ENTREPRENEURIAL INTENTIONS IN CRISIS: SHAPING THROUGH THE TRIAD OF INFLUENCE - GOVERNMENT, EDUCATION, AND ENVIRONMENT

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ABSTRACT

Purpose: The COVID-19 outbreak’s effect on the world has been unparalleled, its consequences generated unpredictable behavioral changes in individuals’ perceptions, which can affect entrepreneurial activities. This paper aims to analyze the motivating factors, challenges, and youths’ perspectives regarding factors that affect their intention to engage in entrepreneurial activities in Lebanon, a country dealing with one of the worst global economic and financial crises in the middle of the nineteenth century.

Design/methodology/approach: Data were gathered from a valid sample of 992 university students as part of a quantitative approach to data collection that covered seven different districts in Lebanon. In order to analyze the contextual elements in connection to students’ intention to engage in entrepreneurial activity using planned behavior theory, a structural equation modelling was used.

Findings: The results provide evidence that three experiences—attitude towards entrepreneurship, perceived behavioral control, and social norms—have a direct impact on the likelihood of future entrepreneurial initiatives. Nevertheless, the desire of students to be entrepreneur was not directly impacted by the support provided from the university, government and business environment.

Theoretical and Practical Implications: Theoretical and practical implications can be made from this study’s results. Theoretically this study adds to the literature by examining different factors that may have an impact on entrepreneurial intention of university students during time of crisis. Practically, results found provide suggestions to policymakers to reassess the current...
policies and programs in order to encourage positive intentions towards entrepreneurship among Lebanese university students.

**Originality/value:** The examination of factors affecting entrepreneurial intention of university students in Lebanon is a first of its kind, which could be implied for further investigation.

**Keywords:** entrepreneurship, business environment, government support, intention, university students, post-pandemic.

**Received:** 29/05/2023  
**Accepted:** 23/08/2023  
**DOI:** https://doi.org/10.55908/sdgs.v11i6.890

INTENÇÕES EMPRESARIAIS EM CRISE: MOLDANDO-SE ATRAVÉS DA TRÍADE DE INFLUÊNCIA - GOVERNO, EDUCAÇÃO E MEIO AMBIENTE

**RESUMO**

**Objetivo:** O efeito do surto de Covid-19 no mundo tem sido incomparável, suas consequências geraram mudanças comportamentais imprevisíveis nas percepções dos indivíduos, o que pode afetar as atividades empresariais. Este artigo tem como objetivo analisar os fatores motivadores, os desafios e as perspectivas dos jovens em relação aos fatores que afetam sua intenção de se engajar em atividades empresariais no Líbano, país que enfrenta uma das piores crises econômicas e financeiras globais em meados do século XIX.

**Projeto/metodologia/abordagem:** Os dados foram coletados de uma amostra válida de 992 estudantes universitários como parte de uma abordagem quantitativa para a coleta de dados que abrangeu sete distritos diferentes no Líbano. A fim de analisar os elementos contextuais em conexão com a intenção dos alunos de se envolver em atividade empresarial usando a teoria do comportamento planejado, uma modelagem de equação estrutural foi usada.

**Constatações:** Os resultados evidenciam que três experiências — atitude em relação ao empreendedorismo, percepção de controle comportamental e normas sociais — têm impacto direto na probabilidade de iniciativas empresariais futuras. No entanto, o desejo dos estudantes de serem empreendedores não foi diretamente impactado pelo apoio proporcionado pela universidade, governo e ambiente empresarial.

**Implicações teóricas e práticas:** implicações teóricas e práticas podem ser feitas a partir dos resultados deste estudo. Teoricamente, este estudo acrescenta à literatura, examinando diferentes fatores que podem ter impacto na intenção empreendedora dos estudantes universitários durante o período de crise. Praticamente, os resultados encontrados fornecem sugestões aos formuladores de políticas para reavaliar as políticas e programas atuais a fim de incentivar intenções positivas de empreendedorismo entre estudantes universitários libaneses.

**Originalidade/valor:** O exame dos fatores que afetam a intenção empresarial dos estudantes universitários no Líbano é um primeiro do seu tipo, que pode ser implicado para uma investigação mais aprofundada.

**Palavras-chave:** empreendedorismo, ambiente empresarial, apoio governamental, intenção, estudantes universitários, pós-pandemia.
1 INTRODUCTION

There is a global growing belief between governments, academics and practitioners worldwide that entrepreneurship is essential to raising living conditions for different individuals and fostering sustainable economic growth (Abdullah et al., 2023; Lu et al., 2021; Sutter et al., 2019; Guzairy et al., 2018; Mei et al., 2017). Its importance increased after the epidemic of the COVID-19, which added an unanticipated level of ambiguity to the world, and caused societal, economical change in individuals’ mode of life and behaviors (Zakhem et al., 2022; Madaan et al., 2023). Countries can increase employment possibilities and promote new technologies, services, and products by fostering entrepreneurship (Mueller and Thomas, 2000). Due to increased market rivalry brought on by entrepreneurship, employers face a greater responsibility to increase productivity and spur new economic growth (Caliendo et al., 2014). The European Entrepreneurship 2020 Action Plan emphasizes the importance of entrepreneurship, it mentioned that Europe needs more entrepreneurial activities to restore growth and generate more job opportunities (European Commission, 2013). Therefore, it is essential to comprehend the elements that affect students’ willingness to be entrepreneurs. Regarding Lebanon, and as in many unstable and developing countries little is known about entrepreneurship. The World Bank (2014) identified entrepreneurship as a significant driver of job growth in Lebanon. However, as a result of the dearth of studies and the absence of official attempts to encourage entrepreneurship, not much is known about entrepreneurship in Lebanon. The World Bank (2014) stated that employment growth in Lebanon was perceived as being limited, even during periods of robust economic expansion. Annual real GDP growth in Lebanon was 4.4% on average between 1997 and 2009, but employment only increased by 1.1% (World Bank, 2016). The report's main finding was that low-productivity sectors had grown significantly, leaving university graduates with few job opportunities (Global Entrepreneurship Monitor, 2018).

Lebanon is a small Middle Eastern nation with about 5.5 million people (World Bank, 2022a). Since 2019, the country has faced a number of difficulties, including its economic and financial crises, the depreciation of the local currency, the explosion of Beirut Port, which is among the largest non-nuclear explosions ever recorded, and the effects of the global pandemic (COVID-19). These difficulties have had an effect on the nation's economic situation; where GDP contradicted by 7% during 2021 compared to a higher contradiction in the previous year where it reached 21.4% (World Bank, 2022b).
Despite the difficulties in determining the country's exact unemployment rate due to the lack of official statistics and the contradicting rates that are being published, unemployment remains high. In a study conducted by ILO (2022) Lebanon’s unemployment rate reached around 30% in the first month of 2022 compared to 11% in 2018-2019. Previous president of Lebanon Michel Aoun announced a substantially higher rate in 2018, stating that the unemployment rate had reached an all-time high of 46% (Daily Star, 2018); a local source claims that the unemployment rate exceeded 50% in 2019. (Chbeir, 2020). Mendelek (2022) claims that unemployment in Lebanon is not a recent issue and has historically led to the departure from the nation. Despite the lack of recent and reliable data, Lebanon is a major source of emigration since its citizens cannot find professional-level jobs in their academic fields. As a result, Lebanon is losing its human capital, who are the primary source of creativity and entrepreneurial endeavors in a country.

Even though entrepreneurship is essential in Lebanon, there is limited knowledge about the factors that encourage and the obstacles that prevent youth from starting their own businesses. No study has previously investigated the association between universities, the business environment, and government to foster students' ambition to become entrepreneurs in Lebanon, according to a review of the literature. Accordingly, this study seeks to determine the factors influencing the inclination of students towards entrepreneurship in Lebanon, by applying the Theory of Planned behavior.

As a result, this current research addresses the following main research question is “what are the factors affecting students’ entrepreneurial intention in Lebanon?” To be able to answer the main question a number of sub-questions stand up. Is the Theory of Planned Behavior applicable in the context of crisis? To what extend does the Lebanese government provide support to entrepreneurial initiatives? Is the Lebanese business environment supportive to entrepreneurship? What is the impact of university in students’ intention towards entrepreneurship?

The novelty of this study comes from its understanding of the different factors affecting students’ decision to embark into the world of entrepreneurship, taking into consideration the barriers that the Lebanese economy and society is facing due to the consequences of COVID-19 pandemic, the global recession, and its own multileveled crisis. By analyzing different factors this current research will offer a better and deeper understanding of the country’s entrepreneurial ecosystem in Lebanon, which will bring
beneficial implications for practitioners, higher education institutions and governmental parties.

This quantitative study utilizes structural equation modelling to analyze the factors affecting students’ intention towards entrepreneurship in the Higher education sector through random sample of 992 university business students.

The remainder of this research is structured into five main sections. First, we cover the theoretical background. Following is a description of the methodological approach. The third part is related to the interpretation of the results. A discussion of results and conclusion is presented in the fifth section, which is followed by the study's implications and recommendation.

2 THEORETICAL FRAMEWORK

The below subsections provide a theoretical context and a review of related literature found in the field of entrepreneurial intention, taking into account Lebanon’s structure.

2.1. ENTREPRENEURSHIP AND INTENTION

The French verb "entreprendre," which means "to undertake," is the foundation of entrepreneurship (Carland et al., 2002). Although starting a small business is commonly thought to be entrepreneurial, not all small enterprises are. In spite of the fact that the field of entrepreneurship is expanding on a worldwide scale, there is no one clear and definite definition of the term (Mokaya et al., 2012). Therefore, the foundation of this study will be Peter Drucker's (1985) definition of entrepreneurship, which emphasized the relationship between entrepreneurship and innovation. According to Drucker, an entrepreneur is someone who actively seeks out change, embraces it, and seizes opportunities, with innovation serving as the primary tool employed by entrepreneurs who transform sources into resources. Since no entrepreneurial action is developed without a person's purpose to pursue it, intention is a key factor in determining entrepreneurship. Bird (1988) defined intention as a person's state of mind that leads to the concept and necessary steps for doing a particular action (Urban, 2010). Intention is the initial step in the entrepreneurial process and is vital to understand it, since it affects how a person may act in the future, according to the Global Entrepreneurship Monitor (GEM). Intention, in the words of Rivis and Sheeran (2003), illustrates an individual's
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Entrepreneurial intentions are the motivation behind an individual's decision to launch a new business and the related strategy that goes along with it (Shook et al., 2003).

According to Autio et al. (2021), the study of entrepreneurial intentions is reliable because it is recognized as a forerunner to entrepreneurial behavior. Additionally, it has been found that individuals who have a higher intention on starting their own business compared with individuals who are less intent have a higher inclination to attain their objectives and succeed in launching their own business (Thompson, 2009). Individuals cannot take advantage of recognized entrepreneurial opportunities unless they develop an intention towards entrepreneurship (Krueger et al., 2002). In order to identify the elements influencing students' intention to pursue entrepreneurship, the work reported in this study employed an intention-based model based on the evidence previously mentioned.

According to Krueger et al., (2000) by concentrating on the causes of business creation and the variables influencing such acts, intention models frequently describe and predict entrepreneurial behaviors. The prediction of intention is based on different theories that are related to social psychology. The Theory of Planned Behavior (TPB) is widely applicable in the realm of entrepreneurship and is a well-known intention model (Barrios et al., 2022; Maheshwari et al., 2022; Usman 2022; Maalaoui et al., 2018). The Theory of Planned Behavior proposed by Ajzen (1985) is an expansion of the work of Fishbein and Ajzen (1975) “Theory of Reasoned Action (TRA)”.

It suggests three key factors that influence a behavioral intention. The first is one's attitude toward behavior, which is an evaluation of one's own conception pertaining the results of a given behavior. Relating this definition to entrepreneurship Linan and Chen (2009) explain that individuals, who perceive themselves favorably as entrepreneurs are more likely to be engaged in various entrepreneurial activities. In contrast, individuals who perceive themselves negatively are less likely to be so. Personal attitudes are related to a positive or negative assessment of being an entrepreneur.

The second determinant in the TPB model, is known as perceived behavioral control, which is related to one’s perception of the degree of hardship to carry out the intended activity. With regard to entrepreneurship Çera et al., (2022), viewed perceived behavioral control as an individual's confidence and faith in undertaking business aims and action plans to attain the end by reflecting the reasons behind acting in a particular and specific way as well as how much work and time they are willing to put into the behavior.
ventures. The more alternatives and resources someone thinks they have and the less limits they anticipate, including startup activities, the greater their perceived control over a specific activity is likely to be. Subjective norms, or the social pressure and support associated with engaging in the behavior, is the third determinant (Ajzen, 1991). This is connected to the notion that a significant individual, close family members, or close friends will support a particular conduct, such as the choice to launch a business and being an entrepreneur (Furman et al., 2023). Ajzen (1991) asserts that potential entrepreneurs may step back if they encounter unfavorable comments from individuals in their community. Theory of Planned Behavior’s conceptual framework is primarily used to examine how attitudes, behavioral control and social norms affect Lebanese students’ entrepreneurial intention.

2.2 INTENTION TOWARDS ENTREPRENEURSHIP AND CONTEXTUAL FACTORS

Different factors influence the decision to start a new business and become an entrepreneur (Duong, 2022). Based on a significant body of related literature Uddin and Bose (2012) determined three key categories of aspects that critically impact entrepreneurial intention; demographic variables, individual attributes and contextual variables. Austin (2006) found that situational factors that are not under the control of individuals have an impact on the success or failure of one’s desire to pursue an entrepreneurial profession. Cultural, economic, technological, social, and political elements that surround people are examples of contextual factors. These factors have a tendency to encourage or obstruct entrepreneurial activities (Thomassen et al., 2020; Amos et al., 2015; Welter, 2011). Conflicts and unstable environment are one of the biggest challenges facing entrepreneurship, its consequences vary between countries and must be separately taken into consideration (Al-Qadasi and Gangiyi 2020). Individuals actively engage with the environment around them, and so various environmental variables have an impact on entrepreneurship (Fragoso et al., 2019). This current study will focus on three primary contextual factors; university and education system, government regulations, and the business environment.

Universities are capable of providing students with the required knowledge to become entrepreneurs by increasing their entrepreneurial intention (Turker and Selcuk, 2009). In addition to helping students build their entrepreneurial skills and improve their
intentions and attitudes toward entrepreneurship, entrepreneurship education also helps students improve their capacity for coming up with original ideas, which is the foundation of entrepreneurship (Chang and Rieple, 2013; Zhao et al., 2010). According to the European Commission (2011), entrepreneurship education focuses on creativity, thinking outside the box, taking calculated risks, and appreciating diversity in addition to promoting venture formation (Gautman and Singh, 2015). By encouraging the emergence and formation of entrepreneurial mindsets and behaviors, entrepreneurial education and the university environment influence students' intentions toward entrepreneurship in a direct or indirect manner (Cui et al., 2021).

As the government is the primary entity responsible for the development of different laws and regulations, legal and governmental support has an impact on people's behavior (Fini et al., 2012; Stephen et al., 2005). Previous research linking it to entrepreneurship indicated a favorable correlation between governmental activities and supports and students' entrepreneurial inclination (Denanyoh et al., 2015; Türker and Selçuk, 2009). Considering the existing literature, there are no specific and clear government initiatives, or assistance aimed at encouraging young people and college students to start their own businesses in Lebanon. Several policies and programs were developed by various Lebanese ministries but were not adopted by governments (Brihi et al., 2019). Circular 331—a $400 million financial incentive for start-ups—was made available in August 2013 by Banque Du Liban (BDL), the Central Bank of Lebanon. The program enabled Lebanese commercial banks to offer equity loans to start-ups in the technology sector, with BDL guaranteeing 75% of the loan amount. The loan sum was raised to $650 million by 2016, however, no data are available regarding the total amount of start-ups that benefited from the circular or the loans that were provided. This brings up several concerns about the fund distribution's transparency and actual impact. Since Lebanon is 149 out of 180 on the Corruption Perceptions Index, it is seen to have a high level of corruption by outside observers in international marketplaces (Transparency International, 2022). Additionally, the environment's restrictions and enabling elements play a critical role in motivating people in general and students in particular to pursue entrepreneurial careers. The decision to become an entrepreneur may be affected directly or indirectly by perceived obstacles and enabling contextual conditions (Lüthje and Franke, 2003). Based on the information provided by the Ease of Doing Business indicators, the Lebanese business environment was determined to be unfavorable; as a
result, the country's ranking dropped from 87 in 2006 to 143 in 2021 out of 190 economies (World Bank, 2022). Physical infrastructure is a crucial component for promoting and facilitating the launch of new entrepreneurial activities and the continuation of previously established businesses. According to the World Bank (2019), the supply of power in Lebanon is among the poorest in the world; it barely meets 47% of the demand, and depending on the location, blackouts can last anywhere from 3 to 17 hours per day. Additionally, the country's telecommunications industry is suffering from high costs and poor connection quality. According to the Worldwide Broadband Speed League (2022), Lebanon's broadband speed position dropped from 167th place in 2019 to 174th place globally out of 224 countries.

According to the aforementioned justifications, the predictors of this study are attitudes toward entrepreneurship, societal norms, perceived behavioral control, university and education support, business environment, and government support, whereas the predictand is entrepreneurial intention.

The following hypotheses were postulated and investigated within this work:

**H1a-c:** Entrepreneurial intention is positively affected by personal attitudes (H1a), social norms (H1b), and perceived behavioral control (H1c).

**H1d-e:** Social norms positively affect personal attitudes (H1d) and perceived behavioral control (H1e).

**H2a-c:** University support positively affects personal attitudes (H2a), entrepreneurial intention (H2b), and perceived behavioral control (H2c).

**H3a-c:** Governmental support positively affects personal attitudes (H3a), entrepreneurial intention (H3b), and perceived behavioral control (H3c).

**H4a-c:** Business Environment positively affects personal attitudes (H4a), entrepreneurial intention (H4b), and perceived behavioral control (H4c).

The conceptual model, presented in Figure 1, demonstrates the study's fundamental structure, together with their relations.
3 METHODOLOGY

A quantitative research approach is adopted in this research, through the use of a questionnaire. The population of the study involves students enrolled in the business program in the largest university in Lebanon. Data was collected from seven different districts namely; Akkar, Beirut, Bekaa, Tripoli, Saida, Nabatieh and Tyre. To obtain primary data from students’ regarding the factors affecting their intention towards entrepreneurial activity a questionnaire was distributed between October and November 2022. With the assistance and support from the academic staff in the university, students received the questionnaire via their university email. Faculty members were trained to inform students of the purpose of the current research, based on that announcement were made in classes regarding the importance of completing the questionnaire. Data was collected from business students in different departments including; accounting, management, finance, management information system, hospitality, economics and marketing. The questionnaire consisted of 48 questions developed mostly using prior theoretical frameworks and pertinent literature. The first section was related to demographic and personal questions; this was followed by a set of questions related to variables considered to be affecting students’ entrepreneurial intention. The study’s
constructs have been measured using a 5-Likert scale, allowing participants to identify their degree of agreement, which ranged from strongly disagreeing to highly agreeing. A random sampling technique was used, the sample size is based on the recommendation of Yamane (1973) regarding the application of the sample size formula \( n = \frac{N}{1 + N \cdot (e)^2} \), the resulting calculated sample size was 982, thus any sample size that exceeds 982 participants is seen as appropriate. Accordingly, the questionnaire was distributed to 1,103 students, 992 completed the questionnaire and were deemed suitable for inclusion in the statistical analysis, thus reaching a recovery rate of 90%. After screening the returned questionnaires, however 992 were deemed suitable for inclusion in the statistical analysis.

SPSS is used test the data reliability and validity, as well as the descriptive analysis. AMOS is used to test the structural association among variables.

According to Hair et al., (2010) the traditional two-step methodology was used; first the measurement model was assessed using confirmatory factor analysis (CFA), and then an assessment of structural model was accomplished using structural equation modelling. In addition, univariate skewness and kurtosis metrics were used to assess the normality of collected data. To assess the structural model’s accuracy Fornell and Larcker (1981) recommended three indices; composite reliability (CR), standardized factor loading (λ), and average variance extracted (AVE).

If acceptable quality values are found between the constructs of the measurement model in terms of validity and reliability, the structural model proposed will be analyzed to assess how good the theoretical framework fits the data set. Finally, structural equation modelling is used to discuss the relationship between research constructs in order to validate the research hypotheses.

4 FINDINGS AND RESULTS

This section addresses the findings and results of this study tackling the factors affecting students’ entrepreneurial intention (support from university, government and business environment) at a significant level of 0.05. Subsection 4.1 presents the descriptive statistics of the socio-demographic traits of respondents. Subsection 4.2 discusses the reliability and validity. Subsection 4.3 considers the model goodness of fit. Finally, subsection 4.5 presents the hypotheses testing.
4.1 DESCRIPTIVE ANALYSIS

The socio-demographic traits of the respondents were reported using descriptive analysis, results are shown in Table 1. Results reveals that the majority of respondents were female (n= 556, 56%), and most students are between the ages of 17 and 20 years old (n= 603, 61%) with the minority aging between 24 and 29 years old (n=60, 6%). Moreover, 83% (n= 823) of students declared that their parents do not have their own a business compared to only 17% (n= 169) running their own business. Only 16% (n= 160) of students who were asked about their plans after graduation indicated an interest in starting an own business., majority of students (51%, n=504) demonstrates a desire for continuing their education after graduation, 19% (n= 192) of students have an intend to be employed after graduation, whereas the minority of students (14%, n= 137) are planning to work in their family business. In response to the question of where they would prefer to launch a business if they were to, 78% (n=774) of respondents said they would choose a country other than Lebanon. Furthermore, 64% (n= 636) of participants confirmed that they had never engaged in entrepreneurship courses or training. However, 79% (n= 783) expressed the view that they would like to participate in such courses/training. Table 1 presents the respondents’ descriptive analysis.

<table>
<thead>
<tr>
<th>Category</th>
<th>Measures</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Received</td>
<td></td>
<td>1,103</td>
<td></td>
</tr>
<tr>
<td>Valid</td>
<td></td>
<td>992</td>
<td>90</td>
</tr>
<tr>
<td>Gender</td>
<td>Female</td>
<td>556</td>
<td>56</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>436</td>
<td>44</td>
</tr>
<tr>
<td>Age</td>
<td>17- 20</td>
<td>603</td>
<td>61</td>
</tr>
<tr>
<td></td>
<td>21- 23</td>
<td>329</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td>24- 29</td>
<td>60</td>
<td>6</td>
</tr>
<tr>
<td>Parents who run their own business</td>
<td>Yes</td>
<td>169</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>823</td>
<td>83</td>
</tr>
<tr>
<td>Plans upon graduation</td>
<td>Postgraduate study</td>
<td>504</td>
<td>51</td>
</tr>
<tr>
<td></td>
<td>Work as an employee</td>
<td>192</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td>Start own business</td>
<td>160</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>Work in family business</td>
<td>136</td>
<td>14</td>
</tr>
<tr>
<td>Preference in opening a business</td>
<td>Abroad</td>
<td>774</td>
<td>78</td>
</tr>
<tr>
<td></td>
<td>Lebanon</td>
<td>218</td>
<td>22</td>
</tr>
<tr>
<td>Enrolled in an entrepreneurial training program or course</td>
<td>Yes</td>
<td>356</td>
<td>36</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>636</td>
<td>64</td>
</tr>
<tr>
<td>Interest in attending an entrepreneurial training program or course</td>
<td>Yes</td>
<td>783</td>
<td>79</td>
</tr>
<tr>
<td></td>
<td>No</td>
<td>209</td>
<td>21</td>
</tr>
</tbody>
</table>

Source: prepared by authors (2023)
4.2 RELIABILITY AND VALIDITY ANALYSIS

Univariate skewness and kurtosis metrics are used to analyze the normality of the collected data. As shown in Table 2 results are satisfactory as they ranged between -3 and +3 for skewness and regarding kurtosis values ranged between -7 and +7.

Based on Hair et al., (2010) the Cronbach’s alpha of the structural model, indicated an acceptable degree, as values ranged between 0.7 and 0.9. Thus, the questionnaire had a good level of internal consistency and reliability.

Regarding the assessment of the structural model’s accuracy Awang (2015) suggested removing from the model any indicator that has a poor factor loading, as it makes it inappropriate for the measurement model. Based on that except for one indicator from the construct related to social norms (SN4, $\lambda = 0.3$), one indicator from perceived behavioral control (PBC4, $\lambda = 0.44$), and two indicators from business environment construct (BE1, $\lambda = 0.22$ and BE5, $\lambda = 0.45$), the majority of the study’s items had a standardized factor loading ($\lambda$) with thresholds that were significantly greater than the 0.5 as requested by Fornell and Larcker (1981). The main data was further integrated resulting in new factor loading scores resulting in the final selected items having a factor loading values ranging from 0.54 and 0.71 (Table 2).

In addition, Table 2 shows that composite reliability (CR) values of all constructs range from 0.7 to 0.9, which is higher than the 0.6 threshold mentioned by Bagozzi and Yi., (1988), meaning that measurement model is internally consistent and all indicators measure their corresponding latent variables. Average variance extracted (AVE) results are higher than 0.5 threshold based on Kline (2005) as shown in Table 2, reflecting those indicators are more than 50% related to its variance constructs.

<table>
<thead>
<tr>
<th>Construct</th>
<th>Indicators</th>
<th>Factor Loadings</th>
<th>Cronbach’s alpha</th>
<th>CR</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurial Intention (EI)</td>
<td>EI1</td>
<td>0.78</td>
<td>0.9</td>
<td>0.88</td>
<td>0.57</td>
</tr>
<tr>
<td></td>
<td>EI2</td>
<td>0.87</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>EI3</td>
<td>0.86</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>EI4</td>
<td>0.56</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>EI5</td>
<td>0.7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>EI6</td>
<td>0.69</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attitude towards Entrepreneurship (ATT)</td>
<td>ATT1</td>
<td>0.78</td>
<td>0.9</td>
<td>0.86</td>
<td>0.56</td>
</tr>
<tr>
<td></td>
<td>ATT2</td>
<td>0.79</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>ATT3</td>
<td>0.82</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>ATT4</td>
<td>0.75</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>
4.3 GOODNESS OF FIT

As the constructs of the measurement model shows acceptable quality values in terms of its reliability and validity, the structural model proposed was analyzed to assess how good the theoretical framework fits the data set. The fit indices in structural equation modelling determine if the model is generally accepted; if the findings support this, a further investigation will focus on the significance of particular paths. The structural model was utilized to evaluate 6 latent variables and 28 observable indicators.

Following the precepts of Kline (2005) results revealed a good fit of model, since the indices meet the statistical requirements. Results are shown in Table 3, the value of Chi-square ($\chi^2$) which measured the degree of mismatch between the sample and fitted co-variances matrices has the value of 3287.34 and is significant with ($p<.000$).

Normed chi-square ($\text{CMIN/DF} = 3.47$) is near the recommended cut off value of 3. Comparative Fit Index (CFI) is 0.91 and the Normed- Fit Index (NFI) equals 0.89, which are near the cut-off for good fit according to Kline (2005) being 0.9. In addition, Goodness of Fit (GFI) is 0.88 and Adjusted Goodness of Fit (AGFI) is 0.85, are also close
to 0.9 which are considered acceptable. RMSEA which refers to the Root Mean Square Error Approximation measured 0.048. RMR which stands for Standardized Root Mean Square Residual measured 0.021, which are below less 0.08 and suggesting an appropriate fit and thus the hypothesized associations within the model can be examined.

Table 3. Goodness of Fit

<table>
<thead>
<tr>
<th>SEM Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>χ²</td>
</tr>
<tr>
<td>CMIN/DF</td>
</tr>
<tr>
<td>CFI</td>
</tr>
<tr>
<td>NFI</td>
</tr>
<tr>
<td>GFI</td>
</tr>
<tr>
<td>AGFI</td>
</tr>
<tr>
<td>RMSEA</td>
</tr>
<tr>
<td>RMR</td>
</tr>
</tbody>
</table>

Source: prepared by authors (2023)

4.4 HYPOTHESES TESTING

The path relationship is used to discuss the relationship between research constructs in order to validate the research hypotheses.

The software Amos 24.0 was used in this study to determine the path coefficients found among the structural equation model’s variables namely; entrepreneurial intention, attitudes towards entrepreneurship, behavioral control, societal norms, university support, government support, and business environment.

Results show that personal attitudes (H1a: β= 0.55; p<0.001), perceived behavioral control (H1b: β= 0.15, p=0.05) and social norms (H1c: β= 0.09, p=0.01) were positive and significant predictors of entrepreneurial intention. Furthermore, positive and significant influence is found between social norms and perceived behavioral control (H1d: β= 0.19, p<0.001) and personal attitudes (H1e: β= 0.36, p<0.001). Consequently, the Theory of Planned Behavior (TPB) proposed by Ajzen is fulfilled and validated.

Although students’ perceived university support is found to have no significant impact on their personal attitude towards entrepreneurship (H2a: β= -0.02, p=0.49), it has a significant and positive impact on their perceived behavioral control (H2b: β= 0.08, p=0.03) and on entrepreneurial intention (H2c: β= 0.02, p=0.49). All hypotheses related to the influence of perceived governmental support and environmental support were found to be insignificant except for the impact of the support found from Lebanese business environment on perceived behavioral control, which was observed to be significantly and positively (H4b: β= 0.19, p=0.02). As a result, H3a (β= -0.11, p=0.1),
H3b (β= 0.07, p=0.39), H3c (β= -0.12, p=0.06), H4a (β= -0.05, p=0.5) and H4c (β= 0.06, p=0.06) were rejected. The summary of the hypothesis testing is exposed in Table 4.

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Construct</th>
<th>Standard Beta</th>
<th>P-Value</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1a</td>
<td>ATT → EI</td>
<td>0.55</td>
<td>***</td>
<td>Accept</td>
</tr>
<tr>
<td>H1b</td>
<td>SN → EI</td>
<td>0.09</td>
<td>0.01</td>
<td>Accept</td>
</tr>
<tr>
<td>H1c</td>
<td>PBC → EI</td>
<td>0.15</td>
<td>0.05</td>
<td>Accept</td>
</tr>
<tr>
<td>H1d</td>
<td>SN → ATT</td>
<td>0.36</td>
<td>***</td>
<td>Accept</td>
</tr>
<tr>
<td>H1e</td>
<td>SN → PBC</td>
<td>0.19</td>
<td>***</td>
<td>Accept</td>
</tr>
<tr>
<td>H2a</td>
<td>US → ATT</td>
<td>-0.02</td>
<td>0.49</td>
<td>Reject</td>
</tr>
<tr>
<td>H2b</td>
<td>US → EI</td>
<td>0.02</td>
<td>0.49</td>
<td>Reject</td>
</tr>
<tr>
<td>H2c</td>
<td>US → PBC</td>
<td>0.08</td>
<td>0.03</td>
<td>Accept</td>
</tr>
<tr>
<td>H3a</td>
<td>GS → ATT</td>
<td>-0.11</td>
<td>0.1</td>
<td>Reject</td>
</tr>
<tr>
<td>H3b</td>
<td>GS → EI</td>
<td>-0.12</td>
<td>0.06</td>
<td>Reject</td>
</tr>
<tr>
<td>H3c</td>
<td>GS → PBC</td>
<td>0.07</td>
<td>0.39</td>
<td>Reject</td>
</tr>
<tr>
<td>H4a</td>
<td>BE → ATT</td>
<td>-0.05</td>
<td>0.5</td>
<td>Reject</td>
</tr>
<tr>
<td>H4b</td>
<td>BE → EI</td>
<td>0.06</td>
<td>0.06</td>
<td>Reject</td>
</tr>
<tr>
<td>H4c</td>
<td>BE → PBC</td>
<td>0.19</td>
<td>0.02</td>
<td>Accept</td>
</tr>
</tbody>
</table>

*** p-value<0.001

Source: prepared by authors (2023)

Figure 2 demonstrates the outcomes of structural equation modeling with the standardized estimates, after removing insignificant paths.

4.5 DISCUSSION

While Lebanon is facing multileveled crisis, especially after COVID 19 pandemic, the primary aim of this research was to better understand the factors affecting students’ inclination towards entrepreneurial activities, and their assessment of the perceived support found from university, government and the business environment. Policymakers,
practitioners and researchers around the world are devoting particular attention to the promotion of entrepreneurship mindsets by creating a favorable and encouraged environment. Importance of entrepreneurship is becoming more widely recognized, due to the significant role it plays in attaining sustainable economic growth and lowering the unemployment rate.

This research, which draws on the Theory of Planned Behavior, provides proof of the effect of contextual factors on entrepreneurship in the context of developing and unstable country.

Some academics believe that crisis might provide a favorable climate for individuals to identify business opportunities. A study conducted by Bullough et al., (2014) found that individuals can have a high level of entrepreneurial intention even in a war environment and conflict conditions, as long as they have confidence in their abilities. A more recent study by Lungu et al., (2021) found that majority of people rather than viewing COVID 19 as an obstacle, they perceived it as a chance to get involved in entrepreneurship. In contrary, the results of this study reflect a low intention of Lebanese students towards having an entrepreneurial career taking into consideration all the crisis the country is facing. Only 16% of the respondents have the intention of opening a new innovative business upon graduation. A mentioned by Kollman et al., (2017), challenges in the early stages trigger individual’s fear of failure, which increases the likelihood for giving up on the intention of being an entrepreneur.

The low rate in the entrepreneurial intention, comes with a high intention of students in continuing their studies (51%). This can be explained by the declared high rate of literacy in the country; according to USAID (2022) the percentage of literacy of population aged between 15- 24 years old in Lebanon is 99.79%.

The obtained empirical data only partially supported the study’s hypotheses. Seven of the study's fourteen hypotheses were significant, indicating the need for adjustments to increase entrepreneurial activity.

The three constructs of the TPB model are revealed to be useful in explaining the entrepreneurial students’ entrepreneurial intent. The findings are built on earlier researches that discovered a favorable and significant relation among individual’s attitudes, social expectations and perceived behavioral control in relation to
entrepreneurial intention (Suryadi and Anggraeni 2023; Al- Mamary and Alraja 2022; AlJubari, 2019; Kautonen et al., 2015; Luthje and Franke 2003).

The factor that most significantly affects students’ intention to become entrepreneurs is found to be their attitude toward entrepreneurship (β = 0.55) this result is consistent with Amofah and Saladrigues (2022); Calza et al., (2022), Duong et al., (2022); Kautonen et al., (2015); Rueda et al., (2015); Liñán & Chen, (2009). Policymakers should use this finding when developing initiatives to encourage students’ attitudes toward entrepreneurship. As the study reveals a positive significant relation between students’ behavioral control and their intent towards entrepreneurship (β = 0.15); it is important to focus on fostering students’ entrepreneurial skills in order to boost their intention, as concluded by Joensuu-Salo et al., (2022) the entrepreneurship intention of students is likely to be supported by an emphasis on the development of competent skills. Same results were found in other studies such as Aga (2023); Otchengo and Akiate (2021); Karimi et al., (2016); Liñán & Chen, (2009); Autio et al., (2001). Additionally, a weak but significant and favorable relationship was found between social norms and entrepreneurial intention (β =0.09), however a greater influence on attitudes towards entrepreneurship was found (β =0.36) and how students perceive their ability to manage their behavior (β =0.19). These findings lead to the conclusion that parents and relatives are likely to have an influence on students’ perceptions towards entrepreneurship as a desirable profession and they also impact students’ self-confidence concerning their capacity to succeed.

Concerning how students perceive the support and assistance offered by the university, government, and business environment results revealed that neither the theory of planned behavior components nor entrepreneurial ambition were shown to be significantly correlated with students' perceptions of governmental support. Lebanese government support and incentives had a poor rating from students, which appeared to deter their desire to start their own business. Results show that students are dissatisfied with different factors related to governmental actions and policies (mean = 1.926). These findings were followed by low rate of students who perceive that the Lebanese government provide assistance for young entrepreneurs (37.8%) and only 38.4% of students perceive that the government encourages the creation of new ventures in the country. The results of the survey also reflect that 59.6% of students disagree that the
procedures to establish a new company in the country is simple. Only 34.4% deem that the government provides financial support for entrepreneurs.

Moreover, it was found that perceived university and education only significantly and positively affected students perceived behavioral control, nevertheless, even this relationship was determined to be tenuous. Different research agree that universities play a critical role in encouraging students towards entrepreneurial activities (Fallatah & Ayed 2023; Ahn & Winters 2022; Storey 2000), for that many countries are making entrepreneurial education mandatory not only at university levels but also at primary level. According to Bedő et al., (2020) even in situations where resources are scarce, universities can significantly contribute to creating the condition for entrepreneurial behaviors.

Likewise, only a weak direct positive impact was also found between Lebanese Business Environment and students’ perceived behavioral control. Thus, the Lebanese business environment has no direct impact on students’ intention to become entrepreneurs, nor on their personal attitudes. The decision to seek a career in entrepreneurship maybe influenced by how simple or ease it is to launch a new business in relation to the required processes and requirements (Virick et al., 2015). These results indicate respondents' preferences about whether they would want to launch their business abroad or in Lebanon, with the outcome showing that 78% of respondents preferred abroad. Most students (60%) perceived that Lebanon lacks economic opportunities for opening a new business, with 76.4% of students perceiving the political instability of the country as a main barrier for them. Moreover, students also perceived the Lebanese infrastructure as a barrier (67.6%) and such result comes in accordance with the literature.

To sum up, by measuring entrepreneurial intention in Lebanon this study verified the applicability of Theory of Planned Behavior (TPB). The research presented offers novel and crucial insights into how Lebanese students perceive the entrepreneurial support received from a variety of groups, including the government, universities, and the current business environment. Lebanon's entrepreneurial landscape presents difficulties, the nation needs to improve the political and economic climate; greater focus should be placed on the infrastructure and regulatory environment because they are essential to the success of entrepreneurial endeavors. Additionally, educational programs must be upgraded and modernized to satisfy the need for giving students the knowledge and experience they require. The research presented in this paper makes suggestions for
improvements to the government's assistance, the outside environment, and the educational system.

To encourage a culture of entrepreneurship in schools, universities, and society, it can be concluded that there is a solid foundation on which to support the development of educational programs that incorporate entrepreneurial techniques and develop innovative pedagogical approaches, thus complying with the extant literature (e.g., Utomo et al., 2023). There is a special and critical need to create a favorable and stable economic and political climate, and expand the infrastructure that supports it; clearer policies are needed. This study emphasizes the value of higher education in developing students' entrepreneurial mindsets and skills and in raising awareness of the viability of entrepreneurship as a career that can lead to long-term business growth, more job possibilities, and overall economic growth.

5 CONCLUSION

Challenges and limitations in the business environment increased worldwide after the incident and severity of the COVID-19 pandemic. Adding to the consequences of the pandemic Lebanon is already facing multileveled crises which is impacting the core of business environment. Entrepreneurship is believed to be a planned behavior; hence it can be enhanced by different initiatives that raise awareness towards such a career. For the purpose of assisting, encouraging, and reinforcing pedagogical measures to foster the development of entrepreneurial activities in Lebanon, using empirical research this study tried to understand current factors affecting Lebanese university students’ towards engaging in entrepreneurial activities by applying the Theory of Planned Behavior which is an intention model. Different parties should support today's youth because they are seen as possible future entrepreneurs. Therefore, highlighting the factors affecting students' intention towards entrepreneurship will aid in the growth of entrepreneurship in general, and among youth generation in particular. Additionally, the results of this study generate an intriguing new body of knowledge about youths’ entrepreneurial intentions at the university level.

The whole world is changed after the pandemic, COVID-19 forced a behavioral and habitual change on individuals. There is a new reality that individuals need to get used and that needs support from policymakers, to turn obstacles generated from the pandemic into an opportunity. Digitization is a major opportunity that needs to be taken
into consideration by educational institutions and government. As found by Ramadan et al. (2023) and Bouzakhem et al. (2023), the enhancement of human capital and innovation in Lebanon can have a significant and favorable impact on the country’s economy.

Theoretically, this work adds to the expanding corpus of knowledge of research that examines the different factors that may have an impact on individuals’ intention towards being entrepreneur, specifically university students due to their critical role in enhancing economic development. This study provides enlightening details about evolving theories. By empirically presenting experimental support for demonstrating the correlation between attitudes, perceived behavioral control and societal norms on the intention of students towards entrepreneurship, it particularly contributes to the Theory of Planned Behavior.

The applicability and usefulness of the TPB model in providing and understanding of entrepreneurial ambition in a developing and fragile country were further supported, model used has a 56% explanatory power, which is acceptable. Despite the fact that there are numerous studies on entrepreneurship, this one's conclusions stand out since it is based on data from Lebanon, a non-Western nation that is currently experiencing a destabilizing economic and social crisis. Moreover, the study’s model adds to the body of knowledge on entrepreneurial intention by taking into consideration contextual factors, such as the perception students have towards the support provided by university and government and the Lebanese business environment.

Adding to the theoretical contribution, results also offer various practical consequences. It is useful to have a thorough awareness of different factors impacting entrepreneurial propensity with university students in Lebanon. A thorough knowledge of the factors driving entrepreneurial tendency among Lebanese university students, is of practical relevance. Different parties can help entrepreneurship expand by knowing how entrepreneurship intention is formed and how these thoughts and opinions affect their company readiness. Policymakers can use education to support entrepreneurship, as concluded by Fallatah and Ayed (2023) students engaged in educational programs on entrepreneurship exhibit higher degrees of inclination towards entrepreneurship activities than students who do not engaged in such programs. Furthermore, by incorporating nuances and training in entrepreneurial skills into the course material, university administrations should be created to be more entrepreneurial. University administrators can take advantage of the high willingness of students to enroll in entrepreneurship
courses, as revealed by the study 54% of students never took an entrepreneurship course or training and 79% of respondents are interested in learning more about entrepreneurship.

Although the current study makes a number of important additions to the entrepreneurship field and have representative data, there are several drawbacks that need to be acknowledged. First, data was gathered from a one university, which is an obstacle for generalization. Therefore, future research could offer a more thorough analysis that encompasses several universities in Lebanon in order to attain generalization. Second, this study applied TPB model which is a valid and widely applied intentional model, however, there is no empirical proof found in the literature that all intentions will be transformed into real actions. Thus, causation between variables could not be verified as it is a typical issue with cross sectional studies. Future research should focus on gathering longitudinal data. In addition, conducting a comparative study in the MENA region will be of value added to investigate how intention of students differ within the countries and compare the different factors affecting it.
REFERENCES


