

**FACTORS INFLUENCING STUDENTS'  
ENTREPRENEURIAL INTENTION IN KINGDOM  
OF SAUDI ARABIA: THE ROLE OF  
ENTREPRENEURIAL EDUCATION AND  
UNIVERSITY ENVIRONMENT AS THE  
MEDIATOR AND MODERATOR**

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**UNIVERSITI SAINS MALAYSIA**

**2024**

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**Thesis submitted in fulfilment of the requirements  
for the degree of  
Doctor of Philosophy**

**May 2024**

## **ACKNOWLEDGEMENT**

First, I would like to thank Almighty Allah for giving me the health and power to complete this research proposal, especially during the pandemic. It was not easy to manage work and covid-19 together. As a father of four children, I would like to thank my family for bearing with me. I am grateful to my parents, who worked hard and watched over my upbringing and education since childhood.

I would like to thank all those who educated me or contributed to my teaching, from the doctors during my university studies and each of the professors whilst undertaking this work. I am thankful to my supervisors for providing me with guidance, both face-to-face and online, they were always sympathetic to my situation and were always helpful. Their insightful comments on my work helped me to complete this research proposal.

I am also thankful to University Sains Malaysia management, faculty, school, and every colleague I have been in touch with throughout this journey. Finally, I thank the scientific councils at the university for their keenness to develop the field of entrepreneurship and for encouraging training students to seek more knowledge and start their projects so that they can become employers themselves, rather than remain employees.

## TABLE OF CONTENTS

<b>ACKNOWLEDGEMENT.....</b>	<b>ii</b>
<b>TABLE OF CONTENTS .....</b>	<b>iii</b>
<b>LIST OF TABLES .....</b>	<b>ix</b>
<b>LIST OF FIGURES .....</b>	<b>xi</b>
<b>LIST OF ABBREVIATIONS .....</b>	<b>xii</b>
<b>LIST OF APPENDICES .....</b>	<b>xiii</b>
<b>ABSTRAK .....</b>	<b>xiv</b>
<b>ABSTRACT .....</b>	<b>xvi</b>
<b>CHAPTER 1 INTRODUCTION.....</b>	<b>1</b>
1.1 Introduction.....	1
1.2 Background of the Study .....	1
1.3 Problem Statement .....	9
1.3.1 Preliminary Study .....	15
1.4 Research Questions .....	17
1.5 Research Objectives .....	18
1.6 Scope of the Study .....	19
1.7 Contribution of the study .....	20
1.7.1 Theoretical Contribution .....	20
1.7.2 Practical Contribution .....	21
1.8 Definition of the Key Terms .....	23
1.9 Organization of the Study .....	25
<b>CHAPTER 2 LITERATURE REVIEW .....</b>	<b>27</b>
2.1 Introduction.....	27
2.2 Higher Education in Saudi Arabia .....	27
2.3 The Individual Entrepreneur .....	31

2.3.1	Individual Entrepreneurial Intentions .....	32
2.4	Individual Entrepreneurial Orientation. ....	37
2.5	Social Support.....	39
2.5.1	Entrepreneurial Social Support .....	40
2.6	Entrepreneurship Education.....	45
2.7	Entrepreneurial University Environment .....	49
2.8	Gaps in the Literature.....	53
2.9	Underpinning Theory .....	54
2.10	Research Framework. ....	58
2.11	Hypothesis Development .....	59
2.11.1	The Relationship Between Innovativeness and Entrepreneurship Education. ....	59
2.11.2	The Relationship Between proactiveness and Entrepreneurship Education.....	60
2.11.3	The Relationship Between Risk-taking and Entrepreneurship Education. ....	62
2.11.4	The Relationship Between Entrepreneurial Social Support (Family Support and Peer-Group Support) and Entrepreneurship Education.....	64
2.11.5	The Relationship Between Entrepreneurship Education and Individual Entrepreneurial Intention.....	65
2.11.6	The Mediating Role of Entrepreneurship Education in The Relationship Between Individual Entrepreneurial Orientation (Innovativeness, Proactiveness and Risk-Taking), Entrepreneurial Social Support (Family Support and Peer- Group Support and Individual Entrepreneurial Intention.....	67
2.11.7	The Moderating Role of an Entrepreneurial University Environment in The Relationship Between Entrepreneurship Education and Individual Entrepreneurial Intentions .....	72
2.12	Summary .....	76
<b>CHAPTER 3</b>	<b>METHODOLOGY .....</b>	<b>77</b>
3.1	Introduction.....	77
3.2	Philosophy and Design of the Research.....	77

3.3	Research design .....	81
3.3.1	Quantitative and Qualitative Research Methods.....	85
3.3.2	Hypothetic-Deductive Research .....	86
3.3.3	Population and Sample Size.....	87
3.3.3(a)	Unit of Analysis .....	89
3.3.3(b)	Sampling Method.....	89
3.4	Data Collection Procedure .....	90
3.5	Research Instrument.....	91
3.5.1	Questionnaire Design.....	92
3.5.2	Questionnaire Items .....	93
3.5.2(a)	Individual Entrepreneurial Intention .....	93
3.5.2(b)	Individual entrepreneurial orientation.....	95
3.5.2(c)	Entrepreneurial social support.....	96
3.5.2(d)	Entrepreneurial University Environment (UE) .....	98
3.5.2(e)	Entrepreneurship Education (EE) .....	98
3.6	Translation Procedure .....	99
3.7	Pilot Test .....	99
3.8	Statistical Analysis.....	101
3.8.1	Data Screening and Preliminary Analysis .....	101
3.9	Structural Equation Modelling.....	106
3.9.1	Smart PLS-SEM.....	109
3.9.2	Reliability and Validity.....	109
3.9.2(a)	Validity.....	109
3.9.2(b)	Reliability.....	110
3.9.3	Assessment of the Structural Model .....	111
3.9.3(a)	Predictive Power ( $R^2$ ).....	111
3.9.3(b)	Effect Size ( $f^2$ ).....	112

3.10	Summary .....	112
<b>CHAPTER 4 DATA ANALYSIS .....</b>		<b>113</b>
4.1	Introduction .....	113
4.2	Data Preparation .....	113
4.3	Screening Data Errors .....	114
4.4	Checking Missing Values .....	114
4.5	Investigation of Data Normality .....	115
4.6	Detection of Outliers .....	116
4.7	Common Method Variance .....	117
4.7.1	Harman's Single Factor Test .....	117
4.8	Survey Details .....	118
4.9	Descriptive Statistics .....	121
4.10	Measurement Model .....	123
4.10.1	Construct validity .....	124
4.10.2	Convergent validity .....	124
4.10.3	Discriminant Validity .....	128
4.10.4	Structure Model (Inner Model) .....	129
4.10.5	Multicollinearity Analysis .....	130
4.10.6	Path Coefficients and Hypotheses Testing .....	132
4.10.7	Hypotheses Testing for Direct Relationships .....	133
4.10.8	Hypotheses Testing for Indirect Relationships .....	134
4.10.9	Hypotheses Testing for Moderating Effects .....	135
4.11	Predictive Relevance of the Model .....	137
4.12	Model Fitness .....	138
4.13	Effect Size .....	140
4.15	Hypotheses Summary .....	141
4.16	Chapter Summary .....	142

<b>CHAPTER 5</b>	<b>DISCUSSION AND CONCLUSION .....</b>	<b>143</b>
5.1	Introduction.....	143
5.2	Summary of the Present Study.....	144
5.3	Discussion .....	146
5.3.1	Innovativeness has a relationship with entrepreneurship education .....	147
5.3.2	Proactiveness has a relationship with entrepreneurship education .....	148
5.3.3	Risk-taking has a relationship with entrepreneurship education .....	150
5.3.4	Family Support has a relationship with entrepreneurship education .....	151
5.3.5	Peer-Group Support has a relationship with entrepreneurship education .....	153
5.3.6	Entrepreneurship Education and Entrepreneurial Intention.....	155
5.4	Discussion of findings on mediation.....	157
5.4.1	Innovation, Entrepreneurship Education, and Entrepreneurial Intention .....	157
5.4.2	Proactiveness, Entrepreneurship Education, and Entrepreneurial Intention .....	159
5.4.3	Risk-taking, Entrepreneurship Education, and Entrepreneurial Intention .....	161
5.4.4	Family Support, Entrepreneurship Education, and Entrepreneurial Intention .....	163
5.4.5	Peer-Group Support, Entrepreneurship Education, and Entrepreneurial Intention .....	164
5.5	Moderating role of the Entrepreneurial University Environment.....	166
5.5.1	The Moderating role of Entrepreneurial University Environment between EE and EI.....	167
5.6	Contributions of the study.....	168
5.6.1	Theoretical Contribution .....	169
5.6.2	Practical Contribution .....	171



5.7	Limitations and Future Direction .....	173
5.8	Conclusion .....	174
<b>REFERENCES.....</b>		<b>176</b>
<b>APPENDICES</b>		

## LIST OF TABLES

	<b>Page</b>
Table 1.1      The Kingdom of Saudi Arabia Government spending in the education sector (1990–2022) .....	9
Table 3.1      Total Students in the Selected Universities .....	89
Table 3.2      Section-Wise Arrangement of the Questionnaire .....	93
Table 3.3      Measurement Items Individual’s Entrepreneurial Intention .....	95
Table 3.4      Measurement      Items      Individual’s      Entrepreneurial Orientation .....	95
Table 3.5      Measurement Items Entrepreneurial Social Support .....	97
Table 3.6      Measurement      Items      Entrepreneurial      University Environment .....	98
Table 3.7      Measurement Items Entrepreneurship Education .....	99
Table 3.8      Cronbach's alpha .....	101
Table 3.9      Cronbach’s Alpha Internal Consistency .....	111
Table 4.1      Normality Test .....	116
Table 4.2      Response Rate .....	119
Table 4.3      Respondents’ Background Information .....	120
Table 4.4      Descriptive Statistics .....	121
Table 4.5      Measurement Model Evaluation .....	126
Table 4.6      Heterotrait-Monotrait Ratio (HTMT) .....	129
Table 4.7      Steps for Structural Model Assessment .....	130
Table 4.8      Collinearity Statistics .....	131
Table 4.9      Direct Effect .....	134
Table 4.10      Indirect Effect .....	134
Table 4.11      Moderation      Effect      of      Entrepreneurial      University Environment .....	136
Table 4.12      Results of Predictive Relevance (Q2) .....	138

Table 4.13	Model Fitness .....	139
Table 4.14	Effect Size.....	140
Table 4.15	Hypotheses Summary .....	141

## LIST OF FIGURES

		<b>Page</b>
Figure 1.1	Saudi Unemployment Rate .....	11
Figure 1.2	Labour Force Participation Rate in The Kingdom of Saudi Arabia .....	11
Figure 2.1	Research Framework .....	58
Figure 3.1	Data collection procedure .....	91
Figure 4.1	Measurement Model Evaluation.....	127
Figure 4.2	Structural Model .....	136

## **LIST OF ABBREVIATIONS**

CDS	Central Department of Statistics and Information
CFI	The Comparative-Fit-Index
CMV	Common Method Variance
EE	Entrepreneurship Education
EI	Entrepreneurial Intention
ESS	Entrepreneurial Social Support
EUE	Entrepreneurial University Environment
GEM	Global Entrepreneurship Monitor
GFI	Goodness of Fit Index
GSAG	General Statistical Authority Gastat
IEI	Individual Entrepreneurial Intention
IEO	Individual Entrepreneurial Orientation
KSA	The Kingdom of Saudi Arabia
LFP	Labour Force Participation
SEM	Structural Equation Modelling
S-O-R	Stimulus-Organism-Response
UNDP	United Nations Development Program

## **LIST OF APPENDICES**

Appendix A	Questionnaire - English Version
Appendix B	Questionnaire Arabic Version
Appendix C	Students' Statistics in The Kingdom of Saudi Arabia
Appendix D	Descriptive Statistics

**FAKTOR-FAKTOR YANG MEMPENGARUHI NIAT KEUSAHAWANAN  
PELAJAR DI ARAB SAUDI: PERANAN PENDIDIKAN KEUSAHAWANAN  
DAN PERSEKITARAN UNIVERSITI SEBAGAI MEDIATOR DAN  
MODERATOR**

**ABSTRAK**

Keusahawanan telah menjadi pemacu utama ekonomi dengan mencipta inovasi, pekerjaan dan taraf hidup. Untuk mencapai matlamat pertumbuhan mampan kerajaan, minda keusahawanan boleh memainkan peranan yang besar. Dengan mengkaji realiti masalah pengangguran di kalangan belia serta risiko dan pendekatan untuk mengatasi, peranan niat keusahawanan di kalangan pelajar muda sarjana muda (yang kini mengikuti kursus keusahawanan) adalah untuk mengurangkan risiko masalah pengangguran di Kerajaan Arab Saudi (KAS). Dengan mempertimbangkan peranan kesedaran keusahawanan individu, kajian ini mencadangkan konseptualisasi faktor-faktor yang berkesan. Faktor tersebut termasuk: orientasi keusahawanan individu (IEO) (Inovatif, proaktif, dan pengambilan risiko), sokongan sosial keusahawanan (ESS) (Sokongan keluarga dan sokongan kumpulan rakan sebaya), pendidikan keusahawanan (EE), persekitaran universiti keusahawanan (EUE) dan niat keusahawanan individu (IEI). Kajian ini menggunakan kaedah tinjauan dalam talian kuantitatif dengan teknik persampelan mudah untuk pengumpulan data. Untuk mendapatkan gambaran yang bermanfaat, kajian semasa menganalisis data melalui Pakej Statistik untuk Sains Sosial (SPSS) dan Perisian Smart-PLS dan Perisian SPSS. Rangka kerja yang dicadangkan dalam teori ini adalah di bawah spektrum Teori S-O-R Rangsangan-Organisme-Tindak Balas. Penemuan keseluruhan penyelidikan ini mencadangkan kepada penggubal dasar dan badan kerajaan supaya mewujudkan

persekitaran pendidikan keusahawanan di universiti untuk mewujudkan hasrat keusahawanan pelajar universiti dan sama ada faktor yang dicadangkan mempengaruhi hasrat ini atau tidak.



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**ABSTRACT**

Entrepreneurship has been a key driver of the economy by creating innovation, jobs and a higher standard of living. An entrepreneurial mindset can play an immense role in meeting the goals of the government's sustainable growth plans. By reviewing the reality of the unemployment problem among the youth, along with its risks and approaches to overcoming it, the role of entrepreneurial intention among young undergraduate students (currently enrolled on an entrepreneurship course) is to alleviate the severity of the unemployment problem in The Kingdom of Saudi Arabia. Considering the role of individual entrepreneurship awareness, this study suggests the conceptualization of the effective factors. Those factors include: individual entrepreneurial orientation (IEO) (Innovativeness, proactiveness and risk-taking), entrepreneurial social support (ESS) (Family support and peer-group support), the entrepreneurship education (EE), the entrepreneurial university environment (EUE) and the individual entrepreneurial intention (IEI). For the collection of the data, this study utilised the quantitative online-survey method with the convenience sampling technique. For fruitful insights, the current study analysed the data using the Statistical Package for the Social Sciences (SPSS), Smart-PLS Software and SPSS Software. The framework proposed in this theory is under the spectrum of Stimulus-Organism-Response S-O-R Theory. The overall findings of this research suggest recommendations to the policymakers and government bodies that in order to create

an environment of entrepreneurial education in universities, students' entrepreneurial intention needs to be created and examines whether the proposed factors effect this intention.

# **CHAPTER 1**

## **INTRODUCTION**

### **1.1 Introduction**

This chapter provides a detailed introduction of this research proposal which includes the background of the study, a research problem statement, research questions, research objectives, the significance of the study, the definition of key terms, it concludes by outlining the organization of the study.

### **1.2 Background of the Study**

Start-ups and entrepreneurial ventures are indicators of a growing economy (Naushad, 2018). A conducive environment, together with infrastructural support result in the optimal utilization of resources by entrepreneurs who, in turn, contribute to the economy's growth and help sustain the country's overall development (Al-Mamary & Alshallaqi, 2022). The Saudi Vision 2030 has identified entrepreneurship (of all types – small and large) as one of the pillars of growth and diversification (Khan & Khan, 2020). It focuses on promoting entrepreneurship through education and creating economic opportunities for entrepreneurs (Alshebami & Seraj, 2022).

The number of successful start-ups in The Kingdom of Saudi Arabia, has increased significantly over the last few years (Khan & Khan, 2020). Almost all higher education institutions in the country have dedicated centres or departments to promote innovation, entrepreneurship, and new ventures (Akinbola et al., 2020). For this purpose, the government has established centres, such as the King Abdullah University of Science and Technology (KAUST), which promote innovations and start-ups, particularly (Sharahiley, 2020). Business schools within the universities are also

gradually increasing the focus on entrepreneurship and promoting small and medium businesses.

In addition, in 2016 the Kingdom established the Mohammad Bin Salman College of Business and Entrepreneurship, promising a state-of-the-art institution which focuses on entrepreneurship (Khan & Khan, 2022). King Khalid University introduced entrepreneurship seminars and courses such as Small Business Management and Feasibility Studies at Umm Al-Qura University. Women are also being encouraged to establish themselves as successful entrepreneurs (Wilson & Newstead, 2022); indeed, in 2014, the cash asset of women in commercial banks reached as high as \$100 billion (Karim & Bah, 2022), and the number of women entrepreneurs increased from 7 to 39% between 2007 and 2017 (Bagheri, et al., 2022). The number of organizations that support entrepreneurs in Saudi Arabia tripled from 2006 to 2015, with the largest numbers being present in Riyadh, Jeddah, Dhahran, and Makkah (Mir & Ashraf, 2023). SMEs are given top-level priority in the country because the contribution of SMEs to the GDP is only about 20% compared to 70% in other developing countries (Ahsan & Nishadi, 2023).

The Global Entrepreneurship Monitor (GEM) is one of the most significant periodic studies on entrepreneurial behaviour and attitudes in several countries. Babson College was one of the founding institutions of GEM and has been a global sponsoring institution since 1999, it ranks countries based on several social and psychological parameters (Omore et al., 2023). As per the 2022 report, Saudi Arabia received very high ratings in gender equity, impact, and societal values (Al-Nasrallah, 2023). Meanwhile, self-perceptions and activity received lower ratings. Saudi Arabia received above-average ratings on physical infrastructure and cultural and social norms (Sharahiley, 2020). Looking at other parameters, such as financing and policies,

the ratings were average, whereas entrepreneurial education was rated very low. This represents a gap in entrepreneurship education imparted in the country (Karim & Bah, 2022).

To meet the government's sustainable growth goals, an entrepreneurial mindset plays an important role. There is a need to understand the prevailing tendencies among individuals, especially the youth, so that the policymakers may take necessary actions to motivate them to initiate entrepreneurial activities (Al-Mamary & Alshallaqi, 2022). Knowing why people become entrepreneurs encourages the emphasis on promoting those reasons, which, in turn, can increase the number of young entrepreneurs.

While the traditional approach to entrepreneurial networks has focused primarily on social structures (Omore et al., 2023), other research projects consider exchanges and co-creation across systems. "Social support" is one of the variables that have greater importance in an entrepreneur's life. Researchers help to understand social support "...as resources people accrue from their social relations and employ when addressing difficult issues in their lives" and the distinction between emotional and instrumental assistance applies (Ahsan & Nishadi, 2023).

In the previous study Chowdhury et al. (2022) explain the entrepreneurial social support, which refers to the entrepreneur's beliefs and expectations from the belongs (parents, siblings, and spouse) which is known as family support and from other reference groups (friends, colleagues, and teachers) called as peer-group support. The role of social support networks in grooming young graduates to become entrepreneurs has been examined by numerous researchers (Hossain et al., 2023; Ilevbare et al., 2022). Such results, however, are subject-specific and do not integrate

multiple frameworks suggested by different entrepreneurship authors. Many facets, such as families, peer groups and universities, play a vital role in the social support structure. Aji, Susanti and Rahmayanti (2020) have pointed out that anyone who chooses entrepreneurship as a profession is a person who feels secure, relaxed and willing to cope with risks, such a state of mind can improve and prosper an individual, providing they receive social support. The significance of the social support system in grooming students to become young entrepreneurs has been pointed out by several researchers, see for example: Al-Mamary & Alshallaqi, 2022; Karim & Bah, 2022. In the case of The Kingdom of Saudi Arabia; however, there are fewer studies to classify which variables are closely related to the notion of social support in its contribution to entrepreneurship among undergraduate students (Sharahiley, 2020).

Social support networks are unquestionably crucial to inspire university students in The Kingdom of Saudi Arabia to be engaged in entrepreneurship (Hossain et al., 2023). However; most students seldom get such support in their community. For example, many parents expect their children to become good politicians, believing their lives will be than that of an entrepreneur (Sharahiley, 2020). This point of view has devastating economic results, as it is related to the high unemployment and joblessness in The Kingdom of Saudi Arabia (Al-Mamary & Alshallaqi, 2022). This work argues that this problem could potentially be solved by a strong entrepreneurial culture and strong social support.

However, starting a new business in The Kingdom of Saudi Arabia is not that easy. Numerous people engaged in small ventures, such as street vendors and small shops, are not seen by the Saudi community as having a stable career because they are not ‘employees’; therefore, they are considered to be unemployed. (Bokhari, 2013). However, these smaller businesses are a growing revenue and a strong return on

investment (Ahsan & Nishadi, 2023). The social stereotype of these small businesses is that they are less prestigious than government jobs. Therefore; it is clear that one who chooses to launch a new business will urgently require help. Entrepreneurial support typically comes from family, partner and colleagues, who an individual is more readily able to communicate with regarding their ideas and challenges and receive advice on how to cope (Mehra, Gupta, & Avikal, 2023). Hence, it can be considered that creation of entrepreneurial intention also depends on family background. Furthermore, Ahsan and Nishadi, (2023) explain the entrepreneurial intention in The Kingdom of Saudi Arabia context, which shows that it is a multifaceted concept influenced by cultural, governmental, societal, and economic factors. The combination of supportive policies, educational initiatives, and an evolving entrepreneurial ecosystem has contributed to a growing interest in entrepreneurship among Saudis (Alam, Ghatak, & Bhowmick, 2023). As the country continues its journey towards economic diversification, fostering and nurturing entrepreneurial intentions will be crucial for sustainable economic growth and development (Iddris et al., 2022). Hence, based on the previous governmental reports, they highlighted that creation of entrepreneurial creation among the new generation is very important because more than 95 percent business are small and medium-sized enterprises (Al-Garawi & Anil, 2021).

Furthermore, one study (Sasayama et al., 2021) also revealed the existence of a social risk associated with starting a business: the negative perception towards a collapse of a business resulting in a fear of being demeaned and ridiculed when facing failure. In addition, most parents of university students perceive that the risk of being an entrepreneur is too high. Such negative assumptions sometimes become a constraint and discourages someone from embarking on entrepreneurship. This is substantiated

by another study, (Iddris, Dogbe, & Kparl, 2022), who revealed that students have less confidence to be entrepreneurs, neither do they have the support of their parents to become an entrepreneur. Parents tend to expect their children to work for a company instead of being an entrepreneur. Many parents often unconsciously force their children to pursue employment, as they are unable to distinguish between their desire and their children's desire (Sharahiley, 2020).

The possible factor which could enable entrepreneurial intention among people is a clear understanding of entrepreneurship awareness, (Hatoum et al., 2022); when people are aware of the benefits, they will incline towards it. The role of entrepreneurial education and training can play a worthy role in a country like The Kingdom of Saudi Arabia. Alam, Ghatak, & Bhowmick, (2023) point out that because the role of an entrepreneur can seem to be culturally and experientially learned, education and training intervention may also influence them. However, research suggests that people are attending business schools to learn entrepreneurial skills, and it is a growing acceptability that business elements are taught and studied (Bagri, Dhodi, & Junaid, 2022). Entrepreneurship is now recognized as a significant education innovation that catalyses learning (Manyangadzi, & April, 2023). Onstenk (2003) claims that even though students are not turned into entrepreneurs, they have at least started preparing them for their career progression and active citizenship by promoting business education.

Iddris, Dogbe, and Kparl, (2022) report that entrepreneurship can be taught, or if not taught, at least developed by entrepreneurship education. This agrees with the results of the US-based survey of university professors by Al-Mamary & Alshallaqi (2022), which revealed an overwhelming consensus that entrepreneurship can be taught. This is consistent with the research undertaken by (Iddris, Dogbe, & Kparl



2022), which revealed that teaching entrepreneurial skills help to build new businesses which flourish. Therefore, Okeremi & Caesar, (2022) suggested that several variables are irrelevant to genetics and endorse the counter-paradigm that entrepreneurs are made, not born. The success of education programs, however, is not a matter of either successful or unsuccessful, but rather it is inextricably connected with the aims, substance, structure, pedagogy and methods of entrepreneurship teaching programs, to the success of entrepreneurs, or, in other words, it relates to whether entrepreneurship can or cannot be taught.

Various authors indicate the relation of entrepreneurial intention and entrepreneurial education (Al-Garawi & Anil, 2021). The study conducted by Lee, Chang and Lim (2005) indicates that education is one of the main factors that differentiates entrepreneurs from non-entrepreneurs. According to Al-Qahtani et al. (2020), individuals with a more formal education are more likely to seek entrepreneurship possibilities. Additionally, the findings of Pruett et al. (2009) reveal that the knowledge factor, such as the lack of leadership, business, accounting, and administration information, is one of the critical barriers to entrepreneurial intent among students, and this lack can be filled through the education process.

Entrepreneurial orientation has become one of the most significant fields of study in the field of entrepreneurship (Covin et al., 2020; Ferreira et al., 2019). Consistent with Covin and Slevin (1989) and Miller (2011) 's initial conceptualization of Entrepreneurial Intention (EI) and those of researchers focusing on Individual Entrepreneurial Orientation (IEO) (Kraus, Roig-Tierno & Bouncken, 2019; Mustafa, 2018), studies refer to IEO as a tendency held by an individual towards innovative, proactive, and risk-taking behaviours as an entrepreneur (Ling et al., 2021; Sasayama et al., 2021). This conceptualization acknowledges that those who experiment with

promising new ideas and technologies, seize opportunities, take risks, or in other ways demonstrate initiative or decision-making competence, are more likely to be successful as young entrepreneurs (Doheim et al., 2020). IEO is a creative practice in which an individual seeks imagination, creativity, proactivity, and risk-tolerance to create alternate ways to accomplish their goal and to grow his or her venture (Sharahiley, 2020).

Concerning social support, Alharbi (2022) finding reveals that IEO may be carried out when an individual seeks to reciprocate values retained in the relation with peers and family. However, if a person is usually more entrepreneurially inclined or focused, it can also be implemented regardless of such a desire (Adlakha & Parra, 2020; Almatar, 2023). However, developing further understanding of how individual entrepreneurial intention connects with individual entrepreneurial orientation, social support and entrepreneurial education and training is needed (Covin et al., 2020).

According to The Kingdom of Saudi Arabia Central Department of Statistics and Information (CDSI), in the case of The Kingdom of Saudi Arabia higher education in 2013, The Kingdom of Saudi Arabia had 25 public universities, enrolling a total of 1,165,091 students, of which 1,064,880 were undergraduate students. The highest overall enrolment was at King Abdulaziz University (177,234), followed by King Faisal University (134,942) and Imam Mohammed bin Saud Islamic University (97,331) (CDSI, 2016; WES, 2016). To present the background of the higher education sector of The Kingdom of Saudi Arabia, table 1.1 below shows the investment evolution of the government of Saudi Arabia in higher education (Khayati, & Selim, 2019). According to the statistics, the investment by the government has been increased yearly.

Table 1.1      The Kingdom of Saudi Arabia Government spending in the education sector (1990–2022)

Years	Total Budget (in million SR)	Spending on Education (in million SR)	Percentage of total spending (%)	Spending on education as a % in GDP
1990	135,908	25,460	18.73	5.26
1995	150,000	26,541	17.69	4.76
2000	185,000	42,000	22.7	6.64
2005	280,000	70,100	25.04	9.20
2010	540,000	137,600	25.48	15.71
2015	860,000	217,000	25.23	7.68
2018	1,171,48	205,000	17.50	7.81

**Source:** Various sources based on data from the Ministry of Finance (MOF).

This research reflects on students' entrepreneurial intention due to this advancement in the focus of government on the education sector. The government's commitment to the higher education field allows The Kingdom of Saudi Arabia researchers to work on entrepreneurship to help reduce unemployment. Without building entrepreneurs in society jobs cannot be created. The next section provides the study's comprehensive problem statement.

### 1.3 Problem Statement

The issue of unemployment has become one of the biggest problems faced by a person during their lifetime (Vera-Toscano & Meroni, 2020). Unemployment can break a man's morale and psychological well-being. It causes confusion and imbalance in the family, it has many destructive political and economic impacts and it causes a danger to the stability of a smooth life (Robson, 2018; Vera-Toscano & Meroni, 2020). In addition, Soto et al. (2021) depriving the unemployed not only of the necessary sources of income for their livelihood but also of their fundamental human rights represented in the right to obtain work appropriate to their capabilities and their

physical and mental capabilities. This constitutes a waste of the resources invested in building, educating, training and qualifying people to enter the labour market. Entering the labour market without prior qualification and knowledge of the venture is like hunting without weapons (Adlakha & Parra, 2020; Almatar, 2023).

The Arab Labor Organization released a report showing that unemployment among the Arab youth is escalating in the Arab world. According to the most recent survey of Arab young people for 2017, the youth unemployment rate is about 30%, and in Egypt, Tunisia, Libya, and Iraq, unemployment is increasing (UNU, 2012). According to the United Nations Development Program (UNDP) 2022, the Arab world has the highest rate of unemployment. It indicates that unemployment is one significant cause of financial vulnerability (Day et al., 2021). Therefore, there is an essential need for college students to become conscious of self-employment. The idea of seeking work is more important, so one can build the opportunity to start their own business. The concept of self-employment and entrepreneurship is at the root of these initiatives. One of the new solutions that both developed and emerging nations have used is the application of entrepreneurship, as it is a great source of business growth and creating a culture of self-employment in communities. (Aji, Susanti & Rahmayant, 2020).

In Saudi Arabia, the General Statistical Authority (GaStat) is the government body responsible for carrying out statistical work, including conducting national surveys (GaStat, 2020). Presently, in The Kingdom of Saudi Arabia, in the second quarter of 2020 the Saudi unemployment rate rose to 15.4 per cent. The overall unemployment rate climbed to 9.0 per cent for Saudis and non-Saudis. In 2020 (Quarter 2), the total Labour Force Participation (LFP) rate was 59.4%. Besides, with more than 35% of the population under the age of 19 and a rising women's labour force

involvement, the rising number of Saudi people joining the workforce will worsen the unemployment problem unless more jobs are generated, or expatriates are decreased. Figure 1.1 below shows the labour force participation, compared by GaStat (2020) from 2016 to 2020. The trend might increase significantly due to the impact of COVID-19 which emerged in 2020.

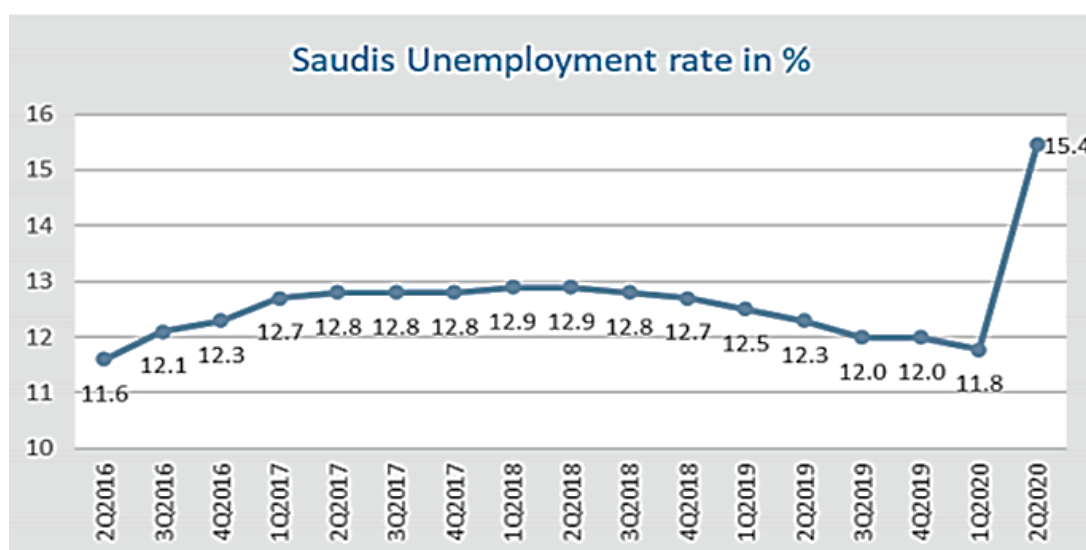
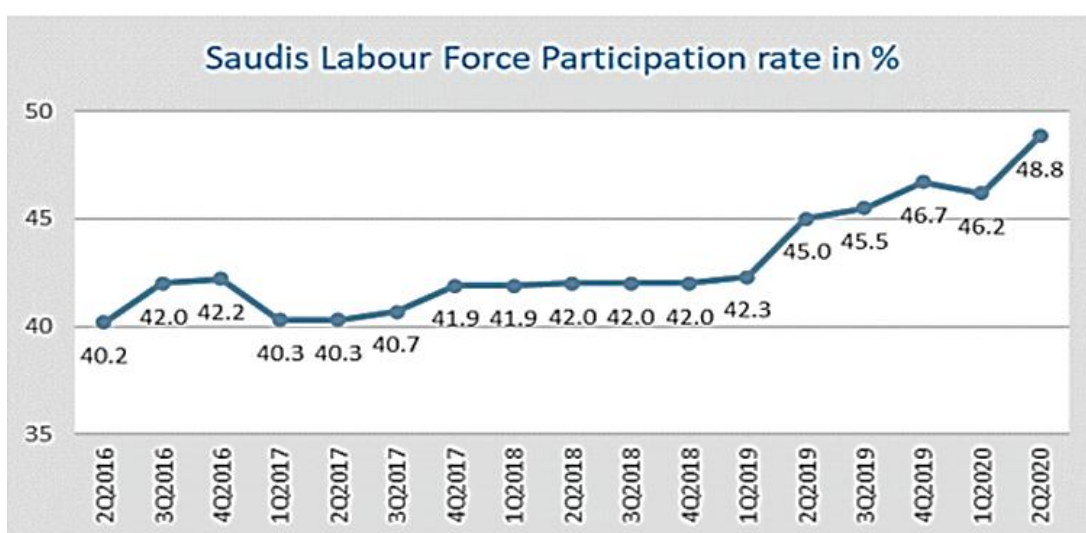


Figure 1.1 Saudi Unemployment Rate



Source: estimated data from LFS - General Authority for Statistics (GASTAT)

Figure 1.2 Labour Force Participation Rate in The Kingdom of Saudi Arabia

**Source:** Estimated data from LFS – General Authority for Statistics (GASTAT)

Understanding the consequences of unemployment is of great importance, considering the multitude of causes that contribute to this complex issue, encompassing political, economic, social, and educational factors. The severe impact of the COVID-19 pandemic has further exacerbated the problem, necessitating researchers to focus on addressing and discussing potential solutions and associated risks. Extensive international studies such as (Covin et al., 2020; Van Gelderen, 2018) have highlighted the significance of entrepreneurship education in broadening individual perspectives, fostering confidence, and substantially reducing unemployment.

In the context of the United States of America, a successful approach aimed at combatting unemployment involved creating 15 million job opportunities through small projects supported by a strategic plan (Shane, 2009). Brazil also achieved considerable success in reducing unemployment by offering extensive support for projects, resulting in a significant decrease in the unemployment rate (GaStat, 2020). This approach included providing loans, encouraging various activities, and diversifying family goods to support the economy (Dinh et al., 2013). Consequently, the integration of entrepreneurship training and development programs in university curricula has become a prevalent trend worldwide (Sharahiley, 2020).

“In recent years, Saudi Arabia has recognized the importance of fostering a vibrant entrepreneurial ecosystem as a means to drive economic growth and create job opportunities, particularly for the youth population” (Alharbi, 2022). “Despite the government's initiatives to promote entrepreneurship, there remains a concerning gap in understanding the factors influencing youth's entrepreneurial intention in the Kingdom” (Elhendawi, 2018). Badawi & Farag, (2021) explain that “this lack of

comprehensive research hinders the development of effective policies and programs to cultivate a robust culture of entrepreneurship among the Saudi youth.”.

“The area of concern revolves around the relatively low prevalence of entrepreneurial intention among the youth in The Kingdom of Saudi Arabia, especially when compared to the potential benefits that fostering an entrepreneurial mindset can bring to the nation's economy and social well-being (Abuhjeeleh, 2019). Understanding the reasons behind this phenomenon is crucial for crafting targeted interventions to stimulate youth entrepreneurship (Nurunnabi, 2020).

“Existing research on entrepreneurial intention in the Saudi context is limited, and there is a clear deviation from a systematic exploration of the unique factors that shape the attitudes and perceptions of Saudi youth towards entrepreneurship.” (Elnadi & Gheith, 2021). “Although some studies have touched upon aspects like access to funding and regulatory barriers, a comprehensive investigation of the cultural, societal, educational, and psychological factors that either facilitate or impede youth's intention to become entrepreneurs is lacking.” (Al-Mamary & Alshallaqi, 2022; Iddris, Dogbe, & Kparl, 2022; Sharahiley, 2020).

Despite the global interest in entrepreneurship education, many educational institutions still lack adequate emphasis on this aspect, as Sharahiley comments: “Most efforts related to entrepreneurship education remain limited, and students often lack interest in courses and activities pertaining to entrepreneurship. The prevailing focus on memorization and indoctrination neglects the practical aspects and their relevance to the labour market, contributing to widespread unemployment among learners and university graduates” (Sharahiley, 2020).

To alleviate the severity of unemployment and its multiple risks, entrepreneurial education and training emerge as a complementary method to develop individuals' knowledge, skills, and behaviours, enhancing their work efficiency. Such programs instil knowledge, skills, and positive attitudes towards entrepreneurship and self-employment, enabling individuals to transform innovative ideas into viable projects with calculated risks. This transformation empowers graduates to become job providers rather than job seekers.

Entrepreneurship has not only become a driver of economic growth but also a significant source of job opportunities, addressing issues of poverty as well (Elnadi & Gheith, 2021). Small and medium-sized enterprises play a crucial role in sustainable development, employing a substantial portion of the workforce in the private sector (Al-Kwafi et al., 2020). Societies must fulfil essential requirements to foster entrepreneurship, including education, support from public and private sector institutions, infrastructure and information systems availability, and suitable legislation and procedural procedures for entrepreneurs (Al-Kwafi et al., 2020), with education being the foremost critical factor.

This study focuses on examining the entrepreneurial factors in The Kingdom of Saudi Arabia, exploring how individual entrepreneurial intentions among undergraduate students in The Kingdom of Saudi Arabia universities can influence various factors, including individual entrepreneurial orientation, social support, entrepreneurial education, and the entrepreneurial university environment. These factors have not been extensively researched before, making this study a significant contribution to addressing unemployment issues through entrepreneurship education.



### **1.3.1 Preliminary Study**

In this study, the author delves into the issue of unemployment in The Kingdom of Saudi Arabia (The Kingdom of Saudi Arabia) and explores the significance of entrepreneurial factors in combating this problem (Sarhan et al., 2017). To gather insights into the current scenario of unemployment among the new generation in The Kingdom of Saudi Arabia, the author conducted interviews with experts from Jazan University College of Business Administration.

The first respondent, Prof. Dr. Habib Affes, emphasized the growing importance of addressing youth unemployment in The Kingdom of Saudi Arabia. He highlighted how entrepreneurship plays a vital role in improving living standards, creating wealth, and driving innovation. To encourage the creation of new businesses and combat youth unemployment, he suggested policies such as promoting out-of-the-box thinking among young people and supporting non-profit organizations within the community.

Furthermore, the study proposes various strategies to overcome the personal and social costs of unemployment, including entrepreneurial education and training, industry-focused skills programs for students, and aligning workforce demand with college instruction. The focus is on motivating and developing individual entrepreneurial orientation to foster creativity and innovation in starting new businesses.

Dr. Anis Souissi, the second respondent, shared insights into the unemployment issue in The Kingdom of Saudi Arabia. He identified two main types of unemployment: a mismatch between labour supply and demand and a shortage of vacancies due to economic constraints. Proposed solutions included targeted training

aligned with labour market requirements, raising wages and incentivising labour movement to remote areas, establishing a minimum wage, introducing income tax for expatriate employees, and stimulating national work.

The study introduces the concept of individual entrepreneurial orientation, which comprises innovativeness, proactiveness, and risk-taking tendencies. Entrepreneurship education and training are highlighted as essential in providing students with the knowledge, skills, and motivation to succeed as entrepreneurs. Entrepreneurial social support is considered crucial, including support from family, friends, colleagues, and teachers. Lastly, individual entrepreneurial intention, which represents a person's conviction to set up a new business venture in the future, is discussed.

Overall, the research aims to emphasize the role of entrepreneurial intention in alleviating unemployment among university students in The Kingdom of Saudi Arabia. It offers insights into the current unemployment situation, risks, and approaches to overcoming it, with a focus on entrepreneurship and small projects. The study covers various aspects of entrepreneurship, including idea generation, project planning, financing, management, marketing skills, and support entities for successful implementation. By fostering an entrepreneurial mindset and providing the necessary support and education, the study suggests that entrepreneurship can be a powerful solution to address unemployment challenges in The Kingdom of Saudi Arabia.

Despite the growing interest in understanding the factors influencing students' entrepreneurial intention in The Kingdom of Saudi Arabia (Al-Mamary, & Alraja, 2022; Alomar, 2023), there is a lack of comprehensive research that explores the mediating role of entrepreneurial education in this relationship (Elshaer, & Sobaih,

2022; T. Nuseir, Basheer, & Aljumah, 2020). While numerous studies have investigated the determinants of entrepreneurial intention among students, limited attention has been given to examining how entrepreneurial education acts as a mediator in this context (Maheshwari, Kha, & Arokiasamy, 2022; Shi, Yao, & Wu, 2022; Uddin et al., 2022). Understanding the mediating effect of entrepreneurial education is essential for developing targeted interventions and policies to foster a more entrepreneurial mindset among Saudi students and promote a thriving entrepreneurial ecosystem in the country (Alnemer, 2021; Elnadi, & Gheith, 2021). This research gap calls for empirical studies that investigate the relationship between factors influencing students' entrepreneurial intention in Saudi Arabia while considering the mediating role of entrepreneurial education. By addressing this gap, researchers can contribute to the understanding of the mechanisms through which entrepreneurial education influences entrepreneurial intention, thus providing valuable insights for policymakers, educators, and stakeholders to design effective interventions and educational programs that foster a culture of entrepreneurship among Saudi students.

#### **1.4 Research Questions**

The research model in this study shows the various direct and indirect effects. These effects are also known as causal relationships. The relationships used to support the present study are provided through the following questions:

- i) Does individual entrepreneurial orientation (innovativeness, proactiveness and risk-taking) have a relationship with entrepreneurship education?
- ii) Does entrepreneurial social support (Family support and peer-group support) have a relationship with entrepreneurship education?

- iii) Does entrepreneurial education have a relationship with individual entrepreneurial intention?
- iv) Does entrepreneurial education mediate the relationship between individual entrepreneurial orientation (innovativeness, proactiveness and risk-taking) and individual entrepreneurial intention?
- v) Does entrepreneurship education mediate the relationship between entrepreneurial social support (family support and peer-group support) and individual entrepreneurial intention?
- vi) Does the entrepreneurial university environment moderate the relationship between entrepreneurship education and individual entrepreneurial intention?

## **1.5 Research Objectives**

To understand the relationships that exist between the variables, the following research objectives were formulated:

- i) To determine the relationship of individual entrepreneurial orientation (Innovativeness, proactiveness, and risk-taking) with entrepreneurship education.
- ii) To determine the relationship between entrepreneurial social support (family support and peer-group support) and entrepreneurship education.
- iii) To determine the relationship between entrepreneurship education and individual entrepreneurial intention.

- iv) To analyse the mediation of entrepreneurial education between individual entrepreneurial orientation (innovativeness, proactiveness, and risk-taking) and individual entrepreneurial intention.
- v) To analyse the mediation of entrepreneurial education between entrepreneurial social support (family support and peer-group support) and individual entrepreneurial intention.
- vi) To investigate the moderation of entrepreneurial university environment between entrepreneurship education and individual entrepreneurial intention.

## **1.6 Scope of the Study**

The scope of this study covers the major issue of unemployment among the young generation (undergraduate students currently enrolled) in The Kingdom of Saudi Arabia. In Saudi Arabia, 62% of the young population is less than 24 years old (GaStat, 2020). In the fifteen years from 1993 to 2008, the number of high school graduates increased by 443%, there is great potential among this age group to become independent entrepreneurs after they graduate (Hoda, Mushtaq, Hakeem & Al-Hakami, 2018; Naushad, 2018). After graduating, people in this age group have more opportunity to start their business ventures. The current study seeks to highlight the role that entrepreneurial orientation (Innovativeness, proactiveness and risk-taking), entrepreneurship education and training, entrepreneurial social support and individual entrepreneurial intention can play in alleviating the severity of the unemployment problem among youngsters after they graduate from the universities in The Kingdom of Saudi Arabia, by reviewing the reality of the unemployment problem and its risks and approaches to overcoming it.

This study is limited in regard to the intentions of university graduates, due to the lack of availability of data after they graduate. It is challenging to obtain an account of the students' progression after they graduate. According to researchers, Intention is the best indicator of behaviour. Therefore, this study focusses on the students who were enrolled at the university during the collection of the data.

## **1.7 Contribution of the study**

The study represents an attempt to empirically map the role of entrepreneurial orientation (Innovativeness, proactiveness and risk-taking), entrepreneurship education and training, entrepreneurial social support and individual entrepreneurial Intention among young university students. This study contributes theoretically and practically to the field of entrepreneurship. Each of the contributions is discussed below.

### **1.7.1 Theoretical Contribution**

This study contributes to extending the Stimulus-Organism-Response Theory. The suggested framework in this study highlights individuals' perceptions of entrepreneurship. The relationships among the variables (entrepreneurial orientation (Innovativeness, proactiveness and risk-taking), entrepreneurship education and training, entrepreneurial social support, and individual entrepreneurial Intention) under the spectrum of the S-O-R theory contributed to the knowledge of understanding this theory and concept. The research motivation underpinning this study is to gain an improved understanding of the construct inter-relationships as they directly impact on business start-up behaviours of nascent entrepreneurs in a developing country (like Saudi Arabia). SOR Theory is a psychological model that explains how individuals

respond to stimuli in their environment. It posits that external stimuli influence internal processes (organism), which in turn leads to a behavioural response. Next, is an explanation of how this theory is related to entrepreneurial intention, social support, and entrepreneurial education.

Moreover, theoretically, this study contributes as the research problem emanates from a relative dearth of prior entrepreneurship research regarding inter-relationships between individual social support, individual entrepreneurial orientation and entrepreneurial education and training the differences in the motivations of block entrepreneurs to start new ventures. Therefore, this study also contributes to predicting the behavioural aspects of individuals beginning a new venture. The research study contemplates making a theoretical contribution to proceed toward a contribution to practice. SOR Theory provides a framework to understand how external stimuli (such as entrepreneurial education and social support) interact with an individual's internal processes (entrepreneurial intention) to drive entrepreneurial behaviour and decision-making. The theory helps us comprehend how these factors work together to shape an individual's entrepreneurial journey.

### **1.7.2 Practical Contribution**

This study has several practical/applied contributions. From a foundational perspective, investigating individual entrepreneurial orientation, individual social support, entrepreneurship education, the entrepreneurial university environment and the individual entrepreneurship intention construct relationship provides a practical framework to be implied in various regions of the world. In countries such as Saudi Arabia, where unemployment among the younger generation is a significant constraint, the suggested framework offers a new mindset to individuals for understanding their

capabilities and to step out of the unemployment queue. The concept of intention regarding starting a new venture leads to higher job opportunities in the market, which results in a nationwide practical contribution.

This proposed framework and findings allow the government to initiate an entrepreneurial environment in the university for students who intend to venture into entrepreneurship once they have graduated. Based on the variables, the outcome of this study may introduce a new policy for management schools and students, especially those in undergraduate studies. The concept of entrepreneurial education and training is very important to create awareness among individuals about when, how and why individuals should think about starting a new business. In particular, the government should concentrate on establishing entrepreneurship schools to educate those who meet the requirements of unemployment. The government of Saudi Arabia currently invests 25% of its education advancement budget in education. This study could help to provide information on "where to distribute the budget specifically" to relieve the significant unemployment problem.

Studies provide evidence that many students do not proceed with the field of education they studied during their undergraduate degree, especially those who come from families with established businesses. The framework provides motivation and a pathway for such individuals that illustrates how they can change their careers from employed to self-employed in the future.

A further applied contribution concerns the planning, creation, and introduction by business schools of entrepreneurship preparation and incubation initiatives. There are several different educational programs for entrepreneurship, but few tend to discern between educating young opportunities-entrepreneurs and young



necessity-entrepreneurs; thereby offering an incentive to integrate some gaps found in the reconstruction of the entrepreneurial path. Management colleges would be inspired by the proposed structure and outcomes to continue teaching entrepreneurship and provide mandatory courses for their undergraduate students.

## **1.8 Definition of the Key Terms**

### **1. Individual Entrepreneur (IE)**

According to Singh (2020), individual entrepreneurs are individuals who start and operate their own businesses, taking on the role of both the owner and manager. They are distinct from entrepreneurs who operate as part of a larger organization or as a team. Individual entrepreneurs are often driven by a strong sense of independence, a desire for self-determination, and a willingness to take risks to pursue their business ideas and visions.

### **2. Individual Entrepreneurial Orientation (IEO)**

IEO can be explained as “a tendency held by individuals towards innovative, proactive, and risk-taking behaviours” Covin et al. (2020). Additionally, IEO refers to the personal characteristics and behavioural tendencies of an individual that drive them to engage in entrepreneurial activities and exhibit entrepreneurial behaviours.

They further explain these dimensions as:

*Innovativeness:* “An individual’s amenability to and pursuit of novel solutions to work-related tasks.”

*Proactiveness:* “An individual’s bias toward discretionary action aimed at anticipating and responding to new value creation opportunities.”

*Risk-taking:* “An individual’s willingness to undertake tasks with uncertain outcomes via unrequested and unauthorized job-related behaviour.”

### **3. Entrepreneurial Social Support (ESS)**

Entrepreneurial social support refers to “the potential entrepreneur’s beliefs and expectations about the support he or she received from groups in setting up a business or going self-employment.” Sahban, Kumar & Sri Ramalu (2015).

*Family support:* Entrepreneurial support received from parents, siblings, and spouse.

*Peer-group support:* Entrepreneurial support received from other reference groups (friends, colleagues, and teachers).

### **4. Entrepreneurial University Environment (EUE)**

An entrepreneurial university environment is defined as: “an entrepreneurial university environment is defined as a university that can innovate, recognize and create opportunities, work in teams, take risks and respond to challenges, on its own, seeks to work out a substantial shift in organizational character to arrive at a more promising posture for the future. In other words, it is a natural incubator that provides support structures for teachers and students to initiate new ventures: intellectual, commercial, and conjoint.” (Keat, Selvarajah and Meyer 2011).

### **5. Entrepreneurship Education (EE)**

“Entrepreneurship education seeks to provide students with the knowledge, skills and motivation to encourage entrepreneurial success in a variety of settings. Variations of entrepreneurship education are offered at all levels of schooling from