The impact of job security on entrepreneurial activities: The case of Sultanate of Oman

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ABSTRACT

Purpose — The main goal of this study is to determine the relationship between job security and entrepreneurial activities.

Method — This study used the quantitative method and secondary data in this investigation. The questionnaire was collected from 96 entrepreneurs for the sample size, where the collected data is from the Global Entrepreneurship Monitor (GEM) project database in Oman. The Smart-PLS technique’s simple regression method was employed to analyze data.

Result — The empirical result found that there is a significant link between job security and entrepreneurial activity. In addition, job security makes the entrepreneur develop long-term strategic plans. In general, the government orientations in Oman 2040 vision support entrepreneurship and support openness, while Oman 2040 vision wants to reduce the contribution of oil revenues and raise the contribution of non-oil revenues.

Contribution — This research contributes to the existing literature by improving the understanding of the significance of job security in improving entrepreneurial activity practices for entrepreneurs’ projects. Furthermore, the finding provides empirical evidence of the ability of job security to be a valuable instrument for sustainable entrepreneurial activity.

Keywords: job security, entrepreneurial activities, Oman 2040 vision
INTRODUCTION

Entrepreneurship is a core contributor to the country's prosperity and growth as has been witnessed worldwide (Stel et al., 2005). The significance of entrepreneurship in both developed and developing countries is represented mainly in its impact on economic development and growth (Badawi et al., 2019). However, innovative Small and Medium Enterprises (SMEs) have greater influence on the country's economic growth. Job security and entrepreneurial activities in the Sultanate of Oman are essential steps in contemporary economies that the country has taken in its vision 2040 (Royal Decree No. 72/91).

Entrepreneurial is closely related to Small and Medium-sized Enterprises (SMEs), which are the main evolving strength of advanced market economies (Ahmed et al., 2019). They are revitalizing the Omani economic market and raising from its growing pace. Moreover, it helped in the flourishing of the entrepreneurial market (Stefanovic et al., 2010). Plenty of successive recent changes have been made to governments' job security policies since the 1990s. These reforms differ from the standard civil service in an important respect: long-standing job security rules have been abolished or amended (Hur & Perry, 2020). The rank of job security for entrepreneurs has great repercussions for maintaining the entrepreneurship sector (Al-Alawi et al., 2022). The presence of entrepreneurs, while the crowd in the business sector, means that the business sector will be booming. However, entrepreneurs must be able to continue with job security that pushes them to crowd in the financial and business market (Hitka et al., 2018). In these economically arid days, many countries are going through economic crises and suffer from high unemployment scarcity of jobs. In this case, a business is a step that brought success to many who entered this field and created many job opportunities. It will help the entrepreneurial community and people to build a business to aid global economic growth. There is no strong motivation or incentive for anything in life, which leads to no success.

Job security is a prerequisite for improving entrepreneurial activities and their sustainability (Al-amri et al., 2022). When obstacles come during the opening of the business, the job security will be like a superman to avoid these pioneers from falling and failing miserably, leaving the business empty hands. Entrepreneurship has a fundamental role in social change in emerging countries. Every organization throws its weight on the employee to achieve goals and make effective use of resources to evaluate or improve job performance (Kanaan-Jebna et al., 2022). Still, countries should also provide something in return if they want something from entrepreneurship. Achieving job security and preparing financial conditions to help the employees and the entrepreneurs to feel
satisfied, which makes them more productive, adherent to work and creative at the same time (Hosseini & Tajpour, 2020). According to Sher et al. (2020), politicians believe in entrepreneurship. They are aware that it is the most important accelerator of economic development that encourages innovation, efficiency, and economic change. They also create jobs at the level of economic research focusing on the capabilities of entrepreneurs to build the economies of countries. This includes preparing security conditions to move countries from an authoritarian economy to an open and fruitful economy.

The policy should stay away from increasing entrepreneurship rates because it harms one way or another and reduces economic benefits. Instead of targeting growth in certain forms of entrepreneurship that support economic development, it should be side by side to ensure job security for entrepreneurs and their projects (Sher et al., 2020). Losing or closing a business is a huge blow because its negative setback affects the future course of the labor market for the entrepreneur who aspires to achieve pioneering and independent commercial achievement. According to Jarosch et al. (2021), job security plays a significant role in the welfare of workers during epidemics, medical emergencies, and similar crises. This helps protect their health, money, and employee or entrepreneur welfare in COVID-19 or other crises. This is a top priority of the approach to safe employment and job security that seeks better measurement and a broader methodology in the future.

This negatively affects those whose work ends while having a life, a family, and ambitions. After they have become unemployed several times, people place higher levels of expectations for the phenomenon of job insecurity in future work. According to Dvouletý et al. (2018), the feeling of insecurity leads to decreased life satisfaction levels and reduces self-esteem on employment prospects. People who are afraid and anxious about risking being out of work overnight are more reluctant to change jobs. They are scared something may impede their job mobility and successful career development. According to the interview with chairperson of the center for entrepreneurship at the University of Nizwa, many people lost their jobs because this pandemic affected their institutions in the field of revenues, sales, and purchases. Suppose there are financial losses for these institutions, which may lead them to lay off many of their employees, especially companies operating in the service sectors or the industries sector, some of which have laid off many of their employees. The perspective of organizational focus, autonomy and economic reward interprets the management of the entire process as a promotion where individuals run. The pursuit of professional rewards is positive, but neglecting and exceeding job responsibilities significantly may lead to many risks.
Job security, which contributes significantly to neutralizing job damage and maintaining the precautionary position, was created, and even existed to preserve individuals’ safety (Delanoë-Gueguen & Liñán, 2019). Changing financial laws and sudden increases in capital for business from year to year without putting barriers to the safety of that job or the work of investors causes great challenges to start a business. The investor, an entrepreneur, is the person who knows the most about the future of an idea and is the only person who believes in it and its success.

There is a relationship between the lack of job security and the decline in welfare levels in a relationship that desecrates the labour pacts of the entrepreneur or the employee alike. It is one of the challenges and problems faced by entrepreneurs or entrepreneurship categorically (Pacheco et al., 2020).

There are few research in the literature towards job security and entrepreneurial activities, for example a study done by Chidume et al., (2020) studied and inspected the degree of staff gratification credit such as leadership, incentive and job security that influences the output of designated dye creating companies in Anambah State, Nigeria. The results showed that workforce credit, engaged employee leadership agency, employee motivation and job security have significant optimism components about the efficiency of profitable dyeing schemes for industrial companies. As reported by Luc et al. (2018) focus on cross entrepreneurship causes. They inspect the influence of socio-demographic variables and worker insights of admission to capitals, effort and job excellence in their cross-upbringing procedure. There are attempts to describe the variables as a good preference for knowing the variables change from one level to work by adding points modification in the entrepreneurial procedures to the compulsory screening model with a permanent sample. Employee sharing to do their jobs contributing to the 2015 Quebec entrepreneurship handbook review (Notes 1787) discovered, among other things, employees’ progress in the entrepreneurship ranking. It is motivated by flexible financing in the form of informal (clear) acceptance of business direction. Meoli et al. (2020), in this study, they shape communal reasoning job philosophy to inspect the relation among entrepreneurial meaning and new undertaking formation (i.e., the entrepreneurial job high-quality). It is classical how background impacts at diverse stages might affect the transformation of entrepreneurial meanings attached to the new curriculum, which contributes to the development of job security, is restricted. This resulted in making sole longitudinal statistics from the whole public of Italian university graduates. They are intelligent to measure how the instant (i.e., the impact of pertinent others) and greater setting (i.e., structural and environmental effects) move new undertaking in their research.
donating to the developing works of the meaning–performance connection in entrepreneurship. This research is a new in its kind to be applied in business context of Oman via testing the relation between job security towards their effect on entrepreneurial activities. The set of challenges and problems above represents a call for scholars to study the entrepreneurial activities in Oman and the essential of investigate issues that help enhance the Omani entrepreneur's performance because enhancing the entrepreneurial activities performance ultimately leads to improving the growth of economic of the country. Thus, the main objective of this study is to examine the relationship between job security and entrepreneurial activities.

**METHOD**

This is a cross-sectional study using quantitative methods collected through secondary data. The dependent variable in this study is entrepreneurs' activities. The factors affecting job security are also called independent variables. For this research, the population of this study will be a quantitative method. This study used global entrepreneurship monitor (GEM) sources as these studies used secondary data, 96 questionnaires from entrepreneurs. GEM is a yearly assessment of entrepreneurial activities at the country level. GEM assumes a comprehensive definition of entrepreneurial activities that include general start-up activities and is not limited to high-technology sectors. This is due to high-technology start-ups, and venture-capital-backed start-ups are important constituents of entrepreneurship. Data on job security are taken from the GEM adult population survey, Oman. This database contains various entrepreneurial measures constructed based on surveys from 96 respondents in 2020. The data was collected through telephone interviews during the summer of 2020 using a standardized questionnaire translated from English into Arabic. The current study tested the hypothesis and utilized the variables via utilizing the simple regression method for data analysis.

**Measurement of variables**

Job security is defined as a percentage of the adult population (18–64 years old) that is either actively involved in starting a new venture or is the owner/manager of a business that is less than 42 months (about 3 and a half years) old. This study used the measurements of variables as shown in the following Table 1.
Table 1. Variables measurements

<table>
<thead>
<tr>
<th>Variables</th>
<th>Measurements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurial Activity</td>
<td>(1 = &quot;Nascent entrepreneur&quot;, 2 = &quot;Baby business owner-manager&quot;).</td>
</tr>
<tr>
<td>Job Security</td>
<td>For job security it will be (0 = No, 1 = Yes). What are nascent entrepreneurs engaged in creating new ventures? From (0 to 3 months). Baby business owner-manager is from (4 to 43 months).</td>
</tr>
</tbody>
</table>

Source: authors’ compilation (2023)

**Hypotheses development**

A study done by Delanoë-Gueguen & Liñán (2019) found that the search for job security seems to have a continuous positive outcome throughout the process. According to Hosseini & Tajpour (2020), the consequences of the research specify optimistic relations among decision-making entrepreneurship and job-related practical skills performance. Thus, these long-established and conflicting hypotheses concerning the relationship between individual skills and job activities were established. Moreover, Sher et al. (2020) disclose that job security’s inconsistent role negatively drives the ambitions of maintainable entrepreneurship between budding entrepreneurs. As per Pacheco et al. (2020), manifold reversion results in high points that demoted workers (e.g., women, migrants, people facing financial hardships) reported lesser job security and having provisionally misplaced one’s job negatively. Less job security led to lower notches crossways events of happiness. Suffering was high in the example of work tragedy readiness; meanwhile, rule and communal wealth were related to higher happiness. The belongings of these flexibility studies are inclined to be stronger at advanced stages of job security. According to Lee & Kim (2019), both independence and practical capability showed no result on entrepreneurial gratification and business sustainability done in the medium of entrepreneurship through security that presented a negative influence. To improve entrepreneurial satisfaction and attain business sustainability, it has long been proven that it seems important for start-ups to reflect the originality of the entrepreneurs and the capabilities of running a business. This is by following business security or having a skills-related attitude in the latter part of their business. Besides, Chidume et al. (2020) presented that the staff recognition, participating workforce management style, workforce incentive and job security had significant positive impacts on the output of commercial paint projects manufacturing companies in Anambah State, Nigeria. Thus, the research hypothesizes that:
H1: There is a positive relationship between job security and entrepreneurial activity

**RESULT AND DISCUSSION**

Based on the results of the descriptive statistics in Table 2, the level of the dependent variable (entrepreneurial activity) is 1.656 showing the average of entrepreneurial activity, with a standard deviation of 0.475. Furthermore, the smallest and supreme values indicated that entrepreneurial activity is 1.000 and 2.000, respectively. In addition, the descriptive analysis for elements shows that job security has an average of 0.385%, with a standard deviation of 0.487.

<table>
<thead>
<tr>
<th>Table 2. Descriptive Statistics of Variables</th>
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<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Enter-act</td>
</tr>
<tr>
<td>Job-sec</td>
</tr>
</tbody>
</table>

Source: processed data (2023)

**Construct reliability and validity**

Table 3. show the results of reliability and validity of variables. The results comply with the criteria of the analysis test.

<table>
<thead>
<tr>
<th>Table 3. Construct reliability and validity</th>
</tr>
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<tbody>
<tr>
<td>Matrix</td>
</tr>
<tr>
<td>Enter-act</td>
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<tr>
<td>Job-sec</td>
</tr>
</tbody>
</table>

Source: processed data (2023)

**Discriminant validity**

In SmartPLS, for examining the validity of discriminant, there are criteria applied. The square root of each average conflicting extracted for each variable should have a high association level and the opposite variables. Thus, to manage discriminant validity, as stated by (Fornell & Larcker, 1981), the square core of every variable in its average variance extracted must be matched against the variables’ associations for all different variables as shown in Table 4.

<table>
<thead>
<tr>
<th>Table 4. Discriminant validity constructs</th>
</tr>
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<tr>
<td></td>
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<tr>
<td>Enter-act</td>
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<tr>
<td>Job-sec</td>
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</table>

Source: processed data (2023)
Structural-model analysis was conducted once the measuring model's analysis passed all criteria. An associate investigation of the determination constant ($R^2$) is completed as shown in Table 5. During this work, a variable that is that the endogenous show to own $R^2$ value 0.57. Entrepreneurial activity (Substantial) suggests that 57% of the variance in entrepreneurial activity will be explained by the predictor (job security). Hence, the present work meets the quality.

<table>
<thead>
<tr>
<th>Matrix</th>
<th>R Square</th>
<th>R Square A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enter-act</td>
<td>0.57</td>
<td>0.47</td>
</tr>
</tbody>
</table>

Source: processed data (2023)

**Hypothesis testing**

Table 6 reviews the outcomes linked to hypothesis testing and finds that the hypothesis is supported. The result revealed that job security is important with entrepreneurial activity as Table 6 reviews the results in relation to hypothesis testing. The result revealed that the quality of job security is negative and significant with an entrepreneurial activity where $P < 0.018$, $t = 2.380$. This finding indicates that job security has an insignificant impact on entrepreneurial activity.

<table>
<thead>
<tr>
<th>Original Sample</th>
<th>Sample Mean (M)</th>
<th>Standard Deviation</th>
<th>T Statistics (O/STDEV)</th>
<th>P Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job-sec -&gt; Enter-act</td>
<td>-0.238</td>
<td>-0.238</td>
<td>0.100</td>
<td>2.380</td>
</tr>
</tbody>
</table>

Note: Significance levels: ***$P < 0.001$ (t >3.33), **$p < 0. 01$ (t >2.33), *$p < 0.05$ (t >1.605).

Source: processed data (2023)

**Impact of job security on entrepreneurial activities**

The importance of job security for entrepreneurial activity has great repercussions for maintaining the entrepreneurship sector (Hitka et al., 2018). The presence of entrepreneurs, while the crowd in the business sector, means that the business sector will be booming. Still, there will be many entrepreneurs, and there must be sustainable job security that pushes them to crowd in the financial and business marketplace (Omri & Dhahri, 2018). The importance of job security lies in keeping employees from unemployment. They suffer from low income and are exposed to indirect financial, psychological, and family influences resulting from job insecurity (Hourie et al., 2018). Entrepreneurial activity is essential because it is an imperative influence that allows job creation and growth. It creates new jobs in several fields and helps build the economic situation. From this point of view, all countries agreed on its foremost
importance and the utmost necessity to strengthen it and develop entrepreneurship (Chitsaz et al., 2019).

The empirical result found a significant relationship between job security and entrepreneurial activity where $P < 0.018$, $t = 2.380$. This finding indicates that job security has a significant impact on entrepreneurial activity. The findings of the study are consistent with the study done by Pacheco et al. (2020). Their results established that diversified reversion is a high point of marginalization of workers (e.g., women, migrants, people with financial hardship) reported about a low level of job security. An individual’s temporarily misplaced job was not positively correlated with a positive correlation to job security. Lack of job security led to the intersection of the lower paths of happiness. Suffering was high in the model of the workplace. The tragedy of preparation, judgment and collective wealth was associated with higher happiness. The properties of these flexible pedals tend to be stouter in the advanced job security stages.

The government Oman is making a significant effort in this matter, given that job security is now starting to activate, and some of the people who have been laid off from their jobs have started to obtain financial aid, especially during the Corona pandemic, and it is on the right track. Many students will go through higher education institutions to support this sector and open private projects. Also, they have received the appropriate education to go to the field of increasing business. Job security plays an important part in social life and professional life because it helps employees not fear their future careers. Careers contribute to maintaining stability at work, increasing efficiency, and protecting social values in the work location. Access to job security depends on the mastery of your professional field, ability to constantly develop yourself, hone your expertise with experiences and have employable skills in several areas. When planning, evaluating, timing, and selecting opportunities properly, "job security" will be the last factor you consider when evaluating opportunities; because every opportunity has its pros and cons. Even if the job security is insignificant risk, it may open vast areas and opportunities. According to Chairperson of the Centre for Entrepreneurship at the University of Nizwa, the interviewee mentioned,

"Job security enhances performance. We significantly notice the impact of those who lack job security, but studies confirm that entrepreneurial activities are not affected significantly negatively. Certainly, if the entrepreneur creates job security at work, he feels that this job fits his ambitions. The entrepreneur works in his organization and is full-time in his organization. Therefore, if he feels that there is job security, at the same time, he leads or manages his organization, this will certainly push him to develop his organization"
and to grow it to advanced stages. He will create new products and innovate new processes and projects in marketing, manufacturing, and operating. Also, he will innovate new things in all fields, and this makes him work on the success of his organization and will not make him think about moving to a government job; meaning whenever the entrepreneurial activities see job security, this gives him an incentive to develop and improve his project or organization. Suppose the entrepreneurial activities find job security in the organization, it does not make him think about funding sources or other sources of income. Suppose we say if he goes to the bank to take a loan and does not feel that there is job security in his institution or project. This will not give him any banking facilities; in addition to that, job security granted entrepreneur stability, whether with his family or with himself. This will make him think more, produce more, search for more partners, expand his project, innovate new things, and look for new partnerships. Job security also makes the entrepreneur develop long-term strategic plans.” (Dr Abdullah Al-Shukaili - Chairperson of the Centre for Entrepreneurship at the University of Nizwa, 2023)

In general, the government orientations in Oman 2040 vision support entrepreneurship and support openness. Also, the vision wants to reduce the contribution of oil revenues and raise the contribution of non-oil revenues. One of the non-oil fields that it encourages is entrepreneurship. In addition, many sectors in Oman need entrepreneurs, such as the tourism sector, the logistics sector, the minerals sector, the agriculture sector, and the health sector. This increases the Gross Domestic Product (GDP). The oil sector also needs entrepreneurs. Resources are all available; hence entrepreneurs must exploit them.

CONCLUSION

This study aims to find the relationship between job security and entrepreneurial activity in Oman. The study’s results and findings (qualitative and quantitative) confirmed that job security contributes in a transparent way to maintaining effective entrepreneurial activities in Oman.

The content of this study contains some recommendations for future studies. First, this study explained the direct relationship between job security and entrepreneurial activities. Little previous research talks about the impact of the link between job security and entrepreneurial activities and their recitals. For example, job security and entrepreneurial activities would help increase
entrepreneurship performance and help people in business grow and prosper with comfort. Second, this study recommends conducting future research to study the relationship between job security, job creation and entrepreneurial activities due to the presence of problems experienced by entrepreneurial. Third, scholars and researchers should explore the relationship between job security and entrepreneurial activities by adding new variables such as the audit report, suggesting laws and conditions that protect entrepreneurial activities. Fourth, the government must set strict and stringent laws at the same time, as well as easy terms and procedures for entrepreneurs. Fifthly, activating the job safety fund ordered by His Majesty the Sultan, just as the entrepreneurship sector is not a path full of flowers or an easy road. Instead, it is a difficult road, and there are obstacles with bumps and sea waves.

In addition, entrepreneurs may be exposed to obstacles due to external factors. As happened recently in hurricane Shaheen or COVID-19, the existence of a job security fund is important for entrepreneurial activities, especially if they lose their projects. This will support them in maintaining and establishing their projects. Sixth, this study recommends that researchers start a study on job security and entrepreneurial activities in the countries of the gulf cooperation council or comparison between Oman and the emirates.

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