

Entrepreneurial Intention of University Students in Sultanate of Oman – A Study of Dhofar University

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Abstract

Entrepreneurship has emerged as the cornerstone for building a strong and vibrant economy. Entrepreneurs contribute in multiple ways to economic growth and development such as providing employment, boosting exports, acting as a supplier to larger industries and supporting other start ups. The need of the hour is to support, encourage and motivate youngsters to become entrepreneurs and innovators so that they can act as a multiplier to achieve high levels of economic growth. Numerous research studies have pointed out the fact that entrepreneurship is the base on which the foundations of a strong economy can be built. Educational institutions play a key role in the formation of entrepreneurial intentions by providing The Sultanate of Oman, in its endeavor to diversify the economy has identified entrepreneurship as a key focus area and several initiatives have been taken by the government to foster and support entrepreneurial activities.

This paper attempts to identify some key factors affecting the entrepreneurial intentions of graduate students in the College of Commerce and Business Administration in Dhofar University. Dhofar University is one of the largest private universities in Oman and has initiated several initiatives to encourage and foster entrepreneurship among students. The study found that risk perception and behavior have a positive impact on entrepreneurial intentions of graduate students whereas entrepreneurship education was found to have no impact on their intention to pursue an entrepreneurial career. This highlights the importance of tailoring entrepreneurship courses in such a fashion which will help to strengthen and sharpen the skills of students and also introduce a practical aspect which will provide them with hands on experience in this field. Data was analyzed using simple regression and descriptive statistics.

Key Words: Entrepreneurship, Entrepreneurial Intention, Oman

1. Introduction

Entrepreneurship is French origin of the word means a person who proceeds or attempts to create a business. Economists believe it to be the major factor for move towards the lead at the beginning of this century it has been characterized by varying the establishment of small projects between the countries. The concept of the entrepreneurship is not very old since the early nineties calendar age is becoming an era of entrepreneurs (Bann, 2009). This has been very successful driver of economic growth of many countries. The concept of entrepreneurship for students is an approach focused on educational institutions and government policies, businesses and society as a whole entrepreneurship (Base, 1998).

Changing economies of the regions in the world and needs of the society make entrepreneurship .more important for the young population of the society. Successful economies are those that will contribute the most prominent contribution to economic growth through the dissemination of knowledge and innovation. Entrepreneurship refers to the will and drive of establishing a new business or to entirely change the dimensions of existing business.

A successful entrepreneur must have idea, vision, commitment and willingness to take risk. The most important segment of the society related to this concept is young educated population. Countries make such educational programs that provide basis of necessary skills of leadership, management and marketing for the students so they can do their own business after completing education. This concept in the policy is to help economy and to reduce unemployment. This is not possible for the governments to depend upon traditional national resources to support their population.

Entrepreneurs are creative by nature and always go where everyone else says there is nothing. But even contrarians have their limits. Entrepreneurs are generally creative, extroverted, risk-takers by nature and they tend to see opportunity where others do not. The only way to have more of them is to reduce the impending risks that they have to overcome. This is where governments need to step up their efforts. The Gulf countries have undergone a drastic modernization phase over the past sixty years to catch up with the rest of the developed world. Obviously there are still significant issues in the developed world that remain to be overcome—one of them being the lack of a sound ecosystem for entrepreneurs to thrive in.

1.1 Problem Statement

The government of Oman has taken up several initiatives to reform and strengthen the education sector in the country. Entrepreneurial education is one of the major focuses of business administration program at CCBA. Students are required to take courses in management, marketing, accounting and management of small business which help in developing the entrepreneurial knowledge, skills and attitudes. This is to be examine whether entrepreneurial traits developed by their study drive student's intention to self-employment. In order to design an impactful business program, an educational institution needs to know the factors that need to be emphasized (Autio et al,2001). Based on researcher's observations, students' interests in pursuing self-employment seemed to dissipate with the progression in their studies. This reason convinced the researcher to conduct a study focusing on student's perception of the entrepreneurial intention and the factors affecting their decisions.

1.2 Objectives of the Study

- To investigate the entrepreneurial intentions of final year students of College of Commerce and Business Administration in Dhofar University.
- To examine the contribution of attitudinal, behavioral and institutional support factors towards intention to start one's own business.
- To study the impact of risk perception on entrepreneurial intention of university students.

1.3 Theoretical Framework

The following model explains the concept of research in this project.

Independent variables:

1. Attitude
2. Behavior
3. Educational Support

Dependent Variables:

1. Intention to do business

The research conduct a survey of the expected graduates and those already graduated to know the relationship and influence of attitude, behavior and educational support on the their intention to do business.

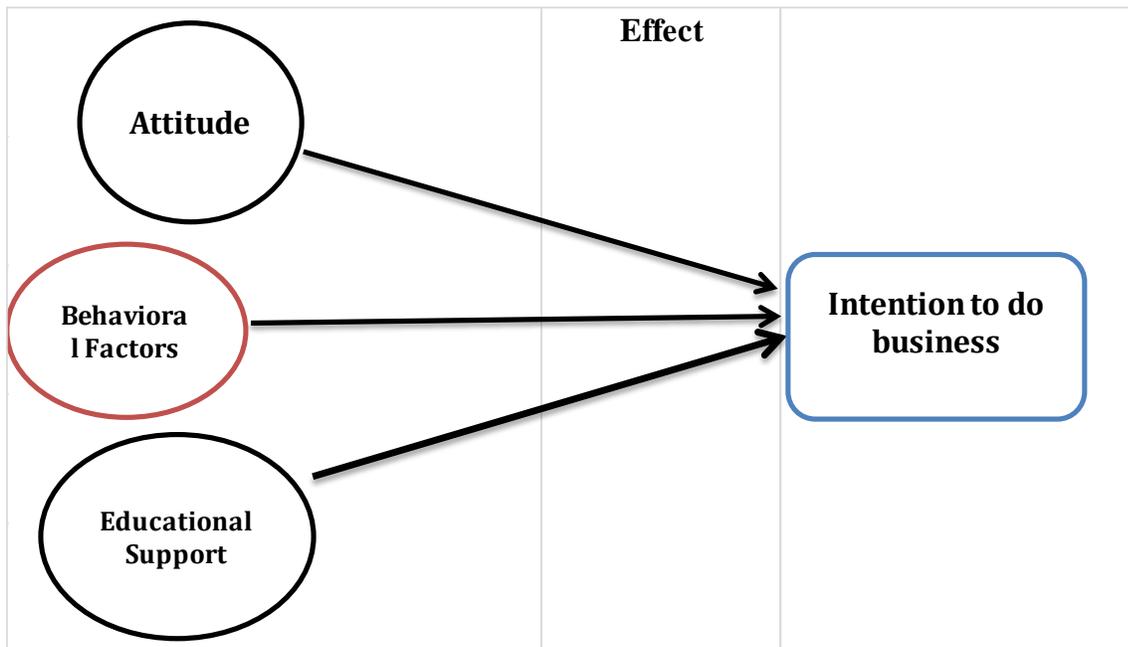


Figure 1. Theoretical Framework of the Study

2. Literature Review

2.1-Entrepreneurial Knowledge, Personal Attitudes, and Entrepreneurship Intention

Ndivhuho Tshikovhi and Richard Shambare (2013) revealed that specialized groups are more likely to be highly influenced than other groups. Their research also found that entrepreneurial knowledge and personal attitudes were key drivers to arouse one to act entrepreneurially. This research focused on exploring the following factors those contribute to intention of doing own business.

2.1.1 Entrepreneurship knowledge

The entrepreneurial knowledge refers to an individual's understanding of the concepts, skills and mental acceptance for an endeavor. Entrepreneurship knowledge can be gained and sharpened through consistent exposure to entrepreneurship activities and entrepreneurial learning is a key factor associated with the development of entrepreneurial knowledge. Entrepreneurship knowledge and skills complement each other when determining new venture creation processes (Ndivhuho Tshikovhi and Richard Shambare, 2013). Entrepreneurial knowledge and a skill help to discover and evaluate new venture opportunities and involve the development of an innovative or new approach.

2.1.2 Personal attitudes

Personal attitude is a mentally prepared state for any known subject (Ndivhuho Tshikovhi and Richard Shambare, 2013). Personal attitude refers to an individual's perception of how desirable and beneficial it is to perform entrepreneurial behaviour. Attitude towards an act is the degree to which a person has a favorable or unfavorable evaluation or appraisal of the behavior. The individual's attitudes towards certain actions are subjective sensible phenomena for taking an opportunity in doing own business. Hence, this refers to what extent individuals hold a positive or negative valuation towards entrepreneurial behavior (Miralles, F., Riverola, C. & Giones, F, 2012) .

2.2- Attitudes of Students towards Creation of New Ventures

A large body of talented and skilled individuals gathered in one location can be accessed through higher educational institutions . Colleges and universities facilitate with knowledge and develop skills for taking and adventure. Educational institutions have a deep pool of talent which generates new business ideas requiring a wide range of skills such as a proper mix of unique business and technical expertise. A study on higher education students in Portugal who responded to the survey found that that their interest in new venture creation is aimed at improve learning and helping them network and contact other entrepreneurial minded students. This research revealed that an environment that encourages, breeds and sustains entrepreneurship tended to produce students with a stronger desire to become entrepreneurs. The research shows that that entrepreneurship is a phenomenon that can be learned with proper education and support and, as such, the influence of parents, mentors and role models play a key role in shaping the experience of students as they grow and learn (Teixeira, 2010).

Thus it becomes apparent that raising entrepreneurial awareness and interest through education can help foster the entrepreneurial intentions of students. The research proposes that students should be encouraged by their curricula to read books and articles about entrepreneurship and innovation regularly and actively participate regularly in conferences, lectures and workshops on entrepreneurship and innovation wherever and whenever possible. Commitment and motivation of mentors and well-designed curricula are likely to enhance the interest of students in entrepreneurship and help foster innovative business ideas. This research on student attitudes to entrepreneurship in

Portugal found there exists a strong correlation between entrepreneurial awareness and entrepreneurial interest (Teixeira, 2010).

2.3-Entrepreneurial Attitudes

A study conducted by (Peterman, 2003) identified that learning of young students has great influence on their attitude toward an intention of doing their own business. The study had identified the following factors those influence the attitude of young students for doing own business.

2.3.1-Risk taking

This is the key dimension of attitude. A person who takes risks and has the ability to take the responsibility of doing new business or to change the direction of an existing business is an entrepreneur. The entrepreneurial behavior has often been associated with moderate levels of risk appetite in the person and entrepreneurial intention is affected by the individual's perception and feelings towards risk taking. This there exists a positive relationship between propensity to take moderate risks and entrepreneurial choice. Tolerance to uncertainty and ambiguity are other psychological traits associated with the entrepreneur.

People with high risk tolerance will be inclined to take the opportunity of doing business as an endeavor (Mario Rosique Blasco, 2006).

2.3.2-Role of institutions

According to the study of Norh, (2005), institutions have a key role to play in the creation of an entrepreneurial culture by providing key skills through the education system which should be encouraged in the process of learning. Peterman (2003) has thrown light on the need to create a proper alignment between business and education.

According to a definition by Gartner (1988) "Entrepreneurship is the creation of new organizations". This means that entrepreneurs are not only founders but also do the work of owning and managing the firms they have founded for growth and economic gains. As shown by several studies, there is a significant positive relationship between business and economic education and venture creation. Creating a venture need a strong conceptual background and knowledge backing and this is proved by dramatic growth in entrepreneurship education in the United States of America which has resulted in the creation of numerous business startups (Drost Ellen,A, 2010)

2.4 -- Students' Attitudes and Intentions toward Entrepreneurship

The research conducted by Venesaar (2006) has identified that there is relationship between motives of the students and their intention for doing own business. The study attempted to identify the attitudes and intentions of students at Tallinn University of Technology towards starting their own business by looking at personality traits and the business environment, including the role played by university in shaping students' entrepreneurial attitudes and intentions. The study found most of the students wanted to start their own business venture after graduation but postponed this to a more distant future. It was concluded that certain personality traits, perceived lack of knowledge and skills and lack of infrastructure and financial support were the key factors that led to the delay. Determination, risk taking for the career success and self-confidence were identified as the key factors to enhance motivation of the students (Venesaar, 2006).

2.5- Role of Educational Institutions in Fostering Entrepreneurial Intentions

Although there is no consensus on the content and structure of entrepreneurship education. The findings of a study on MARA professional college students showed that Higher Education Institutions should, at least, "encourage the development of creative ideas for being an entrepreneur", "provide the necessary knowledge about entrepreneurship", and "develop the entrepreneurial skills through educational support such as pedagogical, syllabus and co-curricular activities." The previous studies in literature also indicate a positive link between education and entrepreneurship. (Galloway & Brown, 2002; Gorman & Hanlon, 1997; Henderson & Robertson, 2000) have found that support provided by educational institutions help budding entrepreneurs to recognize business opportunities. It is suggested that students' intention to become entrepreneurs will significantly rise if the education system provides the right kind of inspiration and support. This is in line with Shapero's (1982) findings where it was argued that prior exposure to entrepreneurial activity positively affects attitudes toward entrepreneurship and in turn affects intentions through changing attitudes in a positive fashion. This study confirms the key role of educational support in the development of entrepreneurial intention. Therefore, the current study shows that entrepreneurship can be fostered through learning process (Dr Mumtaz Begam Bt Abdul Kadir, 2010).

3. Research Methodology

3.1: Population of the Study

Population of the study consisted of a group of students in CCBA who are expected to graduate during the year 2018. The study population consists of expected graduates from the College of Commerce and Business Administration (CCBA) in Dhofar University.

3.2: Sampling Frame

Sampling frame consists of the students in the various departments of the college. The research includes samples from final year because they are expected graduates during the year 2018. 70 graduating students were administered a structured questionnaire and their responses were recorded.

3.3: Sampling Technique

Sampling technique impacts the entire process of data collection and validity of data (Cochran, W.G, 1977).The study has used Simple Random Sampling technique in choosing the participants in the survey. Simple random sampling is convenient and easy to manage and representative of the population. Through random sampling the sample becomes more representative (Paula Lagares Barreiro,Justo Puerto Albandoz, 2014)

3.4: Data collection

Both Secondary data and primary data were used in the study. Secondary data was used for concepts and explanations. That also helped in identifying the variables and relationships between variables. A structured questionnaire composed of two parts was constructed to collect primary data. A 5-point Likert scale was used in the questionnaire.

The data used in the study is qualitative in nature, which was obtained by a field survey. Survey is multi-disciplinary and is used for a wide variety of measurement processes and methods of data collection (Knottnerus, P., 2003).

3.4.1: Instrument

A structured questionnaire containing demographic information of participants and survey question was distributed among participants. The questionnaire contained close ended questions measured by Likert Five Scale. The questionnaire was self-administered and participants filled in their responses.

3.5: Research Design

The study is based on multi method approach. Initially, the study has utilized descriptive research method. Descriptive research was helpful in explaining the variables, their nature and kind of relationship. At the beginning, stage descriptive research is helpful in constructing a conceptual framework.

In the later stage, explanatory research was used to determine the relationship between the variables and test the hypothesis.

3.6: Data Analysis & Analysis of Tools

Descriptive statistics metrics (Descriptive Statistics Measures) such as percentages and averages, standard deviations were used to describe the characteristics of the study sample and the order of variables according to their relative importance. Variance analysis and simple regression was used to analyze the relationship established in the hypothesis.

4. ANALYSIS AND FINDINGS

4.1 Reliability and Validity of the Survey Instrument:

Reliability analysis is used to make sure that the questions were capable to fetch the right information. Reliability of the scales used for the study was done using the Cronbach alpha (α).

The accepted level of reliability is 0.6 and above. The estimated reliability score was .828 which is above the stipulated limit. Hence the instrument was considered as reliable.

Table – 1

Reliability Statistics		
Cronbach's Alpha	Conbach Alpha Based on Standardized Items	N of Items
.839	.828	18

The number of test items, item inter-relatedness and dimensionality affect the value of alpha. The acceptable values of alpha are ranging from 0.70 to 0.95. A smaller value of alpha could be due to a low number of questions, poor inter-relatedness between items or heterogeneous constructs. A high value of alpha may suggest that some items are redundant as they are testing the same question. In current study Chronbach’s alpha is 0.828 which refers to very good indicator (Bland J, Altman D., 1977).

4.2 Analysis of Demographic Factors

Table – 2

Age				
	Frequency	Percent	Valid Percent	Cumulative Percent
less than 20 yrs	16	22.9	22.9	22.9
21-25yrs	31	44.3	44.3	67.1
Valid 26-30 yrs	11	15.7	15.7	82.9
more than 30 yrs	12	17.1	17.1	100.0
Total	70	100.0	100.0	

Majority of the students are in the age group of 21-25 years.

Table-3

Gender				
	Frequency	Percent	Valid Percent	Cumulative Percent
male	30	42.9	42.9	42.9
Valid female	40	57.1	57.1	100.0
Total	70	100.0	100.0	

30 respondents were male and 40 were female.

Table -4

		Area of Specialization			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Managem ent	29	41.4	41.4	41.4
	Accounting	5	7.1	7.1	48.6
	Finance	5	7.1	7.1	55.7
	MIS	31	44.3	44.3	100.0
	Total	70	100.0	100.0	

44.3 % of the respondents are having MIS specialization, 7.1% each are from accounting and finance and 41.4% are Management graduates.

4.3 Testing of Hypothesis:

This section is dealing with the hypotheses of the study. The Hypotheses have been tested with the help of ANOVA and F-test.

Hypothesis -1:

Ho: Risk perception is not influencing the entrepreneurship attitude of students

H1: Risk perception is influencing the entrepreneurship attitude of students

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.733 ^a	.538	.531	.68473244

a. Predictors: (Constant), risk

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	37.118	1	37.118	79.166	.000 ^b
1 Residual	31.882	68	.469		
Total	69.000	69			

a. Dependent Variable: attitude

b. Predictors: (Constant), risk

The coefficient of determination between the independent variable and dependent variable is .531 indicating that 53.1% change in the attitude could be successfully explained by the independent variable risk perception. The significance level of .000 signifies that null hypothesis is to be rejected and alternate hypothesis to be accepted.

Accept H1; Reject H0

Hypothesis -2

HO: Entrepreneurship education does not influence the students 'attitude towards entrepreneurship

H2: Entrepreneurship education among students is influencing attitude towards entrepreneurship

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.059 ^a	.004	-.011	1.00555066

a. Predictors: (Constant), education

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1					
Regression	.243	1	.243	.240	.626 ^b
Residual	68.757	68	1.011		
Total	69.000	69			

a. Dependent Variable: attitude

b. Predictors: (Constant), education

The coefficient of determination between the independent variable and dependent variable is $.011$ indicating that change in the attitude could not be successfully explained by the independent variable entrepreneurship education. The significance level of $.626$ (higher than threshold value of 0.05) signifies that null hypothesis is to be accepted and alternate hypothesis to be rejected.

Accept H_0 ; Reject H_2 .

Table 5- Descriptive Statistics for the variable Attitude
Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
att1	70	1	5	3.66	1.089
att2	70	2	5	3.89	.826
att3	70	2	5	3.66	.976
att4	70	1	5	3.61	1.195
att5	70	1	5	3.60	1.134
att6	70	2	5	3.64	.964
att7	70	3	5	3.83	.701
att8	70	1	5	4.11	.956
att9	70	2	5	3.99	.909
Valid N (listwise)	70				

All items have mean values higher than 3 which indicates the existence of positive attitude among students towards entrepreneurship as a career choice.

Table 6-Descriptive Statistics for the variable Risk Perception

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
risk1	70	2	5	4.01	.909
risk2	70	1	4	3.33	.847
risk3	70	2	5	3.99	.909
risk4	70	2	5	3.64	1.022
risk5	70	1	5	3.30	1.312
risk6	70	2	5	3.86	.767
Valid N (listwise)	70				

The mean values for the items under this variable are also higher than 3 which indicates that the risk perception is high among the students regarding entrepreneurship as a career choice. In other words, most students consider it as a risky career option.

5. Discussions

The study found that risk perception is influencing the entrepreneurship attitude of student’s intention. The coefficient of determination between the independent variable and dependent variable is .531 indicating that 53.1% change in the attitude could be successfully explained by the independent variable risk perception. The significance level of .000 signifies that null hypothesis is to be rejected and alternate hypothesis to be accepted.

The results are in line with the findings of Dohse and Walter (2009), Paço et al. (2011) who found that there is a positive relationship between entrepreneurial intention and attitudes towards entrepreneurial activities. Their findings concluded that most students are in favour of being self-employed. A positive view about the outcome of starting their own business makes their attitude favorable toward the behavior and vice versa. Stronger intention led to higher probability of actually starting a new venture.

This study has also proved that entrepreneurship education and entrepreneurial intention are not positively linked. Testing the hypothesis the research found that the coefficient of determination between the independent variable and dependent variable is -0.11 indicating that change in the attitude could not be successfully explained by the independent variable, entrepreneurship

association. The significance level of .626 signifies that null hypothesis is to be accepted and alternate hypothesis to be rejected.

This result is quite surprising and not supported by previous researchers (Matlay, 2008, Ooi et al., 2010) whose findings revealed that entrepreneurship education equips the students with necessary skills and knowledge by preparing them to deal with uncertainty in future. According to the opinion of the researcher this inconsistency may be because of the reason that students consider total degree education separate from a particular course in entrepreneurship. Also, a single course in entrepreneurship is not enough to sufficiently equip students with the knowledge and skills necessary to start a business. The practical aspect like field visits, interacting with successful entrepreneurs, workshops and seminars also needs to be incorporated into the course syllabus. Dummy projects and detailed case studies are also required to be part of the pedagogy in order to have the desired effect.

6. Recommendations for Future Study

Future researchers should conduct further research on this topic in colleges and universities all over Oman. This will result in higher accuracy of the degree student's feedback and research may avoid the bias that might have occurred. Besides, there is a need of research with a reasonably large number of respondents as the sample size in this study was limited to 70 students. Future researchers should enlarge the sample size of respondents and include more variables and extend the questionnaire. Theory of planned behavior (TPB) can serve as the basis to conduct research to analyses the business intention of graduates. This theory has been used in much research in other contexts and can be helpful in Omani context as well.

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