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# Prospects and challenges of the entrepreneurial orientation of Saudi students: A case study

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## Abstract

This study investigates the entrepreneurial orientation of Saudi university students in light of rising youth unemployment and the national economic diversification goals outlined in Vision 2030. It aims to identify the key personal, academic, family, and labor market-related factors influencing students' reluctance to pursue entrepreneurship as a career path. A descriptive-analytical method was applied to data collected from 202 students at Majmaah University, representing Business Administration and Human Resource Management tracks. A structured questionnaire covering 19 criteria was used. Statistical techniques, including t-tests, factor analysis, and discriminant analysis, were employed to evaluate determinants of entrepreneurial orientation and to compare the two groups. The results show that fear of failure is the most significant barrier to entrepreneurial orientation, followed by a lack of entrepreneurial culture and limited awareness of support mechanisms. Business Administration students were more affected by fear of failure, whereas Human Resource Management students were more influenced by cultural constraints and job market challenges. The findings highlight variations in how different academic tracks perceive barriers to entrepreneurship. Enhancing entrepreneurial education, fostering a risk-tolerant culture, and raising awareness about existing support mechanisms are essential steps to encourage youth entrepreneurship. Addressing psychological, cultural, and structural barriers is critical to enabling students to consider self-employment as a viable career path. The study provides insights for policymakers, educators, and support institutions. Universities should integrate practical entrepreneurship training and mentorship into curricula. Policymakers are encouraged to expand and simplify access to support and financing mechanisms, while incubation centers should tailor interventions to address students' specific barriers, particularly fear of failure and job market uncertainties. These measures can promote youth entrepreneurship, reduce unemployment, and contribute to sustainable economic growth in Saudi Arabia.

**Keywords:** Entrepreneurial culture, Entrepreneurial orientation, Majmaah University, Vision 2030, Youth entrepreneurship.

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## 1. Introduction

The entrepreneurial orientation of student graduates has become a growing topic in many countries, especially those facing economic challenges due to rising youth unemployment rates. In recent years, governments have turned to entrepreneurship as a means of providing alternative job opportunities and stimulating the economy. Nevertheless, young graduates encounter multiple challenges that make the decision to start a private business more complex than joining the traditional labor market.

*Economic and Social Challenges*: Research indicates that economic factors are among the main reasons driving young people to consider entrepreneurship, as unemployment rates among graduates are increasing in many countries, making traditional jobs less available [1]. However, many young people still prefer stable jobs because of the fear of failure and the lack of financial resources required to start projects. This fear of failure was highlighted in a study by the International Labour Organization (ILO) [2], which pointed out that many youth in the Middle East and North Africa hesitate to engage in entrepreneurship due to the risks involved, in addition to the societal perception that favors stable government jobs.

*Cultural and Educational Factors*: Cultural factors play a decisive role in shaping entrepreneurial intentions. In many cultures, working in government sectors or large corporations is considered safer and more prestigious than starting a private venture. A study conducted in Gulf countries confirmed that many families encourage their children to pursue stable government employment rather than take the risks of private entrepreneurship [1]. This phenomenon is evident in Saudi Arabia, where families prefer government jobs because of the social and economic benefits associated with them. With regard to education, several studies indicate that the educational system plays a significant role in either fostering or restricting entrepreneurial orientation. Aloulou [3] showed that graduates who had received education in entrepreneurship were more likely to start their own businesses compared to their peers. However, the study also noted that educational systems in many countries, including Saudi Arabia, still lack sufficient emphasis on practical training and innovation that would strengthen entrepreneurial orientation.

*Entrepreneurship Support Initiatives*: As part of Saudi Vision 2030, numerous programs have been launched to support young entrepreneurs. These include funding for small and medium enterprises (SMEs) as well as consulting and training services. According to a report by the Shapero and Sokol [4], the number of projects initiated by young people has increased significantly in recent years. However, many still face difficulties in the early stages of their projects due to lack of experience and guidance. Most studies show that these initiatives have helped encourage youth to take steps toward entrepreneurship, yet challenges related to infrastructure and logistical support remain major obstacles [4]. Clearly, there is a need to enhance entrepreneurship awareness and provide a conducive environment that enables youth to overcome such barriers. Research indicates that adequate training and education, coupled with changing societal attitudes toward entrepreneurship, can significantly increase the number of young people who opt to establish their own ventures. Saudi Arabia and other countries facing similar challenges must continue supporting these initiatives to achieve economic and social development goals. In recent years, researchers have shown increased interest in the field of entrepreneurship and business creation, owing to its growing importance in national economies. Nearly 80% of global GDP originates from SMEs, in addition to their role in job creation. Yet, the rate of Saudi youth engaging in private business remains low compared to other countries. Most university graduates tend to look for public jobs rather than start their own enterprise, despite rising unemployment and the increasing number of graduates each year, which prevents the labor market from absorbing them all. Moreover, individuals under the age of 35 represent nearly 70% of the Saudi population. Since entrepreneurship is a process composed of several stages, the first being entrepreneurial orientation, a new approach has emerged: the entrepreneurial orientation approach, which has become a theoretical foundation for many studies. To achieve the highest possible rate of entrepreneurial activity, it is essential to examine each step of the entrepreneurial process and attempt to know it. Understand entrepreneurial intension allows for the analysis, interpretation, and understanding of the obstacles that may influence or prevent individuals from choosing entrepreneurship as a career path. The topic of entrepreneurial orientation has attracted significant attention, with the majority of studies focusing on students. This group represents the backbone of society, and their unemployment is a precursor to wider societal unemployment. Moreover, educated unemployment constitutes a waste of resources that could otherwise be allocated to developmental areas [5].

Suleiman, et al. [6] are among the pioneers who explored the obstacles explaining the entrepreneurship choice as a career path. They proposed a model of the entrepreneurial event based on the concept of "displacements." The central idea of this model is that "for an individual to initiate a major and significant change in life orientation, such as deciding to

establish a private business, the decision must be preceded by a triggering event that interrupts and breaks the routine." For these authors, "the process of change in an individual's life course can be described as a guiding force that directs the individual toward a certain path at a specific moment."

They classified displacements into three categories:

- *Negative displacements*: such as divorce, job dismissal, migration, and job dissatisfaction, which are usually outside the individual's control and externally imposed?
- *Positive displacements*: such as parent, customers, and investors, which generally originate from opportunity sources?
- *Intermediate situations*: such as leaving military service, finishing studies, or release from prison.

These factors are considered the foundation of change in an individual's life trajectory and act as triggers of the entrepreneurial event.

In our Context, recently, research on entrepreneurial orientation has started to emerge in Saudi Arabia, reflecting the awareness of both the academic community and policymakers of the importance of entrepreneurship and such studies. This interest also stems from the rising unemployment among educated student. Accordingly, our study addresses the following research problem:

How can the reluctance of Saudi youth to need private business as a career path be explained? Is it due to their *LEC* or low awareness of support mechanism that could assist them in the early stages of their projects? And does entrepreneurial orientation differ between BA and HRH students?

To understand these questions, the study chooses 202 students from the BA and HRM tracks (sixth, seventh, and eighth levels) at the CBA, University of Majmaah.

*Significance of the Study, Theories and Practices:* The significance of this study stems from the fact that entrepreneurial ventures have become crucial for the progress and prosperity of national economies. Recent literature emphasizes that entrepreneurial orientation among young graduates does not depend solely on education or financial support; it also encompasses psychological and social factors, in addition to the impact of technology and government support. To build a strong and sustainable entrepreneurial intention, it is essential to reinforce these factors in an integrated way, while reducing the barriers that hinder youth from entering this field such as fear of failure and lack of funding.

*Concept of Entrepreneurial Orientation*: Entrepreneurial orientation is defined as the conscious and deliberate willingness to undertake a new project or start a private business. It is considered a prerequisite for entrepreneurial behavior, since the decision to engage in entrepreneurship begins with prior intention. A study by Elnadi [7] indicated that entrepreneurial orientation is the primary driving force motivating youth to choose an entrepreneurial path.

*Factors Influencing Entrepreneurial Orientation*: The literature reveals that several factors play a major role in shaping the entrepreneurial orientation of young graduates:

- *Entrepreneurial Education*: A study by Mabkhot, et al. [8] showed that entrepreneurship education programs in universities positively influence graduates' intention to launch their own businesses. Exposure to educational content related to entrepreneurship increases young people's confidence in their ability to become entrepreneurs.
- *Governmental and Societal Support*: Fridhi [9] confirmed that government policies supporting young entrepreneurs through financing and administrative facilitation contribute to motivating youth to pursue entrepreneurship.
- Self-Motivation and Personal Traits: A study by Rahman, et al. [10] highlighted that personal characteristics such as self-confidence, ambition, and risk-taking directly affect the decision to become an entrepreneur.
- *Challenges Facing Graduates' Entrepreneurial Intentions*:
- Fear of Failure: Fear of failure is one of the greatest obstacles facing youth who aspire to engage in entrepreneurship. International Labour Organization (ILO) [2] noted that societal culture, which perceives failure as a stigma, increases young people's hesitation to enter entrepreneurial activities.
- Lack of Funding: Many studies, such as Al-Sharif, et al. [11], confirmed that the inability to access funding is one of the biggest challenges for young entrepreneurs, particularly in Arab countries, where convincing financial institutions to support projects is often difficult.

*Impact of Entrepreneurial Orientation on Economic Growth*: A study by Al-Khalifa, et al. [12] found that fostering entrepreneurial orientation among youth contributes to diversifying the local economy and creating new jobs, thus helping reduce unemployment rates. The study also stressed that supporting entrepreneurship enhances innovation and contributes to achieving sustainable development.

*Role of Role Models and Family*: Al-Amri, et al. [13] pointed out that successful entrepreneurial role models play a crucial role in encouraging graduates to make entrepreneurial decisions. Similarly, the family is considered a fundamental motivator, as family support encourages youth to engage in entrepreneurial ventures.

*Psychological and Social Factors*: Several studies have shown that psychological and social elements play a central role in determining the readiness of youth to pursue entrepreneurship:

- *Intrinsic Motivation*: Adebayo, et al. [14] demonstrated that internal motivation such as the desire for financial independence and personal freedom is one of the strongest drivers of entrepreneurial orientation.
- *Peer Influence*: Another study by Ajzen [15] confirmed that peers and surrounding communities significantly shape entrepreneurial intentions. Youth who belong to groups that support entrepreneurship are more likely to engage in it.

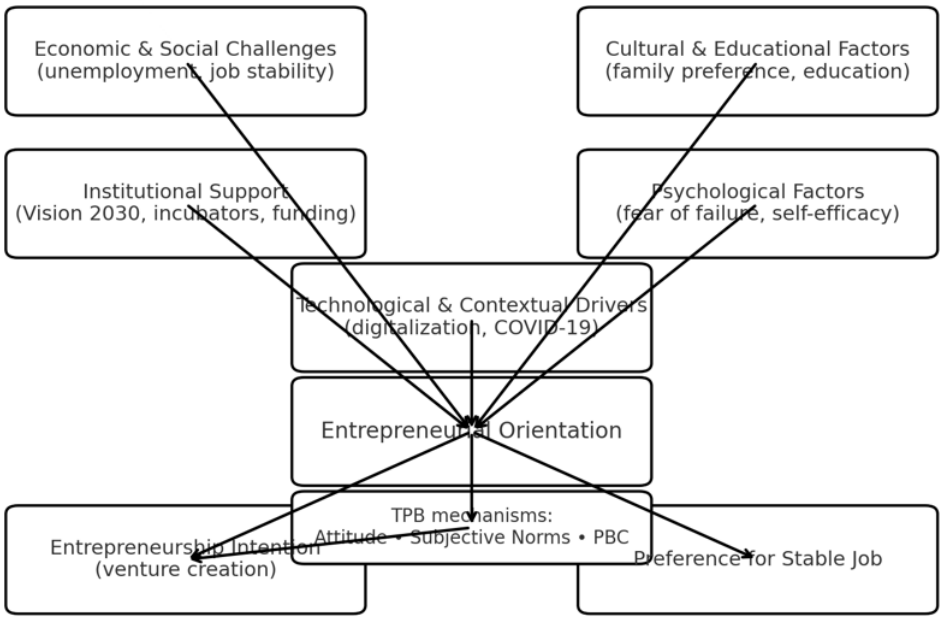
*Government Role in Strengthening Entrepreneurial Orientation*: The government's role in promoting entrepreneurship among graduates is essential to achieving economic development. According to Al-Jouhary, et al. [16], government policies that provide soft loans and SME financing programs greatly encourage youth to launch their own businesses. The

study also found that simplified regulations and supportive legislation pave the way for graduates to achieve their entrepreneurial goals.

*Technology and Entrepreneurial Orientation*: With the advancement of technology and the digital economy, technology has become a key driver of entrepreneurship. Al-Zubaidi, et al. [17] showed that the availability of digital platforms and technological tools either free or at low cost significantly contributes to enhancing entrepreneurial intentions among graduates. Technology provides tools for market analysis, project management, and customer communication more efficiently.

*Impact of the COVID-19 Pandemic on Entrepreneurial Orientation*: The COVID-19 pandemic has changed young people's attitudes toward entrepreneurship. Alshebami and Seraj [18] revealed that the crisis led youth to reconsider their career choices, increasing their desire to pursue entrepreneurial activities, particularly in e-commerce and digital services.

In summary, recent literature suggests that entrepreneurial intention among graduates results from a complex interaction of education, personal traits, social and economic factors, and regulatory frameworks. Strengthening entrepreneurial orientation requires a supportive environment through appropriate education, government facilitation, and reducing fear of failure.




## 2. Literature Review

Since 2022, the literature on students' entrepreneurial intentions in Saudi Arabia has expanded significantly, with most studies adopting the Theory of Planned Behavior (TPB) as a central explanatory framework. Alqahtani and Mehmood [19] highlights the influence of the Saudi institutional context on students' entrepreneurial intentions, stressing how social norms and perceived feasibility shape such intentions. Mohammed, et al. [20] extend this perspective by integrating an environmental dimension, showing that entrepreneurship education, university support, and environmental motivation foster green entrepreneurship intentions, in line with Vision 2030. In the context of digitalization, Saudi Ministry of Economy and Planning [21] demonstrate that digital learning orientation (DLO) enhances entrepreneurial competencies among graduates, with blended learning acting as a moderating factor. Similarly, Abdulrahman, et al. [22] finds that training content, interactive pedagogy and a supportive environment increase the desirability and feasibility of entrepreneurship among business students. Al-Khalifa, et al. [12] incorporate a novel cognitive dimension, demonstrating that accounting knowledge significantly enhances perceived behavioral control (PBC) in TPB models, especially among female students. Lotfi, et al. [23] show that perceived social norms mediate, while self-efficacy moderates, the relationship between the business environment and entrepreneurial intentions among Saudi female students. At the individual level, Al-Mamary, et al. [1] emphasizes that personal traits (age, gender, digital experience, and entrepreneurial exposure) significantly shape digital entrepreneurial intentions among Saudi students. Beyond student-focused studies, Aloulou, et al. [24] show that entrepreneurial orientation (EO), combined with strategic agility (SA) driven by digital orientation (DO), strengthens firms' competitive advantage, revealing the synergies between digitalization and entrepreneurship in Saudi SMEs. More broadly, Saudi Ministry of Economy and Planning [21] examine green entrepreneurial orientation (GEO) and its impact on sustainable production practices, stressing the mediating role of organizational learning.

Overall, recent studies converge on the idea that in the post–Vision 2030 Saudi context, a combination of individual factors (knowledge, traits), social influences (norms, family, peer support), educational dimensions (entrepreneurship education, digital learning), and structural conditions (business environment, institutional support, organizational agility) interact within the TPB framework to shape entrepreneurial intentions, including digital and green orientations, among young graduates. In addition to these factors, several recent studies highlight the persistent role of fear of failure as a barrier to entrepreneurial orientation in emerging economies, particularly among youth. Aloulou [25] report that fears of failure

significantly reduces students' likelihood to pursue entrepreneurship in Gulf countries, despite strong institutional support. Likewise, Al-Rubaie, et al. [26] demonstrate that in Saudi Arabia, cultural perceptions of failure and risk aversion moderate the relationship between entrepreneurial education and entrepreneurial intentions. Parallel research emphasizes the critical influence of entrepreneurial self-efficacy: Rahman, et al. [10] find that students with higher self-confidence in their entrepreneurial abilities are more likely to transform entrepreneurial intentions into actual start-up behavior. This finding is consistent with the work of Al-Mamary, et al. [1], who argues that self-efficacy acts as a mediator between entrepreneurial orientation and innovation outcomes.

Moreover, the expansion of digital entrepreneurship ecosystems has been identified as a catalyst for new entrepreneurial initiatives. Mohammed, et al. [20] note that digital platforms, social media, and e-commerce; reduce entry barriers and mitigate traditional financial and structural constraints. This digital shift is reinforced by government initiatives under Saudi Vision 2030, which aim to cultivate a knowledge-based economy through start-up incubation and venture capital programs [12]. Other scholars, such as Ahmed, et al. [27], show that technological adoption not only fosters entrepreneurial opportunities but also strengthens the resilience of SMEs in the face of shocks such as COVID-19. Finally, cross-cultural comparative studies suggest that the Saudi case is distinctive: while institutional support is extensive, students' entrepreneurial behavior is still shaped by strong social norms and family expectations, which can either inhibit or accelerate entrepreneurial 3.

## 3. Methodology and Objectives

The field study seeks to determine the main reasons and motivations behind students' reluctance to choose self-employment as a professional career path. To achieve this, a survey was conducted on a sample of students. The sample was selected using a non-random approach due to the absence of a comprehensive and updated statistical population from reliable government sources, which made random sampling difficult. Instead, a purposive sample was chosen [28].

Out of a total of 300 students surveyed, only 202 questionnaires were returned, representing 67% of the sample. Data collection was carried out through a self-administered approach in order to increase the response rate and reduce the time and cost of the survey [28].

The questionnaire included a question on career paths after graduation, for which 19 evaluations criteria were extracted from the theoretical framework. These criteria were grouped into four main categories explaining the reasons behind students' reluctance to pursue entrepreneurship as a professional path: personal reasons, academic reasons, family-related reasons, and labor market-related reasons. A five-point Likert scale was used to measure importance, with options ranging from strongly agree, agree, neutral, disagree, to strongly disagree [28].

Data were processed using SPSS software, and a variety of statistical techniques were applied, including descriptive analysis using mean scores to rank the criteria in descending order for each group of respondents (Business Administration track students and Human Resource Management track students) [28]. The standard deviation was used to measure the dispersion of responses from the mean and to prioritize factors in cases of equal means, where the factor with the lower standard deviation was ranked higher [13].

To test for differences between the two groups, the t-test was applied to compare the means of both samples in order to determine whether there was similarity or divergence in opinions between the two groups regarding the importance of different factors. Factor analysis was then conducted to reduce the 19 selection criteria into fewer, more significant factors, enabling the identification of the most influential determinants. Finally, discriminant analysis was used to examine the impact of these determining factors on the two groups, with the goal of identifying the drivers that distinguish between Business Administration and Human Resource Management students [28].

This study aims to identify the key variables and factors that influence students' choice of entrepreneurship as a career path and to measure their entrepreneurial orientation [28].

## 4. Results

### *4.1. Results on Entrepreneurial Orientation Choice*

This table analyses descriptive statistics of the criteria influencing the choice between entrepreneurial orientation and stable employment, ranked by importance for each group, along with tests of differences between the two groups.

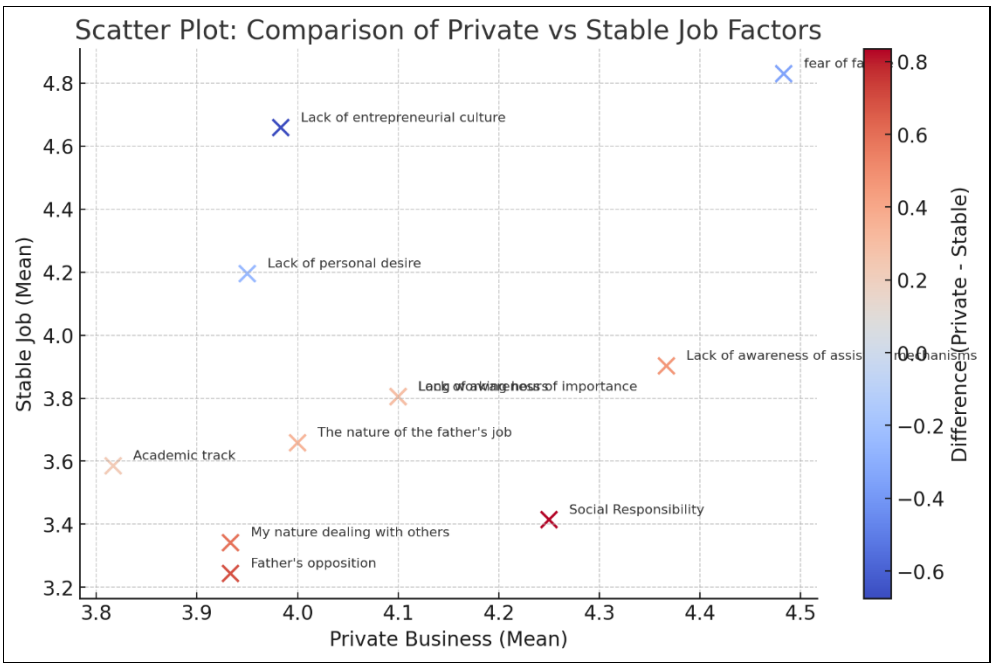
**Table 1.**
Results of descriptive analysis.

| Test motives | Arithmetic mean | | Standard deviation | | Priority level | | LEVINI test (level of significance | (t-student) (level of significance) |
|---|---|---|---|---|---|---|---|---|
| | Career Track | | Career Track | | Career Track | | | |
| | Private business | Stable job | Private business | Stable job | Private business | Stable job | | |
| AT | 2.82 | 2.59 | 1.21 | 1.16 | 14 | 8 | 0.02 (0.90) | -1.01 (0.34) |
| BFD | 4.43 | 4.12 | 1.05 | 1.21 | 14 | 19 | 0.42 (0.52) | 1.39 (0.17) |
| F/SSE | 2.65 | 2.56 | 1.18 | 1.21 | 15 | 7 | 0.35 (0.55) | 0.37 (0.71) |
| FF | 6.49 | 6.83 | 0.97 | 0.5874 | 2 | 2 | 12.41 | -2.05 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | | (0.001) | (0.05) |
| FO | 2.93 | 2.24 | 1.04 | 1.41 | 12 | 13 | 9.62<br>(0.00) | 2.83<br>(0.01) |
| FOFP | 4.65 | 4.71 | 1.13 | 0.93 | 11 | 9 | 2.24<br>(0.14) | -0.27<br>(0.79) |
| HCPB | 2.52 | 2.44 | 1.28 | 1.29 | 17 | 9 | 0.10<br>(0.75) | 0.30<br>(0.77) |
| IFF | 3.38 | 3.15 | 1.24 | 1.17 | 17 | 21 | 0.33<br>(0.57) | 0.96<br>(0.34) |
| LAAM | 2.37 | 1.90 | 0.94 | 1.14 | 4 | 2 | 1.04<br>(0.31) | 2.24<br>(0.03) |
| LAI | 5.10 | 4.80 | 1.08 | 1.03 | 2 | 8 | 0.57<br>(0.45) | 1.37<br>(0.17) |
| LEC | 2.98 | 3.66 | 1.41 | 0.85 | 6 | 4 | 11.37<br>(0.00) | -2.74<br>(0.01) |
| LPD | 2.95 | 3.20 | 1.31 | 1.01 | 7 | 5 | 4.07<br>(0.05) | -1.01<br>(0.31) |
| LWH | 3.10 | 2.80 | 1.12 | 0.95 | 7 | 3 | 0.81<br>(0.37) | 1.38<br>(0.17) |
| MNDO | 4.93 | 4.34 | 1.16 | 1.37 | 12 | 12 | 4.46<br>(0.04) | 2.33<br>(0.02) |
| MSNR | 2.33 | 2.20 | 1.46 | 1.19 | 19 | 14 | 0.53<br>(0.02) | 0.50<br>(0.62) |
| NFJ | 3.00 | 4.66 | 1.09 | 1.17 | 9 | 10 | 2.12<br>(0.15) | 1.50<br>(0.14) |
| OR | 3.62 | 3.32 | 1.12 | 0.96 | 20 | 16 | 1.36<br>(0.25) | 1.40<br>(0.17) |
| PGJ | 3.10 | 3.39 | 1.18 | 1.21 | 4 | 15 | 9.49<br>(0.00) | 2.62<br>(0.01) |
| SR | 3.25 | 4.41 | 1.08 | 1.43 | 5 | 14 | 7.82<br>(0.01) | 3.34<br>(0.00) |

The results presented in Table 1, *FF* emerges as the most influential factor in choosing a stable job, with the highest mean scores reported for both groups: 3.83 for BA students and 3.48 for HRM students. Although *FF* is identified as the primary incentive across all students, the outcomes of the Levene's test and the t-test reveal a significant difference between the two samples. Specifically, the Levene's test yielded a value of 13.41 with a significance level of 0.001, which is below the threshold of $\alpha = 0.05$, indicating unequal variances between the groups. Furthermore, the t-test result was -3.05 with a significance level of 0.044, also below $\alpha = 0.05$, confirming a statistically positive variation between the two student groups.

For the importance of *"fear of failure"*, the results indicate a variation in the test criteria classification between the two samples. For BA students, *"lack of entrepreneurial culture"* is the second criteria in terms of importance (the mean equals 5.65) followed by *"LAAM "*, *"lack of personal desire"*, then *"lack of understanding"* and *"long hours"* then *"Possibility of getting a job"* .It is clear according to Levini test that there is a deference between the two samples in *"lack of entrepreneurial culture "*as well as for the mean as shown by the" t-student "test. The value of "Levini" test is 11.368 with a significance of 0.001 and the value of the t-student test is -3.74 with a significance of 0.007, which is smaller than $\alpha = 0.01$, which means that the variation between the two samples significant. It is therefore possible to conclude that there is a variation in the degree of importance of "*lack of entrepreneurial culture"* between BA students and accounting students. As shown by the mean in the table, the average of the degree of importance for BA students is greater than that of HRM students.




*4.2. Results of the Factor Analysis*

Factor Analysis is a statistical method aimed at simplifying the correlations between several variables to conclude independent classifications based on specific classification principles [16]. The Factor Analysis was carried out in order to synthesize the variables (test factors 19) in order to obtain fewer factors.

The KMO and the Bartlett test show that the correlation matrix has a level of significance (see table below). Bartley test is significant and Kaiser Meyer Olken is 0.79, which is statistically good and responds to what is admitted in field studies [29].

The factor analysis summarized the 19 variables and extracted six major components with distinct values greater than one with a total variance of 77.04%. This proportion meets the criteria established in the field statistics, which recommends that a contrast ratio shouldn't be less than 50% [30]. The first major component has the largest distinct value (component variance) and equals 4.45 and explains 29.56% of the total data of the variables. The second major component has a distinct value of 2.35 and explains 13.44% of the total data of the variables; the third main component has a distinct value of 1.48 and explains 7.79% of the total data. The fourth major component has a distinctive value of 1.27 and explains 5.87% of the total data. The fifth main component has a distinct value of 1.17 and explains 6.12% of the total data. The sixth main component has a distinct value of 1.05 and explains 4.49% of the total date.

**Table 2**.
Results of Factor Analysis.

| | **Principal Factors** | | | | | | **Freedom degree** |
|---|---|---|---|---|---|---|---|
| **Selection factors** | **1** | **2** | **3** | **4** | **5** | **6** | **(FD)** |
| Academic track (AT) | 0.6 | | | | | | 0.67 |
| Bank financing difficulty (BFD) | | | 0.61 | | | | 0.71 |
| Father's Desire (FD) | | | | | 0.57 | | 0.63 |
| Father's job (FJ) | 0.77 | | | | | | 0.58 |
| Father's opposition to future plans (FOFP) | | | 0.71 | | | | 0.6 |
| Father's opposition (FO) | | | | 0.86 | | | 0.87 |
| Fear of failure (FF) | | 0.8 | | | | | 0.69 |
| High cost of private business (HCPB) | 0.77 | | | | | | 0.71 |
| Impact of family and friends (IFF) | | | | | | 0.93 | 0.89 |
| Lack of awareness of assistant mechanisms (LAAM) | 0.62 | | | | | | 0.58 |
| Lack of awareness of assistant mechanisms(LAAM) | | | | 0.82 | | | 0.86 |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Lack of awareness of importance(LAI) | 0.62 | | | | | | 0.55 |
| Lack of entrepreneurial culture(LEC) | | 0.75 | | | | | 0.66 |
| Lack of personal desire(LPD) | | 0.71 | | | | | 0.75 |
| Long Working Hours(LWH) | 0.81 | | | | | | 0.71 |
| Monthly salary is not rewarding(MSNR) | | | | | 0.87 | | 0.76 |
| My nature dealing with others(NDO) | | | 0.71 | | | | 0.74 |
| Other reasons (OR) | | | | | 0.62 | | 0.73 |
| Social responsibility(SR) | 0.59 | | | | | | 0.58 |
| Discriminant values | 5.43 | 2.37 | 1.48 | 1.27 | 1.17 | 1.05 | |
| Percentage of explained variable | 28.56 | 12.43 | 7.79 | 6.68 | 6.12 | 5.49 | |
| Ratio of total data | 28.56 | 40.98 | 48.76 | 55.44 | 61.55 | 67.04 | |
| Kronbach Alpha (α) | 0.84 | 0.72 | 0.66 | 0.79 | 0.62 | - | |
| "KMO" Test "=0.880 | "Bartlett" Test | | Kai square = 78.61 | | Freedom degree =188 | Level of significance ==0.000 | |

To measure stability of the extracted factors, Alpha-Cronbach (α) test is used. The results showed that "Alpha Kronbach" was greater than 0.7 for three factors (1, 2, 4) and greater than 0.6 for factors (3, 5), which is an acceptable result showing the correlation between the variables of each factor. It also responds to those adopted by researchers in the statistics field that "Alpha Kronbach" is between ⌊0.7: 0.6} acceptable [19].

The orthogonal rotation using the varimax variance criterion is used to extract factors composed of closely related variables while not related to other factors in order to identify the other factors [5]. The rotation of the axles aims to make the large loading larger and small loading smaller than they are before recycling.

The results shown in the following table show that the initial values of the freedom digree exceed 0.5, which is considered good and exceeds 0.8 for some variables. This is very good according to some references. Thus, we can say that the common factors explain a high variance of the variables, where we note that the lowest ratio is 0.52 for the variable "high cost of the private project." The results of the loading of components of the six matrices, which symbolize the correlation coefficient between the component (factor) and the variable, show the correlation between the factors and their variables. The most significant variables in relation to the first factor are "long working hours" (0.82) and "High cost of private business "(0.73)" nature of the father's profession" (0.73). The strongest variables associated with the fifth factor are the "monthly salary is not rewarding" (0.85). As for factors 2, 3, 4, and 6, their dependent variables are closely related to them. The variables associated with the extracted factors, the first factor was called "the high cost of private business" and the second factor was called "the influence of the family".

*4.3. Results of Discriminant Analysis*

Discriminant analysis is a multivariate analysis method used to study the relationship between a nominal dependent variable and a set of independent quantitative variables. There are two main objectives for the Discriminant analysis. The first objective is to classify a single or group of items into two or more groups based on variables, and the second is to identify variables that contribute to the classification process [11, 24] in order to identify any of the factors derived from the factor analysis, and a better explanation of the entrepreneurial orientation option of the students of "Business Administration" and "HRM" and then the Discriminant analysis is performed. The objective of this analysis is to identify the factors that contribute to the classification between the students of "business administration" and the students of "HRM" according to their entrepreneurial orientation.

- Dependent variable: Student of "Business Administration" / "HRM"
- Independent factors: (F1) fear of failure, (F2) lack of entrepreneurial culture, (F3) lack of personal desire, (F4) difficulty of getting a job, (F5) the monthly salary is not rewarding, (F6) family influence.

*4.4. The Significance of the Discriminant Function Test*

The Wilks test indicates the significance of the characteristic function since the value of the Wilkes is 0.823 less than 0.9 and the value of the Chi-2 box is 18.67 at a level of 0.005, which is less than the 1% (Table 3). This means that the calculated function is successful, and there is a significant difference between the two groups Table 3.

**Table 3.**
Wilks Test and (Chi-2) square.

| Function Test | The Wilkes Scale | Chi square | Freedom degree (FD) | Level of significance |
|---|---|---|---|---|
| 1 | 0.84 | 16.70 | 7 | 0.05 |

*4.5. Test of Significance of the Variables in Discriminant Function*

Fisher's test (F: Table 4) shows that the discriminant function has the ability to distinguish between the two groups depending on the listed factors. However, statistical factors are "fear of failure", "lack of entrepreneurial culture" and "difficulty in getting a job". The significance of factors test indicates to the importance of the factor “the lack of entrepreneurial culture" in the function where we note that it is characterized by high significance (significance level = 0.006) followed by "difficulty of getting a job" (significant level = 0.020) and "fear of failure" 0.080) Table 4.

**Table 4.**
Fisher Test for each variable in the discriminated function.

| Variables (factors) | Fisher | ddl1 | ddl2 | Significance level |
|---|---|---|---|---|
| (F1): *FF* | 4.20 | 1 | 1 | 0.088 |
| (F2): *LEC* | 6.88 | 1 | 1 | 0.007 |
| (F3): *LPD* | 0.20 | 1 | 1 | 0.710 |
| (F4): *DGJ* | 6.93 | 1 | 1 | 0.081 |
| (F5): *MSNR* | 0.81 | 1 | 1 | 0.410 |
| (F6): *FI* | 0.52 | 1 | 1 | 0.510 |

Table 5 shows that the factor "lack of entrepreneurial culture" has the greatest effect on the classification process. This effect is negative (-0.710) followed by "difficulty finding a job" (0.610) and "fear of failure" (0.448) the structure of the matrix in the table shows the same results Table 5.

**Table 5.**
Discriminant coefficients and matrix coefficients.

| Factors | Unified discriminant coefficients | Matrix coefficients |
|---|---|---|
| | function | |
| Lack of entrepreneurial culture | -0.710 | - 0.610 |
| Difficulty of getting a job | 0.610 | 0.499 |
| Fear of failure | 0.448 | 0.391 |

Table 6 shows the discriminant factors according to specialization (business management / HRM) where we note that the factors have the same classification but their signals are opposite. "Lack of entrepreneurial culture" has a significant and positive impact on the specialization of business administration and a large and negative impact on HRM specialization, while "lack of personal desire", "difficulty of finding a job" and "monthly salary is not rewarding" have the opposite effect Table 6**.**

**Table 6**.
Ranking coefficients between the two groups**.**

| Factors | Specialization | |
|---|---|---|
| | Business administration | HRM |
| Lack of entrepreneurial culture | 0.410 | -0.365 |
| difficulty of finding a job | -0.299 | 0.165 |
| Fear of failure | -0.321 | 0.278 |
| Constant | -0.777 | -0.810 |

*4.6. Predicted Calculation of the Correct Classification*

As for the correct rating ratios for the discriminant function, they are listed in the following table. The correct rating ratio for the specialization of “Business Management” category was 70.3% and "HRM" 75% ([4]). The correct classification rate in the Linear discriminant function was 70.3%, while 83 (33 + 50) out of 101 were correctly classified into the category to which they belonged, while 48 (23 + 25) were classified incorrectly.

The reclassification test shows that the correct classification for the “Business Management” category is 65.4% and the correct classification for the “HRM” category is 70.3%, ([19]), while Category 77 (46 + 31) of 121 correctly belongs to the category to which it belongs, which means that the Linear discriminant function is better Table **7.**

**Table 7**:
Predictive Classification Results.

| Item | | | Predictive Classification | | Total |
|---|---|---|---|---|---|
| | | | Private Business | Stable Business | |
| Original | Count | Business Administration | 33 | 15 | 48 |
| | | HRM | 25 | 50 | 75 |
| | % | Business Administration | 68.3 | 31.7 | 100 |
| | | HRM | 25 | 75 | 100 |
| Cross-valid | count | Business Administration | 33 | 15 | 48 |
| | | HRM | 19 | 41 | 60 |
| | % | Business Administration | 63.4 | 36.6 | 100 |
| | | HRM | 31.7 | 68.3 | 100 |

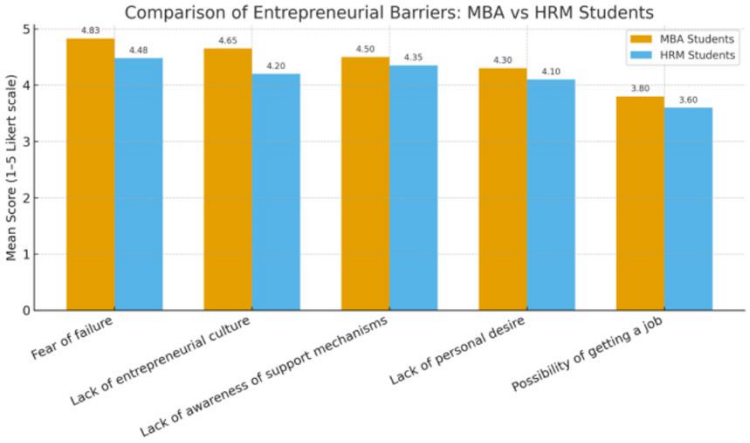



**Figure 1.**
BA vs HRM Barriers.

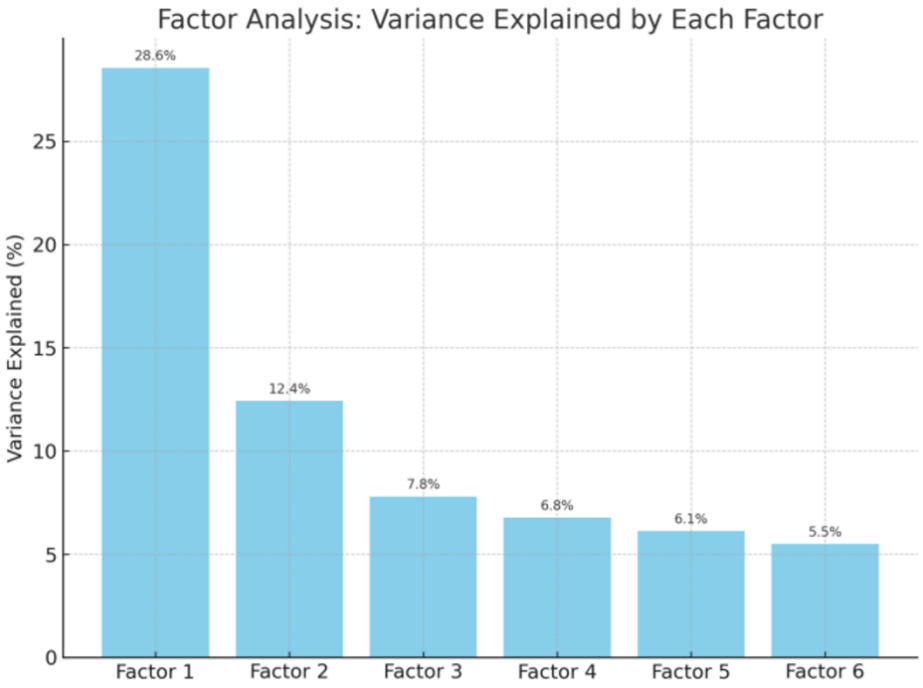



**Figure 2.**
Factor Analysis.

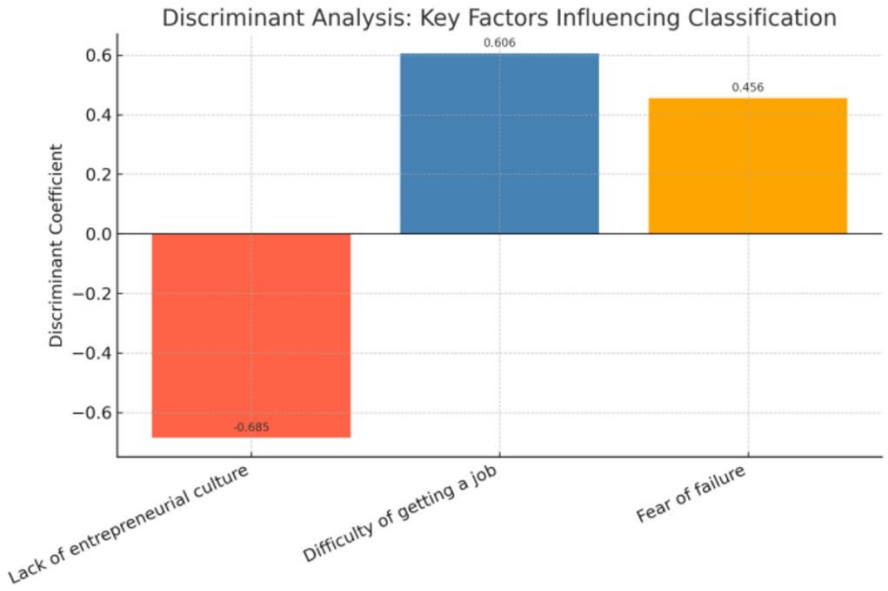



**Figure 3.**
Discriminant Analysis.

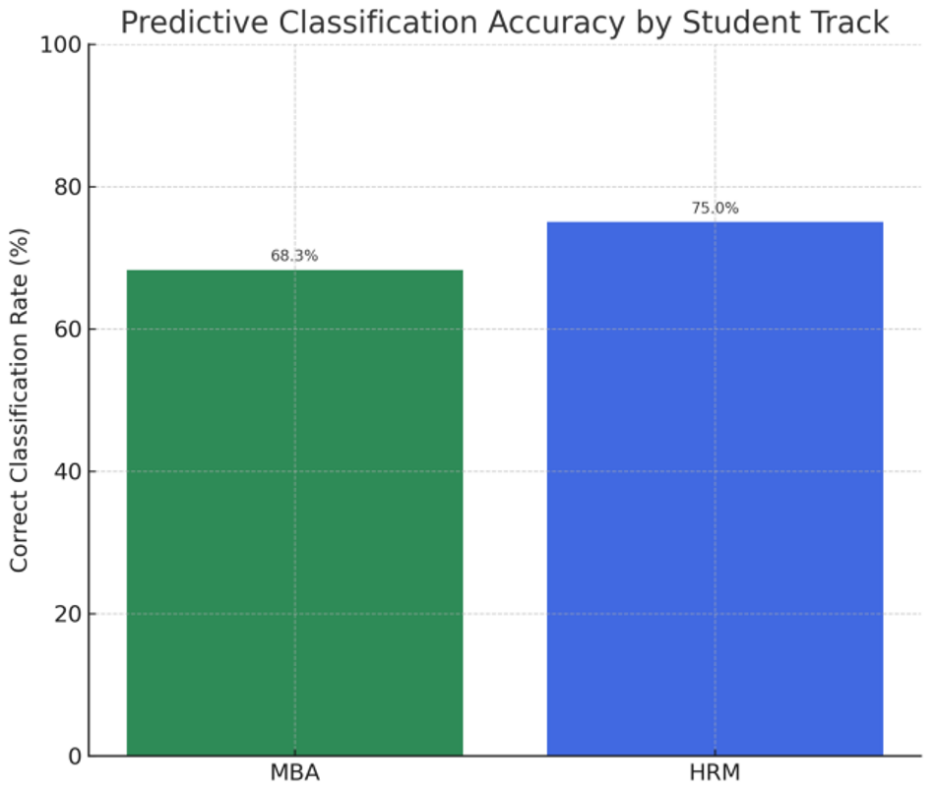



**Figure 4.**
Classification Accuracy.

## 5. Conclusion

The results of the discriminant analysis showed that the factors "lack of entrepreneurial culture" and "difficulty of finding a job" have a decisive impact on choosing "stable business". There is, however, a significant impact on the other factors such as "fear of failure" between "business administration" students and "HRM" students. This factor positively affects the category of "business administration" and negatively for “HRM”. This means that for business administration students the "fear of failure" factor is the main motivation for their choice of stable business, but for students of "accounting" is an obstacle for them.

The results also showed that the two factors 'difficulty of finding a job' and 'lack of entrepreneurial culture' have a significant effect but less than the 'fear of failure' effect" and this effect is especially evident for students of HRM.

To expand the number of institutions and encourage individuals to engage in entrepreneurship, it is essential to foster the entrepreneurial spirit and establish a solid entrepreneurial culture. This, in turn, can help address unemployment challenges and stimulate economic growth through the creation of added value.

The success of such an approach requires genuine commitment, expressed through the implementation of various mechanisms that encourage young people to embark on entrepreneurial ventures. Among the most effective tools is the adoption of business incubators, which have demonstrated their value across many countries. Their importance lies in several key functions:

- Identifying creative talents and transforming them into concrete and innovative projects.
- Supporting emerging enterprises by providing the appropriate environment and resources needed for growth.
- Ensuring continuous supervision and guidance of businesses hosted within incubators.
- Offering advanced strategies to nurture ideas and enhance the competitiveness of start-ups.
- Facilitating access to essential services such as banking facilities, financing solutions, and the necessary guarantees for small and medium-sized enterprises.

Entrepreneurship represents the most effective solution to providing job opportunities and reducing unemployment. However, success in this path requires the active involvement of government and society in creating a supportive ecosystem. Through tailored policies, incubators, and support mechanisms, Saudi Arabia can significantly boost youth entrepreneurship and achieve sustainable economic growth.

To increase entrepreneurial activity and drive individuals toward business creation, it is essential to strengthen the entrepreneurial spirit and culture as a fundamental requirement to solve unemployment and enhance the economy through value creation. The success of this approach depends on the existence of strong political will and the implementation of effective mechanisms such as incubators, which have proven successful worldwide by:

- Discovering and translating creative abilities into productive ventures.
- Supporting entrepreneurial enterprises with resources and a conducive environment.
- Ensuring continuous monitoring and guidance for incubated projects.
- Providing advanced strategies that build competitive capabilities.
- Facilitating access to financing and guarantees for small and medium enterprises (SMEs).

### *5.1. Theoretical Contributions:*

This study enriches the literature on entrepreneurial orientation by contextualizing the determinants of students' reluctance toward entrepreneurship in Saudi Arabia. By integrating personal, academic, cultural, and labor market-related factors, it advances understanding of how fear of failure, lack of entrepreneurial culture, and awareness of support mechanisms interact within the Theory of Planned Behavior framework. The comparative analysis between Business Administration and Human Resource Management students highlights discipline-specific influences, thus adding nuance to entrepreneurial orientation theory in emerging economies.

### *5.2. Practical Implications*

The findings carry important implications for policymakers, educators, and practitioners. Universities should intensify entrepreneurship education by embedding practical training, mentorship, and incubation programs into curricula to foster a risk-tolerant culture. Policymakers are encouraged to expand awareness of existing support mechanisms, simplify access to financing, and promote role models to shift cultural perceptions of entrepreneurship. Practitioners in incubation centers and SME-support agencies can leverage these insights to design tailored interventions that address students' specific barriers, particularly fear of failure and job market uncertainties.

### *5.3. Limitations*

This research, while offering valuable insights, is not without limitations. First, the study relies on a purposive sample of students from one Saudi university, which may limit the generalizability of findings across different regions and academic disciplines. Second, the cross-sectional design captures entrepreneurial orientation at a single point in time, preventing the observation of changes in intentions as students' progress through their careers. Third, reliance on self-reported data may introduce social desirability bias.

### *5.4. Future Research Directions*

Future studies should expand the scope by including multiple universities and disciplines to capture broader variations in entrepreneurial orientation. Longitudinal designs are recommended to track shifts in entrepreneurial intentions over time, particularly in response to policy interventions and cultural changes under Vision 2030. Comparative studies between Saudi Arabia and other Gulf or emerging economies could also provide cross-cultural insights into the role of fear of failure and cultural constraints. Finally, integrating qualitative approaches, such as interviews or case studies, would enrich understanding of the nuanced motivations and barriers faced by aspiring young entrepreneurs.

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