



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

**ASSESSMENT OF FACTORS INFLUENCING
HIGHER EDUCATION GRADUATES SELF
EMPLOYMENT: THE CASE OF WOLDIA TOWN**

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**JUNE, 2017
ADDISABABA, ETHIOPIA**

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A THESIS SUBMITTED TO ST.MARY'S UNIVERSITY SCHOOL OF
GRADUATE STUDIES IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE DEGREE OF MASTERS OF ART IN
PROJECT MANAGEMENT

JUNE, 2017

ADDIS ABABA ETHIOPIA

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

RESEARCH TITLE:

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DECLARATION

I, **Ali Nurye**, hereby declare that the thesis entitled “**Assessment of Factors Influencing Higher Education Graduates Self employment: The Case of Woldia Town**”, submitted by me to the award of the Degree of **Master of Arts in Project Management** from Saint Marry University at Addis Ababa, is original work and it hasn't been presented for the award of any other Degree, Diploma, Fellowship or other similar titles of any other university or institution.

Ali Nurye

Signature.....

Saint Marry University

School of Post Graduates

Date

Department of Project Management

Addis Ababa - Ethiopia

CERTIFICATION

This is to certify that this thesis entitled “**Assessment of Factors Influencing Higher Education Graduates Self employment: The Case of Woldia Town**”, submitted in partial fulfillment of the requirements for the award of the degree of **Master of Arts in Project Management** to the School of Post Graduate Studies, done by **Ali Nurye**, ID No.**SGS/0517/2008A** is an original work carried out by him under my guidance. The matter embodied in this thesis has not been submitted earlier for award of any degree or diploma to the best of my knowledge and belief.

Advisor: Tiruneh Legesse (Asst. professor)

signature.....

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Addis Ababa, Ethiopia

Date:

ABSTRACT

In Ethiopia the number of higher education graduates is increasing from time to time and so does the graduate unemployment. Self employment is a mechanism which is recognized by different policy makers and entrepreneurial researchers for reducing unemployment among increasing graduate labor force. Thus, identifying the influencing factors for graduate self employment is important way of informing concerned bodies for promoting self employment among graduates. Therefore, the overriding objective of this study is to identify the factors influencing graduates self employment in case of Woldia Town. In order to achieve the objective of the study, the student researcher used a case study approach and focused on factors related to individual characteristics and personality traits, socio-economic factors, government policy and support, lack of formal employment opportunity, access to entrepreneurship education and training and self employed graduate satisfaction with their business. The study employed survey types of descriptive research design. The target population of the study was those graduates who are running their own business and those who are unemployed for half a year and above. During data collection process, respondents were accessed through non-probability sampling technique i.e. snowball sampling procedure. Although a total of 180 structured questionnaires were distributed for collecting primary data from sample respondents, 171 (86 from self employed and 85 from unemployed) were used for analysis. After it was edited and coded, the collected data entered the STATA version 12 for processing and analysis purpose. Different types of simple descriptive statistics were used to analyze the result. The result of the analysis indicated that willingness to take risk, positive attitudes towards self employment, need for achievement, need for independence, access to government policy and support, availability of starting capital and lack of formal employment option were found to be influential factors for graduates self employment. Finally policy makers and different types of concerned bodies are recommended to give due attention on identified influencing factors to enhance the participation of graduates in their own business thereby reduce graduates unemployment.

Key words: *Graduates, self employment, unemployment, Higher education institutions, entrepreneurship*

Acknowledgement

First and for most, I would like to thank the Almighty Allah for his provision of knowledge, strength and diligence needed for successfully accomplishing my study in particularly and for empowering me throughout my life in general.

I would like to forward my heartfelt appreciation to my advisor, Tiruneh Legesse (Assistant professor), for his constructive and supportive comments throughout the accomplishment of this project. I would also like to thank my friend Dr. Abdulkerim Ahmed for his invaluable comment in the course of accomplishing this study.

I am very thankful to all institutions, especially Ethio Gulf, CSA and Woldia City Micro and Small Enterprises Office for their unforgotten help and encouragement throughout my study.

I would also like to express my indebted gratitude to my entire friends such as Nasir Yusuf, Ahmed Mohammed, Dagne Mulatu and those their names are not listed here for their every support and encouragement during accomplishment of my study.

Ali Nurye

Acronyms

EE: Entrepreneurship Education

GU: Graduate Unemployment

HEI: Higher Education Institutions

ILO: International Labor Organization

TVET: Technique, Vocational Education and Training

Chapter One

Introduction

1.1 Background of the Study

Many countries in the world are affected by the problems of unemployment. The global unemployment rate increased from 13.09 percent in 2015 to 13.1 percent in 2016 (ILO, 2016). This has created a highly competitive environment for young people aged 15-24 years, as can be seen from high youth unemployment rates in the world: 12.6 percent in 2010, 12.7 percent in 2011, 12.6 percent in 2012, 13.87 percent in 2013, 13.9 percent in 2014, 13.9 percent in 2015, and 13.1 percent in 2016. These figures are worrisome because the youth represent the productive labor force of the world (ILO, 2016).

Tan (2002) in his study conducted from 1995-2004 reveals that unemployment among the youth is a particular problem in Africa.

Like that of other countries in the world, Ethiopia is also affected by the problem of youth unemployment (World Bank, 2011). Although the country has been making some improvement in economic growth, unemployment rate is 16.8% which is high and is one of the socio economic problems in the country (Nzinga and Tsegay, 2016). This unemployment situation is particularly extensive among the youth which constitutes over a third of the population calls for an urgent intervention for improving the fate of the unemployed (Getinet, 2008). Employment creation for rapidly increasing youth labor force has become increasingly challenging because the economy is unable to provide adequate jobs to the growing youth labor force in both rural and urban areas (Martha, 2012). That the youth, which is the future of the country, is found in such a state is adverse and also disturbing (Getinet, 2008).

When we come to Amhara region the youth unemployment is 2.8 times larger than adults, which is a third in the eleven regional states of the country in terms of youth and adult unemployment and the most vulnerable part of youth for unemployment is those with a better skill level (CSA, 2014).

Higher education institutions (HEI) are one of the main suppliers of skilled youth labor force in the country. In Ethiopia different HEI producing increasing number of educated young from time to time, while the number of graduates is increasing from time to time, so doing the graduate unemployment rate (Fisseha, 2011). HEI graduates represent one of the most vital parts of the young workforce, and their transition to the labour market is among the main concerns of governments, policy makers and higher education institutes (Getnet, 2008).

Recent argument in developing countries and countries in Sub-Saharan Africa have focused on how to create employment for the growing graduates' labor force (Ibid).

Similarly, the federal government of Ethiopia has initiated several measures and policies to reduce the level of unemployment especially among the graduated youth. Self employment is one of the measures embraced by the government to reduce graduates unemployment (Ibid). In addition, comprehensive action to encourage self employment among the graduates is increasingly being recognized by policy makers and researchers as one of the keys to unlock greater comparative in employment opportunity. The development of self-employment among graduates is considered as a means of rapid economic development leading to their gainful of employment opportunity. Thus, this tells us that entrepreneurial participation of the HEI graduates and creating favorable environment for their involvement in their own business is very important for reducing their unemployment and thereby for country's economic growth (Fisseha, 2011).

Self employment, which are considered to be the places where those whom the economy failed to absorb take shelter in, are increasingly becoming important economic actors in generating income and employment throughout Africa and other developing countries like Ethiopia (Yordanos, 2006). The significance of the roles of self employment, as basis for a nation's economic development, is to ensure the growth of large firms and industries through innovation and creativity and, consequently, the decrease in unemployment by creating job opportunities and increase productivity (Laming and Kuehl, 2000). As stated by Yordanos (2006) in most of developing countries this sector on average contributes about 67% employment to the total labor force.

Although the role of entrepreneurship, as a solution to the problem of unemployed graduates, has been acknowledged by most entrepreneurial researchers and policy makers, there are a number of factors that influence graduates to start and run their own business (Getnet, 2008). In this regard,

there are various approaches and theories which deal with the factors affecting self-employment of individuals. According to individual approaches of various scholars, the factors affecting self-employment can be summarized as follows:

- Personality traits such as attitude, creative and innovative behavior, independence, self-determination, need for achievement, risk taking propensity, etc.
- Socio-cultural factors such as the values given to self-employment like societal attitude, family influences, religious and cultural influences, etc (Fisseha, 2011).
- Government policies and support such as incentives, opportunities, infrastructure, facilities and support services, etc.
- Demographic factors of the individuals; like sex and age
- Training and education (exposure to entrepreneurship education and training).

According to Fisseha (2011) although HEI graduates are expected to contribute to the country's economic growth through creation of jobs and increasing productivity, most of them seek paid jobs rather than creating their own venture. Therefore it is necessary to assess the influencing factors which persuade them to start their own business. Thus, the aim of this study was to assess the influencing factors for HEI graduates self employment.

1.2 Statement of the Problem

As employment is the life line of any country's economy in generally and of individuals in particularly, human development will certainly be destabilized and impaired without employment (Salami, 2011). The increase in the number of youths in secondary and tertiary education is a positive development; however, labor markets in many countries in the world are presently unable to accommodate the expanding pool of the skilled young graduates. Despite the yearly increase in the number of graduates, large number of the graduates faces bleak employment opportunities especially in several developing countries. As a result, in many African countries unemployment among increasing graduated youth is described as a socio-economic problem that affects growth and development of the countries (Awogbenle & Iwuamadi, 2010).

In many developing countries, stakeholders in educational provision generally perceive education as an investment. Parents ignore all the opportunity costs in educating their children and give up their scarce resources to have their children educated in the hope that education will open the gates of employment into attractive jobs to them. Moreover, it is believed that the higher one climbs the education ladder, the easier it is to secure an attractive job. However, there are thousands of young university graduates roaming the streets and various offices in the urban centers in search of seemingly unavailable formal jobs (Alfred et al., 2013).

In our country, like other developing countries, the number of graduate unemployment (GU) is increasing from time to time and posing great challenges on the graduates and also other stakeholders. The most hard - hit are the youth who after graduating from Universities and other educational institutions, find themselves unable to secure formal employment opportunities, thereby failing to gainfully contribute to economic development of the country despite their enthusiasm, energy and drive (Eden, 2012).

Today in Ethiopia, many educated youth are complaining for high levels of unemployment and hopes for employment have worsened over time and those who are graduated from higher education stay looking for a job for several years by being unemployed. It is clear that prolonged leisure time and unemployment may gradually lead them to different anti-social behaviors like drugs trafficking, prostitution, juvenile, delinquency and crime (Yordanos, 2006).

Moreover, nowadays even those students who are studying in different Higher education are informed about the unemployment challenges after their graduation and have been frustrating about their future career opportunities. Even for those who are graduated from different HEI the duration between their graduation and their employment dates has continued to be lengthen and this has also become a cause for their frustration. Though having an educated generation might make the future of the country a lot easier, having an educated and at the same time frustrated generation is another danger for the country itself.

When we come to Woldia town the problem of youth unemployment is real challenge in the area. Additionally, data obtained from Woldia town Micro and Small Enterprise Development Office,

three months report of 2017 shows that specifically there are around 400 unemployed higher education graduates in Woldia town.

The government on the other hand, has been on overdrive trying to address these problems. Like the rest of the world, the Ethiopian government has now embraced self employment development through formulation of policies favorable to development of micro and small scale enterprises particularly in the recent year (Fisseha, 2011).

Although policy makers and entrepreneurial researchers designs and recognize self employment as crucial mechanism to overcome unemployment problem among graduates, they are still looking for formal labor market to be employed by overlooking the appealing role of self employment as one of the vital career opportunity available for them.

Moreover, it has been founded that this career choice is not favored by younger people, especially by graduates, who see self employment as only a second or even last choice. Although graduates are expected to play active innovative roles in self-employment ventures which have a broader implication to the economic and social development, they have been seeking for employment on paid jobs rather than exerting efforts to create their own jobs. For this reason there may be some influencing factors for graduates to start and run their own business (Fisseha, 2011).

Based on the review of empirical findings, though the problem of HEI graduates unemployment in Ethiopia is increasing overtime, studies conducted to identify the influencing factors of higher education graduates self employment are still meager. In addition, previous studies conducted on graduates regarding self employment focused on unemployed graduates and students, and has ignored the special case of self employed graduate entrepreneurs as well as higher education graduates. Therefore, the aim of this study is to deal with both unemployed and self employed graduates in order to identify factors that influence graduates to start their own business specifically among higher education graduates. The student researcher believes that considering the issue from both sides is important to gain a comprehensive picture of factors influencing graduate self employment.

1.3 Research Questions

In light of the above mentioned problem statement, the following basic research questions were addressed:

1. To what extent individual personality traits and their personal characteristics influence graduates to start their own business?
2. To what extent access to entrepreneurship education determine graduates participation in their own business?
3. To what extent access to government policy and support influence the graduates to start their own business?
4. Do the socio-economic factors influence the graduates in starting their own venture?
5. Is lack of formal employment opportunity influence graduates to start their own business?
6. Are self employed graduates satisfied with their current job and working environment?

1.4 Objective of the Study

1.4.1 General Objective

The main purpose of this study was to assess the influencing factors of higher education institution graduates self-employment.

1.4.2 Specific Objectives

In order to handle the research questions and realize general objective stated above the study tried to deal with the following specific objectives:

1. To examine extent to which individual personality traits and their personal characteristics influence graduates to start own business.
2. To identify extent to which access to entrepreneurship education influence graduates to start their own business

3. To identify the extent to which access to government policy and support influence the graduates to start their own business
4. To examine whether socio-economic factors influence the graduates in starting their own ventures
5. To examine whether lack of formal employment options influences graduates to start their own business
6. To assess whether self employed graduates are satisfied with their current job and working environment

1.5 Significance of the Study

Extensive unemployment of higher education graduates is not only a hindrance to lack of job but could also be a cause for social instability if not immediately addressed. This worrisome issue of graduate unemployment can be addressed through development of self employment culture among graduates. For this it is important to assess influencing factors which persuade graduates to start their own business thereby free themselves from the problem of unemployment. Therefore this study is deemed have both practical and academic importance.

The study provided the insights into the phenomenon of HEI graduates self employment in Ethiopia specially by identifying determinant factors which stimulate graduates to start their own business.

The findings of the study could also help the policy makers in formulating and facilitating means of promoting graduates self employment. Government and private agencies which are working on self employment development among HEI graduates may use the findings to improve the provision of policy and support which may motivate them for innovative business ideas and entrepreneurial among them and as a result increase productivity that meaningfully contribute to the country's economic growth.

Moreover, the study would be contributed to academic understanding by clarifying influencing factors which greatly contribute to graduates self employment. By doing so, the study would also be contributed in addressing the lack of empirical researches in this study area by identifying the

influencing factors for graduate self employment. Therefore, it will help the other researchers as source of reference for study conduct on related areas.

1.6 Scope of the Study

In order to make the study being manageable it was necessary to define the delimitation of the study. Thus, the study was delimited geographically, conceptually and methodologically.

Conceptually, however, self employment can be influenced by several factors beside those included in this study; the study focused only on factors such as personality traits and personal characteristics, socio-economic and cultural factors, government policy and support, entrepreneurship education and training, lack of formal employment option and self employed graduates' satisfaction with their business and working environment. As a result, the analysis of influencing factors for graduates self employment was limited to these factors.

Methodologically, the study was delimited to the descriptive research type and it describes influencing factors for graduate self employment. In this context, the study dealt with those students who graduated from different public and private universities and remain unemployed for half a year and above (which is determined based on the standard set by Woldia City Micro and Small enterprises Office) as well as those graduates who are self employed. They were also the only target population of the study because problem of graduate unemployment is becoming challenging issues in our country though they have great potential for contribution to country's economic development if they join self employment environment. But those graduates from other higher education institutions (TVET, college) are excluded.

Geographically, the study was delimited to those graduates in Woldia city only because of time and resource constraints.

1.7 Limitation of the study

There is saying, "We never achieve objectivity perfectly but we can approach it." This indicates every work cannot be free from limitation(s). Likewise, even though possible efforts were exerted to condense its limitations, this study is also subject to different limitations which may basically emanated from the scope of the study.

To address the objective of the study mainly the student researcher relied only on factors specified above scope of the study. However, the student researcher does not believe that they are the only factors which can influence graduate self employment, so there may be other influencing factors which may persuade graduates engagement in their own business. Moreover, even within the specified main factors there may be other untouched sub factors which may have contribution for graduate self employment. Thus, other study is suggested to be conducted to identify the influence of other factors on graduate self employment.

Methodologically, because the target population of the study is geographically dispersed and their specific address is not known for the student researcher, the student researcher forced to adopt non-probability sampling procedures i.e. snowball sampling technique. However, this procedure cannot with complete entirety be considered as an accurate statistical representative of the entire target population of the study. Because those individuals who are suggested by initial respondents have a higher chance of being included in the research than others, this will result in some level of bias. Thus, the student researcher advises other researchers to use other competing techniques of sampling to implement different strategy of drawing respondents than the one used in this research. Moreover, despite their response is expected as valuable for the finding of the study, even some of those accessed respondents were reluctant to attempt the questionnaire as well as few of them failed to fill and return the questionnaire on time. All these made the data collection process a bit difficult and tiresome.

Because of geographical delimitation of the target population, the outcomes of the study would be limited to Woldia town; therefore, it may lack the complete representation of all graduates in other parts of Ethiopia.

1.8 Organization of the Study

Generally the paper is organized into five chapters. The first chapter starts with general information about background of the study followed by statement of the problem and continued with research questions, objective of the study, and significance of the study and scope of the study. The second chapter is looking into some previously conducted related researches and literatures on the subject. The third chapter presents and describes the procedure and methods that

were utilized to conduct this research. The chapter starts by defining the research strategy and design, sampling design and procedure determined. Then it demonstrates what type of data and source were selected and used, which methods of data collection and instruments were employed. And finally declares how data was processed and what statistical tools were employed for analysis. The fourth chapter deals with analysis and interpretation of the data collected. The last and the fifth chapter surfaces the major findings, conclusions reached; and the recommendations forwarded.

CHAPTER TWO

LITREATURE REVIEW

2.1 Introduction

Like many other developing countries, Ethiopia is following the growing global interest in self employment as a poverty and unemployment reduction mechanism. This can be used to address especially increasing level of unemployment, and inactive high poverty levels as marked in rising number of citizens depending on social grants (www.cipc.co.za). Recently, the role of self employment in economic growth has gained increased interest from both academicians and policy makers. Self employment is seen as an important vehicle to encourage private sector development, particularly so in developing countries like Ethiopia, thereby influencing an economy's route from poverty to wealth (Hui, 2009).

Developing the culture of self employment among the young people through encouragement and finding talent will spurs the economic growth and development within a country there by reduce the level of unemployment. Recently, in many developing countries unemployment rate is highly increasing so that many young people especially graduates have becoming find it difficult to get employment. This encourages the movement towards self employment as a means of creating jobs rather than seeking public employment opportunities. This direction may be attractive once there is a clear understanding of the entrepreneurial process and to attaining sufficient business skills among HEI students. Having entrepreneurial motives among HEI graduates will advance job creation initiatives. It is also highly important towards strengthening the fight against crime, hopelessness and poverty (Kgagara, 2011).

Recent debates in the developing countries and countries in Sub-Saharan Africa have focused on how to create employment for the growing youth population. Starting own business has become very popular in private sector development as a way of creating self-employment and thereby reducing unemployment (Bay & Ramussen, 2010).

2.2 Definition of entrepreneurship

The definition of entrepreneurship is widely debated and there is no universally accepted definition of entrepreneurship by different practitioners and researchers. Different authors define and explain the concept of entrepreneurship in different ways. Although many efforts were made by different scholars to provide common and summarized definition of entrepreneurship, nobody was come up with a definition that can deal with all the issues which are considered as the basics for entrepreneurship. Similarly, the researcher also tries to see the definition of the entrepreneurship from the perspective of this study. Therefore, this section will briefly explain the supporting philosophies of entrepreneurship however it is not the aim of this study to critically engage the definitional debates encompassing the concept of entrepreneurship.

Initially the word entrepreneurship is derived from the French word ‘entreprendre’ meaning to undertake, to hunt opportunities, to fulfill needs and wants through innovation; this involves starting businesses inside or outside an established organization (Okey, 2008).

Entrepreneurship is the recognition of available opportunity to create value, and the process of performing this opportunity, whether or not it involves the formation of a new enterprise. While concepts such as “innovation” and “risk taking” in particular are usually related with entrepreneurship, they are not necessary to define the term (Schoof, 2012).

Schoof (2012), define entrepreneurship as the process whereby individuals become aware of self-employment career options, develop ideas, take and manage risks, learn the process and take the initiative in developing and owning a business.

Broadly speaking, entrepreneurship requires a willingness to take calculated risks, both personal and financial, and then doing everything possible to fulfill ones’ goals and objectives. It also involves building a team of people with corresponding needed skills and talents; sensing and grasping an opportunity where others see failure, chaos, contradiction, and confusion; and gathering and controlling resources to pursue the opportunity, making sure that the venture does not run out of finance when it needs most (Okey, 2008).

Kristiansen & Indarti (2014), on the other hand describes some qualities which they believe are entrepreneurial behaviors: creativity and curiosity, motivation by success, willingness to take risk, identification of opportunity, ability to cooperate, and tolerance of uncertainty to be entrepreneurial qualities that make one pursue entrepreneurship.

Entrepreneur is a person who started a new business venture or self-employed (on micro and small business level), instead of wage or salaried employment, which was enhanced by different factors like personality traits, education and training, socio- cultural and economic factors and others (Fisseha, 2011). Therefore for the purpose of this study, even small businesses were considered to be entrepreneurs.

2.3 Graduate Self employment

Self-employment refers to participation in any economic activity in variety of ways like own-account workers, contractors, employers, members of cooperatives, independent professionals and even unpaid family workers are usually classified as self employed workers. Moreover, self-employment may also be regarded either as a survival strategy for those who could not find any other means of earning or as a desire to be one's own boss (OECD, 2012). The term self-employment is described as working for one's self rather than for another person or company. Fisseha (2011) also defined graduate self employment as an optional occupation (individually or in partnership) to the graduates that enable them to earn their own livelihood directly through forming one's own venture rather than working for somebody else or company so that contribute to the country's economy by increasing productivity and creating job opportunities.

Self-employment is therefore an occupational alternative to wage employment which is formal or informal. Sometimes, it becomes the only option if the individual's expectation does not correspond with the requirements and condition of the work available (Fisseha, 2011).

When we come to the definition of graduate self employment, although many debate is made towards it, Nabi & Linan (2011) defined it as the interaction between the graduate (as the product of university education) and an individual's career-orientation, mindset and behavior towards new venture creation.

Therefore, the term self employed(s) in this study is used to refer to the owner of new business. That means individuals who set up their own business or changes from being employee an organization to being self employed is considered as entrepreneur, however no more degree of innovativeness is considered.

Generally, based on these definitions in relation to the ventures creation of the HEI graduates, self-employment, job creation and starting own business are taken as similar concepts throughout this study though they are not exactly the same in other contexts.

Many developing countries are attempting to boost the profile and development of business education and graduate self employment, not only as a means of providing a culture of graduate venture creation and entrepreneurial development, but also to help as an important source of national competitiveness and economic growth. The challenge for the developing world has been to help develop graduate entrepreneurs and appropriate supportive environments that can contribute to this growth (Nabi & Linan, 2011). There is a growing recognition that graduates self employment in particular and related supportive environments in general are critically important for economic growth and development (Nabi & Linan, 2011).

Moreover, the idea of becoming self employed may be really attractive for many young higher education graduates because it is often seen as a desirable form to participate in the economic activity without losing their personal independence. Mora & villa (2013) reported that the most extended values among graduates facing the new economy's labor market are consistent with those generally required in entrepreneurial activities: independence, challenge and self-realization. Franco et al., (2010) also found that although many efforts to inform competent entrepreneurs and to support start-ups among graduates, it seems that in many developing countries the proportion of graduates entrepreneurs remain very small.

2.4 Graduate unemployment (GU)

In Ethiopia the high rate of HEI graduates unemployment has become recently a significant concern of the country. Even though GDP growth rates have recently been rising the labor market

has not sufficiently absorbed new job-market entrants. As the graduates unemployment rate increasing a distressing trend is emerging among many of higher institution graduates recently (Pauw et al., 2014). Although, young Ethiopians have become better educated over the last decade, today many of these young labor market entrants are making great effort to find employment. Unemployment among educated youth is damaging for the economy as it can lead to frustration and disillusionment among young people, while extended periods of unemployment may result in erosion and outdated of young people skills base (Govender., 2011).

2.5 Influencing factors for self employment

Careers in self employment are growing due to the fact that they can offer permanent job opportunities. Thus, it has attracted many people to self employment, which is open to anyone who is interested and like all other careers, self employment has its own unique level of development due to its involvement of different individuals and situations and personal time requirements . This development is unique in the execution of various activities to produce a new product or service, which indirectly creates an exploratory effort that includes individuals, groups, and communities (Othman & Ishak, 2009).

Different researchers identified different factors that may influence individuals to engage in entrepreneurial activities. In this context, several factors that are identified by different researchers in their studies as the influencing factors of self employment are discussed as follows.

2.5.1 Personal characteristics and Personality traits

These are a set of aspects related to an individual's personality either inborn or learned which determine an individual's career. Personality traits such as hard work, need for achievement, self-determination, self-confidence, creative and innovative behavior and commitment are found to be influential factors for self-employment. The finding of Eden indicated that the graduates had the interest and vision of self-employment but they lack the necessary skills and self-confidence to involve in such risk bearing activity (Eden, 2012).

The most important personality characteristics, influential on latent self employment, are found to be: autonomy, risk taking, innovativeness, pro-activeness, competitiveness, general optimism and general self-efficacy (Bönte et al., 2012). With regard to willingness to take risk, self-employment typically signifies a riskier endeavor. Thus, the more the person tolerant for the risk, the greater incentive that person has to become self-employed, other things being equal. Accordingly, Peoples' attitudes to risk affect their career choice (i.e. the more positive the attitude to risk the higher the self-employment intent (Reuijl, 2013).

Eden (2012) in her study concluded that Wage employed and unemployed graduates failed to be self employed, because of fear of risk of failure next to deficient of start-up capital and preference for a stable government wage employment. She also revealed that they felt they were not equipped with practical skills through project works and apprenticeships; they felt they had no confidence about their knowledge in developing business ideas and preparation of business plan and even their technical and vocational skill (Eden, 2012).

Attitude is an important influencing factor for an individual's success in self employment. This is because choosing a career in self employment as well as other job is said to be greatly influenced and aroused by the individual's own attitude (MohdSalleh, 2010). In this perspective, the attitudinal approach is the best way to elucidate the entrepreneurial process because it links the individual and the ever-changing attitudinal object (Kuratko & Hodgetts, 2012).

According to Oppenheim (2000) attitude is a part of personality that is underpinned by belief and is able to evoke emotions that investigate specific behaviors. He also reveals that attitude does not appear separately, but is connected to other aspects of an individual. Therefore, a true and positive attitude is needed to assist a person in choosing and participating in self employment (Mohd Salleh et al. 2010).

The need for achievement is an important influencing factor in choosing self employment as a career, as individuals' desire for appreciation corresponds to the needed motivation for becoming a successful entrepreneur. In this context, the individual that possesses this need is said to be inclined to participate in entrepreneurial activity and be able to become a successful entrepreneur (Othman & Ishak, 2009). People with high achievement motive like to take calculated risks and want to win and they are more likely to start their own business. These people like to take on

personal responsibility for solving problems and want to know how well they are doing. This characteristics increases self-satisfaction, readiness in facing challenges, and the freedom to determine the amount of effort needed to succeed in the chosen field (Abdul Halim et al., 2010). Thus, self employment becomes the link between need for achievement and economic growth, i.e., the need for achievement is considered as critical factor to a nation's economic development. Regarding entrepreneurial achievement and economic development, it is assumed that a society with high level of achievement motivation will produce more energetic entrepreneurs who, in turn, capable of generating rapid economic progress (Fisseha, 2011).

The need for autonomy is also believed to have an attitudinal relation to choosing self employment as a career (Bird, 1989). With autonomy, an individual who desires independence and challenges will be able to choose his own field, be independent, be his or her own boss, and work according to his or her own approach (Othman & Ishak, 2009). Similarly, Agaje (2014), further indicated that becoming financially independent is the major motivating factor of entrepreneurs to start a business.

2.5.2 Socio- economic factors

2.5.2.1 Social Values

Social backgrounds influence an individuals' approach to life, they similarly influence entrepreneurial activity and enterprise culture (Shoof, 2012). It has been identified that different cultures have varying values and believes. This indicates that some culture promotes self employment whereas others depress, some promotes achievement whereas others give low value to self employment (Fisseha, 2011). A cultural environment in which self employment 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 self employment. Higher levels of entrepreneurship are therefore likely to be found in an environment where entrepreneurship is respected and valued and where entrepreneurs enjoy greater levels of legitimacy (Schoof, 2012). These set of factors focus on such aspects as values, norms, beliefs, family and community entrepreneurial traditions, societal attitude, etc. It is considered in terms of

social behavioral approaches, which stresses the influence of the social environment (Fisseha, 2011).

With regard to social attitude, Fisseha in his study identified that graduates' low participation in self employment is associated to the burden of social expectation on graduates. He also revealed that graduates prefer wage employment because being employed immediately after graduation is considered as an economic and social achievement to both the graduate and their family (Fisseha, 2011). Study conducted by Yordanos (2006) reveals that the attitude of the society (the culture) is not encouraging towards the development of youth self employment in Ethiopia. This indicates that the socio culture of Ethiopia doesn't encourage the youth to develop self employment behavior (Yordanos, 2006).

(Schoof, 2012) revealed that society-wide perceptions do not only influence attitudes of the entrepreneur him(her)self, but also those of stakeholders on which the self employed may rely, such as investors, suppliers, customers as well as the support of family and friends.

Cultural values can have an important influence on self employment 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 self employment are also an important factor in helping of hindering self employed 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 self employed enjoy greater legitimacy. The image, reputation and credibility of self employed in a society can also have a crucial influence on young people's attitude to self employment and on their decision to start up their own enterprise. The appreciation and assessment of entrepreneurs can range from them being regarded as successful, honest, courageous, independent and innovative people who create jobs and have a clear sense of social justice to being perceived as ruthless, dishonest and selfish people who destroy more jobs than they create through overt risk taking and who use their skills and abilities in ways that are not always or completely socially acceptable (Schoof, 2012). As self employment becomes more acceptable and is seen to be a positive employment choice by a society, more people are prepared to move into entrepreneurial ventures (GMT, 2013).

Biniyam (2012) also concluded that the length of time the society allows the youth to search a job, families effort to encourage the youth to be self employed, and social networks that youth

have are important issues which lead to higher propensity to start own business. Less allowable time for searching a job, highly encouraging family to start own business and strong social networks should be there if the youth have to create a job for themselves and others by establishing own business.

Moreover, parents, relatives and friends can have a crucial influence on young people's opinions about self employment, playing a strong role in imparting positive or negative views of business. Family background, in particular, plays an important role in the formation of a mindset open to self-employment. Some studies suggest that overall family background seems to play a more important role in the entrepreneurial attitude of students than general cultural variables associated with the country (Schoof, 2012).

The parental social class; prior parental experience of self-employment; the educational attainment level of family and partners and the prior type of schooling undertaken by individuals have also an influence on graduate self employment. It is also suggested that self-employment is generally positively influenced by the entrepreneur having a father with some experience of business (Greene & Saridakis, 2013). Having a parent who was self-employed increases this likelihood of becoming entrepreneur (Johnson, et al., 2009). They were also less likely to be in entrepreneurship if their father was previously in employment. This shows that having parents who were entrepreneurs have an important positive influence on the likelihood of being self employed (Greene & Saridakis, 2013). Zwan et al. (2013) also concluded that having self-employed parents significantly influences the preference for self-employment; again an effect through actual self employment is found. Contrary to this Azhar, et al., (2010) said that prior family entrepreneurial experience is insignificant to propensity to become entrepreneur (Azhar, et al., 2010). Similarly Biniam (2012) showed that family entrepreneurial experience is insignificantly influence propensity of the youth to start one's own business. He also concluded that family background could not be a reason why unemployed youth take long time for searching a job instead of creating a job for them.

Accordingly, coming from families with or without entrepreneurial background could not be a reason why the youth failed to start own business instead of searching a job. Youths from families with and without entrepreneurial background have equal chance of starting own business.

Moreover, graduate entrepreneurs may also be able to find it easier to access finance if their family comes from particular social classes (Greene & Saridakis, 2013).

Demographic factors such as gender may also contribute to graduates' entrepreneurial success as a result of the influence of backward social and cultural environment. Though in the relatively long past times women are confined in the four walls of houses performing household activities, currently they are emerging as successful entrepreneurs (Khanka, 2014). It is therefore obvious that gender plays a very significant role towards the turn to self-employment (Kostoglou & Siakas, 2012). (Chelli & Rosty, 2009) find that the probability of being self employed is lower for females than for males, both for the total population and for tertiary educated individuals.

2.5.2.2 Availability of starting capital

Many researchers identified access to starting capital as the factors which significantly influence individuals to start one's own business. In the business world, start-ups need funds to cover the costs of regulation procedures and original set-up costs. If the government can help entrepreneurs find these funds, start-ups will be unburdened of the need to search for sources of capital. Moreover, this will encourage the expansion of enterprises (Hui, 2009). The weak availability of credit services and the very limited accessibility of financial institutions is a barrier to start a new venture (Fisseha, 2011).

Yordanos (2006) in her study revealed that since young people often have neither business experience nor any valuable assets, they are viewed as too risky investments by commercial or self-sustaining sources of finance. The majority of business start-ups are therefore funded from informal sources such as family or personal contacts. But even these sources of financing are often unavailable to young people. According to Kostoglou & Siakas (2012) the main financial sources to support self-employment were from family and personal savings, followed by bank loans, national and other funding programmes.

In order to start a small scale business, the new entrants has to think of various expenditures like infrastructure, manpower, machineries, raw materials, capital etc., and has to make the project viable in accordance with the expectations. The capital investment is a major decision and it invites risky consequences in case of new venture failures. In order to start a new business

venture, one needs to pool capital from financial institutions, governmental organizations, private money lenders, or friends and relatives (Kalyani & Kumar, 2011).

Lee-Gosselin and Grise (1990) also supported this view by indicating that, the most common venture start-up problems seem to be lack of capital. Here, the repayments options are to be thought well in advance before one enters into new venture. In order to repay the finance taken the new entrants has to depend upon sales turn over and the net profit. Long term safe funding is the major factor which gets influenced by a new entrepreneur to start a Small Scale Business Kalyani & Kumar (2011) revealed that, if starting capital is made readily available the youth will start their business. They also found that availability of seed capital will help to reduce currently increasing educated youth unemployment. Youths who have the intention and willingness to start their business but hampered by lack of starting capital are rampant. Majority of unemployed youth does not prefer to waste time by searching a job rather they are very willing to commence their own business but lack of the seed capital make the road to starting business rough and impossible. Biniam (2012) in his study revealed that majority of the youth did not have starting capital and quite significant portion of them believe that securing funding from different sources is difficult. In such conditions it is difficult to expect a youth who can create a job because nothing can be done without having the starting capital.

Adequate long term funding options are significant factor that influence ones decision to start entrepreneurial ventures. The long term- safe funding options made available through governmental institutions and other financial institution are thus act as motivational factors among youth entrepreneurs to start the business ventures in Small and Medium Scale Entrepreneurs. Adequate support received from governmental institutions and other financial institutions provide better environment to youth that to materialize their dream to be independent in their life and act as their own boss by running own firms (Kalyani & Kumar, 2011).

2.5.3 Government Policies and support for self employment

Over the last decade, research has indicated that self employment plays a vital role in creating wealth, employment and innovation in an increasingly competitive global economy especially

given the increasingly recognized importance of entrepreneurs in exploiting and commercializing knowledge spillovers. As a result, encouragement of greater entrepreneurial activity has become an increasing priority for governments across the world. Within this environment, policymakers are naturally becoming concerned with the type of intervention that can be initiated to increase the level of entrepreneurial activity at a regional and national level. If entrepreneurs have distinctive characteristics that make them more predisposed towards enterprise, then all policymakers can and should do to create an economic environment that is conducive to starting a new business (OECD, 2012).

The government needs to take action and encourage the creation of a more favorable business culture. This will certainly motivate entrepreneurs to expand their operations. Policymakers may employ various methods to encourage the formation of a desirable business culture. For instance, the government should encourage self employment by enhancing the socio-economic status of entrepreneurs through monetary rewards, incentives, and the like (Hui, 2009).

A World Bank report (2011) has identified that some of the graduates are not interested to be self-employed due to lack of capital, lack of training and lack of national policy which favored self-employment. The problem of capital and inadequate provision of micro-credit services are therefore central to the HEI graduates not to start new enterprises. Hence, government economic policies which are required to encourage new entrepreneurs include provision of credits, availability of facilities, presence of technical assistance (consulting personnel), establishment of entrepreneurial incubation centers, facilitation of infrastructures, provision of premises and training and education are some of them just to mention few. In addition, with respect to government actions and policies favoring new entrepreneurs, economic regulations and taxation benefits are also important factors (Fisseha, 2011). However, like that of other developing countries, policy makers in Ethiopia have shown interest in promoting the informal sector as a source of income and employment generation (Asnake, 2012).

2.5.4 Entrepreneurship training and education

Through generating economic growth for socio-economic welfare of the population in general, and graduates in particular, entrepreneurship is important for any society (Okey, 2008).

Difficulties faced by graduates in having employment in formal sector force them to use their skills and education to create employment opportunities through entrepreneurship. This will only be feasible when the graduates are well equipped with entrepreneurial skills during their years of learning. This indicates that entrepreneurship education (EE) have a significant contribution to graduates' outlooks towards entrepreneurship (Kgagara, 2011).

Entrepreneurship Education: Entrepreneurial education is an educational program which is focused on impacting students with issues on entrepreneurship. Entrepreneurial education is designed to communicate and instill the skills needed to recognize business opportunity, organize and start new business venture to students or trainees (Okafar, 2013).

Literature has been suggesting that the most suitable indicator to evaluate the results of entrepreneurship education is the rate of new business creation. Researchers also categorize the influence of entrepreneurship education for starting own business as direct and indirect influence. For example, entrepreneurship education may alleviate an individual's perceptions of entrepreneurial barriers, either by providing individuals realistic views on how to start a business, or by increasing their skills and know-how. Because these alleviated perceptions may also make the self-employment option more attractive, we expect that perceptions about start-up barriers act as mediators in the relationship between entrepreneurial learning during education and being self-employed. This is in particular true for individuals who perceive that their education made them interested in becoming an entrepreneur or that it provided them with entrepreneurial skills. These results suggest that self-employment decisions can be affected by fostering entrepreneurial interest and skills through education. Although entrepreneurship education is aimed at encouraging entrepreneurship in some way, for example in terms of stimulating one's entrepreneurial awareness, one may distinguish between three other more specific learning objectives (Heinonen & Poikkijoki, 2006). First, education may be targeted at developing entrepreneurship-related skills such as negotiation or communication skills. Second, education may be aimed at increasing knowledge, for example about entrepreneurs, about their role in society, or about economics or finance in general. A third learning outcome refers to the development of entrepreneurial attitudes such as risk-taking behavior, creative and critical thinking, or self-confidence. This report takes a broad view on the entrepreneurial learning

outcomes of education, and uses self-assessments about whether an individual's education contributed to the development of their entrepreneurial interest, skills, knowledge, or attitude (Zwan et al., 2013).

Entrepreneurship education is defined as the “purposeful involvement by the educator in the life of the learner to teach entrepreneurial qualities and skills to make sure that the learner is able to survive in the business world”. It is further supported that EE can also be defined as the structured formal conveyance of entrepreneurial competencies, which in turn refers to concepts, skills and mental awareness applied by individuals during the process of starting and developing their ventures (Isaacs, et al., 2007). The pertinent literature advocates significant relationships between venture creation and entrepreneurial performance, as well as between entrepreneurial education and entrepreneurial activity. Entrepreneurship education seeks to propose people, especially young people, to be responsible, as well as enterprising individuals who became entrepreneurs or entrepreneurial thinkers who contribute to economic development and sustainable communities (Raposo & do Paço, 2011). As cited in Raposo & do Paço , 2011, the association for Entrepreneurship Education (2008) revealed that entrepreneurship education is not only about teaching someone to run a business but also about encouraging creative thinking and promoting a strong sense of self-worth and empowerment. Through entrepreneurship education, students learn how to create business, as well as acquire core knowledge such as: the ability to recognize opportunities in one's life, the ability to pursue opportunities by generating new ideas and found the needed recourses, the ability to create and operate a new firm and the ability to think in a creative and critical manner. Accordingly, besides creating knowledge and skills in business, entrepreneurship education is also mainly about the development of certain beliefs, values and attitudes, with the aim of getting students to really consider entrepreneurship as an attractive and valid alternative to paid employment or unemployment (Holmgren et al., 2004; Sánchez, 2010 cited in Raposo & do Paço, 2011) also recognized the role of entrepreneurship as follows:

- Create awareness
- Encouraging individuals to set-up and run their own business.
- Providing knowledge useful to entrepreneurship.
- Identifying and stimulating entrepreneurial skills.
- Developing empathy and support for all issues of entrepreneurship.

- Developing attitudes towards change
- Promoting new start-ups and other ventures.

With more education and encouragement, youth should be able to realize their entrepreneurial aspirations. This outcome will increase economic growth in communities and open new job and career opportunities, regardless of economic circumstances. Although not all youth will become entrepreneurs, all students and society benefit when individuals have a solid education, that gives them entrepreneurial knowledge and skills to use over their lifetime. Based in the state of entrepreneurship education research, it is possible to say that there are indications of a possible link between entrepreneurial education and subsequent entrepreneurial activity.

Although different researcher recognized role of entrepreneurship education in creating individuals knowledge, skills and competences that are necessary for individuals to enter the labor market and to become entrepreneurs, in many of Ethiopian HEI the entrepreneurship education has been provided only to some field of study. Especially most of those fields beyond Business and Economics have no access to the entrepreneurship course.

For starting and running their own business those students who are outside business field of study may need the same entrepreneurial skills like that of the business students. For instance, a business plan is needed to open a clinic or a law firm. Similarly, ability to recognize an opportunity is not only for business students, but to all those who are willing to embark in any entrepreneurial activities (Okey, 2008). This signifies those graduates who didn't attend the entrepreneurship course may not acquire necessary skills allowing them for starting their own business. This is because strong evidence exists that individuals who attended entrepreneurship courses have a high inclination to start their own businesses compared to those who didn't attend the course (Kgagara, 2011). Similarly, Mora & Vila (2013), in their study identified those graduates who are self employed acquire competencies such as problem solving , risk taking , leadership, working independently, taking responsibilities and time management at time of their graduation through entrepreneurship education (Mora & Vila, 2013).

Contrary to this there are some ideas that argue the positive relationship between entrepreneurship education and self employment. Even though the strong correlation between education and business ownership exist, it is argued that formal education does not promote entrepreneurship,

but it prepares students for corporate world as workers; therefore it suppresses creativity and self employment (Mora & Vila, 2013).

This argument shows theoretical opposition regarding self employment and entrepreneurship education. In this regard in this study the researcher will try to address this issue through the finding of this study.

2.5.5 Lack of formal employment opportunities/unemployment

The other factor that is considered as major triggering factor to become an emerging entrepreneur is lack of formal employment opportunities (Akbar & Bashir, 2009).

Entrepreneurial activities appear as a key driving force of both economic and social development in an increasingly global environment where the employee culture is becoming less dominant, and the entrepreneurial culture must be fostered. From individuals' viewpoint, life-long employment in one company is no longer the norm, and may be even less so in the future, so one way to meet this challenge is to consider starting up an own business (Mora & Vila, 2013). This indicates that lack of alternative employment opportunities is an important driver of self employment, in particular necessity driven self employment (Ellis & Williams, 2011).

Difficulties faced by graduates in having employment in formal sector force them to use their skills and education to create employment opportunities through self employment (Kagagara, 2011). There are various causes of unemployment and people do not agree on which causes are most important because different countries have their unique situations and economic stages, and experience different levels of unemployment. Some studies find that greater unemployment serves as a catalyst for startup activity (Reynolds et al., 2005).

Due to the lack of employment in the formal sector, young people are forced into self-employment in the informal sector, which is already over burdened (Bay & Ramussen, 2010). The relationship between unemployment and self employment has so far mostly been led on the basis of the "refugee effect" (i.e. unemployment stimulating new venture formation) and the "Schumpeter effect" (i.e. higher levels of self employment reducing unemployment. Unemployment can become the primary force to create new enterprises, especially people with longer working experiences and higher educational backgrounds. Under a situation where the

labor force and input factors are being decreased, innovation and new businesses can arise. However, success requires a combination of good opportunity and confirmed ideas. High unemployment rates will stimulate more capable people to exploit and use their entrepreneurial skills (Hui, 2009).

Youth unemployment is high not only because there are no jobs at all but also because youth, especially well educated youth, face a costly search process early on in their career. They may prefer to wait for well-paid jobs in the formal sector instead of going into low-level jobs in the informal sector (Economic Commission for Africa (ECA, 2005).

As the number of people without employment rises, more and more individuals especially those with previous work experience might take the route of self employment by starting up small or micro ventures. In many countries of Africa school leavers and new entrants to the job market need to be aware of the realities of the changing market conditions and should consider enhancing their employment prospects by taking the entrepreneurial path as job-creators rather than job-seekers. Self employment and business creation are also a growing alternative for young people whose age group often faces a labor market with double digit unemployment rates. It is the contention of the paper that cultivation of self employment culture among learners and students could be the remedy to escalating unemployment challenge among the youth. A paradigm shift from being ‘job seekers to job creators’ needs to be emphasized as well as the significance of promoting the ‘blue-collar work not just ‘white-collar work’ could help address this youth unemployment challenge (Naong, 2011).

2.5.6 Graduate entrepreneurs’ satisfaction with their job and working environment

For the purpose of this study the working environment of graduate entrepreneurs will be described in terms of interesting & challenging work, Skills development, Competitive Salary, Socializing with colleagues, long term security.

Nanda & Sorensen (2010), tried to explain how working environment influence the intention to become entrepreneur (Nanda & Sorenson, 2010).

Entrepreneurial activities appear as a key driving force of both economic and social development in an increasingly global environment where the employee culture is becoming less dominant, and the entrepreneurial culture must be fostered. From individuals' viewpoint, life-long employment in one company is no longer the norm, and may be even less so in the future, so one way to meet this challenge is to consider starting up an own business. Moreover, for many young higher education graduates, the idea of becoming entrepreneur may be really attractive because it is often seen as a desirable form to participate in the economic activity without losing personal independence (Mora & Vila, 2013).

According to Greene & Saridakis (2013), graduate self employed are tend to find being entrepreneur creates favorable work environments, their attitudes were that such businesses were less likely to pay well and provide fringe benefits or training. Their study also demonstrates that the initial attraction of self employment was the possibility of an attractive salary. In addition, however many people see being entrepreneur as short term option; their finding shows self employment involves interesting and suitable working environment. This is perhaps symptomatic of the entrepreneurs seeing advantages in switching later on into employment. Perhaps part of the rationale for this was that people were more likely to recognize that entrepreneurship is insecure and comes, relative to the employed, with poorer work conditions or not providing experience relevant to employment (Greene & Saridakis, 2013).

When we see working environment of entrepreneurs in terms of the characteristics of their work, Greene & Saridakis identified that the entrepreneurs, in common with the employed, largely find that they perform interesting and challenging work. Moreover, the entrepreneurs are just as likely to believe that their work is characterized by being just as socially useful as the employed. Contrary to this others argue that the entrepreneurs were less likely to suggest positive advantages. In relation to this view as one primary motivation of becoming entrepreneur was the possibility of an attractive salary. Compared to the employed, the entrepreneurs are less likely to report achieving what they consider to be an attractive salary. They are also less likely to report other positive characteristics: skills development, managerial level opportunities, long term

security, a progressive and dynamic organization, international career opportunities and social contacts with colleagues (Greene & Saridakis, 2013).

Therefore further research is needed to compromise these differing ideas. This the study will also deal with these matters because it is one of identified empirical gap.

According to Greene & Saridakis, in addition to financial benefits graduate enterprise also provide variety of non-financial benefits.

Moreover entrepreneurs are more likely to report higher levels of satisfaction, even when other factors such as past background, second and tertiary education levels are controlled for.

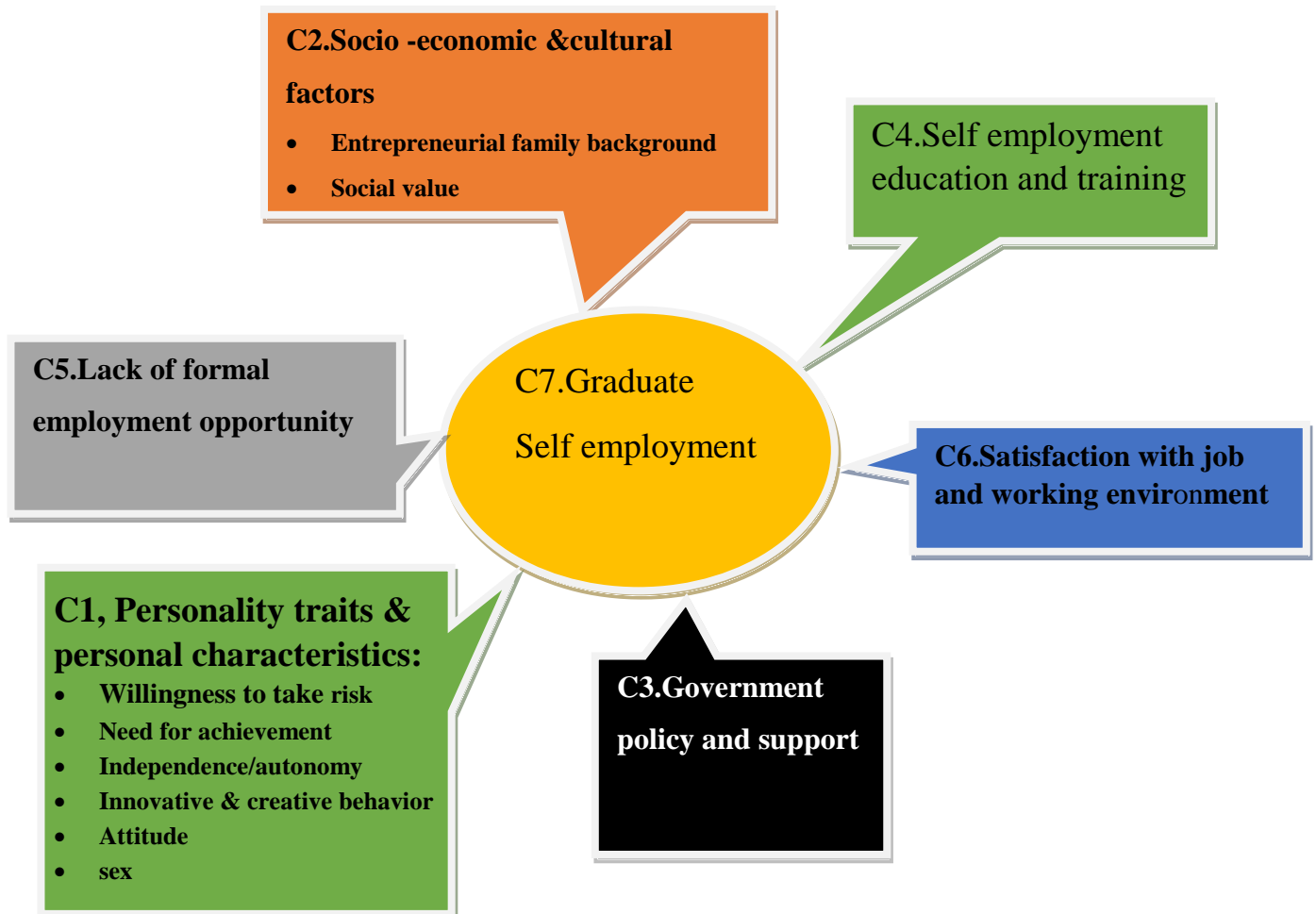
Having a positive work environment also encourages satisfaction even though greater travelling time and greater time at work dampens satisfaction. Although they worked longer hours than the other graduates did, entrepreneurs earned in average higher incomes and were more satisfied with their jobs. They also showed different motivation to work: enjoying an autonomous character, which provided them with the opportunity of following their own ideas, and the challenge represented by the risks taken were the key motivational elements for graduates who became entrepreneurs (Mora & Vila, 2013).

It is also revealed in Greene & Saridakis study satisfaction is also positively influenced by current income. What, however, is not influential is the skills developed at their HEI, perhaps indicating that these skills leave little impression on the likelihood of future satisfaction levels. In terms of income, the suggestion is that the entrepreneurs would be likely to earn less than their employed counterparts. His study also clearly presented that across a range of aspects of their work initiative, work relationships, the work itself, hours of work, and total pay that the entrepreneurs were more satisfied. The only divergences are in terms of job security which they are less satisfied with and promotion prospects (Greene & Saridakis, 2013).

Further evidence suggests that the entrepreneurs also think that the self employment is suitable for someone with their qualifications. They seem much more pleased with the non-pecuniary benefits they receive, work fewer hours and believe that their qualification is fitting with their current job.

2.6 Conceptual Framework

This conceptual framework is designed by the researcher after the necessary literature is reviewed. This conceptual framework demonstrates those factors which influence self employment formation among HEI graduates. Variables described in the separate boxes are those factors that are believed to persuade the formation of HEI graduates self employment. Component one (C1) considers the socio economic factors which includes entrepreneurial family background, social value and availability of starting capital. C2 considers the absence of formal employment opportunities both from the government and non government sectors. C3 takes a look at



Source: Developed by the researcher based on the literature review

the self employment education and training. In this component the availability of business related trainings and education which equip graduates with business knowledge and self employment behavior are examined. C4 reflects on Graduates satisfaction with their job and working environment. In this component those financial and non financial benefits obtained from self employment are investigated. In C5 the student researcher scrutinizes the personal characteristics (age, sex, study background). For this factor, Bönthe et al., (2012) was used to develop the conceptual framework. C5 has also demonstrates the personality traits i.e. need for independence, need for achievement, self confidence, willingness to take risk, creative and innovative behavior and positive attitude towards self employment. The rationale behind is that empirical findings such as Mohd Salleh et al. (2010) remarks that the attitude is an important factor for an individual's success in self employment. This is because choosing a career in self employment as well as other job is said to be greatly influenced and aroused by the individual's own attitude. Hence, the student researcher considers such personal traits and characteristics. C6, considers the government policy and support i.e. access to provision of credits, availability of facilities, presence of technical assistance (consulting personnel), establishment of entrepreneurial incubation centers, facilitation of infrastructures, provision of working premises and training and education are examined. Finally at C7 the researcher takes a looks at the influence of the components from C1 to C6 on graduates self employment.

CHAPTER THREE

RESEARCH METHODOLOGY

This section presents and describes the procedure and the methods that were utilized to conduct this research. Data type and source, research design and approach, sample design and procedure, data collection instruments and data processing and analysis that was used in this study are described and justified.

3.1 Research Strategy and Design

Because of inapplicability to deal with the whole target population, the student researcher used sample survey of target population. This implies that the study utilized the survey type of research design. The student researcher also adopted cross sectional type of research design because data were collected and analyzed at single point of time. The study has employed both qualitative and quantitative research strategy in order to produce richer and more complete report.

3.2 Sampling Design and Procedure

The student researcher took the graduates of higher education institutions those who are currently running their own business and those who are remain unemployed for half a year and above in Woldia Town as the target population of the study. Data obtained from Woldia City Micro and Small Enterprise Development Office three months report of 2017 shows that currently around 120 graduates are running their own business whilst 400 graduates of HEI are remain unemployed. This indicates that the target population of this study is 520 (120 self employed graduates and 400 unemployed graduates). The sample size of the study was determined based on the following simplified formula proposed by Yamane 1997 (as cited in Fisseha, 2011) by considering the above size of target population:

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

When, n is sample size, N is the population size and e is the level of precision. A 94% confidence level and e = 0.06, was assumed for the purpose of determining sample size for this study. Accordingly, the sample size for the study was calculated as follows.

$$n = \frac{520}{1 + 520(0.06)^2} \quad n = 181$$

Out of this total sample size, 50% of the respondents were taken from those graduates who are currently running their own business. Whilst the remaining 50% of respondents were also selected from those graduates who are remain unemployed for half a year and above. This is to make a comparative analysis by taking proportional respondents from the two study target groups.

3.2.1 Sampling Procedure

Non-probability sampling is that sampling procedure which does not afford any basis for estimating the probability that each item in the population has of being included in the sample. Non-probability sampling is also known by different names such as deliberate sampling, purposive sampling, judgment sampling and snowball sampling (Kothari 1990).

The sample size of respondents determined above was picked by using non probability sampling techniques. The non-probability sampling technique employed by the student researcher was snowball sampling technique. This method was adopted because the target population of this study has no known address and they were geographically dispersed. That means there was not as such complete information about the areas where these respondents live and difficult to meet them. Thus, through the selected procedure, the student researcher initially contact well-located respondents and these respondents also gave the information about address of other respondents and so on until the expected number of sample size was reached. Therefore, the use of snowball technique was identified to be the most appropriate method of identifying and reaching sample respondents in this study

3.3 Type of data and source

To assess the influencing factors for graduates self employment, the student researcher employed descriptive type of research. Description of the issues under the study needs relevant data which was used to meet the purpose of the study. In this regards, the student researcher used both qualitative and quantitative types of data. A combination of qualitative and quantitative data is important, since by combining qualitative with quantitative information, a deeper understanding of issues under the study can be achieved. These data types were obtained from both primary and secondary data sources.

Primary source was used to collect primary data which was collected by the student researcher for the first time for the purpose of this study. In order to collect primary data questionnaire was developed and distributed to sample respondents.

Moreover, secondary source was used to obtain the theoretical and empirical evidences by reviewing different types of journal articles, internet, magazines, books, unpublished documents and reports.

3.4 Methods of data collection and instruments

3.4.1 Questionnaire

To assess the influencing factors for higher education graduates self employment, survey questionnaire was developed to collect the necessary data. A semi - structured questionnaire was used as a major data collection instrument which was administered to the sample subjects (both groups of respondents). The questionnaire was considered as the appropriate data collection instrument for this study because it would limit some inconsistency and will save the time as well as it is possible to access a large sample widely spread geographically. Moreover, it gives freedom for the respondent in filling it and avoids bias of the interviewer; and it is less costly.

After questionnaire is developed, in order to distribute the questionnaire and to collect necessary data two enumerators who belong to one group of respondents i.e. unemployed graduates were hired and the researcher gave them training regarding questionnaire distribution and collection of

necessary data as well as how they can properly handle the collection process. The student researcher himself was also involved in the data collection process in order to supervise the enumerators and to give them necessary support and advise when needed as well as to collect the data by helping the enumerators. During data collection the target respondents were accessed through the sampling procedures specified above, i.e. snowball sampling technique. Initially easily accessible respondents were reached and the other respondents were reached through information provided by initially accessed respondents. Moreover, to access self employed graduates, initially some of known graduates owned business centers were contacted and they were also asked to fill the questionnaire as well as to provide information about other individual they know, if there, that belongs to the target population. Similarly, to reach unemployed graduates hired enumerators, who belong to this group, contacted their friends; their friends also refer their friends and so on until the desired sample size reached. In addition to this large number of respondents were also accessed and contacted by the researcher and hired enumerators while they were attending the discussion forum on unemployment challenges and its solution host by Woldia City Micro and Small Enterprises Office. 180 semi- structured questionnaires were administered and out of this 171 were found complete and useable

3.5 Methods of Data Processing and Analysis

Data collected through questionnaire were edited and coded with great care. Both field and in house editing was made in order to filter the collected data and remove immaterial data.

After it is edited and coded, the data collected through questionnaire was analyzed by using different types of simple statistical tools like tables, charts, graphs, percentage, cumulative and mean. Specifically STATA version 12 was used for the purpose of simple statistical analysis to assess influencing factors for higher education graduates self employment. After data had been presented and analyzed, conclusion and recommendations were drawn based on the identified findings.

3.6 Data Validity and Reliability

3.6.1 Data validity

For the purpose of successful accomplishment of the study, valid and authentic primary and secondary data were used. Moreover, all the information's and opinions obtained from target respondents were ensured by and triangulated with the information given by local government officials, experts and officers whom they have closest connections with target respondents. After all, coding has been used for the questionnaire to differentiate the response of each respondent.

3.6.2 Data reliability

Questionnaire items provided to respondents are reliable and tangibly available on the realistic ground and data collection instrument i.e. questionnaire employed for data collection process can able to capture accurate opinions and information generated from target respondents of the study.

3.7 Ethical considerations

The study was ethically cleared from St. Mary's university school of Graduate Studies department of Project Management. Since the student researcher used the data from both self employed and unemployed graduates which was collected through questionnaire, permission was obtained from Woldia city local government officials and target respondents too. To maintain the confidentiality of the information provided by the respondents, the respondents were instructed not to write their names on the questionnaire and assured of that the responses would be used only for academic purpose and kept confidential. Brief description of the central objectives or purpose of the study and the potential benefit of the research outcome to respondents were clearly given in the introductory part of the questionnaire so as to motivate them and participate in the study. All assistance, collaboration of others and sources from which information was drawn is documented and acknowledged.

CHAPTER FOUR

RESULTS AND DISCUSSIONS

This chapter deals with the presentation, analysis and discussion of the collected data using different descriptive statistics. The student researcher distributed 180 (90 for self employed graduates and 90 for unemployed graduates) questionnaires but out of this 95% (171) were properly filled and collected as well as used for the analysis. The first part of this chapter analyzes and presents the personal characteristics and personality traits of respondents (self employed and unemployed graduates), while the remaining sections of the chapter are organized according to the sequence of the objectives for which the study was conducted.

4.1 Personal characteristics and personality traits of respondents

4.1.1 Personal characteristics of respondents

Though many personal characteristics of respondents could be there, this study emphasized only on limited factors such as sex, age, year of graduation and field of study. According to the literature individual characteristics of the entrepreneur are supposed to be one of the influencing factors for self employment. Accordingly, this study considers individual characteristics of the entrepreneurs specifically sex as influential factor for graduate self employment. Thus, the following table summarizes the personal characteristics of respondents by sex, age, year of graduation and field of study to check this assumption.

Table 0-1: Personal characteristics of respondents

Self employed graduates				Unemployed graduate	
Characteristic	Response	Freq	%ge	Freque ncy	%ge
Sex:	Male	58	67.44	49	57.65
	Female	28	32.56	36	42.35
	Total	86	100.00	85	100.00
Age :	20-30	73	84.88	73	85.88
	31-40	13	15.12	12	14.12
	Total	86	100.00	85	100.00
Year of graduation :	Before 2011	8	9.30	4	4.71
	2011	9	10.46	3	3.53
	2012	13	15.12	4	4.71
	2013	13	15.12	13	15.29
	2014	15	17.44	20	23.53
	2015	11	12.79	17	20
	2016	17	19.77	24	28.23
	Total	86	100.00	85	100.00
Field of study	Business background	29	33.72	32	37.65
	Non-business background	57	66.28	53	62.35
	Total	86	100.00	85	100

Source: own survey result, 2017

As shown in the first part of the above table, out of the total self employed graduates, male accounts for 67.44% (58) and 32.56% (28) are female. Similarly, for unemployed graduates 57.65% (49) are male and the remaining 42.35% (36) were female. These results signify that from both sides male respondents are larger than their female counter parts. The male respondents share the major proportions in both groups of respondents. From this result we can say that sex as determinant factors for graduate self employment did not show great difference between whether

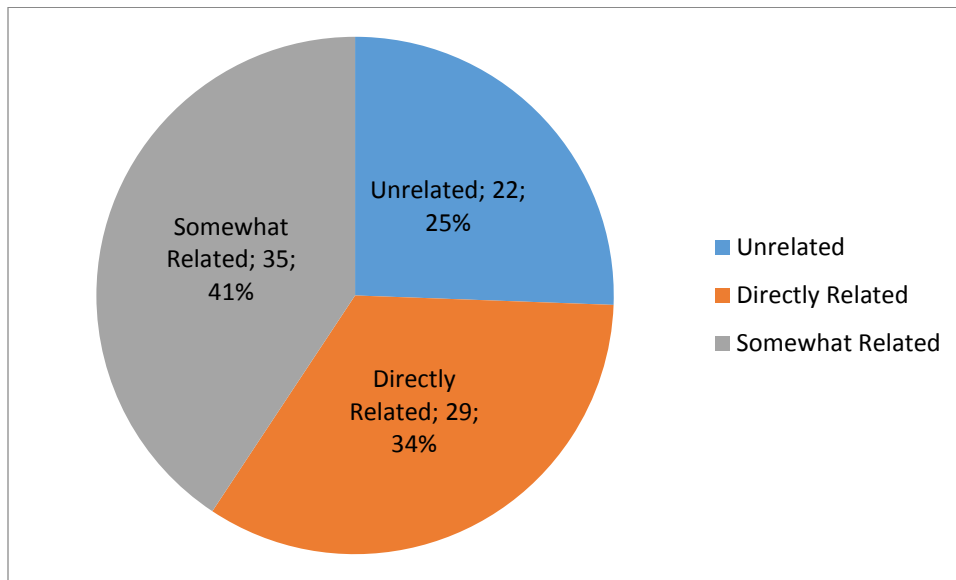
graduates are being self employed or unemployed and implies that gender has little influence on graduate self employment. But the underrepresentation of female in two groups may be due to their less access to HE relative to their male counterparts.

The above table also depicted that, of the self employed respondents 84.88% (73) belong to the age range of 20-30, while the remaining 15.12% (13) of them belong to the age range of 31-40. In the same way, majorities (85.88%) of unemployed graduates are also found in the age range of 20-30, but 14.12% of them belong to the age range of 31-40. These figures indicates that majority of both self employed and unemployed graduates were from young hood and if they worked hard they can change themselves and can also contribute to the economy of the country through exerting their effort by engaging in their own business.

Regarding self-employed respondents year of graduation, 19.77% (17) of them were graduated in 2016, 17.44% (15) in 2014, 15.12% (13) in 2012, 15.12% (13) in 2013, 12.79% (11) in the year 2015, 10.46% (9) were graduated in 2011, while the remaining 9.30% (8) were graduated before year 2011. Correspondingly, from unemployed graduates, 28.23% (24) of them were graduated in 2016, 23.53% (20) of them were graduated in the 2014, 20% (17) in 2015, 15.29% (13) in 2013, 4.71% (4) in the year 2012, 3.53% (3) in year 2011 and the remaining 4.71 % (4) were graduated before 2011.

As shown in the last part of the above table, the respondents were also sorted in terms of their study background. Accordingly, majority of both self employed (66.28%) and unemployed (62.35%) graduates were from non- business background or field of study, while the remaining 33.72% of self employed and 37.65% of unemployed graduates were from business background. This implies that individual with non-business background are more likely to be self employed. This result is inconsistent with the finding of (Nabi & Linan, 2011). According to their finding business graduates are more attracted towards being self employed than those with non business background.

Figure 0-1: Self employed respondents' study background and their business



Source: own survey result, 2017

As it is shown from the above chart regarding relevance of self employed graduates field of study and their business, 41% (35) of self employed graduates responded that their field of study is partially related with their business but 34% (29) of them stated that their current business and their field of study (department) are directly related while the remaining 25% (22) of them responded that their business and field of study are unrelated. This figure indicates that self employed graduates engaged in a business which is fairly related with their field of study.

4.1.2 Personality traits of respondents

These factors emanate from within the person and attributes to the individual's personality type. Thus, they are psychological traits which could be acquired through both inherited at birth and acquired through learning (experience). Psychological theory as an entrepreneurial theory recognized individual's personalities as the major motivating factors that instill entrepreneurial spirit in an individual. Psychologists view that there is an inner urge or force in someone that makes an entrepreneur to desire a change of status and environment that may lead to self employment. Considering personality variables associated with individual's desire for achievement seems to be the leading factor behind starting one's own business (Okafor, 2013). Thus, it is sought to determine what personality characteristics distinguished self employed

graduates from unemployed graduates, and examine the influence of these characteristics on starting one's own business. This study focused on traits such as need for achievement, need for independence/autonomy, willingness to take risk, self confidence, creative and innovative behavior and positive attitudes towards self employment. With regard to this, both self employed and unemployed graduates were asked to rate their personality traits in order to identify those traits that are deemed to be relevant for self employment.

With regard to respondent's need for achievement, table 4.2 (see appendix B), shows that 83.72% (including 51.16% very high and 32.56% high) of self employed respondents rated their need for achievement from high to very high. Whereas from the side of unemployed graduates those who rated it as similar way account for 63.53% (including 34.12% very high and 29.41% high), 13.95% and 28.24% of self employed and unemployed respondents respectively possess moderate need for achievement, while 1.17% and 5.88% of them respectively have low need for achievement but the remaining 1.16% and 2.35% of self employed and unemployed respectively have very low need for achievement. From these results even though majority of both groups have high need for achievement, the proportion shows that self employed respondents have higher need for achievement than their unemployed counterparts. Moreover, the mean score of self employed response with regard to this is 4.31, while that of unemployed graduates is 3.87 (see table 4.2 appendix B). This indicates that self employed graduates have more need for achievement than unemployed graduates. This finding is consistent with the finding of Okafor (2013). According to him, "need for achievement" instills strength and energy into a human system that makes him/her to start and continue in business until that particular need is realized.

He also argued that entrepreneurial business is motivated by the individual need for achievement which is a force that inspires an entrepreneur to generate idea(s) and energize him to pursue the idea until it becomes a reality.

Regarding willingness to take risk many researchers repeatedly recognized willingness to take risk as the main influential factor for entering in to one's own career and they reported self employment as the risky endeavor. For instance, Eden (2012 and Reuijl (2013) stated that the more the person tolerant for the risk, the greater incentive that person has become self-employed, other things being equal. In this regard, when we come to respondents' willingness to take risk table 4.2 (see appendix B) displays, 36.05% and 17.65% of self employed and unemployed

graduates respectively rated their willingness to take risk as very high, 32.56% and 23.53% of self employed and unemployed respondents respectively rated their willingness to take risk as high, again 22.09% and 32.94% of self employed and unemployed respectively have moderate willingness to take risk while 5.81% and 20% of self employed and unemployed respectively have low willingness to take risk, but the remaining 3.49% and 5.88% rated their willingness to take risk as very low. As this analysis denotes self employed graduates have greater willingness to take risk than unemployed graduates. This is also substantiated by the mean score of both groups' response. As shown in the table 4.2 the mean score of self employed graduates (3.92) is greater than that of unemployed graduates' response (3.27). Thus, from this result we can conclude that the willingness to take risk has greater influence on graduates self employment as majority of self employed graduates possess greater willingness to assume the risk. This result is consistent with the finding of (Fisseha, 2011; Eden, 2012; Reuijl, 2013). They found that unemployed graduates failed to be self employed, because of fear of risk of failure next to deficient of start-up capital and preference for a stable government wage employment. Additionally, Meintjes (2006) found that entrepreneurs need to be willing to accept risk in order to be an agent of change, to start something new, to invest time, money and resources and to overcome obstacles. Entrepreneurs risk their self-image, self-esteem and self respect, while they also have the welfare of others as concern. They take calculated risks because they do not want to gamble and risk losing control of the odds and outcome.

The general agreement with regards to self-confidence is that, as an individual has self-confidence on what he or she is doing, he or she will have higher probability to become self employed. To check this respondents self-confidence is assessed from running own business view. Accordingly, as presented in the table 4.2 (see appendix B), 65.12% and 35.29% of self employed and unemployed respondents respectively possess very high self confidence, 23.25% and 36.47% of self employed and unemployed graduates respectively have high self confidence, 9.30% and 18.82% of self employed and unemployed respondents respectively have moderate self confidence, while 2.33% and 7.06% of self employed and unemployed graduates respectively have low self confidence whereas none of and 2.35% of self employed graduates and unemployed graduates respectively have very low self confidence. From this result we can denote that although the majority of both self employed and unemployed respondents have high self confidence still the proportion of self employed respondents who have high self confidence is

significantly greater than that of unemployed graduates. This is also supported by the mean score of respondents' response. The mean score of self employed graduates' response (4.51) is greater than that of unemployed graduates (3.95). Therefore, it is possible to say graduates' level of self confidence has considerable influence on their participation in their own business.

With regard to respondents' need for independence, table 4.2 (see appendix B) also displayed that 86.05% (50.00% very high and 36.05% high) of self employed and 65.88% (25.88% very high and 40% high) of unemployed graduates rated their need for independence/autonomy as high, 2.32% (1.16% low and 1.16% very low) of self employed and 12.94% (11.76% low and 1.18% very low) of unemployed graduates rated their need for independence as low whilst the remaining 11.63% and 21.18% of self employed and unemployed graduates respectively hold moderate need for independence. Moreover, according to the table 4.2, the mean score of self employed graduates on this trait is 4.33 showing that majority of self employed graduates have high need for independence. Similarly the mean score of unemployed graduates response is 3.78, indicating that majority of the unemployed graduates also have high need for independence. Although both respondents have high need for independence, the score of self employed graduates (4.33) is significantly greater than those of unemployed graduates (3.78). Therefore, the analysis shows self employed graduates have more need for independence than unemployed graduates. From this we can say that individuals with high need for independence have more probability to participate in their own business.

Respondents were also asked to rate their creative and innovative behavior. As shown in the table 4.2 (see appendix B), 68.61% (32.56% very high and 36.05 high) of self employed and 56.48% (25.89 % very high and 30.59% high) of unemployed graduates rated their creative and innovative behavior as high, whereas 6.97% (5.81% low and 1.16% very low) and 11.76% of self employed and unemployed graduates respectively have low creative and innovative behavior. Whilst the remaining 24.42% and 31.76% of self employed and unemployed graduates respectively have moderate creative and innovative behavior. The analysis indicates that majority of both self employed and unemployed graduates have high creative and innovative behavior and the mean score of their response is also almost the same. As shown in the table 4.2, the mean score of self employed graduates' response regarding their creative and innovative behavior is

3.93 while the mean score for unemployed graduates' response is 3.71. This indicates that there is insignificant difference between self employed and unemployed graduates in terms of their creative and innovative behavior. Moreover, even though they have equivalent creative and innovative behavior with self employed graduates, unemployed graduates did not start their own business. So based on this result we can conclude that this personality trait has no positive influence on graduates engagement in their own business.

The other personality traits encompassed in this study is respondent's positive attitude towards self employment. The respondents were asked to measure their positive attitude towards self employment. Accordingly, 89.54% (60.47% very high and 29.07% high) of self employed and 62.35% (32.94% very high and 29.41% high) of unemployed graduates were measured their positive attitudes towards self employment as high, only 18.83% of unemployed graduates have low positive attitudes towards self employment, whilst the remaining 10.46% and 18.82% of self employed and unemployed graduates respectively have moderate positive attitudes towards self employment. Like that of other personality traits, however majority of both parties have high positive attitudes towards self employment, self employed graduates have more positive attitudes towards self employment than unemployed graduates. Moreover, according to the above table the mean score of self employed graduates' response on this personality trait is 4.5; showing that the majority of self employed graduates have high positive attitudes towards self employment whereas unemployed graduates' responses mean score is 3.73 which significantly less than that of self employed graduates mean score (4.5). Based on this result we can conclude that positive attitudes towards self employment has significant influence on graduates self employment. This is because having positive attitudes towards self employment does not only express the good feeling towards self employees and self employment but also it shows their inclination to start their own business.

4.2 Socio-economic factors

4.2.1 Family entrepreneurial background of the respondents

Many researchers in entrepreneurship have found a significant relationship between family entrepreneurial background and the likelihood of somebody to become self employee. As per

their conclusion someone who has a family with entrepreneurial experience are more likely to start their own business rather than being unemployed and search for job (Jhonson, et al.,2009; Green & Sardiakis, 2013). Although parents, relatives and friends can have a crucial influence on graduates to establish their own venture, family background, in particular, plays an important role in the formation of a mindset open to self-employment (Schoof, 2012). To examine the relevance of family entrepreneurial experience as the influential factor for starting one’s own business the respondents were asked some related questions. The questions designed in a way that is helpful to capture the overall family entrepreneurial experience. In addition to questions regarding whether their family have or ever had entrepreneurial experience, other questions were also included to identify whether the graduates have worked in their family business or not, to what extent family influenced them to start or not to start their own business. Their response is presented in the following table.

Table 0-3 Graduates’ family entrepreneurial background

Self employed graduates				Unemployed graduates	
Whether families currently or ever owned/have a business		Freq.	Percent	Freq	Percent
	Yes	45	52.33	45	52.94
	No	41	47.67	40	47.06
Whether respondents have ever been involved in their family business	Total	86	100.00	85	100.00
	Yes	37	82.22	31	68.89
	No	8	17.78	14	31.11
	Total	45	100.00	45	100.00

Source: own survey result, 2017

Looking at table above, we can notice that self employed graduates from family who have entrepreneurial experience or have their own business and those whose family did not own the business are roughly distributed equally. 52.33% of self employed respondents were from family with entrepreneurial background while the family of 47.67% have no their own business. Self employed respondents whose families own the business were also asked to examine whether they have experience in their family business or not. Accordingly, 82.22% of self employed graduates

from family entrepreneurial background were worked in their family business, but only few (17.78%) of them responded that they did not work in their family business. Similar to self employed graduates, majority of unemployed graduates (52.94%) were also from family who has their own business while the remaining 47.06% were from family with non entrepreneurial background. Majority (68.89%) of those whose family owned the business have worked in their family business while the rest (31.11%) of them responded that although their family owned the business they did not work in their family business. From this we can say that families are doing their part in making their children experienced and confident by giving them the chance to participate in their business. This believed to encourage the graduates to start their own business by utilizing the experiences and skills they have obtained when they were working in their family business. Although majority of unemployed graduates whose family owned business have worked in their family business still the proportion of self employed graduates who have worked in their family business (82.22%) are greater than those of unemployed graduates (68.89%). Thus, the analysis signifies that the more graduates have experience in their family business, the more will be the chance for establishing own venture. Thus, it is necessary to focus on those graduates who did not work in their family business through giving special training and other privileges. This result confirms the finding of (Akbar & Bashir, 2009).

4.2.2 Social values

The image, reputation and credibility of graduate entrepreneurs in a society can also have a crucial influence on graduates' decision to start up their own business. The appreciation and assessment of entrepreneurs can range from being regarded as successful, honest, independent and innovative people who create jobs to being perceived as ruthless, dishonest and selfish people (Schoof, 2012). Fisseha (2011) in his study also identified that graduates' low participation in entrepreneurship is associated with the burden of social expectation and perception on graduates. He also revealed that graduates prefer formal employment because being employed immediately after graduation is considered as an economic and social achievement to the graduates and their family as well as to the society as a whole. However, social factors such as social perception and expectation, family values, networks and social value of self employment play a key role in nurturing the entrepreneurial ecosystem (Schoof, 2012). In respect to this, Eden (2012) described

that entrepreneurial traditions of the family as well as the community are important factors within which the entrepreneur grows and internalizes the values and norms.

Social perceptions and perceived legitimacy of self employment are also an important factor in helping or hindering entrepreneurial behavior. 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 (Schoof, 2012). Basically literature recognizes the family as well as other social environment as important influencer for graduates to start or not to start their own business. To check this, respondents from both groups were asked the statement “to what extent do you agree that your family encouraged/discouraged you to start/ not to start your own business?”, “to what extent do you agree that your social environment encouraged/discouraged you to start/ not to start your own business.” In addition the respondents were also asked about the perception of society towards the graduate self employment.

Table 0-4: Social influences on graduate self employment

	Description	response	strongly agree	agree	moderate	disagree	strongly disagree	Total	Mean
self-employed graduates	Your family encourage you to start your own business	Freq.	28	24	19	9	6	86	3.6
		%ge	32.56	27.91	22.09	10.46	6.98	100.00	9
	Your social environment encouraged you to start your own business	Freq	17	30	30	7	2	86	3.6
		%ge	19.77	34.88	34.88	8.14	2.33	100.00	2
	In your society salaried employees are more respected than entrepreneurs	Freq	18	28	22	7	11	86	3.4
		%ge	20.93	32.56	25.58	8.14	12.79	100.00	1
Unemployed graduates	Your family did not encourage you to start your own business	Freq	15	19	21	22	8	85	3.1
		%ge	17.65	22.35	24.71	25.88	9.41	100.00	3
	Your social environment discouraged you to not start your own business	freq	15	18	29	17	6	85	3.2
		%ge	17.65	21.18	34.12	19.91	7.06	100.00	2
	In your society salaried employees are more respected than entrepreneurs	freq	20	29	18	10	8	85	3.5
		%ge	23.53	34.12	21.18	11.76	9.41	100.00	1

Source: own survey result, 2017

As shown in the first part of the above table, 60.47% (including 32.56% strongly agree and 27.91% agree) of the self employed respondents agreed that their family encouraged them to start their own business, whereas 17.44% (including 10.46% disagree and 6.98% strongly disagree) of

them opposed the statement, while the remaining 22.09% of them were neutral about the statement. These figures indicate that self employed graduates were encouraged by their family in having their own business. Unemployed graduates were also asked regarding extent to which they agree that their family did not encourage them to start their own business. Accordingly, 40% (including 17.65% strongly agree and 22.35% agree) of them were in agreement with the statement, 35.29% (including 25.88% disagree and strongly disagree 9.41%) opposed the statement, while 24.71% of them were in different with the statement. The result shows that the families of unemployed graduates are not encouraging their children to start their own business and so that to save themselves from problem of unemployment in absence of formal employment option. Thus, family has to promote their children to start their own business after their graduation rather than pushing them to formal employment because encouraging individuals to be self employed can influence individuals to regard self employment as advantageous and feasible career option. Family's attitudes and their intention for encouraging their children can be changed through educating them using various media by incorporating this issue in public media like TV, Radio and other.

With regard to other social environment, beyond family, the above table depicted that majority 54.65% (including 19.77% strongly agree and 34.88% agree) of self employed graduates feel that their social environment encourage them to start their own business, whereas 10.47% of them stated that their social- environment did not encourage them for starting their own business, while the remaining 34.88% were neutral with the statement. This result signifies that the social environment is persuading them for engaging in their own business. Moreover, they were also asked to forward who encouraged them to start their own business. Accordingly, majority of them responded they were encouraged by their family/parents as well as by their friends and relatives. This implies that these social environments are the main influential for graduate participation in their own business.

On the other hand, unemployed graduates also forwarded their view regarding the extent to which they agreed with the statement "your social environment discouraged you not to start your own business". Accordingly 38.83% (including 17.65% strongly agree and 21.18% agree) of them were believed in statement whereas 27.05% (19.99% disagree and 7.06 % strongly disagree) of them were against the statement while the remaining 34.12% of them were neutral with the

statement. Moreover, the mean score of the unemployed graduates' response about the statement is 3.22 but that of self employed graduates' is 3.62. These mean score are almost the same and has no significant difference. From this it is possible to conclude that whether society encourage or discourage graduates to participate in their own business cannot bring positive influence on whether graduates to participate or not in their own business.

The above table also shows that 53.49% (20.93% strongly agree and 32.56% agree) of self employed respondents agree on the statement that says "In your society salaried employees are more respected than entrepreneurs." Those who disagreed account for 20.93% (including 12.79% disagree and 8.14% strongly disagree). Those who are indifferent on the issue comprise 25.58% of the self employed respondents. Similarly in the side of unemployed graduates, 57.65% (including 23.53% of strongly agree and 34.12%) of them agreed with the statement whereas 21.17% (11.76% disagree and 9.41 % strongly disagree) of them opposed the statement, while the remaining 21.18% were impartial with the statement. The above proportions denote that the society is respecting and is interested in salaried employee than self-employed graduates. This result supports the result of (Biniam, 2012). Such factor like believe of society may restrain the graduates from starting their business and push them to become employed. So, stakeholders are advised to launch different programs that can change the society's value for graduate entrepreneurs as well as can raise the awareness of the society about entrepreneurship and entrepreneurs. Explaining the importance of entrepreneurs in wealth creation, job creation and special roles that entrepreneurs play in national economy will force the society to respect entrepreneurs even better than holders of other career.

Table 0-5 Perception of society towards self employed graduates

Self employed graduate				Unemployed graduates	
How the graduate entrepreneur perceived by your society	Response	Freq	%ge	Freq	%ge
	Strongly positive	4	4.65	14	16.47
	Positive	58	67.44	40	47.06
	Neutral	16	18.61	15	17.65
	Negative	8	9.30	14	16.47
	Strongly negative	-	-	2	2.35
	Total	86	100.00	85	100.00
	Mean	3.67		3.59	

Source own survey 2017

As shown in the above table, majority of self employed graduates (67.44%) responded that society's perception of self employed graduates is positive, while 18.61% of them responded neutral, but only 9.30% of them responded that society's perception towards graduate entrepreneur is negative while a few of them (4.65%) says strongly positive. From the side of unemployed graduates almost majority (63.53%) of them believe that the society perceive self employed graduates positively, those who says negative comprise 18.82% (16.47% negative plus 2.35%strongly negative), while 17.65% of them responded neutral. Although both group of respondents believed as society perceive self employed graduates positively, still the proportion of respondents who report positive perception of society towards self employed graduates were greater in the side of self employed graduates. Moreover, the mean score self employed graduates is 3.67 while those of unemployed graduates is 3.59 which is a little bit less than that of self employed graduates mean score. From this we can say that the society has positive perception for self employed graduates and the perception of the society is not the reason why majority of unemployed respondents are failed to start their own business. To this end, society value has no positive influence on graduate self employment. This result is inconsistent with the finding of (Fisseha, 2011 & Biniam, 2012).

4.2.3 Availability of starting capital

The controversial variable in many entrepreneurship researches is the role of starting capital to become entrepreneur. The debate is over the significance of seed capital for starting a business. Regarding this argument the researchers classified in to two groups. The first group of researchers is those who believe that starting capital is a significant factor and they are mostly from less developed countries. Whereas the other group is those who claim starting capital is not significant; who are mainly from advanced countries (Biniyam, 2012). To see which one is applicable in context of this study, both groups of respondents were asked some relevant questions to examine the importance of starting capital for establishing one's own business. The following consecutive tables summarize this issue.

Table 0-6 Extent of availability of starting capital

			Freq.	Percent	Mean
Self employed graduates	Did you have the required capital when you start this business?	Yes	60	69.77	
		No	26	30.23	
		Total	86	100.00	
	What was the availability of outside funding/financing during starting your business	very easily available	4	15.38	3.23
		easily available	3	11.54	
		Moderate	8	30.77	
		Unavailable	5	19.23	
very unavailable		6	23.08		
Total	26	100			
Unemployed graduates	Do you have available capital if you intend to start your own business	Yes	32	37.65	
		No	53	62.35	
		Total	85	100.00	
	What is the availability of outside funding/financing during starting your business	Very easily available	3	5.66	3.52
		Easily available	8	15.1	
		Moderate	12	22.64	
		Unavailable	18	33.96	
Very unavailable		12	22.64		
Total	53	100.00			

Source: own survey result, 2017

In order to know the influence of starting capital to start own business self employed respondents were asked whether they have starting capital during starting their business and unemployed respondents were also asked whether they have starting capital if they intend to start their own business. Additionally both group of respondents those who have no the starting capital were also asked about the availability of outside source of financing. Accordingly, 69.77% of the self employed respondents had the seed capital when they started their business, while only 30.23% of them had no the capital but the majority of those who have no capital during starting business

used the loan from their family, friend and relative as well as different financial institutions and private lender for starting up. On the other hand, majority of the unemployed graduates (62.35%) has no seed capital if they intend to start their own business, while the remaining 37.65% of them have the starting capital. As this figure denotes the availability of starting capital highly influence the state of having or not having one's own business.

Furthermore, to assess the availability of outside financing to get the seed capital, both respondents those who have no starting capital were asked to identify how they can rate the availability of outside financing source. Accordingly, 26.92% (15.38% very easily available and 11.54% easily available) of self employed and 20.76% (5.66% very easily available and 15.1% easily available) of unemployed graduates rated easily available, whereas 42.31% (19.23% unavailable and 23.08% very unavailable) of self employed and 56.6% (33.96% unavailable and 22.64% very unavailable) unemployed graduates rated the availability of outside fund as unavailable while the remaining 30.77% of self employed and 22.64% of unemployed graduates rated it as moderately available. This result signifies that respondents are very doubtful on having easy access to fund sources for starting up. This shows how much it is difficult to graduates to find the capital from different sources. Weak availability of credit services and limited accessibility of outside source of financing is one of the major barriers for having one's own venture especially for fresh graduates who intends to start their own business. This result is consistent with the findings of (Agaje, 2014; Akbar & Bashir, 2009; Biniam, 2012). The finding also recognizes starting capital as the major factor which influenced by graduates to get into new business ventures. In order to start a new business venture, one needs to pool capital from financial institutions, governmental organizations, private money lenders, or friends and relatives and these bodies have to work with them by providing them the necessary credit which they may use for starting purpose.

Moreover, to substantiate the above idea, both respondents were also asked to forward their level of agreement towards the statement which says "Without having starting capital it is impossible to start one's own business". This is shown in the following table:

Table 0-7: Initial capital influence on starting one’s own business

		Response	Feq	%ge	Mean
Self employed graduates	To what extent availability of starting capital influenced you to start your own business?	Very high	30	34.88	
		High	38	44.19	
		Moderate	10	11.63	
		Low	6	6.98	
		Very low	2	2.32	
		Total	86	100	
	Without having starting capital it is impossible to start one’s own business	Strongly disagree	11	12.79	3.51
		Disagree	10	11.62	
		Neutral	14	16.28	
		Agree	26	30.23	
		strongly agree	25	29.07	
Total		86	100.00		
unemployed graduates	Without having starting capital it is impossible to start once own business	Strongly disagree	7	8.23	3.76
		Disagree	2	2.35	
		Neutral	21	24.71	
		Agree	29	34.12	
		strongly agree	26	30.59	
		Total	85	100.00	

Source: own survey result, 2017

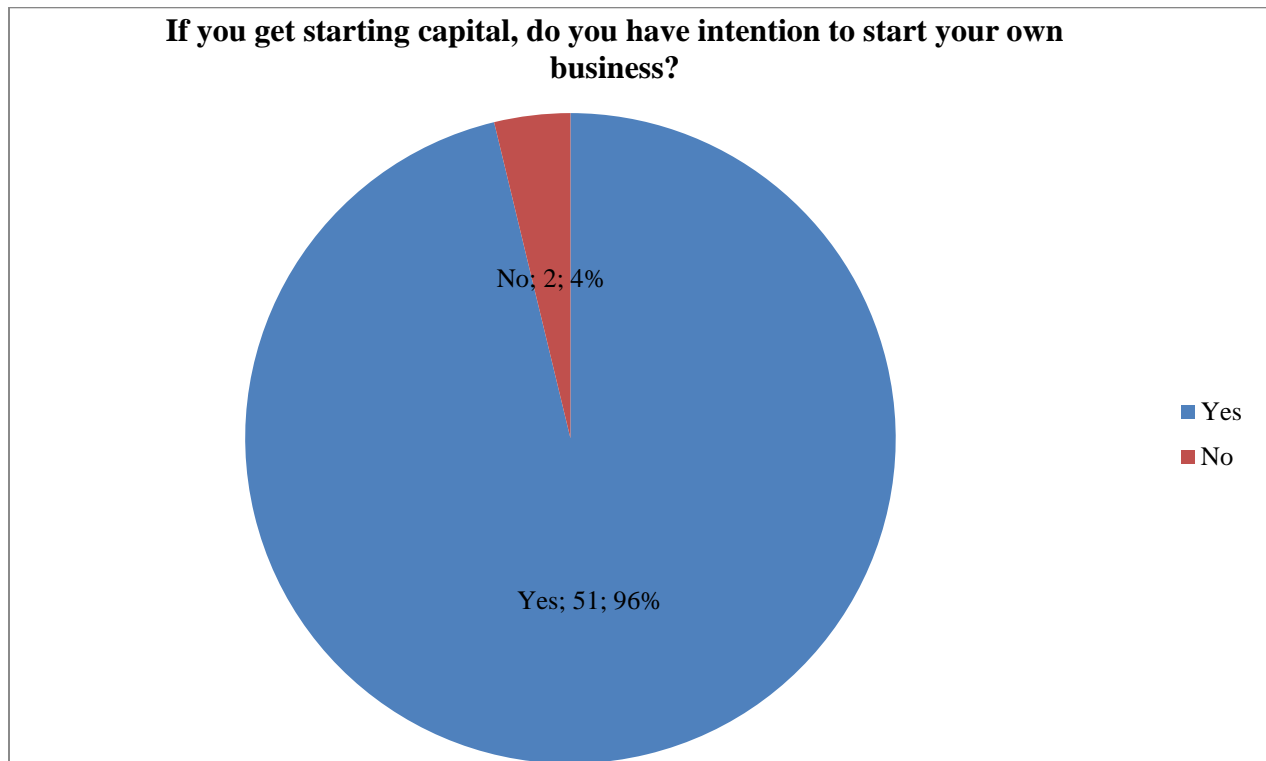
As shown in the above table, 79.07% (including 44.19% high and 34.88% very high) of self employed graduates responded that availability of starting capital has high influence on starting one’s own business, where as only 9.3% (including 6.98 low and 2.32 very low) of them responded low, while the remaining 11.63 of them said that it has moderate influence. This implies that availability of starting capital has a greater influence on graduates to start their new business venture.

Furthermore, the above table shows that, 59.3% (30.23% agree and 29.07% strongly agree) of self employed and 64.71% (34.12% agree and 30.59% strongly agree) of unemployed graduates

believed that it is impossible to start one's own business without having starting capital, whereas 24.41% (11.62% disagree and 12.79% strongly disagree) of self employed and 10.58% (2.35% disagree and 8.23% strongly disagree) of unemployed graduates believed that it is possible to start one's own business without having starting capital, while the remaining 16.28% and 24.71% of self employed and unemployed graduates respectively were indifferent with the idea.

As it is mentioned above from this result we can conclude that the availability of starting capital has positive influence on graduates for starting their own business, because it is identified that starting own business is possible only if there is available starting capital. In condition when they have no seed capital it is difficult to expect a graduate who can start his/her own business because they believe that starting one's own business is impossible without having starting capital. This result also confirms the finding of (Biniam, 2012).

Figure 0-2: Intention to start business given starting capital



Source: own survey result, 2017

The most sound question in order to know the importance of starting capital to start own business is to ask unemployed respondents whether they prefer to start their business if the needed capital is made available. With regard to this, literature highly stated the relationship between starting capital and intention of individual for starting own business. For instance, Kalyani & Kumar (2011) in their study concluded that if starting capital is made readily available the youth will start their business. In this regard, majority 96% (51) of unemployed respondents have plan to start their own business if they have the starting capital, but few 4% (2) of them are not willing to start their own business even if they have the needed starting capital. This implies that the graduates are in favor of starting own business, but it is possible to say starting capital is the major force which restrain them from starting their own business. As a result, the student researcher expects higher intention to start own business if problem of starting capital is removed. Therefore, giving due attention to this limiting factor is needed. Therefore, the student researcher believes that the availability of seed capital will help to reduce currently increasing graduated youth

unemployment. This finding is also in line with the findings of (Kalyani & Kumar, 2011; Biniam, 2012).

4.3 Government policy and support for graduate self employment

Entrepreneurial activities can help governments solve poverty and improve unemployment conditions by encouraging self-reliance through self-employment. Government policies and support such as low tax burden, provision of incentives and working premise, availability of credit service, training and education, and facilitation of infrastructure have contribution to a healthy and stable entrepreneurial environment. Government policies and supports are the economic and political environment which includes various factors that affect the likelihood of self employment. Hence, government economic policies and supports which encourage self-employment may include provision of credit services, facilitation of infrastructure, and imposition of low tax burden, provision of premises and education and training, but these are some to mention few (Hui, 2009). Moreover, Meager et al., (2011) found that access to different types of government policy and support can attract individual to start own business. To check the importance of government policy and support for graduate participation in their own business, both self employed and unemployed respondents were asked whether they had information about and access to government policy and support necessary for self employment as well as the types of policy support they have obtained and how they rate, if any, and the accessibility of those policy supports. These are summarized in the following consecutive tables.

Table 0-8: Information about and access to government policy and support

Self employed graduates	Do you have information about availability of government policy and support (Business development service)?	Response	Freq	%ge
		Yes	57	66.28
	No	29	33.72	
	Total	86	100.00	
Self employed graduates	Do you have any access to Government policy and support	Yes	50	58.14
		No	36	41.86
		Total	86	100
Unemployed graduates	Do you have information about availability of government policy and support (Business development service)?	Yes	63	74.12
		No	22	25.88
		Total	85	100.00
	Do you have any access to Government policy and support	Yes	28	32.94
		No	57	67.06
		Total	85	100

Source: own survey result, 2017

As the data in the above table show, with regard to information about availability of government policy and support related to graduates' self employment, 66.28% (57) of self employed graduates have information about government policy and support available for graduate self employment whereas 33.72 (29) had no information about availability of government policy and support. On the other hand self employed graduates were also asked whether they have access to government policy and support. Out of them 58.14% (50) have access to government policy and support such as education and training, infrastructure, incentives and credit services are those obtained by majority of those who get access for government policy and support among other policy and support whilst the remaining 41.86% (36) of self employed graduates did not get.

Similarly, unemployed graduates were also asked whether they have information about availability of government policy and support. Accordingly, 74.12% (63) of them have information about availability of government policy and support but the remaining 25.88% (22) of them have not. Moreover, those unemployed graduates provided with the question whether they have any access to government policy and support. In this regard 32.94% (28) of them

replied that they have access to government policy and support such as education and training among other government policy and support. Whereas the majority which is 67.06% (57) Of them have no any access to government policy and support. Looking at these figures we can understand that self employed graduates have obtained policy and support from government than unemployed graduates. Those individuals who have access to government policy and support have more chance of being self employed than those who could not get access to it. In this regard, access to government policy and support has important contribution for graduate self employment.

As shown in the table 4.9 (see appendix B), both self employed and unemployed graduates were asked to rate the accessibility of each of the government policy and support needed for starting and running one's own business. Accordingly, regarding the accessibility of government incentive for graduate entrepreneur, 43.02% (including 25.58% high and 17.44% very high) of self employed and 38.83% (including, 17.65% very high and 21.18% high) of unemployed graduates rated it as high. On the other hand, 33.72% (including 18.60% low and 15.12% very low) of self employed and 37.64% (including 29.41% low and 8.23% very low) of unemployed graduates measured it as low, while 23.26% and 23.53% of self employed and unemployed graduates respectively rated it as moderate. Table 4.9 (see appendix 3) also shows that the self employed and unemployed respondents' response with respect to this policy and support resulted in mean score of 3.12 and 3.11 respectively. The mean scores for both groups of respondents indicate that they were rated it as moderate. However, since these mean scores are nearer to midpoint (3.00) in the scale, it indicates that the government policy and support in terms of incentive for graduate entrepreneurs is not as such encouraging.

Similarly, regarding access to credit services table 4.9 again shows that 31.39% (including 10.46% very high and 20.93% high) of self employed rated it as high, on the other side, 28.23% (including 11.76% very high and 16.47% high) of unemployed graduates rated it high, 36.05% (16.28% low plus 19.77% very low) of self employed rated this policy support as low, whilst, 50.59% (29.41% low plus 21.18% very low) of unemployed graduates rated it low, while the remaining 32.56% of self employed and 21.18% of unemployed graduates rated it as moderate.

Table 4.9 indicates that the mean scores of the self employed and the unemployed respondents' response are 2.86 and 2.68, respectively. Since these mean scores are less than the midpoint

(3.00) in the scale, the implication is that credit services, which they may use it for starting purpose, from government is not accessible for graduates. Therefore, government should improve the accessibility of this policy and support to see extensive graduate entrepreneurs and unemployment free graduates.

The respondents were also asked to rate the easiness of getting license for starting one's own business. In view of that, 43.02% (17.44% very high and 25.58% high) of self employed rated it as high, indicating that it is easy to get business license for starting own business. Likewise 22.35% (9.41% very high plus 12.94% high) of unemployed graduates rated the easiness of licensing process as high. On the other hand, 24.42% (13.95% low plus 10.47% very low) of self employed responded that it is difficult to get to this policy and support, whereas, 48.23% (29.41% low and 18.82% very low) of unemployed graduates rated it as unreachable but the remaining 32.56% of self employed and 29.42% of unemployed graduates measured it as moderate. The analysis indicates that those graduates who have started their own business found it easy to obtain trade license for starting up but those who are unemployed found it difficult to obtain license for starting up. Thus, from this we can conclude that those who easily get business license have started their own business while those who found it difficult still could not start their own business. This can also be supported by the mean score of respondents' response. The mean score of self employed respondents' response is 3.26, which is higher than that of unemployed respondents' response (2.65). From this result we can say that those graduates who can easily get trade license are more likely to be self employed than those who could not easily get access to it. Therefore, it is advisable to make license process easily accessible to attract more graduates to self employment environment.

The other aspect of government policy support is reduction of tax burden on newly self employed graduates. Of the policy variables the personal-income tax is the one that has received the most attention in the literature. Although the role of the government policy is necessary for creating conducive environment for entrepreneurship, it can also have negative influence on entrepreneurial activities because of tax burden imposed on entrepreneur may be too difficult to handle. When new entrepreneur lacks ability and funds to afford tax burden they may be forced to stop their operation and go out of the market (OECD, 2012). According to Hui (2009), tax burden is matters for new entrepreneur because it increases costs and lowers earnings so that low

tax burden encourages existing entrepreneurs and attract new individual to entrepreneurial ecosystem. With regard to the favor of tax burden imposed on new graduate entrepreneur table 4.9 (see appendix 3) also depicted that, majority (58.14% of self employed and 58.82% of unemployed graduates) of both self employed and unemployed graduates reported as there is no any tax favor for new graduate entrepreneur from the side of government. On the other hand, 15.12% of self employed and 16.47% of unemployed graduates reported as there is high support from government in terms of reducing tax burden on newly self employed graduates, while 26.74% and 24.71% of self employed and unemployed graduates respectively were rated it as moderate. This result suggests that there is no favor from government in terms of reducing tax burden on newly self employed graduates and this may hurt the attractiveness of self employment environment.

With regard to facilitation of infrastructure for new graduate entrepreneur, majority of self employed graduates (44.18%) says there is high support from government in terms of facilitating infrastructure, but 25.58% of them rated it as low and the remaining 30.23% of them rated it as moderate (table 4.9 see appendix B). On side of unemployed graduates, majority of them (42.35%) rated it as low, 30.59% as high, whereas the remaining 27.06% of them rated it as moderate. Moreover the mean score of self employed graduates' response (3.20) is greater than that of unemployed graduates' (2.79). This signifies that there is advantageous government policy and support for new self employed graduates in facilitation of infrastructure. Thus, this also needs the additional focus from the concerned bodies for working in the area for creating conducive and attractive environment for new graduate entrepreneur.

The other is the provision of premises for new entrepreneur; both respondents also rated the accessibility of provision of premises for starting graduate entrepreneurs. Accordingly, as shown in the table 4.9, greater part of both self employed and unemployed graduates (51.16% of self employed and 55.3% of unemployed) rated it as low but few respondents from both side (22.09% of self employed and 25.88% of unemployed graduates) rated it as high, Whereas 26.75% and 18.82% of self employed and unemployed graduates respectively rated it as moderate. For supplementing this proportions, the mean score results of both groups' response is computed. Accordingly the mean score result of both groups of respondents were almost the same which is 2.52 for self employed and 2.53 for unemployed graduates. Based on the proportions of the

frequencies and mean score of the respondents' reaction we can conclude that the government support in provision of premises for fresh entrepreneur is low and this also require attention of concerned bodies.

Regarding the contribution of government in provision of education and training for graduates self employment, as shown in table 4.9 (see appendix B) majority of both self employed (44.18% and unemployed (40%) respondents reported strong side of government policy support in this aspect; 34.89% of self employed and 35.29% of unemployed graduates reported as it is awkward, while the remaining 20.93% and 24.71% of self employed graduates and unemployed graduates respectively reported as it is fair. Furthermore, the mean score results of both groups of respondents, which is 3.00 for both groups, indicates that there is moderate support from government with respect to provision of training and education newly self employed graduates. From this figures we can wrap up that the government is somewhat working in providing the education and training for self employed graduates but again also has to work on this policy support in order to equip existing and prospective graduate entrepreneurs with necessary skills, ability and knowledge which can help them to effectively and efficiently run their business.

4.4 Entrepreneurship education and related training

Many empirical studies examined whether entrepreneurship education influences individuals' decision to start a business. Regarding the relationship between entrepreneurship education and actual entrepreneurial involvement, prior researches have suggested that entrepreneurship courses could significantly influence new venture creation (Schoof, 2012; Zwan et al., 2013). To examine this view from this study perspective both groups of respondents were asked some questions regarding entrepreneurship education and the results are summarized in the following table.

Table 0-10: Respondents' response regarding entrepreneurship education

Self employed graduates					Unemployed graduates		
Have you taken Entrepreneurship course during your study?		Yes.	No	Total	Yes	No	Total
	Freq	61	25	86	60	25	85
	Percent	70.93	29.07	100.00	70.59	29.41	100.00
Have you got each of the following from entrepreneurship education?							
sense of autonomy/independence and self confidence	Freq.	23	38	61	35	25	60
	Percent	37.70	62.30	100.00	58.33	41.67	100.00
Awareness/motivation to start your own business	freq	35	26	61	33	27	60
	Percent	57.38	42.62	100.00	55	45	100
skill and knowledge to start and run your own business	freq	43	18	61	35	25	60
	Percent	70.49	29.51	100.00	58.33	41.67	100
positive attitude towards self employment	freq	35	26	61	22	38	60
	Percent	57.38	42.62	100.00	36.67	63.33	100.00
ability to recognize opportunities in one's life	Freq	10	51	61	20	40	60
	Percent	16.39	83.61	100.00	33.33	66.67	100.00
ability to think in creative manner	Freq	9	52	61	18	42	60
	Percent	14.75	85.25	100.00	30	70	100.00

Source: own survey result, 2017

The above table shows that 70.93% (61) of the self employed graduates have taken entrepreneurship course during their time of study, whilst the remaining 29.07% (25) have not

taken the course, whereas 70.59% (60) of unemployed graduates has also taken entrepreneurship course but the remaining 29.41% (25) of them did not take the course during their study. These figures indicate that majority of both self employed and unemployed graduates have got the access of entrepreneurship course and their proportion is also almost the same. Although majority of self employed graduates have got access to entrepreneurship education, majority of unemployed graduates who have taken the education still did not establish their own venture.

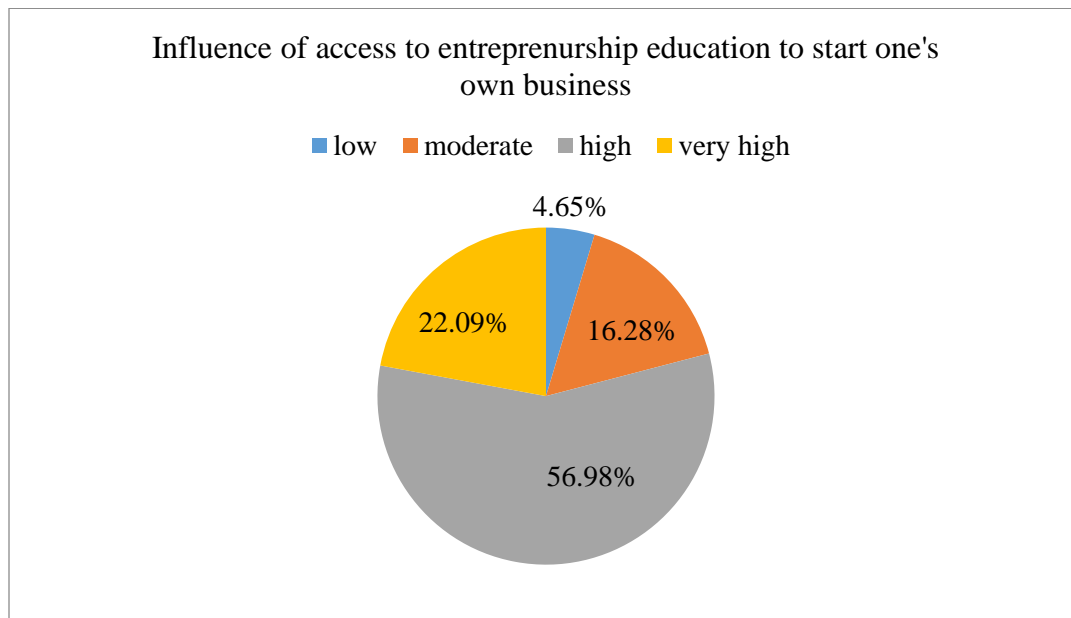
This denotes that taking or not taking entrepreneurship course did not positively influence ones to start or not to start their own business. This result is also consistent with the finding of (Mora & Vila, 2013). They argued that entrepreneurship education does not promote self employment, but it prepares students for corporate world as workers; therefore it suppresses creativity and entrepreneurship. However, still there are several researches against this finding. For instance, (Schoof, 2012; Zwan et al., 2013) highly recognize the strong positive relationship between entrepreneurship education and self employment. Thus, still the student researcher would like to call for other researchers to work on it to come up with compromising result.

Both respondents were also asked about what they have got from the course and the extent to which the entrepreneurship course they attended contribute for starting own business. Thus, majority of both groups of respondents were reported the skills and knowledge used to start their own business, awareness/motivation to start their own business, positive attitudes towards self employment. Furthermore, both groups of respondents who attended the course were also asked whether they have got benefit such as sense of autonomy/independence and self confidence, ability to recognize opportunity in once life and ability to think in creative and innovative manner. With regard to this majority of them reported that they did not acquire enough ability and skills supposed to be obtained through the course. This is shown in the table above in terms of proportion of respondents responded towards respective question. Accordingly, 85.25% (52), 83.61% (51) and 62.30% (38) of self employed graduates did not obtain benefits such as ability to think in creative and innovative behavior, ability to recognize opportunities in one's own life and sense of autonomy and self confidence respectively. This signifies that although the aim of entrepreneurship education is to provide the students with sufficient skills, knowledge and ability to start and run their own venture as this result shows it is not meeting the target of the education. This implies the need for further research to identify whether the taken entrepreneurship

education providing students with entrepreneurial mind set as well as knowledge, skills and ability used to start and run own business.

Moreover, as it is stated in the following figure, 79.07% (including 56.98% (34) great extent and 22.09% (14) very great extent) of the self employed graduates were responded that the entrepreneurship education has high influence on starting one's own business, where as only 4.65% (3) of self employed graduate were responded low, while the remaining 16.28% (10) of them said that it has average extent influence. This indicates that the course has considerable influence for graduate participation in their business. This is summarized as follows in figure 4.3.

Figure 0-3: Entrepreneurship education influence to start one's own business

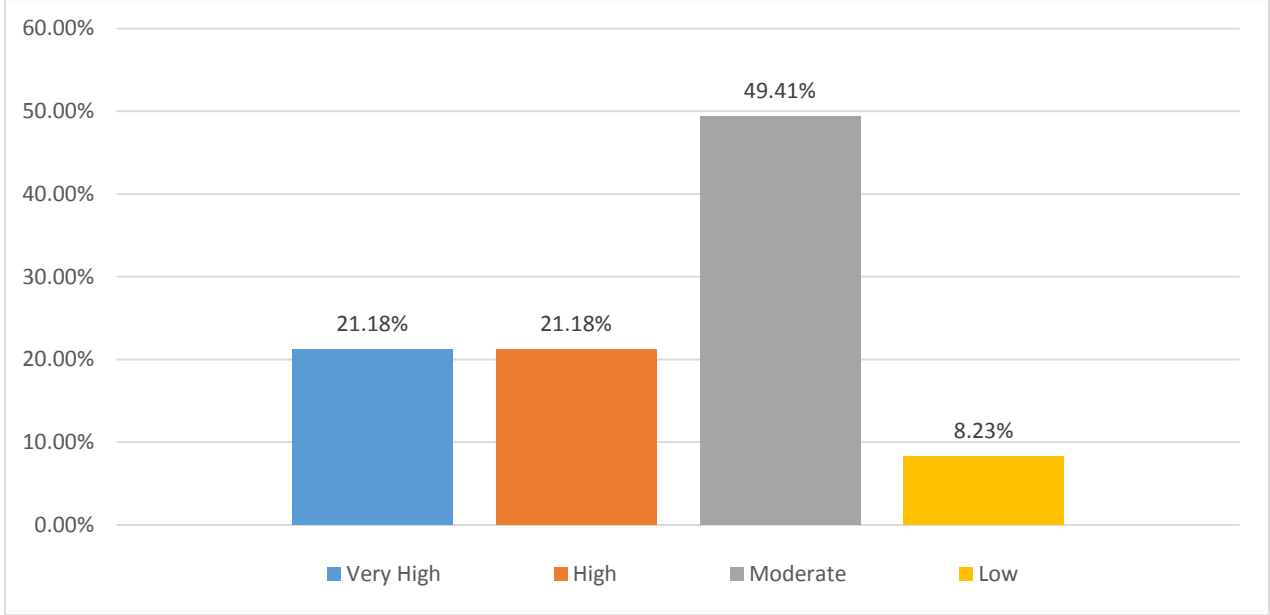


Source: own survey, 2017

On the other hand, those unemployed graduates who didn't get the access of entrepreneurship education also forwarded their view about the influence of lack of access to the entrepreneurship education on starting one's own business. Accordingly, 42.36% of them stated that lack of access to the course has high influence for not having their own business, while 49.41% of them stated that it has the moderate influence whereas the remaining 8.23% of them responded that it has low influence. From this results we can understand that significant proportion of respondents stated

that lack of access to entrepreneurship education has moderate to high contribution for their not having their own business.

Figure 0-4: Lack of access to entrepreneurship education influence not to have own business



Source: own survey result, 2017

Table 0-11: Contribution of entrepreneurship education to start own business

Item	Rate	Self employed graduates			unemployed graduates		
		Freq	Percent	Cum.	Freq	Percent	cum
Entrepreneurship Education has a significant contribution to graduates' self employments?	Strongly disagree	2	2.33	2.33	1	1.18	1.18
	Disagree	3	3.49	5.82	5	5.88	7.06
	Moderate	15	17.44	23.26	24	28.23	35.29
	Agree	35	40.69	63.95	29	34.12	69.41
	Strongly agree	31	36.05	100	26	30.59	100
	Total	86	100.00		85	100.00	
The more graduates equipped with entrepreneurial skills during education, the more they start their own business	Strongly disagree	1	1.16	1.16	3	3.53	3.53
	Disagree	8	9.30	10.46	4	4.70	8.23
	Moderate	28	32.55	43.01	26	30.59	38.82
	Agree	21	24.42	67.43	32	37.65	76.47
	Strongly agree	28	32.57	100	20	23.53	100
	Total	86	100.00		85	100.00	

Source: own survey result, 2017

As shown in the above table regarding the contribution of entrepreneurship education for graduate self employment those self employed graduates who have agreed as entrepreneurship education has great contribution for their starting own business account for 76.74% (including 36.05% strongly agree and 40.69% are agree), whereas those who did not believe in the contribution of the course cover 5.82% (including 3.49% disagree and 2.33% strongly disagree), while whose 17.44% indifferent about the contribution of the course. On the other hand with regard to this majority unemployed graduates 64.71% (including 34.12% agreed and 30.59% strongly agree)

also believed that entrepreneurship education has important contribution for starting one’s own business, where as those who provide opposition response account for 7.06% (5.88% disagree plus 1.18 strongly disagree), while 28.23% of them are moderately agreed, Based on this from both side the result showed that entrepreneurship education has great contribution for graduates self employment. Furthermore, majority of both groups of respondents were agreed that the more the graduate equipped with entrepreneurship skill and knowledge the more they inclined to start their own business. Generally, based on the above finding it is possible to conclude that access to entrepreneurship education has important contribution for graduates self employment.

Table 0-12: Value of business related training for starting and running one’s own business

Do you think that these trainings are being helpful and valuable for starting and running one’s own?	Self employed graduates			Unemployed graduates	
	Rate	Freq	percent	Freq	percent
Very high		22	36.07	22	36.67 -
High		23	37.70	23	38.33 -
Moderate		16	26.23	15	25
Low		-	-	-	- -
Very low		-	-	-	-
Total		61	100	60	100

Source: own survey result, 2017

As shown in the above table 4.12, both self employed and unemployed graduates were asked to rate the extent of business related training is valuable and helpful for starting and running one’s own business. Accordingly, 73.77% (including 36.07% very high and 37.70% high) of self employed and 75% (including 36.67% very high and 38.33% high) of unemployed graduates rated it as high, while 26.23% and 25% of self unemployed and unemployed graduates respectively rated it as moderate. This implies that business related training and education is tremendously valuable and helpful in equipping graduates with fundamental business knowledge and skills.

4.5 Lack of formal employment opportunities

Regarding to this many researchers recognized the role of absence of formal employment opportunities as the major triggering factor for emergence of self employment (Mora & Vila, 2013; Akbar & Bashir, 2009; Bay& Ramussen, 2010; Ellis & Williams, 2011; Kgagara, 2011) found that lack of employment in the formal sector forced graduates into self employment in the informal sector. Similarly, Kgagara (2011) concluded that difficulties faced by graduates in having employment in formal sector force them to use their skills and education to create employment opportunities through self employment. To see this issues from our context both groups of respondents were asked about the availability of employment opportunities in the formal sector. The result is summarized as follows in table 4.13.

Table 0-13: Duration of time for which graduates was unemployed

Self employed graduates				Unemployed graduates	
How long have you been unemployed after your graduation?	Response	Freq.	%ge	Freq	%ge
	Below ½ a year	33	38.37	-	-
	>½ year – year	28	32.56	28	32.94
	>1year- 2year	15	17.44	18	21.18
	>2-3 year	3	3.49	19	22.35
	>3- 4year	6	6.98	7	8.24
	> 4 year	1	1.16	13	15.29
	Total	86	100.00	85	100.00

Source: own survey result, 2017

As shown in the above table, classifying graduates in terms of their unemployment duration after their graduation, 38.37% of self employed graduates unemployed for the duration of below half a year; 32.56% half a year to one year; 17.44% above one year to two years; 3.49% above two year to three year; 6.98% of them were unemployed from three years to four years while the remaining 1.16% were unemployed for more than four years. From this figures we can conclude that majority of self employed graduates were no more unemployed and they have started their own

business few period after their graduation. This also signifies that they did not wait for formal employment option after their graduation. Similarly, when we classify unemployed graduates in terms of their unemployment duration, 32.94% of them were unemployed for more than half a year to a year, 21.18% of them were unemployed for a year to two years, 22.35% for more than two years to three years, 8.24% for above three year to four years, 15.29% of them were unemployed for more than four years. Like that of self employed graduates unemployed graduates were also newly entrants of labor market, however relative to self employed graduates unemployed graduates spent more duration by being unemployed.

With regard to availability of formal employment opportunities, both respondents were asked slightly different questions as shown in the following table 4.14. Consequently, self employed graduates were asked whether they have formal employment option when they started their own business. Out of them, 61.63% were pushed to start their own business because of absence of formal employment option, while the remaining 38.37% have formal employment option during starting their business and they prefer self employment because they thought having own business as more rewarding; to get financial independence as well as their interest to be self employed. From this result we can conclude that lack of formal employment option is the reason for which majority of graduates started their own business.

Similarly unemployed graduates were also asked whether they have currently formal employment option. As shown in the following table, out of the total unemployed respondents 78.82% of them have no formal employment option currently, whereas only a few (21.18%) of them has formal employment option. Again looking at the voice of the majority we can say that currently majority of unemployed graduates have no employment option in formal sector. This is also a reason why they are being unemployed. Thus, this study would like to suggest them to start their own business in order to depart themselves from unemployment problem.

Table 0-14: presence of formal employment option for respondents

		Response	Freq	%ge
Self employed graduates	Do you have formal employment option when you start this business	Yes	33	38.37
		No	53	61.63
		Total	86	100.00
	Do you have formal employment option currently	Yes	18	21.18
		No	67	78.82
		Total	85	100.00
	What is your reason for starting your own business while having another option	having own business is more rewarding	10	30.30
		To get financial independence	11	33.34
		interest to work in this sector	12	36.36
		Total	33	100
Unemployed graduates	In the case when the formal employment option is unavailable what action are you planned to take to release yourself from unemployment?	Start my own business	54	63.53
		Work in my family business	11	12.94
		Remain unemployed	5	5.88
		Waiting for formal employment option	15	17.65
		Total	85	100.00

Source: own survey result, 2017

Furthermore, as displayed in the last part of the above table, unemployed respondents were also asked about the action they planned to take to release themselves from unemployment status if they cannot secure formal employment option. Accordingly, large portion (63.53%) of them

intend to start their own business, where as 17.65% of them were planned to wait for formal employment option, 12.94% of them have plan to work in their family business, while few of them (5.88%) have plan to being unemployed. Looking to this result one can say that majority of unemployed respondents have planned to start their own business if they cannot secure formal employment option and they believe in the importance of self employment in addressing unemployment challenge.

Table 4.15: role of self employment in graduate unemployment reduction

graduates	Self employed			Unemployed graduates	
		Freq	%ge	Freq	%ge
Starting one's own business is vital way to meet challenge of graduates unemployment	strongly agree	26	30.23	20	23.53
	Agree	25	29.07	26	30.59
	Neutral	28	32.56	23	27.06
	Disagree	5	5.81	11	12.94
	Strongly disagree	2	2.33	5	5.88
	Total	86	100.00	85	100.00
Lack of formal employment is primary reason which forces you to start your own business	Strongly agree	15	17.44	18	21.18
	Agree	26	30.23	22	25.88
	Neutral	20	23.26	25	29.41
	Disagree	14	16.28	12	14.12
	Strongly disagree	11	12.79	8	9.41
	Total	86	100.00	85	100.00

Source: own survey result, 2017

To assess the significance of lack of formal employment option for starting one's own business, respondents were asked to forward their view whether self employment addresses the problem of graduate unemployment. As shown in the above table, 59.3% (including, 30.23% strongly agree and 29.07% agree) of self employed graduates believed that being self employed is a vital way to

address the problem of graduates unemployment in case when formal employment option is unavailable, 8.14% (5.81% disagree and 2.33% strongly disagree) of them thought that self employment can not address the problem of graduates unemployment, while 32.56% of them were neutral with the statement. Similarly, 54.12% (23.53% strongly agree and 30.59% agree) of unemployed graduates also agreed that self employment is the vital means of addressing the problems of graduate unemployment, whereas 18.82% (12.94% of disagree and 5.88% strongly disagree) were against the idea, while the remaining 27.06% of them were neutral. Almost majority of respondents from both sides believe that being self employed is the crucial means of tackling the problem of unemployment. Thus, since self employment has potential to save someone from unemployment problem, we can say that lack of formal employment option push them to be self employed for escaping from unemployment status.

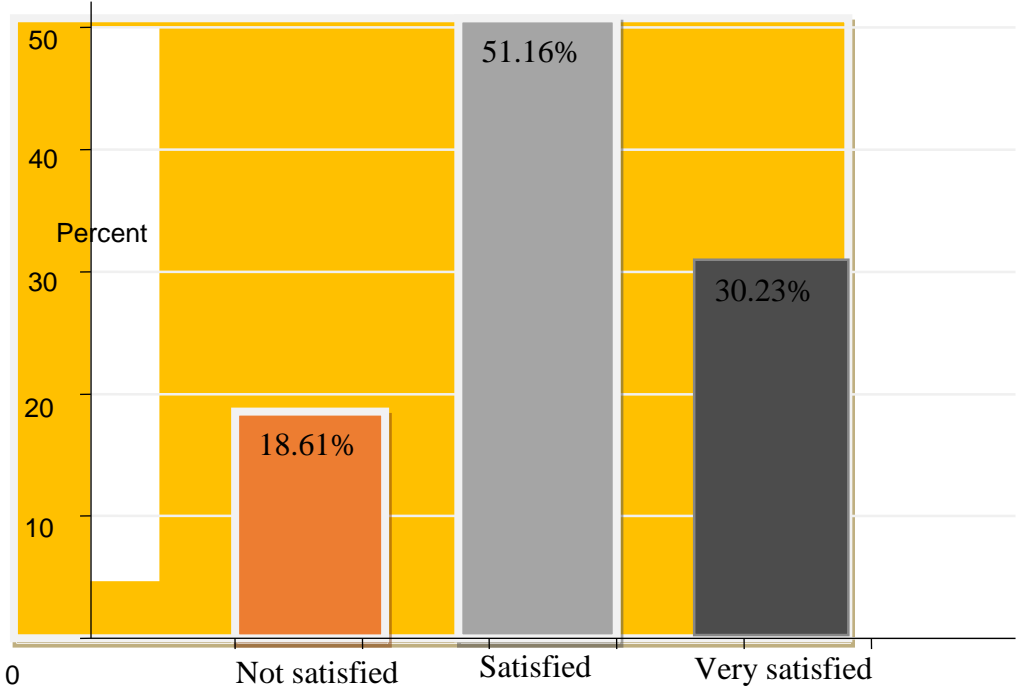
The above table also revealed that, the major proportions from both groups were believed that lack of formal employment is the prime reason for starting one's own business (47.67% of self employed and 47.06% of unemployed graduates), 29.07% of self employed and 23.53% of unemployed graduates did not think lack of formal employment option as prime reason for starting one's own business, while the remaining 23.26% and 29.41% of self employed and unemployed graduates respectively were neutral with the idea. This result signifies that lack of formal employment option is one of the influencing factors for graduate self employment.

4.6 Self-employed graduates satisfaction with their job and working environment

The self employed graduates were asked whether they are fond of recommending being self employment for other graduates those who are currently unemployed. Literature showed that the more self employed individuals satisfied with their job and working environment, the more they recommend self employment for those who are unemployed. However, those who are dissatisfied with their business may report negatively about self employment and this may make other unemployed individuals not to participate in self employment (Yordanos, 2006). In this aspect the following figure indicates, 51.16% (44) of them were satisfied, 30.23% (26) of them were very satisfied and the remaining 18.61% (16) of them were not satisfied with their current

business and working environment. From these result we can conclude that majority of self employed graduates were reporting positively about being self employment because of satisfaction they have enjoyed from their current business. They largely find that they were satisfied because their work is interesting and challenging. Moreover, they also believe that their business is characterized socially useful and they enjoy social life by working with people. Additionally, satisfaction from doing something of one’s own is other thing which is closely related to the need for autonomy/independence. Thus, as they are also part of the social environment, self employed graduates may influence those of unemployed graduates to establish their own business and release themselves from status of unemployment.

Figure 0-5: Self-employed graduates level of satisfaction

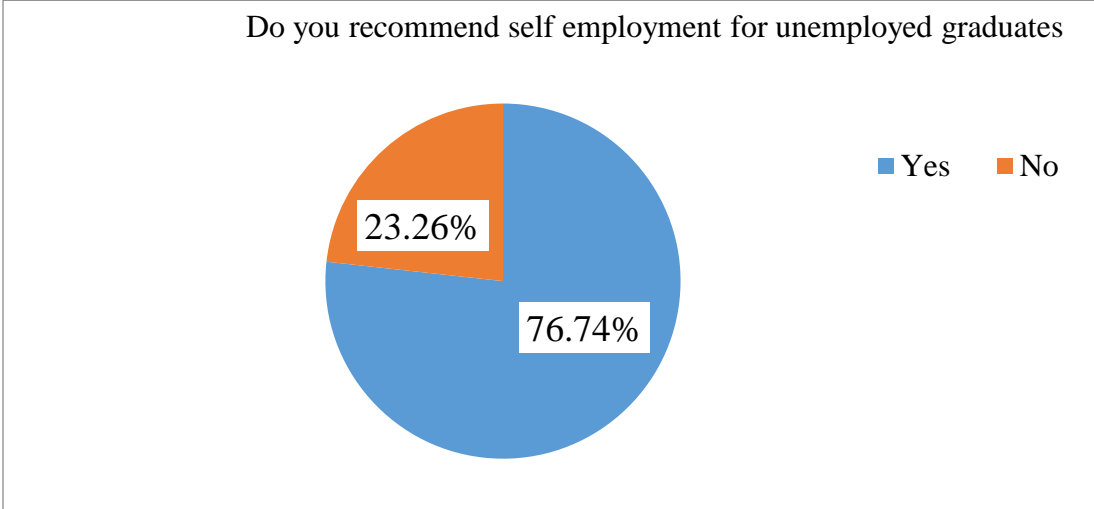


Source: own survey result, 2017

The following figure demonstrates whether self employed respondents recommend self employment for unemployed graduates or not. Accordingly, majority 76.74% (66) of them were interested in recommending self employment for unemployed graduates while the remaining a few of them 23.26% (20) responded they do not suggest self employment for them. As this result denotes self employed graduates were interested in recommending self employment for

unemployed graduates. Their positive report about self employment environment can influence unemployed graduates to start their own business. Moreover, when they forwarded reason for recommending self employment for unemployed graduates, majority of them stated that one can get a lot of business experience, satisfaction to do something of one's own, freedom and independence, better earning and they also say that at least it keeps them away from bad habits. On the other hand, a few of them those who have no interest for recommending self employment for unemployed graduates stated that graduates cannot compete with large business in the sector

Figure 0-6: Self-employed graduate recommendation on self-employment



Source: own survey result, 2017

CHAPTER FIVE

CONCLUSIONS AND RECOMMENDATIONS

The first part of this chapter presents the conclusions drawn from major findings of the study and it is followed by recommendations that the researcher forwarded so as to fill the identified gap.

5.1 Conclusions

Major conclusions are drawn based on the data analysis and discussion made in the previous chapter.

- ❖ Regarding personal characteristics and personality traits of respondents factors such as willingness to take risk, positive attitude towards self employment, need for achievement, and need for independence are found to be influencing factors for graduates self employment among other factors. This indicates that the individual with high these personality traits are more likely to start their own business. On the other hand, from this category factors such as sex, self confidence and creative and innovative behavior are found to be the less influencing factors for graduate self employment.
- ❖ Greater parts of both self employed and unemployed graduates have attended entrepreneurship education during their study at HEI. Even though majority of self employed graduates have taken entrepreneurship education during their study, similar proportion of unemployed graduates who have attended it still did not start their own business. Therefore, having/ not having access to entrepreneurship education have no influence on graduate participation in their own business.
- ❖ Although the majority of both groups of respondents have not got access to government policy and support, the proportion of respondents who obtained the favor of government policy and support is greater in the side of self employed graduates. This signifies that if there is strong government policy and support for existing and potential graduate entrepreneurs, attractive and encouraging environment of self employment can be created, however, majority of both groups of respondents did not benefit from the policy and support. However, it has greater influence on graduates self employment, the support from government in different

aspect is identified as very low and it needs great improvement. For instance, policy and support, which is important for new graduates self employment, such as incentives, credit service, low tax burden and provision of premises for new graduates for starting his/her own business is very less which need great attention from concerned bodies.

- ❖ Family entrepreneurial background, as one of the socio-economic factors, was identified as non influencing factor for graduates self employment which is against conclusion of many other researchers. Although lots of empirical evidence recognizes family entrepreneurial background as critical predictor for self employment, in this research it is found to be non influential. Therefore, coming from families with or without entrepreneurial background cannot meaningfully decide being self employed or unemployed.
- ❖ With regard to social value for self employment, it is found to be less influencing factor for graduates self employment. Although majority of unemployed graduate rate society's perception towards graduate self employment as positive, still they could not start their own business.
- ❖ Availability of starting capital is other influencing factor for individual engagement in his/her own business. According to the finding of this study the availability of seed capital is the influencing factor which persuaded graduates to start/not to start their own business. As per the finding of this study majority of self employed graduates started their business by having available starting capital. They obtained this starting capital from sources like personal saving, family, private lender, and financial institutions. On the other hand, unemployed graduates failed to start their own business due to lack of available starting capital. This indicates that lack of available starting capital is the prime reason which limits them from starting their own business. Both groups of respondents agreed that it is impossible to start one's own business without having starting capital. Moreover, majority of unemployed respondents stated that they have the intention to start their own business if they get starting capital. This indicates that capital is the influencing factor which limits them from being self employed.
- ❖ Lack of formal employment option is other influencing factor which persuaded majority of self employed graduates to participate in their own business. Large proportions of self employed respondents had no formal employment option when they have started their business. They also stated that lack of formal employment option is the prime reason which forced them to start their own business.

- ❖ Lastly, satisfaction of self employed graduates may influence unemployed graduates to start their own business. This is because if they are satisfied with their job and working environment they may report positively about self employment environment and influence them to join environment of self employment. Thus, as per this study's finding majority of self employed graduates were satisfied with their business and working environment. They also have willingness to recommend self employment for those graduates who are remaining unemployed and who have no formal employment opportunities. Therefore, satisfaction of self employed graduates with their job and working environment is believed to have greater influence on participation of unemployed graduates in self employment environment.

5.2 Recommendations

Self employment is recognized as the vital mechanism for unlocking unemployment challenges among HEI graduates especially in situation where there is shortage of formal employment option. Graduated youth should be induced to join self employment environment basically to save themselves from increasing graduate unemployment in our country. Thus, the student researcher believed that every stakeholder should share the responsibility in promoting entrepreneurial culture among graduated youth and thereby reduce graduated youth unemployment. To this end, based on the research finding the following points are recommended to the concerned bodies for promoting graduate self employment and save them from the challenge of unemployment there by utilize their potential for economic development of the country.

- The major difficulty for many potential graduate entrepreneurs still seems to be the lack of starting capital or seed fund. The study found that it is difficult to start own business without having starting capital. Thus, the student researcher believes that improving availability of starting capital will have a central role to enhance the propensity to start own business among graduated youth. In this regard, different financial institutions should work closely with potential and existing graduate entrepreneurs by lowering even avoiding the interest rates, offering collateral free loan, adopting easily accessible credit process, considering increasing graduate unemployment even at country level so that they can secure starting fund and easily engage in their own business. Besides to financial institutions, government should also work much on availing starting capital for graduates.

But as the study finding reflects government policy with respect to providing credit services for graduates who intends to start their own business is very less and need great improvement. Thus, government should establish special rules and regulations can promote availability of starting capital for youth who will begin their own business. The student researcher stresses on the creation of special financial unit by the government which can provide the seed capital to the youth who have a viable and promising business ideas. In situation where majority of individuals suffer from financial problems and where there is no available starting capital, if government did not play a special role in this regard, it will be a dream to expect more graduates having created their own business. Therefore, government should make available the starting capital by taking different measures like avoiding or minimizing collateral requirements to potential and existing graduate entrepreneurs, providing start-up grants, informing them about availability of credit services, if there, through different media and building the confidence of the graduates to take loans from different source.

- Individual personality traits such as willingness to take risk, positive attitude towards self employment, need for achievement and need for independence are found to be influential factors for graduate engagement in their own business. Thus, the researcher believes that students should be equipped with entrepreneurial personality traits during their study period by adopting mechanism like creating occasion which allow students to visit advanced self employed (entrepreneurs) graduates even through inviting them to the class for sharing them experience, providing trainers (instructors) who offer entrepreneurship courses with an intensive workshops and training to upgrade their knowledge and skills as a result they can build fruitful entrepreneurial personality within their trainees(students) and forming industry and university close relationship so as to give students the chance to explore the opportunities of self-employment through the practical and direct involvement in industry. The experience of other countries in self employment development shows this can prepare the graduates to take self employment as a career option.
- The access to government and policy and support is identified as an influencing factor for graduate self employment. Furthermore, literatures also repeatedly recognize the role of

government policy and support for creating attractive and encouraging environment for graduate self employment. Thus, the policy makers and other government bodies should strongly work to provide graduates with different favorable and encouraging policy and support such as credit services, facilitating infrastructure, providing working premises whenever possible, incentives and low tax burden on newly self employed graduates.

- The student researcher would also like to suggest government bodies to reduce graduate self employment discouraging policy and regulations related to tax burden and business licensing until they are financially stabilized and hold capacity to afford imposed tax burden. Because as they are new entrant to the business environment they may lack capacity to afford tax burden. In this case unaffordable tax burden can become an insuperable barrier to promising graduate entrepreneurs and even can force existing graduate entrepreneurs to stop their business and being fail unemployment status. Moreover, unfavorable tax systems can kill off new graduate entrepreneurs in the startup phase and during their critical first few years of business. Thus, this should be given due attention from the side of government as finance is the major constraint of graduates self employment.
- The finding of the study also identified that lack of formal employment option as important influencing factor for graduates self employment. Lack of formal employment option is believed to be pushing factor. However, the student researcher believes that this should be changed and they have to take self employment as the first option for securing employment directly after graduation and not to be exposed to unemployment challenge. In addition they are advised to invest their tangible and intangible capital on their own business and to be their own boss rather than waiting for formal employment.
- As one of social environment self employed graduates can greatly influence their relatives and friends to participate or not in their own business. They can do this by recommending and telling them as self employment is attractive and offers satisfaction. Thus, as almost all of self employed graduates are satisfied with their job and over all working environment they are interested to recommend self employment for unemployed graduates. Therefore, different policy makers and stakeholders are recommended to create self employed and unemployed graduate participative discussion forums, programs and

meeting to make this recommendation operational. Additionally, creating a network that can link the unemployed graduates with self employed graduates will substantially initiate unemployed groups to start their own venture. Thus, government bodies, NGO's, and different social Medias are advised to work in collaboration so as to make the self employed graduates to influence their friends and relatives to start their own business.

- Finally, policy makers/ government bodies are advised to call for different NGO, supporting agencies, different business incubators. For promoting these types of organizations government should work in cooperation with them especially through reducing rules and regulation like tax burden and by designing other attractive mechanism. Moreover, establishing graduates self employment oriented union generally at national level and particularly at local level in Woldia town is also other means of creating supportive and attractive environment for graduate self employment. The student researcher believes that if there is specific organization established to facilitate the participation of graduates in self employment environment those barriers which limit graduates from starting their own business can easily be removed.

Area for Further Research

This study evaluated the influencing factors of higher education graduates self employment in terms of individual characteristics and personality traits, socio- economic factors, government policy and support, entrepreneurship training and education, lack of formal employment option and satisfaction of self employed graduates with their job and working environment, however, there may be other influencing factors which can have great importance for graduate self employment but untouched in this study. In addition this study was conducted by taking Woldia town as a case area and the outcome of the study may lack complete representation of general population in other part of the country and again this need other study to be conducted at macro level. Therefore, the student researcher would like to call for other study to be conducted by in order to fill this gap.

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APPENDICES

Saint Marry University
School of Graduate Studies

Department of Project Management

MA program

Appendix A

Appendix one: Questionnaire to be filled by self employed Graduates

This questionnaire is designed by Ali Nurye for the purpose of collecting data for conducting study on the title **Determinant Factors of Higher Education Graduates Self Employment: The case of Woldia City** for partial fulfillment of the requirements of Masters of Project Management. You are politely requested to provide the required and correct data as per the questionnaire because it has a great role for the attainment of the objective of the study. The information you will provide is only for academic purpose and therefore all information provided shall be treated with maximum caution and confidentiality.

Thank you for your cooperation in advance!!!

General instruction

- ✓ Don't write your name
- ✓ Please circle the correct answer for alternative question e.g. sex: 1 Male 2. Female
- ✓ Fill the space provided for open ended questions and put "X" mark for rating scale questions

Part i. Personal characteristics and personality traits of the respondents

Personal characteristics

1. Sex: 1. Male 2. Female
2. Age 1. Below 20 2. 20-30 3. 31- 40 3. 41-50 5. Above 50
3. Year of graduation -----
4. What is your field of study? -----
5. Do you think that your field of study related with your business
 1. Directly related
 2. Somewhat related
 3. Unrelated

Personality traits of the respondents

6. With regard to the following personality trait please rate your appropriate personality trait based on the listed numerical value of the rate provided:

Numerical values of the rating scale 5 = **very high** 4 = **high** 3 = **Medium** 2 = **low** 1 = **very low**

S/N	Personality traits	Rating scale				
		5	4	3	2	1
1	Need for achievement					
2	Risk taking propensity					
3	Self confidence					
4	Need for independence/autonomy					
5	Creative and innovative behavior					
6	Positive attitude for self employment					

Part ii. Socio-economic factors

Family entrepreneurial background

- 7. Does your parent currently own or have the business? 1. Yes 2. No
- 8. Have you ever worked in a family business? 1. Yes 2. No
- 9. How do you rate the influence of your family entrepreneurial background for you having/ not having your own business? Very high 5 4 3 2 1 very low
- 10. To what extent do you agree that your family encourages you to be self employed?
Strongly agree 5 4 3 2 1 strongly disagree

Social values

- 11. To what extent do you agree that your social environment encouraged you to start your own business? Strongly agree 5 4 3 2 1 strongly disagree
- 12. How have you, as a graduate entrepreneur, been perceived by your social environment?
5. Strongly positive 4. Positive 3. Neutral 2. Negative 1. Strongly negative
- 13. In your society salaried employees are more respected than entrepreneurs.
Strongly agree 5 4 3 2 1 strongly disagree

Availability of starting capital

- 14. Did you have the available capital when you start this business? 1. Yes 2. No
- 15. If your answer for the above question No.14 is “Yes”, from which of the following source you have got that capital you have used to start this business: **Multiple responses is possible**
1. Personal saving 5. Financing institutions

- 2. Family
- 3. Friend and relatives
- 4. government sources
- 6. private lender
- 7. If other specify.....

16. If your answer for question no. 15 is “No”, what is the availability of outside funding/financing during starting your business?

Very easily available 5 4 3 2 unavailable 1 very unavailable

17. To what extent availability of starting capital influenced you to start your own business?

5. Very high 4. High 3. Moderate 2. Low 1. Very low

18. Without having starting capital it is impossible to start one’s own business.

Strongly agree 5 4 3 2 1 strongly disagree

Part iii. Government policy and support

19. Do you have any information about availability of government policy and support (Business development service) related to self employment? 1. Yes 2. No

20. Do you have access to government policy and support (Business development services) during starting and running this business? 1. Yes 2. No

21. If your answer to question No. 20 is “yes”, which of the following policy support have you obtained? *Multiple responses is possible*

- 1. Government incentives
- 2. Working premises
- 3. Training and education
- 4. Easy licensing process
- 5. Facilitation of infrastructure
- 6. credit services
- 7. Low tax burden
- 8. If other specify-----

22. How do you rate the accessibility of the following government policy and support important for starting own business?

5 = very high 4 = high 3 = moderate 2= low 1 = very low

S/N	Government policy support	Rating scale				
		5	4	3	2	1
1	Government incentives to encourage entrepreneurship					
2	Availability of credit services					

3	Easy licensing process					
4	Reduce the tax burden on new entrepreneurs					
5	Facilitation of infrastructure					
6	Provision of premises					
7	Training and education					

Part iv. Entrepreneurship education and training

23. Have you taken entrepreneurship course during your study? 1. Yes 2. No

24. If your answer for question no.23 is “yes”, to what extent access to entrepreneurship education influenced you to start this business? 5. Very great extent 4. Great extent 3. Average extent 2. Little extent 1. Very little extent

25. If your answer for question no. 23 is “yes” to what extent it is helpful and valuable for you starting & running this business? 5. Very high 4. High 3. Moderate 2. Low 1. Very low

26. If your answer for question no. 23 is “yes”, have you got each of the following from entrepreneurship education?

- | | Yes | No |
|--|--------------------------|--------------------------|
| 1. sense of autonomy/ independence and self-confidence | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. awareness /motivation to start my own business | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. skills and knowledge needed to start and grow up a new business | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. positive attitudes towards self employment | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. The ability to recognize opportunities in one’s life | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Ability to think in a creative and critical manner | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. If other specify ----- | <input type="checkbox"/> | <input type="checkbox"/> |

27. To what extent do you agree that Entrepreneurship education has a significant contribution to graduates’ self employment?

Strongly agree 5 4 3 2 1 strongly disagree

28. To what extent do you agree that the more graduates equipped with entrepreneurial skills during education, the more they start their own business

Strongly agree 5 4 3 2 1 strongly disagree

Part v. Lack of formal employment opportunities/unemployment

29. How long have you been unemployed after your graduation?

30. Do you have formal employment option when you start this business? 1. Yes 2. No

31. If your answer for the above question is no.31 is “yes”, what are your reasons for starting your business while having another option?

1. I thought having own business is more rewarding
2. To get financial independence
3. working premise support from the government
4. I have skill in this sector
5. I have interest to work in this sector
6. If other specify.....

32. Starting one’s own business is vital way to meet challenge of graduate’s unemployment in the absence of formal employment opportunities

Strongly agree 5 4 3 2 1 strongly disagree

33. Lack of formal employment is primary reason which force you to start your own business

Strongly agree 5 4 3 2 1 strongly disagree

Part VI. Self employed graduates satisfaction with their current business and working environment

34. Do you recommend being self employed for unemployed graduates?

- 1 Yes 2. No

35. If your answer for question no.34 is “No”, what is your reason? **Multiple responses possible**

1. there is no significant change in my life
2. the work is not rewarding as much as its tiresomeness
3. the graduates can't compete with large capitalists in the sector
4. If other specify

36. If your answer for question No. 34 is “Yes”, what is your reason for recommending self employment for them? **Multiple responses possible**

1. They can get satisfaction to do something of their own
2. they can get a lot of experience in business
3. at least it keeps them away from bad habits
4. they can do new things if engaged in his idea
5. they can get freedom and independence
6. they can enjoy better earning

7. they may enjoy fewer working hours

8. if other specify-----

37. To what extent are you satisfied with your job and working environment (business)?

5 Very satisfied 4. Satisfied 3. Not satisfied 2. Dissatisfied 1. Very
dissatisfied

38. In terms of what are you satisfied with your job and working environment? ***You can give more than one answer.***

- | | |
|--|------------------------------|
| 1. Interesting and Challenging work | 5. Long term security |
| 2. Socially useful work | 6. Enjoy fewer working hours |
| 3. Independence/freedom | 7. If other specify----- |
| 4. Working with people you enjoy social life | |

Thank you for your cooperation!!!

Saint Marry University
School of Graduate Studies

Department of Project Management

MA program

Questionnaire to be filled by unemployed graduates

This questionnaire is designed by Ali Nurys for the purpose of collecting data for conducting study on the title ‘**Determinant factors of Higher education graduates self employment: the case of Woldia City**’ for partial fulfillment of the requirements of Masters of Project Management. You are politely requested to provide the required and correct data as per the questionnaire because it has a great role for the attainment of the objective of the study. The information you will provide is only for academic purpose and therefore all information provided shall be treated with maximum caution and confidentiality.

Thank you for your cooperation in advance!!!

General instruction

- ✓ Don't write your name
- ✓ Please circle the correct answer for alternative question e.g. sex: Male **1** 2. Female
- ✓ Fill the space provided for open ended questions and put “X” mark for rating scale questions

Part i. Personal characteristics and personality traits of the respondents

Personal characteristics

1. Sex: 1. Male 2. Female
2. Age: 1. below 20 2. 20- 30 3. 31-40 4. 41-50 5. Above 50
3. Year of graduation _____
4. What is your field of study? -----

Personality traits of the respondents

5. With regard to the following personality trait please rate your appropriate personality trait based on the listed numerical value of the rate available: Numerical values of the rating scale
5 = very high 4 = high 3 = Medium 2 = low 1 = very low

S/N	Personality traits	Rating scale				
		5	4	3	2	1
1	Need for achievement					
2	Risk taking propensity					
3	Self confidence					
4	Need for independence/autonomy					
5	Creative and innovative behavior					
6	Positive attitude for self employment					

Part ii. Socio- economic factors

Family background on entrepreneurship

6. Does your parent currently own or have the business? 1. Yes 2. No
7. If your answer for question no. 6 is “Yes”, have you ever worked in a family business?
1. Yes 2.No
8. To what extent do you agree that your family did not encourage you to be self employed/start your own business?
Strongly agree 5 4 3 2 1 strongly disagree

Social values

9. To what extent do you agree that your social environment discouraged you to start your own business
Strongly agree 5 4 3 2 1 strongly disagree
10. How self employed graduates been perceived by your social environment?
5. Strongly positive 4. Positive 3. Neutral 2. Negative 1. Strongly negative
11. In your society salaried employees are more respected than entrepreneurs.
Strongly agree 5 4 3 2 1 strongly disagree

Availability of starting capital

12. Do you have the available capital if you intend to start your own business? 1. Yes 2. No

13. If your answer for question no. 12 is “yes”, from which of the following source(s) of capital will you obtain such capital?

- 1. Personal saving
- 2. Family
- 3. Friend and relatives
- 4. private lender
- 5. Financing institutions
- 6. government sources
- 7. if other(s) specify-----

14. If your answer for question no. 12 is “No”, what is the availability of outside funding/financing if you intend to start your own business?

Easy to obtain 1 2 3 4 5 Not available

15. If your answer for question no. 12 is “yes”, do you have intention to start your own business if you get starting capital? 1. Yes 2. No

16. To what extent availability of starting capital will influence you to start/not to start your own business? 5. Very high 4. High 3. Moderate 2. Low 1. Very low

17. It is difficult to start one’s own business due to a lack of available starting capital

Strongly agree 5 4 3 2 1 strongly disagree

Part iii. Government policy and support

18. Do you have any information about availability of government policy and support (Business development service) related to self employment? 1. Yes 2. No

19. Do you have access to government policy and support (Business development service) if you intend to start your own business? 1. Yes 2. No

20. How do you rate accessibility of the following government policy and support important for starting own business?

5 = very high 4 = high 3 = moderate 2= low 1 = very low

S/N	Government policy support	Rating scale				
		5	4	3	2	1
1	Government incentives to encourage entrepreneurship					
2	Availability of credit services					
3	Easy licensing process					

4	Reduce the tax burden on new entrepreneurs					
5	Facilitation of infrastructure					
6	Provision of premises					
7	Training and education					

Part iv. Entrepreneurship education and training

21. Have you taken entrepreneurship course during your study? 1. Yes 2. No
22. If your answer for question no. 21 is “Yes”, do you think that these training are being helpful and valuable for you if you intend to start own your business? 1. Yes 2. No
23. If your answer for question number 21 is “No” to what extent do you think lack of access to entrepreneurship course influenced you in not to have your own business?
 5. Very great extent 4. Great extent 3. Moderate extent 2. Little extent 1. Very little extent

24. If your answer for question no. 21 is “Yes” which of the following have you got from entrepreneurship education? (You can give more than one answer).

	Yes	No
1. Sense of autonomy/ independence and self-confidence	<input type="checkbox"/>	<input type="checkbox"/>
2. Awareness /motivation to start my own business	<input type="checkbox"/>	<input type="checkbox"/>
3. Skills and knowledge needed to start and grow up a new business	<input type="checkbox"/>	<input type="checkbox"/>
4. Positive attitudes towards self employment	<input type="checkbox"/>	<input type="checkbox"/>
5. The ability to recognize opportunities in one’s life	<input type="checkbox"/>	<input type="checkbox"/>
6. Ability to think in a creative and critical manner	<input type="checkbox"/>	<input type="checkbox"/>
7. If other specify -----	<input type="checkbox"/>	<input type="checkbox"/>

25. To what extent do you agree that entrepreneurship education has a significant contribution to graduates’ self employments?

Strongly agree 5 4 3 2 1 strongly disagree

26. To what extent do you agree that the more graduates equipped with entrepreneurial skills during education, the more they start their own business?

Strongly agree 5 4 3 2 1 strongly disagree

Part v. Lack of formal employment opportunities

27. How long have you been unemployed after your graduation? _____

28. Do you have formal employment option currently? 1. Yes 2. No
29. In the case when the formal employment option is unavailable what action you plan to take to release yourself from unemployment status?
1. Start my own business 4. Waiting for formal employment opportunity
2. Working in family business 5. If other please specify_____
3. Remain unemployed
30. Starting one's own business is vital way to meet challenge of graduates' unemployment in the absence of formal employment opportunities.
- Strongly agree 5 4 3 2 1 strongly disagree
31. Lack of formal employment is primary reason which force graduates to start own business
- Strongly agree 5 4 3 2 1 strongly disagree

Appendix B

Personality traits and Government policy and support

Table 4.2 personality traits of respondents

Traits		Self employed graduates						Unemployed graduates					
		Rating scale of traits						Rating scale of traits					
		Very high	High	Mod erate	Low	very low	Total	Very high	High	Mod erate	Low	very low	Total
Need for achievement	Freq	44	28	12	1	1	86	29	25	24	5	2	85
	%ge	51.16	32.56	13.95	1.17	1.16	100.00	34.12	29.41	28.24	5.88	2.35	100.00
	Mean	4.31						3.87					
Willingness to take risk	Freq	31	28	19	5	3	86	15	20	28	17	5	85
	%ge	36.05	32.56	22.09	5.81	3.49	100.00	17.65	23.53	32.94	20	5.88	100.00
	Mean	3.92						3.27					
Self confidence	Freq	56	20	8	2	-	86	30	31	16	6	2	85
	%ge	65.12	23.25	9.30	2.33	-	100.00	35.29	36.47	18.82	7.06	2.35	100.00
	Mean	4.51						3.95					
Need for independence	Freq	43	31	10	1	1	86	22	34	18	10	1	85
	%ge	50.00	36.05	11.63	1.16	1.16	100.00	25.88	40	21.18	11.76	1.18	100.00
	Mean	4.33						3.78					
creative and innovative	Freq	28	31	21	5	1	86	22	26	27	10	-	85
	%ge	32.56	36.05	24.42	5.81	1.16	100.00	25.89	30.59	31.76	11.76	-	100.00
	Mean	3.93						3.71					
Positive attitudes towards self	Freq	52	25	9	-	-	86	28	25	16	13	3	85
	%ge	60.47	29.07	10.46	-	-	100.00	33.94	29.41	18.82	15.3	3.53	100.00
	Mean	4.5						3.73					

Source: Own survey result 2017

Table 4.9 Government policy and support accessibility for new graduate entrepreneur

Self employed graduates	Rate	Respondents			Unemployed graduates		
		Freq	%ge	Mean	Freq	%ge	Mean
Government incentives to encourage entrepreneurship	Very High	15	17.44	3.12	15	17.65	3.11
	high	22	25.58		18	21.18	
	Moderate	20	23.26		20	23.53	
	low	16	18.60		25	29.41	
	very Low	13	15.12		7	8.23	
	Total	86	100.00		85	100.00	
Availability of credit services	Very High	9	10.46	2.86	10	17.76	2.68
	High	18	20.93		14	16.47	
	Moderate	28	32.56		18	21.18	
	Low	14	16.28		25	29.41	
	very low	17	19.77		18	21.18	
	Total	86	100.00		85	100.00	
easy licensing process	Very High	15	17.44	3.26	8	9.41	2.65
	High	22	25.58		11	12.94	
	Moderate	28	32.56		25	29.42	
	Low	12	13.95		25	29.41	
	Very low	9	10.47		16	18.82	
	Total	86	100.00		85	100.00	
low tax burden on new entrepreneur	Very High	4	4.65	2.27	4	4.71	2.40
	High	9	10.47		10	11.76	
	Moderate	23	26.74		21	24.71	
	Low	20	23.26		31	36.47	
	Very low	30	34.88		19	22.35	
	Total	86	100.00		85	100.00	
Facilitation of infrastructure for new entrepreneur	Very High	15	17.44	3.20	6	7.06	2.79
	High	23	26.74		20	23.53	
	Moderate	26	30.23		23	27.06	
	Low	8	9.31		22	25.88	
	Very low	14	16.28		14	16.47	
	Total	86	100.00		85	100.00	
provision of premises for new graduate entrepreneur	Very High	7	8.14	2.52	5	5.88	2.53
	High	12	13.95		17	20	
	Moderate	23	26.75		16	18.82	
	Low	21	24.42		27	31.77	
	Very low	23	26.74		20	23.53	
	Total	86	100.00		85	100.00	
training and education	Very High	12	13.57	2.99	14	16.47	3.01
	High	26	30.00		20	23.53	

	Moderate	18	21.43		21	24.71	
	Low	9	10.71		13	15.29	
	Very low	21	24.29		17	20	
	Total	86	100.00		85	100.00	

Source: own survey result, 2017