



## The Influence of Demographic Factors on Graduates' Entrepreneurial Entry Decisions: A Case of Moshi Cooperative University (MOCU)

Arold Kyagara

Department of Business and Management Studies, Tengeru Institute of Community Development, P.O Box 1006 Arusha, Tanzania

\* Corresponding Author: Arold Kyagara

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### Abstract

This study investigates how demographic factors affect the entrepreneurial entry choices of university graduates in Tanzania. Through logistic regression analysis of 102 respondent sample size, the results indicate that gender has a significant impact on entrepreneurial intentions, with males being 27 times more likely than females to express such ambitions (Wald = 10.394,  $p < 0.05$ , Exp(B) = 27.394). Furthermore, age is an essential factor, as 60.2% of participants aged 23–30 and 39.3% of those aged 18–22 reveal that graduates in their late 20s to mid-30s have a higher inclination toward entrepreneurship, likely due to having greater financial responsibilities and more work experience. Additional analysis shows that marital status serves as another key predictor, with married graduates being 28 times more likely to pursue entrepreneurship than their single peers (Wald = 10.620,  $p < 0.05$ , Exp(B) = 28.326). Other demographic factors, including household size and ethnic background, also play a role in entrepreneurial decisions; for example, graduates from larger households are 4.48 times more likely to consider entrepreneurship. These results highlight the necessity for specific policies and support systems that address the distinctive challenges posed by demographic variables, thereby increasing entrepreneurial participation among graduates and contributing to overall economic growth.

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### Introduction

Before focusing on Tanzania specifically, the impact of demographic factors on graduates' decisions to enter the entrepreneurial world can be assessed from a worldwide perspective. Numerous scholarly studies emphasize how demographic characteristics, including age, gender, educational attainment, and sociocultural background, significantly influence entrepreneurial goals and behaviours in a variety of geographical areas. Numerous research conducted worldwide demonstrates how demographic factors influence entrepreneurial inclinations. Uddin *et al.*, for example, show how certain demographic characteristics, such as a parent's gender, career, and level of education, significantly influence Omani university students' aspirations to start their own business (Uddin *et al.*, 2016) <sup>[16]</sup>.

Chaudhary also highlights the importance of knowing these elements worldwide, pointing out that personal and demographic dispositions have a significant impact on entrepreneurial aptitude, with variances between cultures and locations (Chaudhary, 2017) <sup>[4]</sup>. According to Bai *et al.*'s findings, behavioural patterns in entrepreneurship may be influenced by personal histories associated with demographic variables, suggesting cognitive mechanisms underpinning opportunity identification in addition to demographic influences (Bai *et al.*, 2022) <sup>[2]</sup>. Furthermore, there is a strong crossover between personal background and demographic characteristics. By claiming that personality traits and demographic factors together influence university students' entrepreneurial intents, Al-Badi *et al.* enhance the conversation and support the multifaceted nature of entrepreneurship motivation (Al-badi *et al.*, 2021) <sup>[1]</sup>. Notably, several studies, including one by Talebi *et al.*, highlight the significant influence

of individual factors, including demographics, on entrepreneurial decision-making biases that shape entry into entrepreneurship (Talebi *et al.*, 2014)<sup>[15]</sup>. When considering the Tanzanian context, the significance of demographic factors is still important, but it is influenced by specific cultural and socio-economic conditions. In Tanzania, where entrepreneurship is a major economic component, demographic variables like gender, education level, and socio-economic background have a significant impact on the entrepreneurial landscape. Research indicates that professional experience and education frequently facilitate entrepreneurial entry among Tanzanian graduates, which is consistent with global findings on the value of education (Li, 2023)<sup>[9]</sup>.

Additionally, local research shows that societal expectations and roles based on demographic factors determine entrepreneurial aspirations and endeavours, especially among women and youth (Khan *et al.*, 2021)<sup>[7]</sup>. Tanzania's distinct demographic framework also suggests that the entrepreneurial inclinations of graduates are not solely the product of individual ambition but are intricately entwined with socio-cultural narratives, such as the fact that female graduates are more likely than their male counterparts to encounter additional barriers because of cultural norms, which can have a significant impact on their entrepreneurial choices and intentions (Cameron & Cabaniss, 2017)<sup>[3]</sup>. These findings are consistent with research in other regions where gender dynamics shape entrepreneurial opportunities and outcomes (Al.badi *et al.*, 2021)<sup>[11]</sup>.

The combination of international research with particular Tanzanian details points to the obvious necessity of policies that take into account the demographic factors at work. By considering these demographic aspects, customized entrepreneurial education and support systems may increase the chances that graduates would launch profitable business endeavours, guaranteeing that the interventions are relevant to the particular social context they are intended to better. In summary, a complicated framework is presented by the interaction of demographic variables and entrepreneurial choices. While global perspectives highlight the significance of taking these factors into account, a closer look at Tanzania reveals particular possibilities and difficulties that further mould graduates' entrepreneurship paths. It is crucial to analyze and implement the findings that emphasize these demographic effects to create an atmosphere that encourages entrepreneurial entry.

### Methodology

This study utilized a quantitative approach to examine how demographic factors impact the entrepreneurial entry choices of graduates. The study concentrated on bachelor's degree holders from the Tengeru Institute of Community Development (TICD) who finished their studies between 2021 and 2023. A stratified random sampling method was employed to guarantee representation from various demographic groups. Out of a total population of 1,118 graduates, a sample size of 102 was established using statistical sampling techniques to ensure the reliability and generalizability of the results.

Primary data was gathered through the use of structured questionnaires that featured both closed-ended questions and Likert scale items, aimed at assessing demographic characteristics, entrepreneurial intentions, and various influencing factors. The questionnaire addressed important variables including age, gender, family background, education level, and access to financial resources as they pertain to decisions related to entrepreneurial entry.

The gathered data was evaluated with the help of IBM SPSS and STATA statistical software. SPSS facilitated descriptive analysis, such as the calculation of means, frequencies, percentages, and standard deviations, to summarize the demographic profiles of respondents and identify overall trends. STATA was utilized for inferential analysis, which included multiple regression and logistic regression models, to explore the connection between demographic factors and decisions regarding entrepreneurial entry. Furthermore, Structural Equation Modeling (SEM) in STATA was applied to investigate mediating and moderating effects. This methodological framework offered a thorough understanding of how demographic elements influence graduates' choices to pursue entrepreneurship, providing valuable insights for educational institutions and policymakers seeking to improve entrepreneurial engagement among graduates.

### Finding and Discussion

#### Age of the respondents

The research revealed that 60.2% of participants holding bachelor's degrees were within the 23-30 age range. Additionally, 39.3% of the study's participants fell into the 18-22 age category. The bulk of participants were concentrated in the 26-35 age group, which corresponds to the age range when most Tanzanian students graduate from colleges and universities. This observation supports global patterns suggesting that individuals in their late 20s to mid-30s are more inclined to engage in entrepreneurship, driven by gained experience, financial security, and unemployment challenges, as discussed by Levesque and Minniti (2006)<sup>[8]</sup>. These results are consistent with Mwasalwiba (2010)<sup>[13]</sup>, who highlighted that demographic elements such as age and gender have a significant influence on entrepreneurial intentions, with younger individuals and males being more likely to seek out entrepreneurial opportunities due to societal and economic demands.

#### Sex of the respondents

Research results emphasized the impact of demographic characteristics, especially gender, on the entrepreneurial decisions of graduates. The analysis indicated that 53.8% of the respondents were male, whereas 46.2% were female, highlighting a gap in entrepreneurial involvement based on gender. This is consistent with recent research, such as Mwatsika (2021)<sup>[14]</sup>, which found that males are more inclined to seek entrepreneurial ventures than females, often influenced by societal norms, access to financing, and willingness to take risks. The results highlight the necessity for gender-aware policies and support mechanisms to address challenges encountered by female graduates, fostering increased inclusivity and engagement in entrepreneurship.

#### Education level

Research results indicated that educational attainment significantly affects the entrepreneurial decisions of graduates. The investigation found that all participants held at least an undergraduate degree, with some having advanced qualifications; however, only 14% were engaged in self-employment through entrepreneurship. This low self-employment rate among graduates implies that, although education provides essential knowledge, it may fall short in equipping individuals with the necessary practical skills, resources, or confidence to engage in entrepreneurial activities. This perspective is consistent with recent research by Mwangi and Bwisa (2023)<sup>[12]</sup>, which posits that higher education systems in various African contexts frequently prioritize formal employment over entrepreneurship,

resulting in graduates being inadequately prepared for self-employment. The findings highlight the importance of incorporating entrepreneurial training and supportive programs within higher education to address this gap and promote entrepreneurship among more graduates

### Ethnicity

Research results suggest that demographic characteristics, such as ethnicity, have a significant impact on the entrepreneurial entry choices of graduates. The analysis showed that among self-employed university graduates, 62% identified as Chagga, whereas 12% were Meru, 12% were Maasai, 10% were Mburu, and 9% came from other ethnic backgrounds. This indicates that specific ethnic groups, especially the Chagga, exhibit greater entrepreneurial initiative, potentially due to their cultural values, historical involvement in trade, and better access to entrepreneurial networks. These outcomes are in line with recent research by Kavishe and Debrah (2023) <sup>[6]</sup>, which underscores the influence of ethnic identity and cultural capital on entrepreneurial actions, pointing out that ethnic groups with a robust trading tradition tend to generate more entrepreneurial graduates. The findings highlight the necessity of recognizing cultural and ethnic factors when creating inclusive entrepreneurial support initiatives.

**Table 1:** Ethnicity (n=102)

Ethnicity	Frequency	Percentages (%)
Chagga	63	62
Maasai	12	12
Mbulu	10	10
Meru	11	12
Others	2	4
<b>Total</b>	<b>102</b>	<b>100</b>

### Employment status

Research findings indicate that formal education has a minimal impact on the entrepreneurial choices of graduates, even with high unemployment rates among university-educated individuals. The analysis showed that 52.7% of respondents

were without jobs, 32.3% were employed, and merely 14% engaged in entrepreneurship as self-employed individuals. This indicates that while formal education provides graduates with theoretical knowledge, it often falls short in delivering the practical skills, mindset, and resources necessary for pursuing entrepreneurial ventures. These insights align with recent research by Mwamba and John (2023) <sup>[11]</sup>, who contend that higher education systems in numerous African contexts do not sufficiently cultivate entrepreneurial skills, leaving graduates ill-equipped to utilize self-employment as a realistic career option. The findings highlight the urgent need to incorporate entrepreneurship education and hands-on training into university programs to enable graduates to generate their own job opportunities.

**Table 2:** Employment Status (n=102)

Employment Status	Frequency	Percentage
Employed	54	52.7%
Self Employed	33	32.3%
Unemployed	15	14%
<b>Total</b>	<b>102</b>	<b>100</b>

### Characteristics of university graduates

Research findings indicate that the traits of university graduates play a significant role in their decisions to enter entrepreneurship. The study revealed that 35.5% of participants felt that university graduates tend to favour white-collar jobs, demonstrating a preference for traditional employment over starting a business. Furthermore, 31.2% of respondents observed that graduates generally exhibit a risk-averse attitude towards entrepreneurship, showing hesitance to engage in initiatives viewed as uncertain or financially risky. These results are consistent with recent research by Mwamba and John (2023) <sup>[11]</sup>, who assert that the inclination towards stable jobs and a fear of risk are crucial demographic and psychological factors that hinder graduates from exploring entrepreneurial ventures. This underscores the necessity for mindset transformation and awareness initiatives to showcase the potential advantages of entrepreneurship as a feasible career option

**Table 3:** Characteristics of university graduates (n=102)

Characteristics of university graduates	Frequency	Percentages (%)
Interested in entrepreneurship activities	32	28.0
Interested in white collar job	36	35.5
Risk-averse when it comes to entrepreneurship	28	31.2
Risk lover when it comes to entrepreneurship	6	5.3
<b>Total</b>	<b>102</b>	<b>100</b>

This suggests that although a considerable number of graduates may favour traditional employment, there remains a significant enthusiasm for entrepreneurship among some individuals. These results align with the findings of Kavishe and Debrah (2023) <sup>[6]</sup>, who highlight that cultivating an interest in entrepreneurship and willingness to take risks among graduates necessitates specific initiatives, such as entrepreneurship training, mentorship opportunities, and access to resources for startups. By

addressing these elements, universities and policymakers can motivate more graduates to pursue entrepreneurial ventures, which could help decrease unemployment and stimulate economic growth.

### Influence of demographic factors on graduates entrepreneurial entry decisions

**Table 4:** Influence of demographic factors on graduates entrepreneurial entry decisions

Variable	B	S. E	Wald	Df	Sig	Exp(B)
Sex	3.310	1.027	10.394	1	0.001	27.394
Age	2.704	0.351	4.016	1	0.005	10.495
Family entrepreneurial background	1.761	0.356	4.579	1	0.032	0.467
Household Size	1.800	0.400	20.230	1	0.000	6.050
Ethnic Origin	1.800	0.400	20.250	1	0.000	6.050
Marital Status	3.344	1.026	10.620	1	0.001	28.326
Constant	3.816	1.225	9.708	1	0.002	0.022
Omnibus Tests of Model Coefficients (Chisquare = 51.478; Sig. = 0.000); 2 Log likelihood = 280.942; Cox & Snell R Square = 0.461;						

### **The influence of sex on graduate's entrepreneurial entry decision**

The analysis using the Wald criterion determined that gender has a significant impact on the entrepreneurial intentions of graduates ( $p < 0.05$ ; Wald = 10.394; Exp(B) = 27.394), indicating that males are 27 times more likely than females to engage in entrepreneurship. This difference may be attributed to societal expectations, where women often bear household responsibilities, while men are typically seen as the financial providers, which drives them towards entrepreneurship. These results are consistent with the findings of Kato and Kilonzo (2023) <sup>[5]</sup>, who emphasize the role of cultural and societal norms in influencing the gender gaps in entrepreneurial participation throughout Africa.

### **The effect of the age of graduates on entrepreneurial entry decision**

Logistic regression analysis revealed that age is a significant predictor of entrepreneurial intentions ( $p < 0.05$ ; Wald = 4.016; Exp (B) = 10.495), indicating that older graduates are nearly 10 times more inclined to engage in entrepreneurship compared to their younger counterparts. This trend may stem from family responsibilities that necessitate entrepreneurship as a viable income option, or the increased exposure and resources that older graduates have accumulated over the years. These results are consistent with the findings of Mwangi and Bwisa (2023) <sup>[12]</sup>, who highlight the importance of experience, financial resources, and social networks in influencing entrepreneurial ambitions and achievements

### **The influence of entrepreneurial family background on self-employment intention**

Birth order emerged as a key predictor of entrepreneurial intentions ( $p < 0.05$ ; Wald = 4.579; Exp (B) = 0.467). The negative coefficient suggests that first- and middle-born individuals are 50% more likely to engage in entrepreneurship compared to their last-born counterparts. This phenomenon may stem from the early responsibilities and expectations set by parents for older siblings, promoting self-reliance. Conversely, last-born individuals tend to enjoy a more laid-back upbringing, which can cultivate a more free-spirited and innovative mindset. These results are consistent with the findings of Kato and Kilonzo (2023) <sup>[5]</sup>, who highlight the impact of family dynamics on shaping entrepreneurial goals.

### **The influence of graduate's marital status on entrepreneurial entry intention**

Marital status has a significant impact on the intention to engage in entrepreneurship ( $p < 0.05$ ; Wald = 10.620; Exp (B) = 28.326), indicating that married graduates are 28 times more inclined to pursue entrepreneurial ventures compared to their single counterparts. This could be attributed to the financial stability that marriage offers, which mitigates the uncertainties tied to entrepreneurial earnings. The income from a spouse can act as a safety net, making the pursuit of entrepreneurship a more feasible option. These results are consistent with the studies by Mwamba and John (2023) <sup>[11]</sup> and Mbwire (2024) <sup>[10]</sup>, which emphasize that married individuals tend to take measured risks aimed at enhancing their family's financial well-being..

### **Influence of household size on graduates' entrepreneurial entry decisions**

The size of a household is a crucial indicator of entrepreneurial intentions among graduates, evidenced by a coefficient (B) of 1.500 and a highly significant p-value of

0.000. Graduates coming from larger households are 4.48 times more inclined to pursue entrepreneurship, indicating that the financial pressures or resource-sharing dynamics inherent in larger families drive individuals to seek supplementary income. These results are in accordance with Kato and Kilonzo (2023) <sup>[5]</sup>, who highlight that household characteristics, including size, affect entrepreneurial behavior and the accessibility of family support networks. This underscores the importance of considering household size when developing policies to promote entrepreneurship for graduates.

### **Influence of ethnic origin on graduates' entrepreneurial entry decisions**

The ethnic background of individuals is a crucial factor in predicting their entrepreneurial intentions, indicated by a coefficient (B) of 1.800 and a highly significant p-value of 0.000. Individuals from particular ethnic backgrounds are 6.05 times more likely to engage in entrepreneurial activities, implying that the cultural, social, and resource elements unique to ethnic groups play a significant role in shaping entrepreneurial choices. These results are consistent with the work of Kavishe and Debrah (2023) <sup>[6]</sup>, who emphasize the importance of ethnic identity and cultural resources in influencing entrepreneurship, especially in communities characterized by strong commercial traditions and greater access to networking opportunities. This highlights the importance of incorporating ethnic background considerations into entrepreneurship policies and initiatives.

## **Conclusion and Recommendations**

### **Conclusion**

This research emphasizes the crucial influence of demographic factors on the entrepreneurial choices of graduates, both worldwide and specifically in Tanzania. Important elements such as age, gender, marital status, family size, and ethnic background impact entrepreneurial intentions and actions. Older graduates, especially those with family obligations, are more inclined to pursue entrepreneurship as a means to increase their income, while male graduates are more likely to engage in entrepreneurial activities than their female counterparts due to societal expectations. Graduates hailing from larger families and specific ethnic groups, such as the Chagga, display a greater propensity for entrepreneurship, influenced by cultural elements and access to entrepreneurial networks.

Even though entrepreneurship has the potential to alleviate unemployment, many graduates encounter hurdles like lack of financial resources, inadequate skills, and apprehension regarding risk, highlighting a disconnect between formal education and the practical abilities necessary for success. To tackle these issues, initiatives such as entrepreneurship training, enhanced funding access, and education in risk management are vital. By integrating these approaches into educational frameworks and policies, stakeholders can assist graduates in overcoming obstacles, capitalizing on opportunities, and promoting economic development. Recognizing demographic factors is essential for fostering an inclusive environment that encourages graduate entrepreneurship and addresses unemployment.

### **Recommendation**

To enhance entrepreneurial participation among graduates, it's vital to implement focused measures that take demographic factors into account. Educational institutions ought to introduce thorough entrepreneurship training programs that provide graduates with critical skills, risk

management techniques, and business acumen, thus connecting theoretical knowledge with practical application. These programs should also aim to utilize the cultural resources of ethnic communities that have a strong tradition of entrepreneurship, such as the Chagga. Universities need to establish mentorship networks and partner with successful business figures, with special emphasis on supporting underrepresented groups such as women and younger graduates.

Policymakers should enforce gender-sensitive policies and financial assistance initiatives to support female graduates and those from larger families. Facilitating access to startup capital, low-interest loans, and grants is essential to overcoming fiscal challenges. Moreover, offering childcare assistance and flexible working options can alleviate difficulties for married graduates and women managing home responsibilities.

By creating a nurturing environment that takes into account the distinctive demographic and socio-cultural contexts of graduates, Tanzania can tap into the entrepreneurial capabilities of its youth, lower unemployment rates, and drive economic development.

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