Assessment of Motivational Factors and Challenges to Become an Entrepreneur
(The Case of North Gondar TVET Graduates)

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Abstract
The main objective of this study is to assess determinant Motivational factors and Challenges to become an entrepreneur in North Gondar Technical, Vocational Training College graduates. The study used cross sectional survey design. The study was based on both primary and secondary data sources; the primary data was collected by using questionnaire and key informant interview. Both qualitative and quantitative (mixed) research approaches was employed. The data was analysed using descriptive (mean, frequency and percentage) and inferential analysis (one sample t-test and multiple binary regression) to describe, and test associations and analyse the determinant factors to become an entrepreneur. The overall results of the study indicated that the majority of the TVET graduates become wage employees instead of becoming an entrepreneur. Higher level of motivation on independence and financial gain was observed. With regard to the existing challenges higher level of fear of failure to competition, problem of self-confidence and lack of new ideas to start business, lack of start-up capital, high interest rate and alternative financing institutions was exhibited. In addition, Infrastructural challenges related to manufacturing and centred retailing venue as well as power supply were also found high. Moreover, the model results confirm that the existence of entrepreneurship was determined by the interaction of demographic, motivational and various challenges and the logistic regression result showed that graduates level of education, challenges related to fear of failure, financial problem, training and infrastructural problems significantly determine the TVET graduates to become an entrepreneur in the study area. While sex, age and graduates motivational need of independence and access to adequate training were not significant predictors for the entrepreneurial engagement. Based on the finding the study recommends, entrepreneurship must be supported by the governmental organizations and their constraints must be recognized and a structured and organized strategic plan put in place to help them overcome these limiting factors.

Key words: Entrepreneurship, Motivation, Independence, Financial gain

Introduction
Entrepreneurship is the symbol of business strength and achievement. Entrepreneurs are the founders of today’s business success. Their sense of opportunity, their drive to innovate and their capacity for accomplishment have become the standard by which free enterprise is measured. Entrepreneurs will continue to be critical contributors to the economic growth through their leadership, management, innovation, research and development effectiveness, job creation, competitiveness, productivity and formation of new industry (Gemechis, 2007).

According to Global Entrepreneurship Monitor (GEM) 2011 Report, an upsurge in entrepreneurship around the world – entrepreneurs are now numbering near 400 million in 54 countries surveyed, 140 million of these entrepreneurs expect to add at least five new jobs over the next five years. China, Argentina and Chile boast above-average rates in 2010 and even higher rates in 2011.

In Africa, there is a great entrepreneurship enthusiasm among different nations but there is little solid evidence that entrepreneurship promotes economic growth in Sub-Saharan Africa and many other developing countries. The main reason is that many do not become entrepreneurs by choice or because they take advantage of an opportunity but out of necessity because they cannot find wage employment...
and do not have any other source of income. They are forced to start a business and become self-employed (CBDS, 2010).

According to African Development Bank (2010) in Ethiopia entrepreneurship is limited and productivity is low even twenty years later after the down fall of the Derge regime, the role of the productive private sector remains restricted to several exceptional sectors (leather and flowers). While the majority of SMEs are private, very small firms predominate and the highly productive formal SME sector is thus underdeveloped. However, the economy was dominated by low productivity firms mostly in the informal sector, while the highly productive SMEs could be found only in a few regions and sectors. On the more positive side, hopes that the private sector and SMEs would contribute to growth and employment have gradually started to materialize in selected sectors (especially services) since mid-2000s.

The first Growth and Transformation Plan (GTP) (2010/11-2014/2015) centres on job creating economic activities and achieving even-handed social development (MoFED, 2010). The GTP gives due attention for TVET as the primary sources of trained workforce so as to harmonize the skilled labour force needs of the nations development with that of the current high unemployment rate. Based on the main pillars of the GTP respective TVETs have been working to mitigate the unemployment rate with that of economic development through creating enabling environment for entrepreneurs. Even though efforts were made and paramount achievements were brought, in creating huge amount of entrepreneurs throughout the nation still significant number of TVET graduates remain idle almost in all localities. For instance, according to the regional report, among the 2014 and 2015 TVET graduates in Amhara region 86% had got jobs. While 14% became unemployed. Even out of the 86% who had got jobs entrepreneurs account only 24% and the rest are employed in the already available employment opportunities like governmental, private institutions and other NGOs.

Objective of the Study

The general objective of this study is to assess motivational factors and challenges to become an entrepreneur the case of North Gondar TVET College graduates. Based on the general objective, the study addresses the following specific objectives:

- To identify the levels of principal motivational factors of Technical and Vocational Education and Training graduates to become an entrepreneur.
- To assess the levels of major challenges of Technical and Vocational Education and Training graduates to become an entrepreneur.
- To examine the significant determinant factors to become an entrepreneur

1. Research Methodology

1.3.1 Research Design and approach

Descriptive research design was employed by the researcher to assess the existing state of nature regarding motivation and challenges of graduates. The reason of using this design is that it is useful to further clarify the current situation in association to sort out and put standards against the current phenomenon that usually exhibited in a particular phenomenon. Both quantitative and qualitative research approach were employed.

3.3.3 Sample size and Sampling Technique

For this research Taro Yamane’s (1967) sample size determination formula was used:

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

Where, 
- \(N\) = total population
- \(n\) = desired sample size
- \(e\) = precision level valid for 95% confidence level (0.05)
Therefore, since target population of the study is 5350 (ANRS Regional annual reports, 2014-2016) the required sample size will be calculated as:

\[
n = \frac{5350}{1 + 5350 (0.05)^2} = 372
\]

In North Gondar province 11 government colleges are delivering training in TVET programs in order to supply the required amount of middle level technicians for the industry based on its demand. Out of these colleges, Debark, Koladiba, Sanja, and Ayikel colleges were chosen using purposive sampling technique. The rationale behind using purposive sampling technique in choosing the sample of TVET colleges was that the level of qualification and the diversity of training areas in these colleges were assumed to be representative across all programs.

The sampling technique applied to determine the final sample of respondents for questionnaire was stratified sampling technique for the four selected colleges’ graduates and simple random sampling to select respondents from each stratum.

### 3.3.4 Data Source and Data Collection Instrument

Both primary and secondary sources of data were used for the study. Multiple data gathering instruments were used to collect valid and reliable information from the research participants of the study. The main data gathering instruments that were used in the study include a survey questionnaire and key informant interview.

### The Rational for Model Selection

The impact of demographic variables on the status of employment was used as a binary dependent variable. In this case, the dependent variable was the status of graduates to become entrepreneur or not.

The binary logistic regression model was selected and adopted due to the following major points. Firstly, the dependent variable had a binary outcome. The TVET graduates status to become an entrepreneur or not was used as a dependent variable. Secondly the independent variables were both categorical and continuous type of data. As a result of this, multiple binary logistic regression model was selected to examine the major significant factors to become an entrepreneur. The variables are presented as follows.

#### The dependent variable

Logistic regression model was used to analyse the major factors for the status of graduates to be self-employed or not. The variable on the status of graduates to “become an entrepreneur and not” was used as binary dependent variables taking a value “1” indicating self-employed /entrepreneur and “0” indicating the graduate is not an entrepreneur.

#### Independent variables of the model

In this study, a total of nine explanatory variables were used to predict TVET graduates entrepreneurial success. Based on this, graduates level of education, challenges related to fear of failure, financial problem and infrastructural problem, access to adequate training, sex, age and graduates motivational need of independence and access to adequate training were used as a predictor.

### 2. Results and Discussions

#### Sources of motivation to become entrepreneur

Table 4.1. One-Sample Test on economic factors

| Economic factors | Test Value = 3 |
The level of demand to be an independent was assessed to examine the existing need of independence to become an entrepreneur.

The result indicated that, the need to for economic independence has shown a statistically significant difference with the expected mean value ($t=51.513$, $p < 0.05$). That is, the need to become economically independent on their family is above the expected mean value ($M=4.6810$ and $SD=0.58919$). This implies that the level of the need of TVET graduates to be economically independent from their families was found to be high in the study area.

There was also statistically significant mean difference between the need to acquire their own business and to prove that they can be a business man and the expected mean value ($t=61.00$ and $20.209$, $p < 0.001$). That is, the need to acquire their own business and to prove that they can be a business man is above the expected mean value ($M=4.6319$ and $4.1871$ with a standard deviation of $1.04935$ and $1.49351$). This implies that the level of the TVET graduates need to acquire their own business and to prove that they can be a business man was found to be high.

Similarly, there was also a statistically significant mean difference was observed between the graduates’ attitude to gain job security and the expected mean value ($t=8.418$, $p < 0.05$). That is, the level of graduates’ attitude to gain job security is also above the expected mean value ($M=3.6963$, $SD=1.493$). This implies that level of TVET graduates’ attitude to gain job security was found high in the study area.

Moreover, there was statistically significant mean difference between the level of motivation to maintain personal freedom and the expected mean value ($t=9.652$, $p < 0.001$). That is, the existing level of motivation to maintain personal freedom is above the expected mean value ($M=3.7454$ with a standard deviation of $1.39435$). This implies that the level of motivation of TVET graduates to become an entrepreneur so as to maintain personal freedom was found to be high in the study area.

### Table 4.2. One-Sample Test on Economic Factors

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>$t$</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>To become independent</td>
<td>4.6810</td>
<td>.58919</td>
<td>51.513</td>
<td>.000</td>
</tr>
<tr>
<td>In order to acquire my own business</td>
<td>4.6319</td>
<td>.48303</td>
<td>61.000</td>
<td>.000</td>
</tr>
<tr>
<td>To prove I can be a business man</td>
<td>4.1871</td>
<td>1.06060</td>
<td>20.209</td>
<td>.000</td>
</tr>
<tr>
<td>To gain job security</td>
<td>3.6963</td>
<td>1.49351</td>
<td>8.418</td>
<td>.000</td>
</tr>
<tr>
<td>To maintain my personal freedom</td>
<td>3.7454</td>
<td>1.39435</td>
<td>9.65</td>
<td>.000</td>
</tr>
<tr>
<td>To be model in creating own business</td>
<td>3.9939</td>
<td>1.10661</td>
<td>16.216</td>
<td>.000</td>
</tr>
<tr>
<td>Enjoyment of the work involved</td>
<td>4.2055</td>
<td>1.06299</td>
<td>20.477</td>
<td>.000</td>
</tr>
</tbody>
</table>


The table above shows one mean value regarding the contributing factors in relation to economic needs to be an entrepreneur was reported by the respondents.
Accordingly, the result reveals that to increase income was found with calculated mean value (Mean=4.2239) (SD=.84244). This is above the expected Mean value (3). This implies that increasing income was one factor that might motivate respondents to be entrepreneur.

The calculated mean value to the specific variable, be well known in my financial success was (Mean=4.0399) with (SD=1.08199). This is to mean that the need to be popular in financial success was economical factor that can encourage respondents into entrepreneurship. Similar to this, as can be seen from the above table, the mean result to the variable providing jobs to family members was (Mean=4.1350) with (SD=.1.00776). This indicates that creating job opportunities to family members was contributing factor that might initiate the study respondents to entrepreneurship. Similarly, as can be seen from the above table, the mean result to the variable providing jobs to family members was (Mean=4.2454) with (SD=.96774) was attributed to be financially secured so as to change life. This implies that to get financial security was one economical contributing factor to respondents to enter into entrepreneurship.

The existence of group means difference in motivational factors between entrepreneurs and non-entrepreneur graduates.

The study analysed statistically, if there were a significant difference between entrepreneurs and non-entrepreneur TVET graduates towards the existing motivational factors such as the need for independence and financial gain. To evaluate this, independent t-test was used to check whether the mean difference between the two groups is significant or not. The result is presented below

<table>
<thead>
<tr>
<th>Occupational status of graduates</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independence</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entrepreneurs</td>
<td>47</td>
<td>4.3095</td>
<td>.62274</td>
<td>2.125</td>
<td>.038</td>
</tr>
<tr>
<td>Non-Entrepreneurs</td>
<td>279</td>
<td>4.1258</td>
<td>.64412</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The need for financial gain</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entrepreneurs</td>
<td>47</td>
<td>4.3758</td>
<td>.65400</td>
<td>3.455</td>
<td>.001</td>
</tr>
<tr>
<td>Non-Entrepreneurs</td>
<td>279</td>
<td>4.0577</td>
<td>.71986</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


As far as the levels of motivation across entrepreneurs and non-entrepreneur graduates were concerned, there was statistically significant mean difference observed between Entrepreneurs and non-entrepreneurs in terms of both the above indicators.

The survey result showed that, statistically a significant mean difference was observed in the existence of the motivational factor of higher level of need of independence between entrepreneurs and non-entrepreneur graduates. The result indicated (t= 2.125, p < 0.05). That is, the existence of higher motivational need of independence was exhibited across entrepreneur graduates.

In this case, the result revealed that the higher level of need of independence was significantly higher among entrepreneurs than non-entrepreneur graduates. The mean value (M= 4.309 and 4.1258) for entrepreneurs and non-entrepreneurs respectively.

This implies that, the motivational factor to achieve the need for independence is vital for entrepreneurial engagement. This indicated that, the higher the graduates motivational need for independence, the higher the graduates’ success to become an entrepreneur.

Similarly, the survey result also showed that, there was a statistically significant mean difference was observed in the existence of the motivational factor of higher level of need to attain financial gain between entrepreneurs and non-entrepreneur graduates. The result indicated (t= 3.455, p < 0.05). That is, the existence of higher motivational need for financial gain was exhibited across entrepreneur graduates than non-entrepreneurs.
The independent sample t-test result portrayed that, level of need for financial gain was significantly higher among entrepreneurs than non-entrepreneur graduates. The mean value (M= 4.3758 and 4.0577) for entrepreneurs and non-entrepreneurs respectively. The result shown that, entrepreneurs had high level of need of independence than non-entrepreneur graduates.

This implies that, the motivational factor to achieve the need for financial gain is a crucial factor for entrepreneurial engagement of TVET graduates in the study area. This indicated that, the higher need for financial gain among graduates was observed, the higher the graduates’ success to become an entrepreneur.

**Challenges to Become an Entrepreneur**

To assess the major challenges to become an entrepreneur, the study used the levels of graduates’ fear of failure, access to adequate training, financial problems and challenges related to access to infrastructure. Thus, the result of each indicator is presented as follows

**The Existing Level of Challenges Related To Fear of Failure**

The level of fear of failure across graduates was examined by using one sample t-test. From the result it can be seen in the following manner.

**Table. 4.4. Challenges to become an entrepreneur**

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>t</th>
<th>Sig. (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Threatening on the profitability of the business</td>
<td>3.0699</td>
<td>1.33790</td>
<td>1.391</td>
<td>.075</td>
</tr>
<tr>
<td>Too much competition in the business world</td>
<td>3.5092</td>
<td>1.24712</td>
<td>7.372</td>
<td>.000</td>
</tr>
<tr>
<td>Complex and confusing tax structure</td>
<td>3.025</td>
<td>1.38635</td>
<td>1.637</td>
<td>.067</td>
</tr>
<tr>
<td>Lack of new idea to start business</td>
<td>3.2791</td>
<td>1.39184</td>
<td>3.621</td>
<td>.000</td>
</tr>
<tr>
<td>Loss of self-confidence to manage the business in proper way</td>
<td>3.2362</td>
<td>1.40418</td>
<td>3.037</td>
<td>.003</td>
</tr>
<tr>
<td>Lack of government support</td>
<td>3.5061</td>
<td>1.35588</td>
<td>6.740</td>
<td>.000</td>
</tr>
</tbody>
</table>

Source: Researcher’s survey (2017)

The level of fear of failure on competition, self-confidence and government support were assessed. The result indicated that, level of fear of failure on competition, and self-confidence have statistically significant difference with the expected mean value (t= 7.372, and 6.740, p<0.05). That is, the level of fear of failure on competition and self-confidence are above the expected mean value (M= 3.5092 and 3.2362) with standard deviations of 1.24712 and 1.40418 respectively. This implies that the level of fear of failure to competition and self-confidence were found to be high in the study area.

There was also statistically significant mean difference was observed on the between the lack of new idea to start a business and the expected mean value (t=3.621, p<0.05). That is, the extent of the problem to produce new ideas to start business is above the expected mean value (M=3.2791, SD= 1.39184). This implies that the level of problem of lack of new ideas to start business was found to be high.

Conversely, statistically no significant mean difference was observed between the extent of problem in profitability and confusing tax structures and the expected mean value (t= 1.391 and 1.637, p > 0.05). That is, the level of problem towards profitability and existence of confusing tax structures are around the expected mean value (M= 3.0699 and 3.025, SD= 1.3379 and 1.38635 respectively). This implies that the aforementioned problems to become a major challenge for entrepreneurship were found moderate in the study area.
The existing level of challenges related to access to adequate training
Similarly, the problem of access to adequate training was also assessed and presented. This is clearly
depicted in the table below.

Table 4.5. Challenges in relation to provision of training

<table>
<thead>
<tr>
<th>Variables (challenges)</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>T</th>
<th>Sig. (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of specialized seminars and conference for entrepreneurship</td>
<td>3.6564</td>
<td>1.217</td>
<td>9.737</td>
<td>.000</td>
</tr>
<tr>
<td>Lack of business experience /low mentoring/</td>
<td>3.4387</td>
<td>1.412</td>
<td>5.608</td>
<td>.000</td>
</tr>
<tr>
<td>Lack of occupational skills</td>
<td>3.5521</td>
<td>1.359</td>
<td>7.333</td>
<td>.000</td>
</tr>
<tr>
<td>Lack of entrepreneurial knowledge</td>
<td>3.3926</td>
<td>1.389</td>
<td>5.101</td>
<td>.000</td>
</tr>
<tr>
<td>Lack of management, marketing and accounting training</td>
<td>3.5153</td>
<td>1.242</td>
<td>7.491</td>
<td>.000</td>
</tr>
</tbody>
</table>

Source: Researcher’s survey (2017)
Table above shows one sample t-test for the extent of adequate training and supervision was reported
by the respondents. The result reveals that there was statistically significant mean difference between
the extent of adequate specialized seminars and conference of entrepreneurship and the expected mean
value (t=9.737, p < 0.05). That is, the mean value for lack of specialized seminar and conference for
entrepreneurship is above the expected mean value (M= 3.6564, SD= 1.21721). This implies that the
level of problem of designing and providing adequate entrepreneurial seminars and conferences were
found high in the study area.

There was statistically significant mean difference between the lack of business experience and the
expected mean value (t=5.608, p < 0.05). That is, the extent of the challenges related to business
experience is above the expected mean value (M = 3.4387, SD = 1.412). This implies that the level of
challenges with respect to mentoring was found high.

In addition, there was statistically significant mean difference between the challenges related to
occupational skill and entrepreneurial knowledge and the expected mean values (t = 7.333 and 5.101, p
< 0.05). That is, the extent of challenges related to occupational skill and entrepreneurial knowledge are
above the expected mean values (M = 3.5521 and 3.926, SD = 1.359 and 1.389). This implies that the
level of the challenges related to occupational skill and entrepreneurial knowledge was found high in
the study area.

There was also statistically significant mean difference between the extent of Lack of management,
marketing and accounting training and the expected mean value (t = 7.491, p < 0.05). That is, the Lack
of management, marketing and accounting training is above the expected mean value (M=3.5153, SD= 1.242).
This implies that the level of challenges with regard to adequate management, marketing and
accounting training was found high.

Challenges Related to Financial Constraints
The challenges associated with financial constraints were also assessed by using various indicators. The
results of each indicator are presented with the table below.
### Table 4.6. Financial constraints

<table>
<thead>
<tr>
<th>Variables</th>
<th>Test Value = 3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean</td>
</tr>
<tr>
<td>Lack of Start-up capital</td>
<td>4.0031</td>
</tr>
<tr>
<td>The rate of interest for credit is too high</td>
<td>3.7485</td>
</tr>
<tr>
<td>The bureaucracy to get money from financial institutions is tedious</td>
<td>3.8773</td>
</tr>
<tr>
<td>Lack of alternative financing institutions at local area</td>
<td>3.7270</td>
</tr>
<tr>
<td>Incapable of saving 20% pre-saving so as to gain 80% credit</td>
<td>3.0442</td>
</tr>
<tr>
<td>Lack of family and friends support</td>
<td>3.147</td>
</tr>
<tr>
<td>I don’t have any wealth for loan guaranty</td>
<td>3.8006</td>
</tr>
</tbody>
</table>

Source: Researcher’s survey (2017)

There was statistically significant mean difference between the extent of challenges related to lack of startup capital, interest rate and alternative financing institutions and the expected mean value (t=15.443, 10.773 and 10.554, p<0.05). That is, the challenges related to lack of startup capital, interest rate and alternative financing institutions are above the expected mean value (M= 4.003, 3.748 and 3.727, with the standard deviations of 1.172, 1.254 and 1.243 respectively. This implies that the level of challenges related to lack of startup capital, interest rate and alternative financing institutions in was found high.

Furthermore, there was statistically significant mean difference between the extent of challenges in relation with bureaucracy and loan guarantee and the expected mean value (t = 14.259 and 11.539, p<0.05). That is, the extent of challenges in relation with bureaucracy and loan guarantee is above the expected mean value; M= 3.7485 and 3.8006, SD = 1.254 and 1.252 respectively. This implies that extent of challenges in relation with bureaucracy and loan guarantee was found high.

There was no statistically significant mean difference between the challenges related to pre-saving and credit and family and friends support and the expected mean value (t = 1.278 and 1.916, p > 0.05). That is, the challenges related to pre-saving and credit and family and friends support is the same as the expected mean value (M=3.044 and 3.147, with standard deviations of 1.253 and 1.301 respectively. This implies that the level challenges related to pre-saving and credit and family and friends support was found medium in the study area.

### Challenges related to Infrastructural facilities

#### Table 4.10 Infrastructural facilities and challenges

<table>
<thead>
<tr>
<th>Variables</th>
<th>Test Value = 3</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean</td>
</tr>
<tr>
<td>Absence of manufacturing venue (working area)</td>
<td>3.7761</td>
</tr>
<tr>
<td>Absence of centered retailing venue (display shops, market area)</td>
<td>3.8405</td>
</tr>
<tr>
<td>Problem of electric supply</td>
<td>4.3160</td>
</tr>
</tbody>
</table>

Source: Researcher’s survey (2017)

There was statistically significant mean difference between the extent of problems related with manufacturing venue and the expected mean value (t=11.45, p < 0.05). That is, the extent problems related with manufacturing venue is above the expected mean value (M= 3.7761, SD= 1.223). This
implies that the level of challenges problems related with manufacturing venue was found high in the study area.

The result of the study also indicated that, there was statistically significant mean difference between the absence of centered retailing venue and the expected mean value \( t = 11.422, p < 0.05 \). That is, the challenge related to absence of centered retailing venue is above the expected mean value \( (M=3.8405, \ SD=1.328) \). This implies that the level challenges related to centered retailing venue was found high.

In addition, there was statistically significant mean difference between the extent problems related to electric supply and the expected mean value \( t=5.893, \ p<0.05 \). That is, the extent of problems related to electric power supply is above the expected mean value \( (M=4.316, \ SD=4.031) \). This implies that the level of challenges related to power supply was found high in the study area.

The existing determinant factors to become an entrepreneur

Binary logistic regression model

The impact of demographic variables on the status of employment was used as a binary dependent variable. In this case, the dependent variable was the status of graduates to become entrepreneur or not.

Logistic regression model was used to analyze the major factors for the status of graduates to be self-employed or not.

The variable on the status of graduates to become an entrepreneur and not was used as binary dependent variables taking a value 1 indicating self-employed/entrepreneur and 0 indicating the non-entrepreneur. Therefore, the analysis was done for the whole TVET graduate respondents. The regression results were based on the 326 samples.

The model results confirm that the existence of entrepreneurship was determined by the interaction of several factors. The success of the overall prediction by the regression model indicate that the selected variables significantly influence TVET graduates to become an entrepreneur, and there is a strong association between the entrepreneurial success of graduates and groups of the explanatory variables with the \( R^2 \) of 15.9%.

A positive estimated coefficient in the model implies that the problem of TVET graduates entrepreneurial success increased in the increasing value of the explanatory variable. Whereas negative estimated coefficient in the model implies problem of entrepreneurial success decreases with an increase in the value of the explanatory variable.

The overall model output is presented as follows

Table 4.7. Logistic regression results

<table>
<thead>
<tr>
<th>Variable</th>
<th>B</th>
<th>S.E.</th>
<th>Wald</th>
<th>Sig.</th>
<th>Exp(B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independence</td>
<td>-.118</td>
<td>.287</td>
<td>.169</td>
<td>.681</td>
<td>.889</td>
</tr>
<tr>
<td>Financial gain</td>
<td>.610</td>
<td>.300</td>
<td>4.151</td>
<td>.042</td>
<td>1.841</td>
</tr>
<tr>
<td>Sex</td>
<td>-.541</td>
<td>.326</td>
<td>2.741</td>
<td>.098</td>
<td>.582</td>
</tr>
<tr>
<td>Age</td>
<td>-.468</td>
<td>.305</td>
<td>2.358</td>
<td>.125</td>
<td>.626</td>
</tr>
<tr>
<td>Educational qualifications</td>
<td>-.818</td>
<td>.210</td>
<td>15.156</td>
<td>.000</td>
<td>.441</td>
</tr>
<tr>
<td>Fear of failure</td>
<td>.610</td>
<td>.300</td>
<td>4.151</td>
<td>.042</td>
<td>1.841</td>
</tr>
<tr>
<td>Training</td>
<td>1.045</td>
<td>.287</td>
<td>13.263</td>
<td>.000</td>
<td>2.843</td>
</tr>
<tr>
<td>Financial problem</td>
<td>.571</td>
<td>.242</td>
<td>5.562</td>
<td>.018</td>
<td>.565</td>
</tr>
<tr>
<td>Infrastructural problem</td>
<td>.562</td>
<td>.275</td>
<td>4.186</td>
<td>.041</td>
<td>1.755</td>
</tr>
</tbody>
</table>
Significant explanatory variables in Logistic regression model
In this study, a total of nine explanatory variables were used to predict TVET graduates entrepreneurial success. Based on the model result, graduates level of education, challenges related to fear of failure, financial problem and infrastructural problem significantly determine the TVET graduates to become an entrepreneur or not in the study area. Out of the proposed 9 explanatory variables, 5 of them were statistically significant in the model while the rest were not significant at (P < 0.05) probability level. The interpretations of the significant explanatory variables are given below.

Motivational factors

Financial gain
The model result reveals that motivational factors related to graduates financial gain was positive and significantly (p < 0.05) affect the entrepreneurial success of TVET graduates in the study area. The odd ratio of 1.84 indicates under constant condition, the odd ratio in favor of the entrepreneurial success increases by a 1.84 as the graduates’ level of motivation to achieve financial gain increases by one level.

Educational qualifications
The level of educational qualification was also a significant predictor of graduates to become an entrepreneur or not. The result indicated that the odds ratio associated with educational qualification was 0.441, thus a one-level increase in educational qualification decreases the odds of entrepreneurial success by a factor of 0.441.

The educational qualification affects the problem of entrepreneurship significantly and negatively in the study area (p< 0.05). From the result it can be seen that, when graduates have higher level of TVET educational qualification, chance to become an entrepreneur decreases. As key informant interviewees indicated, higher level of graduates had higher access to become wage employee since the governmental structures opened the chance to participate in a wide range of vacancies.

The result of this study is inconsistent with the findings of Dickson et al. (2008). Dickson and his friends argue that there are positive effects of general education level on theentrepreneurial engagement.

Fear of failure
The fear of failure predicts entrepreneurial engagement significantly (p<0.05) and positively. The odds ratio of 2.843 indicates that under constant assumption the odd ratio in favor of the problem of TVET graduates to become an entrepreneur increases by factor of 2.843 as the problem of fear of failure is increased by one level.

<table>
<thead>
<tr>
<th>Source: Researcher’s survey (2017)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The logistic regression result showed that graduates level of education, challenges related to fear of failure, financial problem and infrastructural problem significantly determine the TVET graduates to become an entrepreneur or not in the study area. While sex, age and graduates motivational need of independence and access to adequate training were not significant predictors for the entrepreneurial engagement.</td>
</tr>
</tbody>
</table>
The nature of relationship also indicated that the problem of increased fear of failure also increased the problem of TVET graduates to become an entrepreneur in the study area.

Financial constraints
The problems related to financing also predict graduates entrepreneurial engagement significantly and positively (p < 0.05). The odds ratio is 1.755 for the existence of financial constraints, this implies that the problem of entrepreneurial engagement also increased by a factor of 1.755 when the level of financial problems is increased by one level.

Infrastructural problem
The model result reveals that the level of infrastructural access had affected the graduates’ infrastructural engagement negatively and significantly (p < 0.05). The odd ratio of 0.570 indicates under constant condition, the odd ratio in favor of the existence of entrepreneurship decreased by a factor of 0.570 as infrastructural problems increased by one level.

3. Conclusion
The majority of the TVET graduates become wage employees instead of becoming entrepreneur.

The study has found that higher level of motivational factors related to independence was observed.

The need for economic independence, the need to acquire their own business, to prove that they can be a business man, and the need to maintain personal freedom were the major motivational drives related to graduates need of independence. Conversely, graduates level of independence with regard to job security was found to be the lower level of motivational aspires to drive TVET graduates to become an entrepreneur after graduation.

The study also found that the need for financial gain such as to increase income, to create job opportunities and to get financial security was the major contributing economic factors that motivate TVET graduates to engage in entrepreneurship.

There is higher level of motivational factor that encouraged TVET graduates to become an entrepreneur including the need to be economically independent but job security was not taken as significant factor on the mentioned issue.

The study found that there were higher level of fear of failure to competition, problem of self-confidence and lack of new ideas to start business were found in the study area. However, moderate level of challenges was observed on challenges in relation to the existing level of profitability and confusing tax structures.

The lack of adequate training was also assessed and the findings of this study indicated higher level of challenges related to adequate training such as problem of designing and providing seminars and conferences as well as mentoring. In addition, challenges related to occupational skill, entrepreneurial knowledge and adequate management, marketing and accounting training were also found in higher magnitude in the study area.

Financial constraints such as, the level of challenges related to lack of startup capital, interest rate and alternative financing institutions were found in higher level of problems. Moreover, challenges in relation to bureaucracy and loan guarantee were also exhibited at higher level of challenges. However, the level of challenges related to pre-saving and credit and family and friends support was found medium. The study also concluded that, Infrastructural challenges related with manufacturing and centered retailing venue as well as power supply were also high in the study area.

From these above mentioned findings, this study concluded that fear of failure to compete, lack of self-confidence, new ideas to start business and sufficient training on designing, entrepreneurial knowledge, work-related skill, management, marketing and accounting and financial constraints were higher in affecting graduates.
4. **Recommendations**

Based on the major findings of the study the following recommendations are made:

- Problems for entrepreneurship must be supported by the governmental organizations and their constraints financial constraints and work-related skill must be recognized and a structured and organized strategic plan put in place to help them overcome these limiting factors.
- Government bodies shall design proper support system, education and the development of managerial and a self-confidence competency of TVET graduates.
- Investment in Vocational and technical Education and Skill training must be accorded priority attention.
- A steady and sufficient financial support shall be provided by government and private financial institutions for TVET graduate entrepreneurs.

**References**


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