



A Proposed Model of Perceived Support and Entrepreneurial Intentions with Theory of Planned Behavior as Mediator; Case of Omani Youth

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ABSTRACT

Entrepreneurship intentions among youngsters is a topic of interest in research due to its relevance in understanding the entrepreneurship phenomenon. The current study extends the understanding of entrepreneurship intention by combining the two models namely the Theory of Planned Behavior and the Perceived Support Model. The study is based on a proposed model utilizing the Theory of Planned Behavior components as a mediator between the relationship of the perceived support model and entrepreneurship intention among Omani youngsters. Data collection is based on a cross-sectional survey-based method (n=662) and the analysis is based on AMOS software and consists of two stages. The first stage included testing the reliability and the validity by performing the Confirmatory

Factor Analysis and the mediation analysis is performed in the second stage. The results indicate that between the relationship of the perceived support model and the entrepreneurship intention, attitude significantly mediates perceived educational support ($\beta = -.014$, $P < .05$); and perceived structural support ($\beta = .021$, $P < .05$). The relationship of perceived structural support influencing entrepreneurship and mediated by perceived structural support is also significant ($\beta = .019$, $P < .05$). Similarly, perceived behavioral control significantly mediate between perceived structural support ($\beta = .028$, $P < .05$) and entrepreneurship intention. Whereas, the other proposed relationships turned out to be insignificant. Thus, overall, we found partial support for the mediation model. The study recommends that for entrepreneurship intention to be promoted among youngsters, there should be a greater focus on perceived educational support and perceived structural support.

Keywords: Attitude, Subjective Norms, Behavioral Control, Entrepreneurship, Intentions, Support, Oman.

INTRODUCTION

Entrepreneurship refers to a person who organizes and develops his own business and may involve in gaining different knowledge areas and hands-on experiences, create vision and insights, builds a network of support, and assumes risk (Pihie & Akmaliah, 2009). Most governments are striving to develop entrepreneurship since it is considered an engine of economic growth, solve economic problems including poverty and unemployment; and boost the country's economy (Levenburg, Lane, & Schwarz, 2006). Recognizing the importance of entrepreneurship, most Gulf countries are promoting entrepreneurship among their citizens and the Sultanate of Oman is no exception. In Oman's vision 2040, the diversification of the economy and a shift from oil and gas revenue along with the promotion of small businesses, entrepreneurship, and youth development are the key themes. The vision can best be achieved when Oman's young population takes interest in entrepreneurial activity. For the promotion of entrepreneurship among youngsters, it is important that we understand the factors which promote or discourage youngsters from taking part in entrepreneurship activity. There are many theoretical models used to understand entrepreneurial intentions among youngsters and there are plenty of studies on the topic. However, the current study is based on two literature gaps. The first gap is that there are fewer entrepreneurial-related studies in the Oman context. The second gap is that most studies investigated entrepreneurial intentions using a single theory whereas fewer studies combined two models as we propose in the present study. Based on the literature gaps and to enhance our understanding of entrepreneurship among youngsters, in the present study, we propose a mediating model by combining the theory of planned behavior and the perceived support model. thus, our research question is as follows;

Research Question

Does the theory of the planned behavior dimensions function as a mediator between the relationship of the perceived support model and entrepreneurial intentions?

Research Objectives

The objectives of the study are as follows;

- To test attitude as a mediator between the relationship of perceived support model and the entrepreneurial intentions

- To test subjective norms as a mediator between the relationship of the perceived support model and the entrepreneurial intentions
- To test perceived behavioral control as a mediator between the relationship of the perceived support model and the entrepreneurial intentions

Significance of the Study

The study is significant since it enhances our understanding of entrepreneurship among youngsters in the Oman context. The study is useful for the management of higher educational institutes, academic staff, future researchers, students, and government for policy making purpose.

LITERATURE REVIEW

Theory of Planned Behavior

There are several models proposed to understand entrepreneurship intentions among individuals, but the theory of planned behavior stands out since it is one of the most empirically tested theory in the entrepreneurship context. The theory is frequently used in entrepreneurship intention-related studies because of its intuitive appeal and easier measurement of the concepts involved (e.g. Van Gelderen, Brand, van Praag, Bodewes, Poutsma, & van Gils, 2008). The theory is based on three factors including attitude toward entrepreneurship, social norms, and perceived behavioral control.

In this theory, attitude is the first factor and is about whether an individual considers positive or negative towards becoming an entrepreneur. If an individual has a positive attitude towards entrepreneurship, he/she is more likely to be involved in entrepreneurial activity in the future. On the other hand, a negative attitude means it is less likely that individuals involve in entrepreneurial activity. The attitude toward entrepreneurship is influenced by various factors such as gender, family background, qualification, and past experiences. Perceived social norm is the second factor and is about social pressure for involvement in entrepreneurship activity (Ajzen, 2002). If an individual experience a higher perceived social norm for involving in entrepreneurship activity, he/she will make active efforts for becoming an entrepreneur. This perceived social norm is also based on factors such as pressure from family, friends, and wider circle. Perceived behavioral control is the third factor and is about the perceived difficulty or ease related to involving in a particular behavior (Ajzen, 2002). In this context, the perceived behavioral control is about whether an individual feels it easy or difficult for involvement in entrepreneurial activity. Entrepreneurship intention is about an individual intention or interest in involving in entrepreneurship activity which means starting a new business (De-Clercq, Honig, & Martin, 2011). In entrepreneurship-related studies, entrepreneurship intention is frequently used instead of actual behavior because of the strong predictive power of intentions for actual behavior (Nabi, Holden, & Walmsley, 2006). In summary, the theory of planned behavior is about three factors including attitude, social norms, and perceived behavioral control for predicting a particular behavior such as entrepreneurship intentions. If an individual has a positive attitude, social norms, and higher perceived behavioral control, he/she is likely to be involved in entrepreneurship activity. The theory and its components are theoretically valid for understanding entrepreneurship due to its use in a variety of contexts (e.g. Al-Jubari, 2019; Barton, Schaefer, & Canavati, 2018; Farooq, Salam, Fayolle, Jaafar, & Ayupp, 2018)

Perceived Support for Promoting Entrepreneurship Intentions

In this study, the other main model is the perceived support model which we proposed as a predictor of entrepreneurship intention as well as the components of the theory of planned behavior. The model is proposed by Turker and Selcuk (2008) and states that three contextual factors including the perceived educational, relational, and structural support can predict an individual's entrepreneurship intentions. Accordingly, educational support is about the support received by the individual in terms of entrepreneurship-related knowledge (Wang & Wong, 2004). In other words, it refers to educational institutions offering suitable entrepreneurship-related courses to impart suitable knowledge among individuals for starting the entrepreneurial activity. The adequacy of entrepreneurship knowledge also enhances student self-efficacy, something which is also important for involvement in entrepreneurial activity (Zhao, Seibert, & Hills, 2005). The result of other studies also shows that educational support improves an individual's chances of being involved and successful in entrepreneurial activity (Diaz-Casero, Hernández-Mogollon, & Roldán, 2012; Turker & Selcuk, 2008).

The second type of support in the model is relational support which is about the support an individual is receiving from his/her close family and relatives (Turker & Selcuk, 2008). If an individual receives more support, he/she is likely to gain confidence and involved in entrepreneurial activity. On the other hand, a low level of support is associated with less intention to involve in entrepreneurial activity. Previous studies indicate that relational support is an important factor in promoting entrepreneurship among individuals (e.g. Carr & Sequeira, 2007; Henderson & Robertson, 2000). The third type of support in the model is structural support which is about support from the various institutions received by an individual for involvement in entrepreneurial activity (Erich, Malgorzata, Daniela, & Robert, 2009). The type of support can be from institutions such as financial institutions including banks for obtaining loans; and from government departments in terms of obtaining a relevant certificate or NOC, etc. If an individual perceives favorable support from the institutions, he/she is more likely to be involved in entrepreneurial activity (Turker & Selcuk, 2008). On the other hand, less favorable perceived support from institutions means entrepreneurial intentions will be affected negatively.

The Mediating Mechanism of the Theory of Planned Behavior between the Perceived Support Model and the Entrepreneurship Intentions

The present study proposes a mediating model by treating the components of the perceived support model as the independent variables, entrepreneurship intention as a dependent variable, and the components of the theory of planned behavior as mediating variables. The mediating mechanism is proposed since both the theory of planned behavior and the perceived support model are found to be influencing entrepreneurship intentions. For example, a study by Gird and Bagraim (2008) showed that the components of the theory of planned behavior including attitude, subjective norms, and perceived behavioral control can predict a student's entrepreneurship intentions. Other studies also reported similar results including Utami (2017); Awang, Amran, Nor, Ibrahim, and Razali (2016), and Hassan, Rahman, and Sade (2022). Furthermore, support is also available for the influence of the perceived support model on entrepreneurship intention by studies including Fizza (2017); Tahir, Iqbal, Siddiq, & Jan (2018); and Ambad and Damit (2016). Thus, based on the nature of both of the models, we propose that the perceived support model can influence the components of the theory of planned behavior as well as entrepreneurship intentions. Our proposed hypothetical model is as follows;

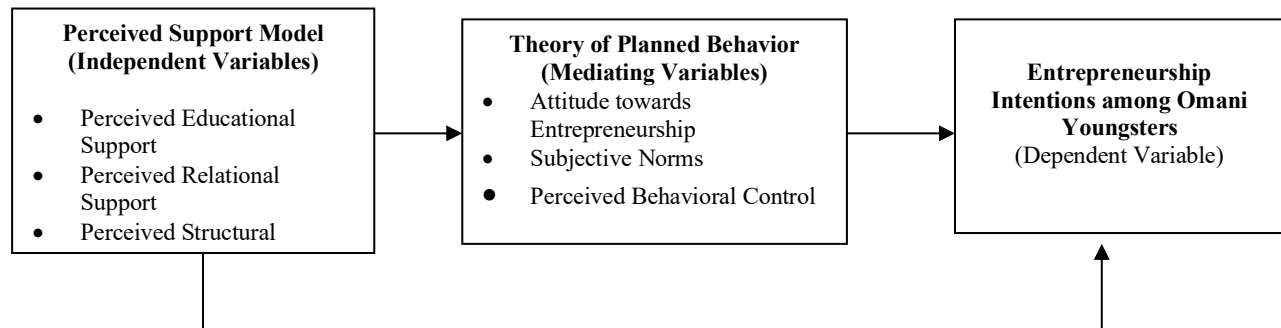


Figure 1: Theoretical Model of the Study

RESEARCH METHODOLOGY

Research Design

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

Population and Sampling

The population is about all units from which data for a study can be collected (Sekaran & Bougie, 2016). In this study, the population refers to all youngsters in the age group of 20 to 30 years of age and are Omani nationals. Since the population is large so we use a sampling approach and applied convenience non-random sampling. The calculated sample size for our study is 662 based on the Krejcie and Morgan (1970) formula.

Data Collection

The data for this study is primary in nature. For data collection, a survey is designed based on adapted measures. There are two versions of the survey including the English version and the Arabic version. The survey is distributed physically as well as through the online tool (Google Forms).

Data Collection Tool and Measures

The data collection tool is a survey that is based on previously developed measures. For measuring the perceived support in terms of educational, relational, and structural, a measure is adapted from Turker and Seluck (2008). The measure consists of 3 items for perceived educational support; 2 items for perceived relational support; and 4 items for perceived structural support. For measuring the components of the theory of planned behavior and entrepreneurship intentions, the measure is adapted from Linan and Chen (2009) and Linan, Urbano, and Guerrero (2011). In this measure, attitude is measured by 5 items, subjective norms are measured by 3 items, perceived behavioral control is measured by 6 items, and entrepreneurial intentions are measured by 6 items.

Data Analysis

The collected data is checked for any errors or discrepancies. The main analysis includes descriptive statistics, Confirmatory Factor Analysis, and the mediation analysis performed through AMOS and using the Baron and Kenny's (1986) classical approach and Hayes's contemporary approach (2012).

RESULTS

Demographic Information of the Survey Participants

Table 1: Demographic Information

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

Source: Study Survey

Table 1 above shows the demographic information and it shows that a total of 662 students participated in the survey. Out of the total, 426 were male (64.4%); and 236 were female (35.6%). In terms of age, 123 participants belonged to the 20 to 21 years age category (18.6%); 203 participants belonged to the 21 to 22 years age category (30.7%); 168 participants belonged to the 22 to 23 years age category (25.4%); 99 participants belonged to 23 to 24 years age category (15%); and 69 participants belonged to the 24 to 30 years age category (10.4%). In terms of field of study, 233 participants belonged to the Engineering field (35.2%); 48 belonged to the Medical field (7.3%); 121 belonged to the Information Technology field (18.3%); 138 belonged to the Business Studies field (20.8%); and 122 belonged to the Social Studies field (18.4%).

Mediation Analysis

In first stage of analysis, we performed the Confirmatory Factor Analysis for testing the reliability (Composite Reliability) and validity (Standardized Factor Loadings for Individual items and Average Variance Extracted). We found satisfactory results for reliability and convergent validity. Similarly, we performed Fornell and Larcker criteria for testing the discriminant validity and found satisfactory results. After testing the reliability and validity, we performed the mediation analysis based on the guidelines of Baron and Kenny (1986) by checking the direct and indirect effects. For performing mediation analysis, we used the AMOS and Bootstrapping procedure with a 90% confidence interval with 5000 samplings. The result is as follows;

Table 2: Mediation Analysis

Path	Total Effects	Direct Effects	Indirect Effects
Perceived Educational Support>Attitude>Entrepreneurship Intentions	-.036	-.022	-.014*
Perceived Relational Support> Attitude>Entrepreneurship Intentions	-.010	-.013	.003
Perceived Structural Support> Attitude>Entrepreneurship Intentions	.109	.088	.021*
Perceived Educational Support >Subjective Norms>Entrepreneurship Intentions	-.007	-.022	.015
Perceived Relational Support > Subjective Norms>Entrepreneurship Intentions	-.009	-.013	.004
Perceived Structural Support > Subjective Norms>Entrepreneurship Intentions	.107	.088	.019*
Perceived Educational Support > Perceived Behavioral Control>Entrepreneurship Intentions	-.036	-.022	-.014
Perceived Relational Support > Perceived Behavioral Control>Entrepreneurship Intentions	-.021	-.013	-.007
Perceived Structural Support > Perceived Behavioral Control>Entrepreneurship Intentions	.116	.088	.028*

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

The result in the table 2 above shows that the mediation hypotheses about the component of the theory of planned behavior between the relationship of the support model and the entrepreneurship intention is partially supported. For example, the indirect effects of perceived educational support ($\beta=-.014$, $P<.05$); and perceived structural support ($\beta=.021$, $P<.05$) influencing entrepreneurial intention by mediating mechanism of attitude is significant. Similarly, the indirect effects of perceived structural support and entrepreneurial intention ($\beta=.019$, $P<.05$) are significant while mediated by subjective norms. Finally, the indirect effects of perceived structural support and entrepreneurial intention ($\beta=.028$, $P<.05$) are also significant while mediated by perceived behavioral control. Overall, the mediation analysis result shows that the support model is partially mediated by the components of the theory of planned behavior including attitude, subjective norms, and perceived behavioral control while influencing entrepreneurial intentions.

CONCLUSION

The focus of the study was to test a model using the theory of planned behavior and the perceived support model for understanding entrepreneurship intentions. For this purpose, the study collected data from youngsters from Oman using the survey method. We found partial support for the mediating nature of the component of the theory of planned behavior between the relationship of the perceived support model and entrepreneurship intention. Based on the results, we can conclude that for entrepreneurship to be promoted among youngsters in Oman, support from relatives/friends, family, as well as government institutions, banks, and other relevant bodies are important. We can also conclude that the components of the theory of planned behavior partially mediate the relationship between the components of the support model and entrepreneurship intentions. These findings suggest that both the perceived support

model and the theory of planned behavior can be further integrated and can provide better insight into entrepreneurship intentions among individuals.

RECOMMENDATIONS

- The government in Oman can further promote entrepreneurship among individuals by providing support to individuals in form of easier access to loans, training programs, mentoring, and easier documentation for fresh startups.
- Tax breaks and other incentives such as subsidies on machinery can be provided for specific sectors to promote entrepreneurship in particular sectors.
- Government laws and other regulatory authorities can make entrepreneurship-friendly procedures for promoting entrepreneurship.
- Higher educational institutions can focus on availability and improving the quality of entrepreneurship education. Most programs at higher educational institutes require compulsory one or two courses related to entrepreneurship. The quality of such entrepreneurship programs can be improved.
- Other support such as in the form of entrepreneurship exhibitions, competitions, lectures from imminent entrepreneurs, and business incubation centers can be provided to support individuals in embarking on entrepreneurship careers.

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