

Saudi Vision 2030 Places High Demand on Saudi Business Schools' Curriculum to Ensure Graduate Acquire Appropriate Entrepreneurial Skills

Dr. Faran Ahmad Qadri

(Assistant Professor, College of Business-Rabigh, King Abdulaziz University, Kingdom of Saudi Arabia.)

Dr. Mustafa Raza Rabbani

Assistant Professor, College of Business Administration
Kingdom University, Bahrain

Dr. Amir Imeri

Assistant Professor

College of Business Administration, Kingdom University, Bahrain

Abstract:- Saudi Arabia has been a thriving economy in the Gulf region. Until recently inflow of petrodollar has played a vital role in Saudi's economic prosperity. Realizing the economic meltdown due to decline in oil prices Saudi government swiftly developed new strategy to strengthen its economy by moving away from reliance on oil export to non-oil sector to produce artifacts through its vision 2030. This vision calls for transforming Saudi economy by means of mobilizing factor of production in non-oil sector.

In this process, among other factors, entrepreneurial skills are widely considered a centrifugal force to keep the economic wheel rotating in full swing. Entrepreneurs generate employment not only for themselves but also for the community around them. This in turn brings about economic development that generates capital inflow, enhances employment at a large-scale thus raising household purchasing power. Entrepreneurial skills are not merely inborn qualities of an individual, they require educational system providing a platform for learning business tactics through business schools' curriculum. As a consequence of recent financial crises the business schools' curriculum has been widely criticized for not preparing graduates to face the challenges of contemporary businesses world in general. In Saudi Arabia economic meltdown happened due to crises in petrol prices globally which prompted Saudi government to address economic development by mobilizing resources in sectors other than exporting oil and other minerals. In this context this paper explores flaws in the modern business curriculum and attempts to create awareness among academics to prepare students to look beyond the routine executive functioning in order to seek business development that attracts capital, penetrates markets and generate employment. We argue that Saudi government's vision 2030 would be greatly hindered if Saudi graduates lack entrepreneurial skills.

Keywords:- Entrepreneurship, business curriculum, global markets, employment, capital formation.

I. INTRODUCTION

Saudi Arabia in its vision 2030 has laid down an ambitious blueprint to ensure Saudi Arabia does not solely rely oil exports. The vision 2030 realizes strategic location of the Kingdom being a global hub that connects three continents Asia, Europe and Africa. The Kingdom is blessed with plenty of minerals such as Gold, phosphate, Uranium, oil and many other mineral deposits (Vision 2030, 2017). In its vision 2030 the Kingdom pledges to transform its economy by transforming the state as epicenter of global trade so it emerges as a Global investment powerhouse. This ambitious plan is achievable through the Government's commitment and reliance upon its young generation to act as catalyst for economic growth. What characteristic young generation must have to fulfill the vision's dream of transforming Saudi economy from a seller of raw material to producer of artifacts? Answer is simple, entrepreneurial skills as we discuss below.

Economic growth, whether global or domestic, greatly relies upon business activities. Business activities in turn rely upon individuals who have entrepreneurial skills. Entrepreneurs are vehicle for economic development that continuously search for new avenues of businesses by innovative thinking. Entrepreneur takes calculated risks and organizes business with various factors of production.

An entrepreneur is an organizer of a business firm. Innovation is the specific tool of entrepreneurs, the means by which they exploit changes as an opportunity for a different business or a different service. The five key elements involved in entrepreneurship are (i) innovation, (ii) adding value, (iii) organizing skills, taking rise i.e. doing things in a different way, and (v) ability to change status quo (Mohanty, 2009). These key elements imply that that entrepreneurship is the function of seeing investment and production opportunity, organizing an enterprise to undertake a new production process, raising capital, hiring labour, arranging for supply of raw materials and selecting top managers for day to day operation of the enterprise. Coutler (2008) had already given entrepreneur's distinct characteristic in comparison with manager as reproduced in the following Table 1.

Point for Distinction	Entrepreneur	Manager
1. Goal Management	An entrepreneur starts a venture by setting up a new enterprise for his personal gratification.	But the main aim of a manager is to render his service in an Enterprise already set up by someone.
2. Status	Entrepreneur is the owner of an Enterprise.	A manager is the servant in the Enterprise.
3. Risk	An entrepreneur bears all risks and uncertainty involved in the Enterprise.	A manager being a servant does not bear any risk involved in the Enterprise.
4. Rewards	Entrepreneur for his risk bearing role, he receives profits. It is not only uncertain and irregular but can at times be negative	A manager receives salary as reward for service rendered which is fixed and regular can never be negative.
5. Innovation	As an innovator called as change agent who introduces goods and services to meet changing needs of the customer.	A manager executes the plans of the entrepreneur. Thus a manager translates the ideas into practice.

Table 1. Distinction between entrepreneur and manager

Although above table distinguishes entrepreneurs from managers however we are of the view that entrepreneur must have managerial qualities as argued by McClelland, (1961). Having discussed the background of entrepreneurship and the skills necessary there is need to examine the literature with reference to business curricula and its impact on developing entrepreneurial skills among graduates.

II. LITERATURE SURVEY

The origin of entrepreneurship and innovation can be traced from Schumpeter's work in 1930s (Schumpeter, 1947). Most of the 1960s and 1970s innovations are linked to Schumpeter's view of entrepreneurship & innovation. General fields of entrepreneurship & innovation are research, development, demonstration, and commercialization. In current days society is rediscovering entrepreneurship and its tool i.e. innovation through the growing participation and importance of small businesses in the economy.

According to Cole (1959) entrepreneurship is the purposeful activity undertaken by an individual or a group of associated individuals to initiate, maintain or aggrandize a profit oriented business unit for the production or distribution of economic goods and services. Similar views are given by Casson (1983), that an entrepreneur is someone who specializes in taking decisions by making best use of scarce resources. His views on entrepreneur are that an entrepreneur is an individual, not a team, or an organization, because team and organization make judgmental decision. Our emphasis in this respect is to concentrate on individual with entrepreneurial skills that run small businesses.

Potential of entrepreneurship can be understood by looking at US economy where small businesses provide 60-80% of the new jobs and commercialize radical new technologies that are transforming the way US economy thrives. SMEs' contribution to exports is around 30% of the total US exports. Krispy Kreme Doughnuts, KFC, McDonald etc. all started from small restaurants and now

have global presence this is all attributable to entrepreneurial skills of individuals who started such business.

Now look at UK example of an individual transforming small business into a global giant. In 1919, a man started a small business selling surplus groceries from a market stall in East London. His first day's sales were £4, giving a profit of £1 (around £178.00 in sales and £44.00 profit in today's money). Around 100 years on this business now generates over £50 billion in annual revenue, employs around 472,000 people worldwide and generates £6,000 in profit every single minute of every single day. This business is TESCO Plc. With very few exceptions all of the largest companies in the world started life as small businesses which, through a supportive economy, access to the right people and- of course- capital, turned into giants.

From UK and US examples we can say that entrepreneurs are the building blocks of any economy. Since our focus is on Saudi Arabia so let's look at entrepreneurial potential in the Kingdom. Saudi Arabia is the largest economy in GCC. During the last eight years its budget grew from just around SR 370 billion expenditure and SR 400 billion income in 2007 to around SR 900 billion expenditure and SR 700 billion revenue (Rima Bhatia, Group Economist, 2017). Though Saudi budget in substantial deficit due to drop in oil prices which government is trying to overcome through certain taxation measures. Our objective here is not to discuss budget deficit, we are rather concerned with the size of expenditure budget which rose from SR 370 billion to SR 900 billion – 59% while revenue budget rose to 75% over a period of 10 years. However despite this growth SMEs contributed 25% towards employment and 33% towards GDP (Jeddah Chamber, 2016). Bearing in mind the size of economy, its growth and focus on diversification SMEs should contribute at least 50% towards GDP as is a case of developed countries Like US and Spain.

There are many factors holding back SMEs contribution, one of them is education.

Entrepreneurial educational programs have gained prominence these days as vision 2030 puts emphasis on Saudization. Entrepreneurship courses are being offered by a number of universities worldwide primarily because they act as a catalyst for growth and pave the way for economic development (Miner and John, 1995). The entrepreneurial cycle initiates a series of activities which triggers development. Entrepreneurs follow the path of self employment; trigger the formation of new businesses thereby creating jobs in the process. This in turn alleviates poverty. Thus more entrepreneurial activities will speed up the growth of any economy (Barth et al, 2006).

Many factors are responsible for the creation of entrepreneurs. These include innovation, need for recognition and achievement. Schumpeter (1951), describes entrepreneur as "an innovator, one who brings about change through the introduction of new technological processes or products". Entrepreneurs are motivated by need for achievement or achievement orientation is the most directly relevant factor for explaining economic behavior (McClelland, 1961). An entrepreneur has to be an organizer and coordinator of various tasks. He should have leadership qualities as well as managerial skills to lead an enterprise. Managerial skills and leadership constitute the most important facets of entrepreneurship (Hoselitz, 1960). Entrepreneurship is the attempt to create value through recognition of business opportunity, the management of risk-taking appropriate to the opportunity, and through the communicative and management skills to mobilize human, financial and material resources to bring a project to a state where it renders fruits (Kao and Stevenson, 1984).

Entrepreneurial qualities guide the formation of entrepreneurial units. Entrepreneurial orientation includes processes, practices and decision making activities by entrepreneurs that lead to the initiation of an entrepreneurial firm. Entrepreneurial orientation influence the start up or new entry decision, his salient beliefs, in the earlier stage of entrepreneurial business venture, play an important role to start an entrepreneurial venture. Every enterprise employs and generates social capital as much as it uses and generates material capital. The ingredients of social capital in an enterprise are largely drawn from external forces such as social profile of stakeholders and market pressures. Various socio-economic factors influence the formation of entrepreneurship. These are specific regions or societies. Structure of a society has tremendous influence on that region's propensity to produce entrepreneurs, small ventures and hence innovation. Structural factors influence a region's innovative potential and entrepreneurial responsiveness. Entrepreneurial organizations add value by creating jobs, improving utilization of development funds and empowering their client group thereby also adding towards economic growth (Prabhu, 1999).

Managing the growth of a small business a daunting task with entrepreneurs often having to learn harsh and expensive lessons as ventures move through the business life cycle. Management educational institutions should inculcate entrepreneurship learning through the inclusion of courses

on entrepreneurship. Long term mentoring program allows entrepreneur to examine their business from a more detached perspective and which is deeply rooted both in action and reflection. Such learning program will help entrepreneur conceptualize critical incidents as learning events, thereby increasing the power of the learning experience by stimulating proactive reflection on what happened and how effectively the problem or opportunity was dealt with-in effect, helping the entrepreneur to "learn how to learn" from these memorable events (Cope and Watts,2000).

III. THE RELEVANCE OF STUDY IN RELATION TO SAUDI BUSINESS SCENARIO

The Kingdom of Saudi Arabia is primarily an oil exporting economy. It is the leading exporter of crude oil in the world possessing one fifth of the total oil reserves in the world. After the formation of the Kingdom, impetus was given to the oil industry and it flourished naturally from the revenues obtained from oil exports. The excess in the government revenues were utilized for massive infrastructural development. The vision 2030 emphasizes upon no-oil exporting economy so Saudi economy expands producing artifacts so the burden of importing consumer and capital good alleviates. It had therefore been realized that in order to be self reliant and provide employment to the growing young Saudi population, education must be given priority.

As a result the government launched massive educational programs with the establishment of institutions for higher education. The number of universities increased from five to twenty four at present. Education was opened to private sector also. These higher educational institutions offer undergraduate, post graduate and doctoral level programs in different areas.

Entrepreneurs enjoy high level of support in Saudi Arabia as Saudi Arabia plans to take a leading role in the Arab region by way of introducing regulatory reforms for the ease of doing business. For example enactment of new foreign investment law, establishment of the Saudi Arabian General Investment Authority (SAGIA), and privatizations of public companies have all encouraged the inflow of investments in the country. However, businesses still face difficulties in terms of enforcing contracts and labor laws within the regulatory system of the country. It has also been reported that Saudi Arabia could built a competitive economy and diversify beyond natural resources as it has taken a strategic step under vision 2030 by making multiple improvements in its business environment. The vision 2030 will truly open up competition and entrepreneurship in the private sector, and embark on a sustained effort to equip Saudi citizens with new skills, attitudes and mindsets.

Professional management students generally seek high flying corporate careers at the entry stage. This is mainly because they are likely to follow the steps of their seniors. Moreover peer group pressure and expectations from family and society also facilitate their decisions. Another major

reason is the lack of orientation due to inadequacy or non availability of entrepreneurial subjects in their management course. Even students who want to enter the entrepreneurial field do not possess the necessary skills for effective participation in it.

This study gains insight into the awareness level of management students regarding entrepreneurship. The study was conducted for the students pursuing bachelor's and master's level of management education in Saudi Arabia. Since the Kingdom is undergoing a rapid transformation through its established Vision 2030 therefore major developmental projects all across the country have widen up the scope of entrepreneurs to innovate and commercialize their ideas. The following are the main objectives of the study:

- To find out the entrepreneurial orientation amongst the management students.
- To study their intentions for choosing entrepreneurship as a career.
- To probe into factors this facilitates and hinders entrepreneurship.
- To sort out problems associated with the awareness amongst the students.
- To suggest suitable measures as to facilitate them to opt for entrepreneurial career.

IV. METHODOLOGY

The study was conducted amongst the undergraduate and post graduate management students in different areas of western Saudi Arabia. The total sample size of 500 comprised of undergraduate and post graduate students who were studying for different management courses. Random sampling was applied for data collection. A questionnaire prepared for eliciting response from the respondents served as primary tool for data collection. Journals, magazines and other publications constituted secondary source of data.

V. FINDINGS

All the respondents were male and no female students were studied because of the cultural factors in Saudi Arabia. The students comprised into different age groups i.e. 10-20, 21-30 and 31-40. They constituted 18.6%, 80.2% and 1.6% respectively of the total sample size. Majority of the students were aware of entrepreneurship. A majority of 65.6 said money was the main motivating factor, if they had to become an entrepreneur. Other factors included were recognition (24.4%), power to control others (24.4%) amongst others. A source of capital is an important factor facilitating entrepreneurship. The main sources identified in the order of preference amongst the students were loans from banks, own sources, family sources and venture capitalists. The respondents were aware about the problems faced by entrepreneurs in setting up an enterprise. Factors for failure included competition from bigger companies, management capabilities, lack of prior experience and capital constraints which were more or less equally distributed. About 47 % of the students were about the

competition in setting enterprise where as 43.2% were highly aware about it. Reasons for not starting new business included fear factor, government policies, cultural issues, changing business scenario and so on. This was also evident from the findings that most of the students would opt for entrepreneurship after 3-6 years of gaining corporate experience and having financial backups.

The study also probed into areas where students would venture provided they are given a chance to initiate a business. Real estate business predominated capturing 46.2% of students' preference followed by services (32.8%), trading (2.6%) and FMGC (2.6%). Majority of the respondents agreed that government policies were necessary to facilitate entrepreneurship. They also felt that technology was important to promote entrepreneurship in modern times. Among the prominent factors promoting entrepreneurship identified by the students included education, presence of support agencies and family support. Majority of the respondents felt that entrepreneurs could be facilitated by giving some sort of training (92.2%). Awareness about the process to set up enterprise was on the lower side.

The key findings of the research are:

- Entrepreneurial awareness and orientation amongst the management students was high.
- Money served as a major motive to go for entrepreneurship career.
- Most of the students believed that entrepreneurship can be facilitated by a variety of factors.
- Real estate and service industry were the leading fields to venture into entrepreneurship.
- Education and training will help better understanding of entrepreneurial process.
- Socio cultural issues affected in setting up an enterprise.

VI. LIMITATIONS OF STUDY

The study was conducted in the western region of Saudi Arabia due to lack of time. Female students were totally excluded because of cultural factor. Majority of the students wanted to opt for a corporate career after completing their studies. They would venture into entrepreneurship after gaining sufficient experience and funds back up. Also some bias might have crept into the response due to personal prejudice.

VII. CONCLUSION

The analysis of data and results shows that majority of the management students in Saudi Arabia were aware of the entrepreneurship activities. The study analyzed various factors that were responsible for taking up or not taking up entrepreneurship. The orientation towards entrepreneurship among students was also high. They would venture into entrepreneurship after gaining a few years of corporate experience. This has got positive implications because currently a number of mega infrastructural developmental projects are being undertaken in Saudi Arabia. Entrepreneurial activities will supplement these project

activities. Thus entrepreneurs serve as a catalyst in the development of any society. This is especially true in case of a developing country like Saudi Arabia which is undergoing a major transformation.

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