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The Role of Higher Education in Promoting Entrepreneurship Education in Saudi Arabia

Abstract

Globalisation and the emergence of knowledge-based economies are dominant issues in industrial and economic development, while entrepreneurship has long been considered as a driver of innovation, generator of employment opportunities and as a wealth creator for both individuals and organisations. To strengthen organisational vitality and individual potential, a strong belief is emerging that economies must enhance entrepreneurship attitudes and intentions through targeted education and training.

This study investigates the role of entrepreneurship education and development on entrepreneurial attitudes and intentions in a developing economy, namely Saudi Arabia, by analysing large, matched datasets gained from surveys of students in Saudi higher educational institutions. Results support the proposition that the intention to become self-employed is positively and significantly correlated to the attitudes of the self-employed, certain subjective norms and to the perceived behavioural control. However, after entrepreneurial education, the intention to become self-employed is not positively or significantly correlated with start-up activities. The results do indicate that entrepreneurial education develops entrepreneurial attitudes, intentions, and inspiration of would-be entrepreneurs. These findings contribute to literature on entrepreneurship education and the theory of planned behaviour. They will provide useful insights into the state of entrepreneurship education for policy makers in universities and governments in addressing the problem of graduate unemployment particularly in Saudi Arabia.

Keywords: Entrepreneurship Education, Inspiration, Nascency, Higher Education Institutions.
Introduction

New trends of globalisation, global competition, social development, corporate downsizing, and the emergence of knowledge based economy have forced attention towards the entrepreneurship. Entrepreneurship is a process of action where an individual searches for a business opportunity, takes the calculated risks and finally launches a new venture. It is known as the engine of individual and society which influences positively the general growth of economies (Gorman et al., 1997; Navarro et al., 2009). Over the past decade, entrepreneurship has been considered as a driver of innovation and wealth creation for individuals and societies, profit and non-profit sectors, and small and large enterprises (Greene and Rice, 2007). The impact of entrepreneurial activity for economic growth, creating career opportunities and developing employability has been well revealed in the literature (Deakins and Freel, 2009). A strong belief emerges that it can develop through systematic development and planned efforts (Vesper, 1994; Gorman et al., 1997; Sethi, 2006). Thus the education for entrepreneurship place importance in their development and increase and foster mindset and skills of an individual to embrace entrepreneurship (Formica, 2002; Hannon, 2005; Li, 2006). Literature support that appropriate entrepreneur education and training programs are expected to increase the attitudes and intention of people becoming entrepreneurs (Gorman et al., 1997; Alsos and Kolvereid, 1998; Reynolds et al., 1999; Henry et al., 2003; Souitaris et al., 2007). This research investigates the effect of entrepreneurship education for entrepreneurship programmes on entrepreneurial attitudes and intentions. Researcher attempts to investigate the role of higher educational institution in entrepreneurship education and development as an integral part of an enterprise system.
Literature Review and Conceptual Framework

Given the vital role of entrepreneurship as an indicator of economic growth, there is an intense interest from policy makers and academics in stimulating economic growth through entrepreneurship, including entrepreneurship education (Gorman et al., 1997). Indeed, entrepreneurship deals with business opportunity identification, risk taking and launching new ventures (Wounter, 2004). The term entrepreneurship defined by Anderson (2002) as to employ the process of carrying out new groupings of enterprise, and the individuals whose perform this task is known as the entrepreneurs. Thus, entrepreneurs are those who organise different things of production, ability to spot opportunity and views the role of entrepreneurs as that of innovator (Filion, 1994; Carton et al. 1998; Dana, 2001). In the literature, both i.e. entrepreneurship and entrepreneur are the buzzwords and large attention has been paid by policy makers, practitioners and academics (Béchard and Toulouse 1998; Matlay 2005a; Schaper and Volery 2004). The popularity of entrepreneurship is a catalyst to create wealth and job opportunities (Gurol and Atsan 2006; Laukkanen 2000; Matlay 2005b; Othman et al. 2005; Postigo and Tamborini 2002). Thus many policy makers hail entrepreneurship as one of the best economic development strategies to boost a country’s economic growth today (Antonites, 2003). Entrepreneurship is a critical input in economic development because it creates lots of job opportunities, stimulates innovative thinking and also acts as a ‘stabiliser’ for countries and societies (Formica 2002; Postigo and Tamborini, 2002). There is a positive relationship between entrepreneurship and economic growth in terms of job creation, firm survival and technological change (Gorman et al. 1997; Karanassios et al. 2006; Laukkanen 2000; Lena and Wong 2003). A study conducted by
Reynolds et al. (1999) indicate that countries with higher rates of entrepreneurial activities have higher levels of employment. This is largely because new products or services are more likely to be created when more entrepreneurs exist. When more products or services are offered, more workforce is certainly needed, and this directly generates more new jobs and reduces the problem of unemployment (Sergeant and Crawford, 2001).

The contribution of entrepreneurship is associated with economic growth that requires ability and capability of entrepreneurs. A strong belief for entrepreneurship emerges that it can develop through systematic development and planned efforts (Vesper, 1994; Gorman et al., 1997; Sethi, 2006). Literature supports that entrepreneurs are made not born and can sustain for long. Many researchers reveal that problem solving and leadership can be learnt and taught through education and training programs (Gorman et al., 1997; Henderson and Robertson, 2000; Young, 1997). Thus the education for entrepreneurship place importance in their development and increase and foster mindset and skills of an individual to embrace entrepreneurship (Formica, 2002; Hannon, 2005; Li, 2006).

From the entrepreneurship literature many studies have been found with different relationships like Kolvereid (1997) found indirect relationships between employment status choice intentions and demographic factors. Alsos and Kolvereid (1999) found major and notable findings that parallel entrepreneurs have a higher probability of
venture implementation than serial and novice founders. A study conducted by Brush et al. (2009) on pathways to entrepreneurial growth. Results showed mixed response that fast growing organisations exhibit different rate and patterns of growth. Some are growing with slow, episodic period of growth and some are stagnant. However, no firm actively chose to stop growing. In addition three main factors like money, market and management have been found important at all stages for organisational growth. Researchers like Souitaris et al. (2007) collected data from science and engineering students academic institutions of UK and France. Results reveal that the programmes raise some attitudes and the overall intention and that inspiration. Further results showed that programme group increased their subjective norm and intention towards self employment and intention towards self employment was not related to nascency at the end of the programme. However, inspiration (not learning or resource utilization) was the programme’s benefit related to the increase of subjective norm and intention towards self employment.

Literature highlights that an entrepreneurship activity is a factor production, developing opportunities, organising resources and risk taking. From such activities, entrepreneurs develop a strong belief for self employment. However, education for entrepreneurship plays vital role for the development and increasing foster mindset and skills into individuals (Formica, 2002; Hannon, 2005; Li, 2006). Literature support education for promoting self-employment, formation of new business and also develops interest in starting up a business (Sergeant and Crawford, 2001; Keogh, 2004). Although the links between entrepreneurial education and entrepreneurial activity are not at this time
definitive, there is research suggesting such a linkage (Kolvereid, 1996; Alsos and Kolvereid, 1998; Souitaris et al., 2007). However, it is besides eminent that the development of entrepreneurial activities and behaviour, through facilitation of education institutions, is less understood. Based on the assumption that the linkages must exist, there has been a dramatic increase in entrepreneurship education (Solomon, 2002; Solomon et al., 2002). By applying the Theory of Planned Behaviour (TPB) which assumes that attitudes and beliefs predict intentions, and intentions predict behaviours (Ajzen, 1991). This study takes a step forward and explores the role of Higher Education Institutions (HEIs) in entrepreneurship education and development. The conceptual model of this study is primary based on model of Kolvereid (1996b) and Souitaris et al. (2007) and developed following hypotheses.

H1: The more favourable the attitudes and subjective norms with respect to becoming self-employed, and the greater the perceived behavioural control, the stronger is the students’ intention to become self-employed.

H2: After taking an entrepreneurship course, students will have more favourable attitude and subjective norms with respect to becoming self-employed, and greater perceived behavioural control and higher intention to become self-employed than before taking the course.

H3: The greater the learning from an entrepreneurship course, after taking it, the more favourable the attitude and subjective norm with respect to becoming self-employed, and the greater the perceived behavioural control and the stronger is the students’ intention to become self-employed.
**H4:** The greater the inspiration from an entrepreneurship course, after taking it, the more favourable the attitude and subjective norm with respect to becoming self-employed, and the greater the perceived behavioural control and the stronger is the students’ intention to become self-employed.

**H5:** The greater the utilisation of incubation resources offered during an entrepreneurship course, after taking it, the more favourable the attitude and subjective norm with respect to becoming self-employed, and the greater the perceived behavioural control and the stronger is the students’ intention to become self-employed.

**H6:** the stronger the students’ intention to become self-employed after taking an entrepreneurship course, the greater is their propensity of becoming “nascent entrepreneur” and of the more start-up activities initiated them.
Participants and Procedures

Following the conceptual framework and investigating the proposed hypotheses, researcher proposed to adopt measurement scales to develop a survey questionnaire for the data collection. This research was conducted in public and private sector universities. The main reason for selecting these institutions is that they are offering entrepreneurship courses and large number of students is enrolled there. Researcher collected two time data: from the beginning of the courses and ending of the course. Two groups were created: those students who taught entrepreneurship course was treated as a programme group and the students who were not chosen any entrepreneurship course is known as control group.

For the data collection researcher distributed the survey questionnaire by personal visit to the universities. Before collecting data permission was granted from the authorities of respective universities through the letter of supervisor and vice president of researcher’s employer university. In this procedure due process was adopted and after permission granted by the respective universities researcher fixed a time of 50 minutes to brief the participants about the study and after than survey distributed. Before issuing a survey to the participants, researcher confirmed the free and voluntary participation for the study. Data collection procedure lasted for four months which started from beginning of the semester.
Data analysis

Researcher applied statistical package for social sciences (SPSS) 15.0 version for Windows (Tabachnick and Fidell, 2007; Hair et al., 2006) for the treatment of missing data, descriptive statistics, outlier examination, reliability and factor loading tests. This study proposed to test hypotheses by employing four ways as suggested by Souitaris et al. (2007). First, correlations and regression test was conducted to examine the relationships between attitudes and intentions of employees before and after taking entrepreneurship courses at the university level. Second, to measure the effects of the entrepreneurship programme on the change of employees’ attitudes and intentions, researchers followed one way ANOVA on the difference scores (total sample) with the group membership (programme versus control) as the independent variable. Third, by applying correlation to measure the relationship between change of attitudes and intentions and control variables in the programme sample. Finally, examining the association between difference in attitudes and intentions (dependent variables) and programme related predictor variables (learning, inspiration, incubation resources) researchers used correlation and stepwise hierarchical regression. For regression models, control and predictor variables entered in consecutive steps and the variables were standardised since researcher employed a number of different scales.

Results

Total students in all five universities were enrolled 730 and researcher distributed questionnaire to 632 students who started entrepreneurship course at the beginning of
their semester. Of the 632 questionnaires distributed researcher collected 516 for programme group that showed response rate 82%. Through cleaning the data such as missing, outliers and mismatch survey researcher discarded 25 questionnaires due to uncompleted or having large number of missing data. Finally, 491 samples for A1 and A2 were selected for the main study data analysis. Demographic results showed that majority of the respondents were male 267 (54%) most of them were aged between 20 or less than 25 years old. The majority of the participants were from economics and administration college 255 (52%) whose father’s occupation was employee in government or private sector organisation 319 (65%). However their mother occupation was mostly housewife 294 (60%). According to sample characteristics results the majority of participants were bachelor degree holders who were not previously self employed. In addition, majority of students 312 (64%) have chosen entrepreneurship course as a compulsory subject.

Researchers collected data for those who did not take any entrepreneurship course from all five universities. Total 364 students were enrolled in all five universities and researcher distributed 312 questionnaires. Of the 312 questionnaires distributed researcher collected 210 that showed response rate 67%. We throw away 26 questionnaires due to uncompleted, found outliers and mismatch survey with time 2. Finally, 184 samples for B1 and B2 were selected and demographic results showed that majority of the respondents were male 126 (68%) most of them were aged between 20 or less than 25 years old. The majority of the participants were from economics and administration college 86 (47%) whose father’s occupation was employee in government or private sector organisation. However their mother occupation was mostly housewife
118(64%). According to sample characteristics results the majority of participants were bachelor degree holders (170) who were not previously self employed. In addition, All students 184 (100%) have chosen other courses except entrepreneurship course as a compulsory subject.

Reliability of the data was conducted by Cronbach’s alpha and its lower limit coefficient was fixed at .7, however, in some extent it is acceptable at .6 levels (Robinson et al., 1991; Sekaran, 2000). Results showed that all variables were above .7 and their range is from .70 to .90 which showed high internal consistency of items of variables. However, validity of the measurement scales by two ways as described by Belson (1986). According to him first, respondent who completed questionnaires did so accurately and second samples who fail to return their questionnaire would have given the same distribution of answers as did the returnees. From this study researchers found high validity of survey and majority of the participants returned with no comments.

**Discussion**

Entrepreneurship has been found as an indicator of economic growth and business opportunity which is identifying risk and launching new ventures. Literature supports that entrepreneurship is one of the best economic development strategies to boost a country’s economic growth today (Antonites, 2003) because it creates lots of job opportunities, stimulates innovative thinking and also acts as a ‘stabiliser’ for countries and societies (Formica 2002; Postigo and Tamborini, 2002). This is largely because new products or services are more likely to be created when more entrepreneurs exist.
When more products or services are offered, more work forces are certainly needed, and this directly generates more new jobs and reduces the problem of unemployment (Sergeant and Crawford, 2001). Literature reveals that entrepreneurs are made not born and can sustain for long. Thus the education for entrepreneurship place importance in their development and increase and foster mindset and skills of an individual to embrace entrepreneurship (Formica, 2002; Hannon, 2005; Li, 2006). Entrepreneurship education is an important that can motivate students to make their career decision to become self-employment. This study was based on the assumptions that the linkages between entrepreneurship and education must exist.

Researchers used survey questionnaire and found reliability from the range of .70 to .90 which showed high internal consistency of items of variables. However, validity of the measurement scales was assured according to proper way. Results support that intention to become self employee is positively and significantly correlated to the attitudes of self employee, subjective norms and to the perceived behavioural control. However, intention to become self employee at Time 2 and nascency and start up activities is not positively and significantly correlated. The result showed that entrepreneurship programme support to develop attitudes and intention and the inspiration, learning from the entrepreneurship module and utilisation of incubation resources.
Conclusion

This research has been designed to investigate the impact of entrepreneurship education on attitudes and intention of students. After extensive review of literature review a conceptual framework has been developed to know the impact of entrepreneurship education on students’ attitudes and intentions. The central research question for this study is “Do entrepreneurial education offered by universities in Saudi Arabia influence positively students’ intention to become self-employed?” Researcher applied quantitative approach with different times to know the responses of participants and reduce the bias in research. Data was obtained from public and private universities and hypotheses were tested. Results showed that hypothesis 1 was fully accepted and hypothesis 2 was rejected. Remaining all hypotheses from 3 to 6 was partially accepted. Results support that intention to become self employee is positively and significantly correlated to the attitudes of self employee, subjective norms and the perceived behavioural control. However, intention to become self employee at Time 2 and nascency and start up activities is not positively and significantly correlated. The results do indicate that entrepreneurial education develops entrepreneurial attitudes, intentions, and inspiration of would-be entrepreneurs. These findings contribute to literature the entrepreneurship education and theory of planned behaviour. It will provide useful insights into the state of entrepreneurship education for policy makers in universities and governments in addressing the problem of graduate unemployment particularly in Saudi Arabia.


