

A Study of the Effects of Perceived Support Model on Entrepreneurship Intentions among the Omani Youngsters

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Abstract

Entrepreneurship, innovation, and youth development are some of the key themes in Oman vision 2040. Aligned with these themes is the need for entrepreneurship development among youngsters especially the educated youngsters. Keeping in view this need and relatively scant literature, the investigation of factors that can influence positively or negatively on entrepreneurship intentions among Omani youngsters is the central theme of this study. The study utilizes the entrepreneurship support model by Turker and Selcuk (2008). Accordingly, the study objectives are to test the influence of the perceived support (educational, relational, structural) model on entrepreneurship intentions among Omani youngsters. In terms of research methodology, the proposed methodology is a quantitative, cross-sectional, and explanatory research design. For data collection, a survey is used based on previously developed measures. The survey is distributed among Omani youngsters (age range of 20 to 30 years) with the help of research assistants (n=662). The reliability of the study is tested using the Cronbach alpha and the Composite reliability; while, validity is established using convergent validity (through Confirmatory Factor Analysis, Factor Loadings, and Average Variance Extracted); and discriminant validity. The key results are that the perceived educational support ($\beta=-.022, P>.05$); and perceived relational support ($\beta=-.013, P>.05$) have insignificant effects on entrepreneurship intention while the perceived structural support has positive and significant effects on entrepreneurial intention ($\beta=.088, P<.05$). The findings partially support the perceived support model in this context. A number of recommendations were put forward based on the results.

Keywords: Entrepreneurship, Students, Youth, Intentions, Support Model, Oman.

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INTRODUCTION

Entrepreneurship refers to the person who organizes and develops their own business and may involve in gaining different knowledge areas and hands-on experiences, creating vision and insights, building a network of support, and assuming risk (Pihie & Akmaliah, 2009). There are other definitions of entrepreneurship but a common theme in most definitions is setting up own business and innovation. Entrepreneurship and creativity are interrelated and are considered as an engine of economic growth (Kuratko & Hodgetts, 2007). All major countries of the world are striving to develop entrepreneurship since it is considered as a solution to economic problems such as

poverty and unemployment; and boosts the country's GDP (Levenburg, Lane, & Schwarz, 2006). Recognizing the importance of entrepreneurship, most Gulf countries are promoting entrepreneurship among their citizens and the Sultanate of Oman is no exception. In Oman vision 2040, the promotion of small businesses and entrepreneurship is one of the key themes. This theme can best be achieved when Oman's young population takes a greater interest in entrepreneurial activity. For the promotion of entrepreneurship among youngsters, it is important that we understand the factors which promote or discourage youngsters from taking part in entrepreneurship activity. One key factor is perceived support which can enhance

or discourage youngsters from taking part in entrepreneurial activity. In this study, the focus is on measuring the effects of perceived entrepreneurial support on youths' entrepreneurial intentions. For this purpose, the study utilizes the perceived support model.

Research Question

Q1. What are the effects of perceived educational, relational, and structural support on the entrepreneurship intentions of Omani youngsters?

Research Objectives

The study is based on the following research objectives

- To test the effects of perceived educational support on youngsters' entrepreneurial intentions
- To test the effects of perceived relational support on youngsters' entrepreneurial intentions
- To test the effects of perceived structural support on youngsters' entrepreneurial intentions

LITERATURE REVIEW

Perceived Support Model

The study utilizes the perceived support model proposed by Turker and Selcuk (2008). The model states that various contextual factors can influence an individual entrepreneurship intention. The model identifies three contextual factors including the perceived educational, relational, and structural support can predict an individual's entrepreneurship intentions. Accordingly, educational support is about the support received by the individual in terms of entrepreneurship-related knowledge (Wang & Wong, 2004). In other words, it is about whether the educational institutions have offered suitable entrepreneurship-related courses to impart suitable knowledge among individuals for starting the entrepreneurial activity. If educational institutes such as colleges and universities offer suitable entrepreneurship-related programs and courses, it can enhance individual knowledge about the importance of entrepreneurship activity, sources of capital, counseling sources, and so on. If less support is available from educational institutes in terms of providing entrepreneurship-related knowledge, the entrepreneurship intention will be low among individuals. Furthermore, the adequacy of entrepreneurship knowledge also enhances student self-efficacy, something which is also important for involvement in entrepreneurial activity (Zhao, Seibert, & Hills, 2005).

The second type of support in the model is relational support which is about the support an individual is receiving from his/her close family and relatives (Turker & Selcuk, 2008). If an individual receives more support, he/she is likely to gain confidence and be involved in entrepreneurial activity. On the other hand, a low level of support is associated with less intention to involve in entrepreneurial activity.

The third type of support in the model is structural support which is about support from the various institutions received by an individual for involvement in entrepreneurial activity (Erich, Malgorzata, Daniela, & Robert, 2009). The type of support can be from institutions such as financial institutions including banks and microfinance institutions for obtaining loans; from government departments in terms of obtaining a relevant certificate or NOC, etc.

Entrepreneurial Intentions

De Pillis and Reardon (2007) describe entrepreneurship intention as the intention to start the business. Fragoso, Rocha-Junior, and Xavier (2019) said it is a belief of someone to take entrepreneurial career as the best career and take the path to involve himself/herself with a goal of business creation. In most of the entrepreneurship-related researches, the entrepreneurship intention is used instead of actual entrepreneurial activity. This is because entrepreneurship intention is found to be having a good predictive power of actual behavior (Nabi *et al.*, 2006). Furthermore, Ajzen (2002) suggests that intention is a preceding activity before actual performance of certain behavior. Similarly, most of the planned behavior is predicted by the intention alone (Al-Jubari, 2019). Thus, based on the previous studies and theory of planned behavior, the use of entrepreneurship intention in this study is justified instead of using actual entrepreneurship.

Perceived Support and Entrepreneurial Intentions

Previous studies indicate that perceived support dimensions including educational, relational, and structural influence individual's entrepreneurial intentions. For example, previous studies show that educational support improves an individual's chances of being involved and successful in entrepreneurial activity (Diaz-Casero, Hernandez-Mogollón, & Roldán, 2012; Galloway & Brown, 2002; Turker & Selcuk, 2008). Previous studies also indicate that relational support is an important factor in promoting entrepreneurship among individuals. For instance, a study by Carr and Sequeira (2007) showed that perceived support from family and friends shapes positive intentions toward entrepreneurship among individuals. A study by Henderson and Robertson (2000) indicate that support from family and friend positively predict the selection of entrepreneurship as a career choice. Previous studies also show a positive influence of structural support on entrepreneurial intentions. Accordingly, if an individual perceives favorable support from the institutions, he/she is more likely to be involved in entrepreneurial activity (Turker & Selcuk, 2008). On the other hand, less favorable perceived support from institutions means entrepreneurial intentions will be affected negatively.

There is a relatively small number of studies that used the perceived support model and entrepreneurial intention together as direct relationship. However, some studies suggest a strong relation between the both. For example, a study by Fizza (2017) showed that perceived educational, relational, and structural support has a positive and significant influence on an individual's entrepreneurial intentions. Another study by Tahir, Iqbal, Siddiq, & Jan (2018) showed that perceived educational, relational, and structural support positively influence entrepreneurship intentions as well as subjective norms, attitudes towards entrepreneurship, and perceived behavioral control for entrepreneurship among female students. Similarly, a study conducted by Ambad and Damit (2016) investigated the entrepreneurial intentions among undergraduate students in a public university in Malaysia. The study utilized the theory of planned behavior and support model for understanding entrepreneurship intentions among the students. The findings of the study are that students' entrepreneurial intention is influenced by perceived relational support, personal attitude, and perceived behavioral control. Thus, overall, literature supports the notion that if individual perceives higher support such as educational, relational, and structural, it can influence entrepreneurial intention. Thus, we propose the following hypotheses.

H1: Perceived educational support has significant effects on entrepreneurial intentions.

H2: Perceived relational support has significant effects on entrepreneurial intentions.

H3: Perceived structural support has significant effects on entrepreneurial intentions

RESEARCH METHODOLOGY

Research Design

The research design for this study is cross-sectional and explanatory. It is cross-sectional since it collected data from participants at a one-time interval. The study is explanatory since it explains the relationship between independent and dependent variables.

Population and Sampling

Population of the study is all youngsters in the age group of 20 to 30 years of age and are Omani nationals living in the Sultanate of Oman. In this study, the chosen sampling approach is convenience non-random sampling. Based on Krejcie and Morgan (1970) formula, our required sample size is 662.

Data Collection

The data for the study is primary. For data collection, a survey is designed based on adapted measures. The survey is distributed physically as well as through the online tool (Google Forms). The criteria for inclusion were Omani individuals who are in the age range of 20 to 30 years of age.

Data Collection Tool and Measures

For measuring the perceived support in terms of educational, relational, and structural, a measure is adapted from Turker and Seluck (2008). The measure consists of 3 items for perceived educational support; 2 items for perceived relational support; and 4 items for perceived structural support. The measure for entrepreneurial intention is adapted from Linan and Chen (2009) and Linan, Urbano, and Guerrero (2011) and consists of 6 items.

Reliability and Validity

The reliability of the study is tested using Cronbach Alpha and Composite Reliability. For validity, we used the Confirmatory Factor Analysis and standardized factor loadings along with Average Variance Extracted for establishing convergent validity.

Data Analysis

Data is analyzed using the SPSS version 22 and AMOS version 22.2. The analysis includes two stages. The first stage consists of testing the reliability and validity through Confirmatory Factor Analysis. The second stage consists of hypothesis testing using path analysis.

RESULTS

Table 1: Demographic Information

| | Frequency | Percentage |
|------------------------|-----------|------------|
| Gender | | |
| Male | 426 | 64.4% |
| Female | 236 | 35.6% |
| Age Group | | |
| 20 to 21 Years | 123 | 18.6% |
| 21 to 22 Years | 203 | 30.7% |
| 22 to 23 Years | 168 | 25.4% |
| 23 to 24 Years | 99 | 15.0% |
| 24 to 30 Years | 69 | 10.4% |
| Field of Study | | |
| Engineering | 233 | 35.2% |
| Medical | 48 | 7.3% |
| Information Technology | 121 | 18.3% |
| Business Studies | 138 | 20.8% |
| Social Studies | 122 | 18.4% |

A total of 662 students participated in the survey. Out of the total, 426 were male (64.4%); and 236 were female (35.6%). In terms of age, 123 participants belonged to the 20 to 21 years age category (18.6%); 203 participants belonged to 21 to 22 years age category (30.7%); 168 participants belonged to 22 to 23 years age category (25.4%); 99 participants belonged to 23 to 24 years age category (15%); and 69 participants belonged to the above 24 years age category (10.4%).

In terms of field of study, 233 participants belonged to the Engineering field (35.2%); 48 belonged

to the Medical field (7.3%); 121 belonged to the Information Technology field (18.3%); 138 belonged to the Business Studies field (20.8%); and 122 belonged to the Social Studies field (18.4%).

Confirmatory Factor Analysis- Reliability and Validity

The CFA is performed to establish reliability and validity. The results are as follows;

Table 2: Reliability and Validity, CFA

| Variable ID | Standardized Factor Loading | Cronbach Alpha | Composite Reliability | Average Variance Extracted |
|--------------------------------------|-----------------------------|----------------|-----------------------|----------------------------|
| Entrepreneurship Intentions | | .867 | .871 | .629 |
| EI1 | .863 | | | |
| EI2 | .822 | | | |
| EI3 | Deleted | | | |
| EI4 | .773 | | | |
| EI5 | .707 | | | |
| EI6 | Deleted | | | |
| Perceived Educational Support | | .897 | .897 | .744 |
| PES1 | .848 | | | |
| PES2 | .875 | | | |
| PES3 | .866 | | | |
| Perceived Relational Support | | .837 | .837 | .720 |
| PRS1 | .862 | | | |
| PRS2 | .836 | | | |
| Perceived Structural Support | | .834 | .835 | .717 |
| PSS1 | .827 | | | |
| PSS2 | .867 | | | |
| PSS3 | Deleted | | | |
| PSS4 | Deleted | | | |

The initial model did not achieve the model fitness so we deleted items with low factor loadings (<.05) and used the modification indices. The revised model achieved the model fitness (RMR=0.076, GFI=.910, CFI=.915, RMSEA.080). The revised result shows that all standardized factors loadings are above 0.60 and the Average Variance Extracted is above 0.50

so it is an indication that our constructs have satisfactory convergent validity. The reliability is also established based on Cronbach Alpha and Composite Reliability which is above 0.70 for all the constructs. Thus, we can say that we established convergent validity and reliability.

Table 3: Discriminant Validity

| | PES | PRS | PSS | EI |
|-------------------------------|-------------|-------------|-------------|-------------|
| Perceived Educational Support | .863 | | | |
| Perceived Relational Support | .602 | .849 | | |
| Perceived Structural Support | .838 | .500 | .847 | |
| Entrepreneurial Intentions | .469 | .752 | .430 | .793 |

For establishing discriminant validity, we used the Fornell and Larcker criteria (1981). The requirement is that all diagonal bold values which are the square root of AVE should be other values in their respective rows which are inter-variable correlations. The requirement is

met as clear from the above table and shows that our variables had satisfactory discriminant validity.

Path Analysis

Table 4: Path Analysis, Hypotheses Testing

| H. No. | Path | Estimate | S.E. | C.R. | P | Label |
|--------|--------|----------|------|-------|------|---------------|
| H1 | PES>EI | -.022 | .026 | -.845 | .398 | Not supported |
| H2 | PRS>EI | -.013 | .045 | -.285 | .776 | Not supported |
| H3 | PSS>EI | .088 | .026 | 3.340 | *** | Supported |

*<.05, **<.01, ***.001

The result shows that perceived educational support ($\beta=-.022$, $P>.05$); and perceived relational support ($\beta=-.013$, $P>.05$) have negative and insignificant effects on entrepreneurship intention;

while, perceived structural support ($\beta=.088$, $P<.05$) has positive and significant effects on entrepreneurship intention. Thus, we can conclude that perceived support

is partially supported and among the model factors, structural support plays an important role.

DISCUSSION

The objective of the study was to test a model based on the perceived support model and the entrepreneurial intentions of Omani youngsters. The result shows that perceived educational support and perceived relational support have insignificant effects on entrepreneurial intention; while, perceived structural support is found to be positively influencing entrepreneurial intention. These results shows partial support for using the perceived support model for understanding entrepreneurship intentions. There are fewer studies on this topic but available evidence suggests that entrepreneurship intentions are predicted by the components of the support model. For example, a study by Fizza (2017) showed that the perceived support model can be used to explain significant variation in entrepreneurial intentions. Similarly, another study by Tahir *et al.*, (2018) showed that entrepreneurial intentions are influenced by the components of the perceived support model. Other studies also show support for the availability of support for entrepreneurship among individuals (e.g. Ambad & Damit, 2016; Martínez-Gregorio, Badenes-Ribera, & Oliver, 2021; Alexandre & Kharabsheh, 2019; Ibrahim, Devesh, & Ubaidullah, 2017). Thus, we can say that if suitable support is available to individuals whether in the form of education or support from colleagues or general country infrastructure supporting entrepreneurship, together all these factors will have a positive influence on forming a positive intention for entrepreneurship by individuals.

CONCLUSION

The focus of the study was to test a model using the perceived support model for understanding entrepreneurship intentions. For this purpose, the study collected data from youngsters from Oman using the survey method. Based on the results, we can conclude that for entrepreneurship to be promoted among youngsters in Oman, support from relatives/friends, family, as well as government institutions, banks, and other relevant bodies are important. Overall, we also conclude that the support model is a useful model and can be used to predict an individual's attitude toward entrepreneurship.

RECOMMENDATIONS

- The government in Oman can further promote entrepreneurship among individuals by providing support to individuals in the form of easier access to loans, training programs, mentoring, and easier documentation for fresh startups. The Ministry of Commerce & Industry as well as the Chamber of Commerce and Industry can also play important role in promoting entrepreneurship in the country.

- Tax breaks and other incentives such as subsidies on machinery can be provided for specific sectors to promote entrepreneurship.
- Government laws and other regulatory authorities can make entrepreneurship-friendly procedures for promoting entrepreneurship.

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Conflict of Interest: The authors declare no conflict of interest.

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