SMART

Journal of Business Management Studies

(A Professional, Refereed, International and Indexed Journal)

Vol-17 Number-1 **January - June 2021** **Rs.500**

ISSN 0973-1598 (Print) **ISSN 2321-2012 (Online)**

Professor MURUGESAN SELVAM, M.Com, MBA, Ph.D, D.Litt
Founder - Publisher and Chief Editor

SCIENTIFIC MANAGEMENT AND ADVANCED RESEARCH TRUST (SMART)

TIRUCHIRAPPALLI (INDIA)
www.smartjournalbms.org

SMART JOURNAL OF BUSINESS MANAGEMENT STUDIES
(A Professional, Refereed, International and Indexed Journal)
www.smartjournalbms.org

DOI : 10.5958/2321-2012.2021.00008.7

ENTREPRENEURIAL INTENTION AMONG STUDENTS FROM COLLEGE OF BUSINESS ADMINISTRATION AT NORTHERN BORDER UNIVERSITY: AN EXPLORATORY STUDY

Khaled SalmenAljaaidi*
Accounting Department, College of Business Administration
Prince Sattam bin Abdulaziz University,
k.aljaaidi@psau.edu.sa

and

Waddah Kamal Hassan Omer
Accounting Department, Faculty of Administrative Sciences,
University of Aden, Aden, Yemen,
and
Department of Accounting, College of Business Administration,
Northern Border University, Arar, Saudi Arabia
waddahkam@yahoo.com

Abstract

This study aims at exploring the degree of entrepreneurial intention among students in College of Business Administration at the Northern Boarder University. Using data from a self-administered survey, with a final sample of 266 students, the descriptive results showed that there was high degree of entrepreneurial intention among the students. The results of this study should be useful to policy makers in Saudi Arabia, as the KSA is aiming at achieving the ambitious KSA 2030 Vision.

Keywords: *Entrepreneurial intention, Students from College of Business Administration and Northern Boarder University*

JEL Code : *L26 and L31*

Paper Received : *26-06-2020* ***Revised :*** *03-11-2020* ***Accepted :*** *05-12-2020*

*** Corresponding Author**

1. Introduction

The economic growth can be influenced by the degree of entrepreneurial activity in the country. It is viewed as the most powerful economic force because it contributes solution to the unemployment problem, which is a global phenomenon facing several countries, whether developed or emerging (**Navarro, et al., 2009; Ndofirepi, 2016; Ahmad** and **Xavier, 2012**). **Sternberg** and **Wennekers (2005)** claim that higher level of entrepreneurship and more effective practices of innovation are perceived to be the key engines of economic growth. In 2018, Entrepreneurship Centre was established to provide consultations, feasibility study, follow-up of projects in the areas of entrepreneurship, to facilitate procedures for project owners and to obtain loans and financing for startup projects. Further, entrepreneurship course has been included, in all academic departments of College of Business Administration, as an elective course. These initiatives stem from the belief that entrepreneurship education can lead to entrepreneurial intention, which can be manifested through setting up business and sustaining them. Entrepreneurial intention has proved to be one of the biggest predictors of entrepreneurial behaviour. In this regard, **Gelard**and **Saleh (2011)** maintained that students' entrepreneurship intention should be given special consideration. In addition, although there is a substantial amount of research on entrepreneurship education, there is limited and contradictory empirical research on its effects. Further, majority of available studies were carried out in different developed and developing countries, other than Saudi Arabia. Therefore, this study intends to explore the entrepreneurial intention among students, from the College of Business Administration, at Northern Border University.

2. Review of Literature

2.1 Entrepreneurial Concept and Importance

Entrepreneurship is defined as a dynamic process of vision, change, and creation (**Kuratko**and **Hodgetts, 2004**). According to them, entrepreneurship requires application of energy and passion towards the creation and implementation of new ideas and creative solutions (**Gerba, 2012**).**Baron** and **Shane (2005)** also observed that as a branch of business, entrepreneurship has important roots in several older and more established fields such as economics, behavioural science, and sociology. As a field of study, entrepreneurship is a process of creating something new with value by devoting the necessary time and effort while accepting financial, psychic, and social risks accompanying the end results (**Hisrich et al., 2008;Curry, 2012**).In the process of generating wealth, entrepreneurs are people who leverage intellectual and physical assets by finding creative ideas in new businesses (**Alessa, 2019**).

Entrepreneurship has established its position as the most powerful economic force over the last decades. Entrepreneurship is also viewed as the panacea to the unemployment problem (**Ahmad** and **Xavier, 2012**). Entrepreneurship education is one of the best solutions to reduce the dependency of graduates on government jobs or jobs in private sector (**Ariff et al., 2010**). Upon realizing the importance of entrepreneurship education, for the development of entrepreneurship, in both concept and, activity (**Shamsudin et al., 2017**), the Government of Saudi Arabia has implemented several policies in this direction. The number and variety of supporting mechanisms and policies, instituted by the government for entrepreneurs, prove this initiative of the government **(Shamsudin et al., 2016** and **2017**).

The Saudi Vision 2030 envisions embedding entrepreneurship in higher education institutions, and hence the Government of the Kingdom of Saudi Arabia, has established a number of entrepreneurship centers in Saudi universities for providing consultation, feasibility studies and follow-up projects in the areas of entrepreneurship, and facilitating procedures for obtaining loans and financing for project owners and financing necessary to start projects. Higher education institutions are eager to keep pace with the requirements of achieving the Kingdom's 2030 vision and they have taken efforts to build the capabilities, necessary to achieve the ambitious goals of the national transformation. This necessitates expansion in the areas of innovation and development by focusing on specializations that are compatible with development needs and labor market requirements, improving curriculum content, applied aspects of teaching, developing training methods, and encouraging scientific discoveries and innovations.

In this context, the Northern Border University has established, in coordination with College of Business Administration, the North Entrepreneurship Center.

3. Statement of the Problem

It is well documented by the extant research that entrepreneurship influences positively the economic growth. In this regard, universities can play a constructive role in enhancing the concept and activity of the entrepreneurship. Saudi Arabia, as the largest economy in the Middle East and the 18th largest economy in the world, proposes to achieve a higher ambitious economic ranking in the world by 2030, as planned by KSA 2030 Vision. Recently, Saudi universities have established entrepreneurship centres and included entrepreneurship courses in the Business Schools' syllabuses, to motivate graduates to involve themselves in entrepreneurial activities. Hence a study exploring the entrepreneurial intention among college students, is the need of the hour.

4. Need of the Study

This study proposes to better understand the antecedents of entrepreneurial intention, among KSA students, in the Northern Border University. Moreover, the results of this study will be of interest to researchers and the academic community, due to the lack of a formal research body addressing the issues of entrepreneurship in KSA universities. In addition, policy makers at the Ministry of Education, College of Businesses at Northern Border University, faculty members and students would be able to translate the outcomes generated by this study into activities within the university, that can help improving students' entrepreneurship intentions towards achieving KSA 2030 Vision. Their vision- oriented activities could include: (1) Increasing the contribution of small and medium-sized enterprises (SMEs) in GDP, (2) Narrowing the gap between the outputs of higher education and the requirements of the job market by assisting students in making careful career decisions and (3) developing the graduates' talent, investing in their productive capabilities in order to strengthen their future and contribute to the development of the society.

5. Objectives of the Study

This study aims at exploring the current degree of entrepreneurial intention among students in College of Business Administration and examining differences in the levels of entrepreneurial intentions, by demographic variables like gender, age, specialization and level of study. Thus this study tries to answer the following research questions: (1) what is the degree of entrepreneurial intention among students of College of Business Administration,

at Northern Border University? (2) To find out the significant differences, in the entrepreneurial intentions, by gender, age, specialization and level of study

6. Hypothesis of the Study

NH-1: There are no significant differences in the entrepreneurial intentions by gender, age, specialization and level of study

7. Research Methodology

7.1 Sample Selection

The population of this study was 1400 students,from the College of Business Administration at Northern Border University, in Saudi Arabia. The simple random sampling was applied to select the sample subjects,who could represent the most suitable ones in providing data about the dimensions of the study.

7.2 Source of Data

Google Forms were used to design an electronic survey that, could be easily distributed to a large number of students. Questionnaires returned were 326, representing a 23% response rate, as shown in **Table-1.**

7.3 Period of the Study

This study was conducted during the academic year 2019-2020, ranging from 28th of October to 20th of November, 2019.

7.4 Tools Used in the Study

Based on a quantitative approach, this study utilized statistics of description and correlation tools.

8. Data Analysis

8.1 Descriptive Analysis

8.1.1 Profile of Respondents

266 valid questionnaires were gathered from the survey. As shown in **Table-2**, majority of respondents (52.3%) were males and 47.7% were females. In terms of age, the average age of students was 22, with a minimum of 19 and a maximum of 39. With regard to specialization, the largest group (45.5%) was law students, followed by accounting students at 39.5%, human resource students at 10.2%, finance students at 4.5%, and marketing students at 0.4%. Regarding the level of study, majority of students were at the fourth level at 77.4%, 16.2% at the third level, 3.8% the first level, and 2.6% at the second level.

8.1.2 Entrepreneurial Intention

The students were asked whether they had planned to become self-employed in the future after graduation. Almost all the respondents reported that they will, "probably" (50%) or "very probably" (46.6%), become entrepreneurs some day in the near future. On the other hand, only 3% of "improbable," and 0.4% of "very improbable," were not planning to be entrepreneurs in the future. According to **Table-3,** students in College of Business Administration at Northern Border University, reported high level of intention to be future business persons. This high degree of inclination indicated a positive signal,with significant consequences for the economic growth **(Sternberg** and **Wennekers, 2005; Navarro et al., 2009; Acs**and**Szerb, 2007; Audretsch** and **Thurik, 2001; Marchesnay, 2011; Kasseeah. 2016; Ahmad** and **Xavier, 2012**). In addition, this entrepreneurial motivation would be the most powerful economic force to reduce the unemployment problem **(Ndofirepi, 2016; Ahmad** and **Xavier, 2012**).

The differences in the entrepreneurial intention, by demographic variables, have been further analyzed, using Cross-Tabulation Analysis, as shown in **Table-4**. In terms of differences in the entrepreneurial intention, under gender, **Table-4** reveals that almost all

the respondents, either males (93%) or females (99%), reported high degree of intention to be future entrepreneurs. As for the differences in the entrepreneurial intention under age, almost all respondents, grouped under the age group of 19-22 (97%), 23-26 (96%), and 27 and above (100%), reported high level of intention to be future businessmen. Regarding the differences in the entrepreneurial intention among students, based on their specialization, almost all the respondents, who had majored in accounting (98%), law (94%), human resource (100%) finance (100%) and marketing (100%), reported high degree of intention to be self-employed after graduation. In other words, there were no significant differences in the entrepreneurial intention, based on the respondents' different demographic information.

With regard to the preferred type of project, the respondents with entrepreneurial intention, who preferred unspecified new venture, were grouped under "others" (35%), followed by the preference for "management" (25%), "consultation" (17%), "not known" (15%), "technology' (7%), and "advanced technology" (1%), as illustrated in **Table-5**, in other words, majority of respondents (89) preferred different future entrepreneurial project other than businesses types provided in the survey, followed by management (64), consultation (44) and not known projects (39). This indicated that students reported strong tendency towards unique business projects rather than traditional projects. Since the majority of the sample size consisted of accounting and law students, they might prefer accounting or legal profession.

Table-6 presents the result of descriptive statistics. According to the **Table-6,** the number of years the students would like to take before their self-employed projects, would be around three years, with a minimum of one year and a maximum of 29 years. As for the intention of the respondents to start their new ventures with a team, majority of students at 91% indicated that they would like to work with a team. On an average, students preferred to work with two partners, at a maximum of 32 and a minimum of one partner. They also preferred, on an average, 12 employees in their new venture, with a maximum of 150 and a minimum of one employee. In terms of family entrepreneurial experience, majority of respondents indicated that family entrepreneurship could be traced to the father (39.5%), uncle (30.5%), aunt (20.3%), nobody (26.3%), sibling (20.7%) and mother (11.3%). With regard to the personal experience in business, 54.5% of students reported that they had personal experience in business and 45.5% did not have. As for the time of running business, majority of students reported that they would like to run their businesses other times (26.7%), rather than those specified in the survey, 21.4%, throughout the summer vacation, 15%, during the whole year, 14.7%, throughout the week ends and holidays, and 14.3%, throughout the school years. 50%, proposed to run their own businesses in the field other than what was specified in the survey, 20.3%, retail/wholesale business, 6.8%, education / health business, 6.4%, manufacturing business, 6.4%, construction business, and 6.4%, hospitality/ tourism business. As for the experience of working in business either with or for others, respondents indicated that 50.8% preferred to work in other type of businesses than what was provided in the survey, 17.3%, retail/wholesale business, 6%, manufacturing business, 5.6%, construction business, 4.9%, education/health business, and 4.9%, hospitality/tourism business.Since there were no significant differences in the entrepreneurial intention, based on the respondents' different demographic information,**NH-1: There are no significant differences in the entrepreneurial**

intentions by gender, age, specialization and level of study, was accepted.

9. Findings of the Study

The results revealed that the students in College of Business Administration, at Northern Border University, reported a high level of intention to be future business persons. Results from this study have several implications for the theory. First, the results of the descriptive statistics indicated that the students in College of Business Administration at Northern Border University, reported a high level of intention to be future business persons. This high degree of inclination gives a positive signal that there would be positive consequences for the economic growth. In addition, this entrepreneurial motivation would be the most powerful economic force to reduce the unemployment problem.

10. Conclusion

This study examined the degree of entrepreneurial intention among students in the College of Business Administration, at the Northern Border University. The descriptive statistics revealed that students in the College of Business Administration, at Northern Border University, reported a high level of intention to be future business persons. This high degree of inclination would have consequences for the positive economic growth (**Sternberg** and **Wennekers, 2005; Navarro et al., 2009;Acs** and **Szerb, 2007; Audretsch** and **Thurik, 2001;Marchesnay, 2011;Kasseeah. 2016; Ahmad** and **Xavier, 2012**). In addition, this entrepreneurial motivation would be the most powerful economic force to significantly reduce unemployment problem (**Ndofirepi, 2016; Ahmad** and **Xavier, 2012**). There were no significant differences in the entrepreneurial intention, based on the respondents' different demographic information.

11. Limitation of the Study

First, the findings were limited to the specific sample of 266 students in the College of Business Administration. Hence generalizing the results may not give the same findings.

12. Scope for Further Research

It is a worthwhile exercise to find out whether different colleges at the Northern Border University were a significant factor in entrepreneurial intention. The medical, engineering and humanitarian colleges could also included as a sample, for future study. Future research could also conduct a comparative analysis to examine whether there is significant difference in the entrepreneurial intention, among the students from different colleges. Second, there could be a self-reported study in which the respondents would be asked to rate a one-item, indicating their entrepreneurial intention.

13. Acknowledgement

This publication was supported by the Deanship of Scientific Research, at Prince Sattam bin Abdulaziz University, Alkharj, Saudi Arabia.

15. References

Acs, Z.J., &Szerb, L. (2007). Entrepreneurship, economic growth and public policy. *Small Business Economics,* 28 2-3, 109-122.

Ahmad, S.Z., & Xavier, S.R. (2012). Entrepreneurial environments and growth: Evidence from Malaysia GEM data. *Journal of Chinese Entrepreneurship*, 4(1), 50±69.

Alessa, A.A. (2019). Entrepreneurial Intention among Saudi Students: The Role of Personal Attitude, Subjective Norms and Perceived Behavior Control. *Smart Journal of Business Management Studies,* 15 (1), 50-68.

Ariff, M., Husna, A., Bidin, Z., Sharif, Z., & Ahmad, A. (2010). Predicting

Entrepreneurship Intention among Malay University Accounting Students in Malaysia. *Unitar e-Journal*, *6*(1).

Audretsch, D.B., &Thurik, A.R. (2001). What's new about the new economy? Sources of growth in the managed and entrepreneurial economies. *Industrial and Corporate Change*, 10 1, 267-315.

Baron, R.A., & Shane, S.A. (2005). Entrepreneurship: A field and an activity. In Entrepreneurship: a process perspective (p.2-26). Mason, HO: Thomson-Soulth-Westrn.

Curry, M. (2012). Students 'perceptions of Entrepreneurship at a Historically Black University in Central Mississippi. (Doctoral dissertation, Mississippi State University). Retrieved fromhttps://search.proquest.com/openview/6dfc6950e34618779d176650fa6f4b0a/1?pq-origsite=gscholar&cbl=18750&diss=y

Gelard, P., & Saleh, K.E. (2011). Impact of some contextual factors on entrepreneurial intention of university students. *African Journal of Business Management*, 5(26), 10707-10717.

Gerba, D.T. (2012). The context of entrepreneurship education in Ethiopian universities. *Management Research Review.* 35 (3/4), 225-244.

Hisrich, R.D., Peters, M.P., & Shepherd, D.A. (2008). The nature and importance of entrepreneurship. In Entrepreneurship (7 ed.), p.5-20. New York, NY: McGraw-Hill\Irwin.

Kasseeah, H. (2016). Investigating the impact of entrepreneurship on economic development: a regional analysis. *Journal of Small Business and Enterprise Development*, 23(3), 896-916.

Kuratko, D.F. & Hodgetts, R.M. (2004), Entrepreneurship: Theory, Process and Practice, South-Western Publishers, Mason, OH.

Marchesnay, M. (2011). Fifty years of entrepreneurship and SME: a personal view. *Journal of Small Business and Enterprise Development*, 18 2, 352-365.

Navarro, M.M., Iglesias, M.P., & Torres, P.R. (2009). Curricular Profile of university graduates versus business demands. *Education & Training.* 5 (1), 56-69.

Ndofirepi, T.M. (2016). The impact of technological creativity and entrepreneurship education on the entrepreneurship intentions of students at particular tertiary institutions in Zimbabwe and South Africa (Doctoral dissertation, Bloemfontein: Central University of Technology, Free State).

Shamsudin, S.F.F.B., Al Mamun, A., Nawi, N B.C., Nasir, N.A.B.M., &Zakaria, M.N.B. (2017). Factors affecting entrepreneurial intention among the Malaysian university students. *The Journal of Developing Areas*, *51*(4), 423-431.

Shamsudin, S.F.F.B., Al Mamun, A., Nawi, N.B.C., Nasir, N.A.B.M., &Zakaria, M.N.B. (2016). Policies and practices for entrepreneurial education: The Malaysian experience. *The Journal of developing areas*, *50*(5), 307-316.

Sternberg, R., & Wennekers, S. (2005). Determinants and effects of new business creation using global entrepreneurship monitor data. *Small Business Economics*, 24 (3), 193-214.

Table 1: Results of Sample Selection

Items	Male section	Female section	Totals
Department of Law	271	170	441
Department of Accounting	85	164	249
Department of Human Resource Management	206	299	505
Department of Finance	39	102	141
Department of Marketing	26	38	64
Totals	627	773	1400
Returned respondents	151	175	326
Invalid surveys	(24)	(36)	(60)
Final sample	127	139	266

Source: Primary Data collected through Google Forms and processed with SPSS

Table 2: Results of Profile of Respondents

Demographic information	Frequency (n = 266)		Percent %	
Panel A: Nominal variables				
Gender				
Male	127		47.7	
Female	139		52.3	
Specialization				
Accounting	105		39.5	
Law	121		45.5	
Human resource	27		10.2	
Finance	12		4.5	
Marketing	1		0.4	
Study level				
First level	10		3.8	
Second level	7		2.6	
Third level	43		16.2	
Fourth level	206		77.4	
Panel B: Continuous variable				
	Mean	**Minimum**	**Maximum**	**St.Devation**
Age	22	19	39	

Source: Primary Data collected through Google Forms and processed with SPSS

Table 3: Results of Entrepreneurial Intention (I Plan to become Self-Employed in the Foreseeable Future after Graduation)

Scale	Frequency (n = 266)	Percent %
Very probable	124	46.6
Probable	133	50
Improbable	8	3
Very improbable	1	0.4
Total	266	100

Source: Primary Data collected through Google Forms and processed with SPSS

Table-4: Results of Differences in Entrepreneurial Intention with Demographic Variables

	Scales of entrepreneurial intention				
	Very probable	**Probable**	**Improbable**	**Very improbable**	**Total**
Gender					
Male	64 (50%)	55 (43%)	7 (6%)	1 (1%)	127
Female	60 (43%)	78 (56%)	1 (1%)	0 (0%)	139
Age					
19-22	83 (44%)	101 (53%)	5 (2%)	1 (1%)	190
23-26	39 (55%)	29 (41%)	3(3%)	0 (0%)	71
27 and above	2 (40%)	3 (60%)	0 (0%)	0 (0%)	5
Specialization					
Accounting	50 (48%)	53 (50%)	2 (2%)	0 (0%)	105
Law	57 (47%)	57 47%)	6 (5%)	1 (1%)	121
Human Resource	11 (41%)	16 (59%)	0 (0%)	0 (0%)	27
Finance	6 (50%)	6 (50%)	0 (0%)	0 (0%)	12
Marketing	0 (0%)	1 (100%)	0 (0%)	0 (0%)	1
Study level					
First level	3 (30%)	7 (70%)	0 (0%)	0 (0%)	10
Second level	1 (14%)	5 72%)	1 (14%)	0 (0%)	7
Third level	26 (60%)	16 (37%)	1 (3%)	0 (0%)	43
Fourth level	95 (46%)	105 (51%)	6 (2%)	1 (1%)	206

Source: Primary Data collected through Google Forms and processed with SPSS

Table-5: Results of Preferred Business Type of Sample Respondents

Business type	Frequency (n = 257)	Percent %
Technology	18	7
Advanced Technology	3	1
Management	64	25
Consultation	44	17
Not Known	39	15
Others	89	35
Total	257	100

Source: Primary Data collected through Google Forms and processed with SPSS

Table-6: Results of Business characteristics of Sample Respondents

Panel A				
	Mean	**Maximum**	**Minimum**	**St.deviation**
Planned time between graduation and founding	2.79	29	1	2.626
Number of partners	2.32	32	1	3.111
Number of employees	11.88	150	1	15.521
Panel B				
Plan to start up new venture in team	**Frequency (n = 266)**		**Percent %**	
Yes	241		91	
No	25		9	
Family entrepreneurial experience				
Father	105		39.5	
Mother	30		11.3	
Sibling	55		20.7	
Uncle	81		30.5	
Aunt	70		26.3	
Nobody	70		26.3	
Personal experience in business				
Yes	118		44.4	
No	145		54.5	
Time running business in				
Throughout the school years	38		14.3	
Throughout the summer vacations	57		21.4	

Throughout the weekends and holidays	39	14.7
During the whole year	40	15
Other times	71	26.7
Running my own business in the field/area of:		
Manufacturing	17	6.4
Construction	17	6.4
Retail/Wholesale	54	20.3
Hospitality/Tourism	17	6.4
Education/Health	18	6.8
Other type of business	133	50
Working with/for others in the field/are of:		
Manufacturing	16	6
Construction	15	5.6
Retail/Wholesale	46	17.3
Hospitality/Tourism	13	4.9
Education/Health	13	4.9
Other type of business	135	50.8

Source: Primary Data collected through Google Forms and processed with SPSS