



DETERMINANTS OF ENTREPRENEURIAL INTENTION OF GRADUATING STUDENTS AT BAHIRDAR UNIVERSITY: AN APPLICATION OF THEORY OF PLANNED BEHAVIOR

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Abstract

Entrepreneurial intention refers to motivation to establish once own business venture. It is crucial to determine potential entrepreneurs and ways to encourage individuals to involve in entrepreneurship. Therefore, this paper aims to show how the three cognitive variables such as entrepreneurial attitude, self-efficacy and subjective norm influence entrepreneurial intention of Bahir Dar University undergraduate students applying Theory of Planned Behavior (TPB) theoretical frame work. The study design is cross-sectional survey. Data were collected through questionnaire from 220 business students selected through stratified random sampling. Both descriptive and inferential statistical tools had been in use to analyze the data. Besides the use of percentages, mean and standard deviation, Pearson correlation and multiple linear regressions were computed to identify the association and influence of attitude, subjective norms and self-efficacy on entrepreneurial intention of participants. Finally, One-way ANOVA, Walch f test was computed to see if there is statistically significant difference in entrepreneurial intention among students based on gender. Findings of the study, therefore, reveals that majority of students have intention to be self-employed without significant variation between male and female students. The study finds that level of variance in their intention is considerably (56.1%) explained by attitude, subjective norms and self-efficacy and the model is better fit. Subjective norm has direct positive influence but, has explained the lowest variance among the three factors. Thus, it is recommended that efforts should focus on translating this intention into actual business startup. In this case, various supports such as training, entrepreneurial experience sharing and access to resources by government and non-government agencies could be helpful.

Keywords: Bahir Dar University, entrepreneurial intention, students, theory of planned behavior.

Introduction

Entrepreneurship is recognized as an important source of job growth and economic development of a country (Linan, 2011; Veerabhadrapa, 2009; Rasli, Khan, Malekifar & Jabeen, (2013). The rate of growth for entrepreneurship varies from country to country as well as from time to time for the same country. But, the established fact is that it has a clear and positive impact on economic growth (Rasli, *et al*, 2013; Linan, 2011). The cause for presently developed countries tends to support the facts that the economy is an effect of entrepreneurship (Veerabhadrapa, 2009:110). The growing numbers of unemployed individuals, especially among graduates suggests existence of limited employment opportunities in different organizations (Emnet & Chalchissa, 2013). The motivation to be self-employed may be aroused through education, training or, from self-employed parents. These factors however, have indirect influence on individual's intention to be self-

employed. There are different cognitive factors that influence individual's motivation to involve in self-employment; such as attitude, social norm and self-efficacy McStay, (2008); (Samuel, Ernest, & Awuah, 2013); (Ali, Topping & Tariq, 2011); Adjzen, (1991).

Regarding this, there are many intention models that describe different antecedents of intention. Among these the most commonly used models of behavioral intentions are; Ajzen's "Theory of planned behavior (TPB)" and Shapero's & Sokol model "entrepreneurial event formation" Krueger, Reilly & Carsrud, (2000); Linan & Chen, 2009). Particularly, Theory of Planned Behavior (TPB) that was developed by Adjzen, in 1991 is the extension of theory of reasoned action, (Krueger, et al, 2000; Linan & Chen, 2009). It is based on the premises that much human behavior is planned and is therefore, preceded by intention towards that behavior.

Intention refers to a person's readiness to perform a given behavior, and considered to be the most consistent predictor of behavior. Similarly, individual's behavior (entrepreneurship) can be predicted by their intention (Kruger *et al*, 2000). Measuring intention of an individual is better predictor of what that person is going to do than studying traits of a person to predict his behavior (Adjzen, 1991; Krueger & Brazeal, 1994).

As per Theory of Planned Behavior (TPB) individual's intention determined by three cognitive variables: their attitude towards the behavior, their subjective norms and their perceived behavioral control/self-efficacy, where other extraneous variables rather than these three have indirect influence (Ajzen, 1991, Fishbein & Ajzen, 1975; Krueger & Brazeal, 1994).

Entrepreneurial intention is one of the most relevant elements within the individual's cognitive process leading to start up a venture (Krueger *et al*, 2000). Intentions influences individual's behavior by capturing the motivational factors in such a way that it is function of behavioral belief, normative belief and control belief (Adjzen, 1991). Therefore, intentions can be used to measure the effort planned by an individual to perform the behavior of firm creation (Linan & Santos, 2010).

Subjective norm is belief for others; it is individual's opinion on whether other individuals (friend, family and significant others) would accept the behavior if they decide to do so. Thus, if they perceive that other individuals would accept their idea or decision then they will intend to do it (Adjzen, 1991; Linan & Santos, 2010). On the other hand, perceived behavioral control/self-efficacy is self-perception; belief on once ability to do. It indicates an individual confidence to perform an activity. If a person belief that as if she/he is capable of doing a behavior then she/he would intend to involve in it. As Linan & Santos, (2010) stated that attitude is self-perception on the attractiveness of a behavior. Attitude is evaluation; liking or disliking something. Adjzen, (1991) has mentioned that positive attitude towards something implies greater desire to behave.

According to the Ethiopian government Growth and Transformation Plan (GTP, 2010), Ethiopia hopes to join the middle income class countries in 2020 – 2023. In achieving this aim, the country recognizes the importance of having a productive, knowledgeable and skilled workforce that can contribute to the economic growth of the country. Among this workforce, entrepreneurs are considered as corner stone that would help to increase productivity and ensure the competitive edge in the global market (GTP, 2010). To ensure this goal, and create tomorrow's potential entrepreneurs, universities and colleges in Ethiopia are playing critical role through delivering courses and trainings on entrepreneurship to their graduates. Having this aim, Bahir Dar University College of Business and Economics is playing greater role through production of different professionals.

Thus, determining the graduate's intention (motivation) to involve in self-employment and identifying how the cognitive variables (attitude, subjective norm and self-efficacy) explain it; is crucial to know potential entrepreneurs produced and to take necessary measurements. The entrepreneurial intention dimensions stated in different intention models; particularly in TPB model includes; self-efficacy, social norms, attitude (Adjzen, 1991).

Based on study conducted on "Competing models of entrepreneurial intentions" by Krueger, et al, (2000) stated that intention predictive ability of TPB and Entrepreneurial event formation model is high and the two models are very similar. They have recommended that further empirical studies to be conducted on relationship among intention and subjective norm in TPB; due to, they could not found obvious link among them (Adjzen, 1991) and (Krueger, *et al*, 2000). Furthermore, Kolvereid, & Isaksen, (2006) have mentioned in their study that there is no relationship between self-efficacy and intention. Thus, determining the graduate's intention (motivation) to involve in self-employment and identifying how the cognitive

variables (attitude, subjective norm and self-efficacy) influences self-employment intention is the main focus of this study. Furthermore, the study was focused on determining whether theory of planned behavior (TPB) could be applied in Bahir Dar university business students to determine entrepreneurial intention.

Results obtained from this study can give important insight to policy makers with regards to what possible supports and incentives could be provided for graduates to enhance their entrepreneurial career choice. Bahir Dar University particularly, Business and Economics College and other similar institutions could use the findings of this study to identify as to what kind of training or experience sharing arrangement can be incorporated in their curriculum to enhance further the self-employment motivation of their graduates.

Literature Review

Liñán (2004) has defined entrepreneurial intention as the effort that the person will make to carry out entrepreneurial behavior. Intentions represent the degree of commitment towards some future target behavior (Ngugi, Gakure, Waithaka, & Kiwara, 2012). Consequently, Kruger & Berazeal (1994) have defined entrepreneurial intention as the intent to perform entrepreneurial behavior. In other words, it refers to intention to start new business (Krueger & Brazeal, 1994); or to be self-employed (Douglas & Shepherd, 2002).

Krueger *et al.*, (2000) argued that, an entrepreneurial process tends to be thoughtful on the part of the individual, and that opportunity identification is based upon individual intention. Intentions are assumed to capture the motivational factors that influence a behavior; they are indications of how hard people are willing to try, or how much of an effort they are planning to exert, in order to perform the behavior. Generally, Ajzen, (1991) has mentioned that the stronger the intention to engage in a behavior, the more likely should be its performance.

Bird (1988) describes intention as "a state of mind that focuses a person's attention, experience, and behavior towards specific object or way of behaving". Specific to entrepreneurship; it is this state of mind that directs a person's attention and action toward entrepreneurship as opposed to organizational employment. An entrepreneurial intention is the commitment to perform a certain act that is necessary to physically start the business venture (Krueger, *et al.*, 2000; Luthje & Franke, 2003).

Entrepreneurial intentions which form the desire and attitudes towards starting and developing once own business. This desire is determined by the extent to which an individual is prepared and wishes to start a business that will fully employ him. By studying perception and how individuals behave in a particular situation, it is possible to predict whether the person will eventually take certain course of action (Ajzen, 1991; Krueger *et al.*, 2000). Business venture creation is what literatures regard purposive/planned behavior (Linan & Chen, 2009; Krueger *et al.*, 2000). Intention towards this purposive behavior (entrepreneurship) has been singled out to be crucial in determining the end product of what a person will do. What different researchers termed as "antecedents" of a behavior (Scutjens & Stam, 2006).

Investigation on intention is therefore very important in establishing the outcome of purposive behaviors. From Ajzen's theory of planned behavior it can be said that if one knows such intentions and its level of existence among individuals/students, it can be easily predicted whether enterprising students exist in the university population. Therefore, intentions have been conceptualized as being a function of beliefs that provide a link between beliefs and subsequent behavior (Fishbein & Ajzen, 1975). That is, people form attitudes toward performing a given behavior based on their beliefs that performing the behavior will result in certain consequences, as well as normative, control beliefs about the behavior. Behavioral intention results from attitudes, perceived behavioral control and subjective norms and intention becomes the immediate determinant of behavior (Fishbein & Ajzen, 1975); Ajzen, 1991).

Based on the beliefs, attitudes and intentions relationship, a person's beliefs and attitudes regarding a particular behavior inform their intention to perform that behavior. In the entrepreneurship context this means an entrepreneurs' beliefs and attitudes regarding entrepreneurship/self-employment form his intention to become self-employed and create new venture. On the other hand, their social belief that entrepreneurs get from their peer, role model, family and relatives influences their intention. Furthermore, belief on behavioral control affects their perceived behavioral control (Kruger *et al.*, 2000).

Empirical studies on entrepreneurship intention

A number of researchers have used theory of planned behavior in their attempts to predict and understand people's intentions to engage in various activities, due to the predictive ability of the model. Based on different empirical studies conducted; a considerable amount of variance (43%-94%) in intention can be accounted by the three predictors in the theory of planned behavior (Kruger *et al*, 2000); (Morian, Gorgievski, Laguna, Stephan, & Zarafshani, 2006).

Based on the empirical study conducted in Ethiopia, particularly in Jimma University and Addis Abeba University; on business management and engineering final year students in 2009, where sample of 236 regular students selected by stratified random sampling technique. The results show that attitude, subjective norms and self-efficacy are positive determinants of entrepreneurial intention. Mentioning that male students have better score in entrepreneurial intention than their female counter parts (Dugassa, 2012). The research result, which was done in Malaysia technology university; with a sample 318 undergraduate students, where the sample selected based on quota sampling technique; shows that there is significant difference in entrepreneurial intention among male students revealed higher intention and female lower (Rasli, *et al*, 2013). Kolvereid, & Isaksen, (2006) also mentioned that male entrepreneurs are significantly more likely to enter into self-employment than their female counterparts (Kolvereid, & Isaksen, 2006). As Linan & Chen, (2006) stated that male students have shown better mean result in self-efficacy than female students (Davidson, 1995).

However, Phihie & Bagheri, (2011) have mentioned in their descriptive study conducted on 2574 secondary school students, selected randomly that students are not different in entrepreneurial career choice based on their gender. Their study was conducted by taking, need for achievement, personal control, innovation and self-esteem in an affective, cognitive and behavior dimensions. Göksel & Belgin (2011) have also found that female and male students are not different in terms of entrepreneurial intention. Based on their explanatory study; conducted by taking proactivity, internal locus of control, and the need for achievement as well as gender, variables, taking 175 business students.

Empirical studies based on Theory of planned behavior

Based on, an empirical study conducted applying theory of planned behavior by Moriano. *et al*, (2006), that specifically tested the cross-cultural generalizability of the TPB for predicting students' entrepreneurial intentions in Germany, India, Iran, Polish, Spain and Netherlands on 1074 students' results provided partial support for the predictions concerning specific relationships between TPB components. For the whole sample, attitudes towards entrepreneurship, subjective norms, and entrepreneurial self-efficacy are all significant predictors of entrepreneurial intentions. On the other hand, a research conducted on 202 secondary school students, applying TPB by (Carla, Marques, João Ferreira, Daniela, Gomes, Ricardo, Gouveia & Rodrigues, 2012) have found that perceived attitude explained the greatest variance in entrepreneurial intention than self-efficacy and subjective norm.

Krueger & Brazeal (1994) commented that research on intentions mostly focuses on near future behaviors and not long-term goals but accept that TPB appears to be applicable in entrepreneurship research (Ajzen, 1991; Krueger & Brazeal, 1994). Kolvereid, (1996) was the first man to use this model in entrepreneurship using multivariate and combination analysis study cited by (Guerrero, Rialp & Urbano, 2006).

Attitude

Attitude towards a behavior as per Ajzen's definition; is favorable or unfavorable evaluation towards a behavior (entrepreneurship) influences, the desire to involve in self-employment decision. Schermerhorn, Hunt, & Osborn, (2002) define attitude as; predisposition to respond in a positive or negative way to someone or something in one's environment.

As per Fishbein & Ajzen, (1975); Schermerhorn, *et al*, (2002) attitude has three components such as, cognitive, affective and behavior. Cognitive component of attitude related to opinion/belief of individuals towards a behavior that is obtained from interaction with other individuals, education or work experience for example one may say ("My job lacks responsibility"). Whereas, affective component of attitude is related to not only to belief/opinion, but also indicates individuals felling/ liking or disliking of something ("I don't like my job."). On the other hand, behavior component of attitude related to action response to something ("I'm going to quit my job."). Thus, intention is an attitude towards something but, it specifically indicates affection towards something (Fishbein & Ajzen, 1975). Intention is the cognitive

representation of a person's readiness to perform a given behavior, and it is considered to be the immediate antecedent of behavior (Fishbein & Ajzen, 1975; Ajzen, 1991; Kruger *et al*, 2000).

This intention is determined by three antecedents: attitude towards the specific behavior, perceived behavioral control/self-efficacy and social norms. However, the relative importance of attitude, subjective norm and perceived behavioral control in the prediction of behavioral intentions is expected to vary across behaviors and situations the antecedents of attitude, subjective norm and perceived behavioral control in turn are corresponding to beliefs reflecting the underlying cognitive structure (Ajzen, 1991). The more favorable the attitude and subjective norm with respect to the behavior, and the greater the perceived behavioral control, the stronger the intention to perform the behavior.

Based on the finding of survey research conducted involving total of 210 students from Jimma, Addis Ababa, Adama and Haramaya Universities; It was concluded that student's attitude about continuous employment greatly indicating that 40% of the respondents replied that they prefer self-employment than employed by others implied that positive attitude of students to entrepreneurship (Emnet & Chalchissa, 2013). Guerrero *et al*, (2006) who have compared the data obtained from a sample of 719 university students by categorizing it into: students in entrepreneurship related majors, in non-entrepreneurship related majors and engineering courses in the academic year of 2004–2005 found that attitudes towards entrepreneurship are determinant factors to decide to be an entrepreneur (Guerrero, *et al*, 2006).

As Ali *et al* (2011) have reported in their exploratory study, conducted on graduating students in Pakistan using multistage cluster sampling to bring 600 students they have supported that entrepreneurial attitude has positive influence on entrepreneurial career choice (Ali, *et al*, 2011).

Thus, the researcher has hypothesized that:

H1: Attitude has significant influence on intention to be an entrepreneur of business undergraduate students.

Subjective norm

Subjective norm on the other side is; perception of a person to others (their friend, role models or family) on once decision of entrepreneurship. It refers to the perception on other people's opinions of the proposed behavior and care given to those peoples opinion that influence individual's decision (Linan & Santos, 2010). The higher the social pressure to involve on once decision to entrepreneurial action and positive perception the higher will be influenced by others. In addition, knowing the exposure of others who have started their own business may lead to a stronger belief in the feasibility of starting once own business. TPB model suggests that the greater the expectation or pressure, the greater the gravitation towards the behavior (Samuel *et al*, 2013).

One of the way that individual's decision to be influenced by others is, the individual's immediate environment (friend, family, and relatives) that they made their daily interaction, and their culture. According to, Hofstede, (2001) quoted (Moriano. *et al*. 2006) that people from the "more individualistic" culture countries consider themselves as autonomous, more differentiated from others and independent from social groups, compared with people in "more collectivistic" culture countries. In other words, while people from "individualistic" cultures rely mainly on themselves to make judgments and decisions, people from collectivistic cultures are more likely to comply with the expectations of their immediate group.

This suggests that in collectivist cultures the considerations of the expectation of close others and the motivation to comply with such expectations – in short the subjective norm – will have a relatively stronger influence on the intention to become an entrepreneur than in individualistic cultures (Moriano. *et al*, 2006). Studies conducted in individualistic cultures generally fail to find an effect of social norm on entrepreneurial intention. For instance, Krueger *et al*. (2000) found that attitude and self-efficacy, but not subjective norm, were significantly related with U.S. students' entrepreneurial intention.

On the other hand, based on study conducted embracing theory of planned behavior (TPB), Moriano *et al*, (2006) they have found that subjective norms have stronger effects on entrepreneurial intentions in both collectivistic country (India), and individualistic country (Netherlands). Based on Kolvereid, & Isaksen, (2006) study conducted on nascent entrepreneurs self-employment intention applying theory of planned behavior they have found that subjective norms are the second major determinant of self-employment intention of individuals next to attitude (Kolvereid, & Isaksen, 2006).

Based on, Susetyo & Lestari,(2014) study that was conducted on university students using a proportional random sampling, with 200 sample targets in Indonesia, they have found that subjective norms showed direct effects on entrepreneurial intention (Susetyo & Lestari., 2014).

H2: Subjective norm has significant influence on entrepreneurial intention of business undergraduate students.

Perceived behavioral control

Perceived behavioral control is similar to self-efficacy (Kolvereid, & Isaksen, 2006, p.867); is belief on once ability to control activities in a behavior and perform the behavior. The degree to which personality traits and other resources are perceived to match the requirements of building up and running once own organization. In order to reach self- efficacy, one has to undergo through development throughout cognitive and social processes as well as skills obtained from work experiences, and knowledge through formal or informal education (Bandura, 1982) Cited by (Susetyo & Lestari, 2014).It is the personal belief about being able to execute planned behavior and the perception that the behavior is within the decision maker's control Adjzen, (1991); Kruger,*et al*, (2000) and McStay, (2008).

The strength of a person's belief that he is capable of successfully performing the various roles and tasks of the entrepreneur is represented by self-efficacy. Those with high entrepreneurial self- efficacy seems to assess the environment as opportunistic rather than fraught with risks; they believe in their ability to influence the achievement of their goals, and they perceive a low probability of failure. Generally, the person with high entrepreneurial self-efficacy is supposed to have grater intention to involve in self-employment Adjzen, (1991); McStay, (2008); Kruger *et al*, (2000); Ali *et al*, (2011).

As per the result obtained from (Mesay,2013) study; students' intention to create new venture after graduation was influenced by their perceived self-efficacy the variance in the intention toward entrepreneurship, explain 20.5%. On the other hand, based on research conducted it has been found that students have high degree of self -confidence and prefer to create their own job rather than searching for jobs (Emnet & Chalchissa, 2013; Mesay, 2013). Lianan, (2008); Armitage & Conner (2001) have mentioned that self-efficacy is the greatest explanatory factor in the TPB. However, based on Kolvereid, & Isaksen, (2006) study conducted on nascent entrepreneurs self-employment intention applying theory of reasoned action and theory of planned behavior; they could not found significant relationship among self-efficacy and intention (Kolvereid, & Isaksen, 2006, p.888).

H3: self-efficacy has significant influence on entrepreneurship intention of business undergraduate students.

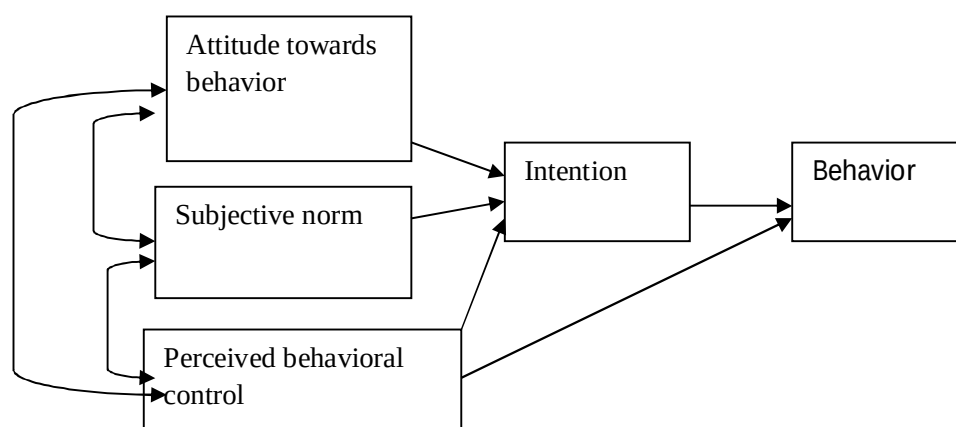


Figure: 1 - Ajzen's Theory of Planned Behavior model

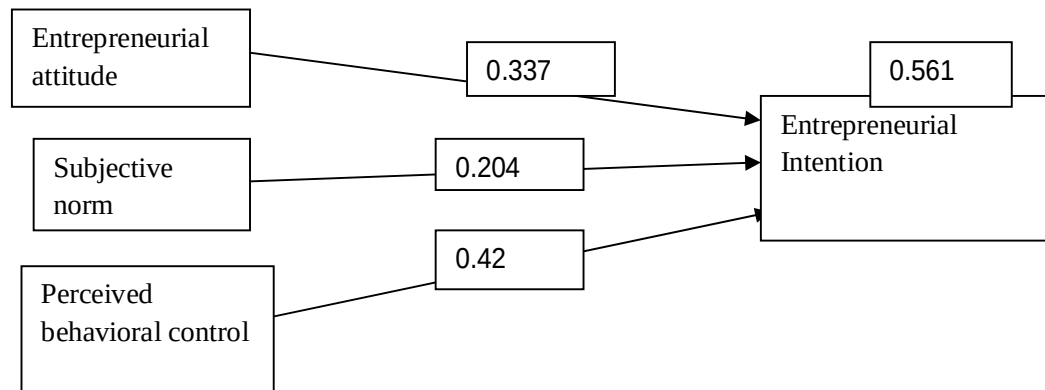


Figure 2: Conceptual frame work

Methodology

Research Philosophy

The nature of this research can be categorized as deductive research (Creswell, 2003). In this research; theory of planned behavior theoretical frame work is used and data were collected which either supports or contests the theory, necessary literature review was done and the theory was tested. The researcher relies on the respondents to provide truthful data (survey). Based on this theory, the hypotheses were formulated and through a questionnaire the real situation was explored and the data were analyzed.

The reliability (internal consistency) and validity of the data collected was checked to ensure the data analysis objectively and to make conclusions free from biasness. Generally, Theory of planned behavior was selected as theoretical frame work due to what the theory describes regarding the direct influence of subjective norm, attitude and perceived behavioral control have direct positive influence on intention is revealing inconsistent empirical findings as many researchers mentioned. The conceptual frame work of the study was also extracted from this theory which indicates the hypotheses formulated in the study.

Research design

The study design is cross-sectional survey design where quantitative data were collected in a given period of time. Hence, quantitative data were collected by using questionnaires. Survey is advantageous in terms of economy, the rapid turnaround in data collection and for identifying attributes of large population from a smaller group of individuals (Creswell, 2003). This research is explanatory research where; the researcher has tried to explain the student's self-employment motivation and determined the extent to which attitude, subjective norm and self-efficacy influences entrepreneurial intention.

The population in this research is Bahir Dar University College of Business and Economics regular final year students in 2015. This population was selected due to:

- The identified respondents are final year students; they are at their critical decision making point in their career choice, this helped to ensure that entrepreneurial intentions or lack of any factors are genuinely expressed.
- The very nature of student's field of study; Business study is mainly related to entrepreneurship and the students are expected to have better knowledge than non-business fields.

Sampling design

Stratified sampling technique was employed to maximize representation of the population by sample respondents. Simple random sampling was then used to select sample elements. Since, different empirical studies show inconsistent result on entrepreneurial intention difference based on gender; the researcher is interested to identify whether entrepreneurial intention difference exist among female and male students. Thus, stratification was made based on gender. According to Cooper & Schindler, (2014), stratified proportionate sampling technique produce estimates of overall population parameters with greater precision and ensures a more representative sample derived from a relatively homogeneous population. There are 197 female and 514 male totals of 711 third year regular business students in the college.

The following sample determination formula was used. Where, approximately 36% of each target population was taken. Mathematically;

$$n = N / (1 + (N * e^2)) \text{ (Yemane, 1967) cited in Israel, (2013, p.3)}$$

Where, N, is total population = 711

e, is the error term tolerable = 0.05

n, is sample size drawn from total population = $711 / (1 + (711 * 0.05^2))$

Confidence interval = 95% confidence interval.

$$n = 255.98 \sim 256$$

Female student's proportion: Female strata = $0.36 * 197 \sim 71$

Male student's proportion: Male strata = $0.36 * 514 \sim 185$

Based on proportionate stratified sampling approximately 71 and 185 total of 256 students were taken for data collection from 197 female and 514 male students respectively. Primary data were collected through questionnaire, administered by the researcher. Journals, books and websites were used to access information to understand theory of TPB and determine methods appropriate for this study. The questionnaire was translated in to Amharic and the Amharic and English version were pretested. Finally data were collected using the Amharic version questionnaire with higher cronbach alpha coefficient 0.9.

Table 3.1 Reliability of the questionnaire

Construct	Cronbach's Alpha	No of items	No of respondents	Cronbach's Alpha the questionnaire
Subjective norm	0.713	18	220	0.90
Entrepreneurial attitude	0.700	13	220	
Self-efficacy	0.866	13	220	
Intention	0.869	6	220	
Total		50 items		

Source: Own survey, 2015

Method of data analysis and interpretation

The data analysis technique used is quantitative approach. Descriptive statistics such as percentage, frequencies, mean and standard deviation were used to measure the average response and difference between the responses.

One way ANOVA Welch and Brown-Forsythe test were also used to reach on accurate conclusions on result obtained from unequal sample size and variance. Correlation of the TPB constructs is calculated to detect strength of their relationship. Multiple linear regression analysis is then calculated by SPSS version 20 to test the TPB fitness to explain self-employment intention and determine explanatory power of the independent (attitude, self-efficacy and subjective norm) variables. Finally, standardized beta value from the regression model was used to test the hypotheses.

Multiple regressions model specification:

$$EI = \beta_0 + \beta_1 * (PA) + \beta_2 * (PBC) + \beta_3 * (SN) + \varepsilon$$

Where,

EI = represents entrepreneurial intention

PA = represents perceived attitude

PBC = represents perceived behavioral control

SN = represents social influence

E = represents other factors that are not considered in the study.

β_1 , β_2 and β_3 represent the coefficients of attitude, perceived behavioral control and subjective norm respectively.

Questionnaire development

After a wide literature review, a number of sample questionnaires focusing on entrepreneurial intention of university students were downloaded and received from a researcher (Francisco Linan); finally, a 50 item questionnaire was developed for final data collection consisting of four TPB variables including the dependent variable, featuring a 5-point Likert scale. Majority of the items are taken from Entrepreneurial Intention Questionnaire (EIQ).

Although, Adjzen (1991) has recommended that the constructs should be measured by 7-point Likert -scale items; in this study however, measured by 5-point Likert -scale 1 represented (lower value) and 5 represented (higher value) due to the researcher has assumed that respondents might get confused on the difference among the points. Generally, the questionnaire consisted of five parts and 50 items where, the first states about students general background information whereas, part two to five states about attitude (13 items) adopted from (Linan & Chen, 2009; Lorz, 2011), subjective norms (18 items) adapted from (Linan & Chen, 2009; Lorz, 2011), self-efficacy (13 items) adapted from (Linan & Chen 2009; McStay, 2008), and intention (6 items) adopted from (Linan & Chen, 2009).

Then after the phone number of class representatives was taken from department head's and instructors; voluntary class representatives/data collectors were selected. They were given orientation to let them know the purpose of the study, how to administer the questionnaire, how the respondents fill the questionnaire and how to collect data. Then these trained data collectors were assigned to explain the purpose of study and how to fill the questionnaire for selected respondents. The questionnaires were distributed prior to class session by each representative and the researcher cooperatively.

After confirming the reliability of the questionnaire, the next and final step done before collecting data is to review validity of the survey. Face and content validity was checked through a pilot-test whereas, construct validity of the questionnaire was checked by Pearson correlation among variables after data collection. Yalew (2012) has mentioned that Pearson correlation coefficient above 0.5 indicates the construct validly to an instrument. As can be seen in correlation analysis table 4.2 the variables have approximately 0.5 Pearson correlations revealed that the questionnaire was valid.

Data analysis and interpretation

Demographic characteristics of respondents

Among 260 distributed questionnaires, data collectors are able to collect 220 (86%) fully completed questionnaires. Among the total collected questionnaires 27.73% (n=61) were completed by female and 72.72% (n=159) male students. But, four questionnaires were discarded due to incompleteness and the remaining 36 questionnaires were not returned. Hence, analysis was made based on the response of 220 participants.

Table 4.1 Response rate

Respondents	Frequency	Percent	Final valid percent	Cumulative percent
Female	61	27.73%	27.73%	27.72%
Male	159	72.27%	72.27%	100%
Total	220	100%	100%	

Source: Own survey, 2015

As shown in table 4.1, among 100% (n=220) where, 27.73% (n=61) and 72.27% (n=159) questionnaires completed by female and male students respectively.

Among total respondents 26.8% (n=59) with (M=3.34, SD=1.03) are Management students. 21.8% of the respondents (n=48) with (M=3.86, SD= 1.06) are Economics students. Whereas, from total respondents; 29.5% (n=65), with (M=3.58, SD=0.986) are Accounting students. In addition, 5% (n=11) students are Marketing with (M= 3.64, SD=.785); and 9.1% (n=19 with (M=3.99, SD=.70) are Tourism; 7.7% (n=17) with (M= 4.44, SD=.607) are Logistics department students respectively.

Correlation analysis

The extent of relationship among variables prior to regression and hypothesis test is correlation. Pearson correlation was calculated to determine relationships among attitude, subjective norm, self-efficacy and entrepreneurial intention. Since the hypotheses formulated in this study are non-directional; 2-tailed correlation was conducted at $\alpha=0.05$ and 95% confidence interval.

Table 4.2 Correlation of variables

Correlations					
		PBC	Attitude	EntIn	PSN
PBC	Pearson Correlation	1	.443**	.642**	.357**
	Sig. (2-tailed)		.000	.000	.000
	N	220	220	220	220
Attitude	Pearson Correlation	.443**	1	.596**	.358**
	Sig. (2-tailed)	.000		.000	.000
	N	220	220	220	220
EntIn	Pearson Correlation	.642**	.596**	1	.474**
	Sig. (2-tailed)	.000	.000		.000
	N	220	220	220	220
PSN	Pearson Correlation	.357**	.358**	.474**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	220	220	220	220

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

Source: Own survey, 2015

Table 4.2 indicated that subjective norm is moderately positively related with student's entrepreneurial intention ($r=.474$, $p<0.01$) (2-tailed). Self-efficacy is strongly positively related with students self-employment intention ($r=.642$, $p<0.01$) (2-tailed). According to Yalew, (2012) the correlation values (r) 0.4-0.59 indicate moderate relation and r 0.6-0.79 indicates high relation. Attitude also has moderately positively correlation with students self-employments intention ($r=.596$, $p<0.01$).

On the other hand, student's entrepreneurial attitude is moderately positively related to self-efficacy with ($r=0.443$, $p<0.01$) and also with subjective norm ($r=0.358$, $p<0.01$). In addition, self-efficacy has moderate positive relation with subjective norm ($r=0.357$, $p<0.01$). This implies that there is moderate positively relationship among independent variables. The regression model was formulated in order to test hypotheses and determine relationship among TPB variables. In regression; attitude toward behavior, subjective norms and perceived behavioral control are regressed on entrepreneurial intention.

Table 4.3. ANOVA table

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	124.865	3	41.622	94.187	.000 ^b
	Residual	95.451	216	.442		
	Total	220.316	219			
a. Dependent Variable: entrepreneurial intention						
b. Predictors: (Constant), Subjective norm, self-efficacy, Attitude						

Table 4.3 presents the ANOVA report on the general significance of the model. As p value is 0.000; df (3,216) F=94.187 value, the model is significant. Thus, attitude, subjective norm and self-efficacy have significantly predicted entrepreneurial intention.

Table 4.4. Multiple regression model summary

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.753 ^a	.567	.561	.665	1.974
a. Predictors: (Constant), Subjective norm, self-efficacy, Attitude					
b. Dependent Variable: entrepreneurial intention					

Source: Own survey, 2015

The above table 4.4; Shows that the regression model R value of (.753) indicates good positive relationship between dependent and the three independent variables; implies that their multiple correlation. The overall adjusted R² of the model is higher, adjusted R²= .561. Thus, the variables; attitude, subjective norm and perceived behavior control have explained 56.1% of the variance in entrepreneurial intention of business students. The remaining 43.9% of the variance in entrepreneurial intention; explained by other variables which are not described in the model.

Table 4.5. Regression coefficients

Coefficients ^a					
Model		Unstandardized Coefficients		Standardized Coefficients	
		B	Std. Error	Beta	
1	(Constant)	-1.274	.335		-3.807
	self-efficacy	.495	.061	.420	8.162
	Attitude	.545	.083	.337	6.550
	Subjective norm	.365	.088	.204	4.124
a. Dependent Variable: entrepreneurial intention					

Source: Own survey, 2015

The equation for this model is:

$$EI = \beta_0 + \beta_1 * (PA) + \beta_2 * (PBC) + \beta_3 * (SN) \text{ becomes:}$$

$$EI = -1.274 + 0.545 * (PA) + 0.495 * (PBC) + 0.365 * (SN)$$

Where,

EI = represents entrepreneurial intention

PA = represents perceived attitude

PBC = represents perceived behavioral control

SN = represents subjective norm

β_1 , β_2 and β_3 = 0.545, 0.495 and 0.365 are coefficients.

The result in table 4.5 shows; independent variables have significant positive influence on entrepreneurial intention. The standardized coefficient beta values indicate the extents of a unit change in perceived attitude has 0.337 changes in entrepreneurial intention keeping other variables constant.

In other words, subjective norm has explained 20.4% of the variance in self-employment intention, while perceived self-efficacy explained 42% and attitude towards entrepreneurship has also explained 33.7% of variance of entrepreneurial intention. From the above table 4.5, it can be said that self-efficacy is dominant factor, followed by attitude and subjective norm respectively. Based on the standardized coefficient of Beta, P- value, (2-tailed) test the hypotheses of the study are tested.

Hypothesis1: Subjective norm has significant effect on entrepreneurial intention.

As indicated in table 4.5 subjective norm has a standardized beta value of 0.204 at $p=0.00$. Thus, the hypothesis is accepted that perceived subjective norm has positive effect on entrepreneurial intention.

Hypothesis2: perceived attitude has strong significant effect on entrepreneurial intention

Table 4.5 shows that perceived attitude has beta value of 0.337 that it has positive effect on entrepreneurial intention at $p=0.000$. Thus, the hypothesis is accepted.

Hypothesis3: Self-efficacy has significant relationship with entrepreneurial intention.

Based on table 4.5, self-efficacy has beta value of 0.42 which has confirmed that perceived self-efficacy has significant positive effect on entrepreneurial intention at p -value, is 0.000. Thus, the hypothesis is accepted. Based on one way ANOVA test conducted the researcher has found that, no significant difference between male and female student's in entrepreneurial intention; at $df(1, 218)$; $F=.891$; $p>0.05$, at 95% confidence interval and $\alpha=0.05$

Table 4.6 ANOVA result of gender

Test of Homogeneity of Variances					
Entrepreneurial intention					
Levene Statistic	df1	df2	Sig.		
.087	1	218	.768		
ANOVA					
Entrepreneurial intention					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	.897	1	.897	.891	.346
Within Groups	219.418	218	1.007		
Total	220.316	219			
Robust Tests of Equality of Means					
Entrepreneurial intention					
	Statistic ^a	df1	df2	Sig.	
Welch	.868	1	105.971	.354	
Brown-Forsythe	.868	1	105.971	.354	
a. Asymptotically F distributed.					

a. Asymptotically F distributed.

Source: Own survey, 2015

As shown in the table; The Levene's test is significant at $p>0.05$ that is 0.768 indicating that the variance among female and male students is not significant. There is no significant difference among male and female students in entrepreneurial intention; this result was similar to Walch f test in ANOVA, Brown-Forsythe test; most appropriate while comparing unequal sample, and variance. Male mean ($M=3.64$, $SD=0.995$, $n=159$) and female ($M=3.78$, $SD=1.025$, $n=61$) students mean score at 95% confidence interval.

Discussion

The overall aim of the paper was to determine entrepreneurial intention of graduating business students based on the Theory of Planned Behavior theoretical frame work. In this study all variables; attitudes, subjective norm and self-efficacy have a statistically significant effect on entrepreneurial intention. This finding is consistent with Dugassa's, (2012) and Carla et al, (2012), finding; who have found that all three determinants of intention have a significant effect.

Consistent to this study's finding, (Autio, Keeley, Klofsten, Parker, & Hay, 2001); Krueger *et al*, (2000) have found that social norms had only a weak effect; whereas, others have strong influence. Adjzen, (1991) has mentioned that the model may explain 43%-94% variance. In this study 56.1% of variance of self-employment intention is explained. As the ANOVA

test of the regression model revealed that it is significant at p value 0.000; df (3,216) $F=94.187$ value, the model is significant.

Subjective norms

It is individuals' opinion on whether other individuals would accept the behavior if they should do. Thus, if they perceive that other individuals would accept their idea or decision then they will intend to do it (Ajzen, 1991). In this study it has been found that subjective norm (social pressure) has strong effect on self-employment intention of both male and female business students. But, still subjective norm has the lowest effect on entrepreneurial intention among the factors. This finding is consistent with Kruger *et al*, (2000) finding. This is, however, in contrary to the a study by Moriano *et al*, (2006), conducted on 1074 students applying the same theory that have found that subjective norm has stronger effects on entrepreneurial intentions in collectivistic country. A study by Susetyo & Lestari (2014) has also revealed that subjective norms have direct effects on entrepreneurial intention.

Perceived behavioral control/self-efficacy

A study by Kolvereid, & Isaksen, (2006) conducted applying theory of planned behavior failed to find significant relationship among self-efficacy and intention. However, in this study self-efficacy is the most dominant factor that explains 42% of variance in entrepreneurial intention and has strong positive relationship ($r=0.642$, $p=0.00$) at 95% confidence interval. Self-efficacy indicates an individual confidence to perform an activity. Consistent to this study's result; Linan, (2008) has found that perceived behavior control has explained highest of entrepreneurial intention variance.

Based on the question asked; on whether students can conduct market analysis to identify business opportunities 56.82% ($n=125$, $M=3.54$) of the respondents have replied agree that implies majority of students can conduct market analysis. 65.45% ($n=144$, $M=3.71$) of the respondents have replied that as they can conduct business plans and 50.9% ($n=112$, $M=3.25$) could create business relationship with different business individuals, 51.36% ($n=113$, $M=3.34$) replied that they can develop products that better satisfy the needs of customer.

Perceived attitude

Based on the finding of this study; attitude has positive relationship with entrepreneurial intention explaining 33.7% variance of intention and has positive relation with intention at ($r=0.596$) indicating that students have greater desire to be self-employed. Consistently to Linan's, (2008) study; conducted by applying theory of planned behavior; has found that the direct influence of perceived attitude and explained higher of entrepreneurial intention variance. On the other hand, a research conducted on 202 secondary school students, applying TPB by Carla *et al*, (2012) have found that perceived attitude explained the greatest variance in entrepreneurial intention than self-efficacy. Generally, students in this study have revealed positive attitude toward being self-employed with ($M=3.76$; $SD=0.62$).

Entrepreneurial Intention

Students were asked to mention their preference among self-employment and employment; 40% ($M=3$, $n=88$) of the respondent have strongly prefer self-employment than being employed by others. Based on the finding of the study, intention has positive link among the three independent variables and their multiple correlation is $R=0.753$ adjusted R square 56.1% of variance explained by the three independent factors. As Ajzen (1991) mentioned that, high intention indicates how strong the wish to try is, how much effort the individual needs to exert to perform a behavior. Generally, the stronger the intention to manifest a behavior, the more likely the person actually do it. As entrepreneurial intention of students revealed that; they have high intention to be self-employed as mean score of students is ($M=3.68$).

Conclusion

The results of this study enable the researchers to accept all of the hypotheses formulated. Thus, the following conclusions are drawn:- Bahir Dar University Business students have intention to involve in establishing their own business. Since they have revealed positive attitude, subjective norm and have strong self-efficacy on their ability to perform entrepreneurial activities. This indicates that in order to students to have internal enthusiasm to create once own job; they have to have positive opinion on the attractiveness of the job implies that students have affection to self-employment.

Besides this, students have positive perception on attitude of the society (their family, relatives and significant others) to self-employment hence, it enhances their motivation to involve in the behavior. If individuals perceived that their friends, family or significant others would accept their self-employment decision; they will be encouraged to behave.

As the regression model, mean and ANOVA results indicated that perceived self-efficacy; student's belief on their ability to do entrepreneurial activities revealed that students have greater confidence on business startup. Individuals with positive perception on their ability to do self-employment successfully, reveals their confidence to perform the behavior. In addition, it is the dominant factor that explain majority of the entrepreneurial intention variance. The result indicates that there is no significant difference in entrepreneurial intention between female and male students. Both of them have high preference to entrepreneurship as career option; since intention mean (3.68). Subjective norm has lowest positive effect with entrepreneurial intention ($\beta=0.204$) among the independent factors.

Based on the correlation coefficients, there is positive moderate relationship among independent variables (attitude, subjective norm and self-efficacy). The ANOVA result in the regression model indicates that the model is better fit revealing that the model was appropriate to explain student's entrepreneurial intention. Generally, a person develops self-employment intention whenever, he positively perceives that self-employment is attractive, and feasible in terms of once own ability to perform the behavior. Beside this, one has to perceive that the society (family, friends and significant others) would accept and support him to involve in self-employment.

Recommendations

The finding of this study indicates that Bahir Dar University Business students have positive attitude, subjective norm, high self-efficacy and intention to self-employment. However, there is no guarantee that this strong desire to self-employment may be changed, since intention is also influenced by situational factors; particularly the intention to behavior link. Thus, in order to, encourage these potential entrepreneurs to involve in actual self-employment; the following recommendations are provided:

- Many researchers have stated that subjective norm has positive influence on intention in collectivist culture than in individualistic culture. Similarly, in this study it has been found that students have positive perception towards their family, friends and community. Thus, providing greater parental and community awareness about the benefits of entrepreneurship and then enabling them to encourage and support their children from a young age would facilitate potential entrepreneur production process.
- This study has found that students have positive perception on their ability (self-efficacy) to involve in self-employment. This can be further enhanced through developing research and development projects that will help by giving information and training to the graduates on the field of entrepreneurship and business opportunities they desire to involve.
- In this study it has been found that students have positive perception towards the society on accepting self-employment. Thus, learning from existing entrepreneurs or experience sharing approach can be instituted by government agencies to help students to get involved in business startup and further enhance their attitude through formulating programs to existing entrepreneurs to share their life or entrepreneurial experience to graduates through trainings, workshops, seminars and internship.
- As many researchers mentioned that access to capital, information and resources prevents potential entrepreneurs from involving in self-employment. Thus, government agencies have to enhance provisions of access to capital, information and resources required to self-employment start-up on business opportunities to potential entrepreneurs. So that, the self-employment confidence of graduates would be enhanced.

Future research recommendations

There are different factors that this study did not cover such as demographic variables including culture, race and religion; thus researchers may investigate the effect of these factors. Particularly, researchers may conduct study on the impact of entrepreneurship education on before and after research design since this research is after only.

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Appendixes

APPENDIX: A Questionnaire

English version questionnaire
Bahir Dar University
Business and Economics College

General information

Dear respondents, the purpose of this study is to determine self-employment motivation of Bahir Dar University, Business and Economics college undergraduate students. The results of this research will be used for academic purposes only and all your responses will be kept confidential. Your participation in this study is completely voluntary. Your genuine response for each of the questions is very crucial to achieve the objective of the study.

Please, respond to the items by sincerely "✓" marking your appropriate answer,

Choose **only one answer** to each question. In value-scales, 1 always represents the lowest level, while 5 always indicate the highest level.

Thank for your cooperation!

Part one: Personal data

1. Age: _____
2. Gender: ☐ Male ☐ Female
3. Department _____

Part two: Self-efficacy

Instruction: Indicate your level of agreement with the following sentences using '✓' mark.

No	Items	1(strongly disagree)	2(disagree)	3(neutral)	4(agree)	5(strongly disagree)
1.	Starting a firm and keeping it work would be easy for me.					
2.	I believe I can create ways to improve existing products for a new business.					
3.	I believe I can create products or services that fulfill customers' unmet needs.					
4.	I know the necessary practical detail activities to start a firm.					
5.	I believe I can think creatively in business.					
6.	I believe I can successfully conduct market analysis related to starting a new business.					
7.	I believe I can establish and achieve goals and objectives related to a new business venture.					
8.	I know how to develop an entrepreneurial project and define business idea.					
9.	Creating business relationships with key people to raise capital to establish a new venture would be easy for me.					

10.	I believe I can work productively under continuous stress and pressure from work.					
11.	If I tried to start a firm, I would have a high probability of succeeding.					
12.	I trust more on my capability than lack to be successful entrepreneur.					
13.	I have necessary information to start a new business.					

Part three: Subjective norm

1. Instruction: Please give your response accordingly using ‘√’ mark. 1 always represents the lowest level, while 5 always indicate the highest level.

No	Items	1	2	3	4	5
1.	Do you agree on your parents have ever started their own business? 1(completely disagree)-(2 disagree) 3 (neutral) 4 (agree) 5(completely agree)					
2..	If your answer is agree to question 1, above how would you rate their success of starting their own business? 1(Completely dissatisfy) 2(dissatisfied) 3(neutral) 4(satisfied) - 5(completely satisfied)					
3..	To what extent did you involve in your family business? 1(extremely no extent to involve) - 2(no extent to involve) 3(neutral) 4(some extent to involve) 5(completely).					
4.	If your answer is completely involved to question 3, how would you rate your experience of working in the family business? 1(Completely dissatisfy) 2(dissatisfied) 3(neutral) 4(satisfied) - 5 (completely satisfied)					

2. If you know at least one entrepreneur personally, please answer: the following questions: 1 (no extent) to 5 (completely)

N o	Items	1(extreme ly no extent)	2(no extent)	3(neutra l)	4(some extent)	5(extremely high extent)
1.	To what extent do you know an entrepreneurs activity as an entrepreneur?					
2	To what extent has this relationship influenced your intention to become an entrepreneur to yourself?					

3. Please, think now about your family and closer friends. To what extent would they agree if you decide to become an entrepreneur and start your own business: 1 (extremely no extent to agree) to 5 (completely).

No	Items	1(strongly disagree)	2(disagree)	3(neutral)	4(agree)	5(strongly agree)
1.	My immediate family (parents and siblings).					

2.	My close friends.					
3.	My colleagues or classmates					

4. How do you value the opinion of these people on your decision to become an entrepreneur and start your own business?
1(Extremely Not important)-5(Very important)

No	Items	1(Extremely not important)	2(not important)	3(neutral)	4(important)	5(very important)
1	My immediate family (parents and children).					
2.	My close friends.					
3.	My colleagues or mates.					

5. Indicate your level of agreement with the following sentences from 1 (strongly disagree) to 5(strongly agree).

No	Items	1(strongly disagree)	2(disagree)	3(neutral)	4(agree)	5(strongly agree)
1	Entrepreneurial activity clashes with the culture in my country.					
2	Entrepreneurial activity is considered too risky to be worthwhile.					
3	The entrepreneur's role in the economy is not sufficiently recognized.					
4	Many people consider hardly acceptable to be an entrepreneur.					
5	It is commonly thought that entrepreneurs take advantage of others.					
6.	If I decide to start my business the community will support me					

Part four: Attitude

1. What would you like to do immediately after finishing your degree? Value the following options from 1 (extremely minimum prefer) to 5 (Extremely maximum prefer).

No	Items	1(extremely minimum prefer)	2(minimum prefer)	3(neutral)	4(maximum prefer)	5(extreme maximum prefer)
1	Working as an employee.					
2	Starting-up own business.					

2. Indicate your level of agreement with the following sentences from 1 (strongly disagree) to 5 (strongly agree).

No	Items	1(strongly disagree)	2(disagree)	3(neutral)	4(agree)	5(Strongly agree)
1	Being an entrepreneur implies more advantages than					

	disadvantages to me.					
2.	A career as entrepreneur is attractive for me.					
3.	If I had the opportunity and resources, I like to start a firm.					
4.	Being an entrepreneur would entail great satisfactions for me.					
5.	Among various options, I had rather be an entrepreneur.					

3. Indicate your level of agreement on the reasons to prefer entrepreneurship as a career 1 represents (strongly disagree) - 5(strongly agree)

No	Items	1(strongly disagree)	2(disagree)	3(neutral)	4(agree)	5(strongly agree)
1.	To use business opportunities.					
2.	To make decisions independently					
3.	Need for challenging work					
4.	To be self employed					
5.	To be employee					
6.	To know business activities					

Part five: Entrepreneurial intention

To what extent did you considered to be an entrepreneur?	1(extremely not consider)	2(not consider)	3(neutral)	4(somewhat consider)	5(extremely consider)

Indicate your level of agreement with the following statements from 1 (strongly disagree) to 5 (Strongly agree)

No	Items	1(strongly disagree)	2(disagree)	3(neutral)	4(agree)	5(strongly agree)
1.	I am ready to make anything to be an entrepreneur.					
2	My professional goal is becoming an entrepreneur.					
3	I will make every effort to start and run my own firm.					
4	I have very seriously thought in starting a firm.					
5	I have got the firm intention to start a firm someday.					

Thank you very much for your cooperati