

Students' Priority on the Entrepreneurship Program Success: A Basis for Restrategizing Entrepreneurship Approach

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Abstract

Entrepreneurship plays a significant role in pursuing economic diversification to address too much reliance on oil and gas which was estimated in 2012 to last for 20 years. Entrepreneurship program/education was introduced to various higher educational institutions across all programs and disciplines to encourage and equipped the students to engage in a business that can also address increasing unemployment through job creation. However, most of the students preferred to be wage employees. A focus group was created and identified student priorities which are categorized according to Opportunities, Motivation, and Incentives. 243 out of 658 Advanced Diploma and Bachelor students of UTAS-Shinas were selected through a combination of purposive sampling and simple random sampling. A survey questionnaire was used to gather data on student priorities or factors using a 5-point Likert scale and the data were analyzed using sample mean and two-tailed independent sample t-test. Results showed 62.14% of the respondents preferred to be wage employees. Respondents also agree that opportunities and incentives contribute to entrepreneurship success however, respondents do somewhat agree that motivations could contribute to entrepreneurship success with a mean of 2.69. Results suggest that there is a statistically significant difference in the response based on academic level, after graduation preference, and existing (family-owned) business with a p-value of $p=0.013$, $p=0.002$, and $p=0.005$ respectively except gender $p = 0.064$. The result signifies that while students' priority leads to entrepreneurship program success, respondents greatly rely on the sustainability and the intensity of future monetary benefits and economic incentives. Though the academic and government/private finance and technical support elements of the model may be assumed to work perfectly, the success of the entrepreneurship program warrants collaborative effort to initiate a paradigm shift on students' priorities/factors.

Keywords: Entrepreneurship, Entrepreneurship education, Entrepreneurial Career Option, Economic Diversification.

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1. INTRODUCTION

Entrepreneurship has often been cited as a key factor in improving economic growth in developing countries (Naude, 2010). Entrepreneurship is also seen as an important way to deal with issues relating to poverty, as entrepreneurship creates new jobs, fosters a climate of innovative thinking, and can lead to the launch of pioneering and cutting-edge companies (Raposo and Do Paco, 2011). Thus, "entrepreneurship is a critical component of regional development and fostering entrepreneurship is one of the principal measures to accelerate economic and social development. Crucial to this was repositioning the private sector as the engine of economic growth and

generating employment opportunities for nationals (Ennis and Al-Jamali, 2014). In line with Oman Vision 2020 which was extended to Oman Vision 2040, promoting entrepreneurial activities is part of an economic diversification strategy to reduce reliance on oil and gas is one of the focuses of the government (Mirano and Basilan, 2018). *It is estimated that Oman has less than 20 years of oil reserves left, today more than ever there is a greater urgency to diversify its economy* (Al-Shanfari, 2012).

The government implemented various programs to jumpstart its economic diversification effort by providing technical and financial support to

would-be entrepreneurs and the integration of entrepreneurship curricula in the vocational training centers and technical colleges across different programs. Based on the Decent Work Country Program (DWCP), since 2007, the International Labor Organization (ILO) has assisted Oman to foster an entrepreneurship culture in the Sultanate of Oman through regular follow-up on the Know About Business (KAB) curricula which were integrated into the

vocational training centers and technical colleges, and the provision of assistance in the area of business development services (BDS) with a specific focus on the youth (www.ilo.org). This study revolves within the general concept on the interdependency of the three important government, non-government and private support and initiatives; 1) Government and Private financial and technical support, 2) Academe, and 3) Students' priority or student factors.

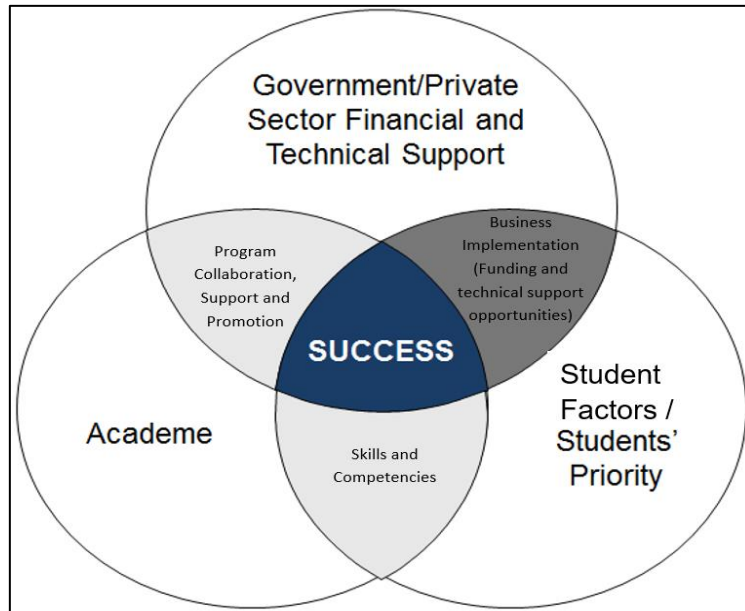


Figure 1: General Conceptual Framework: Entrepreneurship Program Success Factor Model

One of the pressing issues that the government had to deal with to promote entrepreneurial careers is the preference of a majority of Omani students towards being wage employees. Al Abri of Oman Observer stated that the results of the study ‘youth trends and their job preferences and changes 2019’ revealed that 87% of the total job seekers and 76% of higher education students prefer to work in the public sector with a minimum salary of 674 OMR (87,620 Php) for the public sector and 593 OMR (77,090 Php) in the private sector (Al-Abri, 2019). The state, with all its civil, security and military institutions, cannot continue to be the main source of employment, as this calls for a capacity beyond its reach and a mission that the state cannot sustain forever (www.oxfordbusinessgroup.com). As published by the Ministry of Higher Education, Executive summary of graduation survey 2019, reveals that a percentage of students who opted to be entrepreneurs is at 1.9%

across all academic levels from vocational to bachelor graduates.

Moreover, being an entrepreneur as a career option is at a high point with the outstripped of jobs created/opportunities against graduates produced by the different higher educational institutions. Jasim Al-Baluchi, deputy head of Education and Professional Development said the increase in the number of graduates was a likely reason behind the increase in job seekers (www.arabnews.com).

The majority of graduate students’ predilection on being a wage employee in the public sector further signifies the urgent need to implement measures to achieve economic diversification through entrepreneurship. Thus, the concept of this study will focus specifically on the students’ priority or student factors that drive their career direction (Figure 2).

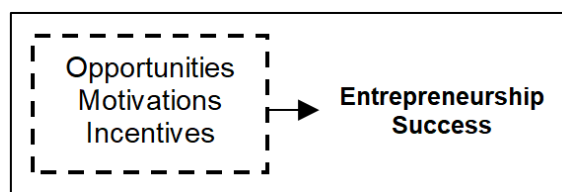


Figure 2: Specific Conceptual Framework

This model is based on the study conducted by Hoffman, Promoting Entrepreneurship which consists of 5 factors which include Opportunities, Skills, Capital, Motivation, and Incentives (Hoffman, n.d.). However, it was modified in this study based on the assumption that the skills and competencies can be achieved through the interaction of the students and the academe. Capital and technical support component for business implementation are being achieved through the interaction between the government and private sector providing financial and technical support (Figure 1). Thus, motivation, opportunities, and incentives will be the focus of this study since studies on student factors in career selection and decision are often excluded to increase the chance of success of the entrepreneurship program.

Based on the entrepreneurship program success factor model developed in this study, it focuses more on the integrated or concerted efforts and initiatives of each element rather than as a separate element. In this study, each element in the model will present its own set of programs and possible sources of conflict will be analyzed through their effect on the other element in the model.

Government/Private Sector Financial and Technical Support

Financial and technical support exerted and initiated by both government and private companies encourage the youth in general with viable business ideas/projects, with financial constraints, unfamiliar with business models and best practices and experience, and lack of skills in managing the different aspects of business operations (skills which can be attributed to academe). Recognizing such issues, some of the programs initiated by both government and private companies identified are summarized as follows (Khan, Gosh and Myers, 2021):

- The creation of ODB (Oman Development Bank) which provides soft loans.
- Funds for the Development Youth Projects fund provide financial and management assistance.
- "SANAD" Program provides the opportunity for men and women, 18-40 years, job seekers, craftsmen/craftswomen, and vocational aspirants to start and run their own business.
- "Intilaaqah" program which provides training, counseling, and consulting services.

In addition, Entrepreneurs' Organization (EO) Oman was formed in 2009, to promote small business development in Oman (www.nusacc.org).

Academe

The Oman case on TVET practices provides a good picture of the various components behind the promotion of entrepreneurship education at national level in various forms such as research, expenditure,

curriculum development, teacher training and collaboration with NGOs which aims to provide entrepreneurship education especially among youth, students and unemployed (www.unevoc-unesco.org). Entrepreneurial training develops the right skills for the jobs being created, whether for formal employment or entrepreneurial self-employment. It should be noted that while research on the impact of entrepreneurial training on entrepreneurial activity is inconclusive, there is some evidence to suggest a positive correlation (Global Business School Network, 2021).

As DWCP stated, KAB is sustained in all curricula of skills development training institutions which includes the MoM, technical colleges, and vocational training centers (www.ilo.org). This could be the basis of revisions made on the College of Technology (CoTs), which now referred to as the University of Technology and Applied Sciences, curricula embedding entrepreneurship courses across academic departments as a way of promoting entrepreneurial education in the entire sultanate.

Determinants of Student Priorities/Student Factor

The development of entrepreneurial culture among young Omanis is a major prerequisite for starting a business. The reluctance of Omanis to start a business is because they have a preference for waged employment and particularly for employment in the public sector. Beyond the investment concern which can be fulfilled by both government and private sectors, this will analyze the underlying issues on motivation, opportunities, and incentives that drive Omanis preference on wage employment:

1. **Motivation:** Personal motivation plays a decisive role as it is unique and involves a complex combination of factors such as personal traits, risk aversion, and sociological circumstances determined by the national culture (Wood and Bandura, 1989). Uncertainty results in risk in achieving high and unlimited profit capability of being an entrepreneur could be a demotivating factor. This is also reflective of the behavior of the students whether they are risk-takers or risk-averse based on their belief in their skills and competencies and that it will generate higher financial benefits as compared to being a wage employee which drives the student to arouse their willingness to invest.
2. **Opportunities:** Opportunities are the ideas that create genuine value in the minds of other people, and they are essential for starting and growing businesses (Davidson, 1999). The ability to capture sustainable business ideas that customer's value is one of the challenges for would-be entrepreneurs. The challenge is to find viable projects which fit the criteria," said Al Jufaili, adding, "Generally, we look for projects that are competitive in their respective

sectors, managed by a committed entrepreneur and have opportunities to grow" (www.thefreelibrary.com). Students' ability to generate and the perceived profitability and sustainability of their business ideas is one of the considerations that students must carefully assess given the dynamic business environment and landscapes and volatile economic conditions in making career decisions.

3. **Incentives:** Incentives in this study can be viewed from the perspective of cost and benefit. The cost may represent investments (money, time, effort, etc..) and benefit represents the profit which is one of the major incentives that drives an entrepreneur. However, as a rule, benefits must be greater than the cost, but because of the uncertainty/risk associated with it, rejects the idea although risk-takers take it as a challenge. Also, the foregoing of certain events, occasions, and holidays characterize students' strong perception of greater benefits. However, the move by the government to raise the minimum wage from 325 OMR (43,100 Php) to 350 OMR (46,419 Php) to match private businesses to bridge the gap in job creation is an obvious discouragement. However, on the website of Merge radio, "Omanis with certain academic qualifications had higher minimum wage than OMR350 depending on their degree has been canceled" (www.radiomerge.fm).

2. METHODOLOGY

This study is both descriptive and quantitative research which is intended to generalize on what currently exists in the population in terms of the existing perception of students' priorities that determines their willingness to become an entrepreneur. A focus group consisting of 6 top entrepreneurship students was created to determine specific student factors as a basis for structuring survey questions and is divided into two parts. The first part is about Respondents' characteristics which include: Gender, Academic Level, After Graduation Preference, and Existing /Family-owned business. Personal information which may identify the respondents were intentionally excluded in the design of questionnaire. The second part are closed-ended questions using a 5-point Likert scale and coded as Strongly Agree = 1, Agree = 2; Somewhat Agree = 3, Disagree = 4 and Strongly Disagree = 5. The reliability test reveals a Chronbach's alpha of 0.864. and responses were analyzed using a two-tailed t-test for independent sample using SPSS v.26.

Purposive sampling was utilized in this study, excluding English Learning Center in the academic departments and diploma level students due to their unfamiliarity with entrepreneurship. A sample was taken from the population of Advanced Diploma and

Bachelor level students of the University of Technology and Applied Sciences – Shinas thus; results are limited and cannot be applied to all students in the entire Sultanate of Oman. The sample size is 243 from a population of 658 students at 95% confidence level with a 5% margin of error calculated using an online sample calculator, www.surveysystem.com, and distributed (pro-rated) between Advanced Diploma (126 or 52%) and Bachelor (117 or 48%) students and data is collected through simple random sampling.

The study is conducted based on the perception of the students thus, data gathering process is of primordial importance to reflect the honest to goodness response from the respondents. Respondents voluntarily participated and emphasize the confidentiality of all the information provided.

3. RESULTS

Analysis reveals the characteristics of the respondents with 42.38% male and 57.62 female; 43% Bachelor and 57% Advanced Diploma students; after graduation preference of the student's shows 37.86% chose to be an entrepreneur while 62.14% preferred to be wage employee, and 46.5% have an existing family business while 53.5% does not have any.

In terms of opportunity, it reflects whether the students' business ideas were profitable and sustainable and that the profit will be greater than the income of being a wage employee would lead to the establishment of their own business as one of the measures of entrepreneurship success. Gender wise, Academic level wise, after graduation preference, and existing business (family-owned) resulted in a mean of 2.05, 2.08, 2.19, and 2.30 respectively. Thus, respondents do agree that it contributes to entrepreneurship success.

For motivation, it reflects the perception of how their skills, risk behaviors, and willingness to invest in the business support entrepreneurial success. Gender wise, Academic level wise, after graduation preference, and Existing business (family-owned) resulted in the same mean of 2.69. Based on the results respondents do somewhat agree that it contributes to entrepreneurship success.

Greater incentives are one of the students' considerations and this variable analyzes whether the profit or economic incentives surpass the cost of time, money, effort, and other special occasions and events to be given up would result in entrepreneurship success as perceived by the students. Gender wise, Academic level wise, after graduation preference, and Existing business (family-owned) resulted in the same mean of 1.73. It depicts respondent answers that they agree that incentives contribute to entrepreneurship success.

An independent sample t-test was used to determine if there were significant differences in the

responses of respondents that and student factors influence entrepreneurship program success identified in this study. Surprisingly, positive responses have been recorded based on the calculated mean however, all independent variables show that there is a statistically significant difference in the response based on the academic level, after graduation preference, and existing (family-owned) business with a p-value of $p = 0.013$, $p = 0.002$ and $p = 0.005$ respectively except gender with $p = 0.064$.

4. CONCLUSION

Students' priority is driven by what they perceived as significant. The result signifies that while students' priority leads to entrepreneurship program success, respondents greatly rely on the sustainability and the intensity of future monetary benefits and economic incentives. Thus, it attests the hesitant behavior of the respondents to pursue an entrepreneurial career. Evidence provides a strong manifestation of students' preference on limited but assured income either in public or private organizations rather than unlimited economic benefits of being an entrepreneur. Though the academic and government/private finance and technical support elements of the model may be assumed to work perfectly, the success of the entrepreneurship program warrants collaborative effort to initiate a paradigm shift on students' priorities.

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