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# Assessing Entrepreneurial Characteristics among Public University Students in Ethiopia

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# Assessing Entrepreneurial Characteristics among Public University Students in Ethiopia

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**Findings:** the study identify that the higher education students those who have been attending their education have high risk taking propensity, possess self-efficacy, possess internal locus of control and they can control their future events and have desire for autonomy which could be the reason for new venture creation.

**Practical implications:** the finding specifically imply that the universities are advised to give attention to the impact of social influences, identify the way to enhance students confidence to perform entrepreneurial roles and tasks, allow university stakeholder participations such as Supervisor and Lecturer to guides students well and encouraged students to pursue their own ideas. Finally, Ethiopian ministry of education is expected look at university environment to creates environment which can boost entrepreneurial intention of the students.

## I. BACKGROUND OF THE STUDY

Entrepreneurship has increasingly evolved to such an extent of not only becoming a career but also a desirable employment option for most people these days. There are more small businesses being created. This has been evidenced by the growing number of people specializing in the conduct of small businesses. On the other hand professional or rather office jobs employment is no longer a fashion as people remains with less chances for getting salaried jobs. We

have less prospects of being employed in established organizations. Probably this can be taken as a contributing factor that forces many people to seek opportunities for self employment<sup>1</sup>. This has brought about the heuristic characteristics among many people who behave entrepreneurially.

There is an external learning with which circumstances drive certain people to follow a particular career in life. Still political and academic interest in support of entrepreneurship as a career choice is on the rise probably because of the link between new venture creation and the economic development. In Teixeira & Davey, Moore, Klapper and Leger-Jarniou, 2006 are quoted to show that the continued economic uncertainty, corporate and government downsizing and a declining number of corporate recruiters on the education system have been fostering the appeal of self-employment (Teixeira & Davey 2008). But it is also being noted as common for tertiary education to prepare students not only as job seekers but mostly as job creators by becoming self-employed (Gelderer, Brand, Praag, Bodewes, Poutsam & Gils 2008). No wonder entrepreneurship has a hand in supporting any economy in the world. It is well considered that people who are engaged in business creation are vital in the modern economy. These same people are charged with responsibilities that bring new products in the market and revitalize the disequilibrium of economy. These individuals depict unique behaviors that have drawn academicians' attention for academic researches.

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

Krueger and other colleagues have discussed entrepreneurial intentions to show that people will not indulge in starting new firms as a reflex, but rather they consider the option much more carefully and quite well in advance (Krueger, Reilly & Carsrud 2000, Scutjens &

<sup>1</sup>As will be shown later in this study self employment, small business and business enterprises operations are synonymously used and are literary taken to mean entrepreneurship. A more clarification follows in the review of literature.

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Stam 2006). The drive comes from within an individual who intend to set up a business venture. Even though researchers still tell that situational as well as individual attributes serve as poor predictors of new business formation, the fact remains that it is an individual who personally envisages and articulate into business ideas. As mentioned above, it is apparently normal in course of living for people to choose entrepreneurship as a career. This makes it a norm to conjecture that the entrepreneurship process is or can be regarded as a pre-intended behavior in which people eventually delve in. Following this argument the established thrust for entrepreneurial intentions investigation gathers grounds. The same intentions are regarded as best predictors of planned behaviour which in this study is the act of starting a new business. Entrepreneurial intentions as such have accorded merits and academicians strive in efforts so that it is established on the ground of what trigger people to behave entrepreneurially.

Various societal and organizational attributes as well as organizational and individual aspects are accounted to be of essence in deriving entrepreneurs and entrepreneurship in any community (Gelderen, Brand, Praag, Bodewes, and Poutsam & Gils 2008). Dutta & L.Thornhill admit that entrepreneurs form a stock of heterogeneous people with regard to setting or even grow business (Dutta & L.Thornhill 2008). Prior theoretical and empirical research shows diversity of individual intentions to start business. With this in mind, the following study draws most of its attention on the incorporation of attitudinal factors as well as characteristics of individual students for the assessment of intentions for new venture creation. The researchers believe it is the inherent personal factors of individuals that dispose them to engage in entrepreneurial behaviours. Extant studies on entrepreneurial intentions mostly focus on the impact of business training to determine the level of entrepreneurial skills among students (Gaddam 2008, Gelderen, Brand, Praag, Bodewes, Poutsam& Gils 2008, Souitaris, Zerbinati& Al-Laham 2007, Raab, Stedham&Neuner 2005).The fact remains that those studies have led to deeper understanding of business intentions among students, but the same studies have not exhausted conclusions on general students to incorporate a dynamic aspect for

changes in attitude and economic environment keep on revolving. Thus findings on this same subject can contradict with the finding at this yet another moment in time. This study will contribute to this ongoing literature by learning and establishing the entrepreneurial variables among students at the university those took entrepreneurship courses.

We are in an age where the entrepreneurial culture should flourish to the extent that entrepreneurship needs to be regarded as a career that is desirable to every individual. It is within this framework that a proposition is made that students and especially university students, form a significant portion of potential entrepreneurs.

## II. ENTREPRENEURIAL CHARACTERISTICS OF THE RESPONDENTS

The trait approach to entrepreneurship has been pursued by many researchers in an attempt to separate entrepreneurs from non-entrepreneurs and to identify a list of character traits specific to the entrepreneur. There is no agreement however on the number of traits, specific to the entrepreneur, or their validity. Chell (2000) suggests that it is not clear whether some of the studied attributes precede entrepreneurial behavior or whether entrepreneurs acquire them in the process. Furthermore, entrepreneurs may possess some, but not necessarily all, of the traits highlighted in the literature bringing us to the conclusion that not one stereotypical personality model fits.

## III. RESPONDENTS RISK-TAKING PROPENSITY

McMullen and Shepherd (2006) argue that a willingness to bear the perceived uncertainty associated with entrepreneurship can be seen as a belief-desire configuration similar to that of entrepreneurial intentions models. That is, desire of pursuing entrepreneurial action is a function of motivation, and belief in the ability to pursue entrepreneurial action is a function of knowledge. Mitton (1989) suggested that entrepreneurs seek the excitement of ambiguous situations in order to challenge themselves. This tolerance for ambiguity tends to go hand in hand with entrepreneurs' risk taking propensity.

Table 1 : Risk-taking propensity of the respondents

Even though it is frightening to try something new, are you the type who tries	Frequency	Percent
Yes	134	63.8
No	75	35.7
Total	210	100.0

Source: Research Data, 2012

As the above tables depicts out of all respondents, 134 (63.8%) students replied that even though it is frightening to try something new, they will try it and the remaining 75(35.7%) of the respondents responded that if it is frightening to try something new they will not try to do. Therefore from the above finding it is possible to conclude that the majority of the students have high risk taking propensity.

#### IV. SELF-EFFICACY OF THE RESPONDENTS

General self-efficacy is an individual's faith in his or her capacity to perform successfully across a variety

Table 2 : Entrepreneurial self-efficacy of respondents

If your friends, father and mother tell you that it is foolish of you to want a career, You will listen to them and stay home long years for waiting for job	Frequency	Percent
Yes	44	21.0
No	166	79.0
Total	210	100.0

Source: Research Data, 2012

The above table reveals that majority 166(79.0%) of respondents responded that they will not follow their friends and family suggestion and wait for job and 44(21.0%) of the respondents responded that they will follow their friend and family suggestion and waiting for job. Therefore from the above result we can conclude that students in selected Universities posses self-efficacy and they can make their own decisions when they have necessary skills to pursue a path of action.

Table 3 : Students' Internal Locus of Control

Do you know that if you decide to do something, you will do it and nothing can stop you?	Frequency	Percent
Yes	122	<b>58.1</b>
No	88	<b>41.9</b>
Total	210	100.0

Source: Research Data, 2012

The above table reveals that 122(58.1%) of respondents responded that if they decided to do something nothing can stop them from what they want to do and 88(41.9%) of the respondents replied that if they decided to do something they will not do what they plan. Therefore from above result we can conclude that students in selected Universities posses internal locus of control and they can control their future events and outcomes as a result of their own actions.

of diverse situations (Gardner and Pierce, 1998). Research into attitudes has found that one's perceptions of one's ability to perform specific tasks increase the likelihood of attitude converting into intent and consequent behaviour (Ajzen, 1991). In the absence of self-efficacy, individuals make self-limiting decisions despite having the necessary skills to pursue a path of action (Bandura, 1986).

#### V. RESPONDENTS INTERNAL LOCUS OF CONTROL

Individuals possessing an internal locus of control believe they are in control of future events and outcomes as a result of their own actions (Cromie, 2000).

Entrepreneurs have been found to have the tendency to attribute outcomes to their own personal action, choosing their own destiny, not submitting to the pressure of social norms (Bird 1988)

#### VI. DESIRE FOR AUTONOMY

Due to entrepreneurs' internal locus of control as described above, they have been found to have a higher need for independence and autonomy in fear of external control from others (Kirby, 2003). They dislike rules and tend to work out how to get around them, and as a consequence have even been considered deviants who desire to be independent of everyone and in total control (Kets de Vries, 1977). The need for autonomy has been stated by entrepreneurs as one of the most frequent explanations for new venture creation and has been supported in studies by several authors

(Davidsson, 1995; Lawrence and Hamilton, 1997; van Gelderen and Jansen, 2006).

Table 4 : Respondents Desire for Autonomy

	Items	Frequency	Valid Percent
If you want something do you ask for it rather than wait for someone to notice you and give it to you?	Yes	137	65.2
	No	73	34.8
	Total	210	100.0
Even though people tell you "it can't be done," do you have to find out for yourself	Yes	145	69.0
	No	65	31.0
	Total	210	100.0

Source: Research Data, 2012

The above table shows desire for independence of respondents. Two questions were asked to evaluate students' desire for autonomy. Accordingly 137(65.2% and 145(69.0) of the respondents replied that they will not wait for notice from someone if they want to do something and they will try what they find out by themselves respectively. The remaining 73(34.8) and 65(31%) responded that they will wait for notice from someone if they want to do something and will not try what they find out by themselves. Therefore from the above result we can conclude that the majority of the respondents have desire for autonomy which could be the reason for new venture creation.

## VII. CONCLUSION

Regarding to risk-taking propensity of the students, most of respondents 134 (63.8%) replied they have high risk taking propensity.

Majority 166(79.0%) of respondents responded that they will not follow their friends and family to do something. That means students in selected universities possess self-efficacy and they can make their own decisions when they have necessary skills to pursue a path of action.

As findings shows that 122(58.1%) of respondents responded that if they decided to do something nothing can stop them from what they want to do and students in selected universities possess internal locus of control and they can control their future events and outcomes as a result of their own actions.

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