

Assessment of Graduating Students Motive Towards Starting Their Own Business (The Case of Oda Bultum University)

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Abstract:- The research is conducted under the title of assessment of graduating students' motive towards engaging in their own business in case of Oda Bultum University. The main objective of study is to know motive of graduating students to start new business. For this research purpose both primary and secondary data source were used. The primary data was drawn through both open end and closed ended questionnaire and secondary data were taken from document. The study used stratified sampling technique because of the size of population; further more data were analyzed and interpreted by using statistical tools like table frequency, and percentage. Based on the findings, majority of the respondent have plan to start own business after graduation. Finally researcher forward that not only the government but also other concerned bodies such as nongovernmental organizations, private sector and society has the responsibility for supporting in creating a competitive environment in this sector through different mechanisms to reduce unemployment in the country.

1. INTRODUCTION

1.1 BACK GROUND OF THE STUDY

It is clear that changed are becoming norm rather than exception what was seen as best strategy yesterday may turn to east in today business environment. It seems risky and erroneous not only to start new business, but also to run existing business in this UN predicable and changing environment, but also existing and leman some risk. The researcher motive to conduct this paper to know the students of Oda Bultum University College of business and economics willingness to create new own business at it wills after them airing vision of this was on which they may full fill their highest potential. Starting and operation new business involves considerable risk and effort to overcome against cheating something new in creating and running new business venture the enterers of assume the responsibility, risk for it development and survival enjoy corresponding reward. Basically it is only in recent year that entrepreneurship and the role of entrepreneur in entrepreneurship and the role of entrepreneurs in process of industrialization and economic development has been recognized in both developed and developing country. (Hailey 2003)

Entrepreneurship a business Leader and the functions performed him/her in relation to that business entrepreneur ship also the fact that of being an entrepreneur, which can be defined as on who undertake in notation finance and business in an effort to transformation to economics goods .in their area of globalization, the pea of growth entrepreneurship has increased in leaps and it has sky as it

limit.(Neeta Baporikar, 2011).Entrepreneurship has shown drastic change in almost all economics of world providing mankind with new domain of globalization. It has turned the world a better place of live in (Dawit Arega 2005) in the recent timer a new brand of corporate entre pruner's has come into picture since they emerge with in frontiers of an existing enterprise they are called entrepreneur's it refers to within big organizations a big and top executive in talents are encouraging (peter kill by, 1971).

There are money reasons why I select these case area rather than other easer because I shall A full of interest in order to recognize how graduate students create their own business. The graduate students must in notate their own occupation by themselves.

After the final time, students generate the business and will increase the capacity of the country economy. Our country Ethiopia expiate more students to be will educated and required by a good education and use them as a source for production. Hence, the purpose of this study is to assess the motive of graduating class students in Oda Bultum University in creating own business.

2. METHODOLOGY OF THE STUDY

2.1. RESEARCH DESIGN

The researcher used descriptive approach and focused on describing in order to analyze graduating students motive towards engaging in their own business the case of Oda Bultum University.

There for this descriptive statistics was an important tool in studying the result clearness and consistency.

2.2. POPULATION OF THE STUDY

The target population of the study was 639 graduating students in different 16 departments of Oda Bultum University.

2.3. DATA SOURCE AND COLLECTION METHODS

The researcher used both primary and secondary data.

Primary data was collected through distributing questioner to the respondents.

Secondary data was gathered from records the organizations and other experts prior to the current need of the researcher. Therefore, the researcher used the university books, magazines newspaper and other related documents.

2.4. SAMPLE SIZE AND TECHNIQUE

The researcher selects Oda Bultum University graduating class students GC 2008. The analysis bases on simple

random samples taken from total population to give equal chance to respondents. The researcher used this method to collect necessary information for its simplicity and applicability to the sample element.

The researcher classified departments based on stratified sampling method. The respondent was randomly selected among heterogeneous population strata. 86 members of the sample size respondent has presented below.

$$n = \frac{N}{1 + \frac{N(e)^2}{639}}$$

$$n = \frac{86}{1 + \frac{86(0.1)^2}{639}}$$

$$n = 86$$

Where:- n= sample size, N= total population, E= level of precession, Source (Yemane 1990)

2.5. DATA PRESENTATION AND ANALYSIS

The data collection process and analysis using different statistical method that was employed by researcher since it involves describing, summarizing and presenting data using tables, frequency and percentage

3. DATA PRESENTATION AND ANALYSIS

This chapter deals with the analysis and interpretation of data gathered from respondents, that is graduating class students in Oda Bultum University in 2011 E.C/2019/G.C. In order to obtain the necessary information 86 copies of questionnaires were distributed to students of the college out of which 80 were returned. The remaining 6 questionnaires were not returned due to carelessness of the respondents; they fill in appropriately and respond similar response. Therefore, collected data was presented and described as follows.

TABLE 3.1 BACKGROUND OF THE RESPONDENTS

Item		No	%	
1.	Sex	Male	50	62.5
		Female	30	37.5
		Total	80	100
2.	Age	20-25	77	96.25
		26-30	3	3.75
		Total	80	100

No = number of respondents

% = Percentage

As shown in table 3.1 above that general characteristics of the respondents in sex and age. The respondent answer indicate that 50(62.5%) are male and 30(37.5%) are female. According to age distribution 77(96.25%) of the respondents are found between 20-25 and 3(3.75%) found between 26-30 and there is no respondent above of 30. This age distribution indicates the most of graduating students are categorized under young age group.

TABLE 3.2. STUDENTS PLAN TO START BUSINESS AFTER GRADUATION

Item		No	%
Do you have planned to start your own business after graduation?	Yes	67	83.75
	No	8	10
	I do not know	5	6.25
	Total	80	100

No = number of respondents

% = percentage

As shown in table 3.2 above 67(83.75%) of graduating class students have a plan to start own business after graduation and 8(10%) of the student responded the opposite on the other hand 5(6.25%) of student responded that they do not know whether to start own business or not. As the result show it is clear from the analysis of table 3.2 that maximum of students were have the opinion that they have planned to engage in new own business after graduation.

TABLE. 3.3. CONFIDENCE OF STUDENTS TO REMAIN SUCCESSFUL IN THE MARKET

Item		No	%
1. 1. Are you confident that the business you are going to start will remain successful in the market?	Yes	66	82.5
	No	6	7.5
	I do not know	8	10
	Total	80	100

Table3.3. Indicate that respondents were asked whether they have confidence that the business they plan to start will remain successful in the market 66(82.5%) of the respondents replied that they are confidence that their new business will remain successful in the market and 6(7.5%) of the respondents respond the opposite on the other hand 8(10%) of the respondents do not know whether the business they are going to start would remain successful in the market. As the result shows majority of respondents responded that the business they start would remain successful in the market.

TABLE 3.4. MARKETING ENVIRONMENT TO START NEW BUSINESS

Item		No	%
What type of marketing environment you refer to start your business?	Highly competitive	24	30
	Moderately competitive	26	32.5
	In new market	30	37.5
	Total	80	100

No = number of respondents

% = percentage

Table 3.4 shows the above that respondents were asked about the environment they prefer to start a business. Accordingly 30(37.5%) of the respondents responded that they prefer to start in new market, 26(32.5%) of them prefer to start business in moderately competitive market and the remaining 24(30%) of them responded to start in highly competitive market. Thus, types of marketing environment which is new is preferred by the student to start their own business.

TABLE 3.5 BEING IN GROUP OR BEING ALONE TO START A BUSINESS

Item		No	%
Do you believe being in a group to start a new business is advantageous?	Yes	73	91.22
	No	7	8.75
	Total	80	100

No = number of respondents

% = Percentage

As indicated in table 3.5 above respondents were asked whether starting a business by being in group is advantageous than starting it alone. According 73(91.25) of the graduating class students responded that being a group is advantageous than being along start business.

7(8.75%) of the respondents responded that starting business individually in preferable than doing it in group. Thus majority of the respondent student were preferred being in a group to start business than doing it alone is preferable to start new business.

TABLE 3.6 POTENTIAL EXPLOITATION IF YOU START OWN BUSINESS

Item		No	%
Do you believe that you can exploit your potential effectively if you start your own business?	No	76	95
	Total	4	5
	Yes	80	100

No = number of respondents

% = Percentage

As shown in table 3.6 above 76(95%) of the respondents replied that they will exploit their potential efficiently and effectively if they are in apposition of starting own business will 4(5%) of the respondents replied the opposite. Thus it is evident from the analysis of table 3.6 that the majority of students believe they will exploit their potential efficiently and effectively if they start new own business.

TABLE 3.7 WHAT MOTIVATES TO START NEW BUSINESS

Item		No	%
What motivates you in planning to start your own business?	The reward you expect	26	32.5
	A situation where there is no employment opportunity	31	38.75
	The opportunity existed in the environment	23	28.7
	Total	80	100

No = number of respondents

% = percentage

Table 3.7 shows 26(32.5%) of respondents student were motivated by the reward they expect 31(38.75%) of the respond student motivated by situation which create unemployment and 23(28.7%) respondents responded that they are motivated the opportunity existed in the environment. Thus it is possible to say the majority of the students were motivated to start a business when there is no employment opportunity.

TABLE 3.8. KIND OF SUPPORT NEEDED FROM THE SOCIETY TO START NEW BUSINESS

Item		No	%
What kind of support you need from the society to start your business?	Moral support	32	40
	Assisting in providing relevant information	20	25
	Well coming product by the new venture	28	35
	Total	80	100

No = number of respondents

% = percentage

As the table 3.8 shows 32(40%) of respondents students were responded that moral support is needed form the society, 28(32%) of the respondent responded that well coming product produced by the new venture and the remaining 20(25%) of them responded that assisting in providing relevant information is needed from society to start new business. As the result show moral support is more needed from the society to start new business.

TABLE 3.9 KIND OF SUPPORT NEEDED FROM THE GOVERNMENT TO START NEW BUSINESS

Item	Responses	No	%
What kind of support you need from government to start new business?	Clear and practicable bureaucracy	33	41.25
	Easy access to credit	35	43.75
	Tax concession during early stage operation	12	15
	Total	80	100

No = number of respondents

% = percentage

As table 3.9 shows 35(43.75%) of the respondents responded that easy access to credit, 33(41.75%) of them responded that clear and practicable bureaucracy, and the remaining 12(15%) of them responded that tax concession during early stage of operation is needed from the government to start new business generally easy access to credit is highly needed from government to start new business.

TABLE 3.10 WHAT ARE NECESSARY THING TO START NEW BUSINESS?

Item	Responses	No	%
In your opinion what are the necessary thing to start new business?	Land and other physical resource	7	8.75
	Money	22	27.5
	Technology	5	6.27
	Good business plan	20	25
	Good business knowledge	12	15
	Self confidence	6	7.5
	Good financial management	8	10
	Total	80	100

No = number of respondents

% = percentage

Table 3.10 shows 22(27.5%) of the respondents students responded that money is needed or necessary thing to start new business 20(25%) of the respondent students responded that good business plan. 12(15%) of respondents student responded that good business knowledge, 8(10%) of respondent students responded that good financial management 7(8.75%) of responded that land and other physical resource, and the remaining 5(6.2%) of them responded that technology is necessary thing to start new business. As the result shows majority of them replied that money is necessary thing to start new business.

TABLE 3.11 CHALLENGES MIGHT FACE IN THE FUTURE TO START NEW BUSINESS

Item		No	%
What challenges you may face in starting new business?	Lack of sufficient training	18	22.5
	Lack of capital	35	43.75
	Lack of material	13	16.25
	Lack of marketing	14	17.5
	total	80	100

No = number of respondents

% = percentage

As table 3.11 shows from the total number of respondent 18(22.5%) of lack of sufficient training 35(43.75%) lack of capital 13(16.25%) of lack of material and the remaining 14(17.5%) of them responded that lack of marketing and there may be other factors that affect starting new business. Generally lack of materials is the main problems that face in the future to start new business.

TABLE 3.12 SOURCE OF FINANCE FOR STARTING NEW BUSINESS

Item		No	%
What financing sources will you use in starting your business?	Gift from relatives	9	12.25
	Gift from bank	32	40
	Gift from family	11	13.75
	Own saving	18	22.5
	Credit from micro finance	7	8.75
	From NGO	3	3.75
	Total	80	100

No = number of respondents

% = percentage

As table 3.12 shows the respondents conducted 9(11.25%) of the initial capital from gift relatives 32(40%) credit from bank 11(13.75%) of from family, 18(22.5%) own saving 7(8.75) credit from micro finance and 3(3.75) from non-governmental organization (NGO). It can be conclude the most respondent gets their source of finance from credit, from bank, won saving ,from family, gift from relatives, credit from micro finance and from non-governmental organization.

4. CONCLUSION AND RECOMMENDATION

4.1. CONCLUSION

- In the analysis section detail investigation and discussion were presented. In this section the researcher had concluded per the finding as follows.
- This research implied that most of the population (students) responded that they had intention towards creating new business.
- Majority of the respondents responded that lack of adequate finance know how, managerial skill and market fluctuation were the major challenges identified in creating and running business. The method used to avoid those problem were adjusting the business operation to the change in environmental condition, aggressive promotion, effort to increase product and service awareness among customers, practicing good management, accepting feedback and discussion with employee and customer as it were cited by the majority.
- It addition, the respondents identified that the entrepreneurship course had high contribution on initiating them towards creating new business.
- What motivates the majority to start a business among different factors is a situation where there is no employment opportunity existed in the market to this end they need support from clear and short bureaucracy, ease access to credit, tax concession (from government), relevant information, encouraging the new business(from society) among many others.
- Moreover, land and other physical resources, money, technology good business plan, good business plan, good business knowledge good financial management popularity of the product in the community and self-confidence is among the vital things to start a business.
- The maximum number of the population believes that it in a group. They also believe that owning business will help them to use their potential to the maximum as opposed to where working for somebody else.

4.2. RECOMMENDATION

Based on the conclusion the following recommendation was for warded this research paper attempt to go through to know the idea of starting new business after graduation with target population Oda Bultum University in college of business and economics graduating class students and finally suggest the recommendation on how to motivate them to create their own business.

- Every year thousands of students graduate from higher institution and start looking for job. Even though this is good course of action for new graduating students. It is possible to say that it is not appropriate thing for larger portion of students. This group of students would benefit more if they create new job for themselves through their course of education.
- Student should be careful while starting the new business, because careful planning is a fundamental to success.
- Most of the small business entrepreneur focused on what they can serve rather than who might buy the

product. They have no market skill, knowledge and they have no market place, potential customer and supplier due to their reason market problem become a grate constraint for the small business operators. Them the researcher recommended that they should have obtain market chain of their business in order to go on the right track of the business and sold what they have produced or manufactured. As long as these are considered as a pillar or corner stone for developing countries to growth and to become radical change in the country the expansion of this sector should get sufficient and reliable access from government side as a very critical agent of the community.

- Generally, not only the government but also other conserved bodies such as non-governmental organization, private sector and society has the responsibility for supporting and creating a competitive environment in this sector through different mechanism reducing un employment in the country.