Factors Affecting Entrepreneurial Attitude: Experience from Graduating Students of Addis Ababa Science and Technology University

Walleign Wondie Abebe, Reta Megersa Hundie, and Geremew Teklu Tsigu

Abstract — Studies and literature reveal that students' attitude to create their own business is influenced by different endogenous and exogenous factors. The study aimed at analyzing factors affecting students' entrepreneurial attitude. The factors considered in this study are family background, role model and entrepreneurial government support programs. Explanatory design was employed to check the magnitude of cause and effect relationship. 328 questionnaires were distributed sampled respondents and intensive interview was conducted with key informants. Key results of the study imply that the explanatory factors identified above positively and significantly affect the dependent variable. The family background, government entrepreneurial support programs and role model combined and explained 79.7% of the variation in entrepreneurial attitude of the students. Thus, if the government and/or the university can devise strategy upon these variables, there is a promising possibility that the attitude of the students for creating their own job.

Index Terms — Entrepreneurial attitude, Family background, Role model, Government entrepreneurial support and Addis Ababa Science and Technology University.

I. INTRODUCTION¹

It has been widely acknowledged that entrepreneurship plays a key role in boosting economic prosperity, social welfare, and personal development [1], [2]. Ethiopia is a country whose economy needs a young that create job in its own and generate income. Developing economy like that of Ethiopia needs young that has the right attitude to generate its own income. Entrepreneurial attitude is one among many drivers of job creation and economic growth. Students commonly seek for employment after their graduation.

For the past three four decades, unemployment rate has been mounting in Ethiopia. The current Covid-19 pandemic has aggravated the unemployment problem in the country.

These unemployed young have become a big challenge for the authorities in economic and social regards. The increasing unemployment has caused political instability in addition to the socioeconomic problems in the country. Self-employment, therefore, can contribute a great amount to the endeavors of the authorities to alleviate such multifaceted national problems [3]-[7].

[8] States that entrepreneurial attitude is a function of various factors such as personality traits, education, experience, social and economic conditions, and family background among other related indicators. This study, has tried to figure out which factor better predicts students entrepreneurial attitude.

A. Objectives of the Study

1. To analyze the level of practice of the students' entrepreneurial attitude as dependent variable and family background, role model, government entrepreneurial support, business ecosystem and university wide entrepreneurial support.
2. To analysis the magnitude of association that exist among the study variable.
3. To find out the magnitude of percentage change explained in students' entrepreneurial attitude by the study model.

II. LITERATURE REVIEW

Entrepreneurship development programs is characterized as a collection of formalized teachings that informs, trains, and educates anyone interested in participating in socio-economic development through a project to promote entrepreneurship awareness, business creation, and small business development, or to train the trainers [9].

Entrepreneurship is a process by which an individual recognizes an opportunity through the method of considering both controllable and uncontrollable resources [10]. Within entrepreneurship lies the core concept of the identification of opportunities and bringing new ideas to life [11]. This can be achieved by an individual or a group of individuals, as long as they possess creativity, passion, and a risk-taking mindset.

Starting up a venture is a complex process calling for accumulating necessary resources before entrepreneurial activities is initiated [12]. [13] noted that the social capital provides considerable resources if leveraged adequately for nascent entrepreneurs. For example, the emotional and financial support from family and friends is critical in entrepreneurial process [14]. [15] also argued that role models provide learning, inspiration, motivation, and help individuals to form self-concept, when they are appraised as credible, trustworthiness, expert, and prestigious individuals [16]. States if there is identification with the role model, modeling can be 'one of the most powerful ways of transmitting values, attitudes and models of reflection and action'.

Entrepreneurial attitude is considered to be one of the most important factors influencing students' intention and

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success in becoming entrepreneurs. Many people say that attitude matters. It influences a person to behave in a certain way. In fact the behavior of a person is a reflection of the attitude of the person and who the person is. Therefore entrepreneurs who want to see themselves at the top must take time to work on their attitude. Attitude is assumed to be a better explanatory factor for a career choice than demographic variables [17]. They argue that attitude influences confidence, enthusiasm, inclination and aspiration toward entrepreneurship.

Entrepreneurial attitude is better expressed as an individual feelings, thought and conations toward self-employment. It is considered as a function of value, belief and favorability of one's imbedded mental process [18].

On a survey conducted on Nigerian undergraduate students, they identified that specialized and practical education directed towards entrepreneurship has a significant influence in motivating students to become entrepreneurs [19].

An attitude is a mental neural state of readiness, organized through experience exerting a directive or dynamic influence upon the individual's response to all objects and situations with which it is related. Therefore, there is a strong ascertaining that attitude plays a very important role in determining the learning behaviors of students in Universities. This called for a continued effort by the researchers to make sure that students develop a positive entrepreneurial attitude [20].

According to [21], items such as attitudes, subjective beliefs, and perceived behavioral restrictions became essential factors for explaining entrepreneurial attitude [22].

In a same fashion [23], explain that there is a strong correlation between family background and participation in entrepreneurial activity. The common premise is that a good influence brought by family about entrepreneurship who contribute to higher entrepreneurial tendency to start-up business. Other Study also conducted across countries between Italian and Argentinean among undergraduate students and the study found that entrepreneurial family background has a bigger impact on the propensity towards starting one's own business [24].

Fig. 1. The Conceptual Framework of the Study.
Source: Derived from the reviews literature, 2020

III. RESEARCH METHODOLOGY

The study applied an explanatory research design to explain the magnitude of the relationship among the study variables. It employed an existing theoretical relationship thus is deductive by approach. Primary data was collected through structured questionnaire from a 312 randomized graduating class students and interview was conducted with three officials concerned. This helped to triangulate the finding from both sources. The collected data was analyzed

with the help of inferential statistics: product moment correlation and simultaneous multiple linear regression techniques.

Thus,

$$Y(\text{attitude}) = a + b_1(\text{family}) + b_2(\text{Role model}) + b_3(\text{Government support}) + b_4(\text{Business ecosystem}) + b_5(\text{University entrepreneurial support}) + \epsilon.$$

Legend: A

Validity of the instrument was tasted through intensive literature review, incorporating expert critique and pilot testing. Reliability of the instrument was checked by calculating Cronbach Alpha scores.

TABLE 1: RELIABILITY SCORES

Variables	No. of Item	Alpha Score
Att	5	.66
FB	5	.62
RM	5	.72
GES	5	.72
BES	5	.70
UES	6	.72

Source: Own data: 2020.

The finding reveals that the alpha scores satisfy the minimum requirement for further analysis.

IV. RESULT AND DISCUSSION

A. Descriptive Characteristic of the Study Variables

TABLE 2: DESCRIPTIVE EXPRESSION OF STUDY VARIABLES, N=312

No	Variable	Mean	STD
1	Attitude	3.97	0.52
2	Family	3.28	0.70
3	Role Model	3.70	0.59
4	Government Support	3.50	0.77
5	Business Ecosystem	3.35	0.70
6	University Support	3.60	0.65

Source: Own survey, 2020.

The table above shows that the level of the presence of the study variables is notable that further statistical analysis can be carried out.

B. Relationship Investigation of the Study Variables

1) Analysis of association among the variables

TABLE 3: ASSOCIATION ANALYSIS AMONG STUDY VARIABLES; N=312

No	Var.	1	2	3	4	5	6
1	Att	1					
2	Fam	.88**	1				
3	RM	.70**	.74**	1			
4	GS	.76**	.76**	.67**	1		
5	BES	.57**	.71**	.66**	.71**	1	
6	UES	.59**	.63**	.59**	.73**	.89**	1

Note: ** Correlation is significant at 0.01 level (2- tailed).

Source: Own survey, 2020.

Correlation technique is used to answer three questions about the variables: 'Is there a relationship between the variables? What is the direction of the relationship? And what is the magnitude?'

The score computed above shows that there is strong positive association among the study variables. [25] as cited by [26], suggests that, correlation score between 0.10 to 0.29 depicts weak association, correlation score between 0.30 to 0.49 depicts medium association, and correlation score between 0.50 up to 1.0 depicts strong association ranges among study variables. This finding implies that there exists strong positive association among students' entrepreneurial attitude, family, Role model, government entrepreneurial support, business ecosystem and university entrepreneurial support. This finding, in turn, warrants that causation analysis can be computed.

2) Analysis the Magnitude of Causation

TABLE 4: SIMULTANEOUS MULTIPLE REGRESSION ANALYSIS SUMMARY (N=312)

Variables	B	SEB	B
Fm	.623	.03	.11
RM	.099	.03	.82
GES	.116	.03	.17
BE	-.377	.04	-.50
UES	.265	.04	.33
Constant	1.47	.08	

Note: $R^2 = .838$; $F(5,306) = 317.125$; $P < 0.01$

Source: Own survey, 2020.

Simultaneous multiple regression was conducted to investigate the best predictor of entrepreneurial attitude of graduating students score. The combination of family background, the effect of role model, government entrepreneurial support programs, business ecosystem, and university wide entrepreneurial support was calculated, $F(5,306) = 317.125$; $P < 0.01$. This score imply that all the variables considered significantly predicted entrepreneurial attitude. The adjusted R^2 was 0.838; this indicates that 83.8% percent of the variation in entrepreneurial attitude is explained by the model. According to [25], this is a large effect. The possibility for the students' entrepreneurial attitude to improve is high if strategy is devised to enhance the constructs of the study.

What the researcher wanted to identify was that which of the explanatory variables included in the model is/are contribute more to the prediction of the student's entrepreneurial attitude. The largest beta coefficient is scored by family background. ($B=0.623$). This means that family background made the strongest contribution in explaining students' entrepreneurial attitude.

On the other hand, as per [26], squaring the beta value and multiplying by 100 shows the unique/significant contributions of each independent variable. Accordingly, the beta value of the effect of family background 0.623 and by making it square we get 0.388129. It means that the contribution of family background to entrepreneurial attitude 38.8% and by a similar calculation, the unique contribution of government entrepreneurial supporting programs is 1.35% while university wide entrepreneurial supports is 7%. This might imply that working on these variables can bring a success in venture formation.

Therefore, from all explanatory variables, family background, followed by university wide entrepreneurial

support, has the strongest unique contribution to entrepreneurial attitude formation in the study area.

The confirmed model is expressed as:

$$Y = \beta_0 + \beta_1 \chi_1 + \beta_2 \chi_2 + \beta_3 \chi_3 + \beta_4 \chi_4 + e$$

where:

Y = Entrepreneurial attitude;

χ_1 = Family background;

χ_2 = Role model;

χ_3 = Government entrepreneurial support programs;

χ_4 = Business ecosystem;

χ_5 = University wide entrepreneurial support;

β_0 = the constant;

β_1 -n= the regression coefficient or change included in Y by each χ ;

e = standard error term.

Thus, according to the finding:

$$\text{Attitude} = 1.47 + 0.62(\text{Family}) + 0.10(\text{Role Model}) + 0.12(\text{Government Support}) + -0.38(\text{Business ecosystem}) + 0.27(\text{University support}) + 0.21$$

V. CONCLUSION

This study has provided an empirical justification for the conceptual framework that identified five explanatory constructs that considered family background, role model, government entrepreneurial support programs, business ecosystem and university wide entrepreneurial support. Strong statistical association was observed among the constructs within the context of the study area. In addition, the causation analysis reported that the model strongly explained the variance in students' entrepreneurial attitude. From the proposed constructs, the role of family background was higher than the others. Therefore, if a policy frame work is enacted to enhance the business understanding and engagement of the family members, there is high possibility that students' entrepreneurial attitude improves. The second was university wide entrepreneurial support and government entrepreneurial support. This in turn, might significantly contribute to start up proliferation required to create jobs and thus boost the economy. The other important finding of this study is that the university wide entrepreneurial support provided to students significantly predict students' entrepreneurial attitude.

Thus, the university is required to enhance its entrepreneurial support to graduating student by means of short term training, course work and enhancing the business incubation center.

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