Title: Entrepreneurial Intentions of UAE Youth: A Work In Progress

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Introduction

Entrepreneurship is important for achieving economic development, growth and diversification and most importantly job creation thorough self-employment. (Monica Gallant, 2010; Gelderen, Maryse Brand, Bodewes, Poutsma, & Gils, 2008; Romer, 1994). Although its definition varies among researchers, this study adopts the general definition of this concept, which is "starting one's own business" and becoming self-employed (Gelderen, Maryse Brand, Bodewes, Poutsma, & Gils, 2008; Engle, et al., 2010).

Self-employment may develop as a "third stream" career option available for national UAE youth. Sokari, Horne, Huang, & Awad (2013), estimate the unemployment percentage among UAE national youth jobseekers to be nearly 25 per cent.

National UAE youth prefer working in already saturated government sector, while avoiding working in high-pressure working environment of private sector (Salih, 2010; Al-Waqfi & Forstenlechner, 2014). Moreover, private sector employers prefer to employ higher skilled foreigners with lower wages (Al-Waqfi & Forstenlechner, 2014). As a result, many government and "Emiratization" initiatives have achieved modest outcomes in this regard (Salih, 2010; Al-Waqfi & Forstenlechner, 2014; Harry, 2007; Ryan, Tipu, & Zaffane, 2011).). It is argued that Emiratization policy focused on improving national skills, education and qualification

while neglecting influencing and reshaping national's attitudes, beliefs and opinion regarding working in private sector (Daleure, Albon, & Hinkston, 2014).

Global Entrepreneurship Monitor (GEM) (2011) reports that although UAE youth perceive opportunities for entrepreneurial activities at a very high rate (51.9%), few take the necessary steps to seize the opportunities they perceive. Moreover, there is low proportion of youth involved in early-stage entrepreneurial activities. In addition, the entrepreneurial intention to start new business in coming three years is considered low with only 2% (Horne, Huang, & Awad, 2011). Those reasons could be classified as (a) Economic cost of failure, which indicates the loss that would be incurred in term of monetary, financial and other tangible resources due to business failure; (b) social cost of failure, which is related to loss of reputation, shame to family and embarrassment; and (c) personal cost of failure, which indicates how the individual business failure would affect his/her motivation level, perceived personal abilities, capabilities, skills and intelligence. Furthermore, fear of failure might be the result of inadequacy of the legislative framework and entrepreneurship ecosystem environment.

Recently, the UAE government launched the “Absher” initiative, with goals of enhancing national participation in the workforce and expanding career options available, thus, hoping to build competitive advantage for the national economy and achieve the country vision 2021. UAE national agenda for 2021 emphasizes the importance of developing and enhancing entrepreneurship attitude, activity and inspiration. In spite of its importance, research on youth intention or “would be” entrepreneurs has been less common and remains somewhat lacking especially in the UAE context (Ryan, Tipu, & Zaffane, 2011). Moreover, enhancing entrepreneurship needs a “twofold” policy that focuses not only on the current situation, but also on the

future prospect of entrepreneurship. (Tuder & Selcuk, 2009). Accordingly, this proposed study intends to fill a literature gap on entrepreneurial intention in the UAE by exploring factors that might affect the choice of self-employment as a career option chiefly among university students who represent future entrepreneurs. (Monica Gallant, 2010; Solesvik, Westhead, Kolvereid, & Matlay, 2012; Turker & Selcuk, 2009; Nishimura & Tristán, 2011; Henderson & Robertson, 2000).

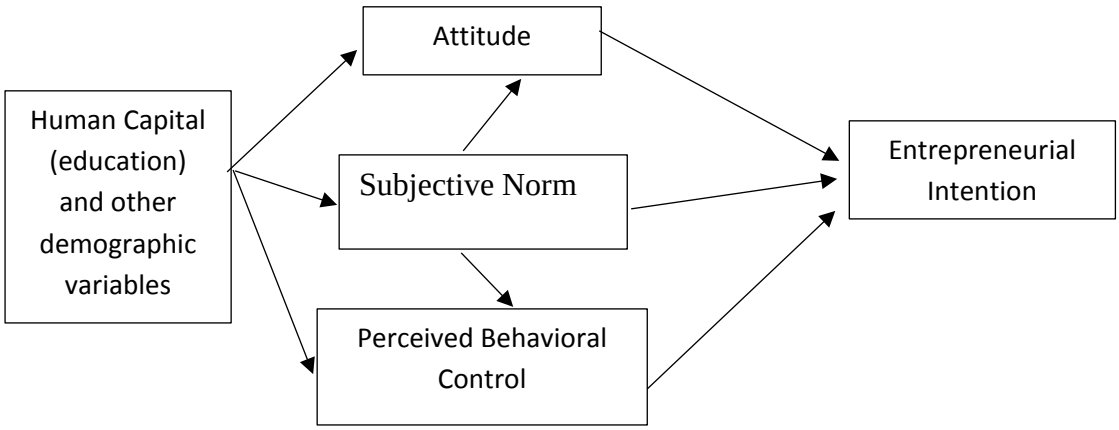
Theoretical Framework

Entrepreneurship is intentionally planned behavior, and any planned behavior is better predicted by observing its intention. According to the entrepreneurial processes identified by Global Entrepreneurship Monitor (GEM), intention is considered as an early stage in this process and it helps to provide future indicator of the total entrepreneurship activity (Horne, Huang, & Awad, 2011). Intention is considered to be a significant, valid, and unbiased predictor of career choice, where intention-based models provide a deep and practical insight on planned behavior. (Manolova, 2012; Nikolaus Franke, 2011; Norros F. Krueger, Reilly, & Carsrud, 2000). Theory of Planned Behavior (TPB) is considered one of the most widely used intention models and provides a framework for studying and understanding entrepreneurial intention based on three constructs of attitude, subjective norm and perceived behavioral control.

Although attitude, subjective norm and perceived behavioral control represent the theory main constructs, which are suggested to directly affect the entrepreneurship intention, other research argued that there are other variables which might indirectly affect the entrepreneurship intention through direct effects on the theory three main constructs. These variables include education, age, gender, self-employment experience and knowing role model (Liñán & Chen, 2009; Kolvereid & Isaksen,

2006; Yang, 2013; Manolova, 2012). Figure (2) below represent the modified TPB model after considering the effects of other related variables.

Figure (2): Entrepreneurial Intention Model



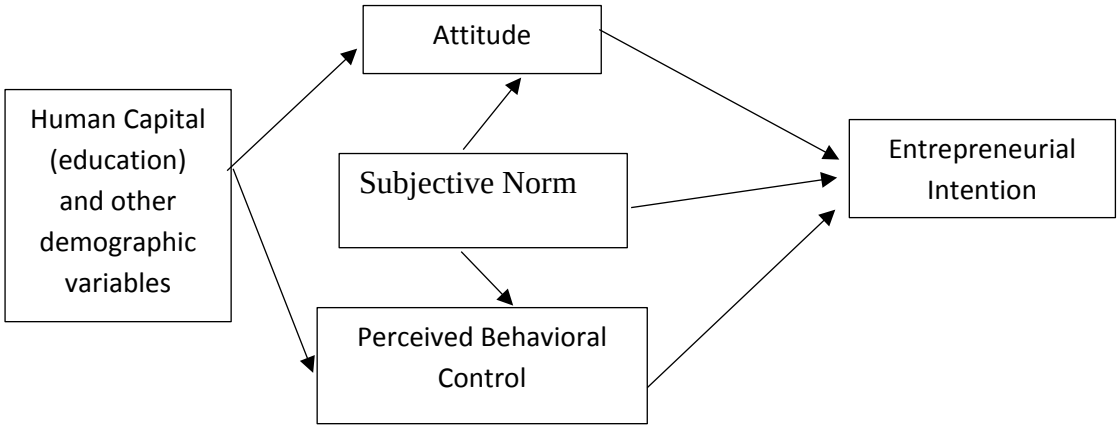
Source: Liñán & Chen, 2009

Based on Linan and Chen (2009), SN is suggested to have influence on both the individual Attitude and PBC, while education and other demographic variables (age, gender, entrepreneurial experience, knows personally an entrepreneur (role model) and self-employment experience), are expected to influence all TBP three antecedents

However, according to UAE culture and based on literature review outcomes, other demographic variables and education might have direct effect on youth Attitude and PBC, but not on SN. As families in the UAE appeared to not fully involved in the universities programs and other awareness initiatives, which aim to promote entrepreneurship among youth, and as families' opinion regarding career choice (which encouraging public sector employment) are highly respected by national youth, we might assume that this variable will not directly affect the youth Social Norm antecedent. Accordingly, this factor (education) might affect the entrepreneurial intention indirectly through the direct influence on Attitude and PBC. It is argued that little could be done by the educational institutions or policy makers to influence

national youth career choice and preference if their families actively encouraging them toward working only in the public sector (Daleure, Albon, & Hinkston, 2014). On the other hand, SN might influence the individual Attitude and PBC in UAE context as suggested by Linan and Chen (2009). This antecedent might be highly influenced by the role of families within UAE culture as they are playing an important role in shaping youth career preferences (Khalifa Fund, 2014; Daleure, Albon, & Hinkston, 2014). Accordingly, figure (3) represents the final considered model to be used in this study based on TPB model.

Figure (3): Entrepreneurial Intention Model



Proposed Methodology.

Survey questionnaire will be designed based on previously validated standardized measure of "Entrepreneurial intention Questionnaire (EIQ)". This study intends to focus on senior undergraduate national UAE youth students who are studying Business, Engineering and Science majors locally and abroad. Locally, the focus will be on national youth who are studying in government universities of United Arab Emirates University (UAEU), Zayed University (ZU) and Higher College of Technology (HCT), account for 57% of student enrollments. Moreover, targeting government universities might facilitate the access to the targeted "local/national" UAE youth students population.

Using a random sampling method, we will try to target at least (600) of the national UAE youth students. Using Structural Equation Modelling, this study intends to explore the causal links and estimate the direct, indirect and total effect of each study variables and constructs.

Study Main Deliverables

We can list the expected research deliverables as following:

- Produce a rigorous, valid and reliable study that will add valuable inputs to the existing literatures in the entrepreneurship intention field in general and in UAE context in specific.
- Present the most important keys/factors that influence national UAE youth decision to be self-employed.
- Suggest and recommend different means to enhance national UAE youth attitudes, subjective norms and perceived behavior control with regard to start own/new business and foster the country economic development, diversification and sustainability.
- Provide UAE policy and decision makers with a study that helps to explore and explain national UAE youth career choice preference with regard to self-employment, which then could be considered when putting future localization "Emiratization" strategies and initiatives in that term.
- Suggest a clear map that might help "Absher" initiative to develop a more efficient and effective interventions and policies to encourage national UAE youth to be more self-employed oriented through cooperation and coordination with educational and other important institutions and parties.

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