial intention as dependent variable and situational factors, personal attitude, subjective norm, and perceived behavioral control as independent variables.

RESULTS AND DISCUSSIONS

A total of 309 randomly selected students participated in the survey. 80 of them were business students. Unlike previous researches which mainly focused on business students, the current study involved students from other colleges and departments. The sample size is more or less similar to other studies even higher than other studies in Ethiopian tertiary educational institutes took (Buzuye, 2013; Mesay, 2013; Negash & Amentie, 2013; Robson, 2015 among others). The reason for considering business students and other students in the analysis is to aid comparison between knowledge driven entrepreneurial intentions and excitement based intentions. There could be two possible perspectives in this regard. Firstly, business students are assumed that they acquired the knowledge about what it means to start own firm and the associated rewards and risks. Thus, they could seem to be conservative in their intentions to become entrepreneur and start own business. On the other hand, non business students lack the basic know how about being an entrepreneur and the risks of starting own firm. As a result, their entrepreneurial intentions might be slightly higher than that of business students. However, this does not mean that these students will start own firm and succeed in real terms. Secondly, as business students took several courses related to entrepreneurship and business start ups, they may be motivated to start their own business whereas students from other colleges might not have opportunities to be trained in these courses. Thus, business students may have higher entrepreneurial intentions.

Reliability Test and the Entrepreneurial Intention Questionnaire (EIQ)

Reliability test was conducted to check whether the main variables were reliable. Following the conventionally held in the literature, Cronbach's Alpha was used as reliability test. Table 2 shows the reliability test results for the four main variables.

TABLE 2
RELIABILITY TEST OF MAJOR VARIABLES

Variable	Number of Items	Cronbach's Alpha
Personality Attitude	7	0.743
Subjective Norm	3	0.705
Personality Behavior	6	0.832
Entrepreneurial Intention	6	0.754
Total	22	0.906

As the indicated in Table 2, the alpha scores of the main variables are above the accepted minimum reliability test. The overall reliability of the twenty two items of the entrepreneurial intention model is 0.906. This shows that the entrepreneurial intention questionnaire is applicable to Ethiopian university graduating students. This might be one of the highest reliability tests compared to comparable studies. The overall reliability test is also accepted. Thus, the items and variables were reliable and the measurement adopted is accepted. The entrepreneurial intention questionnaire contains 27 items. 5 of them are situational factors including gender and age, college and department and ethnic background of students. The remaining items represent four main variables, namely, personal attitude, subjective norm, perceived behavioral control and entrepreneurial intention. Personal attitude is captured by seven items. Subjective norm is represented by three items. Perceived behavioral control is reflected in six items. The outcome variable-entrepreneurial intention is captured by six items.

Background of Respondents

Referred as situational factors in the literature (Grassl & Jones, 2005), the background characteristics of respondents are important determinants of entrepreneurial intention of graduating students and are key in realizing the intent. In this study, we considered five situational factors but the majority of respondents

were reluctant to provide response on their ethnic background. The four situational factors are presented in Table 2.

TABLE 3
RESPONDENTS' BACKGROUND

	Items	Frequency	Percentage
Gender	Male	198	64.1
	Female	111	35.9
	Total	309	100
Age	Less than 21	51	16.6
	21 to 22	168	54.7
	23 to 24	72	23.5
	25 and above	16	5.2
	Total	307	100.0
College	College of Natural Science	73	23.6
	College of Social Science	46	14.9
	AAiT	66	21.4
	Education and Behavioral Studies	29	9.4
	Humanities, Language Studies, Journalism & Communication	15	4.9
	College of Business and Economics	80	25.9
	Total	309	100.0
Department	ACFN	19	6.1
	Biology	27	8.7
	Chemistry	28	9.1
	Civil Engineering	33	10.7
	Electrical Engineering	33	10.7
	English	15	4.9
	Information Systems	17	5.5
	Management	32	10.4
	Marketing	30	9.7
	Psychology	29	9.4
	Social Work	26	8.4
	Sociology	20	6.5
	Total	309	100.0

Source: Computed from Survey Data (2016)

As depicted in Table 3, male students (64.1%) dominate female students in the sample students. This is in line with the overall gender disparity in enrollment to higher education in the country in general and previous studies (e.g. Buzeye, 2013; Mesay, 2013; Robson, 2015). Regarding the age of graduating students, the age of the majority of the students (54.7%) falls between 21 and 22 years. Moreover, more than 94% of the students are aged 24 years and below. The sample respondents were drawn from various colleges and departments proportionally. Thus, more representatives were from the college of business and economics, college of natural sciences and Addis Ababa institute of technology respectively. Further, civil and electrical engineering and management were the departments which were represented by slightly higher proportions.

TABLE 4
DESCRIPTIVE STATISTICS OF SOME VARIABLES

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Age	307	19	39	21.95	1.778
Entrepreneurial Intention	303	1.00	5.0	2.103	.7915
Personal Attitude	295	1.00	5.00	1.883	.60967
Subjective Norm	237	1.00	5.00	1.956	.77537
Perceived Behavioral Control	285	1.00	5.00	2.520	.76278

Source: Computed from Survey Data (2016)

The lowest age of the graduating students was 19 whereas the highest was 39. The average age of the graduating students was 21.95. The mean score of personal attitude of graduating students towards entrepreneurship and starting own business is 1.88 out of 5. Similarly, the mean value of subjective norm is 1.96. Further, the mean perceived behavioral control of graduating students is 2.52. Importantly, the mean score of the entrepreneurial intention of the graduating students is 2.12. Overall, the mean values of the four variables indicate that graduating students had weak entrepreneurial intention.

Personal Attitude (PA)

It is commonly held in entrepreneurship literature that a favorable or unfavorable attitude towards starting and running own business predicts the entrepreneurial intention of graduating students. According to Azjen (1991), attitude predicts behavior and, therefore, personal attitude determines the level of entrepreneurial intention. Personal attitude is measured using seven items named as PA1 to PA7 as indicated in the table below.

TABLE 5
PERSONAL ATTITUDE TOWARDS ENTREPRENEURSHIP AND STARTING OWN BUSINESS

Item	strongly agree		Agree		Neutral		Disagree		strongly disagree		Total*	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq	%
PA1	170	55	111	35.9	16	5.2	4	1.3	7	2.3	308	99.7
PA2	123	39.8	125	40.5	43	13.9	10	3.2	5	1.6	306	99
PA3	177	57.3	92	29.8	26	8.4	11	3.6	2	0.6	308	99.7
PA4	156	50.5	101	32.7	31	10	11	3.6	6	1.9	305	98.7
PA5	99	32	114	36.7	57	18.4	29	9.4	9	2.9	308	99.7
PA6	148	47.9	120	38.8	29	9.4	5	1.6	6	1.9	308	99.7
PA7	73	23.6	99	32	60	19.4	40	12.9	33	10.7	305	98.7

Source: Computed from Survey Data (2016), *there are missing values

Regarding Item 1 of Table 5, the majority of the sample students (55.2%) revealed that being an entrepreneur has more advantages than disadvantages. This implies that graduating students at the Addis Ababa University have favorable attitude towards being entrepreneur. Similar to the second item of the personal attitude dimension of the entrepreneurial intention model, the majority of the sample students consider entrepreneurship as a career is attractive to them. Thus, given the necessary support, graduating students have a strong attitude towards becoming entrepreneurs. It further implies that if some support in terms of training and availing resources is provided to graduating students, they would consider entrepreneurship as valuable career. This is supported by the findings on the Item in that had graduating

students have the opportunity and resources, most of them could start a firm. Consistent with findings on the preceding items, the sample graduating students felt that being an entrepreneur would give them great satisfactions. Behavior wise, individuals would go after jobs and careers that give them the most satisfaction. Thus, there is a fertile room to influence graduating students to engage in entrepreneurship and start own firms. When we look at the sample students' response to choosing being an entrepreneur than other jobs, only some of them (32%) had strong attitude to choose being an entrepreneur. Thus, although graduating students have positive attitude towards being entrepreneur, they would consider other jobs if they are available. This implies that there is a tendency to consider starting own business as the last option than preferring it to other career opportunities. Further, this shows the way entrepreneurship and starting own business is conceived in the country in general and among university graduates in particular. Significant proportion of the sample graduating students (47.9%) strongly recommended that entrepreneurship courses be offered to all students in order to shape their entrepreneurial behavior. This finding shows the significance of entrepreneurship courses in creating favorable attitude towards entrepreneurship and starting own business. This is in line with the finding of the preceding item in that the curriculum and courses offered to undergraduate students are not designed in such a way that they entice entrepreneurial thinking and intentions to start own business among the students. Only 23.6% of the sample students strongly agreed that the courses they studied were designed and taught to help them think of creating own business.

Subjective Norm (SN)

Social groups influence the behaviors of graduating students regarding job selection. A set of subjective norms are identified in the literature as important determinants of the entrepreneurial intentions of graduating students. Table 6 depicts results related to the three prominent subjective norm factors designated as SN1, SN2 and SN3.

TABLE 6
SUBJECTIVE NORMS

Item	strongly agree		Agree		Neutral		Disagree		strongly disagree		Total*	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
SN1	158	51.1	75	24.3	33	10.7	14	4.5	4	1.3	284	91.9
SN2	106	34.3	92	29.8	43	13.9	12	3.9	4	1.3	257	83.2
SN3	81	26.2	88	28.5	59	19.1	13	4.2	5	1.6	246	79.6

Source: Computed from Survey Data (2016), *there are missing values

The first factor is the influence of close family members on graduating students' intentions to become entrepreneurs. Accordingly, the majority of (51.1%) the sample graduating students revealed that their close families have strong influence on their intentions to become entrepreneurs and start own businesses. The influence of their friends is also significant as more than half of the sample graduating students (64.1% either agreed or strongly agreed) that their friends do influence their decisions regarding become entrepreneurs and starting own firm. Colleagues are also considered as important influencers of students intentions to become entrepreneurs. When we see the level of influence by the three subjective norm factors, close family tends to be more important as the percentage of graduating students that believe that these factors are relevant influencing their intentions decline from close family to friends and to colleagues. This might show the degree of intimacy with and preference to consult family members than friends and colleagues. Furthermore, graduating students of the Addis Ababa University consider the influence of social groups as an important determinant of entrepreneurial intentions.

Perceived Behavioral Control (PBC)

Entrepreneurs have huge desire to have full control over their enterprises. When they think of establishing and running entrepreneurial enterprises, they form perceived level of control to exercise on the enterprises. Table 7 depicts results regarding the perceived behavioral control of graduating students if they own business measured by six items coded as PBC1 to PBC6. When asked about the easiness of starting a firm and keeping it work, only some of them (14.2%) revealed that it would be easy for them to do that.

TABLE 7
PERCEIVED BEHAVIORAL CONTROL

Item	strongly agree		Agree		Neutral		disagree		strongly disagree		Total*	
	Freq	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq	%
PBC1	44	14.2	114	36.9	63	20.4	75	24.3	11	3.6	307	99.4
PBC2	58	18.8	95	30.7	96	31.1	43	13.9	14	4.5	306	99
PBC3	44	14.2	136	44	85	27.5	23	7.4	8	2.6	296	95.8
PBC4	43	13.9	111	35.9	78	25.2	58	18.8	13	4.2	303	98.1
PBC5	50	16.2	107	34.6	86	27.8	52	16.8	8	2.6	303	98.1
PBC6	80	25.9	124	40.1	77	24.9	18	5.8	8	2.6	307	99.4

Source: Computed from Survey Data (2016), *there are missing values

Moreover, only 18.8% of the sample graduating students stated that they are prepared to start a viable firm. Similarly, only a handful of (14.2%) graduating students believed that they can control the creation process of a new firm. This shows that most of the graduates could not establish a perceived confidence and capability to control the starting process of a viable firm in the foreseeable future. When asked about whether the graduating students have the necessary details to start a firm, only few of them (13.9%) strongly revealed in favor of it. This clearly shows the difference between having a positive attitude towards starting own business based on theoretical knowledge and emotion and based on knowledge of practical details to start a firm. Knowledge of how to develop an entrepreneurial project is an important element of perceived behavioral control of potential entrepreneurs. However, only 16.2% of the sample graduating students strongly believes that they know how to develop an entrepreneurial project. Further, it is only 25.9% of the sample graduating students that strongly asserted that they would have high probability of succeeding if they try to start a firm. In sum, the sample graduating students believed that they have limited perceived behavioral control on different aspects of starting a firm and running the firm successfully.

Entrepreneurial Intention (EI)

Strong entrepreneurial intention among graduating university students has important implications on a government's labor and employment policies. Governments face huge challenge to create jobs to absorb graduates every end of year. It is, especially, true in developing countries where major proportion of their population is youth particularly university graduates or below. The following Table reveals graduating students' entrepreneurial intentions measured by six items designated as EI1 to EI6.

TABLE 8
ENTREPRENEURIAL INTENTION

Item	strongly agree		Agree		Neutral		Disagree		strongly disagree		Total*	
	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%	Freq.	%
EI1	11	3.6	24	7.8	56	18.1	120	38.8	98	31.7	309	100
EI2	12	3.9	39	12.6	78	25.2	106	34.3	73	23.6	309	100
EI3	7	2.3	17	5.5	50	16.2	129	41.7	105	34	308	99.7
EI4	6	1.9	16	5.2	47	15.2	136	44	100	32.4	305	98.7
EI5	9	2.9	16	5.2	59	19.1	122	39.5	101	32.7	307	99.4
EI6	12	3.9	16	5.2	47	15.2	136	44	97	31.5	308	99.7

Source: Computed from Survey Data (2016), *there are missing values

Results of Item 1 of the above Table showed that only 11.4% of the graduating students were ready to do anything to become an entrepreneur. This finding is encouraging given the current socio-cultural context of the country which sports employment for university graduates. When asked whether their professional goal is to become an entrepreneur, 16.5% of the sample graduating students positively adhered to it. It is a significant size in a country where the culture of entrepreneurship and self employment is weak. According to the result of Item 3 of Table 8, 7.3% of the sample graduating students indicated that they will make every effort to start and run their own firm. This is discouraging even if 75.7% of graduating students intend to seek employment the government of the country and other employers would worry about absorbing new graduates. Moreover, 7.1% of them said that they were determined to create in the future as revealed in item 4 of Table 8. As one of the key qualities of entrepreneurs is determination to create and run own firm, this figure indicates that there needs much effort to create entrepreneurial intentions among graduating students of the university. Item 5 of Table 8 also revealed that 8.1% the graduating students had very seriously thought of starting a firm. This result is consistent with that of the preceding item. A closely related item (item 6 of Table 8), showed that 9.2% of the graduating students had firm intention of starting a firm some day.

Correlation Analysis of Main Variables

Correlation analysis was run to check the relationships between the independent variables and with dependent variable. Accordingly, personal attitude towards entrepreneurship and starting own firm and entrepreneurial intention had strong relationship (66.2%). Perceived behavioral control was the other variable which had a moderately strong relationship (54.3%) with entrepreneurial intention. The relationship between subjective norm and entrepreneurial intention was relatively weak (33.6%). This implies that creating favorable attitude towards entrepreneurship and self employment and enhancing confidence of controlling the enterprise creation and running process would be crucial in fostering entrepreneurial intention among undergraduates of Ethiopian universities.

TABLE 9
PEARSON'S CORRELATION OF MAIN VARIABLES

Variables	EIG	PAG	SNG	PBG
EI	1			
PA	.662**	1		
SN	.336**	.325**	1	
PBC	.543**	.521**	.386**	1

Source: Authors' Survey (2016)

Moreover, the relationship between personal attitude and perceived behavioral control was relatively strong (52.1%) and weak with subjective norm (32.5%). Further, the relationship between perceived subjective norm and perceived behavioral control was relatively weak (38.6%).

TABLE 10
COMPARISON OF ENTREPRENEURIAL INTENTIONS BETWEEN BUSINESS AND NON BUSINESS STUDENTS OF ADDIS ABABA UNIVERSITY

	Students	N	Mean	Mean Difference
Entrepreneurial Intention	Business	80	2.1729	0.1086**
	Non business	229	2.0643	

Source: Computed from Survey Data (2016), ** statistically significant at 5%

As indicated in Table 10, business students had slightly higher entrepreneurial intention. The mean difference of business and non business students is statistically significant at 5%. Thus, the assumption that taking entrepreneurship and related courses contributes to higher entrepreneurial intentions is accepted. The finding implies for the need to train university students in entrepreneurship and business startup courses.

Regression Analysis of the Determinants of Entrepreneurial Intension

One of the assumptions of the current study was that entrepreneurial intention of graduating students is affected by multitude of factors emerging from within and external to the individual. As a continuation to the correlation analysis, a multiple linear regression analysis was conducted to investigate the correlates of entrepreneurial intentions of graduating students of Addis Ababa University. As the fitted model (see Table 12) indicates, six independent variables explain 59.9% of the variation in the entrepreneurial intentions of graduating students of the Addis Ababa University. This model is better explained compared to previous studies in the country.

TABLE 11
COMPARISON OF ENTREPRENEURIAL INTENTION MODELS IN SOME ETHIOPIAN UNIVERSITIES

Institution	Author (s)	Year	Sample size	Explained Intention (%)
Hawassa, Dilla and Arbaminch Universities	Mesay	2013	390	37.9
Wollo University	Buzeye	2013	400	11.8
Jimma, Addis Ababa, Adama and Haramaya Universities	Emnet and Chalchissa	2013	210	5.8

Table 12, depicts the results of regression analysis of the determinants of entrepreneurial intentions of graduating students of the university.

TABLE 12
REGRESSION FOR THE DETERMINANTS OF ENTREPRENEURIAL INTENTION

Variables	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	1.537	.594		2.587	.010
College/School	-.013	.019	-.032	-.690	.491
Gender	.013	.078	.008	.167	.867
Age	-.072	.025	-.131***	-2.843	.005
PAG	.687	.072	.525***	9.532	.000
SNG	.043	.051	.042	.845	.399
PBG	.339	.061	.306***	5.531	.000
R Square = 0.599					
Adjusted R Square = 0.587					

Source: Computed from Survey Data (2016), *** statistically significant at 1%

Statistically significant at 1%, personal attitude explains 52.5% of the variation in the entrepreneurial intentions of graduating students. Moreover, 30.6% of the variation in entrepreneurial intentions of graduating students is explained by the perceived behavioral control of graduating students, *ceteris paribus*. Age of the respondents explains 13.1% of that variation but negatively. The findings of the study imply the need to work on changing the attitude of graduating students towards entrepreneurship and self employment and enhancing their perceived behavioral control through entrepreneurial education and training. Besides, the result that younger students had better entrepreneurial intention implies inculcating entrepreneurial intentions at early age (in the university) would have meaningful impact on entrepreneurship development in the country.

CONCLUSIONS AND RECOMMENDATIONS

Entrepreneurship is regarded as one of the key factors in a nation's development. Its significance is crucial in developing countries in terms of job creation and innovation. Developing entrepreneurial intention among university students is considered as a valuable impetus for self employment and innovative mindedness. Thus, understanding entrepreneurial intentions and its determinants among university students is an important step in instilling entrepreneurial thinking in university graduates. In this study, we tried to investigate entrepreneurial intention and its correlates among undergraduate final year students of Addis Ababa University. Sample students were randomly drawn from different colleges and departments. The study has the following salient findings. First of all, the Entrepreneurial Intention Model, particularly the entrepreneurial intention questionnaire, is applicable to the study of entrepreneurial intentions of Ethiopian university students. This adds to the growing literature on entrepreneurial intention worldwide. Furthermore, the results of the study implied that entrepreneurial intention of the students is grossly low. Importantly, there is significant difference between the entrepreneurial intention of business and non business students of the University. This, in turn, implies the importance of entrepreneurship and business start up courses in creating and developing entrepreneurial and self-employment intentions. Entrepreneurial intention of the students is has strong relation with personal attitude and perceived behavioral control. More importantly, personal attitude and perceived behavioral control affected students' entrepreneurial intention strongly and positively, in fact, statistically significant. Younger students had better entrepreneurial intention. The results of the study imply the need for concerted effort on changing the attitude of graduating students towards

entrepreneurship and self-employment and enhancing their perceived behavioral control through entrepreneurial education and trainings. Besides, the result that younger students had better entrepreneurial intention implies inculcating entrepreneurial intentions at early age (in the university and before) would have meaningful impact on entrepreneurship development in the country. More generally, entrepreneurship and related business startup courses should be included in the curriculum all departments of the university in order to enhance informed entrepreneurial intention of students. Finally, further studies are required in two lines. The first line is that similar case studies could be conducted in all universities of the country in order to come up with comprehensive results that inform policy on this very pertinent development issue. The other line involves applying the Entrepreneurship Intention Model in a broader scope (survey) to investigate the entrepreneurial intention of students and its determinants and devise conclusive policies promoting entrepreneurship, innovation and self-employment.

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