

A STUDY ON AWARENESS AMONG THE STUDENTS ON ENTREPRENEURIAL FINANCIAL ASSISTANCE PROVIDED BY SULTANATE OF OMAN

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The Sultanate of Oman is one of the Gulf Cooperation Countries in the Middle East which has a steady and progressive economic growth predominately due to its abundance of oil resource. The discovery of oil formed the basis for the development of infrastructure, social and economic prosperity in this region. Oman mainly concentrates on exporting oil to other countries which contribute around 80 percent of total government revenue¹. At this juncture, it is estimated that run out of oil reserves is less than 20 years, which has alarmed the government to think over on diversifying of its economy. The diversification has lead the government to opt for globalization, privatization and liberalize its policy and to revive the economy. The major challenges faced by the government are unemployment and provision of opportunities for higher education. The number of job seekers has been increasing due to preference of job in government sector when compared to private sector. It is impossible to provide employment for all the graduates in Government Sector. The Government identified that promoting entrepreneurship has become one of the policy options for nations to sustain growth and create more jobs in the economy². Entrepreneurs are the leaders who are willing to take risk and exercise initiatives, taking advantages of market opportunities by planning, organizing and employing resources³(Deakins & Freelk, 2012). The business environment is not conducive for doing business and creating more jobs, as the entrepreneurial environment in Oman is a Malaise among the graduates. It is evident that Oman ranks 62nd globally in 2016 for doing business, this is because of lack of knowledge about Entrepreneurship and raising finance for their business⁴.The Government of Oman encouraged both men and women equally to participate in the process of economic development of the Sultanate. This is emphasized on “Vision Oman 2020” policy on the industrial development of small and medium enterprises⁵. Therefore, Entrepreneurship Education and initiative are the pivotal concern in the Arab states. The Curriculum of College of Technology only discuss on Introduction to Entrepreneurship, Small and Medium Enterprises, feasibility study and developing business plan. The curriculum lacks in motivating the graduates by experiential learning how to rise funds, how to deploy funds and awareness about various financial assistance programmes provided by the Government among the students. The present study analyses the knowledge among the students about the various financial assistances provided by the Government and to suggest measures to initiate startups in Colleges of Technology to accomplish the vision and mission of Sultanate of Oman.

Need for the Study

The purpose of this research is to outline student’s awareness about financial assistance provided for entrepreneur in Oman with special reference to the students studying in College of Technology. The financial assistance plays a significant role to startup any business, the students who want to be an entrepreneur should be aware of the various financial assistance provided to the entrepreneurs by the Ministry of Manpower. The identification of the role will lead to analyze the knowledge among the students’ about the various financial assistances and how it could help them start a business.

Limitations of the Study

The researchers has taken the sample of respondents from the students studying in the College of technology under the Ministry of Manpower, since the data collected through convenient method of sampling, they might be critical and the interpretation of the data may be biased and subjective and the findings may not be applicable to private educational institutions. Furthermore, the willingness of students to participate in the research could be low.

Scope of the Study

This research will focus on students studying in various College of Technology. It will be helpful for the Ministry to understand about the knowledge among the students and review the curriculum. This review helps to initiate and enhance the Entrepreneurship to the next level of promoting startups in college, where the student could understand the gimmicks of business and how to raise funds to operate a business.

Review of Literature

ErlendNybakk, (2009), in his study titled “Innovation and Entrepreneurship in small firms: The influence of entrepreneurial attitudes, external relationships and learning orientation”, dissertation submitted to the Department of Economics and Resources Management, Norwegian University of Life Sciences, identified the factors that trigger creativity and innovation in small firms, with the main focus on firms that offer non-timber forest products and services (NTEP&S). Encouraging Small and medium firms would uphold economic growth

1. <http://oeronline.com/economy/omans-2016-budget-aims-to-stimulate-economic-growth-and-spending.html> accessed on 25.04. 2017.
2. Dhafir Awadh Al-Shanfari, (2012), “Entrepreneurship in Oman: A Snapshot of the Main Challenges,” Submitted to United Nations Conference on Trade and Development: Multi-year expert meeting on enterprise development policies and capacity-building in science, technology and innovation (STI) (fourth session), Geneva, accessed on 25.04.2017.
3. Uhumwango Philomena & Osayomwanbor Philomena, (2014), “The role of Entrepreneurship Education and Economic Development”, *Journal of Multidisciplinary Engineering Science and Technology (JMEST)*, Nigeria, accessed on 25.04.2017.
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5. *Ibid*, Pg 3.

and employment in the districts and national worldwide. The central theme of the thesis is know how one should promote entrepreneurship and innovation to improve productivity and develop the economy. The study recommends how to setup entrepreneurship education programmes and how to facilitate an environment, in which inspirations are triggered⁶.

Yochanan Shachmurove (2009), in his working paper submitted to the Department of Economics, University of Pennsylvania, in "Entrepreneurship in Oman" examined the various sources of generation of income apart from oil revenues. The sultanate of Oman has to diversify its economy and stop relying only on oil revenues. It is found that natural gas and several non-energy business sectors, such as tourism, fishing, light manufacturing, and agriculture are expanding rapidly. The Omani economy is one of the free, stable government with low taxes makes Oman a desirable location for entrepreneurial ventures Oil revenues, coupled with increasing foreign investment are likely to both diversify the Omani economic base and strengthen it⁷.

Michael Lorz, (2011), in his study titled "The impact of entrepreneurship education on entrepreneurial intention" dissertation submitted to the University Of St. Gallen Germany. His study aims to analyze whether entrepreneurship education is the major source of inspiration to stimulate and have a positive impact on entrepreneurial intention to initiate startups⁸.

Imran et al. (2011) and Ahmed et al. (2010) indicated that innovativeness and independence will impact students' attitudes towards entrepreneurship. Students who are more confident and independent in their ability, based on practical experience, will have a positive attitude toward entrepreneurship as a career choice¹.

Albert Paulose, (2011), in his study titled "Motivation to become entrepreneurs: the case of Indian immigrants to New Zealand, examines the factors motivating Indian immigrants to strive to become entrepreneurs in New Zealand. The study reveals several issues behind their desire to succeed in this endeavor. This study discovered that the interviewees were motivated by several factors such as money, seeing a gap in the market and wanting to fill it; the need for a change; to make a living; to get more flexibility with their time; lowered job satisfaction as an employee; and lowered access to good job⁹.

Ammal and Mathi's, (2014), assessed the attitude of undergraduate students in Ibri College towards making entrepreneurship a career choice. The study, comprising 60 students and using a descriptive approach, found that family business background, innovativeness, students' confidence and independence impact their attitude towards a career choice. However, the limitations of the study, which concentrated on only one college, do not provide a representative sample or conclusive results. Risk taking has been shown to have a strong relationship with the success of entrepreneurs in establishing new ventures (Antonites and Wordsworth 2009)ⁱⁱ.

Belwal et al. (2015) revealed that the majority of university students in Oman were optimistic and interested in starting their own business, but at the same time lacked knowledge about how to achieve this. Factors such as confidence and effective connections with established entrepreneurs were observed as enablers for starting a business. Fear of failure and unwillingness to take risks were seen as the major obstacles facing university students in embarking on an entrepreneurial path. The main shortcoming of this study is that its conclusions cannot be generalized, as it adopted a non-probability sampling methodⁱⁱⁱ.

Omer Ali Ibrahim, Sonal Devesh and Vaheed Ubaidullah, (2017) in his paper on "Implication of attitude of graduate students in Oman towards entrepreneurship: an empirical study" assessed whether the graduates in Oman have a positive attitude towards entrepreneurship. The study uses Exploratory factor analysis (EFA), and a multivariate regression model were used to assess the attitude and identify its influencing factors. The data collected was through structured questionnaire framed to study the opinion of the 165 students studying in selected four colleges in Muscat. The study revealed that preference to start their own business after graduation is low. The government, higher education institutions and business incubators have an important role to play in changing the attitude of graduates towards entrepreneurship, and setting effective entrepreneurship strategies¹⁰.

The researcher after reviewing the various studies on the Entrepreneurship Education identified that there is gap between the awareness among the students about Entrepreneurship and how the fund could be raised by them to start a business. The knowledge about the various financial assistances provided by the government is not known to the general public. This initiated the researcher to study the awareness among the students on various financial assistance provided to the young budding entrepreneurs to initiate startups. This research aims to answer the following questions:

1. What are the financial assistance in Oman and how does it function?
2. How far is the awareness of these financial assistances among students in College of Technology?
3. What are the benefits of these financial assistances to the students in their career life?

6. Erlend Nybakk, (2009), "Innovation and Entrepreneurship in small firms: The influence of entrepreneurial attitudes, external relationships and learning orientation", Department of Economics and Resources Management, Norwegian University of Life Sciences.
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13. Omer Ali Ibrahim, Sonal Devesh and Vaheed Ubaidullah, (2017), "Implication of attitude of graduate students in Oman towards entrepreneurship: an empirical study", *Journal of Global Entrepreneurship Research*, Pg7-8

Objectives of the Study

1. To identify the various financial assistances provided for entrepreneurs in Oman and how they operate.
2. To find out the awareness among the college students regarding the financial assistances.
3. To identify the awareness level of student and to identify the most preferred bank for the student that provide financial assistant.
4. To understand the benefits of the financial assistance in building the young entrepreneurs.

Methodology

The researcher has adopted descriptive type of research. Primary and secondary data were collected for the study. The primary data were collected by means of a field survey that was administered to the students of College of Technology under Ministry of Manpower. The sample of respondents was selected through the convenient sampling technique. The researcher framed self-administered questionnaire to identify the awareness among the students of college of Technology and mailed to ten students each from College of Technology. All the items /statements in the questionnaire were being asked using 5 point Likert scale. Out of 70 students only 60 students responded and the response rate was found to be 85%. The secondary source of data was collected from various articles from national and international journals, reports and information from National Center for Statistics and Information and World Economic Forum.

Data Analysis, Results and Discussion

The data analysis, survey results and conclusive discussion are summarized in the following section.

Sample Characteristics

From the survey, it is observed that 58 % of the respondents are from business, 22 % respondents are from engineering followed by 20% of the respondents are from IT. The students from advance diploma level and 15 % from bachelor level are taken for the study. Majority (76%) of the respondents knew about the subject entrepreneur. 62 % of the respondents says that they are want to become entrepreneur in future because they get additional income, to increase the economy, to create new work opportunities for the people who are unemployed, to have more knowledge, skills and experience in the management, to help the country to develop and grow and to develop the best life.55 % of the respondents say that they are aware that financial assistance provided for entrepreneur in Oman.

Table 1: Distribution of the respondents based on preference by the people in Government agencies for financial assistances

Government agencies	1	2	3	4	5	6	Total
Ministry of Commerce and Industry (Business Diagnostic Center)	5	6	10	5	5	7	38
	13%	15%	26%	13%	13%	18%	100
Ministry of Manpower (Sanad Programme)	7	13	6	5	2	5	38
	18%	34%	15%	13%	5%	13%	100
Ministry of Social Development(Livelihood (RizGH) Resources Projects)	6	5	6	11	3	7	38
	15%	13%	15%	28%	7%	18%	100
Public Establishment for Industrial Estate (Knowledge Oasis Muscat)	2	2	9	7	10	8	38
	5%	5%	23%	18%	26%	21%	100
Oman Development Bank	10	9	2	7	8	2	38
	26%	23%	5%	18%	21%	5%	100
Omani Center for Investment Promotion & Export Development (OCIPED)	7	4	3	4	10	10	38
	18%	10%	7%	10%	26%	26%	100

Interpretation: The table shows that 34% of the respondents mentioned that that they preferred Sanad programme,28% says that ministry of social development,26% preferred the Ministry of Commerce and Industry, Centre of export development etc.

Table 2: Distribution of the respondents based on the reason why they preferred Government agencies

Reason Rate	1	2	3	4	5	Total
Maximum loan Amount	20	7	2	6	3	38
	52%	18%	5%	15%	7%	100
Easy way of process	6	9	8	12	3	38
	15%	23%	21%	31%	7%	100
Frequent conduction of Training/Workshop/ Seminar	6	8	10	6	8	38
	15%	21%	26%	15%	21%	100
Business & legal Consultation	5	7	12	8	6	38
	13%	18%	31%	21%	15%	100
Awareness	1	7	6	6	18	38
	2%	18%	15%	15%	47%	100

Interpretation: The table depicts, 52% of the respondents says that Sanad Programme is providing maximum loan amount to the entrepreneur followed by 47 % says that they are giving awareness,31 % say that easy way of processing business & legal consultation etc.

Table 3: Distribution of the respondents based on preference of the Quasi-Government and private agency

Quasi-government and private agencies	1	2	3	4	Total
Oman Chamber of Commerce and Industry	11	10	10	7	38
	28%	26%	26%	18%	100
Fund for Development of Youth Projects "Sharakah"	11	11	7	9	38
	28%	28%	18%	23%	100
Intilaaqah Programme	12	8	9	9	38
	31%	21%	23%	23%	100
Grofin Oman	4	9	12	13	38
	10%	23%	31%	34%	100

Interpretation: From the table, it is inferred that 34% of the respondents marked Grofin in Oman followed by 31% preferred by Intilaaqah programme.

Table 4: Distribution of the respondents based on preference of the Quasi- Government and private agency

Reason / Rate	1	2	3	4	5	Total
Maximum loan Amount	20	6	1	9	2	38
	52%	15%	2%	23%	5%	100
Easy way of process	6	14	10	8	0	38
	15%	36%	26%	21%	0%	100
Frequent conduction of Training/Workshop/ Seminar	4	6	8	5	15	38
	10%	15%	21%	13%	39%	100
Business & legal Consultation	6	6	12	8	6	38
	15%	15%	31%	21%	15%	100
Awareness	2	6	7	8	15	38
	5%	15%	18%	21%	39%	100

Interpretation: From the table it is inferred, 52% of the respondents says that the Grofin Oman pays maximum amount of loan to the entrepreneur and 39% says that they are conducting more workshop and awareness programme.

Table 5: Distribution of the respondents based on preference of the Commercial Banks

Commercial Banks	1	2	3	4	5	6	7	Total
HSBC Middle East	6	6	7	7	2	2	8	38
	15%	15%	18%	18%	5%	5%	21%	100
Bank Muscat	11	8	5	5	6	3	0	38
	28%	21%	13%	13%	15%	7%	0%	100
Sohar Bank	4	4	5	8	7	5	5	38
	10%	10%	13%	21%	18%	13%	13%	100
National Bank of Oman	7	8	6	8	4	3	2	38
	18%	21%	15%	21%	10%	7%	5%	100
Standard Chartered Bank	4	4	4	2	7	13	4	38
	10%	10%	10%	5%	18%	34%	10%	100
Oman Arab Bank	2	6	6	2	5	9	8	38
	5%	15%	15%	5%	13%	23%	21%	100
Oman International Bank	4	3	5	6	6	4	10	38
	10%	7%	13%	15%	15%	10%	26%	100

Interpretation: The table show that 34% of the respondents preferred standard chartered bank.28% preferred Bank Muscat followed by Oman international bank, Sohar bank and HSBC Middle East bank etc.

Table 6: Distribution of the respondents based on the reason why they preferred Commercial banks

Reason / Rate	1	2	3	4	5	Total
Maximum loan Amount	20	6	1	9	2	38
	52%	15%	2%	23%	5%	100
Easy way of process	6	14	10	8	0	38
	15%	36%	26%	21%	0%	100

Frequent conduction of Training/Workshop/ Seminar	4	6	8	5	15	38
	10%	15%	21%	13%	39%	100
Business & legal Consultation	6	6	12	8	6	38
	15%	15%	31%	21%	15%	100
Awareness	2	6	7	8	15	38
	5%	15%	18%	21%	39%	100

Interpretation: From the table it is inferred, 55 % of the respondents says that standard chartered bank gives maximum loan amount to the people followed by 39% says that they are conducting frequent training and workshop etc.

Findings of the Study

- It is found that 58 % of the respondents are from business, 22 % respondents are from engineering followed by 20% of the respondents are from IT.
- The majority of the respondents are in advance diploma followed by 30 % is from bachelor.
- It is found that 76% of the respondents say that they know the subject entrepreneur following by 24% says no about the subject.
- The study reveals that 62 % of the respondents says that they are want to become entrepreneur in future because they get additional income, to increase the economy, to create new work opportunities for the people who are unemployed, to have more knowledge, skills and experience in the management, to help the country to develop and grow and to develop the best life.
- About 55 % of the respondents say that they are aware that financial assistance provided for entrepreneur in Oman and 17 % says no.
- It is found that 34% of the respondents mentioned that that they preferred Sanad programme, 28% says that ministry of social development, 26% preferred the ministry of commerce and industry, center of export development etc.
- The study depicts that 47% of the respondents says that they are having more awareness about the Sanad Programme followed by 52 % says that they are giving maximum loan amount, 31 % say that easy way of processing business & legal consultation etc.
- It is found that 34% of the respondents marked Grofin Oman followed by 31% preferred by Intilaaqah programme. Over 52 % of the respondents says that the Grofin Oman pays maximum amount of loan to the entrepreneur and 39% says that they are conducting more workshop and awareness programme.
- The result of the study inferred that 34 % of the respondents preferred standard chartered bank. 28% preferred Bank Muscat followed by Oman international bank, Sohar bank and HSBC Middle East bank etc. About 55 % of the respondents say that standard chartered bank gives maximum loan amount to the people followed by 39% says that they are conducting frequent training and workshop etc.

Suggestion for the Study

1. The study reveals that lack of knowledge about the various financial assistance programmes offered by the Government is one of the major constraints for development of Entrepreneurship in the country. It is recommended that the young graduates should be educated on this by reviewing the curriculum of the Entrepreneurship Course content.
2. The students should be made aware of these financial assistance programmes by conducting workshop, seminar by the experts working in the particular organization.
3. The students should be encouraged to initiate startup incubators inside the college premises which provide experiential learning on how to start a business and how to raise funds.
4. The students are motivated to start a venture when they realize that they are protected and stimulated by the Government to start a business which in turn develops economy.
5. The students should be fortified with small funded projects to understand the gimmicks of starting business. The Business Simulation Classes could be conducted to integrate entrepreneurial culture among the students.

Conclusion

From the study, it is open-lighted that the students are not awareness much aware of the financial assistance programmes in Oman. The study reveals that students were aware of only SANAD programmes, which promotes the launch of youth business ventures through provision of loans and expertise to fresh graduates. It is revealed that only 34% of the respondents are aware of the Grofin SME Financial institution and 31% aware of Intilaaqah programme which provide maximum amount of loan to the entrepreneurs. It is clear from the above study that only 30 percentages of the students were awareness of the financial assistance programmes. Hence, it is conclude that the students should be educated on various financial assistance programmes and to be provide funded projects to encourage them to understand how to initiate, ideate and run a business successfully in the market. This is achieved by providing Business Simulation Classes, conducting various training programmes such as workshop, Guest lecture and seminar. These programmes enhance entrepreneurial culture and promote entrepreneurship among students studying in College of Technology, Oman.

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