Perceptions and Career Choices Linked to the UAE Youths Entrepreneurial Intention

Dr. Fauzia Jabeen and Yousef Aamer Albitar
College of Business, Abu Dhabi University,
P.O. Box 59911, Abu Dhabi, U.A.E.
faizia.jabeen@adu.ac.ae, yousef_1993_d@hotmail.com

Dr. Nazia Shehzad
European International College, Abu Dhabi, UAE.
nazia11shehzad@gmail.com

Abstract

The purpose of this research is to gain insights on the entrepreneurial intentions of UAE youths. A sample of 303 students (over 15 years of age) from UAE based schools and higher educational institutions were surveyed using a questionnaire to gauge their perspective on choosing entrepreneurship as a career. Three main categories of factors influencing their career choices were taken into account, namely their socioeconomic status, familial background and personality traits. The analysis that follows breaks down the explained entrepreneurial intention into ‘Perception of Entrepreneurship in Society’ and ‘Preference for Entrepreneurship as a Career Choice’ in order to develop a causal relationship between how the UAE youth perceives entrepreneurs around them and how that influences their aspirations to opt for the same as a career choice upon completion of their education. Linkages between demographic factors (like age, gender and nationality), socioeconomic status and family background have been taken into account in the first two sections where their influence on the said perception and preference is analysed. In the third section of this analysis, the correlation between the Big Five personality traits and entrepreneurial intent of the youth is assessed, in order to identify which of these five personality traits have the strongest influence on a young individual’s perception of entrepreneurial activities and the consequent decision to choose entrepreneurship as a preferred career path. The study will assist in reducing the youth unemployment through the development of sustainable entrepreneurial culture and ventures in the United Arab Emirates and Gulf Cooperation Council (GCC) countries as a whole due to its homogenous socio-cultural and economic context.

Keywords: Intention, Youths, Entrepreneurship, Education, Big Five Traits

Introduction

Entrepreneurship has been identified as the best solution to the problem of unemployment, and further economic development (Jabeen et al. 2017). Despite of the recognition that entrepreneurship is vital to job creation and economic growth globally, we do not have sufficient knowledge to promote this critical factor in the youth sector. Young people are the parents, decision-makers, business people and leaders of tomorrow. Investment in today's young men and women is actually an investment in the future of our nation. Research on entrepreneurial area has increased since its influence on the economic and the social development has been acknowledged (Goel et al. 2007). In this context, entrepreneurial intent has proven to be a primary predictor of future entrepreneurial behavior (Katz, 1988), (Reynolds, 1995), (Krueger et al. 2000). Therefore, investigating what factors determine the entrepreneurial intent is a crucial issue in entrepreneurship research. In general, intent can be defined as “a state of mind directing a person’s attention toward a specific object or a path in order to achieve something” (Vesalainen and Pihkala,1999).

In previous research, personal and environment-based determinants of entrepreneurial intent such as personality traits, attitudes toward entrepreneurship, or social environment have been extensively discussed (Begley et al. 1997), (Brandstätter, 1997), (Davidsson, 1995), (Franke and Luthje, 2004), (Robinson et al., 1991), (Segal, et al. 2005).
However, there have been only a limited number of studies addressing influence factors for students’ entrepreneurial intention (Luthje and Franke, 2003; Wang and Wong, 2004).

The development of entrepreneurial talent is important to sustaining a competitive advantage in a global economy that is catalyzed by innovation. The role of quality entrepreneurship education and training in identifying and nurturing this entrepreneurial potential among youth is becoming apparent to students, policy makers, and educators.

Limited research (Jabeen et al. 2017) has been conducted regarding entrepreneurial intention in the UAE. Because of the importance of entrepreneurship to the growth of the UAE economy, this study intends to explore the entrepreneurial intention of high school students studying in the Abu Dhabi region. The overall objective of this research is to contribute to the formulation of educational policies and the design of support programs that will assist and motivate high school students to start and expand small businesses. To this end, the study will seek to gain insights on the effect of socioeconomic status, familial background and personality in influencing the career choice of youth towards entrepreneurship.

This study is comprised of four main parts. Following the introduction, the paper begins with a brief overview of the UAE and review of the literature that has investigated entrepreneurial intention, and then considers personality traits and familial background factors as the antecedents of such intentions. The third part presents the method used and the research findings; the fourth part provides discussion and conclusions.

**Entrepreneurial Landscape in the UAE**

The UAE has a young and growing population. More than 25% of the population is aged under 15 with only 3.6% of the population aged over 65. Given the current situation in the UAE where new business growth is coming predominantly from people aged under 35 years old, if this trend continues over the next decade it is likely that there will be continued strong growth in overall TEA activity across the UAE (Global Entrepreneurship Monitor, 2009).

According to the UAE GEM 2011 survey, entrepreneurial activity in the UAE across the different stages of new venture creation in 2011 has decreased from peaks in previous years. In 2011, less than 7 adults per one hundred intend to start a new business, compared to around 43 adults in 2009. This may be attributed to the high rate of adults who do not start a new business due to a fear of failure which reaches around 51% of adults. However, it can be noted that the entrepreneurial environment has gained more sustainability as the overall rate for discontinuing businesses has decreased yearly from 4.7% in 2006 and 2007 to 2.2% in 2011. The 2011 results show also that the UAE has the second lowest rate of established firm entrepreneurs at 2.7%, just ahead of France at 2.4% and behind the third lowest Singapore at 3.3%; well below the average of the 23 innovation driven economies of 7.2%.

**Literature Review**

It is now widely accepted that entrepreneurship and new venture creation are the driving force of economic growth. Entrepreneurship has also emerged as a significant source of new jobs as well as individual and national wealth creation. Universities worldwide provide a variety of entrepreneurship education courses and modules as part of their general or specialized provision. Universities are increasingly targeted by governments as a potential source of well-educated and highly motivated entrepreneurs. Demand for entrepreneurship education provision is likely to continue to increase worldwide.

The role of entrepreneurs and entrepreneurship has been highlighted in opportunity creation through new ventures and maintenance of existing ones (Evans, 1942) (Leibenstein,1968). Entrepreneurship has been identified as the fourth factor of production that helps discover new frontiers leading to all round economic growth (Harper, 1991) (Leff, 1979) and a resource that needs to be tapped by developing countries to enable them to compete in a globalizing market economy (Kanungo, 1998), (Khandwalla, 1998). Several developing countries have identified promotion of entrepreneurship as a focus area for governments, financial institutions, and academic institutions (Goel et al. 2007).

Given the critical nature of entrepreneurship, both academics and practitioners have increased their efforts in promoting an entrepreneurial mindset within the society (Gallant et al. 2010).

Entrepreneurship and entrepreneurial culture are receiving an increased amount of attention in both academic research and practice. Entrepreneurship is linked with value creation and, as such, is thought to have a significant impact on economic growth, continuous business renewal, and employment (Tang and Koveos, 2004). Thus, it is apparent why
there is also an increased interest in educational programmes designed to encourage entrepreneurship and to provide a better infrastructure for business start-ups (Vesper and Gartner, 1997). However, despite the high level of activity, there is concern about the effectiveness of such policies (Gibb, 2002).

It is quite possible that a better understanding of the factors that influence attitudes towards entrepreneurship and entrepreneurial intent could facilitate the successful development of these initiatives, especially for university students who, in comparison to individuals without university education, are more likely to pursue self-employment that has significant impact on economic growth (Robinson and Sexton, 1994). Understanding factors related to entrepreneurial intentions is important since intentions are reliable predictors of entrepreneurial action (Krueger et al. 2000).

The few studies conducted in developing countries to date include: (Tkachev and Kolvereid, 1999) who studied intentions among Russian students; (Gird and Bagaim, 2008) who studied students from South Africa, and (Wu and Wu, 2008), who studied Chinese students. Recently, some interesting cross-national studies of entrepreneurial intentions have emerged: (Liñán and Chen, 2009). studied intentions among Spanish and Taiwanese students; (Engle et al. 2010) investigated entrepreneurial intentions across 12 countries. While these studies find differences in entrepreneurial intentions across countries, none of these studies have explored whether those differences might be due to the development status of these countries (i.e. developed vs. developing). However, the environmental context differs greatly between developing and developed countries, and one may expect this to be reflected in differences in entrepreneurial intentions and their antecedents between developing and developed countries.

A large proportion of marketing students intend to become entrepreneurs and feel positive about incorporating entrepreneurship education in their studies (Peltierand and Scovotti, 2010). A proportion of students in UK within a large regional sample consistently exhibited an intention to start their own businesses (Nabi, Holden, & Walmsley, 2010). Demographic factors such as gender, household income and status were positively related to Chinese students’ explicit internet entrepreneurship intentions (Millman et al. 2010). Majority of Business Studies students from Australia, Portugal, Finland, Germany, Slovenia, Poland, England and the United Arab Emirates (UAE) exhibited entrepreneurial intentions and felt that investment in university-based entrepreneurship education was valuable and beneficial (Majumdar and Varadarajan, 2013).

**Effect of personality on Entrepreneurial Intention**

Early research on entrepreneurship and factors influencing the decision to start a new venture concentrate on the personality characteristics of individuals. A number of personality factors have been recognized as relevant for entrepreneurial intent and success, e.g. need for achievement, risk taking propensity, internal locus of control, or innovativeness (Brockhaus and Horwitz, 1986). There are studies that have examined the link between perceived desirability and entrepreneurship intention (Brenner et al.1991). Studies examining this issue provided different findings where there are respondents who expressed their desire to start up their own business, while other studies show very low desire among the respondents to start up their own business (Brenner et al.1991).

Another body of the literature have also examined the link between perceived feasibility and entrepreneurship intention. These studies have mainly examined perceived feasibility in terms of self-efficacy, that is, the belief that he/ she could accomplish specific or general related tasks (such as (Kristiansen and Indarti, 2004) (Shepherd et al. 2008) and on personality trait that focuses on the physical and mental activities and attitudes (Shepherd et al. 2008). These studies found that perceived feasibility does play an important role in influencing entrepreneurship intention, and extraversion, openness and close support influenced entrepreneurship intention (Ismail et al. 2009).

Previous research that recognized the importance of external influence factors for an individual’s interest to become an entrepreneur concentrated particularly on a person’s social networks, on the image of entrepreneurs in society, on socio-cultural norms, and on barriers to entrepreneurship (Autio et al. 1997) (Begley et al. 1997) (Luthje and Franke, 2003). However, empirical studies linking external conditions for entrepreneurship and individuals’ career choice also provide inconsistent results. The role of social networks in which individuals are embedded in predicting entrepreneurial intent and confirmed that having close relatives who are entrepreneurs increases the willingness to be self-employed (Raijman, 2001). (Begley et al. 1997) analysed the impact of four socio-cultural conditions of entrepreneurship, i.e. importance of work, value of innovation, shame of failure and status of entrepreneurship in a society, on business students’ interest in becoming an entrepreneur in seven different countries. The social status of entrepreneurship emerges as a good predictor of entrepreneurial interest.
It has been shown in earlier work that attitudes of people are precursors to their behaviors (Ajzen and Fishbein, 1980). Past work in development of attitude has indicated that exogenous factors like social milieu have an impact on attitude and intentions of individuals (Ajzen, 1991), (Kanungo, 1990) (Kiggundu et al. 1983), (Krueger, 1993). Negative attitude of people towards government policies have resulted in failure of attempts to promote entrepreneurship (Gnyawali and Fogel, 1994). This linkage between attitude and subsequent behaviors has been established in entrepreneurial behaviors as well (Krueger and Carsrud, 1993), (Lee et al. 2004). Thus, it is possible that if the family and society at large view entrepreneurship as valuable and positive, youth will be encouraged to opt for entrepreneurship as a career.

**Effect of Familial Occupation**

It has been found that socialization impacts an individual’s attitude towards entrepreneurship (Jackson and Rodkey, 1994). An individual’s socialization takes place at home, at the place of education, and in other spheres of interaction. Socialization includes messages about what is good and positive, what lends status, what is valued by others etc. Family background and parental role-modeling has been found to be the most prominent factor that affects early socialization and hence formation of attitude towards entrepreneurship (Scott and Twomey, 1988). Early communication received and imbibed by an individual from the family would impact career choices by inducing individuals to choose a career in which they are viewed positively by society. In Singapore, (Lee and Wong, 2003) found that those showing more interest during programs on entrepreneurship were more likely to engage in entrepreneurial activity. The desire to study in entrepreneurship programs was, in turn, found to be higher in people coming from families with business as major family occupation.

As most policy making attempts are based on anecdotes, success stories and prescriptions documented elsewhere (Thomas and Mueller, 2000), a better understanding of societal attitudes would give insights for policy making towards promotion of entrepreneurship. In case, there is a positive attitude towards entrepreneurs and entrepreneurship it would be easier for policy makers to encourage entrepreneurship, they only need to offer programs that would encourage entrepreneurial activity in the society. On the other hand, if the attitude is negative, policies would only be successful once the society is willing to accept entrepreneurial activity as something that is positive. In such cases wide-spread attitude change programs would have to be initiated.

**Research Methodology**

This study was performed using a quantitative approach. The population of the study consists of higher secondary students from schools and first year students from one of the leading private University located in Abu Dhabi. To determine the sample size, reference has been made to a number of studies (Sekaran, 2003). Ultimately, 400 respondents were selected. Following this, a selection of samples was performed, through random selection based on schools. Each school was represented by 100 students, randomly selected from randomly chosen educational institutions.

A questionnaire was used as the main instrument for gauging entrepreneurship intention among the students. This was adapted from several sources, including Jabeen et al. (2017) and John and Srivastava (1999). The questionnaire is divided into three parts. The first part is entrepreneurship willingness, which comprises an attitude of readiness (13 items); second part comprised of demographics and socio-familial background status of the respondents (12 items); third part was related to personality traits (21 items).

**Respondents’ profile**

Out of n=303; 66.7 % respondents were males and 33.3 % were females. 65.7 % respondents fall in the age range of 15-18 years, 19-22 years (21.5%) and 12.2 % respondents were in the age range of 23 years & above. 41.6 % respondents were the local Emiratis and 58.4 % were the expatriates. 20.5% respondents were working in various UAE organizations whereas the majority (76.2 %) were not working. 33.7% respondents attended an entrepreneurship related course. However, the majority of the respondents (61.4%) have not attended any entrepreneurship course.

**Findings & Discussion**

A comparison of entrepreneurial intentions between male and female students in general is outlined first, followed by comparisons of attitudes related to the contribution of entrepreneurship to society and characteristics of entrepreneurs.
Entrepreneurial career intentions of respondents
The results show that a greater percentage of male respondents viewed themselves as having their own business in the future (58.9 per cent) rather than working as an employee in multinational/government companies (41.1 per cent).

Attitudes towards entrepreneurship
A comparison of attitudes towards entrepreneurship between male and female students with different familial background is conducted hereby assessing differences in the perceived contribution of entrepreneurship to society as well as in the characteristics of entrepreneurs. First, when considering perceptions regarding the entrepreneurship contribution to society, 26.7% male respondents and 20.8% female respondents strongly agreed that entrepreneurship is respected in their society and is crucial for the country’s economic development. 29.7% respondents who fall in the age category of 23 years & above wanted to become entrepreneurs to make UAE prosperous. This can be attributed to their better entrepreneurial understanding at the University level (48.6%). Also, it was found that the male respondents (22.8%) were of the view that they can handle stress well as compared to their female counterparts. This can be one of the reasons why male respondents in the UAE want to become an entrepreneur as compared to females.

Implications & Conclusion
This paper aimed to contribute to understanding of entrepreneurial intentions of UAE students. Similarities between students’ intentions and perceptions of entrepreneurship and entrepreneurs were evident in the results. However, differences emerged indicating higher entrepreneurial intentions, experience and attitudes among the respondents who attended the entrepreneurship course before. These findings contribute to the entrepreneurship literature by enhancing understanding of entrepreneurial intentions and attitudes, providing a foundation for future research in this context. As with all research, the results of this study need to be viewed in light of the limitations. The research duration was...
very short due to the submission deadlines. It is also suggested that the future research should be conducted in other Emirates to analyze the comparative picture of all 7 Emirates. It is suggested that the policy-makers and government agencies must identify what drives people to start new businesses, maximize the number of start-ups aspiring to and achieving high growth, and drive the elements of a healthy entrepreneurial ecosystem.

References


Proceedings of the International Conference on Industrial Engineering and Operations Management
Bangkok, Thailand, March 5-7, 2019


Biography

Yousef Al bitar has completed his undergraduate degree in business discipline from College of Business, Abu Dhabi University.

Dr. Nazia Shehzad is doctorate in management and is currently working as Assistant professor of management in European International College, Abu Dhabi.