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**ATTITUDE OF COLLEGE STUDENTS TOWARDS  
ENTREPRENEURSHIP: A CASE STUDY OF ETHIOPIAN INSTITUTE  
OF ARCHITECTURE, BUILDING CONSTRUCTION AND CITY  
DEVELOPMENT (EIABC)**

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**BY  
ABEL TSEGAYE  
ID NO.SGS/0001/05**

**JULY, 2015  
ADDIS ABABA, ETHIOPIA**



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**THESIS SUBMITTED TO:  
ST. MARY'S UNIVERSITY, SCHOOL OF GRADUATE STUDIES IN PARTIAL  
FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF MASTERS  
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JULY, 2015  
ADDIS ABABA, ETHIOPIA

**ST. MARY'S UNIVERSITY, SCHOOL OF GRADUATE STUDIES  
FACULTY OF BUSINESS**

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## DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under guidance of Temesgen Belayneh (PHD) all sources of materials used for the thesis have been duly acknowledged. I further confirmed that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

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Signature

St. Mary's University, Addis Ababa

July, 2015

## ENDORSEMENT

The thesis has been submitted to St. Mary's university, school of graduate studies for examination with my approval as a university advisor.

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July, 2015

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## **LIST OF ACRONYMS**

**COTM-** Construction and Technology Management

**EIABC-** Ethiopian Institution of Architecture, Building Construction and City  
Development

**ICT-**Information and Communication Technology

**ILO-**International Labor Organization

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## **Abstract**

Entrepreneurship is the symbol of business strength and growth. Entrepreneurs are the founders of today's business success. Development is more than ever linked to entrepreneurship. Entrepreneurs are characterized by their high need for achievement, willingness to assume moderate risks, self-confidence, innovation, total commitment, all roundedness, self-determination and desire for independence.

This research paper is, hence, aimed at identifying the attitude of college students towards entrepreneurship or business ownership, the specific constraints that impede young people to start business, and incentives for starting a business as a viable alternative for the youth among others.

The findings show that motivators to starting up a business by the young people among others are independence, desire to change hobby into business, improving the society's life, and helping to create employment. On the other hand, access to finance for start-up, lack of appropriate education, training, business counseling and low level of understanding towards entrepreneurship are considered as some of the important factors that act as barriers to start a business by the young people.

Finally, promoting an entrepreneurial culture among the society and the young people in particular through various ways like training and education, giving better media coverage concerning entrepreneurship, use of successful role models that are well known among the young people, conducting competitions relating to business ideas, and improving access to finance are some of the recommendations made.

# CHAPTER ONE: INTRODUCTION

## 1.1 Background of the Study

### Change in focus of entrepreneurship research

Entrepreneurship research has a long time focus on issues surrounding the founding of new firms; in particular who starts new firms, in what situations and for what reasons (Autio et al. 1997; Gartner, 1988; Low & MacMillan, 1988). Early research concentrated on psychological factors. Whereas this research did not produce a typical entrepreneurial profile, it highlighted several significant influences associated with successful entrepreneurship. Among these factors are: a high need for achievement, a desire for autonomy, a proclivity for moderate risk taking, aggressive competitiveness, an internal locus of control and a flair for innovation (Gartner, 1989; Reynolds, 1995; Timmons, 1999; Timmons and Spinelli, 2004).

Another stream of past research dealt with personal circumstances and the social environment of the entrepreneur. Hisrich and Peters (1989) and Krueger (1993) provide an understanding of the impact of personal factors such as general education, gender, prior experience and family background on the development of perceptions and consequently intentions of going into entrepreneurship.

While this stream of research contributed to better understanding of successful entrepreneurs, it also did not demonstrate causality (Krueger and Brazeal, 1994). As Gartner (1989) observed, to show causality, it is necessary to study individuals before the entrepreneurial event i.e. individuals in the process of enterprise formation (Reynolds, 1995; Gartner et al. 2004; Davidsson, 2006). One approach that has been used to examine pre-entrepreneurial event behavior is to focus on entrepreneurial intentions by applying the theory of planned behavior (Ajzen, 1991; Kim and Hunter, 1993; Krueger, 1993; Shapero and Sokol, 1982). According to Ajzen (1991) and Krueger (1993), intentions are a good predictor of planned behavior. By definition,

entrepreneurial action falls into the category of intentional behavior (Shapero, 1982; Bird, 1988; Kim and Hunter, 1993; Orser, Hogarth and Wright, 1998; Armitage and Conner, 2001).

This shift is important particularly to curriculum designers and policy makers if the intention of including entrepreneurship studies on university curricula is to augment post education incidence of entrepreneurship. To paraphrase Kennedy et al. (2003: p. 2), if programs and policies are to be developed to enhance entrepreneurial behavior, then a keen understanding of the factors that influence and shape an individual's intentions to go into entrepreneurship is critical.

## **1.2 Statement of the Problem**

Ethiopian Youth unemployment, ages 15-24: For that indicator, The World Bank provides data for Ethiopia from 1991 to 2012. The average value for Ethiopia during that period was 9.49 percent with a minimum of 7.6 percent in 2005 and a maximum of 11.6 percent in 1999.

Youth unemployment is the percent of 15-24 year olds who are part of the labor force but are unemployed. Recall that the labor force includes the employed and the unemployed people.

World Bank definition: Youth unemployment refers to the share of the labor force ages 15-24 without work but available for and seeking employment. Definitions of labor force and unemployment differ by country.

Economists and business people differ in their definitions of entrepreneurship. Most, however, agree that entrepreneurship is vital for stimulating economic growth and employment opportunities in all societies. This is particularly true in the developing world, where successful small businesses are the primary engines of job creation and poverty reduction.

Therefore, it can be said entrepreneurial thinking can significantly affect the development of an economy. Entrepreneurial know-how is essential for a contemporary and future professional from a society, public and private organization or an individual's point of view.

Due to the above reasons, the subject of entrepreneurship continues to attract interest from both academicians and policy makers to the extent that many universities and colleges now include entrepreneurship studies as part of their graduate and undergraduate curricula. Similarly empirical research studies exploring the extent to which entrepreneurial education influences the decision to become an entrepreneur are steadily increasing.

Thus, this study addressed the attitude of college students towards entrepreneurship and motivating factors in starting their own business after graduation than only looking a job opportunity which later on helps in minimizing the unemployment rate.

### **1.3 Research Questions**

Research questions that the study attempted to answer are:

1. What factors affect attitude of the college students towards entrepreneurship?
2. What are the constraints that the young people face in starting up a business?
3. What motivates college students in starting and running their business?
4. What are the key influencers for the students to have entrepreneurial thinking?
5. What factors improve the acceptance of entrepreneurship in our society and among the graduating students in particular?

## **1.4 Objectives of the Study**

Though the crucial role played by entrepreneurship in driving economic development and job creation is increasingly understood there has been little effort to look at it from college students' perspectives.

### **1.4.1 General Objective**

Hence, the main objective of the study is to assess college students' attitude towards entrepreneurship.

### **1.4.2 Specific Objectives**

Specifically the research is intended to assess:

- Whether college students have interest of starting their own business than only looking for a job
- Constraints that impede college students from starting and running their own businesses.
- Reasons that motivate college students in starting and running their business?
- Factors that improve the acceptance of entrepreneurship in our society and among the graduating students in particular.
- Factors that influence entrepreneurial attitudes and intentions of college students.

## **1.5 Significance of the Study**

The study can direct those concerned or interested parties to make preparation to help the college of the country, especially those who are leaving higher institutions to develop entrepreneurial thinking after finding out the gap.

The study can also help policy makers to make policies that favor entrepreneurship and develop entrepreneurship oriented society. In other words, the findings of the paper can recommend education policy makers to motivate college students to consider starting their own business after completing their education.



- For policy makers and curricula designers to learn about the contribution of entrepreneurship education in the making of entrepreneurs.
- To enrich our understanding of the extent to which intentions are converted into entrepreneurial actions.
- It also helps other researchers who want to conduct further study on the subject in the future.

## **1.6 Scope of the Study**

The study could have covered the attitudes of students leaving secondary schools, graduates, university dropouts, etc. However, this study concentrates on only students currently pursuing their studies in college.

Geographically, this study is confined to one college in Addis Ababa City Administration only, due to time and financial constraints among other factors.

## **1.7 Organization of the Paper**

The paper is organized into five chapters. The first chapter deals with introductory part consisting, statement of the problem, research questions, objectives, scope and significance of the study.

The second chapter reviews literatures related to the study. In this second chapter various theoretical concepts that relates with youth entrepreneurship and entrepreneurship has been dealt.

Research method, design, data collection methods, population and sampling techniques and methods of data analysis are addressed in the third chapter.

Analysis of collected data, interpretation of the analyzed data and summaries of the major findings are presented in the fourth chapter.

Finally, the fifth chapter presents summary, conclusions and recommendations given.

## **CHAPTER TWO**

### **REVIEW OF RELATED LITERATURE**

#### **2.1 Introduction**

“Entrepreneurship and business creation are a growing alternative for young people whose age group often faces a labor market with double digit unemployment rates. Traditional career paths and opportunities are disappearing rapidly. A growing number of young people are taking up challenge of starting their own business and much is being learned about how the odds for success can be improved through various types of assistance and through the creation of a supportive environment.” (Ulrich Schoof 2006,p.1)

##### **2.1.1 Youth and Entrepreneurship**

In order to investigate youth entrepreneurship and monitor and evaluate policies designed to promote it, a definition of youth entrepreneurship is necessary. Unfortunately there is no generally agreed upon definition of the terms “entrepreneurship”, “entrepreneur” or “youth entrepreneurship” in the literature yet.

For the purpose of this study, a behaviorally-based definition instead of a trait-based approach is favored. Thus entrepreneurship is a set of behaviors and an entrepreneur is someone who undertakes these behaviors (Ulrich, 2006). Ulrich explained that using a behavioral definition facilitates the analyses of youth entrepreneurship, as it is easier to observe what young entrepreneurs do and how they do it than to identify their particular “entrepreneurial” traits and qualities - suggesting that entrepreneurship is innate, rather than something that can be learned.

He further defined entrepreneurship as “the recognition of an opportunity to create value, and the process of acting on this opportunity, whether or not it involves the formation of a new entity. While concepts such as “innovation” and “risk taking” in

particular are usually associated with entrepreneurship, they are not necessary to define the term.

### **2.1.2 Types of (Youth) Entrepreneurship and Young Entrepreneurs**

The two approaches (behavioral based and trait based) each feature strongly in the literature. The trait-based approach is characterized by attempts to identify entrepreneurial” traits and qualities and is evident, for example, in a definition of entrepreneurship proposed by Schnurr and Newing (1997, cited in Chigunta, 2002, p.1) as the “practical application of enterprising qualities, such as innovation, creativity, and risk-taking into the work environment (either in self-employment or in small start-up firms), using the appropriate skill necessary for success in that environment and culture”.

Youth entrepreneurship and entrepreneurial activity can occur in different sectors, enterprise types and businesses (branches) and this engagement can have various reasons and motivations. In this section different types of youth entrepreneurship and young entrepreneurs are presented.

#### **2.1.2.1 Economic, Social and Public Entrepreneurship**

According to the definition presented in the preceding section, entrepreneurship is the recognition of an opportunity to create value, and the process of acting on this opportunity.

For enterprises in the private sector (economic entrepreneurship) the main value or outcome is wealth creation and profit generation for those who own the enterprise. As the majority of young and old entrepreneurs engage in entrepreneurship of this type, most of the research and literature focuses on this aspect.

Another type of entrepreneurship, gaining popularity across the globe, is social entrepreneurship. Social entrepreneurship uses entrepreneurial activity to create social value; wealth creation is just a means to an end and a way of measuring value creation.

As Dees (2001) puts it, “For social entrepreneurs, social mission-related impact becomes the central criterion, not wealth creation”.

Social entrepreneurs are therefore pursuing both financial self-sustainability and a social return on investment. It does not matter whether or not the venture is run by a

nonprofit or a for-profit organization, as long as it is entrepreneurial in character and directed towards social problems or some public good. However, social enterprises clearly differ from traditional non-profit or charitable institutions. Socially entrepreneurial ventures focus on innovative approaches to social problems, pursue financial self-sustainability and independence from the State, set clear performance goals and apply proven management skills to ensure efficiency, effectiveness and accountability.

Perhaps the least recognized type of entrepreneurship is public entrepreneurship. Though having the same characteristics as economic entrepreneurship (risk-taking, innovation, leveraging of resources, etc.), its objectives and motivations are not purely financial, but rather socially orientated. Public entrepreneurship occurs within public institutions and organizations and is about helping them become more responsive to their customers, clients and communities. This type of entrepreneurship is increasingly attractive for young people, working as independent consultants or collaborators on the efficiency of a public institution or on the expansion of its services.

### **2.1.3 Categorization of young entrepreneurs**

#### **2.1.3.1 Transitional categorization**

Another approach to classify different types of young entrepreneurs is a transitional categorization, based on significant structural differentiation in youth enterprise activities.

Studies from different countries suggest that youth entrepreneurship varies according to age. Chigunta (2002) proposes a broad categorization into three (transitional) phases explained below:

1. Pre-entrepreneurs (in the age of 15-19 years): This is the formative stage. These younger youth are often in transition from the security of the home or education to the work place. But, as Curtain (2000) observes, for many young

people, the transition from education to work is not a single step of leaving the educational system and entering the world of work.

2. Budding entrepreneurs (in the age of 20-25 years): This is the growth stage. These youth are likely to have gained some experience, skills and capital to enable them run their own enterprises. They often face three enterprise pathways:

- 1) Remaining stuck in marginal activities;
- 2) Going out of business; and
- 3) Running successful enterprises.

3. Emergent entrepreneurs (in the age of 26-29 years). This is the prime stage. With valuable experiences in business, emergent entrepreneurs have a higher level of maturity than youth in the lower age groups. Hence they are more likely to run more viable enterprises than younger people.

However, this kind of categorization can only serve as a broad suggestion, as transitions in the process of youth enterprise development will differ from country to country and from business sector to business sector. Nonetheless, it becomes obvious that observing and recognizing the different development stages and transitions (from school to business and from work/business to business) is crucial for evaluating and designing appropriate policies and strategies to foster youth entrepreneurship.

## **2.2 Motivations of young people to engage in entrepreneurship**

According to Global Entrepreneurship Monitor (2004), there are various reasons why young people decide to start a business, relating to their living circumstances, their personal attitudes, preferences and objectives and their particular interests and individual strengths. Recognizing these reasons is crucial for understanding and stimulating youth entrepreneurship.

### **2.2.1 Living Conditions: Necessity versus Opportunity Motivated Entrepreneurship**

Entrepreneurship is driven by economic necessity when there is no other alternative for income generation or making a living. necessity-driven entrepreneurship levels in a country is associated with factors like low tax revenue as a percentage of GDP, lower levels of participation in both secondary and tertiary education and high levels of income disparity and low levels of social security. That is why especially youth in developing and low-income countries tend to engage in business out of economic necessity (e.g. lack of employment opportunities, need to supplement household income and poverty).

In contrast, opportunity-driven entrepreneurship refers to entrepreneurship that is the result of the desire to pursue a perceived business opportunity, which is not the only option for generating an income and making a living at a time. The level of opportunity entrepreneurship is associated with a belief in having the skills to start a business, knowing someone who has started a business in the last two years, seeing good business opportunities in the future, and high business angel investment and support activity. That is why opportunity entrepreneurship tends to be more dominant in the high-income countries. However, in practice, it is fairly difficult to draw a clear separation line between both types of entrepreneurship.

### **2.2.2 Personal Attitudes, Self-interests and Individual Strengths**

Apart from living conditions, the motivations of young entrepreneurs are bound up to their personal attitudes, preferences and objectives and their particular interests, individual strengths and skills. In contrast to pure economic entrepreneurs, social entrepreneurs have a strong desire to change and improve society. Their motivation is often based on altruism, the need to be true to one's values and beliefs, the need to be socially responsible and in being a long-term interest in the health of the local economy, environment and the community.

Finally, young people's particular strengths and skills can be a crucial motivation and catalyst to start a business. According to an ILO study, some types of young entrepreneurs can be distinguished as follows:

**Technical entrepreneurs:** These individuals have a strong technical orientation. They love inventing things and developing ideas for new products. Developing new markets and even new industries are generally the goal of those with technical orientation. The creation of an enterprise is merely a means to achieving their goals, not an end in itself.

**Organization builders:** Some entrepreneurs start their own businesses because they like to build organizations. These organization builders have skills in developing people, systems and structures.

**Dealmakers:** They enjoy making the initial deal to start a new venture and often enjoy some start-up activities. However, unlike the organization builders, they dislike having to manage and commit themselves to an organization over the long run. These are people who are usually involved in financial or trade transactions.

## 2.3 Youth Entrepreneurship as an Avenue of Opportunity

Within the framework of potential efforts and strategies to boost employment and job creation for young people, entrepreneurship is increasingly accepted as an important means and a useful alternative for income generation in young people. As traditional job for-life career paths become rare, youth entrepreneurship is regarded as an additional way of integrating youth into the labor market and overcoming poverty. Supporting this shift in policy is the fact that in the last decade, most new formal employment has been created in small enterprises or as self-employment. Given global demographic trends, it is important that the social and economic contributions of young entrepreneurs are recognized. Entrepreneurship can unleash the economic potential of young people Chigunta (2002) sums up a number of reasons for the importance of promoting youth entrepreneurship:

- Creating employment opportunities for self-employed youth as well as the other young people they employ;
- Bringing alienated and marginalized youth back into the economic mainstream and giving them a sense of meaning and belonging;
- Helping address some of the socio-psychological problems and delinquency (criminal behavior) that arises from joblessness;
- Helping youth develop new skills and experiences that can then be applied to other challenges in life;
- Promoting innovation and flexibility in youth;
- Promoting the revitalization of the local community by providing valuable goods and services; and
- Capitalizing on the fact that young entrepreneurs may be particularly responsive to new economic opportunities and trends.

Entrepreneurship and self-employment can be a source of new jobs and economic dynamism in developed countries, and can improve youth livelihoods and economic independence in developing countries. For young people in the informal economy, micro entrepreneurship is a bottom-up method for generating an income, self-reliance and a new innovative path to earning a living and caring for oneself. Also estimates about the real potential and effectiveness of youth entrepreneurship differ, depending on how one measures the extent of entrepreneurship, which is inextricably linked to how it is defined and on how one assesses the particular socioeconomic conditions for youth entrepreneurship in different areas. Therefore, the promotion of youth entrepreneurship should still be seen as an important element/complement within a broader youth employment policy.



## **2.4 Barriers and Incentives to Enterprise Start-ups by Young People**

In this section a range of key constraints and barriers to youth entrepreneurship in general and to enterprise start-ups by young people in particular is examined. At the same time, incentives, strategies and tools that make or could make starting a business a more viable alternative and easier for youth is presented. A particular look at five crucial factors for entrepreneurial engagement that should be addressed by appropriate programs to foster youth entrepreneurship is taken. This includes:

1. Social and cultural attitude towards youth entrepreneurship;
2. Entrepreneurship education;
3. Access to finance/Start-up financing;
4. Administrative and regulatory framework; and
5. Business assistance and support

### **2.4.1 Social and Cultural Attitude towards Youth Entrepreneurship**

As cultural and social backgrounds influence an individuals' approach to life, they similarly influence entrepreneurial activity and enterprise culture. Gibb (1988) defined an enterprise culture as “set of attitudes, values and beliefs operating within a particular community or environment that lead to both “enterprising” behavior and aspiration towards self-employment.”

Researchers have long realized that cultural attitudes influence the entrepreneurial activities of a population, a country, region or ethnic group and that the interaction between culture and entrepreneurship is stronger in the case of some groups than others.

Thus cultural differences between nations are increasingly understood as an important determinant of a nation's level of economic and entrepreneurial development. A cultural environment in which entrepreneurship is respected and

valued, and in which business failure is treated as a useful learning experience rather than a source of stigma, will generally be more conducive to entrepreneurship.

## **2.4.2 Social and Cultural Influences Affecting (youth) Entrepreneurship.**

### **2.4.2.1 The role of religion, cultural values, beliefs and behaviors**

Religion - as one cultural aspect - and enterprise have a complex interdependent relation.

Religion, since it can shape the values and beliefs of a person, can have an influence on entrepreneurial behavior in general and the nature and the type of business as well as women's participation in business in particular. However, recent studies on the influence of religion on business provide undependable evidence that religion does not exert as important an influence as might be expected on entrepreneurial behavior. Carswell and Rolland (2004) show that there is no correlation between increasing ethnic diversity and associated religious value systems and a reduction of business start-up rate. However, there is still a general lack of in-depth research on the relation between religion and economic and social entrepreneurship. In this context, an analysis of the relationship between religion and social entrepreneurial activity would be particularly interesting.

As already mentioned, culture is the system of collective values that distinguishes the member of one group from another. Hofstede conducted perhaps the most commonly employed approach to understand on how values in the workplace are influenced by culture. He developed a model that isolates four primary dimensions to differentiate cultures ("uncertainty avoidance", "individualism", "masculinity" and "power distance"). These values again have an influence on individual's needs and motives (e.g. for achievement, affiliation or the pursuit of individual and social goals) and their beliefs, behavior and orientation (e.g. risk-taking, Proactive-ness and self-

efficacy). Therefore, differences in these values may have an influence on entrepreneurial behavior and the decision of whether or not to become an entrepreneur.

For example, uncertainty avoidance or acceptance in a culture is strongly linked to the level of risk-taking and proactive-ness of an individual or an organization. Individuals (like entrepreneurs) with a high need for achievement, such as those in uncertainty accepting societies, will be more willing to take risks than individuals in uncertainty avoiding societies.

“Masculinity”, “power distance” and “individualism” are also linked to entrepreneurial behavior. Different levels of individualism and power distance (hierarchies) can partly explain the differences in entrepreneurial activity.

Uncertainty avoidance measures the ability of a society to deal with the inherent ambiguities and complexities of life. Cultures that are high in uncertainty avoidance rely heavily on written rules and regulations, embrace formal structures as a way of coping with uncertainty, and have very little tolerance for ambiguity and change.

Individualism describes the relationship that exists between the individual and the collectivity in a culture. Societies high in individualism value freedom and autonomy, view results as coming from individual (and not group) achievements, and place the interests of the individual over the interests of the group.

Masculinity is primarily concerned with the level of aggression and assertiveness present in a culture. Highly masculine cultures place a high emphasis on assertive and showy behavior, material goods and prestige are highly sought after, individuals tend to exhibit a high need for achievement, and organizations are more willing to engage in industrial conflict.

Power distance is "a measure of the interpersonal power or influence between (the boss) and (the subordinate) as perceived by the least powerful of the two (the subordinate)" (Hofstede, 1980, pp. 70-71).

## **2.4.2.2 The Social Legitimacy and Perception of Entrepreneurship**

Cultural values can have an important influence on entrepreneurial behavior. However, that does not imply that they are enough to cause or to inhibit the rise of entrepreneurial activity. Social perceptions and perceived legitimacy of entrepreneurship are also an important factor in helping or hindering entrepreneurial behavior. According to Wilken (1979), the degree of approval or disapproval of business activity will influence its emergence and characteristics, being favored by those environments in which entrepreneurs enjoy greater legitimacy. How young individuals perceive entrepreneurship depends particularly upon:

- a) Their personal environment (family, relatives, parents and friends).
- b) Their individual awareness and familiarity with the concept of entrepreneurship;  
and
- c) The general reputation, acceptance and credibility of entrepreneurs in society.

## **2.4.3 Promoting Entrepreneurship Education**

Education is a key issue. Schools should send out the message that being an employee is not the only option after the completion of studies. The advantages of being an entrepreneur should be promoted and the hopes of those young entrepreneurs who face the risks of starting their own business should be nurtured. Virtuous examples to follow should be provided to those still doubtful among potential young entrepreneurs, in order to give them more confidence and demonstrate that it is indeed possible to become a successful entrepreneur, even in young age.

### 2.4.3.1 Key Educative Constraints to Entrepreneurship

How education should be generally improved to become more entrepreneurially orientated? What are the key shortcomings and constraints in the current structures? In the following section some important areas for improvement are outlined:

- General lack of introduction and adoption of enterprise education;
- Inadequate curricula and study programmers;
- Wrong learning methods;
- Negligence of students' personal environment (parents and family members);
- Lack of trained/educated teachers;
- Lack of career information and business possibilities;
- Lack of business and education linkages; and
- Lack of ICT infrastructure/capability.

#### 1) General lack of introduction and adoption of enterprise education

In many countries, particularly in developing and transition countries, enterprise education simply does not exist or has not been sufficiently adopted. When not applied in a holistic manner, it is often not including both the in-school and out-of-school youth.

This holds true for our country (Ethiopia) as well, because entrepreneurship education has been only offered in Universities and colleges. Furthermore, it is not applied on all different levels of education (primary, secondary, technical and vocational and higher education).

Entrepreneurship programs should be introduced at a school level, not only at college. These programs should be present in other areas of studies and careers, not only business administration. Besides, the experiences of local young entrepreneurs should also be introduced in these programs. Nothing is better than examples. Only by meeting young entrepreneurs aware of the problems and difficulties of creating a business and who experienced successes and failures of making a business, young students will believe they can make it as well. This is key. Teaching administration

skills is not enough. It is crucial to teach the spirit, the confidence, the trust, the leadership, the firmness that only those who chased the ideal of setting up an enterprise know. This should be incorporated into study plans, pedagogical programs, mentorship facilities and enterprise development programs, which should - in turn - rely on the help and knowledge of young entrepreneurs, besides teachers and professors.”

## **2) Inadequate Curricula and study programs**

The teaching of entrepreneurial skills and attributes and behaviors is often not properly integrated into school curricula or not adequately taught on different educational levels.

Most education systems still teach traditional values of compliance to the norm rather than independent thinking and acting, risk-taking and self-reliance. Moreover, an academic approach to education nurtures skills that are appropriate to working in the public sector or large organizations and companies but not for an entrepreneurial career.

Even business study programs at universities in many countries often do not include sufficient entrepreneurial elements. Thus students are neither encouraged nor educated to become entrepreneurs but rather managers.

## **3) Wrong learning methods**

In most education systems, there is still a clear lack of practical and experiential learning as well as of teamwork learning. Experiential learning is very rarely used, as an effective way of gaining knowledge and experience, yet it is probably the most powerful way of learning entrepreneurship. There should be more lectures on specific fields of business.

Not the theoretical ones, but the practical ones. These should be conducted by an entrepreneur and should include practical examples from real companies, case studies, networking.

#### **4) Lack of trained/educated teachers**

Teachers and university professors often have only limited experience in, and understanding of, small businesses and self-employment. They are not adequately trained or educated to teach entrepreneurial skills young people.

**Skills like:** Problem solving, creativity, persuasiveness, planning, negotiating and decision-making.

**Attributes like:** Self-confidence, autonomy, achievement orientation, versatility, dynamism, and resourcefulness.

**Behaviors like:** Acting independently, actively seeking to achieve goals, flexibility, coping with uncertainty, risk-taking, opportunity seeking, and pragmatic approach.

#### **5) Lack of career information and business possibilities**

School environments often do not sufficiently introduce youth to the concept of entrepreneurship and self-employment as a career option. Tools, resources and information material to support youth entrepreneurship are not readily available.

#### **6) Lack of business and education linkages**

Relationships between educational institutions and the business community (school industry partnerships, combination of classroom learning and structured on-the-job experience) do not exist or are poorly developed.

#### **7) Negligence of students' personal environment (parents and family members)**

Entrepreneurship education initiatives often disregard the important role of family members of young people and their parents in particular. Creating awareness among family members regarding the importance of stimulating entrepreneurial culture is crucial.

#### **8) Lack of ICT infrastructure/capability**

Due to financial constraints, schools often cannot afford to provide access to appropriate ICT infrastructure (hardware, software, Internet access and multimedia applications).

An inadequate ICT infrastructure and training constrain ICT capabilities of young people, which are increasingly crucial for many new entrepreneurial opportunities.

#### **2.4.4 Access to Start-Up Finance**

The lack of adequate start-up finance is one of the most prominent (at least most talked about) impediments to young people seeking to create their own business.

#### **2.4.4.1 Key constraints for young people to start-up finance**

- Lack of personal savings and resources
- Lack of securities and credibility (for debt financing)
- Lack of business experience and skills (for debt financing)
- Complex documentation procedures
- Long waiting periods (time needed to decide on an application for funding)
- Lack of knowledge, understanding, awareness of start-up financing possibilities
- Unfavorable firm characteristics and industry
- Legal status/form of enterprise
- Lack of (successful) micro lending/-finance and seed funding

#### **2.4.4.2 Improving Access to Finance**

The following section outlines the major strategies, initiatives and key tools being used in different countries to improve and expand the access to finance for young people.

Promotional efforts can be broadly divided into four categories:

- 1) Research into start-up and business finance
- 2) Provision of start-up and business capital
- 3) Improving the regulatory environment for start-up finance
- 4) Information and counseling on access to finance and funding.

### **2.5 Developing Youth Entrepreneurship Policy**

It is seen that entrepreneurship can be an important avenue of opportunity for young people. Within the framework of potential efforts to boost employment for young people, it is an additional innovative way of integrating youth into the labor market. In view of rising youth unemployment and the increasing lack of labor demand,



promoting youth entrepreneurship can be a valuable additional strategy to create jobs and improve livelihoods and economic independence of young people. Furthermore, it has multidimensional approach as it fights youth unemployment in two different ways: On the one hand, it creates employment opportunities for self-employed youth as well as for other young people being employed by young entrepreneurs. On the other hand, it provides youth with entrepreneurial skills and attitudes that are necessary to cope with the general shift from traditional 'job-for-life' careers towards 'portfolio careers'. Thus it improves young people's general employability for today's and tomorrow's labor markets.

### **2.5.1 Youth Entrepreneurship Policy**

How can youth entrepreneurship be defined? What are its particular features and constituents? What are corresponding government approaches to and structures for policymaking? The following section tries to give an answer to these questions and outline developments and trends in this fairly new area.

Entrepreneurship policy has been defined by Stevenson and Lundström (2001) as: Policy measures taken to stimulate entrepreneurship aimed at the pre-start-up, start-up and post start-up phases of the entrepreneurial process.

Entrepreneurship policy is designed and delivered to address the areas of motivation, opportunity and skills with the primary objective of encouraging more people to consider entrepreneurship, to move into the budding stage and proceed into start-up and early phases of a business. Drawing up on this definition, youth entrepreneurship policy can be defined as: Policy measures taken to foster entrepreneurial activity of young people aimed at the pre-start-up (including entrepreneurship education), start-up and post-startup phases of the entrepreneurial process designed and delivered to address the areas of motivation, opportunity and skills with the main objective of encouraging more young people to start an entrepreneurial undertaking or venture and at the same time to improve young peoples' general employability. This broader definition recognizes all the different types of entrepreneurial engagement (e.g. economic, social and public entrepreneurship, intrapreneurship and cooperatives).

Furthermore, it refers to the particular role of entrepreneurship education and training in improving young peoples' employability on today and tomorrow's labor markets.

Entrepreneurship policy in general and youth entrepreneurship policy in particular, are still fairly recent and evolving areas. Therefore, it is crucial to understand where these policies are or should be situated. Youth entrepreneurship policy is cross-cutting in nature and therefore necessitates a collaborative multi-stakeholder approach on the part of government and society. This means that for successful policy development in youth entrepreneurship collaboration between different line ministries (education, labor, industry, youth and finance in particular) is vital. As a matter of fact, it is almost impossible to outline the entire array of policies that affect entrepreneurship. As its objective is to foster job creation and to contribute to economic development and growth, it can be seen from different policy angles.

### 2.5.2 Employment Perspective: Youth Entrepreneurship and Employment Policies

A survey of the recent literature on youth employment and entrepreneurship suggests that the starting point for a youth entrepreneurship policy development must be the formulation of a broad national youth (employment) policy, of which entrepreneurship will be only one element. This approach is in line with the Youth Employment Network's approach to support countries in the development of national action plans on youth employment. From an ILO point of view, Youth Employment is a useful path for employment creation, however, it should be conceived in combination with increasing the quality of this type of employment and that is why it is crucial to embed it in overall employment policies focusing on the creation of decent work. Furthermore, a broad national youth (employment) policy must (then) be properly integrated with key macroeconomic and sectoral policies in order to avoid treating youth livelihoods and entrepreneurship in isolation neglecting the influence of national socio-economic framework conditions. In this context, youth

entrepreneurship policy can be regarded as “niche” policy, approach, as it focuses on fostering entrepreneurial activity among a particular segment of the population.

From an economic development perspective, Youth Employment policy should ideally be embedded in a “holistic” and comprehensive entrepreneurship policy approach that incorporates the policy objectives and measures of the other entrepreneurship policy types. (Organization for Economic Cooperation and Development (2001))

## **CHAPTER THREE**

### **RESEARCH DESIGN AND METHODOLOGY**

This section of the research paper presents the methodology that was employed by the researcher to conduct the study, to select the sample, to collect and analyze data used to assess the attitude of college students towards entrepreneurship in case of Ethiopian Institution of architecture, building construction and City Development.

#### **3.1 Research Design**

According to Creswell (2009) research design are plans and the procedures for research than span he decision from broad assumptions to detailed methods of data collection and analysis. The selection of research design is based on the nature of the research problem or issues being addressed, the researcher's personal experience and the audiences of the study.

A research design is simply the framework for the study. Based on the research technique or methods, research designs are classified as explanatory, descriptive, and casual. Research design stands for advance planning of the methods to be adopted for collecting the relevance data, the techniques to be used in their analysis, keeping in view the objectives of research and availability of reassures like time and money.(kotari,2007).

In line with the objectives of the research, which is to make an assessment of attitude of college students towards entrepreneurship, the researcher employed a descriptive type method. According to Kothari(2007)the major purpose of descriptive research is describing the state of affairs as it exists at present; the main characteristic of this method is ,the researcher has no control over the variables; he/she can only report what has happened. In a similar way, Creswell (2009) defines a descriptive study as a technique of gathering information about the existing condition.

## **3.2 Research Method**

The survey method is considered as the most appropriate research strategy for any descriptive study. As noted by Kothari (2007), surveys are concerned with describing, recording, and interpreting conditions that either exist or existed; surveys are only concerned with conditions or relationships that exist, opinions that are held, processes that are going on.

Accordingly, the survey method which has been employed in the study is only questionnaire.

## **3.3 Population and Sampling Techniques**

The researcher employed purposive sampling method while conducting the study. Purposive sampling, also known as judgmental, selective sampling, is a type of non-probability sampling technique. Non-probability sampling focuses on sampling techniques where the units that are investigated are based on the judgment of the researcher. The main goal of the purposive sampling is to focus on characteristics of population that are of interest, which will best enable the researcher to answer his/her research questions. (Kothari, 2007).

The study was conducted on selected students of Ethiopian Institution of Architectural, Building Construction and City Development (EIABC) who took entrepreneurship course which are 250 in total.

Accordingly, out of the 250 target population, due to time, convenience and cost, by using quota sampling a total of 100 questionnaires has been distributed to the students, the researcher have used quota sampling, it was because to treat gender fairly and also to get access to all the three departments. Semi-structured questionnaire were distributed to a sample consisting of 50 construction and

Technology department (COTM), 25 Architectural and 25 Urban and regional planning department students of EIABC. Consequently, out of the 100 questionnaire distributed, 80% of the questionnaires has been properly filled and returned back.

### **3.4 Types of Data and instruments of Data Collection**

#### **Primary Data**

The researcher have used primary source of data to undertake the study which were collected through semi-structured questionnaire.

#### **Secondary Data**

In addition to the primary data, descriptive analysis of data and information has been gathered through secondary sources, both published and unpublished documents.

### **3.5 Method of Data Analysis and Presentation**

Since the data collected is on attitude of students after taking entrepreneurship course; it is primarily of qualitative type.

Thus, the collected data has been processed /analyzed using descriptive method. As per the collection of questionnaires result, the data has been analyzed by using simple excel spreadsheet. Then presented with the help of frequency tables.

### **3.6 Ethical Considerations**

The researcher have got the necessary permission from the respective students for this study especially for the questionnaire that were distributed to selected students.

## CHAPTER FOUR

### DATA ANALYSIS AND INTERPRETATION

This chapter presents analysis and interpretation of information collected from students of Ethiopian Institute of Architecture, Building Construction and City Development (EIABC). Hundred (100) questionnaires were distributed to these students and 80 of them were collected back.

In the study, attitude of college students on entrepreneurship, 80 students participated with the objective of identifying the various perceived and real barriers to starting up one's own businesses and the incentives or motivators to start up a business among others. The responses of the students are summarized in the following tables:

**Table 1: Gender Distribution of the respondents**

Number	Gender	Frequency	Percentage
1	Female	33	41
2	Male	47	59
Total		80	100

Source: Own Survey, 2015

Table 1 depicts the gender distribution of the respondents. Accordingly about 41% of the respondents are females and the rest are males. This shows that the study is more or less fairly distributed among males and females.

**Table 2: Age distribution of the respondents**

Number	Age	Frequency	Percentage
1	17-25	79	99
2	26-35	1	1
3	Above 35	0	0
Total		80	100

Source: Own Survey, 2015

The above table (Table 2) shows age distribution of the respondents. As can be seen, majority of the respondents (about 99%) are under 25 years of age. This is mainly because the study participants are only students currently pursuing their studies in college. As a result all of the respondents are in their young ages.

**Table 3: Respondent's Department**

Number	Department	Frequency	Percentage
1	Construction and Technology Management	49	61
2	Architectural	19	24
3	Urban and Regional Planning	12	15
Total		80	100

Source: Own Survey, 2015

Out of 100 copies of questionnaire 50 % were distributed among students of Construction and technology Management, 25% for Architectural and 25% for Urban and Regional Planning departments ,this is due to the number of COTM students were big in size than the other two.



**Table 4: Respondent's family background**

Number	Background	Frequency	Total
1	Employed	38	48
2	Commerce (Business Men)	28	34
3	Agriculture	14	18
Total		80	100

Source: Own Survey, 2015

As shown in the above table, 18% of the respondents' family background is agriculture, 48% of the respondent's family background is employment and 34% is commerce or business.

**Table 5: Student's interest in starting or owning a business.**

Number	Response	Female	Male	Family Background			Total	Percentage
				Agriculture	Commerce	Employed		
1	Yes	33	45	14	28	36	78	98
2	No	-	2	-	-	2	2	2
Total		33	47	14	28	38	80	100

Source: Own Survey, 2015

Table 5, presents the students' interest in personally involved in business. Over 98 %of the respondents claimed that they would like to start up or own a business. As we have seen from the table, all respondents except 2 men respondents were responding

yes. This shows that gender does not appear to significantly differentiate those who want to start a business and those who do not.

About 2% of the respondents who responded that they are not interested to start up a business are from families that are earning their living by being employed and the rest (98%) are interested to start up a business from families engaged on employed, agriculture and commerce.

Family background seems not having an impact on whether the students want to start business or not. Because all the respondents whose family background is Agriculture, commercial or employed activities claimed that they want to start and run their own business.

**Table 6:** *Reasons or motivations for starting up a business*

Motivating Factors	Frequency of Ranks for each motivating factors								
	1st	2nd	3rd	4th	5 <sup>th</sup>	6th	7th	8th	Total
Starting a business is the only chance to earn money for me	0	3	2	5	13	15	23	17	78
To be my own boss/to be independent	24	16	16	11	5	5	0	0	78
To change and improve the society	14	23	11	5	7	3	7	8	78
To continue with family tradition	4	4	3	7	11	18	16	15	78
To do what I really want to do	23	20	9	8	8	1	6	3	78
To gain reputation/recognition from society	4	1	13	13	18	19	8	2	78
For financial freedom	8	22	12	13	6	9	6	2	78
To help in creating employment	7	4	15	16	12	7	11	6	78

Source: Own Survey, 2015

**Note:** The ranks are put from 1<sup>st</sup> to 8<sup>th</sup> according to their importance by the respondents.

The students were provided with a battery of statements and asked to rank the seven statements on what motivated them to consider starting a business according to their importance to them.

There are various reasons why young people decide to start a business, relating to their living circumstances, their personal attitudes, preferences and objectives and their particular interests and individual strengths. Recognizing these reasons is very important for stimulating the students towards entrepreneurship.

*Key findings may be summarized as follows:*

Starting a business is the only chance to earn money for me (0% ranked it first, 3% ranked it second and 97% ranked it third and beyond).

It seems that the respondents want to start a business not because there is no other alternative to earn their living for them.

To be independent or to be my own boss (28% ranked this first, 20% ranked it second and 52% ranked it third and beyond).

This shows that a good number of students are motivated by the need for independence to think of starting up a business as one important alternative to earn money.

Various literatures on entrepreneurship consider the need for independence as one of the important characteristics of entrepreneurs.

To change and improve the society (18% ranked this first, 29% ranked it second and 53% ranked it third and beyond)

Changing and improving the society is cited as one of the motivators to consider starting

up a business by the young people included in the study. This refers to the need to be socially responsible which is possessed by some of the respondents.

To continue with family tradition (5% ranked this first, 5% ranked it second and 90% ranked it third and beyond).

To do what I really want to do (29% ranked this first, 25% ranked it second and 46% ranked it third and beyond)

A good number of students claimed that they think of starting a business to change their hobby or leisure time activities in to business.

To gain recognition/reputation from the society (5%ranked this first,1%ranked it secondand94%ranked it third and beyond).Most of the respondents attached very little value to respect and recognition from the society as the reason for considering starting up a business.

For financial freedom (10%ranked it first, 28%ranked it second and 62% ranked it third and beyond)

One of the most important reasons often cited as a motivator to start a business is to gain the financial benefit associated with owning and running a business. It is one of the important reasons put by the respondents to think of starting a business.

For creating employment (9% ranked it first,5% ranked it second and 86%ranked it third and beyond)

**Table 7: Inhibitors to starting up a business for students**

Inhibitors	Frequency of each ranks as per each inhibitor						
	1st	2nd	3rd	4th	5th	6th	Total
Access to finance-capital to invest	32	17	9	6	5	11	80
Education, skills and training	14	9	19	17	10	11	80
Lack of Business Support	14	20	17	15	11	3	80
Social/cultural attitude towards(youth)entrepreneurship	13	17	7	15	18	10	80
Government regulations	2	13	16	19	14	16	80
High risk of conducting business	3	7	11	16	21	22	80

Source: Own survey, 2015

**Note:** The ranks are from 1<sup>st</sup> to 6<sup>th</sup> put according to their importance by the respondents.

Students are provided with six statements that are considered to be constraints to start up and run a business and requested to rank them from first to sixth according to their degree of importance to them.

*Responses of the students can be summarized as under:*

Access to finance (40% of the respondents ranked it first, 21% of the respondents ranked it second and 39% of them ranked it third and beyond)

This shows that the majority of the respondents considered lack of access to start up finance as the major inhibitor to starting up a business.

Lack of access to start up finance is one of the most prominent impediments to young people to create their own business.

As can be seen from the table, lack of access to adequate to startup capital was considered to be the most severe barrier compared to all other barriers that the respondents are provided to rate or rank.

Education and training do not promote or encourage the young people to engage in business and to develop good business idea. Education and training does not match market opportunities (18% of the respondents ranked this first, 11% of the students ranked it second and 71% ranked it third and beyond)

Many students responded that education do not encourage students to start up a business.

They claimed that still school environments often do not sufficiently introduce the students to the option of entrepreneurship and self-employment.

Lack of business support in terms of business counseling and working space (18% ranked it first, 25% ranked it second and 57% ranked it third and beyond)

The respondents considered lack of business support and work space as the second most important impediment among the barriers listed for them to rank.

Availability of tailor made business training and advice and well located working space are crucial for a particular start up situation.

Social and cultural attitude towards entrepreneurship i.e. entrepreneurship is not appreciated and promoted enough by the society (16% ranked it first, 21% ranked it second and 63% ranked it third and beyond).

The respondents claimed that social and cultural attitude of society towards entrepreneurship to be the third most important constraint.

This seems true as general observation tells that the society wants/values most students be inclined to other professions like medicine, engineering, law and related professions than those who are intending to start and run their own businesses.

Government regulations i.e. excessive administrative and bureaucratic burdens impede youth entrepreneurship (3% ranked it first, 16% ranked it second and 81% ranked it third and beyond). Administrative and regulatory burdens are among the important barriers to start ups of the young people in developing according to the report of World Bank(2005). The report further explains that government regulations and bureaucratic formalities also are seen as one reason for large informal sectors in developing countries.

These administrative and regulatory burdens could be in the form of business registration, obtaining investment approvals and business licenses, access to work space and long term leases and the like. These issues, as with other barriers, are considered by the respondents as one of the inhibitors to consider starting a business as a viable alternative to employment.

High risk of conducting business (4% ranked it first, 9% ranked it second and 87% ranked it third and beyond). As can be seen from the table, few students considered risks of conducting business as an important inhibitor. It seems that students are not demotivated by the risks inherent in starting and running a business. Calculated risk taking or assumption is one of the important characteristics possessed by entrepreneurs according to various literatures on entrepreneurship.

**Table 8:** *Key influencers to go in to business or not for the students.*

<b>Key Influencers</b>	<b>Frequency</b>	<b>Percentage</b>
Friends	22	14
Teachers/Instructors	21	13
Entrepreneurs	24	15
Media(TV, Radio, Internet)coverage of business and business people	19	12
Parents and family	40	25
Politicians	8	5
Religious Leaders	4	3
Governments	19	12
<b>Total</b>	<b>157</b>	<b>100</b>

Source: Own survey, 2015

All the respondents were asked to identify who can most influence their opinions/attitudes about business either positively or negatively.

Table 8 shows the summary of the responses of the students. Important findings can be summarized as follows:

About 14% of the respondents claimed that friends can positively influence our attitude towards starting up a business. The other important point to note is that teachers or instructors are considered as key influencers. Well over three-fourth of the respondents (13%) claim that teachers/instructors can positively influence the students on starting up a business. Entrepreneurs are thought to have a positive influence on students to start up a business.

Accordingly 15% of the students included in the study believe that entrepreneurs can influence the young people to start and run their own business.

Media (Television, Radio, Magazines, and Newspapers etc.) is considered to have a very important role in influencing the youth to consider starting up a business as important option to employment. About 12% of the respondents claim various media to influence the youth on starting a business.

About 25% of the students included in the study responded that parents have the potential to positively influence them in deciding on starting up a business.

Of particular interest here is that only 5% of the students/respondents claim that politicians have influence the youth as far as starting up a business is concerned.

(15%) of the respondents seem to agree to the statement that government can positively influence the young people to start up a business. But, some of the respondents (75%) claim that a government has no influence or negative influence on the young people's attitude towards entrepreneurship.

Information collected from the students' show that the majority (97%) deny or don't know the power of the religious leaders in encouraging the young people to consider starting up a business as an alternative to employment.

**Table 9: Measures that improve the acceptance and appreciation of entrepreneurship in the society and in particular among young people**

Measures	Frequency of each ranks as per measures					
	1st	2nd	3rd	4th	5th	Total
Better media coverage	9	27	20	10	14	80
Entrepreneurial education in junior and high school	40	13	12	5	10	80
Short term training given by entrepreneurs	11	20	16	26	7	80
Promotion of entrepreneurship by role models	15	19	15	16	15	80
Campaigns, completions and awards	9	11	15	17	28	80

Source: Own Survey, 2015



Table 9; shows that the students were provided with five statements on the measures thought to improve the acceptance and appreciation of entrepreneurship in the society and among the young people in particular.

Key findings may be summarized as follows:

Better media coverage about entrepreneurship (11% of the respondents ranked it first, 34% ranked it second and 55% ranked it third and beyond). This shows that a good number of the students considered better media coverage to play an important role in developing a positive attitude towards entrepreneurship in the society and the youth in particular.

Entrepreneurship education in junior and high schools (50% of the respondents ranked it first, 16% ranked it second and 44% ranked it third and beyond). Offering entrepreneurship courses starting from junior and high schools is rated as the most important factor to stimulate the young to consider starting their own business as a viable career path.

Short term trainings given by entrepreneurs (14% ranked it first, 25% ranked it second and 61% ranked it third and beyond). A good number of the students cited practical short-term trainings given by entrepreneurs (business people) as one of the important factors that can improve the acceptance of pursuing businesses as an alternative to employment.

Promotion of entrepreneurship by role models (19% ranked it first, 24% ranked it second, and 57% ranked it third and beyond). Promoting starting up a business by public figures (famous personalities in different areas- like sport, music, film etc.) is rated as the second most important factor in stimulating the young people towards entrepreneurship.

Campaigns, competitions, and awards (11% ranked it first, 14% ranked it second and 75% third and beyond). Some of the respondents also considered conducting campaigns, competitions, and awards on business ideas development to play its role in stimulating the young people towards entrepreneurship.

**Table 10:** Important de-motivators to engage in business for the students.

Number	Frequency	Percentage
Access to finance-capital to invest	38	29
Lack of skills (confidence in my skills and experience)	12	9
Lack of required skills	20	15
Financial risks	13	10
I was afraid not being able to pay back my loan, credit or borrowed money	6	5
Corruption	21	16
Competition	4	3
Fear of workload	3	2
Fear of lack of Market Demand	14	11
<b>Total</b>	<b>131</b>	<b>100</b>

Source: Own Survey, 2015

As can be seen from the table 10, the students were provided with statements related to or thought to be de motivators for the young people in starting up a business. Identifying things that the young people consider as discouragers are important to find solutions in order to stimulate the youth.

*Key findings may be summarized as follows:*

Access to finance capital to invest is an important de motivator according to the response from the students. It is considered by the majority of the respondents as the most common constraint limiting the pursuit of opportunities.

Lack of skills or lack of confidence in my skills and experience i.e., I am afraid of not having the right skills or experience. Accordingly, (about 15% of the respondents considered lack of required skills as an important de motivator to identify, evaluate, and exploit business opportunities.

Financial risks i.e., I am afraid of not being able to pay back my loan. About 10% of the respondents claim that financial risks are one of the important de motivators to pursue business opportunities. But according to various researches done on entrepreneur's traits, calculated risk taking is one important entrepreneurial quality. Hence, this shows that a good number of students are lacking in this respect.

The other important de motivator is corruption in business according to information gathered from the respondents. About 11% of the respondents responded that corruptions one of the factors that discourages the young people to pursue business opportunities.

Though not considered as most important de motivators by the respondents; fear of competition, fear of work load, and fear of lack of market demand are cited by the respondents.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATION**

#### **5.1 Summary and Conclusions**

##### **Summary**

This study has revealed about attitudes of college students on entrepreneurship. One hundred questionnaires were distributed, of which 80 has been properly filled and returned.

The study has got its own limitations. First, the researcher was having time limitation due to the change in location from Addis Ababa to Weldiya. This has its own effect on the quality of the paper produced within a short duration.

Second, financial limitation has also its own impact in limiting the scope of the project.

Had resources been adequate, the researcher would have covered a wider scope than what the project covered. Third, the researcher has observed problems on the part of the respondents while filling the questionnaires. Finally, there is a lack of secondary sources of data on youth entrepreneurship in our country. This forced the researcher to use other source of data on entrepreneurship for review of the literatures.

This study has shown that, family background has influence on the student's future career, that is, whether they have to start their own business or pursue other jobs. This was clearly stated from the responses of students whose family has been engaged in business tends/inclined to start their own business more than those whose family has different backgrounds.

Out of 80 respondents 78 replied that they would like to start their own business. And The following are considered as reasons for starting up a business put in the order in which they are rated by the respondents:

- To be independent or to be their own boss.
- To do what they really want to do or the things they enjoy doing.
- To change and improve the society.
- For financial freedom
- To help in creating employment
- Starting up a business is the only chance to earn a living for them
- To continue in the family tradition
- To gain recognition from the society.

As per the responses of the respondents, most of them replied that the reason that motivates them to start their own business is to be the need for independence. That is they want to be their own bosses. On the other extreme, gaining recognition from the society was considered as the least important reason among the respondents. That is the culture of valuing recognition from the society did not yet developed.

The major factors that hinders the starting of new business is lack of access to finance which was followed by lack of education, training, business counseling and low level of understanding towards the concepts of business ownership. While only few of them replied the problems that arises from the government regulations and risk of loss attached to it as a major problem.

According to the rating of the respondents among the various influences that initiate or discourages students to get into their own business, parents plays significant role. Media and entrepreneurs themselves plays still significant role. In addition, influence from friends, teachers/instructors, and the role of government is still important. On the other hand, influences that are negative could mostly arise from politicians and from government intervention. However this does not mean that the other variables that have mostly positive influence will not result in negative consequence.

The most important de-motivating factors among the respondents were lack of access to finance to be invested. In addition, lack of entrepreneurial skill, risk averse nature

and corruption respectively rank top among those factors that de-motivate students from joining entrepreneurial world.

## **Conclusion**

As per the researcher's opinion, students, are very much interested to start their own business as an alternative option than waiting a job offer. And to put the positive attitude in to action, they need practical skills, on how to run a business, how to get access to finance, so that they can be courageous and able to address their fear of risks and security issue.

The more the young people know successful entrepreneurs, the more likely he/she might become personally interested in starting a business because they have role models to follow. Moreover, when supported by media campaigns, credible models can have an influence on young people personal environment, so that parents and relatives will change their attitude towards entrepreneurship as well and encourage their children to engage in the field.

Promoting entrepreneurship education- entrepreneurship education is crucial in assisting young people to develop entrepreneurial skills, attributes and behaviors as well as to develop enterprise awareness, to understand and realize entrepreneurship as a career option.

Entrepreneurship education is not only a means to foster youth entrepreneurship and self-employment but at the same time to equip young people with the attitudes and skills necessary to cope with the uncertain employment paths of today's societies.

## 5.2 Recommendations

Based on the foregoing conclusions, the following recommendations were given.

Promoting an entrepreneurial culture among young people through:

Understanding cultural influences on entrepreneurship and assessing the attitude, awareness and aspirations of young people towards it. [conducting research].

### **Promotion of Role models**

Successful social or private, youth or adult entrepreneurship are probably the best ambassadors for promoting entrepreneurship among young people. By delivering an image of independence, successes and achievement they can motivate young people to consider and explore entrepreneurship and self-employment.

Campaigns, events, competitions and awards are another way of raising the profile of entrepreneurship for young people. Youth business events can be useful instruments for introducing entrepreneurship to youth. Moreover, they provide good opportunities for media exposure. Business competition and awards provide special incentive for ambitious young people.

- Improving access to finance/facilitating debt financing for young people/improving the administrative and regulatory environment for debt finance. For example, this can be done by strengthening the micro finance institutions to provide start up capitals for the young people leaving higher educations.
- Developing and implementing youth entrepreneurship policies by concerned government agencies so as to provide conducive environment for the students who are leaving various private and public higher educational institutions to consider starting up a business as one alternative to looking for employment. In addition, governments should encourage the young business starters by providing subsidies of different types, for example, tax exemption in the early days of the business, provision of working space free of lease, and the like.

- Improving business support and assistance for the young people through/in terms of :
  - ✓ Providing business counseling so as to help the young people/student's identify, evaluate and exploit business opportunities
  - ✓ Providing working space for the young people free of lease at least until their businesses gets established.
  - ✓ Offering practical short term trainings on entrepreneurship with the help of experts and successful entrepreneurs.
  - ✓ Meeting successful entrepreneurs or being exposed to success stories can greatly help the young people to be motivated to entrepreneurship.
  - ✓ Giving a better media coverage on entrepreneurship.
  - ✓ Various Medias [TV, Radio, News Papers, magazines, etc.] can play a crucial role in stimulating the youth towards entrepreneurship through:
    - ✓ Inviting successful business people and presenting their success stories.
    - ✓ Opening a discussion forum on entrepreneurship by involving university Professors, and others with the required expertise on the subject matter and conducting competition on idea or opportunity identification, business plan development, and the like on media.

Finally the researcher believes that further researches need to be undertaken on youth entrepreneurship to understand the subject matter very well and to come up with recommendations based on findings with a better as cope/coverage.



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# Appendix

**ST. MARY'S UNIVERSITY  
SCHOOL OF GRADUATE STUDIES  
MBA PROGRAM**

Title of the project:

**“The attitude of college students’ towards on entrepreneurial attitude and intention to start a business “**

Though the significant role played by entrepreneurship in driving economic development and job creation is increasingly understood, there has been little effort to look at it from a college students’ perspective. When it comes to a college students’, they are mostly following the general adult population, failing to realize their particular entrepreneurial potential and talents as well as their critical contribution to economic and social development.

**Dear Student,**

This questionnaire is designed to gather information about your perceptions, opinions, and attitudes towards on Entrepreneurial Attitude and intention to start a business at Ethiopian Institute of Building and Construction (EIBC) and thereby come up with finding of the study to recommend possible solutions. Thus, to reach a proper recommendation, I would like to have your accurate opinion regarding the subject matter and fill out the questionnaires honestly so as strengthen the paper output. i want to assure you that, the data will not be used for the purpose other than this study.

Thank you in advance for your kind cooperation, and your time to fill out this questionnaire.

Instruction:

1. Please put tick (√)on the space provided.
2. Please indicate your personal information and
3. There is no need to write your name

## Part I: Demographic Profile

### 1. Gender

Male	Female

### 2. Age Range

17-25	26-35	Above 35

### 3. Year of Study

1 <sup>st</sup> year	2 <sup>nd</sup> year	3 <sup>rd</sup> year	4 <sup>th</sup> year	5 <sup>th</sup> year

### 4. Department (Please write in blank space)

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### 5. Family Back ground

Agriculture	Employed	Commerce (Business men)	Other (Specify):

## Part II. General questions

I. Do you want to start your own business?

Yes No

II. If your answer is yes, why do you want to start your own business?

Please rank them according to their important to you. Please rank them first (1). Second (2)...etc.

Rank: \_\_\_\_\_ 1) Starting up a business is the only chance to earn money for me

Rank: \_\_\_\_\_ 2) To be my own boss/to be Independent.

Rank: \_\_\_\_\_ 3) To change and improve the society.

Rank: \_\_\_\_\_ 4) To continue with family tradition i.e. my family are businessmen.

Rank: \_\_\_\_\_ 5) To do what I really want to do

Rank: \_\_\_\_\_ 6) To gain reputation / recognition from the society.

Rank: \_\_\_\_\_ 7) For financial freedom.

Rank: ----- 8) to help in creating employment.

Rank: \_\_\_\_\_ 9) Other (please explain)

III. In your opinion, why do college graduates fail to start their own business? Please rank them first (1), second (2), third (3) etc.

Rank: \_\_\_\_\_ 10) Access to finance i.e. There is a clear lack of access to start up financing for young people.

Rank: \_\_\_\_\_ 11) Education, skills and training i.e. education and training do not promote/encourage young people to engage in business and to develop good business ideas. Education and training does not match the market opportunities.

Rank: \_\_\_\_\_ 12) Business support i.e. There is clear lack of business support in terms of business counseling and access to working space.

Rank: \_\_\_\_\_ 13) Social/ cultural attitude towards (youth) entrepreneurship. I.e. Entrepreneurship is not appreciated and promoted enough by society.

Rank: \_\_\_\_\_ 14) Government regulations i.e. excessive administrative and bureaucratic burdens impede youth entrepreneurship.

Rank:----- 15) High risk of conducting business, i.e. Government employment has security.

Rank: \_\_\_\_\_ 16) Other (please explain)

IV. In your opinion. Who do you think has more power in encouraging or discouraging young people to start up a business? Tick in the box.

<b>Influencers in Encouraging or Discourage to Start up a Business</b>	
Friends	
Teachers/ instructors	
Entrepreneurs	
Media (TV. Radio, Internet) coverage of businesses & business people	
Parents and family	
Politicians	
Religious leaders	
Governments	
Other (specify)	

V. What measures could improve the acceptance and appreciation of entrepreneurship in society and in particular among young people in our country?

- a. Better media coverage. \_\_\_\_\_: Rank
- b. Entrepreneurial education in junior and high schools \_\_\_\_\_: Rank
- c. Short term trainings given by entrepreneurs' \_\_\_\_\_: Rank
- d. Promotion of entrepreneurship by role models \_\_\_\_\_: Rank
- e. Campaigns, competitions and awards \_\_\_\_\_: Rank
- f. Other (specify)

VI. What have been important de- motivators for you to engage in business? Mark your choice /x/

<b>Demotivating Factor</b>	
Access to finance- capital to Invest	
Lack of skills (confidence in my skills and experience)	
I am afraid of not having the right skills or experience	
Financial risks	
I was afraid of not being able to pay back my loan. Credit or borrowed money	
<b>Corruption</b> ;I was de-motivated from the level of corruption in business or society in general	
<b>Competition</b> ; I was afraid of the strong competition in proposed line of business	
<b>Workload</b> ;I was afraid of not being able to handle all the workload	
<b>Market demand</b> ; I was worried by the possibility that people would not have a need for my product or service	
Other (please explain)	