

# DRIVERS OF SUSTAINABLE ENTREPRENEURSHIP ORIENTATION FOR STUDENTS AT BUSINESS SCHOOL IN SAUDI ARABIA

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## ABSTRACT

*In this study, we aim to identify drivers of sustainable entrepreneurship orientation and verify their relative importance and validity for students on business school in Saudi Arabia. We identify especially three levels of drivers; individual drivers, cultural drivers and contextual drivers*

*To determine the importance of each driver considered as an observed variable for the SEO, which represents our latent variable, we adopted a quantitative approach based on a questionnaire administrated to 230 students at business school in Saudi Arabia. A structural equation model was applied to explore the data collected.*

*The results show that there is an interdependence between the three levels of drivers studied here. It seems also that cultural and contextual drivers are more influential: especially contextual drivers. This study enriches the literature about SEO. Added to this, our study offers a roadmap for universities to identify the appropriate actions to stimulate SEO. In fact, this concept is important because it will influence the number and the nature of sustainable projects, and consequently sustainability as the ultimate objective of Saudi Arabia, as set out in Vision 2030.*

**Keywords:** Entrepreneurship Orientation, Sustainable Orientation, Sustainable Entrepreneurship Orientation, Drivers, SEM.

## INTRODUCTION

Sustainable entrepreneurship (SE) is related to managerial sustainable practices (MSP) which stimulate innovation and generate an added value (Gast et al., 2017). The development of sustainable entrepreneurship requires a sustainable entrepreneurship orientation (SEO) based on its corporate social responsibility (Vallaster, 2017). For others, sustainable entrepreneurship orientation is a determinant for the equilibrium of sustainable entrepreneurship in terms of environmental, social and economic level (Cohen & Winn, 2007).

While strong research exists treating sustainable entrepreneurship (Gour & Singh, 2019), a lack of literature is observed around the entrepreneurship side. Sustainable entrepreneurship has still not been adequately explored, and there is a lack of consensus about the meaning of this concept and its determinants. Added to this, sustainable entrepreneurship orientation seems to be

important because it determines the probability of generating a sustainable entrepreneurship project able to enrich economic, environmental and social aspects.

In this paper, we will try to identify the concept of sustainable entrepreneurship orientation and its determinants or antecedents for students. Here, we must briefly define sustainable entrepreneurship and entrepreneurship orientation in order to provide an exhaustive definition of our main concept: sustainable entrepreneurship orientation.

## **Sustainable Entrepreneurship, Entrepreneurship Orientation and Sustainable Entrepreneurship Orientation**

Choi & Gray (2008) define sustainable entrepreneurs as “*individuals who are creating and building profitable companies that also pursue environmental or social causes*”.

According to Miller (1983), entrepreneurship orientation (EO) is composed of three dimensions; proactiveness, innovativeness, and risk-taking.

Sustainable entrepreneurship orientation is directly related to entrepreneurship orientation (Miller, 1983) and sustainability orientation (Bos-Brouwers, 2010). As an entrepreneurial orientation, SEO can be assimilated within a strategic orientation under a competitive culture (Noble et al., 2002). Parboteeah et al. (2012) argue that SEO is appreciated at the individual level. Bos-Brouwers (2010) considers that SEO constitutes a unidimensional system related to the perception of sustainability by the organization as a cost, an obligation, or an opportunity. In spite of its particularity, SEO facilitates the implementation and integration of a sustainable strategy through motivation and consciousness (Bos-Brouwers, 2010).

If we admit, after this analysis, that SEO emerges from the combination of EO and SO, we can conclude that SEO must integrate five elements; innovativeness, risk-taking and proactiveness with motivation and consciousness. The definition of these components can allow us to suppose that SEO is determined by different elements on three different levels; individuals such as personality, culture and the interaction between them, which is called contextual interaction.

In our point of view, we will admit that there are drivers of SEO which can be expressed by sustainable entrepreneurship practices to accomplish the objective of corporate social responsibility, which is the ultimate feature of the sustainable entrepreneurship organization (Criado-Gomis et al., 2017).

### **Drivers of Sustainable Entrepreneurship Orientation (SEO)**

#### **1. Individual drivers**

The first aspect reported on this level was beliefs. Afshar Jahanshahi et al. (2017) consider that sustainable entrepreneurs have specific ethics and beliefs which determine a specific decision-making process based on positive action, with values which include sustainability and guarantee commitment to sustainable action (Kirkwood & Walton, 2010). The most important aspect mentioned here is that these beliefs and values are attached to the person themselves. It is associated with a self-commitment to generate sustainable actions. Other researchers argue that personal characteristics are important, and that there are some specific characteristics of sustainable entrepreneurs (Kuckertz & Wagner, 2010).

## 2. Cultural drivers

Steiber & Alänge (2016) define organizational culture as a set of shared norms and values which determine the way of thinking which prevails. Culture regulates and determines the actions of people (Luhmann, 1984). Vuorio et al. (2018, p.363) argue that “*the work values of an individual are connected to occupation choices through motivation and attitudes*”.

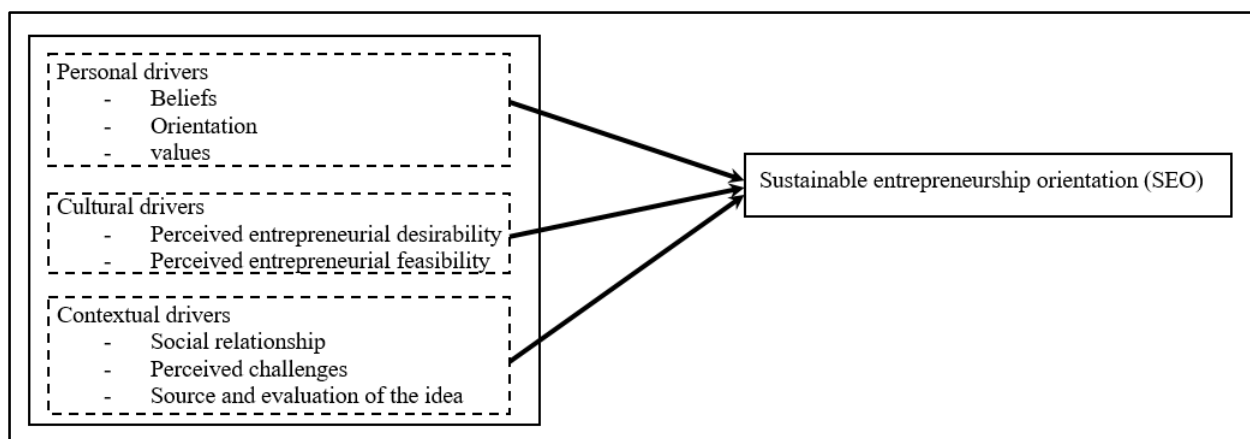
For this study, we will adopt perceived entrepreneurial feasibility and desirability.

Perceived entrepreneurial feasibility is related to the minimum required skills and abilities (Douglas & Shepherd, 2002) to adopt a sustainable entrepreneurship career. Perceived entrepreneurial desirability is related to the degree of attractiveness of the entrepreneurial process, based on its values and beliefs (Vuorio et al., 2018).

## 3. Contextual drivers

These determinants are related to the external environment in which sustainable entrepreneurship will be developed. In general, the context can affect the organization’s behavior (Rice, 2006). Wang & Ho (2017) consider that sustainability is achieved when we develop a sharing economy in which access to capital is much more important to its possession. So, the sharing economy can determine or drive sustainable entrepreneurship orientation.

Gast et al. (2017) find that there are four dominant stimulators for sustainable entrepreneurship: “*regulation, public concern, expected competitive advantage, and top management commitment*” (p. 46). Alarifi et al. (2019) confirm that the EO is applied differently in each country, this is way we have to consider contextual determinants as important (Figure 1).



**FIGURE 1  
RESEARCH MODEL**

## METHODOLOGY

To collect data, we used a questionnaire, in which four main parts were admitted; personal drivers, cultural drivers, contextual drivers and sustainable entrepreneurship orientation (SEO). For each variable, we identified a scale, as mentioned in the literature review. Table 1 sets out the number of items and the reference for each dimension.

Variables	Dimensions	Number of items	References
SO	Sustainable entrepreneurship orientation (SEO)	5	Kuckertz & Wagner (2010)
Individual drivers (ID)	Beliefs (BF)	7	Lipkus, (1991).
	Orientation (OR)	5	Strathman et al. (1994)
	Values (VL)	3	Agle et al. (1999)
Cultural drivers (CD)	Perceived entrepreneurial desirability (PED)	5	Liñán & Chen (2009)
	Perceived entrepreneurial feasibility (PEF)	5	Krueger (1993); Peterman & Kennedy (2003)
Contextual drivers (CXD)	Social relationship (SR)	4	Kar et al. (2017)
	Perceived challenges (PCH)	6	
	Source and evaluation of the idea (SEI)	7	

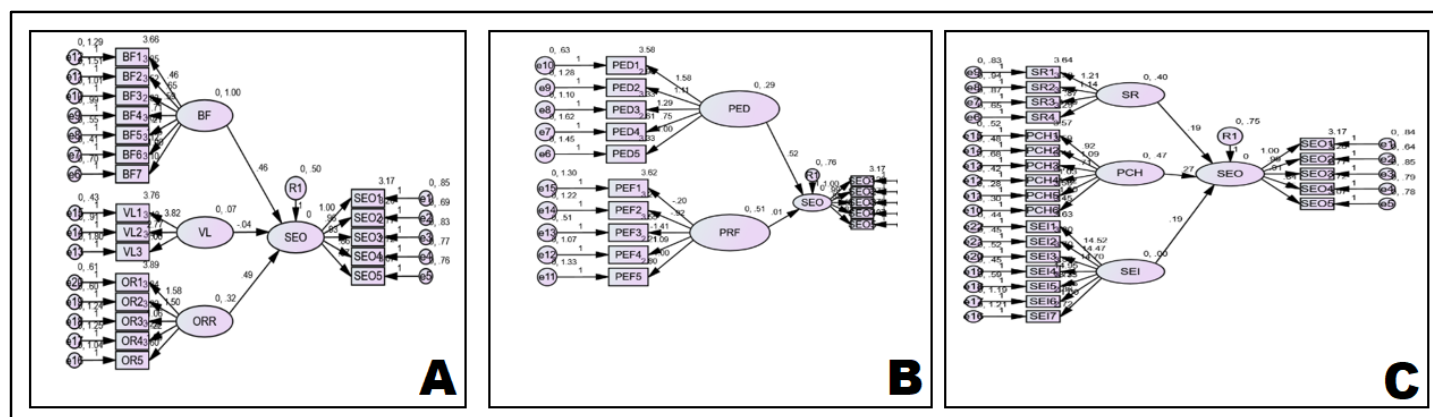
### RESULTS AND DISCUSSION

We adopted a structural equation model using AMOS 24 to analyze relations and effects between variables as shown in Figure 1. After a descriptive analysis of our sample, the next step was a component analysis in order to determine the multidimensionality of variables and purify items. Then, a confirmatory analysis was established. The first level was related to the measurement model based on validity and reliability, while the second related to the structural model with the hypothesis test.

#### Measurement Model

Reliability is understood through loading and composite reliability. We examined the average variance extracted (AVE) to calculate the level of convergent validity. In this state, results can be satisfactory if the  $AVE > 0.5$ . All the fit indexes were tested, and seem to be acceptable for each measurement model.

#### Structural Model and Hypothesis Test



**FIGURE 2**  
A: SEO-ID; B: SEO-CD; C: SEO-CXD

As shown here, based on the results and our sample, we can consider that cultural drivers are the most influential on sustainable entrepreneurship orientation, and especially perceived entrepreneurship desirability, with a correlation coefficient of 0.52. Complementary to this, orientation as an individual driver is also important, at 0.49, as are beliefs, at 0.46. As opposite to our presupposition, contextual drivers are not found to as important as we had supposed. This supports the general idea that the entrepreneurship process is directly related to the entrepreneurial personality.

## CONCLUSION

In this study, we tried to identify the drivers of SEO for students at business school in Saudi Arabia. Our results confirm that this depends totally on personality on terms of beliefs and orientations: in other words, on the determinism of the entrepreneur. This is due to government efforts in Saudi Arabia to encourage investment for the development of entrepreneurship. The composition of the Saudi economy as a majority of businesses are family run, explains the why the context is not an important variable here. The encouragement and facilities to create projects are available, as is assistance. This study contributes to enrich literature related to entrepreneurship on Saudi Arabia and confirm that its development is attached to individual drivers. The key factor of success in this case will be to build entrepreneurial personality through university by the allocation of an entrepreneurial academic education. Variables used here needs to be redefined with much more precision in order to define a practical pathway able to reinforce individual drivers. Some control variables must be integrated too such as age, gender (Criado-Gomis et al., 2020), education or family in order to redefine the proportion of people who can accept to be educated on an entrepreneurial way.

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