



Global University Entrepreneurial Spirit Students' Survey

Student Entrepreneurship in Saudi Arabia

GUESSS Saudi National Report 2021



جامعة الأميرة نورة بنت عبدالرحمن
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Executive Summary

The 9th wave of GUESSS collected 267,000 responses from students in 58 countries. In Saudi Arabia 2,921 students from 30 public and private universities completed the survey. The results are summarized below.

Demographics

- The majority of students is between 20-24 years old (65.46%), Saudi nationals (95.88%), and female (79.53%).
- Most students are enrolled in an undergraduate program (88.66 %), and the majority studying in the field humanities, medicine and health science, business and management, computer sciences and IT, social science.

Career Choice Intentions

- Students' preferred career choice after graduation is employment in a large organization (21.33%), followed by employment in public service (19.62%), academia (17.84%), and to become an entrepreneur (10.51%).
- Five years after graduation, employment as career choice dropped by (6.23%) and the choice to become an entrepreneur increased by (9.35%).
- Male students are more likely to choose a career as an entrepreneur (both right after graduation and 5 years later) compared to females.

Entrepreneurial Intentions

- Students demonstrated a strong locus of control and a positive learning experience. However, they scored low in entrepreneurial intention, entrepreneurial attitude, and entrepreneurial Self-Efficacy.
- The majority of the students indicated that their close family, friends, and fellow students will react positively to their career choice as an entrepreneurs.

Nascent and Active Entrepreneurs

- The majority of students (51.04%) define themselves as nascent entrepreneurs, while 9.11% as active entrepreneurs, with 8% both nascent and active entrepreneurs.
- Collectively, 54% of nascent entrepreneurs intend to complete the founding process during their studies or right after their graduation, and 57% intend to maintain majority ownership.
- 43% of active entrepreneurs established their business 1 to 2 years ago, and almost 70% founded their business in a team. Active entrepreneurs perceived that their business is doing better in the innovativeness and job creation dimensions compare to their competitors.
- the majority of nascent entrepreneurs (76.31%) indicated that COVID-19 has no influence on the decision to establish their businesses, while 87.6% of active entrepreneurs have created a business before the pandemic

Family Business and Succession

- 30% of students indicated that either or both of their parents are self-employed/major owners of a business, 20.12% of which have been working in their parents' business.
- Generally, students demonstrate a strong intention to become a successor in their family business.

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1. Introduction

The Global University Entrepreneurial Spirit Students' Survey (GUESSS) is a global research project that examines the entrepreneurial intentions and activities of students at university worldwide. The project is led by the Swiss Research Institute of Small Business and Entrepreneurship at the University of St. Gallen in cooperation with the University of Bern (Switzerland). Online data collection form around the world takes place in waves every 2-3 years, resulting in significant academic research and practitioner reports.

2021 marks the 9th data collection wave with 267,000 responses from 58 countries. In addition to examining students' entrepreneurial intentions and activities, this wave examines the implications of COVID-19 pandemic. The collected data is disseminated through a series of national reports and one integrated global report. This report pertains to the results obtained from analysing the data collected by the Saudi team in 2021.

2. Demographic Information of Students

2.1. Participating Universities

The Saudi Arabian report is based on 2921 responses from students in 30 higher education institutions (shown in Table 1). Notably, the majority of responses (46.76 %) were from Princess Nourah Bint Abdul Rahman University followed by Umm Al-Qura University (32.15%).

Table 1: Responses by Higher Education Institutions (%)

	Participated universities	Freq.	Percent
1	Princess Nourah Bint Abdul Rahman University	1,366	46.76
2	Umm Al-Qura University	939	32.15
3	Taif University	131	4.48
4	Jazan University	110	3.77
5	King Faisal University	76	2.6
6	Shaqra University	56	1.92
7	Riyadh Elm University	45	1.54
8	Taibah University	41	1.4
9	Imam AbdulRahman Bin Faisal University	41	1.4
10	Fahad Bin Sultan University	25	0.86
11	Other	17	0.58
12	King AbdulAziz University	13	0.45
13	Tabuk University	10	0.34
14	Al Imam Mohammed Ibn Saud Islamic University	8	0.27
15	King Saud University	8	0.27
16	Qassim University	5	0.17

17	Saudi Electronic University	4	0.14
18	University of Hafr Al Batin	4	0.14
19	Prince Sultan University	4	0.14
20	Hail University	2	0.07
21	Al Baha University	2	0.07
22	Prince Sattam Bin AbdulAziz University	2	0.07
23	Majmaah University	2	0.07
24	University of Jeddah	2	0.07
25	University of Bisha	2	0.07
26	Arab Open University	2	0.07
27	King Fahd University of Petroleum And Minerals	1	0.03
28	Najran University	1	0.03
29	Northern Border University	1	0.03
30	King Saud Bin AbdulAziz University for Health Sciences	1	0.03

2.2. Age and Gender of Students

The average age of students who participated in GUESSS Saudi Arabia for 2021 is 26.63 years. Table 2 below shows that most students (65.46%) belong to the age group '20 to 24 years old'. Almost 20% are aged 19 years and younger, and 8.52% are aged between 25-29 years old. The remaining (5.42%) are 30 years or above.

Table 2: Age distribution of the sample

Age category	Freq.	Percent
<20	455	20.57
20-24	1,448	65.46
25-29	189	8.54
30-34	73	3.3
35-39	24	1.08
40+	23	1.04

In terms of gender, more female students participated in GUESSS Saudi Arabia (79.53%) compared to male respondents (17.46%). This gender ratio of respondents was expected since the majority of respondents are from Princess Nourah University which is a female only university.

2.3. Nationality and Marital Status

In all, (95.88%, N=1652) of total respondents who reported their nationality were Saudis, the rest are international students (Table 3). A small number of participating students reported that they are married (9.24%). This percentage is expected because respondents are young students.

Table 3: Student Nationality

Nationality	Freq.	Percent
Saudi	1,584	95.88%
Syrian	14	0.85%
Egyptian	5	0.30%
Palestinian	3	0.18%
Jordanian	1	0.06%
Other	45	2.72%

2.4. Level of Education and Field of Study

As shown in Figure 1, the participants study at different academic levels. Most students were undergraduates enrolled in a bachelor program (88.66 %), followed by students studying postgraduates on a master level (5.70%). A minority of participants are enrolled in a doctoral program (0.24%)

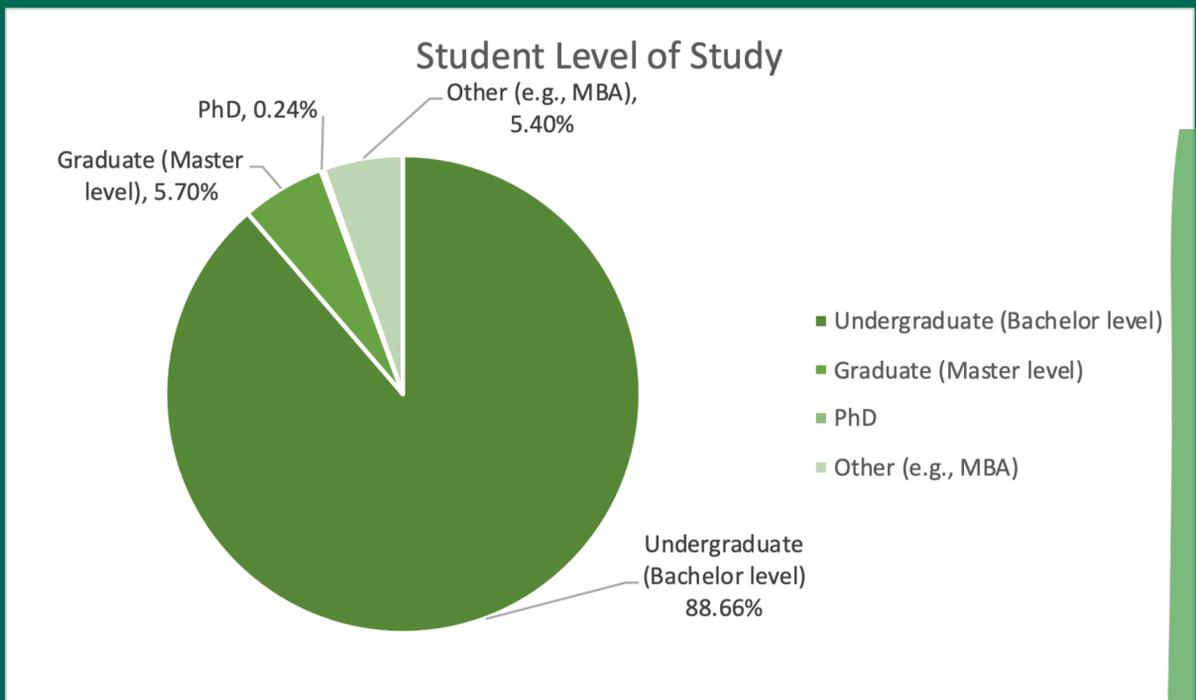


Figure 1: Students' Level of Study

The field of studies of 14% of respondents is humanities (e.g cultural studies, history, linguistics, philosophy and religion), followed by medicine and health sciences (12%), followed by business and management (12%), and computer sciences and IT (11%). Noticeably, around one fourth of respondents indicated "other" as their field of the studies

(Figure 2). This might be due to confusion of the translated terms in the survey and the verity of colleges in universities.

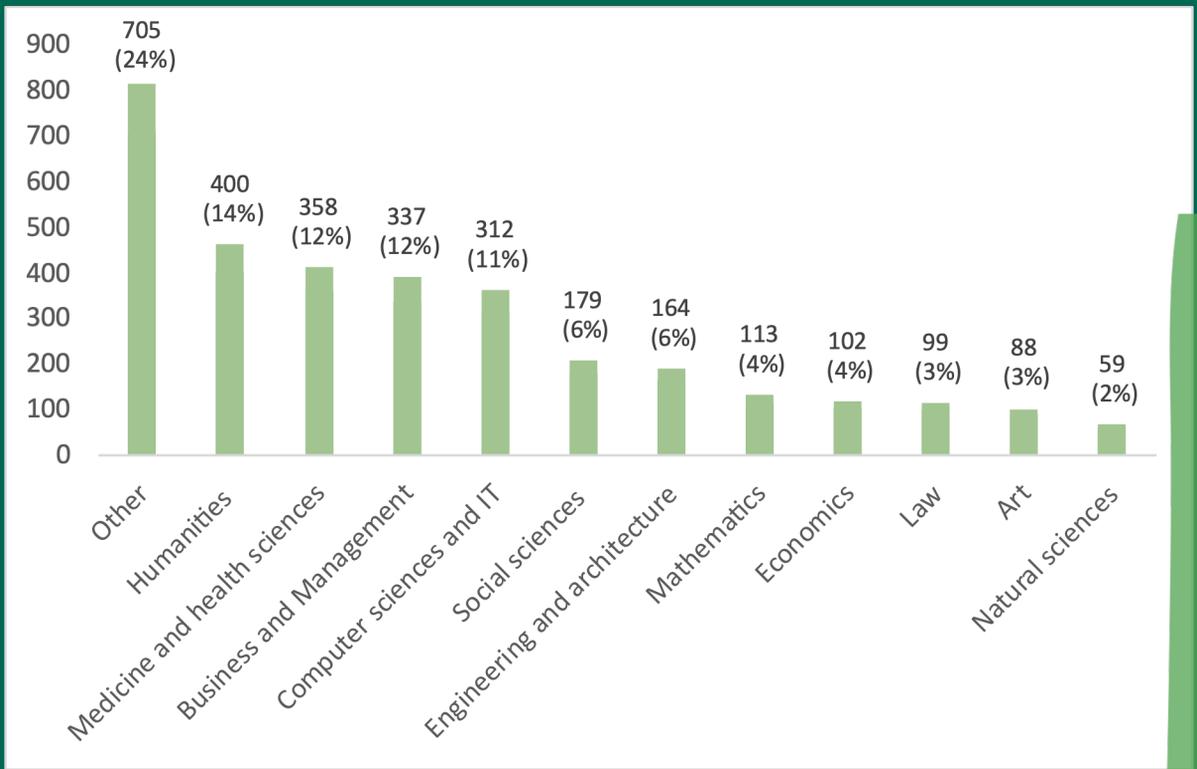


Figure 2: Distribution of Saudi Students by Field of Studies

3. Career Choice Intentions

3.1. General Career Intentions

All students were asked which career path are preferable immediately after graduation and 5 years later.

Table 4: Post-Graduation and Five Years Post-Graduation Career Intentions (detailed)

	After graduation		5 years post-graduation	
	Freq.	percent	Freq.	percent
An employee in a small business (1-49 employees)	80	2.74	60	2.05
An employee in a medium-sized business (50-249 employees)	257	8.8	152	5.2
An employee in a large business (250 or more employees)	623	21.33	569	19.48
An employee in a non-profit organization	31	1.06	27	0.92
An employee in academia (academic career path)	521	17.84	523	17.9
An employee in public service	573	19.62	572	19.58
A founder (entrepreneur) working in my own business	307	10.51	580	19.86
A successor in my parents' / family's business	12	0.41	12	0.41
A successor in another business	4	0.14	10	0.34
Other / do not know yet	513	17.56	416	14.24

As shown in Table 4, seeking organizational employment in a large business right after graduation is the most preferred options for 21.33% of students. This is followed by expressed intention to seek employment in public service (19.62%), academia (17.84%), and to become an entrepreneur (10.51%). The choice to be a successor to a family business or another business seems to be the least attractive choice (0.41%) and (0.14%), respectively. Not surprisingly, the number of students indicating that they do not yet know what they want to do post-graduation is relatively high (17.56%).

Table 5: Post-Graduation and Five Years Post-Graduation Career Intentions (Broad)

	After graduation		5 years post-graduation		Change
	Freq.	percent	Freq.	percent	percent
Employee	2,085	71.38	1,903	65.15	6.23
Founder	307	10.51	580	19.86	9.35
Successor	16	0.55	22	0.75	0.2
Other/No plans	513	17.56	416	14.24	3.32

In Table 5, the data is aggregated into four broad categories (i.e., employee, founder, successor, other /no plans). Some changes are noticed between career intentions immediately after graduation and 5 years post-graduation. A drop of (6.23%) was noted in students who felt they would like to seek wage employment. At the same time, the percentage of intentional entrepreneurs directly after graduation and 5 years later increased notably from (10.51%) to (19.86%). Overall, the attractiveness of wage employment diminished in favour of entrepreneurial career (as founders or successor). This might be because students wanted to gain some experience and build their capabilities before starting their own business. The option of succession rose slightly in the career intentions of students five years post-graduation. The percentage of students indicating to have no professional career (no plans) in mind five years after graduation decreases by (3.32%).

3.2. Career Intention by Field of Study

Figure 3 illustrated the changes in the career choices after graduation and five years after graduation by the field of study. Notably, there is an overall decreasing pattern in the intention to be an employee among all the students regardless of their speciality. In contrast, there is an overall increasing pattern in the intention to be a founder among all the students regardless of their speciality. The changes in the succession intention can't be compared due to the small size in each category. No major changes in the (no plan) group between the two time frames according to the field of study.

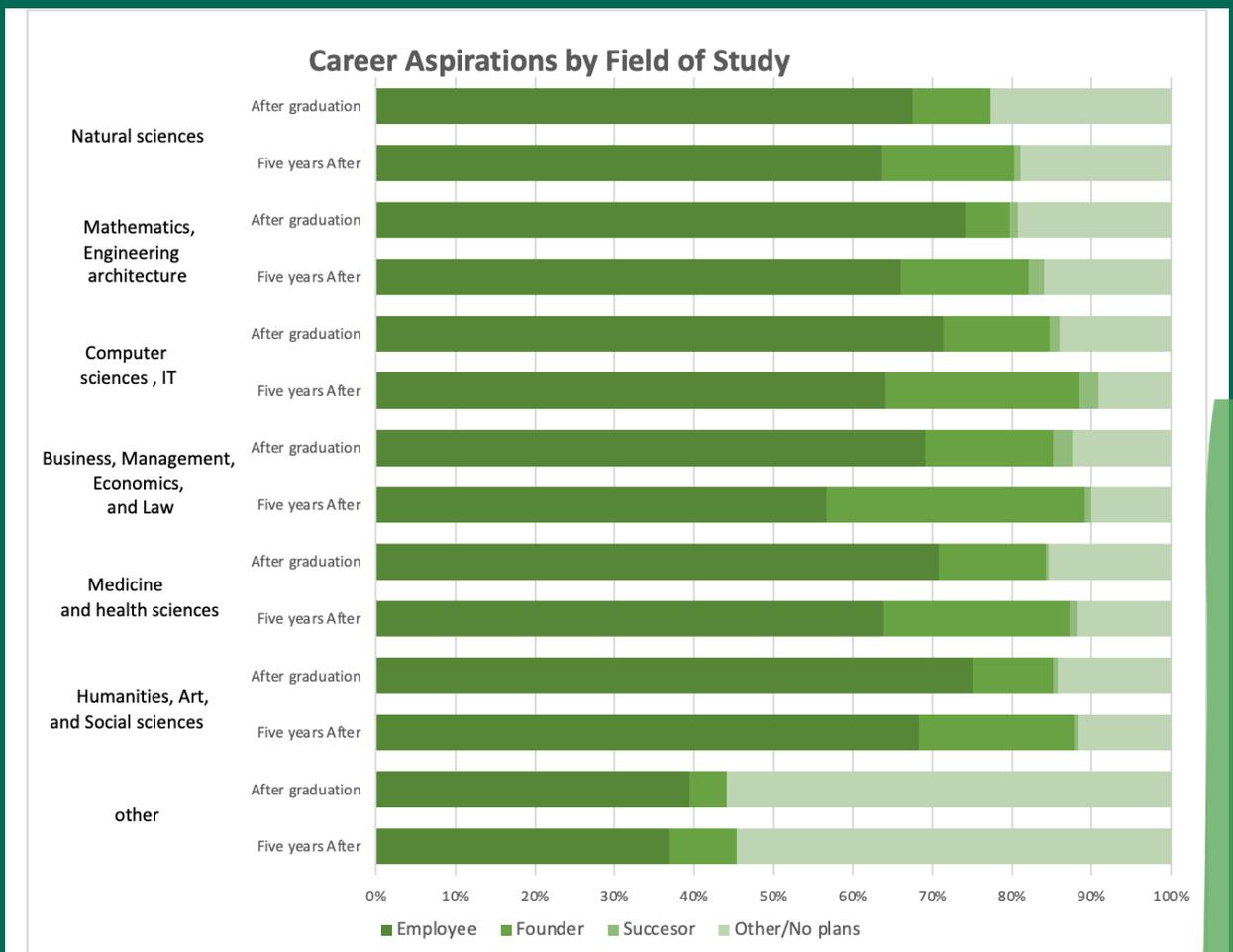


Figure 3: Career Choice Intentions by Field of Study

3.3. Career Intention by Gender

As shown in Figures 4 and Figure 5, male students are more likely to choose a career as a founder (both right after studies and 5 years later) compared to females. The intention to be founder five years post-graduation increased by (9%) for females and by (10%) for males. For both genders, the intention to be a wage-employee has decreased over time. Succession as a career choice is almost stable between the two-time frames (i.e. post-graduation and five years post-graduation). Having no plans has declined by (3%) for females and by (5%) for males.

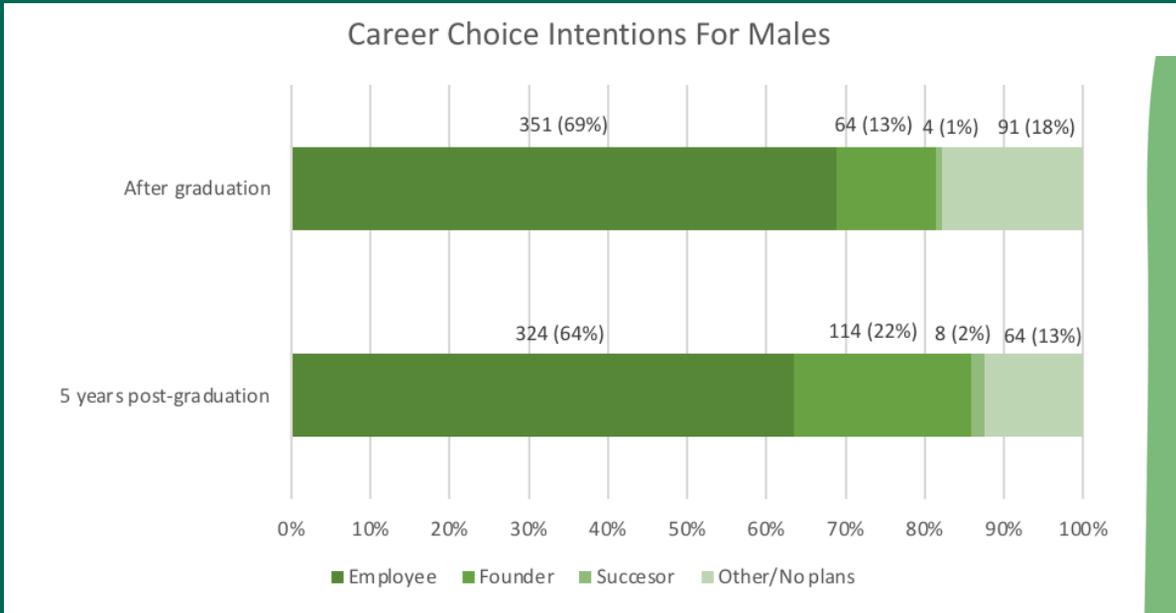


Figure 4: Career choice intentions Post-Graduation for the Male Sample

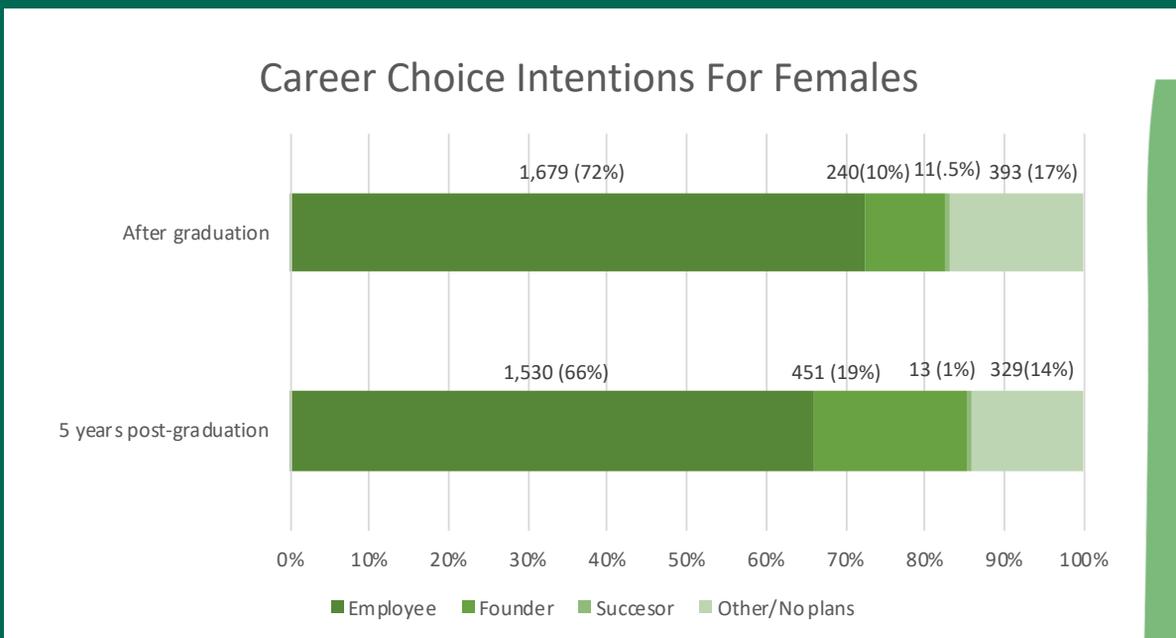


Figure 5: Career choice intentions Five Years Post-Graduation For the Female sample

4. Intentions towards Entrepreneurship

4.1. Entrepreneurial Intentions of Students

Figure 6 show students' intentions towards Entrepreneurship. The graphs clearly show that Saudi students in the current wave of the GUESSS Survey, has in general a low entrepreneurial intention due to the fact that they strongly disagree on most of the statements in the entrepreneurial intentions scale.

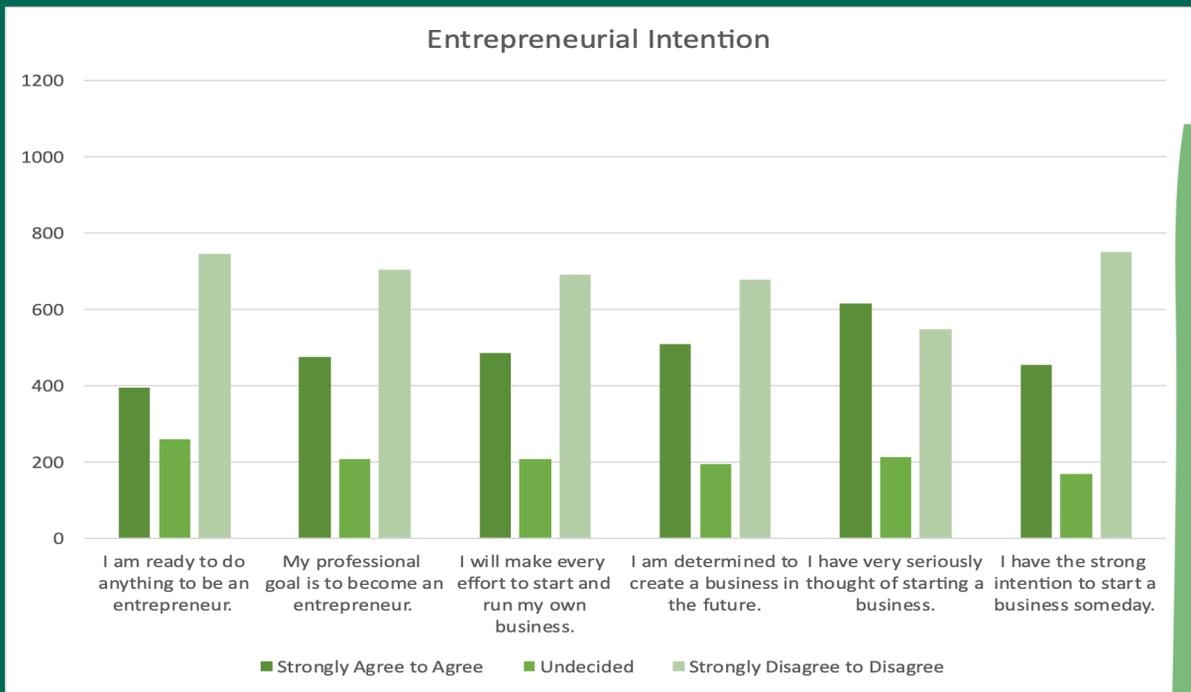


Figure 6 : Students' Entrepreneurial Intentions

4.2. Share of Nascent and Active entrepreneurs

A set of questions were presented to the students regarding their entrepreneurial intentions. Table (6) shows that 51.04% of respondents (N = 1491) define themselves as nascent entrepreneurs, 9.11% (N=266) are active entrepreneurs. Students who are both nascent and active entrepreneurs are 8% (247=N) of the sample, and 48.31% (N=1411) are neither nascent nor active entrepreneurs.

Table 6: Nascent and Active Entrepreneurs in The Saudi Sample

	Are you currently trying to start your own business / to become self-employed?		Are you already running your own business / are you already self-employed?	
	Freq.	Percent	Freq.	Percent
No	1,430	48.96	2,655	90.89
Yes	1,491	51.04	266	9.11

A comparison between nascent and active entrepreneur is presented in Table 7. The comparison is based on students' (1) gender (2) field of study (3) level of study, (4) and University location.

Table 7 : Comparison Between Nascent and Active Entrepreneur

	Nascent entrepreneurs		Active entrepreneurs	
	Freq.	percent	Freq.	percent
Gender				
Male	265	17.77%	58	21.80%
Female	1,191	79.88%	201	75.56%
Field of study				
other	205	13.75%	35	13.16%
Humanities, Art, and Social sciences	442	29.64%	77	28.95%
Medicine and health sciences	174	11.67%	32	12.03%
Business, Management, Economics, and Law	138	9.26%	31	11.65%
Computer sciences and IT	91	6.10%	21	7.89%
Mathematics, Engineering and architecture	99	6.64%	14	5.26%
Natural sciences	340	22.80%	56	21.05%
Level of study				
Undergraduate	1,323	88.73%	228	85.71%
Graduate (Master/ PhD)	85	5.70%	21	7.89%
Other	77	5.16%	17	6.39%

The percentage of female students (Nascent Entrepreneurs) who started the process of creating their own businesses (79.88%) is higher than that of male students (17.77%). The same is true for active entrepreneurs, where the results show that the percentage of female students who are operating and manage their businesses is 75.56%, while the percentage of males is 21.80%.

As shown in Table (7), a high percentage of students in the field of Humanities, Art, and Social sciences are nascent entrepreneurs (29.64%), and active entrepreneurs (28.95%). This is followed by students in the field of natural sciences where 22.80% are nascent entrepreneurs, and 21.05% are active entrepreneurs. The field of medicine and health sciences came third with 11.67% of students are nascent entrepreneurs and 12.03% are active entrepreneurs.

In terms of academic level, it seems that undergraduate students are more motivated to start their own business (Nascent Entrepreneurs) (88.73%) compared to graduate students (5.70%). Also, the percentage of undergraduate students who are currently operate and manage their businesses (active entrepreneurs) (85.71%) exceeds that of graduate students (7.89%). This can be attributed to the likelihood that graduate students may be already employed.

5. Drivers of entrepreneurial intentions

This section addresses a number of factors that may influence students' entrepreneurial intentions. This includes: university context, attitudes towards entrepreneurship, entrepreneurial self-efficacy, locus of control, society perceptions and family background.

5.1. University Context

Students were asked to what extent they agree (1=not at all, 7=very much) to some statements (see Figure 6, 7 and 8) regarding their university and their learning experience. Overall, the result indicated that the participants of the survey have a positive learning experience in Saudi universities.

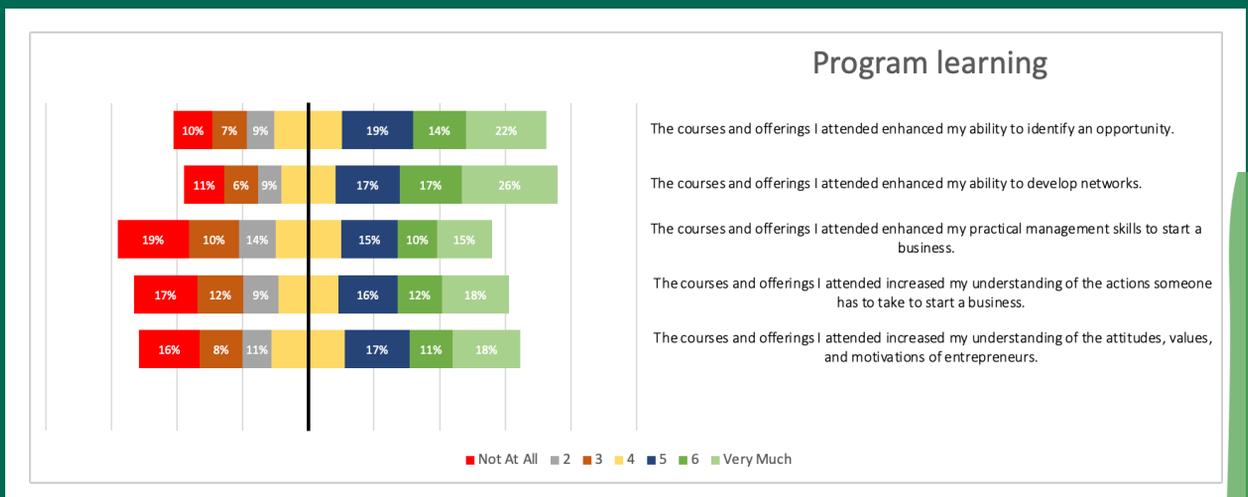


Figure 6: Students' Perception about the program learning

Further, the majority of the students believe that their university showed a high level of institutional support for entrepreneurship.

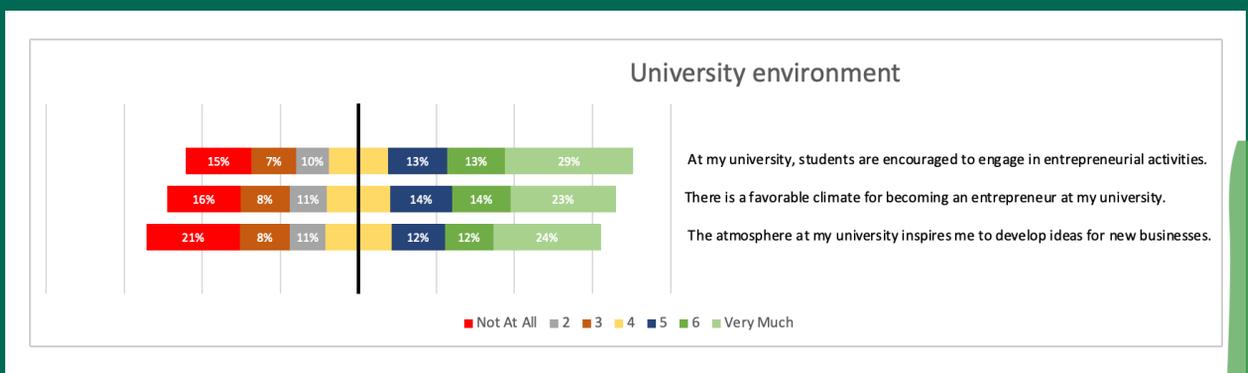


Figure 7 : Students' Perception about the university environment

The GUESSS survey measured the student' perception in term of how their universities implementing the United Nations Sustainable Development Goals (SDGs). Overall, the students in favour of the efforts of their universities to ensures the core of SDGs is being implemented effectively. For example 49% of the students strongly agreed to the statement “My university ensures that all students (irrespective of gender, age, ethnicity, religion, disability, or socio-economic status) have equal access to affordable and quality education”.

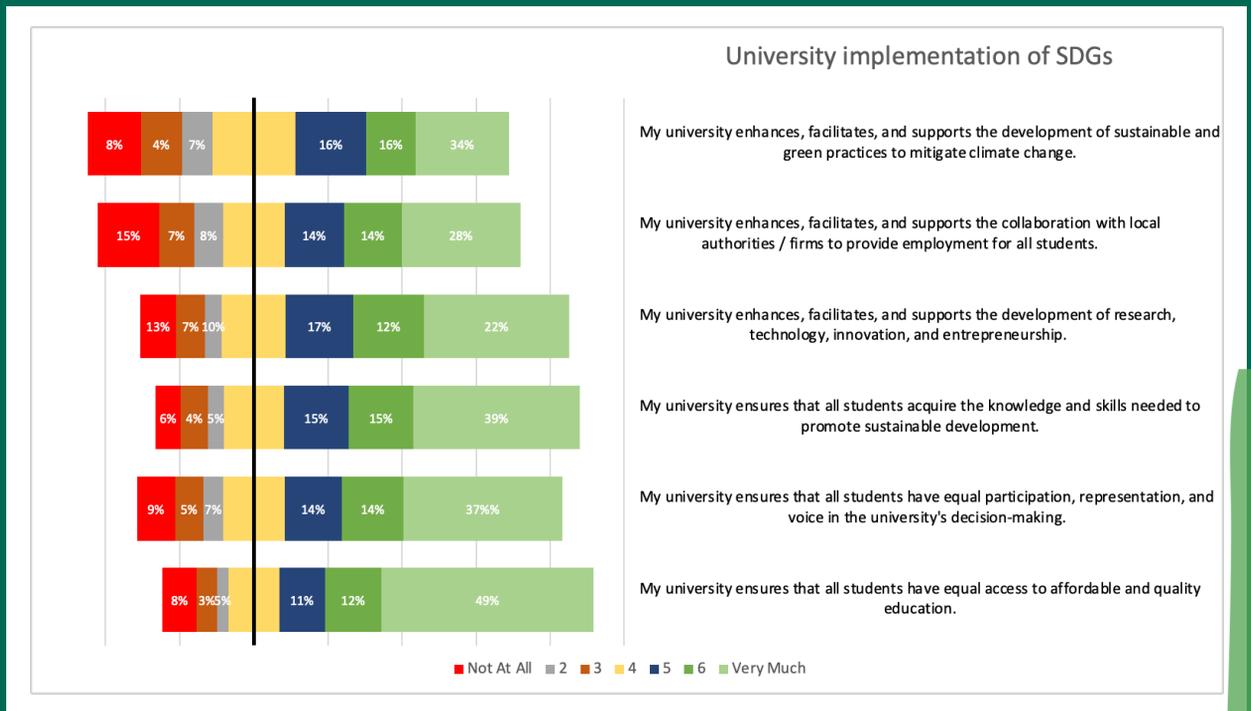


Figure 8: Students' Perception about their universities implementation of SDGs

With regard to entrepreneurship education, as seen in Figure 9, over half of students in Saudi Arabia have never attended a course on entrepreneurship so far. The percentage of students attended either an elective (voluntary) or compulsory course on entrepreneurship is 32% and 12% respectively. Only a minority of the sample (5%) are studying a specific program on entrepreneurship. This can be attributed to the fact that entrepreneurship programs have recently been introduced in Saudi universities.

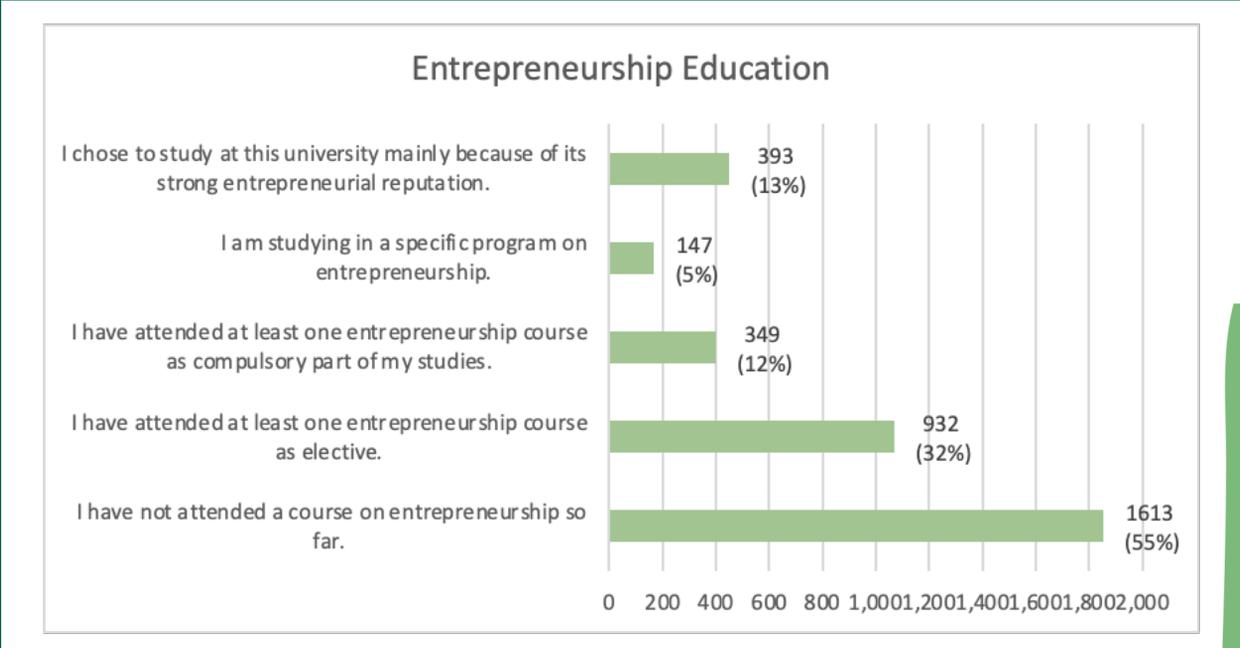


Figure 9 : Respondents' Participation in Entrepreneurship Education

Figure 10 show the tabulation between attending a course in entrepreneurship and being an active entrepreneur, nascent entrepreneur or both. Interestingly, attending a course in entrepreneurship is higher among students who reported being both an active and a nascent entrepreneur at the same time.

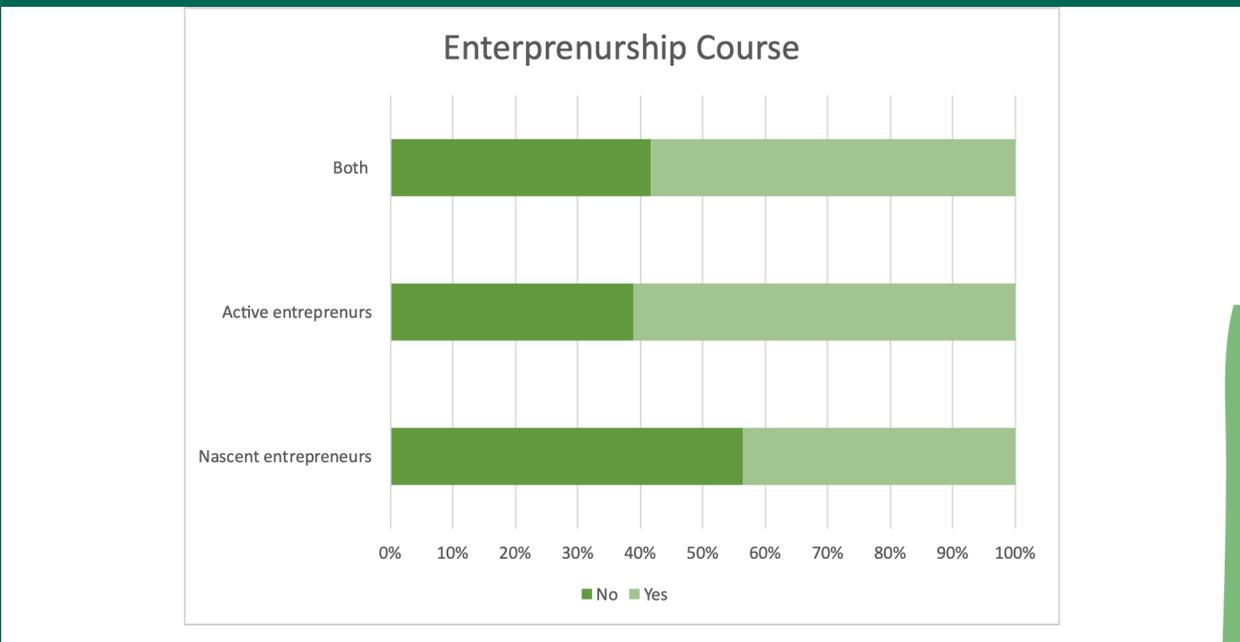


Figure 10 : link between attending a course in entrepreneurship and active/nascent entrepreneurship

5.2. Attitudes towards Entrepreneurship

Figure 11 show the attitudes of the sample towards entrepreneurship. Majority of the students score low in the five items that measure entrepreneurial attitude.

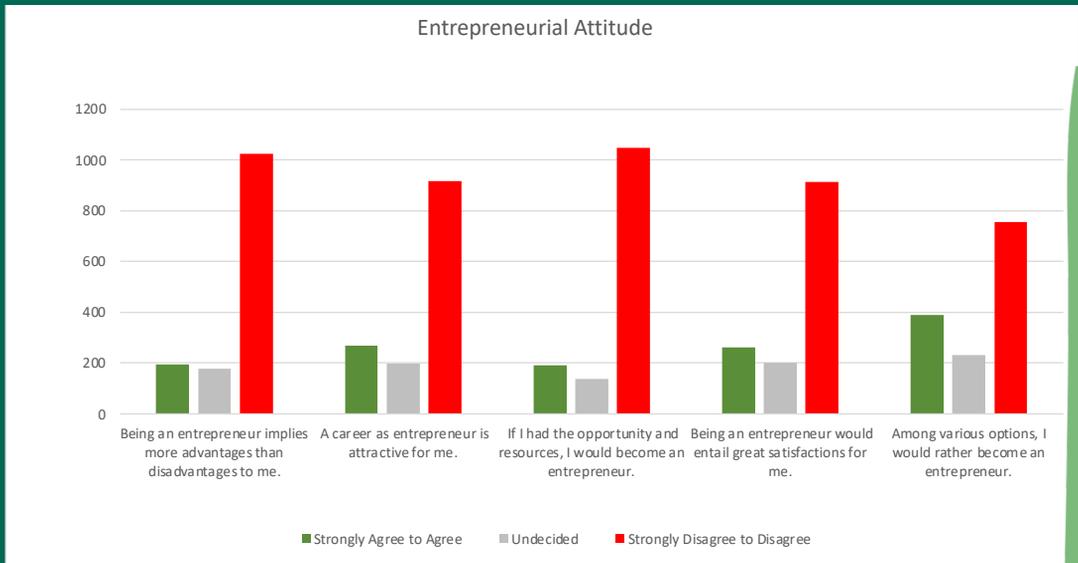


Figure 11: Students' attitudes towards entrepreneurship

5.3. Entrepreneurial Self-Efficacy

To measure entrepreneurial self-efficacy, students were asked to indicate their level of agreement in a number of statements measured using a 7-points Likert scale (1=strongly agree; 7=strongly disagree) (Figure 12). For the sake of simplicity, we regroup the responses to show the students evaluation on three levels, strongly agree to agree, undecided, and disagree to strongly disagree. The results indicated that the students had a predominantly negative outlook to their entrepreneurial Self-Efficacy.

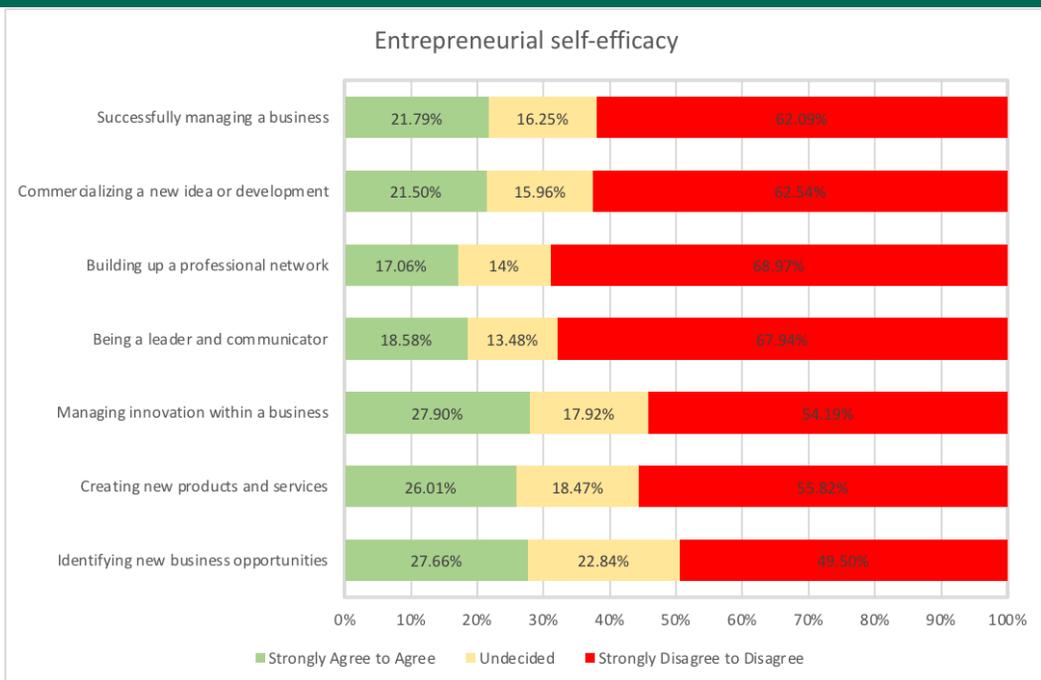


Figure 12: Entrepreneurial Self-Efficacy

5.4. Locus of Control

Three items in the survey measures the students Locus of Control. As per the results shown in Figure 13 , students demonstrated high locus of control mostly agreeing to the three items.

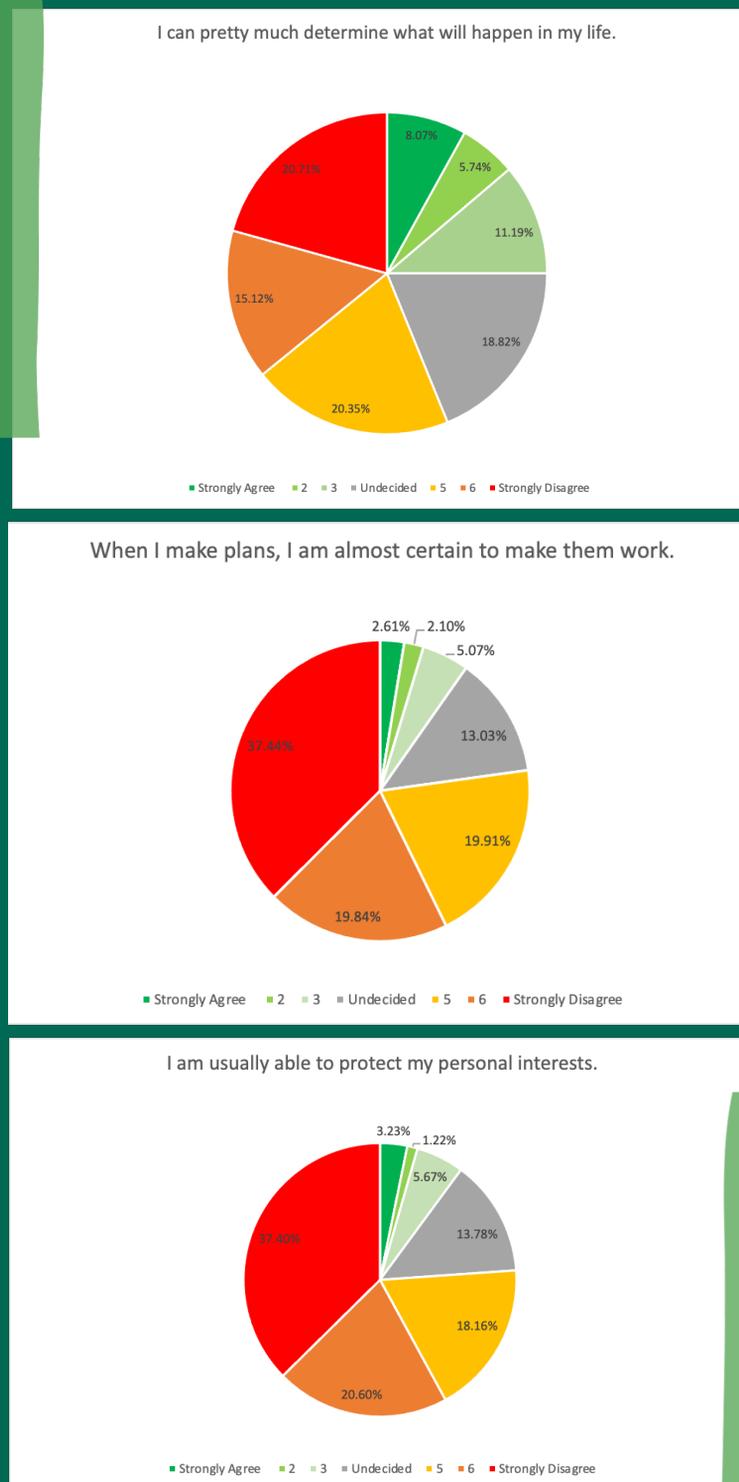


Figure 13: Locus of Control

5.5. Society Perceptions

Students were asked “If you would pursue a career as an entrepreneur, how would people in your environment react”. The results (See Figure 14) suggest that for the majority of the students their close family, friends, fellow students will react positively to their career choice as an entrepreneurs.

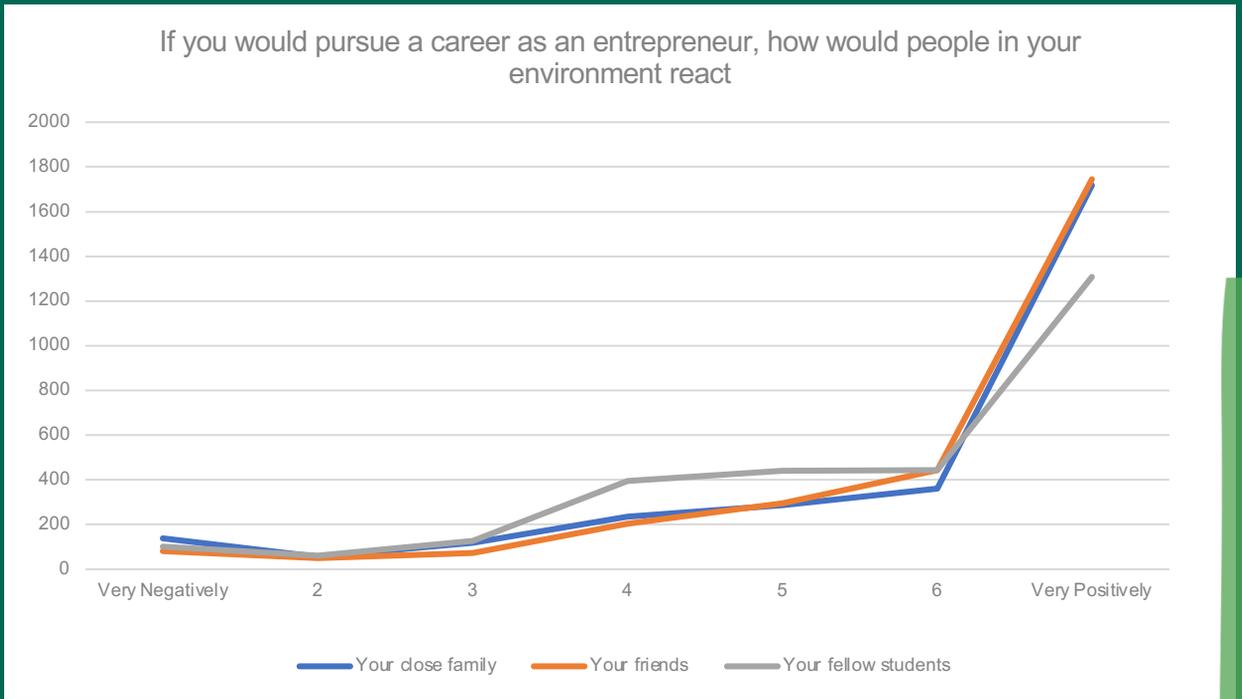


Figure 14: Society Perceptions

5.6. Family background

Table 8 show the share of students whose parents are self-employed/major owners of a business; around (N= 877, 30%) on the sample.

Table 8: students' response to "Are your parents self-employed?"

		Freq	Percent
0	No	2,044	69.98
1	Yes, father	587	20.1
2	Yes, mother	100	3.42
3	Yes, both	190	6.5

Figure 15 show the link between parents' employment status and active/nascent entrepreneurship

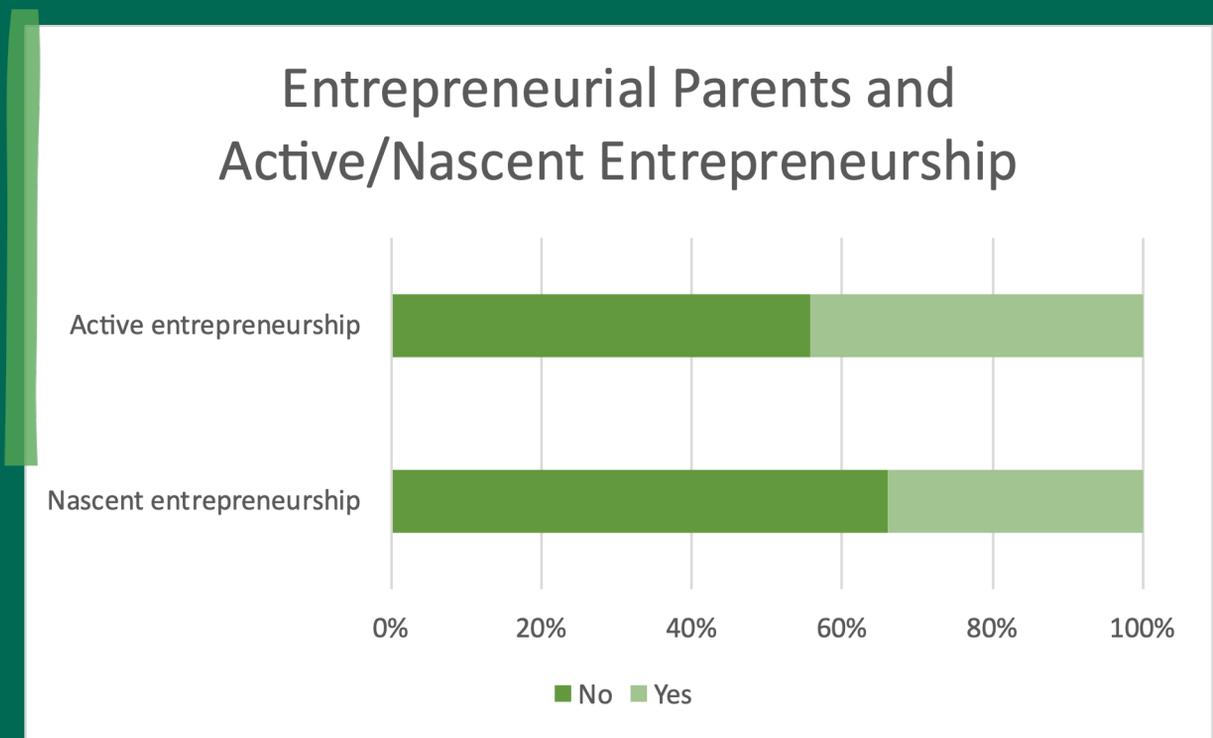


Figure 15: Entrepreneurial Parents and Active/Nascent Entrepreneurship

As shown in figure 15, almost half of respondents whom their parents are self-employed/major owners of a business are either active or nascent entrepreneurs.

6. Nascent Entrepreneurs

6.1. Timing of Forthcoming Business

An important respondent group are students who are in the process of creating their own business, the so-called nascent entrepreneurs. Among the sample (N=1491, 51.04%) where self-identified as nascent entrepreneurs. The results presented in graph 16 indicate that approximately (26.03%) of the nascent entrepreneurs in the sample intend to complete the founding process during their studies and (28%) right after their studies. Similarly, (28.12%) didn't decide yet on the time of execution. Finally, (17.16%) may take up to two years after graduation to complete the founding process.

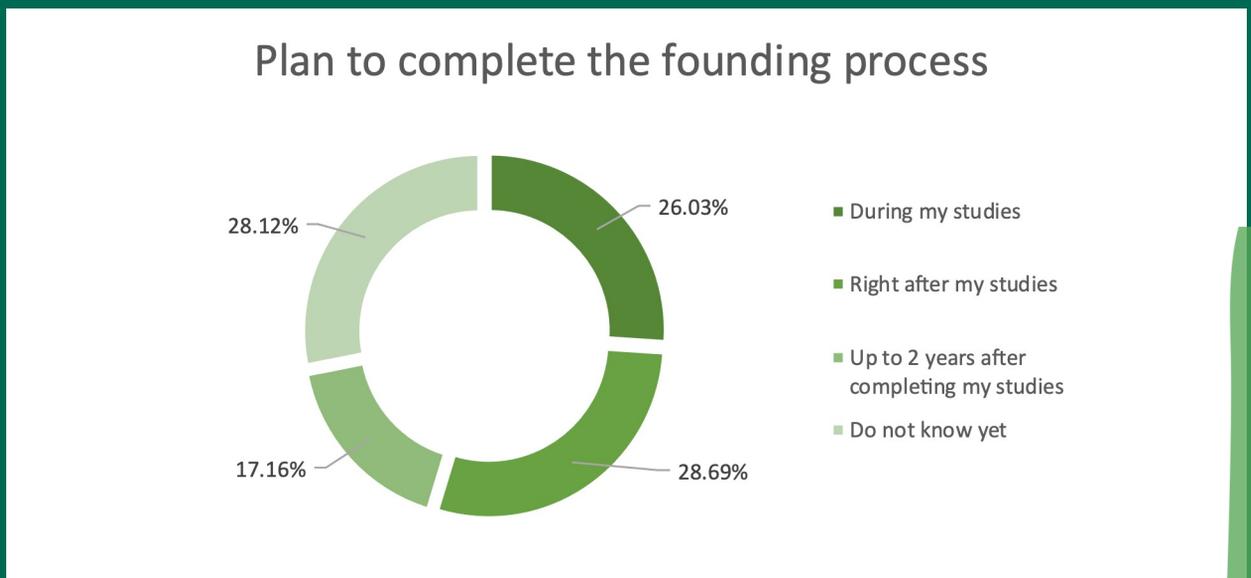


Figure 16: Timing of Forthcoming Business

Just over third of the students (35.38%) were unsure whether they wanted the business to be their full-time occupation, with the remainder split between stating certainly “yes” it would be their full-time occupation (26.8%) and “no”, it would not (37%).

When students were asked “Have you created another business before?”, (75.2%) intend their business for the first time, and (24%) did create a business before. Furthermore, the emergent of the business was largely independent from the university (74.83%). However, between (11.62%) and (13.55%) found the business from a university course or another form related to the university.

6.2. Covid-19 pandemic Implications

In regards to the recent Covid-19 pandemic, students were asked “Do you plan to create this business mainly because of the implications of the COVID-19 pandemic?”. As shown in Figure 17, only (23.69%) of the sample said that the idea of establishing their business was a direct result of the COVID-19 pandemic implications. While the majority of students (76.31%) indicated that COVID-19 has no influence on the decision to establish their businesses. These results might be due to many business sectors have been negatively affected by the emergence of the COVID-19 pandemic.

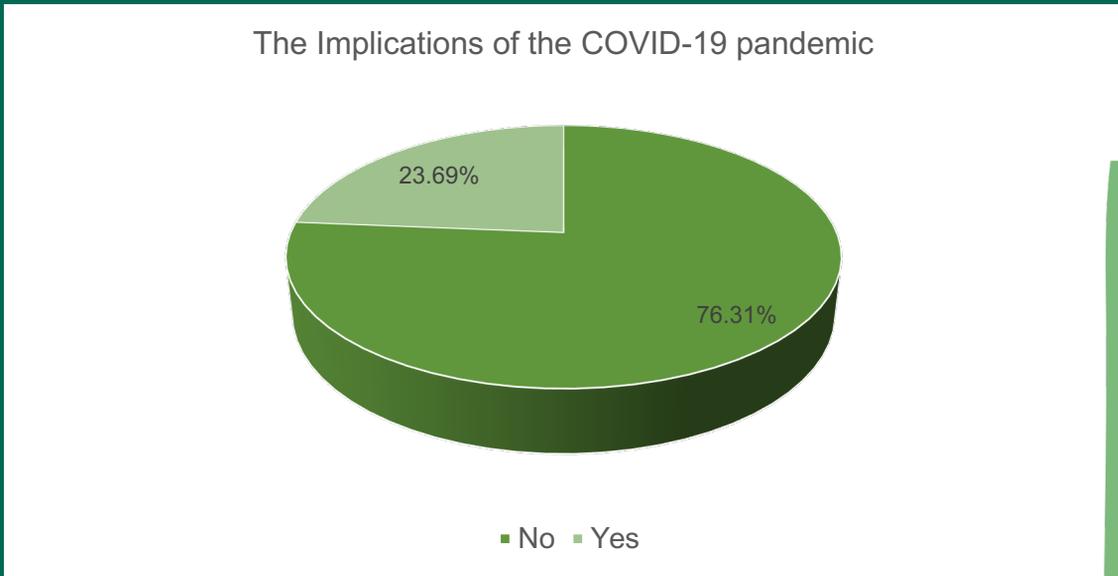


Figure 17: The Implications of the COVID-19 pandemic

6.3. Approximate Ownership in Business

From the nascent student entrepreneur sample (N=1491) it was reported that (57%) of students intending to maintain majority ownership (i.e., owning 51% to 99%), with another (10%) intend to have sole ownership of their company, while (31.97% expect an equal ownership share (refer to Table 9).

Table 9: Approximate Ownership Share In The Intended Business

		Freq	Percent
1	0-49% (minority owner)	118	10.31
2	50%	366	31.97
3	51-100% (majority owner)	661	57.73

When students were asked whether they were acting alone or with others to found the company, almost (58.42%) reported they were acting alone. Approximately (25.9%) had one co-founder, (9.23%) had two co-founders and (6.45%) had three or more co-founders (Figure 18).

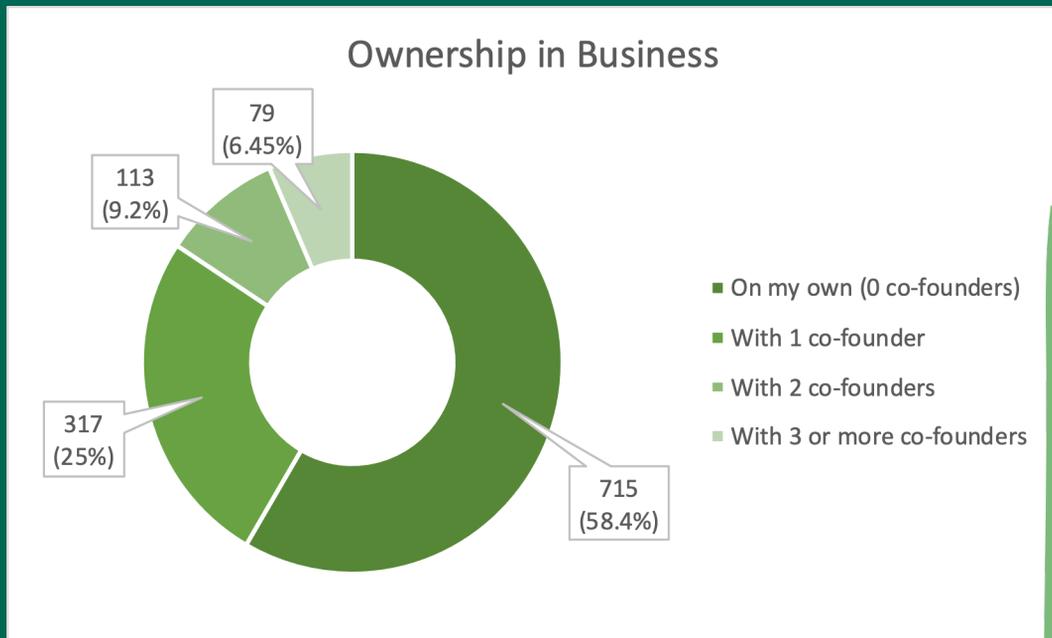


Figure 18: Ownership Share in The Intended Business

In terms of the co-founding team, (N= 390; 79%) reported having one or more females in their co-founding team, while the rest. (N= 103; 20.89%) stated there wasn't any female in the team. Most of the student reported that none of the co-founders are relatives (N=213; 43.38%) nor they are fellow students of them (N=355; 72.15%).

6.4. Economic Sector of Forthcoming Business

As displayed in Figure 19, the most popular sectors for the new business were Advertising/Design/Marketing and Trade indicating this area; (19%) and (16%) respectively. Other relatively popular areas were Education and Training (7%), Human Health and Social Work Activity (8.84%), and Information Technology and Communications (7%). Notably, a large proportion (21%) indicated 'Other', considering their intended start-up industry did not fall into any of the categories itemised in the survey.

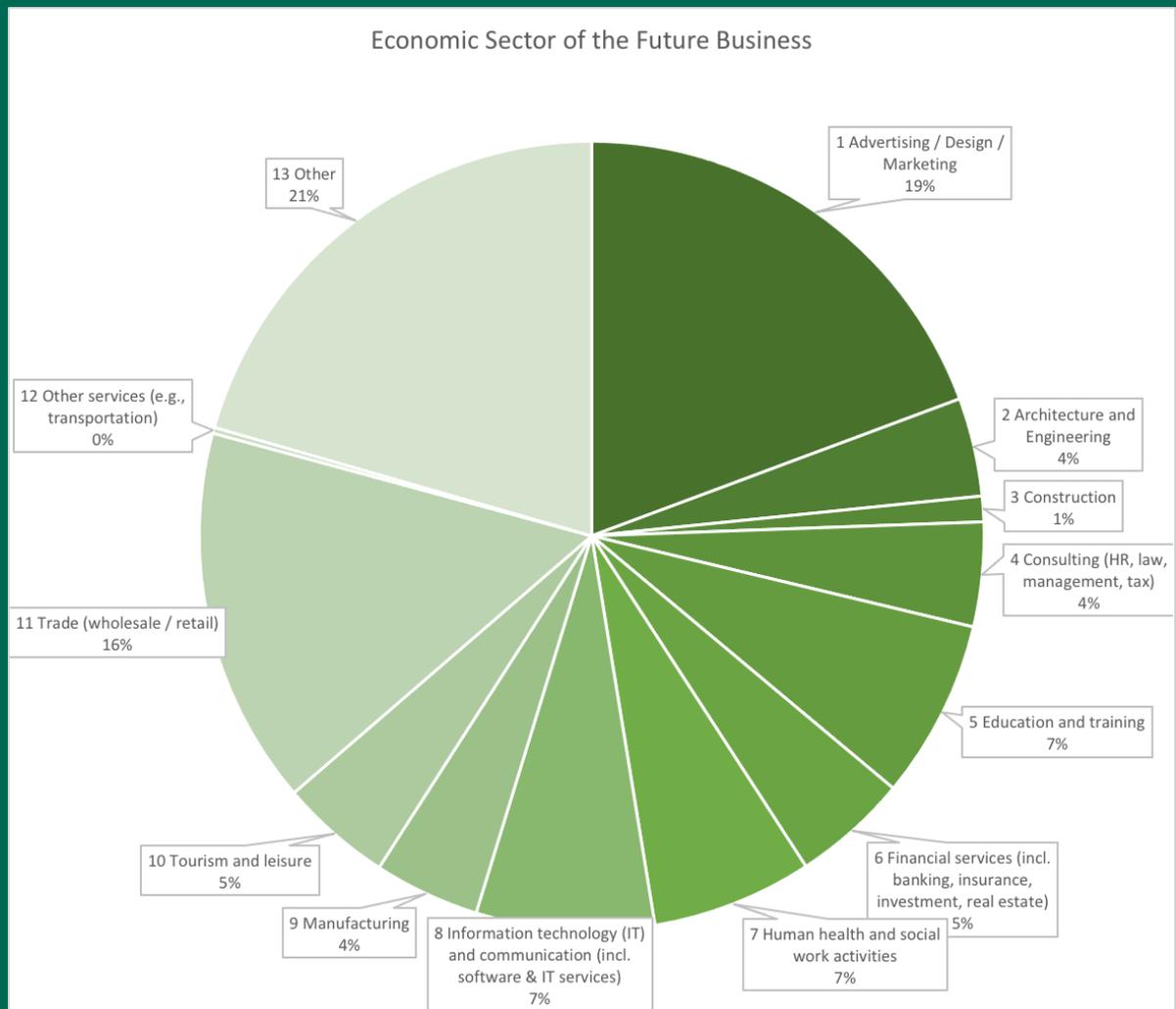


Figure 19: Economic Sector of Forthcoming Business

6.5. Activities Undertaken towards Entrepreneurship

Students were asked to state the activities already carried out in order to start the business. Over a quarter of the nascent entrepreneurs had written a business plan (24%), collected information about markets or competitors (22%) or discussed their product or business idea with potential customers (19%). A lower proportion, approximately (2%), reported registering the business. Similar numbers (2%) reported applying for a patent, copyright, or trademark. Almost (38%) had, as yet, taken none of the listed actions towards starting their business at the time of survey completion (See Figure 20)..



Figure 20: Entrepreneurial Actions Taken

7. Active Entrepreneurs

In addition to the analysis of nascent entrepreneurs, this study also explored active entrepreneurs, those students how started a business. In our sample, (N=266, 9.11%) of the respondents indicated themselves as active entrepreneur. Of the student entrepreneur respondents, (26.46%) wanted this business to become their main occupation after graduation. The majority (44.75%) did not know yet and (28.79%) did not want it to be their main occupation.

7.1. Activities Undertaken towards Entrepreneurship

A vast majority of those active entrepreneurs (43%) established their business 1 to 2 years ago; which is sensible as these are still students in higher education institutions. While the proportion of “More than 5 years ago” was much lower (11%) (Table 10).

Table 10: Students Response To "In What Year Did You Establish Your Business?"

	Freq.	Percent
Less than a year	73	32.74
1 to 2 years ago	96	43.05
3 to 4 years ago	28	12.56
More than 5 years ago	26	11.66

7.2.. Management and Ownership

Evidently, in the sample, (47%) of the active entrepreneurs created the business with 1-3 employees (see Figure 21). Less than (31%) of the active entrepreneurs has create the business on their own. Similarly (see Figure 22), (57.7%) of the nascent entrepreneurs plan to own the majority share of the business. Going deeper to find the pattern of founding teams, we find that almost 70% of active entrepreneurs founded their company in a team. A number of these business were considered to have no females in the founding team (25.66%), nor a relative (52.68%), or a fellow student (72.73%).

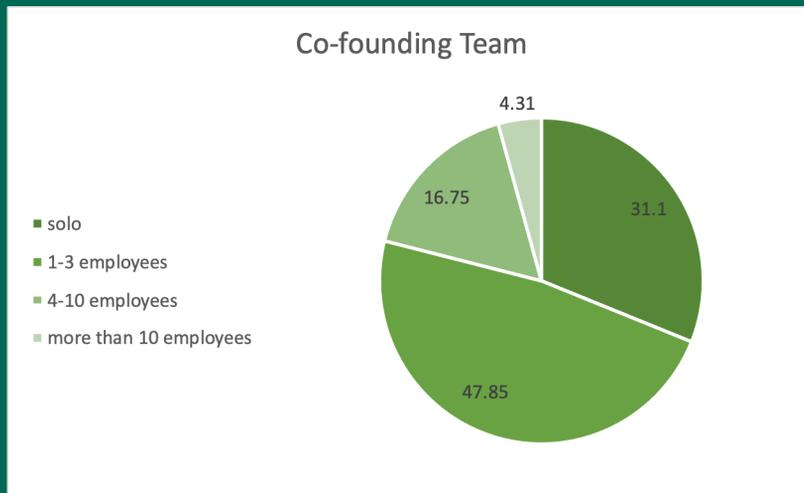


Figure 21: Students Response To “How many employees do you have today (full time equivalents)?”

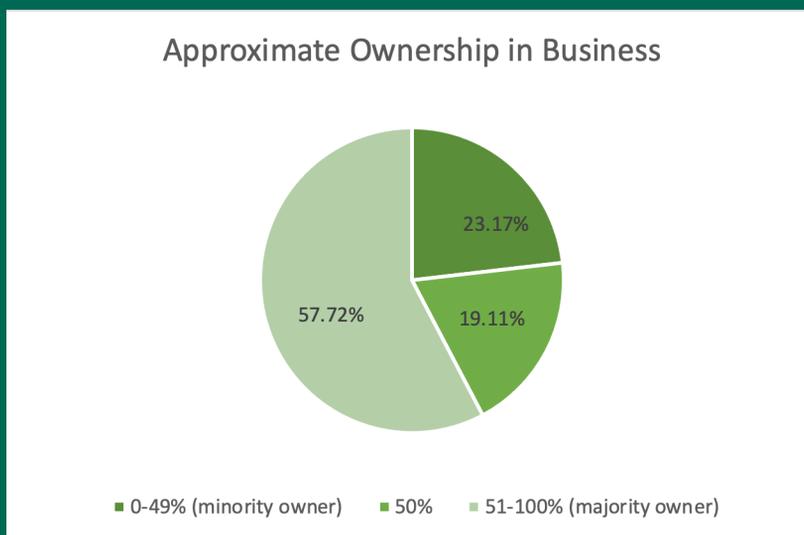


Figure 22: Students response to "What is your ownership share in your business?"

7.3. Covid-19 pandemic Implications

Active entrepreneurs were asked to clarify whether they have created their business largely because of the implications of the COVID-19 pandemic? (42.41%) of the sample said that they founded the business because of the COVID-19 pandemic; while the rest (57.59%) said 'No'. (87.6%) of the active entrepreneurs have created a business before. As in the case of nascent entrepreneurs, many active entrepreneurs were not motivated to start their businesses due to the repercussions of the COVID-19 pandemic because they saw the difficulties that the existing business went through.

7.4. Business Performance

In term of their performance the GUESSS survey asks the students to rate their performance against their rivals on 7-points Likert scale ranging from 1=much worse to 7=much better. In particular, the working of the question was as follow "How do you rate the performance of your company compared to your competitors since its establishment in the following dimensions?. As seen in Figure 23, students perceived that their business are doing better in the innovativeness and job creation dimensions compare to the competitors; while other dimensions of performance have average scores below 5 (not excellent, but satisfactory).

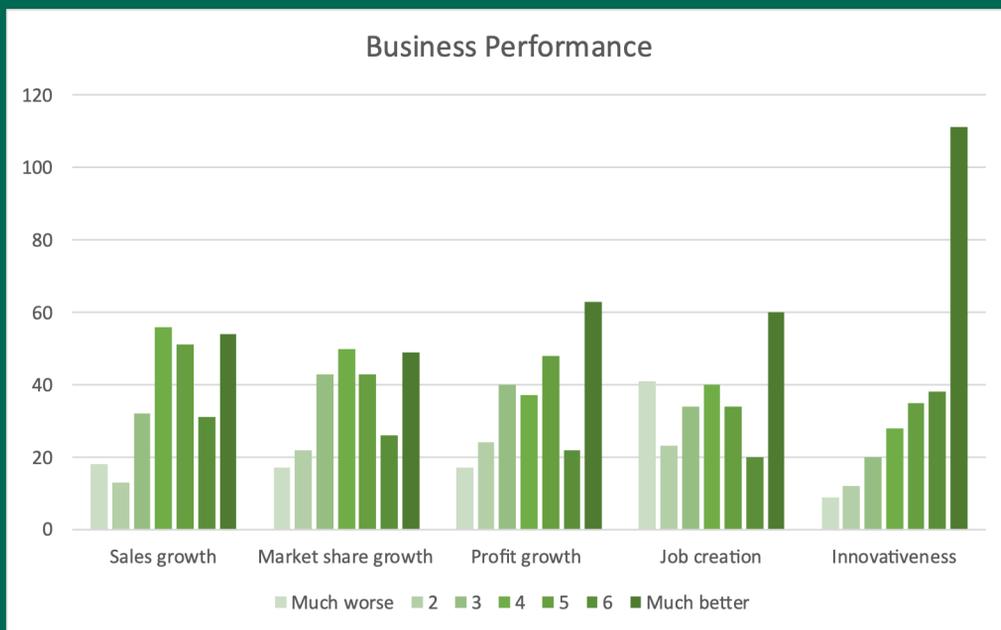


Figure 23 : Business performance

7.5. Economic Sector of the Business

Table 11 exhibits the economic sector of the business operated by these active entrepreneurs. The most popular industry was 'Other' (29.07%), Advertising / Design / Marketing (24.81%), and Trade (17.44%).

Table 11: Students Response To "In which economic sector is your business mainly active in?"

		Freq.	Percent
1	Advertising / Design / Marketing	64	24.81
2	Architecture and Engineering	4	1.55
3	Construction	8	3.1
4	Consulting (HR, law, management, tax)	5	1.94
5	Education and training	7	2.71
6	Financial services (incl. banking, insurance, investment, real estate)	8	3.1
7	Human health and social work activities	6	2.33
8	Information technology (IT) and communication (incl. software & IT services)	13	5.04
9	Manufacturing	8	3.1
10	Tourism and leisure	10	3.88
11	Trade (wholesale / retail)	45	17.44
12	Other services (e.g., transportation)	5	1.94
13	Other	75	29.07

8. Family Business and Succession

8.1. Family Business Information

877 (30%) students who reported having a self-employee father or mother where the focus of this section of the report covering the family business background, and family business succession intentions. The data in Figure 23 highlight when the family business was established, most of these business (80%) are quite old more than 50 years ago. Almost, (67.35%) of these business were lead operationally by the students' parents. In term of the ownership share that is in the hands of the students' family, (58.6%) of students reported that their family hold a majority of the ownership (i.e. between 51 to 100%). Interestingly however, (69.54%) of the students don't regards these business as a "family business" as the data in Figure 24 shows.

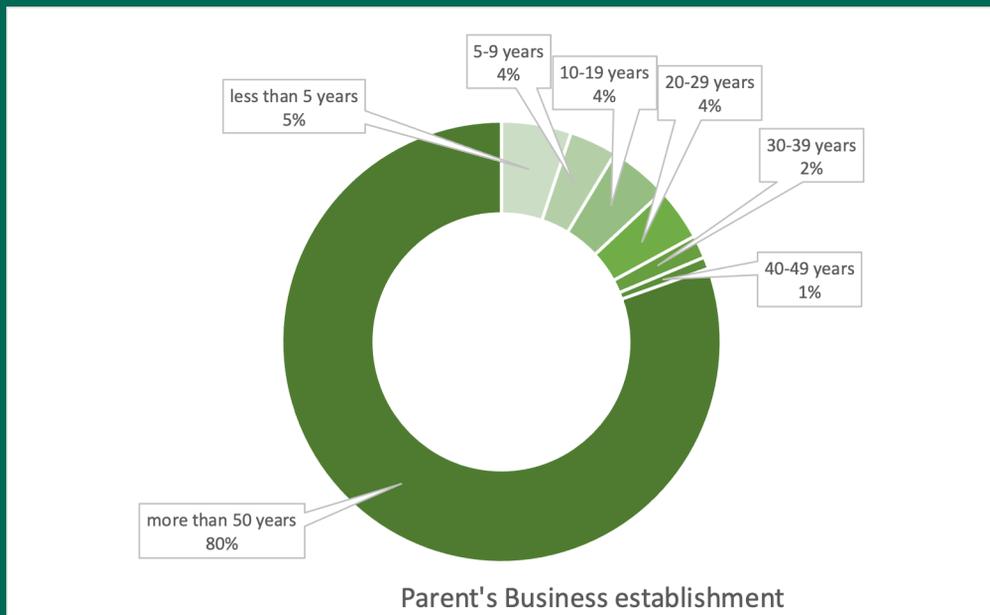


Figure 24: Parent's Business Establishment time

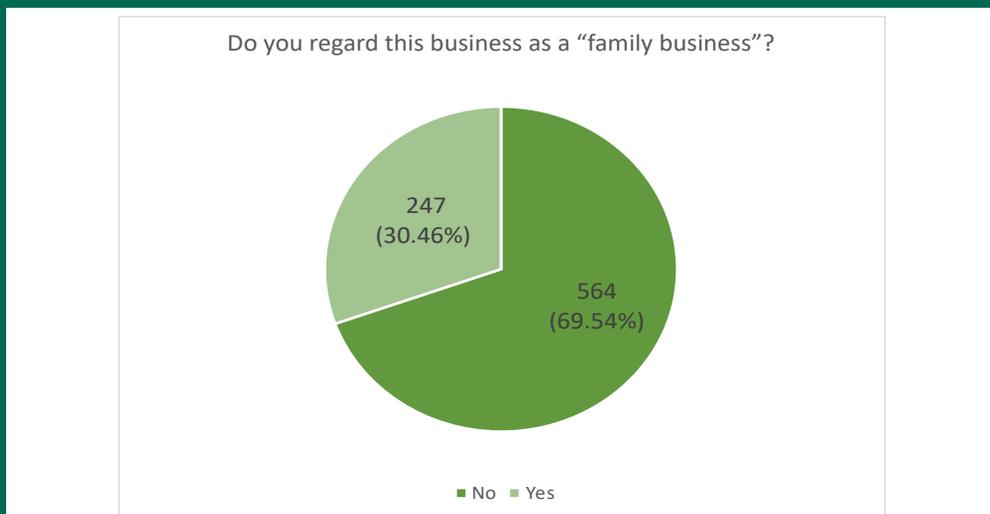


Figure 25: Students' Response to "Do you regard this business as a "family business"?"

Table 13 further reveals some information regarding the family business and student business. Only a minority of students (20.12%) have been working in their parents' business. Similarly, (19.26%) are active in the same market/industry where their parents are. For the majority of these students (80%) their parents' don't hold any ownership stake in their active business nor are there any relevant business transactions between the two businesses.

Table 13: The Students Business And The Family Business

Have you been working for your parents' business?			
0	No	667	79.88%
1	Yes	168	20.12%
Does your businesses active in the same market/industry where your parents are ?			
0	No	9	80.74%
1	Yes	26	19.26%
Do your parents hold an ownership stake in your own business?			
0	No	108	80%
1	Yes	27	20%
Are there relevant business transactions between the two businesses?			
0	No	113	83.7%
1	Yes	22	16.3%

Table 14 show the main family business sectors. most of the nascent companies are in sectors like Trade (18%) and Construction (13%). Students' firm and parents' family businesses operate in different sectors of the economy.

Table 14: Student's Response To Question "In Which Economic Sector Is Your Parents' Business Mainly Active In?"

Family Business Economic Sector			
		Freq	percent
1	Advertising / Design / Marketing	30	3.63
2	Architecture and Engineering	33	4
3	Construction	113	13.68
4	Consulting (HR, law, management, tax)	25	3.03
5	Education and training	33	4
6	Financial services (incl. banking, insurance, investment, real estate)	58	7.02
7	Human health and social work activities	10	1.21
8	Information technology (IT) and communication (incl. software & IT services)	13	1.57
9	Manufacturing	27	3.27
10	Tourism and leisure	14	1.69
11	Trade (wholesale / retail)	149	18.04
12	Other services (e.g., transportation)	28	3.39
13	Other	293	35.47

8.2. Family Business Succession Intentions

Finally, students were also asked to evaluate on a 7-points Likert scale (1=strongly agree, 7=strongly disagree) the level of their intentions of succession (i.e. taking on the company). As shown in Figure 26, on average, students demonstrate a strong intention for the family succession.

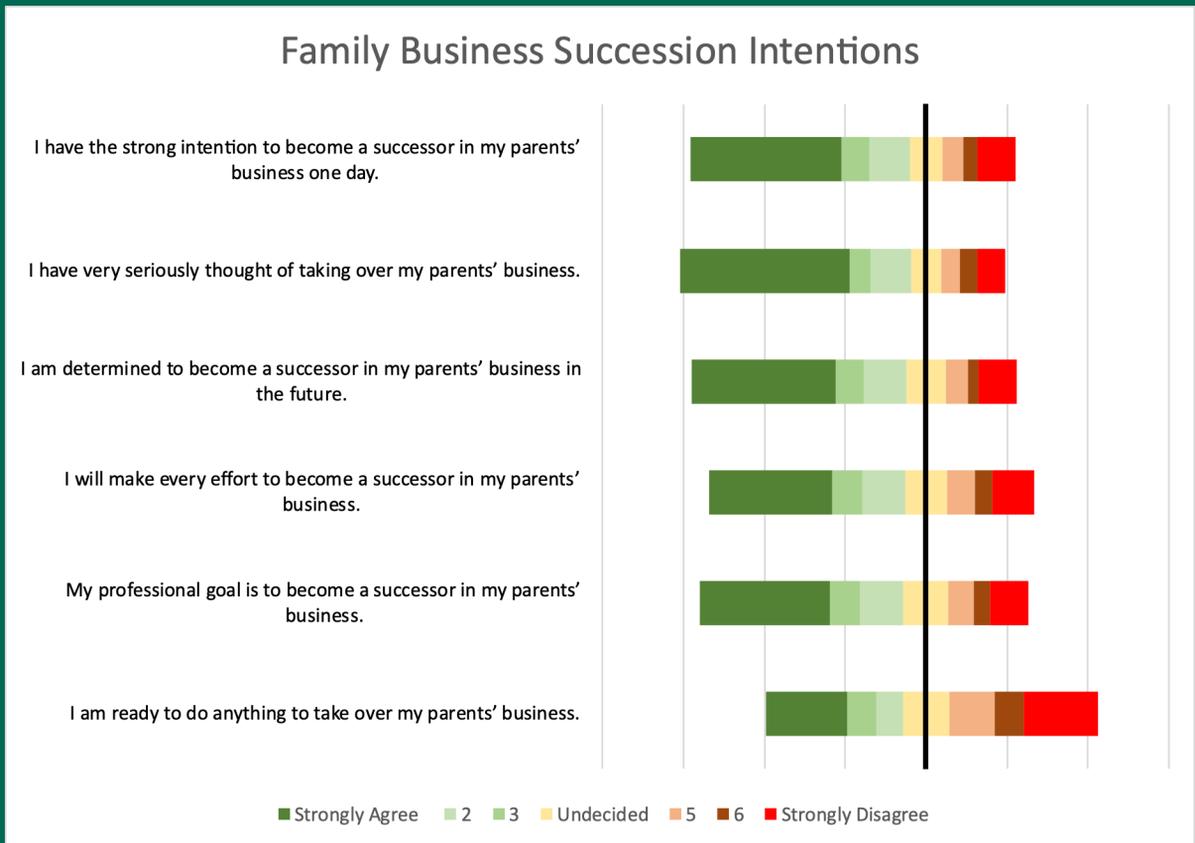


Figure 26: Family Business Succession Intentions

9. Implications and summary

The aim of this report is to address the attitudes of university students in the Kingdom of Saudi Arabia towards entrepreneurship, and examine their intentions in relation to their future career and the main drivers of those intentions. The study represents the participation of the Kingdom of Saudi Arabia in the 9th GUESSS data collection wave, where data was collected from 2,931 students studying in 30 public and private universities.

The main study results are summarized as follows:

1

There is an improvement in the students' entrepreneurial intentions among university students in Saudi Arabia. The results showed an increase in the percentage of nascent entrepreneurs students (51.04) compared nascent entrepreneur students in 2018 GUESSS wave (50.6%). In this case, the students to attend more entrepreneurship courses and training courses and to motivate them to start their business

4

University students in Saudi Arabia have a great belief in their abilities to control their future business affairs. However, there is a need for students to attend more self-development courses in order to enhance their self-efficacy traits.

7

The values and norms of the Saudi society support and encourage entrepreneurship. Therefore, students will expect to receive different kinds of support and encouragement from their families and relatives.

2

Universities in Saudi Arabia are characterized by a good learning environment that supports entrepreneurship. But there is a need to add more academic programs in the field of entrepreneurship and to encourage students to join them. In addition, more entrepreneurship courses need to be added to the study plans for all academic fields.

5

Saudi students demonstrated a strong intention to be successors in their family business. This is in contrast with 2018 GUESSS wave where results showed a negative attitude to family business succession. Since the majority of respondents are female, this result might be a result of women empowerment and social changes in Saudi Arabia during the few past years.

3

Saudi Arabia is undergoing an economic reform under Vision 2030 where entrepreneurship is engaged and supported by entities in the ecosystem. This is reflected in the fact that half of Saudi students are nascent entrepreneurs, with the majority indicating that they are planning to complete their business during or right after their studies.

6

COVID-19 pandemic had no influence on students' entrepreneurial activities. This might be due to governmental support during the pandemic. According to GEM report 2020-2021, Saudi Arabia ranked 1st globally in response of government as well as of entrepreneurs to the COVID-19 pandemic.



GUESSS

Global University Entrepreneurial Spirit Students' Survey

