CHAPTER 5: DISCUSSION, CONCLUSIONS, AND RECOMMENDATIONS

Chapter five includes an interpretation and discussion of the results related to the existing body of research about the socio-demographic data of the participants and the statistically significant difference that existed in youth entrepreneurial readiness to start or develop a business based on entrepreneurial self-efficacy between those who have taken EDI entrepreneurship training and those who have not. The chapter comprises an introduction, a summary of the findings, results compared to other findings and the existing literature, implications, future research recommendations and applications, and a summary.

**Introduction**

This quantitative comparative study examined the difference between youth readiness to start or develop a business based on entrepreneurial self-efficacy of those who have taken EDI entrepreneurship training and those who have not. The theoretical framework for the study is social learning/cognitive theory, which shows how cognition, behavior, and environment are interrelated, having cause-effect relations. Based on Albert Bandura’s social learning – self-efficacy theory, a research question was asked: What differences exist in youth entrepreneurial readiness based on entrepreneurial self-efficacy related to EDI entrepreneurship training? Primary data was collected using SurveyMonkey from 126 participants (62 EDI trained and 64 on a waiting list.) Mann-Whitney U Test was employed to examine the difference between the two groups, and a statistically significant difference exists (U = 1240, p = 0.000) in total entrepreneurial self-efficacy scale values among respondents in different trained and not-trained categories.

**Summary of Findings and Conclusion**

This research study compared EDI-trained and non-trained individuals in entrepreneurship self-efficacy, guided to answer what differences exist in youth entrepreneurial readiness based on entrepreneurial self-efficacy related to entrepreneurship training. A quantitative comparative design was selected to address the problem and answer the research question. A quantitative methodology was the best fit for this study because the differences among the independent variables from pre-existing groups needed to be explored, which allowed the collection of numerical results via SurveyMonkey.

The sample for the study consisted of 126 participants (62 EDI-trained and 64 on a waiting list). The null hypothesis to address the research question is that no statistically significant difference exists in entrepreneurial readiness to start or develop a business based on entrepreneurial self-efficacy between those who received entrepreneurship training and those who did not. Mann-Whitney U Test was conducted, and the result shows a statistically significant difference in entrepreneurial readiness to start or develop a business based on entrepreneurial self-efficacy between those who received entrepreneurship training and those who did not. The result suggests that entrepreneurship training increases the likelihood of youth readiness to start or develop their business. In other words, there was sufficient evidence to indicate that the independent variable (EDC Trained/Not trained) had an effect on the dependent variables (youth entrepreneurial readiness) of the youth to start or develop their business. This, in turn, may inform future investment in youth entrepreneurial training.

**Discussion of the Results Compared to Other Studies**

In this section, Significant findings from this study are compared and contrasted, evaluated, and discussed in light of the existing body of knowledge. Though no study compared entrepreneurship-trained and not-trained outside the educational institution context, proxy studies are used to compare.

Discussion and Conclusion of the Demographic Data

The study described demographic variables comparing EDC-trained to not-trained participants without investigating their relationship with the entrepreneurial self-efficacy variable. Some of the biographic data was outside the scope of the present study, but it provides a richer profile of the participants.

There are two groups for comparison: 62 individuals (49%) who received training at EDI and 64 individuals (51%) who are on the waiting list to be trained. Of the 126 research participants, 66 (28 EDC trained and 38 not trained) were women 52%; and 60 (34 EDC trained, 26 not trained) were men, representing 48% of the sample. The number of men trained in entrepreneurship is slightly higher than women. In contrast, the number of women on the waiting list is higher than men.

The largest group of respondents were aged 26-35, 94 (75%), and 32 (25%) were 18-25. Shaheen and Al-Haddad's (2018) study to determine the influence of ESF on entrepreneurial behavior using the demographic factors (gender, age, and education) showed that none of these factors caused a significant statistical change in ESE.

Respondents' level of education and work experience shows that the majority, 75 (60%), were college/university graduates, and 41 (33%) had done post-graduate studies. In addition, their work experience shows 50 (40%) had 6 to 10 years, 32 (25%) had 3 to 5 years, and 28 (22%) had up to 2 years. This indicates that those who want to be trained in entrepreneurship to start or develop their business are mostly college graduates with increased work experience.

Describing the annual gross income level of study participants based on Ethiopia's average living standard, the majority, 86 (68%), reported being in the low or medium category, and 30 (24%) stated they were in a very low-income category. According to the salary explorer.com distribution in Ethiopia, 92% of the respondents’ salaries are categorized below the 25% percentile.

In relation to seeking entrepreneurial training, about half of the study participants, 62 (49%), took the training at EDC; 42 (33%) never had entrepreneurial education or training, and 20 (16%) had taken some entrepreneurial education in college/university. Training in entrepreneurship increases one’s readiness to start or develop a business. Therefore, the push factor of low salaries and increasing inflation could be one of the influences that increase interest in youth entrepreneurial training to start or develop their business.

Out of the 84 participants who either took the EDC entrepreneurial training or had some education in entrepreneurship, 66 (56 EDC trained and 10 not trained) she responded that they had either started or developed their businesses due to training.  Of 62 EDC trained, 56 started or developed their business, accounting for 90%. However, 18 (14%) (6 EDC trained and 12 not trained) stated that the entrepreneurial training/education they had received did not help them.  Apart from training-related issues, there are many factors for the non-readiness of the 14% of youth who claimed training/education has not prepared them to start or develop their business. Personal factors, the broader entrepreneurial ecosystem, a burdensome administrative and regulatory framework, or poor infrastructure access (Sintayehu, 2017).

Respondents were asked if they had any entrepreneurs within their close family, such as parents, grandparents, siblings, or relatives.  Fifty-seven (45%) responded that they have entrepreneurial family members or relatives, whereas 87 (69%) responded that they have an entrepreneurial friend. Hatos et al. (2022) concluded that social support and having a role model in the social circle increase the likelihood of entrepreneurial intention. A study by Baron (2007) showed the significant association between social skills and social capital for venture creation and development, which also helps to acquire resources to start new firms. One of Bandura’s (1977) entrepreneurship development processes is vicarious experiences that enhance self-efficacy. When entrepreneurial behavior is modeled, family members or friends unconsciously learn what works and are prompted to actualize what they learned.

Respondents were asked if they believed entrepreneurial training would help the youth to start or develop their business.  The majority, 121 (96%), believed training would help start or develop a business. For the non-trained and trained descriptive statistics for the five cognitive processes, ESE variables indicated the average total entrepreneurial efficacy score of trained individuals was larger than that of EDC not-trained individuals.

Discussion and Conclusion of ESE Sub-Constructs

The present research is based on the social learning theory, which suggests that cognitive learning has four essential components: (a) abilities can be developed and mastered, (b) self-efficacy can be strengthened, (c) self-motivation can be enhanced, and. (d) physiological arousal for behavioral change. According to Bandura (1991), social learning is achieved through observation and direct experience when watching others behave and the consequences of the behavior. This theory was chosen because it incorporates the personal and social elements needed for entrepreneurial readiness.

Grounding in the social cognitive theory, the conceptual model that combined personal psychological factor (entrepreneurial self-efficacy) and a process of learning in a social context (training) factor was tested by examining the link between the independent variables (EDC trained and not trained) and the dependent variable (entrepreneurial readiness through the five ESE sub-constructs) of trained and not-trained research participants. Pfeifer et al. (2016) suggested that ESE predicted entrepreneurial success because it is inherently linked to positive outcome expectations.

McGee et al. (2009) support a multi-dimensional construct of ESE composed of searching, planning, marshaling, and implementing skills needed for venture creation. Nowiński et al. (2019) demonstrated that all task phases of the ESE multi-constructs significantly impacted students' entrepreneurial intention in the four (Czech Republic, Hungary, Poland, and Slovakia) countries but noted the direct impact of entrepreneurial education was significant only in Poland.

Concerning comparative studies, De Noble et al. (1999) found that non-entrepreneurship students demonstrated low perceptions of the overall ESE construct in studies conducted on nascent entrepreneurs - TVET students vs. non-nascent. Darmanto and Yuliari (2018) alluded that ESE strongly predicts entrepreneurship readiness. Newman (2019) describes ESE as a mechanism whereby subject matter and process knowledge are converted into new ventures. Similarly, Chen and He (2011) study showed that ESE is linked to growth and venture creation.

Adeniyi (2022) stated that entrepreneurial readiness among youth has been a critical global concern because of the low business turnouts. Islami et al. (2017) concluded that higher self-efficacy can increase entrepreneurship readiness among students at vocational high schools in Indonesia. Memon et al. (2019) found a strong association between ESE and entrepreneurial readiness composed of instrumental readiness, risk propensity, entrepreneurial knowledge, and entrepreneurial experiences. Adeniyi et al. (2022) showed how the cognitive element of ESE can stimulate entrepreneurial readiness, describing ESE as the psychological factors that determine an entrepreneur's success.

***Creativity***

The role of creativity in entrepreneurial self-efficacy shows the belief in one’s ability to come up with new ideas for addressing challenges and seeking business opportunities (De Noble et al., 1999). According to Cox et al. (2002), the searching phase of entrepreneurship refers to a unique idea conception in identifying market opportunities. Adeniyi et al. (2022) also used a similar term for the searching phase, which deals with ideas, business opportunities, and new market identification.

In the last decade, the classical view of entrepreneurship of searching for opportunities was criticized for its focus on opportunity identification and argues instead for opportunity creation (Alvarez & Barney, 2007, 2010, 2012; Korsgaard, 2009). Like De Noble et al. (1999), the current study uses the word creativity as a subconstruct of ESE. The creativity ESE subscale shows a statistically significant difference between EDC-trained and the not-trained groups (u =2544; *p =* 0.006) in creativity to start and develop a business. This is similar to Adeniyi's (2021) study on graduates of technical and vocational students in Nigeria, which shows that the search phase of ESE, which incorporates acquiring entrepreneurial skills for opportunity identification or idea development, positively contributes to their entrepreneurial readiness for start-ups. Olugbola (2017) also identified a strong relationship between the first phase of ESE and entrepreneurial readiness.

***Planning***

Entrepreneurial self-efficacy (planning): the belief in one’s ability to manage, predict, and organize to launch and run a venture (De Noble et al., 1999). According to Cox et al. (2002), the planning phase involves designing the idea as a business proposal. The planning ESE subscale shows a statistically significant difference between the EDC-trained and the not-trained groups (u =2642; *p =*0.001) in planning to start and develop a business. Similarly, the Adeniyni et al. (2021) study showed a significant difference in the planning skills of students for entrepreneurial readiness.

***Marshaling***

Marshaling as a subscale of entrepreneurial self-efficacy is “the belief in one’s ability to pull together the resources needed to accomplish a venture launch and maintain ongoing success” (De Noble et al., 1999). This marshaling phase involves mobilizing financial and human resources to start the business. Human resources could be convincing other people to invest in one’s business idea, organizing a team, or finding customers and suppliers for the business to sustain (Cox et al., 2002). The last implementation phase involves using resources to execute the action plan (Adenyi et al., 2022). The marshaling ESE subscale shows a statistically significant difference between the EDC-trained and the not-trained groups (u =2495; *p* = 0.012) in marshaling resources to start and develop a business. Unlike this study, Adeniyni et al.’s study showed that marshaling does not significantly impact the entrepreneurial readiness of TVET graduate students.

***Managing Ambiguity***

Similar to Pihie and Bagheri’s (2011) empirical study with Malay vocational and technical secondary school students, Setiawan’s (2014) empirical research with 199 undergraduate university students using the six dimensions of ESE showed low levels of perceptions of coping with unexpected challenges in business in ESE construct. The current study on managing ambiguity ESE subscale shows a statistically significant difference between the EDC-trained and the not-trained groups (u =2537; *p=* 0.007) in managing change and uncertainty to start and develop a business. The EDI training is framed to allow learning from experience and to deal with challenges and risks, entrepreneurs meet on their paths.

***Financial Literacy***

Entrepreneurial self-efficacy in financial literacy is the belief in one’s ability to organize and maintain accounting for a new venture (De Noble et al., 1999). Hermawan et al. (2016) concluded that ESE strongly determines entrepreneurial literacy and entrepreneurship interest among vocational high school students. This concurs with Maritz and Brown (2013), who identified ESE as an antecedent trait that positively influences individuals’ behavior when starting a new business. The financial literacy ESE subscale shows a statistically significant difference between the EDC-trained and the not-trained groups (u =2900; *p=* 0.000) in having financial literacy to start and develop a business. Though not directly comparable with the current study, Olugbola’s (2017) study showed the relationship between finance and entrepreneurial readiness. He established that financial resources positively affect university students’ business start-ups. Financial acquisition and management are essential for businesses, and training is needed to increase the financial literacy of those who start or develop their business.

Discussion and Conclusion on the Moderating Variable

A moderating variable in research plays a crucial role in influencing the strength or nature of the relationship between an independent and dependent variable. Essentially, it helps to identify under what conditions or for whom the relationship holds. Understanding moderating variables is essential in refining the interpretation of research findings and recognizing the nuances in relationships between variables (Cohen and Cohen 1983.)

Nowiński et al. (2019) used all ESE components, which mediated entrepreneurship education's influence on entrepreneurship intention. The current study used entrepreneurship training to moderate youth entrepreneurial readiness. Comparing the EDI-trained and not-trained research participants, a statistically significant difference exists in all entrepreneurial self-efficacy sub-scales, showing that the role of training made a difference among respondents in different trained and not-trained categories. The result aligns with Bandura's (1977) findings that entrepreneurship education programs enhance self-efficacy, resulting in entrepreneurial behavior.

In addition, out of the 84 participants who had some training or education in entrepreneurship, 66 (79%) responded that they had either started or developed their business. This also strengthens the significant role of training in preparing youth for entrepreneurial endeavors. Rocha et al. (2023) described the role of entrepreneurial education in stimulating entrepreneurial activity and its influence on individuals and countries, preparing entrepreneurs with the necessary skills, resources, and capabilities they need. Similarly, Zhao et al. (2005) showed that entrepreneurship education promotes students’ ESE, whereas Chun-Mei et al. (2011) study showed that ESE significantly and positively impacts students’ mandate for entrepreneurship education.

Apart from the moderating role of entrepreneurial training, Mauer et al. (2009) stated that Bandura’s (1997) theory has established that self-efficacy has been used as a suitable measure for educational programs. Peterman and Kennedy (2003) also employed ESE to check a training program’s effectiveness. Darmanto and Yuliari (2018) have identified ESE as the most consistent personality trait that prompts the youth for entrepreneurial actions.

Hatos et al. (2022) studied the impact of entrepreneurial education on entrepreneurial intentions among Romanian doctoral students and postdoctoral researchers. They stated that entrepreneurial training programs can stimulate ESE and increase the likelihood of starting a business. Similarly, Saoula et al. (2023) studied the mediating role of entrepreneurial education in ESE, entrepreneurial motivation, and family support resulting in entrepreneurial intention. They found that entrepreneurial education was a significant mediator in the relationship.

Seikkula-Leino and Salomaa (2021) studied the research gap in entrepreneurial competencies, self-esteem, and self-efficacy. They suggested the increased role of entrepreneurial education as entrepreneurship is psychologically and socially based on the fact that a person is a whole being, and education can increase competencies. The EDI (2022) training program focuses on ten entrepreneurial competencies related to entrepreneurial development. These include opportunity-seeking and initiative, persistence, fulfillment of commitments, demand for quality and efficiency, calculated risks, goal setting, information-seeking, systematic planning and monitoring, persuasion and networking, and independence and self-confidence. The six-day training involves a practical business plan and start-up competition they proved to show during the training. This not only focuses on individual competency but also the collective learning that presents itself in how learning mates do their business applying the competencies. This enhanced social learning when modeling the correct behavior.

In conclusion, the moderating variable, training, played a critical role in influencing the strength of the relationship between the independent variable – EDC-trained/not trained, and the dependent variable - youth entrepreneurial readiness. In other words, entrepreneurial training, as measured by ESE scales, shows that youth readiness to start or develop their business is enhanced.

**Implications**

Theoretical Implications

The theoretical foundation that guided this study was social learning/cognitive theory. Bandura’s (1977) theory of social learning is based on behavior, which is not only a response to the environment but also has the cognitive process of evaluating and adopting to situations. Therefore, learning has cognitive, behavioral, and environmental elements. EDI training has three elements: the social environment of the training center uses expert presentations, peer learning, networking, and demonstrating one’s desired business in the teaching-learning community. The social modeling component and reinforcement of learning take place within the team. Second, the cognitive aspect includes classroom teaching and demonstrating the ten competencies, self and facilitator assessment of 30 behavioral traits that boost entrepreneurial self-efficacy. Third, the behavioral factor takes social learning results of entrepreneurial self-efficacy to entrepreneurial engagement (behavior), taking what they learned to the next level. The training focuses on the skill development of trainees. The current research findings show adequate evidence that entrepreneurial training reinforces youth entrepreneurial readiness based on the social cognitive/learning theory. However, the wider environment to implement the learning process that impacts the implementation of startups was not assessed. The wider environment is not limited to the social setting of learning or modeling. It is the country-wide entrepreneurial context that includes policy.

Markowska and Wiklund (2020) expound on how the social cognitive/learning theory incorporates the behavioral component of skill building and practicing, cognitive elements that deal with knowledge and belief systems, and the environment encompassing social norms, influences, and access. Their research on increased learning by experimenting resonates with the EDI Empretec training program model. Trainees at EDI gained knowledge of how to do business. They also started a business within the training week and demonstrated how they practiced several business creation or development aspects. Similar to the findings of Markowska and Wiklund of the need to strengthen relationships and trust increased learning, EDI’s efforts to create a network of trained entrepreneurs create the platform for continuous learning from one another’s experience. The study has shown that entrepreneurial self-efficacy significantly predicts youth entrepreneurial readiness. Therefore, enhancing youth’s entrepreneurial self-efficacy because it enables youth to exert efforts in promoting their business and adopt coping mechanisms for addressing challenges. The evidence from this study shows the need to promote self-efficacy to youth to be confident enough to engage in entrepreneurship.

Practical Implications

Most previous studies focus on entrepreneurial education at the higher learning institute, including technical and vocational education and training. The studies show positive results regarding entrepreneurial education impacting entrepreneurial intention and performance, readiness, and efficacy, contributing to youth self-employment, small and medium venture creation, and development of their businesses and the overall economic development. Bandura’s theory does not assume the availability of experience. Therefore, university students who can be trained in entrepreneurship may increase their entrepreneurial self-efficacy and address employment issues in the country as they graduate and create their jobs.

UNDP’s EMRETEC intensive six-day entrepreneurial trainings focus on a practical tool to help trainees work on 30 behavioral traits of ten entrepreneurial competencies and assess their strengths and weaknesses. The training uses behavioral techniques to unleash a set of ten personal entrepreneurial competencies or potentials, translating the cognitive and skill training sessions into practice. The cognitive, behavioral, and social/environmental aspects intersect, making the training effective. Therefore, the government may further facilitate youth entrepreneurial endeavors by expanding youth groups, training, apprenticeships, and business assistance to increase their self-efficacy. Entrepreneurs contribute to innovation and creativity, which may lead to economic development and organizational productivity (Hessels & Naudé, 2019; Wartiovaara et al., 2019). Therefore, the findings of this study emphasize the potential economic development and innovation associated with increasing training opportunities.

The study has shown that entrepreneurial self-efficacy significantly predicts youth entrepreneurial readiness. Therefore, building the youth entrepreneurial self-efficacy through training and promoting youth ESE through training is essential as one way of engaging the youth in the country's economic development.

Future Implications

Adopting ESE dimensions as a measure of entrepreneurial competence could assist in assessing an individual's specific stage of strength and weakness. It can also serve EDI as a measurement tool for the training program. It can also serve as a tool for screening potential trainees to select those with high ESE who could be eligible to reinforce it with training and facilitate the following start-up stages of firms.

Since the overall country's entrepreneurial context makes a difference in the implementation stage of youth entrepreneurial readiness, the setting needs to be examined and worked on. The GEM 2021 assesses entrepreneurial environments for enterprises using nine entrepreneurship points. This includes ease of access to finance, relevant government policies, affordable taxes, and bureaucracy; government programs support new entrepreneurs at local, regional, and national levels; adequacy of entrepreneurial education introduced at school and post-school; transferring research and development to commercial ventures; affordable professional services to support new experiences; ease of entry into the market dynamics, availability and accessibility of physical infrastructures; and normalizing entrepreneurship among communities.

Apart from stimulating entrepreneurial mentality, higher learning institutes are in a strategic position to address entrepreneurial education and training by facilitating the entrepreneurial self-efficacy of students, especially graduates, re-engineering the entrepreneurial atmosphere and equipping students towards entrepreneurship as a career choice, self-employment, and creating enterprises, contributing to the country’s economic development. Yusof et al. (2009) investigated academic entrepreneurship as part of the larger ecosystem using a "Triple-helix of government-university-industry relations" framework to create a conducive entrepreneurial context. Therefore, mainstreaming entrepreneurship in the curriculum is essential to promote entrepreneurial culture and serve as an incubation center for sustainable results encouraging youth entrepreneurship.

**Limitations**

The first limitation of this study is that the researcher used a convenience sample to collect data for the study, which is a type of non-random sampling. Participants were selected based on those who had taken training and were waiting for the EDC training. The inclusion criteria were those aged 18-35. Though explicitly stated in the informed consent form, 4 participants were excluded for they were above 36. This could be because their age when they took the study and the day they filled out the survey questionnaire could differ.

This research study indicated a statistically significant difference between EDC-trained and not-trained trainees in youth entrepreneurial readiness. However, it does not explain why trainees responded the way they did on the ESE scale. The quantitative survey involved a structured questionnaire with pre-determined Likert scale options but did not provide details on the factors that caused trainees to respond the way they did. In other words, a limitation of the study is that it does not explain why participants answered the way they did.

The researcher used the sampling strategy of a convenience sample with inclusion criteria. With this strategy, members of the target population are easily accessible to the researcher, and inclusion criteria define the type of participants who meet the study's criteria as required by the researcher (Thompson & Panacek, 2007). This sampling strategy did not allow the researcher to survey a large target population, and the researcher expected that the two groups would have similar populations based on access to the EDC training.

To measure the dependent variable of youth entrepreneurial readiness, the researcher did not find a validated instrument that measures readiness. Therefore, readiness was measured to see if entrepreneurial training helped the trained participants start or develop their businesses. Only 84 participants with entrepreneurial training were eligible to answer the question, “If you have done training, has it helped you start or develop your business? Those who never had the training, 42 participants, were not included in this result. On another note, the moderating variable of training was measured using ESE, which can measure the training effectiveness by differentiating between EDC-trained and not-trained.

Convenience sampling was used given population size, N = 75, critical value at 95% confidence level, Z = 1.96, and margin of error, e = 5%, and 63 sample sizes were selected using the sample formula n = N \* [Z2 \* p \* (1-p)/e2] / [N – 1 + (Z2 \* p \* (1-p)/e2].  The researcher used Survey Monkey and sent it to the population, and once the data collection # reached the desired number, the Survey Monkey was sent to those not trained that matched the number of trained. The number of trained after data cleaning was less by one participant, making the sample of trained 62.

**Recommendations**

The results and limitations of this study led to the following recommendations to guide future research:

1. The quantitative survey involved a structured questionnaire with pre-determined ESE Likert scale options, which would not allow to know details on the factors that caused trainees to respond the way they did. Therefore, complementing the research with a qualitative study will help to collect detailed information from trainees to know the cause.
2. Future research may use a random sampling strategy, selecting a large target population for the generalizability of the results.
3. The entrepreneurial readiness scale studied by (Coduras et al., 2016) is an essential tool that can be used for it incorporates psychological, social, and business readiness. Validating the instrument will be essential for future research.
4. Future research should replicate this study with students in higher learning institutes and see if entrepreneurial education and training would result in youth entrepreneurial readiness to start and develop their businesses.
5. Future research could analyze if demographic factors such as gender, age, income level, education level, and presence of family or friends make a significant difference in youth entrepreneurial readiness. Besides identifying additional factors for youth entrepreneurial readiness, studying demographic factors may also help identify suitable training candidates.
6. Previous research shows that young people aged 20-25 correlate with entrepreneurial intention but decline in their mid-forties to start a new business venture (Bouichou et al., 2021). Future research can compare the results of the aged 18-35 with those above 36. This will also identify the target population for training investment.
7. Future studies can further focus on the role of the three components of social cognitive learning [cognitive/personal factor, behavioral/skill development factor, and environment/social factors by including external factors such as policy and entrepreneurial eco-system in determining youth entrepreneurial readiness in the process of social learning.
8. Entrepreneurial training/education is one aspect of creating an entrepreneurial ecosystem. Apart from replicating training in different regions of the country, the total entrepreneurial ecosystem needs to be studied to encourage the youth to start or develop their business.