

## Factors that affect the Entrepreneurial Intension of TVET Trainees in Wro. Siheen Polytechnic College

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### ABSTRACT

In recent years, entrepreneurship has become a topic of interest in Ethiopia. This study is designed to assess the entrepreneurial intension of TVET trainees and the attributing factors that affect the entrepreneurial intension of TVET trainees in Wro. Siheen Polytechnic College. The fact that majority of TVET graduates are not self-employed against TVET's basic mission forced the researcher to study the factors affecting the entrepreneurial intension of TVET trainees. For this, a sample of 164 trainees in 6 sectors, 6 sector coordinators and 3 deans were taken for the study using proportional stratified and comprehensive sampling Techniques. In the process of answering the basic questions, a questionnaire that include demographic profiles, factors that affect the entrepreneurial intension of TVET trainees and entrepreneurial intension indicators was designed in a Likert scales. Moreover, interviews and focus group discussions were held with sector coordinators and college deans. After the data has been collected, it was analyzed using simple statistical techniques (tables and percentages), descriptive statistics (mean and standard deviations), inferential statistics (correlation and regression) and descriptive narrations. The results of the study indicate the entrepreneurial intension of TVET trainees is poor. It is also found that training facilities, leaders commitment and concern, leaders relationship with stakeholders are major administrative factors that hinder entrepreneurial intension of TVET trainees. Education/trainees related factors are more or less related with curriculum quality, trainers' competence and training delivery techniques. The trainees' attitude such as low concern and interest to entrepreneurship, underestimating entrepreneurship training as compared to other major courses and limited role in the training are major determinants for their entrepreneurial intension. The study also found that there is a significant correlation between administrative support, training/education support, trainees' attitude and entrepreneurial intension of TVET trainees. Based on the major findings, it is recommended that TVET leaders and educators should revise their training methodology, curriculum and entrepreneurship trainers so as to achieve the desired results. Moreover Ethiopian government should establish a system through which entrepreneurship training is started at an early age i.e Entrepreneurship education should be part of the Ethiopian education curriculum from elementary to higher education in a continuous and adaptive manner taking students level of education in to account since entrepreneurial intension cannot be built overnight.

**Key words:** Entrepreneurship, Entrepreneurs, Entrepreneurial intension, TVET, Intension Determinants

### Background of the study

The main primary objective of all technical and vocational education and training programmes is the acquisition of relevant knowledge, practical skills and attitudes for gainful employment in a particular trade or occupational area African Union (2005).

According to Amhara National Regional State (ANRS) Technical, Vocational and Enterprises Development Bureau (TVED), about 89 colleges are found in the region. Though the region is enriched by this great number of colleges/institutes, it doesn't utilize as expected quality as well as quantity wise (TVED Report, 2009). The reason might be self-employment challenge because of graduate's entrepreneurial intension. In order to be the beneficiary of these colleges/institutes, the region should have to take appropriate measures in order to reduce the bottlenecks/challenges that TVET graduates encounter in creating their own jobs by improving their entrepreneurial intension.

Wro. Siheen Polytechnic college is among those colleges from which a large number of skilled labor forces are graduated each year in eastern Amhara. Information taken from the registrar office show that more than 1,000 students are graduated each year in different sectors and occupations. Like the region as a whole, self-employment problems are tremendous in the college attributed to the ineffective entrepreneurship training. Data taken from the colleges education and training work process shows that among graduates of each year, the average number of self-employed graduates do not exceed 1%.

## 2. Statement of the Problem

With related to this topic the researchers did not get similar studies in Ethiopia in general and Dessie in particular findings in other countries shows that the attitude and desire of students to become entrepreneurs is one factor that affect entrepreneurial intension of TVET graduates. For example, Christian (2000), studied on Batak students' intention to be entrepreneurs and found that 65% of the respondent had intention to be entrepreneurs. Another study on Balinese students' intention showed that out of 105 respondents, 39.5% stated their intention to be an entrepreneur and 35% more stated their desire to be entrepreneurs (Lie, 2004). Study by Christine (2004) on Chinese students' intention to be entrepreneurs found that out of 105 respondents, 33.66% stated their intend to be entrepreneurs and 13.86% desired to be entrepreneurs. Similar study done by Gerald (2006) on Japanese students' intention to be entrepreneurs found that out of 194 respondents, 30.4% stated their intent to be entrepreneurs and 22% stated their desire to be entrepreneurs.

In the process of enjoying the benefits of entrepreneurship in the TVET sectors of Ethiopia, all students take entrepreneurship as a course from level one to level five. As stated in Federal Micro and Small Enterprises Development and TVET strategies, it is also designed that TVET graduates are expected to be engaged in Micro and Small Enterprises (MSEs). Even though this is the case, significant results were not recorded in improving self-employment of TVET graduates and even changing their entrepreneurial intension. The fact that self-employed TVET graduates of Wro.Siheen who are absorbed by MSEs do not exceed 1% as stated in the introduction above clearly depicts that the entrepreneurial intensions of TVET trainees might be extremely weak.

Generally, the study tried to answer the following questions:

1. How do the entrepreneurial intensions of TVET trainees be described?
2. To what extent are leaders and administrative bodies playing their role in supporting entrepreneurship training?
3. To what extent are the entrepreneurship education/training of the college contribute in improving entrepreneurial intension of TVET trainees?
4. How does the attitude of trainees toward self-employment be described?
5. Do leadership support, entrepreneurship education/training, trainee's attitude have an effect on Entrepreneurial intension of TVET trainees.

### 2.1 Objective of the study

#### *General Objective*

Generally, the study is designed to assess the factors affecting entrepreneurial intension of TVET trainees in Wro.Siheen Polytechnic College.

#### *Specific Objectives*

Specifically, it is intended to

1. Assess the entrepreneurial intension of TVET trainees
2. Examine the management and administrative potential of college leaders in supporting entrepreneurship training.
3. Evaluate the effectiveness entrepreneurship education/training in improving entrepreneurial intension.
4. Assess the attitude of the TVET trainees towards self-employment.
5. Examine effect of leadership, entrepreneurship education/training, attitude of trainees on entrepreneurial intension of TVET graduates.

## 2.2 Hypothesis

- Ho1: There is no significant relationship between administrative/leadership support and entrepreneurial intension of TVET trainees.
- Ha1: There is a statistically significant relationship between administrative/leadership support and entrepreneurial intension of TVET trainees.
- Ho2: There is no significant relationship between education/training of support and entrepreneurial intension of TVET trainees.
- Ha2: There is a statistically significant relationship between education/training of support and entrepreneurial intension of TVET trainees.
- Ho3: There is no significant relationship between trainees attitude towards self-employment and entrepreneurial intension of TVET trainees.
- Ha3: There is a statistically significant relationship between trainees attitude towards self- employment and entrepreneurial intension of TVET trainees.

## 3. Research Methodology

### Target population of the study

Population of the study was the trainees of Wro.Siheen Polytechnic College. Currently the college has 277 graduate trainees from level 3-5 who are attending trainings in six major sectors (construction, manufacturing, automotive, electrical/electronic, textile and garment and hotel, culture and tourism),3 deans, 6 sector coordinators and 3 deans of the college who are from diploma to masters level.

### Sampling and Sampling techniques

A sample 164 trainees was taken for the study using a formula developed by Yaro Yamani (1964),

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

$$n = \frac{277}{1 + 277(.05)^2}$$

$$n = 164$$

Where n= sample size, N=Population size

e=error rate (.05) or that the chance of samples to be representative of the population is 95% confident level

For selecting these samples of trainees, proportional stratified sampling was used in which key purposely selected priority sectors were taken as strata. From each sector 60% (164/277) of trainees were selected randomly using table of random numbers.

## Sources of data

### Primary Data

The researcher acquired primary data through distributing questionnaire, conducting interviews and making focus group discussions with trainees, sector coordinators and deans of Wro.Siheen Polytechnic College to collect the required data of the study.

### Secondary Data

The researcher assessed and analyzed all other related sources of secondary data as evidence to support the findings of this study. All the necessary secondary data that had been reviewed are presented in Chapter 2. These secondary sources of data were articles journals, books, newspapers and magazines and other online sources on the area of entrepreneurship.

## Discussion of Results

**3.1 Table1:** Entrepreneurial Intension of TVET trainees

S.NO.	Indicator	N	Mean	Std. Deviation
1	In the short and medium term, I am more attracted to be an entrepreneur	157	2.08	.99
2	Being an entrepreneur implies more advantages than disadvantages to me	157	2.09	.97
3	A career as entrepreneur would represent great satisfaction to me	157	2.15	1.30
4	I would be willing to take the risk associated with starting a new business	157	2.08	.96
5	Running my own business would represent more economic incomes than being a salaried worker.	157	2.08	.96
6	I know the necessary practical details to start a firm	157	2.07	.96
7	I know how to develop an entrepreneurial project	157	2.06	.96
8	If I tried to start a new firm, I would have a high probability of succeeding	157	2.10	.97
Total			2.09	1.01

Source: Compiled from questionnaire using SPSS20

### 3.2 Factors affecting entrepreneurial intension of TVET trainees

**3.2.1 Table 2:** Administrative support

S.NO.	Factor	N	Mean	Std. Deviation
1.1	Facilities necessary for the Entrepreneurship training are fulfilled.	157	2.27	1.02
1.2	Equal concern is given by the college/institute leaders to entrepreneurship as other courses.	157	2.08	.98
1.3	The awareness of college/institute administrators towards entrepreneurship is good.	157	2.28	1.01
1.4	The college leaders are entrepreneurship oriented	157	2.11	.98
1.5	Leaders encourage pre -enterprise saving and organization to prepare trainees for self-employment .	157	3.57	1.24
1.6	Leaders relationship with known entrepreneurs to arrange experience sharing is exemplary	157	2.10	.99
1.7	Leaders relationship with loan institutes, municipality and MSE leaders is good	157	2.07	.96
Total			2.35	1.03

Source: Compiled from questionnaire using SPSS 20

**3.2.2 Table 3:** Education and Training Support

S.No.	Factor	N	Mean	Std. Deviation
2.1	I have the practical knowledge of starting a business before starting my degree	157	2.04	.97
2.2	I am willing to take the risk of becoming an entrepreneur before starting my degree	157	2.27	1.00
2.3	The training that I'm taking can give me the necessary knowledge to start a business	157	2.27	1.00
2.4	The training that I'm taking is a good complement to my professional background that can help me to start a business	157	3.52	1.26
2.5	The training that I'm taking has given me more ideas and opportunities to start a business in the future	157	2.27	1.02
2.6	If I had the resources, I would be willing to take the risk of starting and running a business immediately after finishing my training	157	2.08	.96
2.7	I believe that the knowledge that I have acquired in the last two/three years will be more valuable if I start my own business than work for a Company	157	2.25	1.01
Total			2.39	1.03

Source: Compiled from questionnaire using SPSS 20

**3.2.3 Table 4:** Trainees Attitude

S.N.	Factor	N	Mean	Std. Deviation
3.1	I have interests to the course	157	2.08	.97
3.2	I have a good intention towards self-employment.	157	2.07	.97
3.3	I give equal attention to the course as the major courses.	157	2.08	.98
3.4	I have high interest to be self-employed than seeking employment.	157	2.08	.98
3.5	My role in the training is more	157	2.07	.99
Total			2.08	0.98

Source: Compiled from questionnaire using SPSS20

### 3.3. Inferential Analysis

#### 3.3.1 Relationship between Administrative support and entrepreneurial intension

This study was designed to test three hypotheses: The first hypothesis (Ho1) was that there was no significant relationship between administrative support and entrepreneurial intension. The results presented in the table below showed that the correlation coefficients between administrative support and entrepreneurial intension is  $r = 0.395$ ,  $n = 157$ , ( $p < 0.05$ ). Statistically significant correlation ( $p < 0.05$ ) was found between administrative support and entrepreneurial intension. Hence the hypothesis that there is no significant relationship between administrative support and entrepreneurial intension is rejected and the alternative hypothesis that there is a statistically significant relationship between administrative support and entrepreneurial intension is accepted. The remaining two hypothesis will be tested in the next pages.

**Table 5:** Descriptive Statistics

	Mean	Std. Deviation	N
Entrepreneurial intension	16.7070	5.18660	157
Administrative support	16.4713	3.23158	157

**Table 6:** Correlations between Administrative support and entrepreneurial intension

		Administrative support	Entrepreneurial intension
Administrative support	Pearson Correlation	1	.395**
	Sig. (2-tailed)		.000
	N	157	157
Entrepreneurial intension	Pearson Correlation	.395**	1
	Sig. (2-tailed)	.000	
	N	157	157

\*\* . Correlation is significant at the 0.05 level (2-tailed).

#### 3.3.2 Relationship between Education/training support and entrepreneurial intension

The second hypothesis (Ho2) of this study was that there was no significant relationship between education/training support and entrepreneurial intension the results presented in the table below showed that the correlation coefficients between education/training and entrepreneurial intension is  $r = 0.669$ ,  $n = 157$ , ( $p < 0.05$ ). Significant correlation ( $p < 0.05$ ) was found between education/training and entrepreneurial intension. Hence the hypothesis that there is no significant relationship between education/training support and entrepreneurial intension is rejected and the alternative hypothesis that there is a statistically significant relationship between education/training support and entrepreneurial intension is accepted.



**Table 7:**Descriptive Statistics

	Mean	Std. Deviation	N
Entrepreneurial intension	16.7070	5.18660	157
Education/training support	16.7070	3.71805	157

**Table 8:** Correlations between Education/training support and entrepreneurial intension

		Entrepreneurial intension	Education training
Entrepreneurial intension	Pearson Correlation	1	.669**
	Sig. (2-tailed)		.000
	N	157	157
Education training	Pearson Correlation	.669**	1
	Sig. (2-tailed)	.000	
	N	157	157

\*\* . Correlation is significant at the 0.05 level (2-tailed).

**3.3.3 Relationship between trainees' attitude and entrepreneurial intension**

The third hypothesis (HO3) was that there was no significant relationship between trainees' attitude and entrepreneurial intension. The results presented in the table below showed that the correlation coefficients between trainees attitude and entrepreneurial intension is  $r = 0.59$ ,  $n = 157$ , ( $p < 0.05$ ). A statistically significant correlation ( $p < 0.05$ ) was found between trainees' attitude and entrepreneurial intension. Hence the hypothesis that there is no significant relationship between trainees' attitude and entrepreneurial intension is rejected and the alternative hypothesis that there is a statistically significant relationship between trainees' attitude and entrepreneurial intension is accepted.

**Table 9:** Correlations between trainees' attitude and entrepreneurial intension

		Entrepreneurial intension	Trainees' attitude
Entrepreneurial intension	Pearson Correlation	1	.59**
	Sig. (2-tailed)		.000
	N	157	157
Trainees attitude	Pearson Correlation	.59**	1
	Sig. (2-tailed)	.000	
	N	157	157

\*\* . Correlation is significant at the 0.05 level (2-tailed).

**Coefficients<sup>a</sup>**

**3.3.4 Regression Analysis**

This analysis showed the results with model summary, ANOVA and coefficient.

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.726 <sup>a</sup>	.527	.517	4.19315

a. Predictors: (Constant), Education /training, Administrative Support, Trainees' attitude

**Regression coefficients**

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2993.903	3	997.968	56.759	.000 <sup>b</sup>
	Residual	2690.122	153	17.582		
	Total	5684.025	156			

a. Dependent Variable: Entrepreneurial intension

b. Predictors: (Constant), Education/ training, Administrative support, Trainees' attitude

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Co linearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	4.854	1.342		3.618	.000		
	Administrative support	.432	.126	.270	3.429	.001	.497	2.010
	Trainees' attitude	.471	.116	.364	4.0547	.000	.384	2.606
	Education/training	.813	.161	.763	7.541	.000	.302	3.313

a. Dependent Variable: Entrepreneurial intension

**Co linearity Diagnostica**

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions			
				(Constant)	Administrative support	Trainees' attitude	Education / training
1	1	3.886	1.000	.00	.00	.00	.00
	2	.065	7.724	.58	.00	.05	.15
	3	.030	11.316	.12	.61	.46	.02
	4	.019	14.353	.30	.39	.48	.82

a. Dependent Variable: Entrepreneurial intension

Based on the model summary above, as the value Adjusted R Square in the result of the table under revealed, the independent variables – Administrative support, training/education and trainees' attitude can explain 51.7 percent variation in the dependent variables – entrepreneurial intention. The remaining 48.3 percent of the variation in the dependent variable is explained by other factors or variables not included in this study. The F-value of 56.76 was also significant at 0.05 level of significance.



*Multiple Regression equation:*

$$Y = C + \beta X_1 + \beta X_2 + \beta X_3 + \dots + \beta X_n$$

Y= Prediction relationship of types of variables toward entrepreneurial intention.

C= Constant value.

$\beta$ = Unstandardized coefficient.

X= Dimension of independent variable

X1: Independent variable 1 (Administrative support)

X2: Independent variable 2 (Education/Training support)

X3: Independent variable 3 (Trainees' Attitude)

Based on the table above, the following equation is derived as below:

$$\text{Entrepreneurial intension} = 4.854 + 0.432(\text{Administrative support}) + 0.813(\text{Education/training support}) + 0.471(\text{Trainees Attitude}).$$

### Summary

Based on the trainees' response, interview and focus group results with sector coordinators and deans acquired, the major findings of this study are summarized as follows.

1. Majority of the respondents are males and within the age category of 20 and below 20 years.
2. The occupation of most of the respondents is level 4 and Automotive sector accounts the majority of the respondents.
3. The entrepreneurial intension of respondents is very low having a weak entrepreneurial attraction, low risk taking propensity, poor entrepreneurial awareness and entrepreneurial satisfaction. They have no the self confidence to start own businesses and take entrepreneurship as a last resort. Paid employment is taken as their first priority.
4. Among the administrative factors that affect entrepreneurial intension of TVET trainees, inadequate training facilities, low concern given to entrepreneurship and weak entrepreneurial orientation of leaders, poor relationship of leaders with finance institutes, MSEs, municipalities and other relevant stakeholders. However leaders have a better support in encouraging pre-enterprise saving and organization of trainees.
5. The major education/training support related factors that affect entrepreneurial intension of TVET trainees are, curriculum quality, trainers competence and training delivery problems that resulted in lack of practical business knowledge, poor risk taking propensity, inability to complement their skill with professional backgrounds, and overall poor entrepreneurial orientation of trainees.
6. Attitudinal related factors that affect entrepreneurial intention of TVET trainees include poor interest towards the course, poor entrepreneurial intension, underestimating entrepreneurship training as compared with other major competencies, insignificant trainees' role in entrepreneurship.
7. A statistically significant correlation was found between administrative support and entrepreneurial intention.
8. A statistically significant correlation was found between education/training and entrepreneurial intention.
9. A statistically significant correlation was found between trainees' attitude and entrepreneurial intention.
10. Education and training is the major predictor variable that contributes to the variation of the entrepreneurial intention followed by trainees' attitude and administrative support.

### Conclusion

From this study it is possible to conclude that the entrepreneurial intension of TVET graduates is very low. For this there may be other factors than administrative, education and training and trainees' attitude that determine this poor entrepreneurial intension: economic, social, demographic or political, which are not the scope of this study. But of these factors it is possible to conclude that the education/training factors take the leading position.

### Recommendations

Based on the major findings and conclusions of the study the following recommendations are suggested to the concerned bodies.

- Even though entrepreneurship is not free of risks, TVET trainees should not see it as a last resort. This is because establishing own business creates sense of independence, flexibility and freedom; make own boss, give time and financial freedoms. Besides this, in the time of globalization, it would be unthinkable to get jobs easily because of the serious competition throughout the world.
- As the experience of developed nations clearly show, the usual "chalk and talk" training approach do not bring significant results in shaping entrepreneurial intension of TVET trainees. Hence, TVET trainers should implement practical demonstrations, real cases, simulation and using guest speakers having untapped potential and experience in entrepreneurship as prioritized training approaches.
- Entrepreneurial intension is not something to be developed within a short period of time. Hence the Ethiopiangovernment should establish a system through which entrepreneurship training is started at an early age i.e Entrepreneurship education should be part of the Ethiopian education curriculum from elementary to higher education in a continuous and adaptive manner taking students level of education in to account.

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