

Supporting Entrepreneurial Aspirations Among High-School Girls

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Project: Mentorship, Entrepreneurship, and Labor Market Opportunity in Saudi Arabia

KEY INSIGHTS

- Interest in entrepreneurship among Saudi youth is increasing, but resources to pursue this career path may be limited.
- High-school girls in Saudi manifest high entrepreneurial intentions, self-efficacy, and willingness to take risks. At the same time, they lack the knowledge and support to open their own businesses.
- Mentorship programs, workshops, events, and peer networks can help bridge the knowledge and support gap these young women face.

RESEARCH BACKGROUND & INSIGHTS

Research Background

The labor force participation rate for Saudis reached 48.8% in the second quarter of 2020, with female labor force participation being 31.4% compared to 65.6% for males.¹ One strategy for increasing female labor force participation has been to encourage entrepreneurial success among female entrepreneurs starting their own small businesses. The *Saudi Gazette* reported that in 2019, women owned 49% of the 27,000 online stores registered in the government online portal Maroof, an initiative launched to maximize the success opportunities of online stores through exposure to various platforms.² This points to a disproportionate representation of Saudi women in entrepreneurship compared to other sectors of the Saudi economy, and to increased opportunities and government support for women to open their own businesses. High-school girls, currently crystalizing their future educational choices and career plans, are paying attention to these changes and manifesting a very high interest in pursuing an entrepreneurial career path. Some of the reasons our sample of high school females reported interest in entrepreneurship include exercising creativity and having a flexible schedule. More traditional explanations for Saudi women's interest in entrepreneurship, including not wanting to work for an employer, not wanting to work in a mixed environment, and wanting to work from home, were not among the top reasons listed, however they may continue to be important reasons for a broader range of Saudi women considering entrepreneurship. Limited private sector opportunities in male-dominated workplaces may make entrepreneurship an attractive option for Saudi women from various backgrounds.

Research led by Dr. Alessandra González at the University of Chicago is examining the entrepreneurial aspirations of female high school students from disadvantaged socioeconomic backgrounds. From past cohorts of students in this mentorship program, we know that while most of these girls finish high-school (97%), about 29% enroll in university, and few join the labor market (with 15% working full-time and 5% part-time).³ In order to diversify the career options of these young women, policymakers need a deeper understanding of both their career interests and how to support them. This group currently manifests a very high interest in opening

¹ Labor Force Survey. Q2 2020. General Authority for Statistics.

² Anbar, Zain. 2019. "Women own 50 percent of e-stores registered in Maroof." *Saudi Gazette*, published April 22. Found online: <https://saudigazette.com.sa/article/563945>

³ Internal Alnahda survey of the 2011-2015 cohort outcomes.



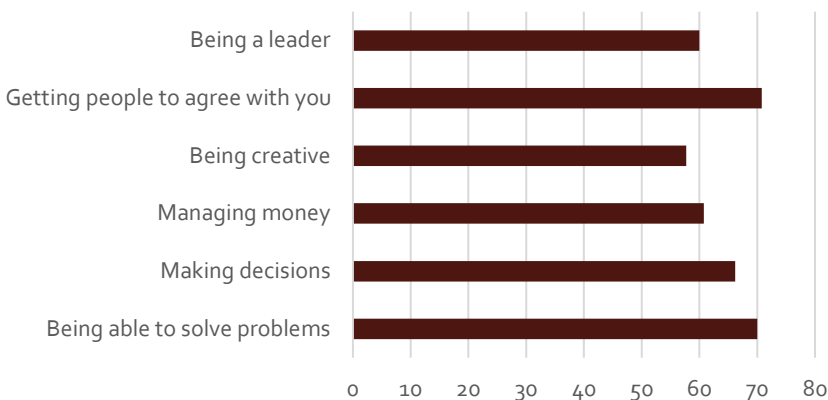
their own business, but at the same time, they may lack the knowledge, skills, and support networks to do so.

Research Findings

In collaboration with Alnahda Society, a women’s non-profit organization that runs a 3-year mentoring program for female high school students from disadvantaged socioeconomic backgrounds, the research team conducted baseline and endline surveys with 115 and 130 voluntary participants, respectively. The respondents were females, on average 17 years old. Due to the fact that the baseline revealed very positive social attitudes towards female entrepreneurship (82% thought their community encourages women to start their own business from home, and 65% thought their community encourages women to start their own business outside of home), the endline survey collected data on the individual-level characteristics that have been known to affect the likelihood of engaging in entrepreneurship.⁴

In terms of entrepreneurial intentions, 82% of the girls reported being somewhat interested, interested, and extremely interested in starting or owning their own business. Regarding entrepreneurial self-efficacy, which captures the self-confidence that one has the necessary skills to succeed in creating a business, girls reported being on average either somewhat better or better than other girls in their high-school class. As shown in Figure 1, girls perceived themselves to outperform their peers in all items.

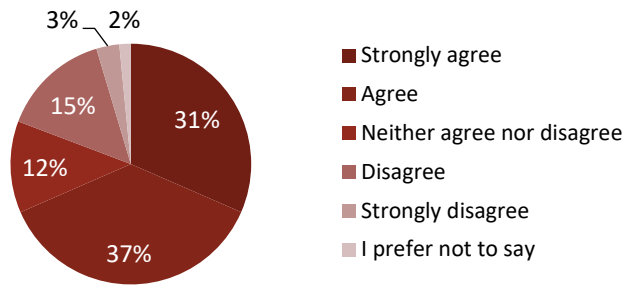
Figure 1 | Reported Score on Skills Compared to Relevant Peers (Much Better / Somewhat Better) (n=130)



In terms of risk-taking, in Figure 2, 68% of girls either strongly agreed or agreed that they are “willing to take significant risk if the possible rewards are high enough,” while only 18% disagreed or strongly disagreed with the statement. Additionally, 61% reported that fear of failure would not prevent them from starting a business.

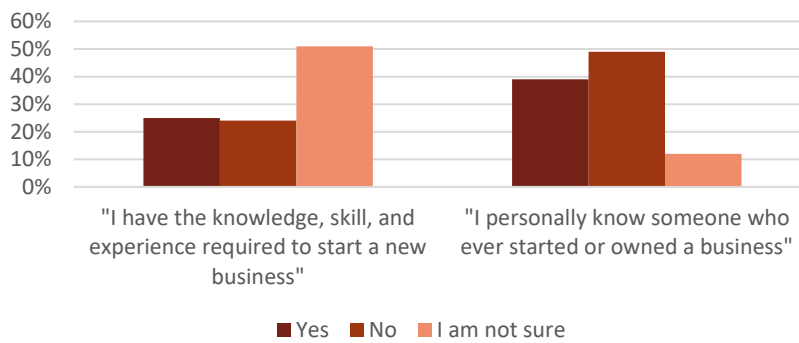
Figure 2 | Reported Willingness to Take Risks (n=130)

⁴ Eesley, C., & Wang, Y. (2014). *The Effects of Mentoring in Entrepreneurial Career Choice*. SSRN Electronic Journal; Thébaud, S. (2015). *Status Beliefs and the Spirit of Capitalism: Accounting for Gender Biases in Entrepreneurship and Innovation*. *Social Forces*, 94(1), 61–86; Wilson, F., Kickul, J., & Marlino, D. (2007). *Gender, Entrepreneurial Self-Efficacy, and Entrepreneurial Career Intentions: Implications for Entrepreneurship Education*. *Entrepreneurship Theory and Practice*, 31(3), 387–406.



Regarding entrepreneurial readiness, as shown in Figure 3, 75% of girls answered “I do not know” or “No” when asked if they had the knowledge, skill, and experience required to start a new business. Finally, in terms of having a network tie to an entrepreneur, the same figure shows that 61% of girls answered “I am not sure” or “No” when asked if they personally knew someone who ever started or owned a business.

Figure 3 | Reported Skills and Network (n=130)



These results demonstrate that while these girls show high entrepreneurial intentions, self-efficacy, and willingness to take risks, there is room for improvement in terms of their knowledge and skill, as well as in terms of their network. That is, while they possess the attitudes and soft skills that positively affect

entrepreneurial aspirations, they may lack the technical knowledge as well as the social support network to successfully do so.

How can policymakers use this information?

Policymakers can support high-schools and universities in creating a mentorship program between female students interested in entrepreneurship and experienced female entrepreneurs. As these young women are unlikely to know someone who owns a business, pairing them with a female business owner that can share their experience and insights could have a profound impact on their likelihood of pursuing their entrepreneurial intentions and their success.

High-schools, universities, and non-profit organizations could offer entrepreneurship workshops devoted to the steps involved in the creation of a new business, as well as events featuring female entrepreneurs working in various fields. Additionally, they can foster the creation of clubs or networks for females interested in entrepreneurship, to enhance peer support. Finally, policymakers can continue to investigate the obstacles that females face when opening their own businesses, particularly in male dominated fields.

RESEARCH TEAM

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