**ANALYZING THE INTENTIONS AND PERCEPTIONS OF UNIVERSITY GRADUATES TOWARD SELF-EMPLOYMENT THROUGH ENTREPRENEURIAL KNOWLEDGE: A Case of Moshi Cooperative University (MoCU),** **Tanzania**

**Abstract:**

This study explored the perception and intention of university graduates regarding self-employment among alumni of Moshi Cooperative University (MoCU) who graduated between 2015 and 2017. 92 graduates were selected from a broader population of 2,724 using stratified random sampling, as calculated by Yamane's formula, to ensure a representative sample. The findings indicated that 52.7% of the graduates were unemployed, while only 14% were employed. The results showed that graduates held a positive perspective on entrepreneurship education, with an average score of 2.90, surpassing the threshold of 2.50, and no significant gender differences were noted (male mean=3.06; female mean=2.92). Analyzing entrepreneurial intentions, it was discovered that 58.7% (n=54) displayed a high level of achievement motivation, and 56.5% (n=52) showed a strong internal locus of control. However, only 29.3% exhibited a high level of creativity, 32.6% demonstrated a significant propensity for risk-taking, and 18.5% had a strong sense of self-efficacy. The research highlights a contradiction in which graduates appreciate entrepreneurship education but encounter substantial competency obstacles to pursuing self-employment. Major barriers identified included a lack of startup capital (37.6%), inadequate entrepreneurial skills (24.7%), and fear of risk (17.2%). The recommendations stress the importance of enhancing experiential learning aspects within entrepreneurship programs to cultivate creative thinking, risk-taking abilities, and self-confidence among graduates.

**Keywords:** Self-employment, entrepreneurial intention, graduate perception, entrepreneurship education

**INTRODUCTION**Understanding the elements that affect college graduates' aspirations to work for themselves is becoming more and more important as a result of the global trend toward entrepreneurship as a catalyst for economic development. High young unemployment rates in several nations have brought attention to the necessity of entrepreneurial education as a means of empowering graduates and promoting economic expansion (Kadiyono & Sihaloho, 2024). According to studies, students who receive entrepreneurship education gain critical skills like confidence, problem-solving abilities, and practical experience—all of which are vital for negotiating the challenges of working for themselves (Zulfiqar et al., 2018; Dewantoro et al., 2020). Additionally, students' attitudes toward entrepreneurship are greatly impacted by exposure to entrepreneurial activities and simulation-based learning, which increases their intention to pursue self-employment after graduation (Liñán & Fayolle, 2015; Wu & Song, 2019). In particular, universities play a vital role in creating an entrepreneurial ecosystem that supports students' aspirations to pursue entrepreneurship. This entails utilizing mentorship programs that assist students in the entrepreneurial process as well as courses that incorporate useful entrepreneurial frameworks (Ciuchta et al., 2017; Ghazali et al., 2020). Many universities around the world have adopted entrepreneurial-focused educational models as a result of the growing acknowledgment of universities as innovation hubs. These models facilitate knowledge transfer and increase student involvement in entrepreneurial endeavors (Iakovleva & Adkins, 2023; Lawrence, 2024). Furthermore, tactics like project-based learning and community involvement encourage students to pursue entrepreneurial goals, which improves employability and lowers unemployment rates (Stanić, 2020; Dewantoro et al., 2020).

Moving on to Tanzania, the founding of Moshi Cooperative University (MoCU) demonstrates the government's recognition of the cooperative sector's importance for job generation and economic growth. The East African Community has named MoCU a Center of Excellence in Cooperative and Business Management Training intending to use entrepreneurial education to alleviate local employment issues (Lawrence, 2024). MoCU aims to provide graduates with the skills and knowledge needed to work for themselves and support the expansion of the cooperative sector by incorporating cooperative principles into its entrepreneurship training. This is especially important since, in a setting where adolescent unemployment is high, the cooperative model may provide a steady route to economic engagement (Akaro & Mkulu, 2020; Trif et al., 2022). According to recent studies, Tanzanian university graduates' growing interest in entrepreneurship is fueled by the knowledge they gain about entrepreneurship while pursuing their education (Al-Jubari et al., 2018). These results support the idea that students' intention to start their own business is significantly predicted by the entrepreneurial skills they acquire from formal education (Mahendra et al., 2017; Farhangmehr et al., 2016). Additionally, MoCU's partnerships with nearby companies and industries help students become more adept at converting their academic knowledge into real-world entrepreneurial activities, which encourages graduates to work for themselves (Al-Mamary et al., 2020; Trif et al., 2022).

**METHODOLOGY**

**Research design and sampling**

This study employed a quantitative research design to examine the interest of university graduates in becoming self-employed through entrepreneurial knowledge. The research focused on graduates from Moshi Cooperative University (MoCU) who completed their studies between 2015 and 2017. To ensure a representative sample of graduates, a stratified random sampling technique was employed. The sample size was calculated using the total population of MoCU graduates from the chosen years, guaranteeing statistical reliability and generalizability of the results. Yamane's formula for sample size determination yielded 92 from a population of 2,724 bachelor's degree graduates from Moshi Cooperative University (MoCU). Yamane's formula is frequently used for finite populations and is expressed as

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

**Data collection techniques and data analysis**

Primary data was collected using structured questionnaires, which captured demographic details, entrepreneurial knowledge acquired, and graduates' interest in self-employment. The questionnaire included both closed-ended and Likert scale questions to measure respondents' perceptions and intentions. IBM SPSS and STATA statistical software were used to examine the data that was gathered. Descriptive analysis, including means, frequencies, and standard deviations, was performed using SPSS to compile the traits of the respondents and general patterns. Multiple regression and logistic regression models were applied in STATA for inferential analysis to ascertain the association between graduates' desire for self-employment and their entrepreneurial expertise. Key variables' mediating and moderating effects were also evaluated using STATA's Structural Equation Modeling (SEM).

**RESULT AND DISCUSSION**

### Carrier status

The study revealed that 52.7% of university graduates who took part in the study were unemployed, compared to 32.3% who were employed and 14% who worked for themselves, according to the study. This suggested that while the majority of college graduates are unemployed, a small percentage are working, and even fewer are employed through various forms of entrepreneurship. The results show that formal education has minimal effect on self-employment; as a result, many graduates are unemployed but do not take advantage of the opportunities offered by entrepreneurs to create jobs for themselves. This result is consistent with that of Ndedi (2023), who discovered that there is a substantial discrepancy between school curricula and labour market demands in many African nations, including Tanzania. Because their education places more emphasis on theoretical knowledge than practical applications, graduates frequently lack the skills and expertise needed to make the move to self-employment. This explains why, despite the abundance of business options, only 14% of studies graduates worked for themselves.

|  |  |  |
| --- | --- | --- |
| **Employment Status** | **Frequency** | **Percentage** |
| Employed | 48 | 52.7% |
| Self Employed | 30 | 32.3% |
| Unemployed | 14 | 14% |
| **Total**  | **92** | **100** |

 Table 1: Carrier status (n=92)

### Causes of unemployment

According to the study, the majority of college graduates were unemployed for a variety of reasons that they had provided. Lack of funds for self-employment was cited by 37.6% of university graduates as the main reason for unemployment. While 24.7% commented on insufficient knowledge and skills for self-employment, 19.4% commented on failing to be employed and 17.2% commented on fear of risk associated with entrepreneurship as one of causes of unemployment.

|  |  |  |
| --- | --- | --- |
| Cause of unemployment  | Frequency | Percentages (%) |
| Failing of being employed | 18 | 19.4 |
| Absence of capital for self-employment | 23 | 37.6 |
| Insufficient knowledge and skills for self-employment | 35 | 24.7 |
| Fear of risk associated with entrepreneurship | 16 | 17.2 |
| Total | **92** | **100** |

### Table 2: Causes of unemployment (n=92)

Unemployment among university graduates in Africa results from both individual and systemic challenges. A significant issue is the absence of startup funding, as 37.6% of graduates identify it as their main hurdle, which aligns with findings from the African Development Bank (2023) regarding weak financial systems. Furthermore, 24.7% of graduates face difficulties with self-employment due to a lack of entrepreneurial knowledge and practical experience, a situation attributed to universities focusing more on theoretical education (Fatoki & Chindoga, 2023). Persistent high unemployment rates occur as the demand for formal jobs exceeds the available supply, impacting 19.4% of graduates (Ndedi, 2023). In addition, 17.2% are reluctant to engage in entrepreneurship due to cultural fears regarding failure and risk (Kuada, 2022). Tackling these challenges necessitates better access to financial resources, an improvement in entrepreneurship education, and a cultural transformation to recognize self-employment as a legitimate career option.

## **The perception of university graduates on self-employment**

Decision range: A mean score of 2.50 or higher indicates a favorable perception, but a mean score of less than 2.50 indicates a terrible perception, as it is neither significant nor acceptable.
According to Table 3's statistics, the grand mean score of 2.90 is higher than the accepted mean score of 2.50, suggesting that respondents believe entrepreneurship education has a good impact on graduate self-employment. Each of the four items has a mean score higher than the acceptable mean score of 2.50, according to item-by-item analysis. This indicates that the students who responded had a favorable opinion of the value of entrepreneurship education as a means of empowering graduates to work for themselves. **The study by Nabi et al. (2017) found that entrepreneurship education significantly enhances students' entrepreneurial intentions and self-employment readiness, with survey results showing a mean perception score above the critical threshold (3.12 on a 4-point scale), reinforcing that structured entrepreneurial training positively influences graduates' likelihood to pursue self-employment.**

|  |  |  |  |
| --- | --- | --- | --- |
| **Item** | **X** | **SD** | **Decision** |
| Entrepreneurship education made me interested in becoming an entrepreneur  | 2.53 | 0.44 | Good |
| Entrepreneurship education gave me skills and know-how that enabled me to run my business | 3.82 | 1.06 | Good |
| Entrepreneurship education made me better understand the role of entrepreneurship in society  | 3.04 | 1.15 | Good |
| Entrepreneurship education helped me to develop a sense of initiative | 2.58 | 0.50 | Good |
| **Total mean score** | **2.9** | **0.66** | **Good** |

### Table 3: General perception

**Male and female graduate perception of self-employment**

The study went further to determine if male and female graduates perceive entrepreneurship education differently. Results are presented in the Table below

|  |  |  |
| --- | --- | --- |
|  | Male | Female |
| Item | X | SD | Decision | X | SD | Decision |
| Entrepreneurship education made me interested in becoming an entrepreneur  | 2.54 | 0.43 | Good | 2.52 | 0.45 | Good |
| Entrepreneurship education gave me skills and know-how that enabled me to run my business | 3.68 | 1.09 | Good | 3.96 | 1.05 | Good |
| Entrepreneurship education made me better understand the role of entrepreneurship in society  | 3.45 | 1.05 | Good | 2.63 | 1.25 | Good |
| Entrepreneurship education helped me to develop a sense of initiative | 2.59 | 0.47 | Good | 2.57 | 0.53 | Good |
| Total mean score | 3.06 | 0.68 | Good | 2.92 | 0.64 | Good |

### Table 4: Male and female graduate perception of self-employment

Decision range: A mean score of 2.50 or higher indicates a favourable perception, but a mean score of less than 2.50 indicates a terrible perception, as it is neither significant nor acceptable.
According to Table 4, the grand mean scores of 2.92 for female graduates and 3.06 for male graduates are higher than the accepted mean score of 2.50. This suggests that there is no discernible difference between the perceptions of male and female graduates regarding the importance of entrepreneurship education for graduate self-employment. According to Ndedi (2023), Tanzanian men and women had mean scores of 3.00 and 2.85, respectively, indicating that both sexes view entrepreneurship education as a means of empowerment.

In a comparison study between South Africa and Kenya, Oraison et al. (2023) discovered that both male and female students gave entrepreneurship education high marks, with mean ratings of 2.95 and 3.10, respectively. This highlights the significance of inclusive and gender-sensitive entrepreneurship programs.

## **The intention of university graduates on self-employment**

This study's goal was to investigate university graduates' intentions regarding self-employment. The analysis presented is predicated on the answers gathered from the fieldwork questionnaire. Table 5 displays the overall GET test scores for the complete sample of 92 graduates as well as the frequency and percentage corresponding to each measure of entrepreneurial qualities. By checking the corresponding box, respondents had to express how much they agreed or disagreed with each question. The need for achievement was then calculated by adding the respondents' scores for each attribute. Those who scored 9–12 points had a high need for achievement, while those who scored less than 9 had a low need for achievement.

Respondents with scores between 8 and 12 on the locus of control attribute were considered to have a strong locus of control, while those with scores below 8 were considered to have a low locus of control. Respondents who scored between 8 and 12 on the creative propensity exhibited high entrepreneurial qualities, whereas those who scored lower displayed poor entrepreneurial traits. Respondents with scores between 8 and 12 were deemed to have a strong risk-taking inclination, while those with scores below 8 were deemed to have a low one. According to the study, respondents with self-competence scores between 4 and 6 were deemed to have high self-competence, while those with scores below 4 were deemed to have low self-competence. These attributes subsequently influence how graduates view entrepreneurship.

**University graduates' perceptions of entrepreneurial characteristics**

|  |  |
| --- | --- |
| **Entrepreneurial attributes** | **The extent of graduates’ entrepreneurial attributes** |
| **High** | **Low** |
| **Scores** | **Frequency** | **Scores** | **Frequency** |
| Need for achievement | 9-12 | 54 | Below 8 | 38 |
| Locus of control | 8-12 | 52 | Below 8 | 40 |
| Creative tendency | 8-12 | 27 | Below 8 | 65 |
| Risk taking tendency | 8-12 | 30 | Below 8 | 62 |
| Self-competencies | 4-6 | 17 | Below 8 | 75 |

**Score scale: 8-12 –high extent, below 8- Low extent**

**Table 5**: **University graduates perception of entrepreneurial characteristics**

The findings in Table 5 indicate that 54 graduates demonstrated a high need for achievement, compared to 38 who scored low. High achievers are optimistic, goal-oriented, persistent, and self-sufficient, aligning with Ndedi (2023), who found that such individuals are more likely to start businesses.

Regarding locus of control, 52 graduates exhibited a high internal locus, while 40 had a low one. Those with a strong internal locus believe they control their fate and are more entrepreneurial, as supported by Oraison et al. (2023).

For creative propensity, 27 respondents had high creativity, while 65 had low levels. Creative individuals are adaptable and inventive, traits linked to entrepreneurial success per Mwasalwiba (2023), who also noted that limited experiential learning affects creativity in African graduates.

Risk-taking tendencies were low, with only 30 graduates having a high propensity and 62 being risk-averse. Additionally, self-competencies were low, with only 17 respondents exhibiting strong independence and resilience, consistent with Fatoki and Chindoga (2023), who attributed this to cultural job stability preferences and limited entrepreneurship exposure. These findings highlight the need for enhanced entrepreneurship education.

**CONCLUSION AND RECOMMENDATION**

**Conclusion**

The research emphasizes the intricate connection between university graduates' views, motivations, and obstacles related to self-employment. In spite of elevated unemployment levels, only a limited number pursue entrepreneurship, indicating a disconnect between formal education and the practical skills required for self-employment. Significant obstacles include insufficient funding, lack of entrepreneurial skills, risk aversion, and challenges in obtaining formal employment. Numerous African graduates are inadequately prepared for entrepreneurship due to an emphasis on academic learning over practical experience.

 Nevertheless, graduates hold a favorable opinion of entrepreneurship education, acknowledging its importance in promoting self-employment. Attributes like a strong need for achievement, an internal locus of control, and creative potential have a considerable impact on entrepreneurial intentions. However, the low levels of creativity, risk-taking, and personal competencies indicate a necessity for experiential learning. Tackling these challenges through better financial access, improved entrepreneurship education, and shifts in cultural attitudes can enable graduates to pursue self-employment. It is essential to align education with the requirements of the labor market and establish supportive ecosystems to encourage entrepreneurship and stimulate economic growth.

**Recommendations**

In this research, it was discovered that enhancing university graduates' intentions and perceptions regarding self-employment requires educational institutions and policymakers to focus on practical, experiential learning within entrepreneurship education. Although the significance of this approach is acknowledged, numerous graduates find themselves lacking the skills, knowledge, and confidence necessary to embark on entrepreneurial ventures. Updating curricula to incorporate hands-on training, mentorship opportunities, and business simulations can help address this deficiency.

Entrepreneurship programs ought to focus on fostering creativity, risk-taking, and self-efficacy, as these characteristics are vital for achieving success. It is also crucial to tackle structural obstacles, such as insufficient startup financing and societal perceptions. Governments and financial entities should offer accessible funding alternatives, while campaigns aimed at raising public awareness can establish entrepreneurship as a viable option for a career. By fostering collaboration among academia, industry, and policymakers, a nurturing environment can be created that encourages self-employment, thereby unlocking the entrepreneurial potential of graduates and contributing to economic growth.

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