INTERNATIONAL JOURNAL OF RESEARCH IN SOCIAL SCIENCES
VOL. 7 ISSUE 5, MAY 2017,
ISSN: 2249-2496 Impact Factor: 7.081
Journal Homepage: http://www.ijmra.us, Email: editorijmie@gmail.com
Double-Blind Peer Reviewed Refereed Open Access International Journal - Included in the International Serial Directories Indexed & Listed at: Ulrich's Periodicals Directory ©, U.S.A., Open J-Gage as well as in Cabell's Directories of Publishing Opportunities, U.S.A

DETERMINANTS OF ENTREPRENEURIAL INTENTION OF UNIVERSITY GRADUATES IN OROMIA REGIONAL STATE, ETHIOPIA.

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Abstract

This paper investigates the entrepreneurial intentions of 205 university graduates in Oromiya regional state. A systematic literature review is conducted and several scientific articles and reports have been examined. The study is based on the theory of planned behavior (TPB). The objectives of the study were to assess the determinants factors of entrepreneurial intentions of university graduates, to test whether the TPB can help explain the entrepreneurial intentions of university graduates; to determine whether graduates will have intentions to start a business and to test the validity of the entrepreneurial intention questionnaire in ormoiya region context. The study was conducted by means of a survey. SPSS was used to analyze the data. The results of this study indicate that there are eight main sets of factors: the personality-traits factors, Attitude toward the entrepreneurship education, Risk taking, Attitude toward the Behavior, Subjective norms, Perceived behavioral control, Perceived desirability of self-employment and Perceived support.The results indicate that entrepreneurial intention of the respondents affected by the factors described above and the findings reveal that the TPB is a valuable tool in understanding entrepreneurial intention of university graduates in oromiya, and the perception to have understanding for self-employed, the future expectation to start the business and the desire to become self-employed in the near future are positively affects the entrepreneurial intentions of

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university graduates and the majority of students intend to start a business in the future and the entrepreneurial intention questionnaire was found to be a valid instrument to measure the entrepreneurial intention of students in oromiya context. Recommendations for policy makers, entrepreneurship educators, graduates and researchers have been highlighted.

Keywords: Entrepreneurship, Entrepreneurial Intention.

1. Introduction

1.1 Background of the study

Entrepreneurship is a worldwide phenomenon with economic growth across the globe positively impacted by the emergence of new and innovative business start-ups. These new small businesses play a significant role in job creation, influencing politicians to recognize and support entrepreneurial start-up activity due to its positive contribution to the economy. Entrepreneurship has emerged as the most potent economic force the world has ever experienced (Kuratko, 2005).

Entrepreneurship has increasingly evolved to such an extent not only becoming a career but also a desirable employment option for most people these days. There are more small businesses created. This has been evidenced by the growing number of people specializing in the conduct of small businesses. On the other hand professional or rather office jobs employment is no longer a fashion as people remains with less chances for getting salaried jobs. We have less prospects of being employed in established organizations. Probably this can be taken as a contributing factor that forces many people to seek opportunities for self-employment. This has brought about the heuristic characteristics among many people who behave entrepreneurially still political and academic interest in support of entrepreneurship as a career choice is on the rise probably because of the link between new venture creation and the economic development. In Teixeira et al,(2006) are quoted to show that the continued economic uncertainty, corporate and government downsizing and a declining number of corporate recruiters on the education system have been fostering the appeal of self-employment. But it is also being noted as common for tertiary education to prepare students not only as jobseekers but mostly as job creators by becoming self-employed (Gelderen et al., 2008).

The main argument asserts of entrepreneurial intentions the pre-condition for undertaking entrepreneurship is that signs that people show to behave in a particular way can help in telling the ways in which people will end up behaving. In the same line, we will find established evidence that someone's intention to act towards something in a certain manner is the most obvious indicator of his actual behavior.

Entrepreneurial intentions as such have accorded merits and academicians strive in efforts so that it is established on the ground of what trigger people to behave entrepreneurially.
Various societal and organizational attributes as well as organizational and individual aspects are accounted to be of essence in deriving entrepreneurs and entrepreneurship in any community (Gelderen et al.,2008).

In the last decade, there has been growing interest in undertaking and intensifying actions to promote and support the idea of entrepreneurship as an attractive alternative to wage employment among graduated students around the globe. There are several reasons for this tendency. First, well-educated entrepreneurs are expected to create ventures that grow faster than the enterprises of their counterparts. The importance of education for the successful performance of new ventures well recognized both by management practitioners and by researchers (Kennedy and Drennan, 2001). Secondly, due to the restructuring processes in organizations, following the intensified competition on the market worldwide, previous advantages, such as job security or reward of loyalty, connected with wage employment in established and, mostly, large enterprises currently offer less appeal, thus increasing the desirability of self-employment (Kolvereid, 1996; Franke, 2004). Finally, unemployment among university graduated in many countries has been growing during recent years.

Ethiopia is a densely populated country and the huge population could have been its resources that could lead the country to enjoy competitive advantage over others. But in reality this population is seen here as burden due to the scarcity of sufficient scope where their labor could be employed. Only way is to get relief from the situation is to create ample employment opportunities where entrepreneurs can contribute significantly.

Entrepreneurial intent has proven to be a primary predictor of future entrepreneurial behavior (Katz, 1988; Reynolds, 1995; Krueger et al., 2000). Therefore, investigating what factors determine the entrepreneurial intent is a crucial issue in entrepreneurship research. Thus, this study has intended to identify the determinants of entrepreneurial intentions of university graduates in oromia regional state graduated from different universities of Ethiopia.

1.2 STATEMENT OF THE PROBLEM

Entrepreneurship has becoming crucial to every country ever since the age of globalization because the growth of entrepreneurial activities will help in creating jobs for the society, reducing the unemployment rate (Abdullah Azhar, Annum Javaid, MohsinRehman&AsmaHyder, 2010).

Specifically, job creation has been regarded as one of major contributions of entrepreneurs. As issue of graduates' employability has received much attention from Ethiopian government lately, embarkation on entrepreneurship particularly by creation of small and micro enterprises believed to be a workable strategy for handling the issue. It is because entrepreneurship, self-employed and start-a-business can be regarded as synonymous (Schwarz *et al*., 2009; van Gelderen*et al*., 2008). Self-employment, or simply entrepreneurship, is becoming popular as a career choice (van Gelderen*et al*., 2008). Recently, entrepreneurship has been promoted as an attractive career alternative among university graduates all over the world (Schwarz *et al*., 2009). The same phenomenon also takes place in Ethiopian as well. In fact, various efforts have been put forward by Ethiopian government to encourage entrepreneurial activities, especially creation of small and micro enterprises.

In spite of the increasing recognition of entrepreneurship as a source of job creation, regional development, and economic dynamism in a rapidly globalizing world, there has been no systematic attempt to look at it from the graduates' perspective. Youth entrepreneurship is picking up fast not only in developed countries but also in developing countries like Ethiopia.

Poor rate of entrepreneurship in the oromia regional state may be attributed to several different factors. With the state government having provided a host of incentives for industrial

development, the rate of graduates' entrepreneurship remains to be low. Educated, skilled &unskilled graduates need to turn into entrepreneurs.

Researchers have also agreed that entrepreneurs are made and not born (Boulton and Turner, 2005; Mellor *et al*., 2009), in which entrepreneurs can actually be trained. Thus, it is important to look at the factors that make someone into entrepreneur and the issues related to the development of entrepreneurs (Kadir*et al*., 2011). As proven, entrepreneurship activities are intentional based (Krueger *et al*., 2000), in which entrepreneurs started with some extent of entrepreneurial intention before they turned out to become ones. In other words, people will not become an entrepreneur in a sudden without certain triggers and most importantly, intention.

Entrepreneurial intention has been extensively researched in the West, for examples, Carr and Sequeira(2007), Kautonen*et al*. (2009, 2010), Schwarz *et al*. (2009), just to name a few. However, it still remains as an under-studied area in Ethiopia. Applying the Western studies in Ethiopian context would definitely raise a question of their appropriateness and applicability. As findings on determinants that predict entrepreneurial intention varies across countries and cultures (Boulton and Turner, 2005; Moriano*et al*., 2011); some studies are indeed needed at the local setting to increase the relevancy and accuracy of the results.

As becoming entrepreneur can be one of the options; their intention on becoming self-employed had prompted researchers to investigate particularly on the influence of entrepreneurial characteristics and entrepreneurial intention among university graduated students towards entrepreneurial activities.

Although some local scholars have attempted to study entrepreneurial intention in Ethiopia, several limitations can be found in their studies. For instance, Robson (2015) and Temsegen (2014) focused on the influence of entrepreneurship education, entrepreneurial self-efficacy and perceived opportunity on entrepreneurial intention. Apparently, no other variables were tested in their studies; thus causing limited understanding of the influence of other factors towards entrepreneurial intention.

In addition, their paper focused on graduating class students not on those who already graduated, hence the determinants factors for entrepreneurial intentions of those who graduated and those who are at university may not be the same. Without doubt, from the literature collection, there are numerous studies using theory of planned (TPB) to predict entrepreneurial intention. Nonetheless, some limitations can be identified from the past literature.

In some recent studies, do Paço (2011), Morianoet *al*. (2011) and van Gelderenet *al*. (2008) did not integrate other variables into their TPB model to predict intention. Although Finiet *al*. (2009), Sommer and Haug (2011) and Schwarz *et al*. (2009) have extended the model, some important variables were excluded in their studies, such as personality traits and social norms.

These limitations have caused the determinants that affect entrepreneurial intention still remain unclear. Most importantly, TPB has not been well tested in local setting to study entrepreneurial intention. Based upon the above limitations, this study performed to fill up the above-mentioned gaps by focusing on answering the following basic research questions.

The general questions of this study are as follows:

- What is the outlook of graduating students toward entrepreneurial pursuits?
- What attitudes and beliefs do they have that could limit or motivate graduates decision to become entrepreneurs?
- What factors determine the entrepreneurial intentions of university graduates?

2. Research methodology

2.1 Description of the Study Area

Oromiya is one of the 9 National Regional States and two City Administrations of Ethiopia, its average estimated area is about 363,375km2, accounting for about 34.3% of the country's total area. Oromiya is the largest National Regional State in Ethiopia in terms of population size and areal coverage.

The Region occupies central position of the country. Oromiya: shares common boundaries with all national regional states except the National Regional State of Tigray, characterized by diverse relief features, and it is a Region of great geographic diversity with altitudinal ranges extending from less than 500m to over 4300m above sea level.

In 2005 E.C (July, 2013), Oromiya Region had about 32,085,210 populations, according to 2007 population and housing census result. Similarly, in 2006 E.C, total population of the Region is 32, 976,586 (females 16,367,942). About equal female and male proportion (50%), The most populous Regional State in Ethiopia, accounting for more than 1/3rd of the country's total population, About 86.6% live in rural areas and 13.4% live in urban areas, About 47.6% of the population is under 15 years (48.1% males and 47.1% females), 49.2% ranging between 15-64 years (48.4% males and 50.1 females) and 3.2% above 65 years (3.5% males and 2.8% females) according to 2007 Population Census result.

Research design

This study was carried out by means of a survey research. The reason for the choice of a survey was to obtain comparable data from the chosen sample so that similarities and differences can be found. Surveys are relatively efficient ways for collecting large amounts of data (Gravetter&Forzano, 2006) and they are used in studies that use individuals as units of analysis (babbie& mounton,2004).

3.3 Sampling

The population for this study was university students graduated from different private and public universities with various field of studies since 2011 and leaving inOromia regional state. This group of graduates was chosen because they were suitable for studying entrepreneurial intentions as they were faced important career decisions after completion of their studies. From the above mentioned population a sample of 329 students was obtained using convenience and purposive sampling methods. Purposive sampling involves choosing people for a specific purpose (Leedy&Ormrod, 2010; Maree, 2010). When using convenience sampling the researcher selects population elements because they are easily and conveniently available (Maree, 2010). While this sample was easily obtained and consisted of people who had to make decisions regarding their future careers after completion of their studies.

DATA COLLECTION

Questionnaire design and measures*:* This study used the entrepreneurial intention questionnaire. The questionnaire used in this study adopted from Linan, Urbano and Guerrero (2011) and modified to match the Oromia context. English version of the questionnaire was used. The researchers are grateful to Linan, Urbano and Guerrero (2011) for sharing their instrument.
The entrepreneurial intention questionnaire was solely designed for the theory of planned behaviour as it is applied to entrepreneurship (Liñán& Chen, 2006, 2009; Liñán, 2008; Liñán et al., 2011). Although this questionnaire was initially tested on the Spanish and Taiwanese samples, it has also been validated in both developed and developing countries.

This study was mainly concerned with the relationship between the determinants of entrepreneurial intention (the attitude towards becoming an entrepreneur, perceived behavioural control and subjective norms) and entrepreneurial intention. For this reason the dependent variable was entrepreneurial intention while the independent variables were the attitude towards becoming an entrepreneur, perceived behavioural control and subjective norms. The reliability of the measuring instrument was tested by means of Cronbach's alpha. Garson (2009) states that the cut-off criteria for internal consistency reliability is 0.60 for exploratory research and that alpha of at least 0.70 or higher is required to retain an item in an adequate scale. The Cronbach's alpha scores of the data collection instrument were higher than 0.60, meaning that it was a reliable tool for use in this research. To ensure reliability of the results the questionnaire was also pre-tested on five graduates from the targeted population.

Methods of data collections

The data was collected through questionnaires administrated to measure entrepreneurial intention distributed by the enumerators through pilot testing prior to finalizing and distributing the actual questionnaires to the respondents to realize instrument validity. The research instrument was structured into two parts. The first part included Personal background of the respondents and the second part included variable to measures entrepreneurial intention and perception/opinion on entrepreneurships. Different parts to extract information about the perceived desirability of self-employment, perceived support, personality traits, risk taking, attitude toward entrepreneurship, perceived behavioral controls and entrepreneurial intentions. The respondents were asked to state

their agreement/disagreement levels on a five-point Likert type scale with 1 – Strongly Disagree; 2-Disagree;3-Neutral;4-Agree and 5 – Strongly Agree.

Data analysis

Data was analysed by means of the SPSS 20.0 using descriptive statistics and hierarchical multiple regression analysis. Descriptive statistics were used for the frequencies of the sample. The association between the attitude towards becoming an entrepreneur, perceived behavioral control, subjective norms and entrepreneurial intention was tested using hierarchical multiple regression analysis. Before testing the association between the independent variables and the dependent variable, control variables were entered first followed by the second regression that included control variables and independent variables. The last regression consisted of the antecedents of entrepreneurial intention and entrepreneurial intention.

Model specification

Multiple regression analysis

For this study, number of dependent and independent variables were used. To identify the impact of independent variables on dependent the researchers used multiple regression analysis method. For regression, analysis independent variables include perceived desirability of self-employment, subjective norms, perceived support, risk taking, attitude toward entrepreneurship, personality traits, perceived behavioral control, and attitude towards entrepreneurship education. Dependent variable is graduates' entrepreneurial intention.

Control variables include, Participation in entrepreneurship prior activities, activeness in no used multiple regression analysis method.

The stepwise regression method used to determine the combination of possible independent variables that best explains the dependent variables (Argyrous2005) Dependent variable in this study was students Entrepreneurial intentions. To select dependent variable the researchers calculated correlation coefficient between each independent variable and dependent variables.

Accordingly the dependent variable which has high correlation with independent variables was graduates' preference to run their own business rather than participating in a lower-risk business after graduation.

3. Result and Discussions

An assessment of determinants of entrepreneurship intention of graduates hangs on several key socio-economic and legal factors that differ from place to place. This study conducted over Oromia region of graduate students attempted to include those variables that have direct relevance with current initiation in the study area.

The appropriate data analysis techniques were both the descriptive statistics and responsive econometric models. Firstly, descriptive data analysis was used via frequency, percentage, graphs, mean, standard deviation, etc. Finally, the data analysis was undertaken using the econometric model identified.

In order to assess and describe how much of the variance in the criterion variable is explained by each of the predictor variables, the respondents were requested to respond to the questions. Based on the output of the analysis of data collected referring to the research questions, average functional relationship between one criterion variable and more predictor variables were **explored and uncovered. In this case, the** criterion variable used in the model as a whole was current capital deposit while the predictor variables were determinants of success of micro enterprise associations.

Accordingly, mechanism for prediction or forecasting by showing relationship between average values of many predictor variables was provided. It was tested and detected how well a set of predictor variables is able to predict or explain the criterion variable. Besides, the status of predictor variables in predicting and explaining the criterion variable was addressed. The relative contributions of each of the predictor variables that make up the sub-models and the general model were evaluated. Consequently, the relative contribution of each of the predictor variables was determined and known with their statistical significance values in terms of individual predictor variables by working with one criterion variable and many predictor variables at once.

Then, the results are used to indicate and describe how well and how much each of the predictor variablesis able to predict or explain the criterion variable and the unique variance each of them explains in criterion variable over and above the others included in the set. In doing this, beta coefficient values were considered in descending order and compared to indicate the number of standard deviations that values in the criterion variable would change if there was a one standard deviation unit change in each predictor variable. In other words, in this regression with multiple predictor variables, the beta (standardized) coefficient values were used to know how much of the criterion variable (dependent variable) is expected to increase when a particular predictor variable increases by one standard deviation, holding all the other predictor variables constant. Thus, the higher the beta value the greater the impact of the predictor variable on the dependent variable. In line with this, the different predictor variables were compared by looking at the standardized beta coefficients whose values for each of the predictor variables were converted to the same scale. Then, the contribution of each of the variables to increase or decrease the dependent variable was compared; therefore beta values were used.

In order to examine the questions, the column in the standard regression analysis output table labeled coefficients was used. The sub-dimensions included were Desirability of self-employment, Existed Supports to Start the Entrepreneurship Business, Personality Traits to Start the Entrepreneurship, Risk Taking, Attitude to become entrepreneurship, Subjective Norm, Perceived Behavioral Control, Attitude to Entrepreneurship Education and Entrepreneurship Intention. P-value <.05 considered as a typical and standard alpha level that researchers use to assess whether the null hypothesis should be rejected or not (Barrett and Morgan, 2005).

4..2.4.1 DESIRABILITY OF SELF-EMPLOYMENT

Table4.5 Desirability of self-employment (N=205)

Explanatory Variables	Standardized Coefficients **Beta**	T	Sig.	Correlations		Collinearity Statistics	
				Partial	Part	Tolerance	VIF
(Constant)		-.953	.342				
To become Entrepreneurship	-.004	-.199	.843	-.014	-.004(0.00)	.762	1.312
Have you ever become an entrepreneur	.023	1.111	.268	.080	.020(0.013%	.781	1.281
Perception to fulfill his self	.931	41.363	.000	.949	.741(31.77%)	.634	1.577

have higher salary than self-employment	.028	1.189	.236	.086	.021(7.8%)	.600	1.667
Bear great responsibilities	-.039	-1.733	.085	-.125	-.031(0.056%)	.622	1.607
Willingness to contributes the wellbeing of family and nation	.042	1.871	.063	.135	.034(0.061%)	.635	1.576
The society appreciate his contribution	.042	1.825	.070	.131	.033(0.067%)	.606	1.650
Starting his own business attracts him in the area	-.065	-2.890	.004	-.205	-.052(0.15%)	.638	1.568
Enhance his freedom of choice to work his own business	.038	1.597	.112	.115	.029(0.06%)	.557	1.796
Preference to determine the content of his work in the area	.049	2.068	.040	.148	.037(0.10%)	.579	1.728
Attitude to become dependence on others	-.037	-1.563	.120	-.113	-.028(0.058%)	.575	1.738
preference to take risk , challenging and difficult	.034	1.661	.098	.120	.030(0.026%)	.755	1.324
Attitude to enjoy having authority over the others	-.031	-1.431	.154	-.103	-.026(0.028%)	.703	1.423
Attitude to prefer better than others on his task	.013	.637	.525	.046	.011(0.005%)	.761	1.314
	Sub-Total = 40.19%						

Dependentvariable*: Desirability of self-employment****Source****: Calculated from field survey data, 2015*

From the analysis output in Table 4.5 first the column labeled “beta” under standardized coefficients was looked in and the values were arranged as seen above. Then, the largest of all values were detected. In this case, the first three largest beta coefficient values represent perception to fulfill his self-interest motivation, starting his own business attracts him in the area, and preference to determine the content of his work in the area.

These three predictor variables have also shown statistical significance values less than 0.05. This really means that perception to fulfill his self-interest motivation, starting his own business attracts him in the area, and preference to determine the content of his work in the area are the only variable that makes the strongest and unique contribution in explaining and predicting the dependent variable from the sub-section, when the variances explained by all other variables are controlled. These three variable accounts 32.02%. However, all together, the thirteen variables explain and predict .4019 (40.19 %%) of the total variance in the dependent variable

(Desirability of self-employment)).Therefore, these thirteen variables reveals that there is strong relationship to the desirability of self-employment and particularly the three significant variables highly affect the desirability.

Supports to start the entrepreneurship business

Table4.6 Supports to Start the Entrepreneurship Business

Model	Standardized Coefficients	t	Sig.	Correlations		Collinearity Statistics	
	Beta			Partial	Part	Tolerance	VIF
(Constant)		3.576	.000				
policy intervention to support entrepreneurs to start business	.233	2.986	.003	.210	.189(1.86%)	.661	1.514
state law and regulation prohibit running the business	-.052	-.663	.508	-.048	.042(0.17%)	.661	1.512
Tax regulation contributes for supply of facilities	-.134	-1.732	.085	-.123	.110(0.58%)	.672	1.488
Economy of the nation increase opportunities for entrepreneur	.088	1.132	.259	.081	.072(0.25%)	.666	1.501
Complexity to get loan from financial institution in the region	.155	2.370	.019	.168	.150(0.15%)	.943	1.061
Family supports to start the business	.177	2.454	.015	.174	.155(0.73%)	.769	1.301
Provision of consultancy services to start the entrepreneurship	.089	1.066	.288	.076	.067(0.34%)	.577	1.733
Access to network with new entrepreneurs	.016	.170	.866	.012	.011(0.01%)	.474	2.109
Access to benefit from agencies to start the business	.029	.320	.749	.023	.020(0.04%)	.474	2.108
Access to customer and suppliers network to start the business	.075	.846	.399	.061	.054(0.27%)	.513	1.948
	Sub-Total = 4.4%						

Dependent variable: Current capital depositSource: Calculated from field survey, 2015

An inspection of (R) values of the three predictor variables (Table 4.6) revealed 1.86%, 0.15%, and 0.73% explaining a total of 2.74% which is an indication of their contribution all together to the total R square. Hence, of the total variance in the dependent variable, 2.74% is uniquely predicted and explained by these three predictor variables and how much R square would drop if they were not included in the equation. All together, the ten explanatory variables explain and predict .044 (4.4%) of the total variance in the dependent variable.

Personality traits to start the business

From the analysis output in table 4.7 of personality traits to start the business, the first three largest of all standardized coefficients of "beta" values from the sub-section are enjoying overcoming obstacles, enjoy with translating ideas into reality and believe to tap opportunity before others.

Table 4.7; Personality Traits to Start the Entrepreneurship (N = 205)

Model	Standardized Coefficients	T	Sig.	Correlations		Collinearity Statistics	
	Beta			Partial	Part	Tolerance	VIF
(Constant)		-.379	.705				
Enjoying to overcome obstacles	.867	26.999	.000	.887	.697	.647	1.546
Enjoy with translating ideas into reality	.161	4.817	.000	.325	.124	.598	1.673
Believe to tape opportunity before others	-.097	-2.847	.005	-.199	-.074	.570	1.753
To detect opportunity to start the business	.003	.081	.936	.006	.002	.599	1.670
Self-confidence to start the business	.000	.000	1.000	.000	.000	.426	2.349
Leadership skill to start the business	.016	.457	.648	.033	.012	.519	1.926
Mental maturity to start the business	.011	.296	.768	.021	.008	.473	2.116

Source: Calculated from field survey, 2015

From the three predictor variables having the largest "beta" values, the significance values for enjoying to overcome obstacles and enjoy with translating ideas into reality shows .000 while that of believe to tape opportunity before others is .005. This really means that three of them are only predictor variables that make the strongest and unique contribution in explaining and predicting the dependent variable from the sub-section, when the variances explained by all other variables are controlled. Furthermore, an inspection of (R) values of these three predictor variables revealed 26.58%, 1.05% and 0.393% explaining a total of 28.023% which is an indication of the contribution of these three predictor variables altogether to the total R square. Hence, of the total variance in the development variable 28.023 % is uniquely predicted and

explained by these three predictor variables and how much R square would drop if they were not included in the equation. All together, the seven explanatory variables explain and predict .29237 (29.237%) of the total variance in the dependent variable (Personality traits to start the entrepreneurship).

Risk taking

From the analysis output in table 4.8 of risk taking perception, only one of the largest standardized coefficients of "beta" values from the sub-section is perception to take any risk to start the entrepreneurship.

Table 4.8, Risk Taking (N=205)

Model	Standardized Coefficients	t	Sig.	Correlations		Collinearity Statistics	
	Beta			Partial	Part	Tolerance	VIF
(Constant)		1.726	.086				
Perception to take any risk	.961	38.222	.000	.938	.786	.668	1.496
Taking calculated risk while traveling	-.026	-.962	.337	-.068	-.020	.594	1.684
Perception to adapt to new business, new place and new experiences	.016	.604	.547	.043	.012	.582	1.718
Taking risk within the next six month	.001	.055	.956	.004	.001	.576	1.735

Source;*Calculated from field survey, 2015*

From the total four predictor variables, the significance values having largest "beta" value is perception to take risk shows .000. This really means that only one predictor variables that make the strongest and unique contribution in explaining and predicting the dependent variable from the sub-section, when the variances explained by all other variables are controlled. Furthermore, an inspection of (R) values of this sole predictor variables revealed 0.3057(30.57%) and

explaining a total of 30.57% which is an indication of the contribution of this one predictor variable altogether to the total R square.

Hence, of the total variance in the development variable 30.57% is uniquely predicted and explained by this single predictor variable and how much R square would drop if this variable is not included in the equation. Moreover, all together, the four explanatory variables explain and predict .3061 (30.61%) of the total variance in the dependent variable.

Attitude to become entrepreneur

From the analysis output in table 4.9 of attitude to become entrepreneurship, the first three largest of all standardized coefficients of "beta" values from the sub-section are Attitude to become self-employed, Society preference to large enterprise than small firm and preference to new company than manager of existing one.

Table 4.9; Attitude to become entrepreneurship (N = 205)

Model	Standardized Coefficients	T	Sig.	Correlations		Collinearity Statistics	
	Beta			Partial	Part	Tolerance	VIF
(Constant)		.097	.923				
Attitude to become self employed	.958	45.963	.000	.957	.762	.632	1.582
Attractiveness of entrepreneur	.023	.987	.325	.071	.016	.517	1.936
Attitude to start business if there is opportunity and resources	-.009	-.408	.684	-.029	-.007	.514	1.947
personal satisfaction level to become entrepreneur	.007	.296	.767	.021	.005	.542	1.846
The perception to become successful if start business	.017	.732	.465	.052	.012	.485	2.062
Degree of preference to entrepreneur than employee in large firm	.001	.029	.977	.002	.000	.502	1.991
Society preference to large enterprise than small firm	.040	1.806	.073	.129	.030	.564	1.774
preference to new company than manager of existing one	-.040	-1.806	.072	-.129	-.030	.572	1.748
Entrepreneurship is highly desirable than career for people education	-.017	-.759	.449	-.054	-.013	.560	1.786

Source: Calculated from field survey, 2015

From the total nine predictor variables, three of them which have statistically significance values with largest "beta" values are attitude to become self-employed .000 and Society preference to large enterprise than small firm with 0.073 and preference to new company than manager of existing one. This really means that of the total predicators, three of the predictor variables that make the strongest and unique contribution in explaining and predicting the dependent variable from the sub-section, when the variances explained by all other variables are controlled. Furthermore, an inspection of (R) values of these three predictors variables revealed 0.33852(33.852%) and explaining a total of 33.852% which is an indication of the contribution of these three predictors variables altogether to the total R square.

Hence, of the total variance in the dependent variables, 33.852% is uniquely predicted and explained by these three predictor variables and how much R square would drop if this variable is not included in the equation. Moreover, all together, the nine explanatory variables explain and predict .339115 (33.91151%) of the total variance in the dependent variable.

Subjective Norm

Subjective norm is another most important sub-sections to analysis the determinate factors for university graduate to start their own business. The subjective norm was attempted to analysis using seven predictors, via parents positive perception to become entrepreneur, Friends positive perception to become entrepreneur, Important person support to become entrepreneur, University graduate have positive perception to start the business, Awareness to develop an entrepreneurial project, The perception to have high probability to success if start business and Perception to have positive relationship between education to start the business.Accordingly, the statistical significance of the predictors to explain the sub –dependent variable was revealed in the table 4.10 below.

Table; 4.10 Subjective Norm to start the entrepreneurship (N=205)

Model	Standardized Coefficients	T	Sig.	Correlations		Collinearity Statistics	
	Beta			Partial	Part	Tolerance	VIF
(Constant)		-.480	.632				
parents positive perception to become entrepreneur	.229	3.740	.000	.257	.184	.648	1.543
Friends positive perception to become entrepreneur	.062	.808	.420	.057	.040	.407	2.456
Important person support to become entrepreneur	.292	4.202	.000	.287	.207	.503	1.988
University graduate have positive perception to start the business	.195	2.905	.004	.203	.143	.542	1.845
Awareness to develop an entrepreneurial project	.084	1.218	.225	.086	.060	.514	1.944
The perception to have high probability to success if start business	.044	.667	.505	.048	.033	.547	1.827
Perception to have positive relationship between education to start the business	.080	1.245	.214	.088	.061	.583	1.714

Source: Calculated from field survey, 2015

As to be seen (Table 4.10), the three largest of all standardized coefficients "beta" values from the sub-section with significance values less than 0.1 are for parents positive perception to become entrepreneur, support to become entrepreneur, University graduate positive perception to start the business. This means that three of them are the only predictor variables that make the strongest and unique contribution in explaining and predicting the dependent variable from the sub-section, when the variances explained by all other variables are controlled.

Besides, an inspection of (R) values of these three predictor variables revealed 1.85%, 4.24%, and 1.76% explaining a total of 7.85% which is an indication of their contribution altogether to the total R square. Hence, of the total variance in the dependent variable (7.85%) is uniquely predicted and explained by these four predictor variables and how much R square would drop if they were not included in the model. All together, the seven explanatory variables explain and predict .0887 (8.7726%) of the total variance in the dependent variable.

Therefore, the explanatory variable; parents positive perception to become entrepreneur, support to become entrepreneur, and University graduate positive perception to start the business are statistically significant factors that can affects Subjective Norm to start the entrepreneurship.

4.2.4.7 Perceived Behavioral Control

Perceived Behavioral Control to start entrepreneurship is another most important sub-factors to analysis the determinate factors for university graduate to start their own business .the perceived behavioral control was attempted to analysis using four predictors via; the confidence to become successful if start the business, the extent to become easy in starting the business, the extent of positive relationship between self-employment and education and the level of having skill and abilities to succeed an entrepreneur. Accordingly, the statistical significance of the predictors to explain the sub –dependent variable was revealed in the table 4.11 below.

Table4.11, Perceived Behavioral Control to start entrepreneurship by graduates

Model	Standardized Coefficients	T	Sig.	Correlations		Collinearity Statistics	
	Beta			Partial	Part	Tolerance	VIF
(Constant)		.161	.872				
The confidence to become successful if start the business	.113	1.939	.054	.136	.093	.671	1.491
The extent to become easy in starting the business	.446	7.711	.000	.479	.369	.685	1.461
The extent of positive relationship between self-employment and education	.103	1.608	.109	.113	.077	.556	1.797
The level of having skill and abilities to succeed an entrepreneur	.264	4.078	.000	.277	.195	.545	1.834

Source: Calculated from field survey, 2015

As to be seen (Table 4.11.), the first three largest of all standardized coefficients “beta” values from the sub-section with significance values less than 0.1 are for the confidence to become successful if start the business , the extent to become easy in starting the business , and the level of having skill and abilities to succeed an entrepreneur . This means that three of them are the only predictor variables that make the strongest and unique contribution in explaining and predicting the development variable from the sub-section, when the variances explained by all other variables are controlled.

Besides, an inspection of (R) values of these three predictor variables revealed 0.412%, 6.275%, and 3.1671% explaining a total of 9.85% which is an indication of their contribution altogether to the total R square. Hence, of the total variance in the criterion variable (9.85%) is uniquely predicted and explained by these three predictor variables and how much R square would drop if they were not included in the model. All together, the four explanatory variables explain and predict 0.1032 (10.32%) of the total variance in the dependent variable (capital deposit).

From this statistical inference, it is possible to conclude that the confidence to become successful if start the business, the extent to become easy in starting the business, and the level of having skill and abilities to succeed an entrepreneur are the most determinant factors that positively affects perceived behavioral control for graduate to start their own entrepreneurship.

Attitude of entrepreneurship education

Many scholars agreed with the importance of education to entrepreneurship, believing that ambitious, educated, young people can be equally encouraged into new venture creation as opposed to a large organization, especially as the long-term supply of well-educated and qualified entrepreneurs is essential to a strong modern society. In this regard, attitude to entrepreneurship education was ascertained through identifying factors seen below.

Table; 4.12, Attitude to Entrepreneurship Education (N = 205)

Model	**Standardized Coefficients**	**T**	**Sig.**	**Correlations**		**Collinearity Statistics**	
	Beta			**Partial**	**Part**	**Tolerance**	**VIF**
(Constant)		1.134	.258				
The extent to which higher education curriculum to encourage to start business	.203	2.929	.004	.204	.129	.404	2.473
The extent to which university education enhance knowledge to start business	.048	.553	.581	.039	.024	.258	3.882
The extent of university course to prepare students for entrepreneur	.269	3.472	.001	.240	.153	.323	3.098
The extent to teach entrepreneurship in the university	.225	3.796	.000	.261	.167	.551	1.814

The extent to which entrepreneur course is supporting entrepreneurship sprit	-.033	-.581	.562	-.041	-.026	.589	1.697
The extent to which entrepreneurial and business educational program that help student to start business	.307	5.050	.000	.339	.222	.523	1.913
The extent to which entrepreneurial and business educational program that help student to start business	-.071	-1.166	.245	-.083	-.051	.527	1.899

Source: Calculated from field survey, 2015

As to be seen (Table 4.12), the first four largest of all standardized coefficients "beta" values from the sub-section with significance values less than 0.1 are for the extent to which higher education curriculum to encourage starting business, the extent of university course to prepare students for entrepreneur, the extent to teach entrepreneurship in the university and the extent to which entrepreneurial and business educational program that help student to start business. This means that four of them are the only predictor variables that make the strongest and unique contribution in explaining and predicting the development variable from the sub-section, when the variances explained by all other variables are controlled.

Besides, an inspection of (R) values of these four predictor variables revealed 2.46%, 4.89%, 2.27% and 4.49% explaining a total of 14.12%which is an indication of their contribution altogether to the total R square. Hence, of the total variance in the criterion variable (14.12%) is uniquely predicted and explained by these four predictor variables and how much R square would drop if they were not included in the model. All together, the seven explanatory variables explain and predict 0.14575 (14.575%) of the total variance in the dependent variable.

From this statistical inference, it is possible to conclude that the extent to which higher education curriculum to encourage starting business, the extent of university course to prepare students for entrepreneur, the extent to teach entrepreneurship in the university and the extent to which entrepreneurial and business educational program that help student to start business .

Entrepreneurship intention

Entrepreneurial intent refers to the intent to perform entrepreneurial behavior. Entrepreneurial intention has been defined as the intention to start a new business (Krueger and Brazeal, 1994; Zhao et al., 2005), the intention to own a business (Crant, 1996), or the intention to be self-

employed (Douglas and Shepherd, 2002; Kolvereid, 1996). For the purpose of this study, entrepreneurial intention is defined as an individual's intention to be self-employed. Accordingly, the entrepreneurship intention was assessed taking into consideration about three explanatory variables and the output was revealed below.

Table4.13, Entrepreneurship Intention (N=205)

Model	Standardized Coefficients	t	Sig.	Correlations		Collinearity Statistics	
	Beta			Partial	Part	Tolerance	VIF
(Constant)		1.163	.246				
The perception to have understanding for self employed	.244	4.158	.000	.281	.179	.541	1.850
The future expectation to start the business	.363	6.396	.000	.411	.276	.579	1.728
The desire to become self-employed in the near future	.350	6.845	.000	.435	.295	.712	1.404

Source: Calculated from field survey, 2015

As to be seen (Table 4.14), all the four explanatory variables have largest of all standardized coefficients "beta" values from the sub-section with significance values less than 0.1 and these are the perception to have understanding for self-employed, the future expectation to start the business and the desire to become self-employed in the near future. This means that four of them are the only predictor variables that make the strongest and unique contribution in explaining and predicting the development variable from the sub-section, when the variances explained by all other variables are controlled.

Moreover, an inspection of (R) values of these three predictor variables revealed 2.7495%, 5.559%, and 3.5475% explaining a total of 11.8563%which is an indication of their contribution altogether to the total R square. Hence, of the total variance in the dependent variable (11.8563%) is uniquely predicted and explained by these three predictor variables and how much R square would drop if they were not included in the model. All together, the seven explanatory

variables explain and predict 0.118563 (11.8563%) of the total variance in the dependent variable.

From this statistical inference, it is possible to conclude that the perception to have understanding for self-employed, the future expectation to start the business and the desire to become self-employed in the near future are the major determinant factors of entrepreneurship intention at the study area.

4. Conclusion

Graduate unemployment rate is on the increase in oromia regional state due to lack of job opportunities. Entrepreneurship offers unemployed university graduates away to become employed and create jobs.

The purpose of this study was to describe graduating students' entrepreneurial intentions by exploring the determinants of their choices.

Employed young people contribute to economic growth, are more active in community development, create innovative new knowledge, and feel a greater sense of social inclusion. Unemployment reduction of graduates should be paramount in every country's national agenda, and entrepreneurship should be promoted as a viable and valuable career alternative. Entrepreneurial activity is a solid alternative career path for today's underemployed graduates, but in order to maximize graduates entrepreneurial activity, factors that motivate or hinder graduates in their pursuit of such endeavors must be examined.

This paper systematically explores the influence of other factors such as desirability of self-employment factors, support to start business, personality traits, risk taking, attitude to become an entrepreneur, subjective norm, perceived behavior, and attitude to entrepreneurship education factors on the entrepreneurial intentions of university graduates. The results indicate that the Perception to fulfill him/herself ,Starting his/her own business attracts him in the area and Preference to determine the content of his/her work in the area are factors Which have significantly positive influence on their Desirability of self-employment.

Policy intervention to support entrepreneurs to start business, Family supports to start the business and Complexity to get loan from financial institution in the region has significantly positive impact on the Supports to Start the Entrepreneurship Business. In addition, Supports to Start the Entrepreneurship Business also significantly affects the entrepreneurial intentions.
The factors enjoying to overcome obstacles, Enjoy with translating ideas into reality and believe to tape opportunity before others exert significantly positive impact on entrepreneurial intentions university graduates Personality Traits to Start the Business

Entrepreneurial competence and individual's confidence and attitudes to become self-employed exert significantly positive impact on the variables graduate's entrepreneurial attitude to become an entrepreneur, perceived behavioral controls, by which they produce significantly positive impact on graduate's entrepreneurial intentions. Graduate's perception to take any risk also exerts significant positive impact on their entrepreneurial intentions.

parents positive perception to become entrepreneur, Important person support to become entrepreneur and University graduate have positive perception to start the business are the factors which significantly affects the subjective norms of university graduates

The other factors, which affects the entrepreneurial intentions of university graduates are, Attitude to Entrepreneurship Education which is positively affected by the extent to which higher education curriculum to encourage to start business, the extent of university course to prepare students for entrepreneur, the extent to teach entrepreneurship in the university and the extent to which entrepreneurial and business educational program that help student to start business.

By this intervening variable, their entrepreneurial intentions are affected. Family background factors have no significant impact on graduate's entrepreneurial all independent variables and entrepreneurial intention.

The summary of the key findings show that determinant factors that were analyzed were presented both in positive and negative effects on entrepreneurial intentions of graduates in

oromia regional state. Based on the results and key findings, the following conclusions and policy recommendations were made in line with the research objectives and questions.

Recommendation

The low level graduates entrepreneurial intentions and the identified determinant factors of entrepreneurial intentions calls for policy interventions and institutional redress. Keeping in view, the findings of the study following recommendations are being proposed for execution at various levels and effective policy for graduate's entrepreneurship.

Entrepreneurship is an intentional activity. An understanding of the antecedents of entrepreneurial intention and the factors affecting these antecedents is vital in improving the efforts to promote entrepreneurship especially in Oromia where the population size is too large and unemployment rate is high. While the Ethiopian government and Oromia regional government has introduced various SMME support programs in the past years, the theory of planned behavior can be a valuable tool in evaluating the impact of such programs on the intention to start a business and actual start-up of a new venture. As Ajzen (2011) pointed out, behavioral interventions can be evaluated in terms of how they change the antecedents of intention and behavior.

The design of SMME support programs should take into consideration the diversity of the needs of the beneficiaries of these programs and be tailor-made to meet these needs. Firstly, support programs can be designed to change the mindsets, attitudes and intentions of those who have not thought about entrepreneurship as a viable career.

These individuals will benefit from abundant information from various media relating to SMME support, acknowledgement and appreciation of entrepreneurship as a career among the society and celebration of successful entrepreneurship. Secondly, SMME support programs should be directed to the needs of those who have made up their minds to start their own ventures. In this case, support programs should make it possible for one to start a business. Lastly, SMME support programs should be targeted to promoting effective management and growth of existing SMMEs. Depending on the focus and goals of the support programs, all these efforts may

contribute to the perceptions that entrepreneurship is desirable and feasible which in turn lead to the intention to act.

For higher education institutions, the theory of planned behavior could be valuable in designing and evaluating the impact of education programs on the entrepreneurial intentions of students. Exposing students to entrepreneurial role models and their businesses and hands-on learning activities would contribute to increased perceptions that an entrepreneurial career is desirable and feasible. The theory of planned behavior can also be a useful tool for entrepreneurial development. As studies on entrepreneurial intention are still new in Oromia, there is a need for more knowledge regarding the factors influencing the antecedents of entrepreneurial intention with a view to improving entrepreneurial activity. Future research can apply entrepreneurial intention models to examine for example, the impact of entrepreneurship education, entrepreneurial support and culture on entrepreneurial intention and the growth intention.

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