EDUCATIONAL SCIENCES: THEORY & PRACTICE eISSN: 2148-7561, ISSN: 2630-5984

Received: 22 August 2021
Revision received: 2 October 2021
Accepted: 21 October 2021

www.jestp.com

DOI 10.12738/jestp.2021.2.005 ♦ **June** 2021 ♦ 21(2) ♦ 67-84

Article

The Antecedents of Saving Behavior and Entrepreneurial Intention of Saudi Arabia University Students

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Abstract

Saving has been identified as an essential source for investments that eventually leads to the growth and development of the economy and contributes to the creation of new job opportunities. Accordingly, this study investigated the antecedents of saving behavior, i.e., financial literacy, parents' effect, peer influence and self-control and their impact on saving behavior of students at the community college of Abqaiq in Saudi Arabia. It also examined the impact of saving behavior on developing their entrepreneurial intention. The sample of the study was collected via a self-administrated questionnaire sent to 270 students at the community college of Abqaiq in Saudi Arabia. The data was then analyzed with the help of SMART-PLS-SEM. The findings reported that financial literacy, parents' effect, and peer influence significantly positively influence saving behavior. In contrast, self-control has a significant negative impact on saving behavior. On the other hand, saving behavior also substantially affects the students' entrepreneurial intention to start small entrepreneurial enterprises. The study adds to the existing literature on crucial factors affecting individuals' saving behavior, particularly Saudi Arabia students. In addition, it confirms the impact of accumulated savings on the entrepreneurial intention of the targeted group.

Keywords

Saudi Arabia, Saving behavior, Self-control, Peer Influence, Parents Effect, Financial Literacy, Saudi Vision 2030.

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Citation: Alshebami, A. S., Seraj, A. H. A. (2021). The Antecedents of Saving Behavior and Entrepreneurial Intention of Saudi Arabia University Students. *Educational Sciences: Theory and Practice*, *21*(2), 67 – 84. http://dx.doi.org/10.12738/jestp.2021.2.005

Low economic growth has always been a challenging issue for many states and leading to many developmental challenges in various aspects of individuals' life. The rapid increase in the poverty and unemployment rates is a result of negative economic growth. Thus, there have been many attempts worldwide to improve the economy's status, particularly in the developing countries applying different strategies. Strategies such as the enhancement of investment opportunities, which have been defined as a useful tool for pushing the economy toward prosperity, provided the ability to supply the required financial support. An effective means for pooling investment funds is through saving accumulation and reinvesting them, as this will push the investment rate and results in economic growth (Gilenko & Chernova, 2021; Harrod, 1939; Mpaata et al., 2020). The more saving the economy possesses, the longer it can sustain and continue capital accumulation (Chia et al., 2011). While saving forms the capital for investment, on the other hand, investment improves productivity and increases the competitiveness of an economy (KPMG in Saudi Arabia, 2020).

Saving indicates the process of maintaining an amount in the present for consumption or for reinvesting in the future. It is also defined as the returns remaining after consuming the needed income in a specific time (Browning & Lusardi, 1996). A considerable part of the economic growth depends on an economy's ability to mobilize saving from the public and reinvesting it in various developmental projects. Saving mobilization requires an immense effort to teach the culture of saving and increase confidence among individuals, particularly the young people who can save more at their early age than their older ones (Uddin, 2020).

Inculcating the saving culture among young individuals would be possibly achieved by increasing the level of financial literacy, which assists in reducing the financial obstacles, pressures and improves the standard of living of households. Besides, financial institutions, particularly banks, need to effectively develop saving products and services to meet individuals' needs, encouraging them to apply and contribute to saving mobilization. In addition, there is a need for adequate utilization of the available modern technology in people's hands, particularly the potential entrepreneurs (hereafter called students). Conducting financial literacy programs and spreading awareness about saving should be encapsulated in the banks' long-term strategies to ensure maximum benefits on their overall performance. Furthermore, the disclosure of the significance of speculative, transaction, and precautionary saving could also act as motives for saving behavior, according to (Beckhart, 1936).

Examining the saving behavior among young individuals, especially the university students, has been an ignored research area Otto (2009), despite the significance of understanding the key factors affecting the students' behavior toward saving and directing it on the road to entrepreneurial enterprises. Hence, it is essential to understand key factors motivating the students to save, such as financial literacy, peer influence, parents' effect, self-control, monitoring, and developing appropriate financial programs and curriculums.

In Saudi Arabia, a developing country with about 30 million inhabitants, 36.7% of them are aged between 15-35 years The General Authority for Statistics (2020) reports Saudi Arabia's saving rate as one of the lowest globally. King Khalid Foundation (2018) reported that only 44% of adults in Saudi Arabia, mostly men, admitted to saving, out of which 14% of adults prefer to save in banks while 30% favor saving outside banks. Concerning bank accounts ownership, 28% reported not having bank accounts. Most of them attributed not having accounts due to their low income. However, 13% of Saudi individuals who reported having accounts in banks, revealed not using them for any purpose, which reveals their low financial literacy rate. Financial literacy is believed to be 31% among Saudi citizens, which may be a source for significant economic challenges, inability to pay their bills, and loan defaulting. According to Camarate and Adra (2019), there are about $ 100 billion unpaid loans to the Saudi banks by people in Saudi Arabia, excluding other lendings for other purposes such as housing, health care, and education. This results from the generous pension system and social benefits provided by Saudi Arabia's government lead ultimately to insufficient personal savings.

The presence of low saving culture among Saudis may be similar to factors such as the recent changes in income level, low level of financial literacy, lack of adequacy saving products, need for saving incentives, and

high level of debts (Hailesellasie et al., 2013). Besides, the society's cultural spending habits, continuous increase in the price level, the low saving culture, and the dependence of young individuals on their parents for supporting them may also demotivate people to save. Other factors such as the subordinate role of commercial banks in advertising and providing a variety of saving products and services and the low banks' accounts ownership can also hinder the improvement of the level of saving, limiting the chances of starting any entrepreneurial activities that create new job opportunities (Alshebami & Khandare, 2014).

Saudi Vision 2030 was developed to make a notable change in every aspect of the Saudi economy. The Saudi Vision 2030 started the financial sector development program to strengthen the Saudi financial sector by implementing substantial economic and financial reforms, including saving behavior. The program raised awareness about saving and encouraged the ownership of bank accounts among Saudi citizens. It also aimed to increase the household income level from 6% to 10%, while ownership of bank accounts increased to 80%. The Saudi Vision 2030 likewise aimed to increase the saving accounts balance in Saudi Arabia from SAR 315 billion in 2016 to SAR 400 Billion in 2020 and increase the number of available saving products from 4 in 2016 to 9 by 2020. It correspondingly also targeted to increase the low household saving estimated to be 1.6 more than Saudis' annual income as of 2018 (KPMG in Saudi Arabia, 2020).

Saudi Arabia is considered a close young society that depends to no small extent on parents' support. Hence, meeting the Saudi Vision 2030 goals of saving and holding accounts in the banks will lead to mobilizing billions of money and reinvesting it in the development of the economy. It will further maintain a good relationship with banks, save money from loss and theft, and benefit from available financial products and services and enhance citizens' saving culture. For that effort, such as conducting awareness campaigns on saving and its significance will ensure a decent Saudi people's future.

Achieving a higher level of sustainable economic growth and improving individuals' living standards requires conscious initiatives that enhances saving behavior (KPMG in Saudi Arabia, 2020). Initiatives such as providing financial training programs, financial awareness campaigns, designing financial courses and curricula, supplying a wide range of saving products and services to customers, and changing the social culture about saving, will benefit individuals and the Saudi Arabia economy. It will mobilize a tremendous amount of funds that can be reinvested in the economy and ultimately create investments that will yield new job opportunities. In addition, the Saudi society would effectively benefit from a better and more effective sustainable social welfare model, generate more capital for businesses, investments, and build a more developed capital market (Camarate & Adra, 2019).

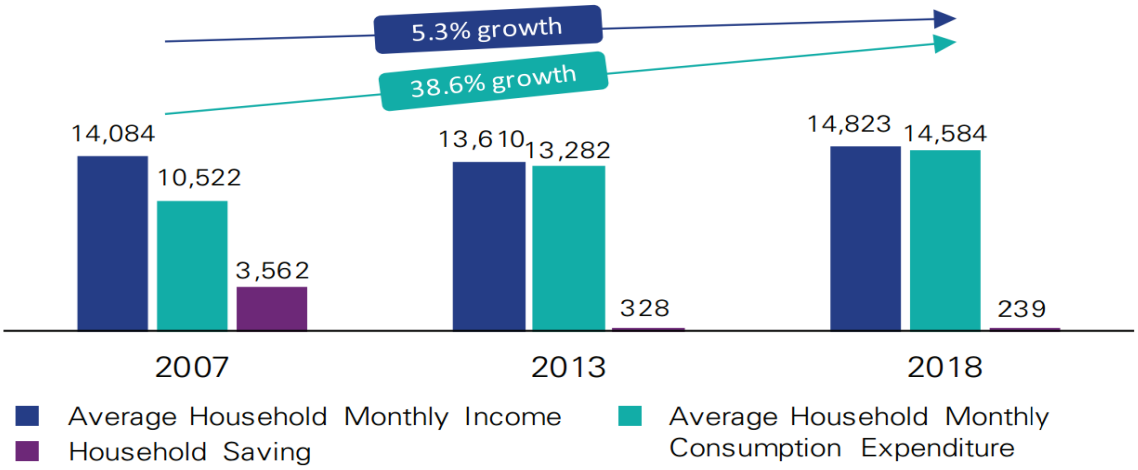

Figure 1. Household Saving, Monthly Income and Monthly Expenditure in Saudi Arabia
Source: KPMG Analysis

Figure 1 exhibits how a 5.3% increase in the income of Saudis rose to a 38.6% increase in the expenditure from 2007 to 2018, confirming that there is a low level of financial literacy among people, necessitating to urge the Saudis to adopt the saving culture. Such culture will require a comprehensive plan that would require taking initiatives like developing saving courses for school children, designing a range of different saving products, conducting financial literacy campaigns, reducing excessive lending, and streamlining obtaining saving products. Finally, the private sector and the government need to develop a saving framework that regulates its operation. Improving the current low saving status in Saudi Arabia would also require a plan that combines both supply and demand policies. The plan should include changing the young saving behavior and taking pension system reforms which result in a better capital market and sustainable pension system (Camarate & Adra, 2019).

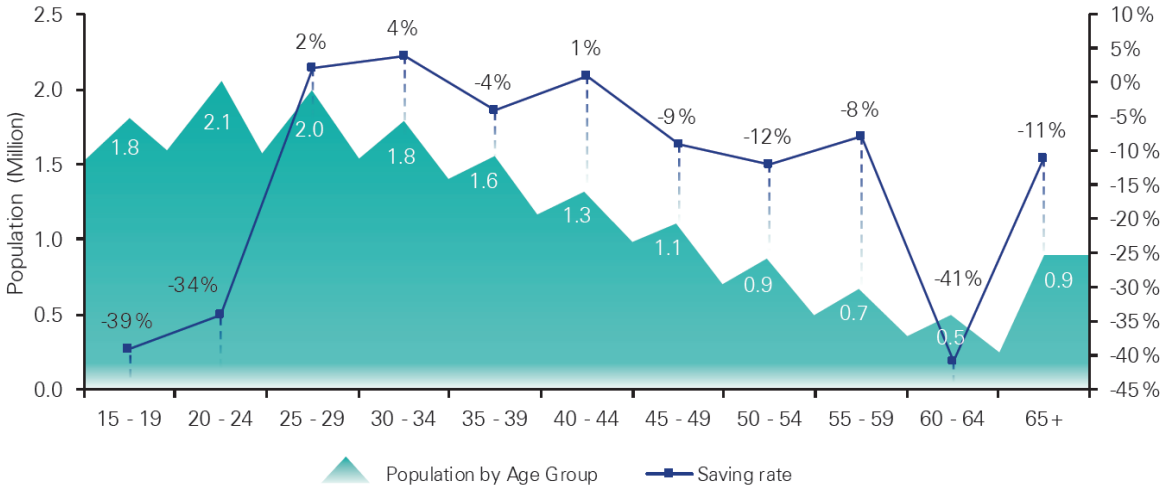

Figure 2. Saudi Arabia Age Group against Savings
Source: KPMG in Saudi Arabia (2020)

Information about the saving rate among the Saudi citizens as shown in Figure 2 indicates the low level of saving rate among all Saudi citizens. On top of them, Saudi youth with less than 35 years represent 37% of the country's working population (GAS, 2018). Despite this low saving rate among Saudis, it optimistically indicates a vast potential for saving in the future if a comprehensive saving strategy is initiated. This strategy might include improving financial literacy, teaching the culture of saving among citizens, and setting up mandatory saving regulations and laws. In addition, there is also a need to establish a coordination with banks in the financial sector, change the saving attitude and behavior of citizens and adopt similar other measures. These steps will doubtlessly improve the standard of saving and encourage individuals to start their income-generating activities.

From the above review, it could be concluded that the Saudi Arabia citizens have poor behavior towards savings, which limits the potentiality of utilizing savings in entrepreneurial activities to benefit the individuals and the nation economy. Previous studies and reports have not clearly identified causes for this poor behavior towards saving nor adequate attention has been paid in research on this topic. This has caused a wide knowledge gap about saving behavior, which gets further widened due to the other factors that influence students' entrepreneurial intention. A few empirical studies do refer to this problem, but their number is minimal, and they also overlook the university students' point of view. Consequently, this study attempts to fill this gap by answering the following questions:

1. Are there relationships between financial literacy, peer influence, parents' effect, self-control, and the students' saving behavior of the community college of Abqaiq in Saudi Arabia?
2. Is there a relationship between the students' saving behavior and the students' entrepreneurial intention of the community college of Abqaiq in Saudi Arabia?

This research study is organized into following sections; the first section discussed the background information and introduction of the topic; the second section presents the theoretical background and hypotheses development; the third section deals with the analysis and hypotheses testing; the fourth section presents the discussion; the next section discusses practical and theoretical implications; and finally, the study ends with conclusion, limitations, and references.

Theoretical Background and Hypotheses Development

This study is based on the Theory of Planned Behavior (TPB) developed by Ajzen (1991) which explains how people behave in a specific manner after acquiring a particular intention. The theory comprises three components: attitude towards behavior, subjective norms, and perceived behavioral control. The attitude towards behavior is explained as the degree to which a person forms positive or negative evaluations towards a particular behavior. The subjective norms are defined as the perceived social pressure to perform or not to perform the behavior. Finally, the perceived behavioral control is referred to as perception of an individual on the ability they must achieve a particular behavior.

Since a preferable attitude, subjective norms, and high perceived control can lead to the intention to carry out a particular behavior, the attitude towards behavior shows financial literacy influences the students' saving behavior. The students with a higher level of financial literacy will have more ability to understand the benefits of savings and their challenges in not maintaining enough savings. Having this belief will push the students towards savings behavior. Further, the perceived behavioral control can be used to show how self-control predicts students' saving behavior. Students with high self-control easily control their spending and wishes and limit their expenditures to needs only. Finally, the subjective norms are used here to explain how peers and parents impact the students' savings behavior. Pressures to save usually are created by parents, which means the behavior of the students to save might be affected by social anxiety. On the other hand, saving behavior has been proved to contribute to the development of entrepreneurial intentions, which will eventually lead to starting income-generating enterprises (Furnham & Cheng, 2019; Rikwentishe et al., 2015).

Financial Literacy and Saving Behavior

Financial literacy refers to sufficient knowledge that people have for effectively managing personal finances. It is also the ability to analyze, read, manage and communicate about personal financing conditions (Vitt et al., 2000). Previous literature reports that poor financial literacy negatively affects the economic behavior of individuals. For example, (Sabri et al., 2008) confirmed the inability of Malaysian university students to save once they receive their educational loans. This shows their destructive spending behavior for purposes other than academic ones. There are a few other studies (Delafrooz & Paim, 2011; Hilgert et al., 2003; Sabri & MacDonald, 2010) that also reiterate the existence of a significant impact of financial literacy on saving behavior. These studies show how individuals with low-level financial literacy do not intend to save and ultimately face economic challenges. Hence, it can be postulated that financial literacy is an essential factor for dealing with financial matters and making the right financial decisions (Collard et al., 2006). It would be interesting to investigate the effect of financial literacy on the students' saving behavior of the community college of Abqaiq in Saudi Arabia. Accordingly, the following hypothesis was assumed:

H1: There is a positive relationship between the financial literacy and saving behavior of the Abqaiq community college students in Saudi Arabia.

Parents Effect and Saving Behavior

Parents' effect means how people get influenced in their behavior by the close members in their families, i.e., parents. Ajzen (1991) calls parent's effect as subjective norms that refer to the social pressure to conduct or not to conduct a particular behavior in each society. In saving behavior, shreds of evidence have shown that

young adults' saving behavior is generally linked and influenced by their parents (Mischel, 1961). Parents can influence students' saving behavior by either requesting them or making it a requirement by children to save (Furnham, 1999). They also play a central role in their children's financial socialization (Cude et al., 2006). Since parents are involved in influencing their children's behavior, this leads to equipping them with essential financial skills necessary for saving (Otto, 2009). Despite this, a limited number of studies have reported that parental orientation and behavior insignificantly impacts children's economic behavior (Webley & Nyhus, 2006). Since this study aims to explore the connection between parents' effect and saving behavior among the Abqaiq community college students of Saudi Arabia, the following hypothesis is developed:

H2: There is a positive relationship between the parents' effect and saving behavior of the Abqaiq community college students in Saudi Arabia.

Peer Influence and Saving Behavior

It is well understood that when people are attached to peers or close fellows, it results in a change of their attitude, values, and behavior. Previous studies have unambiguously reported peer influence in maintaining saving decisions (Duflo & Saez, 2003). People's consumption choices may also change after peers' preferences (Tooth, 2006). It is expected that peer groups reach their maximum level of influence during the teenage period, since during this period young adolescents have insufficient knowledge and are uncertain in decision-making. Both peer influence and parents' effect remain vital sources that affect immature behavior (Youniss & Haynie, 1992) though youth depend more on peers and less on their parents (Otto, 2009). It was also confirmed that such groups that have set academically-oriented dimensions are expected to save more than those who set on peer-oriented dimensions (Erskine et al., 2006). Despite this positive connection, a few studies report a contrary result. For example, Beshears et al. (2015) believed that peer influence did not show peers' strong effect on their co-workers' retirement saving plan. This study, therefore, investigates the connection between peer influence and Abqaiq community college students' saving behavior in Saudi Arabia. Accordingly, the third hypothesis is developed:

H3: There is a positive relationship between peer influence and Abqaiq community college students' saving behavior in Saudi Arabia.

Self-Control and Saving Behavior

Self-control is an individual's ability to control their feelings, desires, and willingness towards a particular behavior. Self-discipline exertion characterizes the will and the capacity to delay fulfillment (Baumeister, 2002). Thus, students with a low level of self-control are believed to spend more on their wishes and preferences, resulting in not saving, ultimately facing financial difficulties (Chia et al., 2011). Empirical studies have proved that self-control positively impacts individuals' saving behavior (Esenvalde, 2010). It helps individuals control themselves by implementing effective budgeting (Lim, 2011) and making the right economic decisions. The more people have consciousness, the higher saving is achieved (Otto, 2009). It is further noted that students with unpaid balances are believed to be using their credit cards without self-control (Pinto et al., 2004). Hence, from above discussion, it could be concluded that examining the impact of self-control on saving behavior among the Abqaiq community students of Saudi Arabia is essential. The following hypothesis is therefore formulated:

H4: There is a positive relationship between self-control and saving behavior of the Abqaiq community college students in Saudi Arabia.

Saving Behavior and Entrepreneurial Intention

The unemployment rate is continuously increasing, particularly among youth, necessitating searching for alternative ways to resolve this issue. Self-employment is believed to minimize this gap by providing individuals with opportunities to start their small income-generating enterprises capable of generating funds for covering

their needs and becoming successful entrepreneurs. Since financial aid cannot always be insured for funding those small enterprises, particularly among the graduates, it is essential to promote and direct their behavior towards saving. Using it in a later stage in establishing the desired entrepreneurial enterprises and investments will yield benefits to individuals and the economy. Regular investment and savings allow the personal fund to develop or expand small enterprises (Rikwentishe et al., 2015).

It has been reported that entrepreneurial traits and saving increase the probability of self-employment decisions among university students. Saving is considered a critical source for capital accumulation (Kilara & Latortue, 2012) for those wishing to be self-employed and face liquidity and human capital accumulation challenges (Dunn & Holtz-Eakin, 2000). In many cases, personal savings can be used to support the startup capital (Bosumatari, 2014; Dozie & Bickersteth, 1995), And the parental financial assessment may also influence investments (Furnham & Cheng, 2019). Further, saving habits are proved to positively impact entrepreneurship development (Rikwentishe et al., 2015) and create new income-generating activities (Bosumatari, 2014).

However, saving behavior among individuals would require increasing financial literacy and financial knowledge to ensure directing individuals' attitude towards saving behavior. Providing a high level of financial literacy is believed to play a critical role in the process of saving behavior (Delafrooz & Paim, 2011; Hilgert et al., 2003). Parents also affect their children either by requesting or making it compulsory to save (Furnham, 1999). Cude et al. (2006) and Mischel (1961) have confirmed a positive relationship between parents' influence and students' saving behavior. Peers can also alter their colleagues' behavior and influence their savings decisions (Duflo & Saez, 2003; Otto, 2009; Tooth, 2006). Self-control also acts as an influencer. For example, the students with a low level of self-control are considered to spend more and control their wishes less (Chia et al., 2011; Esenvalde, 2010; Pinto et al., 2004). From the above discussion, the study assumes the followings hypothesis:
H5. There is a positive relationship between saving behavior and the Abqaiq community college students' entrepreneurial intention in Saudi Arabia.

The relationship between financial literacy, parents' effect, peer influence, self-control, and saving behavior is illustrated in Figure 3. It further shows a connection between the entrepreneurial intention and the saving behavior of the target group.

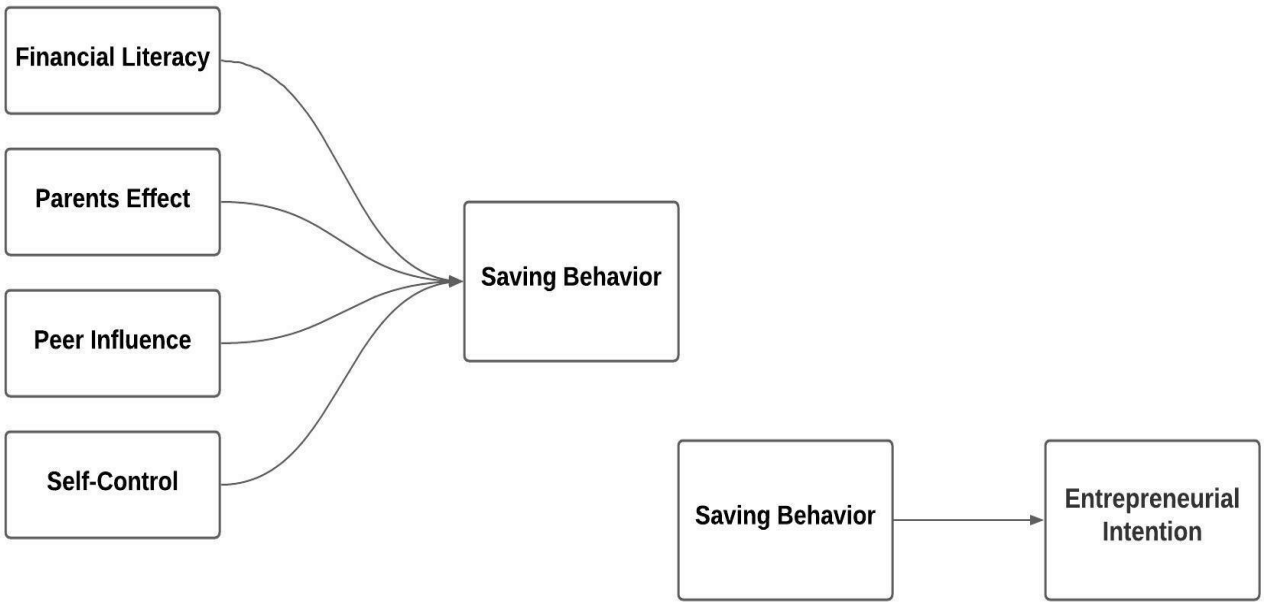

Figure 3. Hypothesized Model
Source: Author's elaboration for this study

Method

Participants and sampling method

The study targeted a sample of the Abqaiq community college students in Saudi Arabia. They were reached with an electronic questionnaire sent to them after carefully translating its contents into the Arabic language. However, prior to administering the questionnaire, it was sent to a selected sample to check its reliability and performance. Table 1 provides the demographic details of the sample.

Table1. *Demographic Information of the Respondents*

	Type	*Frequency*	*Percentage*
Gender	Male	145	54
	Female	125	46
Total		270	100
Specialization	Human Resource Management	253	94
	Medical Secretary Management	17	6
Total		270	100

Source: Primary Data

A total of 270 samples were found valid for the analysis, which included 145 males and 125 females. The purposive sampling method was adopted to identify the sample. A total of 94% respondents belonged to the Human Resource Management Program, whereas 6% belonged to the medical secretary management program.

Measures of the Study

The study adopted previously developed measurements found in similar studies as shown in Table 2.

Table 2. *Sources for Measurements of the Study*

	Constructs Measurement	*Source*
1	Financial Literacy	Cude et al. (2006), Thung et al. (2012)
2	Parents Effect	Otto (2009), Thung et al. (2012)
3	Peer Influence	Otto (2009), Thung et al. (2012)
4	Self-Control	Otto (2009), Esenvalde (2011), and Thung et al. (2012)
5	Saving Behaviour	Delafrooz et al. (2011) and Sabri et al. (2010)
6	Entrepreneurial Intention	Francisco Liñán & Yi-Wen Chen, (2009)

Source: Author's Development

Data analysis

The study used the SEM-Smart-PLS as a tool for analyzing and interpreting the data. The data analysis involved first evaluating the adequacy of the results by assessing the measurement model to determine the reliability and the discriminant validity of the items in the questionnaire

Results

Convergent Validity

The study used the SEM-Smart-PLS as a tool for analyzing and interpreting the data. Accordingly, for evaluating the adequacy of the results, the first step was to assess the measurement model that included considering both the constructs' reliability and the discriminant validity. The constructs' reliability assessment was conducted with four tests: the Loadings Factors, Cronbach's Alpha, Composite Reliability, and the Average Variance Extracted (AVE). The suggested threshold level for the factor loading was 0.60 (Hair et al., 2021), though the more was the values, the greater was the indicator's reliability and showed its ability to explain the indicator's variance. The Cronbach's Alpha was used to measure the reliability of the measures' internal consistency, which is recommended to be higher than 0.70 (Vaske et al., 2017). Composite reliability was another way to measure the scale reliability, which is recommended to have a value higher than 0.60 to be acceptable (Hair et al., 2021). Finally, the AVA was used to measure the convergent validity, which is recommended to have a value above 0.50 (Hair et al., 2012). The path coefficients and factor loadings of the study constructs are shown in Figure 4.

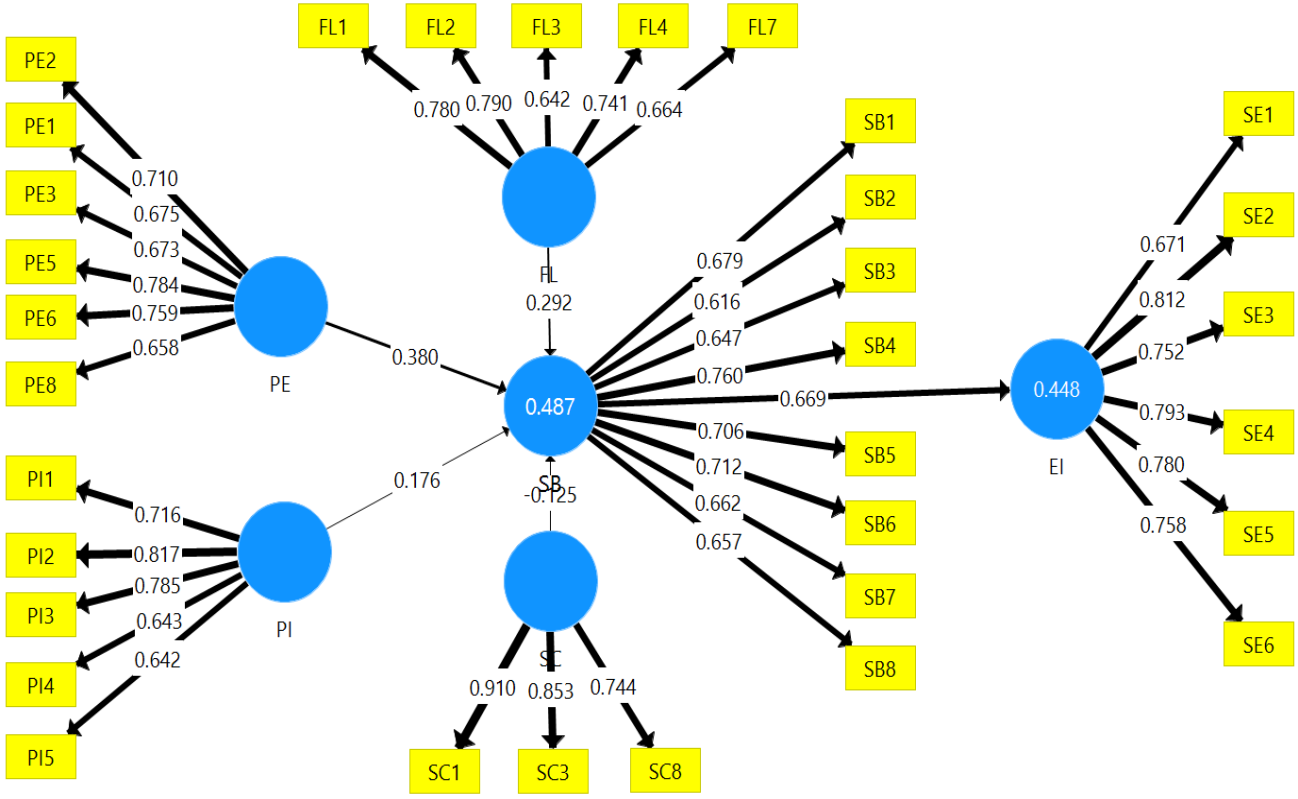

Figure 4. Result of the Path Coefficients
Source: Primary Data

The values related to factor loadings, composite reliability, Cronbach Alpha, and Average Variance Extracted are shown in Table 3.

Table 3. *Constructs Validity and Reliability*

Construct	*Factor Loadings*	*Cronbach Alpha*	*Composite Reliability*	*Average Variance Extracted*
Financial Literacy		*0.773*	*0.847*	*0.527*
FL1	0.780			
FL2	0.790			
FL3	0.642			
FL4	0.741			
FL7	0.664			
Parents Effect		*0.805*	*0.860*	*0.506*
PE1	0.675			
PE2	0.710			
PE3	0.673			
PE5	0.784			
PE6	0.759			
PE8	0.658			
Peer Influence		*0.777*	*0.845*	*0.524*
PI1	0.716			
PI2	0.817			
PI3	0.785			
PI4	0.643			
PI5	0.642			
Self-Control		*0.803*	*0.876*	*0.703*
SC1	0.910			
SC3	0.853			
SC8	0.744			
Saving Behavior		*0.834*	*0.873*	*0.464*
SB1	0.679			
SB2	0.616			
SB3	0.647			
SB4	0.760			
SB5	0.706			
SB6	0.712			
SB7	0.662			
SB8	0.657			
Entrepreneurial Intention		*0.855*	*0.892*	*0.581*
EN1	0.671			
EN 2	0.812			
EN 3	0.752			
EN 4	0.793			
EN 5	0.780			
EN 6	0.758			

Source: Primary Data

Discriminate Validity

Discriminate validity was assessed by employing three tests, i.e., Fornell-Larcker Criterion, Cross Loadings, and Heterotrait-Monotrait Ratio (HTMT). These tests report the level and degree to which a construct is dissimilar from other constructs and how distinctly the indicators represent only a single construct. In Fornell and Larcker Criterion, a variable should have the ability to explain its indicators better than others; In Cross-loadings, an indicator's loadings on its assigned latent variable must have a higher value than its loadings on all other latent variables; and if HTMT is utilized and if its value exceeds 0.90, it indicates a lack of discriminant validity (Henseler et al., 2015) Table 4, 5, and 6 show the findings of these three tests.

Table 4. *Fornell-Larcker Criterion*

	FL	*PE*	*PI*	*SB*	*SC*	*EI*
Financial Literacy	0.726					
Parents Effect	0.489	0.711				
Peer Influence	0.359	0.427	0.724			
Savings Behavior	0.566	0.605	0.410	0.681		
Self-Control	-0.194	-0.055	0.266	-0.156	0.839	
Entrepreneurial Intention	0.462	0.576	0.345	0.669	-0.127	0.762

Source: Primary Data

The result of the Fornell-Larcker Criterion test is presented in Table 4. It confirms the ability of the variables of the model to explain the indicators better than others.

Table 5. *Cross Loadings*

	FL	*PE*	*PI*	*SB*	*SC*	*EI*
FL1	0.780	0.323	0.312	0.420	-0.130	0.394
FL2	0.790	0.424	0.259	0.425	-0.225	0.355
FL3	0.642	0.277	0.173	0.342	-0.045	0.296
FL4	0.741	0.389	0.318	0.421	-0.073	0.320
FL7	0.664	0.347	0.225	0.431	-0.210	0.307
PE1	0.319	0.675	0.284	0.363	-0.057	0.362
PE2	0.340	0.710	0.346	0.399	0.009	0.487
PE3	0.254	0.673	0.378	0.348	0.093	0.398
PE5	0.527	0.784	0.306	0.520	-0.119	0.487
PE6	0.334	0.759	0.194	0.429	-0.106	0.374
PE8	0.268	0.658	0.330	0.479	-0.016	0.345
PI1	0.281	0.395	0.716	0.325	0.193	0.298
PI2	0.277	0.411	0.817	0.391	0.095	0.375
PI3	0.253	0.276	0.785	0.271	0.278	0.172
PI4	0.247	0.209	0.643	0.181	0.222	0.089
PI5	0.244	0.172	0.642	0.248	0.249	0.211
SB1	0.386	0.454	0.208	0.679	-0.141	0.557
SB2	0.414	0.300	0.303	0.616	-0.222	0.413
SB3	0.341	0.306	0.281	0.647	-0.157	0.361
SB4	0.374	0.495	0.331	0.760	-0.012	0.428
SB5	0.287	0.533	0.322	0.706	-0.082	0.486
SB6	0.414	0.357	0.233	0.712	-0.096	0.476
SB7	0.356	0.380	0.177	0.662	-0.172	0.430
SB8	0.502	0.429	0.369	0.657	0.004	0.463
SC1	-0.213	-0.066	0.237	-0.173	0.910	-0.163
SC3	-0.160	-0.052	0.250	-0.115	0.853	-0.063
SC8	-0.066	0.009	0.175	-0.070	0.744	-0.051
EI1	0.272	0.398	0.315	0.496	0.021	0.671
EI 2	0.395	0.439	0.162	0.558	-0.203	0.812
EI 3	0.306	0.444	0.271	0.485	-0.029	0.752
EI 4	0.338	0.452	0.247	0.518	-0.110	0.793
EI 5	0.403	0.435	0.276	0.507	-0.100	0.780
EI 6	0.396	0.466	0.319	0.491	-0.144	0.758

Source: Primary Data

Table 5 confirms that an indicator's loadings on its assigned latent variable should have a higher value than its loadings on all other latent variables.

Table 6. *Heterotrait-Monotrait Ratio (HTMT)*

	FL	*PE*	*PI*	*SB*	*SC*	*EI*
Financial Literacy						
Peer Effect	0.603					
Peer Influence	0.458	0.514				
Saving Behavior	0.700	0.716	0.484			
Self-Control	0.233	0.121	0.353	0.197		
Entrepreneurial intention	0.568	0.694	0.394	0.785	0.148	

Source: Primary Data

The Heterotrait-Monotrait Ratio (HTMT) criterion is quite different from classic approaches to discriminant validity assessment Table 6 shows the values of this criterion.

Structural Model

The structural model is primarily evaluated by examining the lateral collinearity that occurs when the two variables measure the same construct. It is assessed by a VIF value that should be less than 5. If the value is 3.3 or higher, it indicates the Collinearity (Diamantopoulos & Siguaw, 2006).

Table 7. *Collinearity Analysis*

	Savings Behavior	*Entrepreneurial intention*
Financial Literacy	1.473	
Parents Effect	1.461	
Peer Influence	1.471	
Savings Behavior		1.000
Self-Control	1.207	
Entrepreneurial Intention		

Source: Primary Data

Table7 presents values of the constructs of this study, each of which is less than 3.3, suggesting that there is no lateral multi-collinearity.

Hypotheses Testing

Table 8. *Path Coefficients*

	β	*Std. Error*	*T. Value*	*P Values*	*Decision*
H_1 Financial Literacy -> Saving Behavior	0.292	0.065	4.471	0.000	Supported**
H_2 Parents' effect -> Saving Behavior	0.380	0.060	6.317	0.000	Supported**
H_3 Peer Influence -> Saving Behavior	0.176	0.061	2.867	0.004	Supported**
H_4 Self-Control -> Saving behavior	-0.125	0.048	2.594	0.010	Rejected
H_5 Saving behavior -> Entrepreneurial Intention	0.669	0.044	15.354	0.000	Supported**

Source: Primary Data

Table 8 reveals a significant positive relationship between the financial literacy, parents' effect, peer influence, self-control on the saving behavior (β=0.292 and P. Value of 0.000), (β=0.380, P. Value of 0.000), (β=0.176, P. Value of 0.004) respectively. This means that H1, H2, H3 and H5 are accepted. The maximum effect on the saving behavior is revealed from the parents' effect with a 38% prediction. The saving behavior also reported a significant positive connection with the entrepreneurial intention (β=0.669, P. Value of 0.000),

indicating that the saving behavior can predict 66% of the total variance. However, the study reveals a significant negative relationship between self-control and saving behavior (β=-0.125 and P. Value of 0.010, which means that H4 stands rejected.

Relevance Prediction

Table 9. *Construct Cross-validated Redundancy*

	SSO	*SSE*	*Q² (=1-SSE/SSO)*
Financial Literacy	1350.000	1350.000	
Parents Effect	1620.000	1620.000	
Peer Influence	1350.000	1350.000	
Saving Behavior	2160.000	1694.767	0.215
Self-Control	810.000	810.000	
Entrepreneurial Intention	1620.000	1205.724	0.256

Source: Primary Data

Table.9 shows the cross-validated redundancy values, and it discloses the values of 1-SSE/SSO greater than zero, confirming the suitability of the model in prediction.

Discussion

Economic development and entrepreneurial investments require strategic plans that focus on fund mobilization from different sources, including the public, to be utilized in various developmental projects. Thus, encouraging people to save, spreading financial literacy, changing the social culture, and providing a suitable environment for investments assume importance in this regard as they all lead to mobilization of the fund and reinvesting it in the developmental projects. In addition to changing developing the individuals' entrepreneurial orientation (Al-Harasi et al., 2021).

The present study investigated the key factors influencing Saudi people's saving behavior in general and focusing on Abqaiq community college students in Saudi Arabia, in particular. The study considered four constructs that believed to play a role in influencing students' saving behavior, viz., financial literacy, peer influence, parents' effects, and self-control. It further examined the impact of saving behavior on the entrepreneurial intention of the respondents. The study revealed a positive connection between financial literacy, peer influence, parents' effects, and saving behavior. At the same time, the saving behavior reported a significant negative relationship with self-control. The findings also showed a positive, meaningful connection between saving behavior and Abqaiq community college students' entrepreneurial intention in Saudi Arabia.

The study is in line with (Chia et al., 2011; Shafinar et al., 2015) regarding savings behavior except for self-control. The results of this study are also consistent with the study of (Bosumatari, 2014; Dozie & Bickersteth, 1995; Dunn & Holtz-Eakin, 2000; Peprah et al., 2015) who reported that availability of saving lead to accumulation of startup capital and ultimately have an intention to start a business.

Implications and Recommendations of the Study

Theoretical Implications

The study sheds light on one of the latest topics being discussed globally and locally due to the continuous economic slowdown and recession. This study contributes to the limited available literature review by offering an insight into the status of saving culture in Saudi Arabia. It demonstrates key factors that influence the saving behavior of Saudi people in general and university students. These key factors include financial literacy, peer influence, parents' effect and self-control and their effect on the saving behavior of the Saudi community in the

selected area of the study. The study also investigated further the impact of saving behavior on the targeted sample's entrepreneurial intention. The findings confirmed the applicability of using the theory of planned behavior (TPB) in Saudi Arabia and a positive relationship between saving behavior and entrepreneurial intention.

Practical Implications

Understating the factors that affect individuals' saving behavior will help legislators and other organizations to develop adequate strategies for directing their mentality and behavior towards saving. Such activity results in various benefits for the economy in general and for individuals, in particular (Touny & Khder, 2013). Mobilization of saving helps accumulate funds from the public which can be reinvested in the nation's economic development. The findings of the study confirm the positive influence of financial literacy, peer influence, parents' effect on the saving behavior of the Abqaiq community college students in Saudi Arabia. This would inspire various stakeholders in the country to work on the development of necessary plans and strategies essential for enhancing the saving behavior among the students. The self-control surprisingly revealed a negative connection with saving behavior, which may be attributed to some cultural beliefs inculcated in respondents' minds about saving, unlike the study (Rha et al., 2006) reported otherwise.

Recommendations

Educational institutions such as universities, colleges, and schools need to develop the necessary courses and curriculum to inculcate the culture of saving and entrepreneurial skills among the students at their early age (Alshebami et al., 2020; Reza et al., 2020). It will also enlighten them with the benefits before their plans, take the right financial decision, and meet uncertainties that will ultimately reflect the economy's performance by establishing their small entrepreneurial enterprises. The study also recommends that the Saudi banks should emphasize the need to develop necessary financial training courses capable of enriching the students with essential skills that can assist them in dealing with financial products and services.

The study also emphasizes the urgent need of designing different types of saving products and services that can compensate the lack of motivated individuals and students and can optimize the use of the available technology. The government and other official bodies also need to focus on providing an attractive environment for both banks and individuals by supplying the necessary infrastructures and regulations to regulate the saving process in the country.

Parents also need to act as role models for their children from their early age. Parents should link the significance of savings with their retirement or for meeting externalities. Individuals in general and students should keep the company of those who believe in saving and thus can be a beneficial company. Retaining enough savings would contribute to establishing new entrepreneurial enterprises for students, ultimately leading to establishing income-generating activities, reducing the unemployment rate, increasing investment opportunities, and bettering the citizens' standard of living.

Conclusion & Limitations

Accumulation of funds without collaterals has always been an issue for individuals like students and other jobless people. Lack of funds demotivates them from starting their small entrepreneurial enterprises. Hence, promoting people's behavior towards saving is an essential step to capital accumulation and for starting small enterprises capable of generating income. Inculcating the saving behavior among Saudi students will require various stakeholders in the society such as the government, financial institutions, schools, universities, and other bodies to work together. Steps such as the establishment of financial literacy programs, offering a wide range of saving products and services, designing educational curriculum for schools and colleges, taking benefits of available technology to spread awareness about saving will allow the Saudi individuals and students to

accumulate fund and direct it toward the establishment of small entrepreneurial enterprises. Previous studies have ample evidence that factors such as financial literacy, parents' effect, and peer influence play a vital role in people's saving behavior (Alshebami & Seraj, 2021). These factors allow accumulation of savings and play a significant role in developing entrepreneurial intention. This evidence is confirmed by this study's results.

The study was limited to a small sample size of the community college of Abqaiq in Saudi Arabia, making the results challenging to be generalized. The study further focuses on measuring the impact of only four constructs, namely financial literacy, peer influence, parents' effect, and self-control, thus ignoring other variables and the influence of mediation variables that might affect the respondents' behavior. Future studies may extend the scope and size of the sample to include more respondents. It may also focus on measuring other variables.

Acknowledgements

The authors acknowledge the Deanship of Scientific Research at King Faisal University for the Financial Support under Nasher Track (Grant No. 216083).

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