GUESS

Global University Entrepreneurial Spirit Students' Survey

**Global University Entrepreneurial Spirit Students'
Survey:
Report for England 2011**

**Entrepreneurial Intentions and Behaviour of
Students attending English Universities**

ERNST & YOUNG
Quality In Everything We Do

Small Business Research Centre

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Executive Summary

- The GUESSS project is an international collaboration of 26 countries aimed at investigating students' entrepreneurial intentions and experiences.

- In 2003 researchers at the Swiss Research Institute of Small Business and Entrepreneurship at the University of St Gallen and the KfW Endowed Chair for Entrepreneurship at the European Business School in Germany designed the first GUESSS questionnaire. Set within this context, this report is based on a sample of English respondents to comprise the 2011 survey.

- The international survey was promoted at a number of enterprise and entrepreneurship events and several respondents completed the survey from other institutions. Overall, in 2011 93,265 students were involved in the survey worldwide.

- The English survey included to 648 respondents from universities in the South East of England and the Midlands. As such the sample is not representative of the UK student population, but instead provides an analysis of the entrepreneurial experiences, attitudes and intentions of students attending English universities.

- Most of the respondents were in the under 25 category (62.8 per cent), a similar proportion to the international sample. There were slightly more respondents in the over 30 category in England compared with the international sample. In both samples more females than males completed the survey. The largest proportion of respondents in the English sample identified a non-UK country as their nationality (41.5 per cent), whilst 38.6 per cent identified themselves as English. This reflects the international nature of higher education in England.

- A majority of respondents in both the English and international samples were studying for their first degree. More than one in four was studying a business or management degree programme. The next largest proportion was indicated that they were studying for a degree in the 'other' category (17.1 per cent). Such a large number may indicate that a greater range of options needs to be included in future to capture these types of degree courses.

- Respondents were asked about their awareness and experiences of entrepreneurship programmes and support during their university life so far. General entrepreneurship was identified as the most well-known type of lecture and was mentioned by half the sample. The next two most well-known types of lectures were business planning, and innovation and idea generation. The least mentioned were lectures on family business and technology entrepreneurship, which may indicate a gap in delivery at English universities.

On the other hand, it is possible that technology entrepreneurship is more commonly delivered by other faculties such as engineering or product design, whose students were less likely to have completed the survey.

- There was a slightly greater demand among the English sample for entrepreneurial financing compared with the international sample . The English sample also exhibited greater demand for mentoring and coaching and contact with potential investors. Networking with experienced entrepreneurs was considered to be the most popular type of workshop along with general entrepreneurship support.

- The findings also showed that there were differences between the English sample and the international sample in relation to students' choices of careers immediately following university. The international sample were more likely to choose employment in a large firm than the English sample.

- There was a substantial increase in the number of students intending to start a firm five years after graduation compared with immediately following graduation. Career choices five years following graduation indicated that more than one in five of both the English and the international sample envisaged founding their own firm. This may indicate that students are aware of the need to gain experience, skills and capital before embarking on founding a new business venture. If this is the case, then it may well vindicate the resources which have been invested by universities in entrepreneurship education and support.

- Slightly more of the English sample intended to found a business (14.8 per cent) compared with the international sample (11.0 per cent). Around six per cent of both samples indicated that they intended to become a successor to an existing business. As well as seriousness of intent to found a business, respondents were also asked about the steps that they had already taken. The most commonly mentioned action taken was "thinking through initial ideas".

- Overall, the 'entrepreneurial index' which weights to what extent students have thought of founding a business and to what extent they are already entrepreneurs, found the English sample to have a lower index of 17.2 compared with an international benchmark of 27.2 per cent.

- Respondents who indicated an interest in founding a business were asked to choose from 15 sectors spanning agriculture, forestry and fishing, construction, transportation, education, health to consultancy (law, tax, management). There are obvious difficulties when drawing up such broad categories for such a diverse sample of respondent. This is perhaps evidenced in the choice of the "others" category as the most commonly

chosen by both samples. For the English sample 19 per cent chose the other category and the percentage of the international sample choosing this category was 13 per cent.

- The next most popular category was wholesale and retail (12 per cent and 10 per cent respectively). This was followed by communications and IT (10 per cent for both samples). Interestingly 10 per cent of the international sample chose "consultancy (law, tax, management). However, only three per cent of the English sample chose this category. Finally, health services was chosen by nine per cent of both samples.

- The most often reported barrier to founding a business for both the English and international samples was, unsurprisingly, access to financial capital. There was also concern about bearing the potential financial risk involved in starting a business. An awareness of the potential impact of the recession may help explain concern over the general economic environment.

- Altogether 5.4 per cent (35 students) were currently actively involved in at least one business. Of the 35 respondents currently actively involved in a business almost two-thirds founded their business on their own. The most popular form of finance was founders' own funds.

- The English sample was less likely to have parents in business (18 per cent) than the international sample as a whole (30 per cent). On average, family businesses of students in England had 43 full time employees, which is considerably larger than the average of 16 for the international businesses.

- Overall, the first study of students in English universities sets a baseline for future surveys as well as provides a comparison of their intentions and experiences of entrepreneurial activities to date. The results provide room for optimism but also show that students based in English universities have a mixed range of experiences and intentions compared with international students.

- As well as setting out a baseline of the intentions of students, these results provide suggestions for the development of GUESSS as well as a series of questions for further research.

1. INTRODUCTION

1.1 Enterprise Education in the English Context

There appears to be two main arguments why encouraging enterprise amongst students of higher education may be considered a 'good thing': the first is an economic argument and the second is a social argument. The economic argument is that small firms are a source of innovation and have the potential to grow, create wealth and employment opportunities (Nesta 2008) whilst the social argument is based on regional regeneration and social inclusion.

Promoting an enterprise society has been perceived as a potential solution to youth unemployment, which has risen in line with the decline of large scale industries in developed countries (OECD 2009a; EU 2008; 2002). Using enterprise as a mechanism to combat the increasing problem of youth unemployment has been advocated by international organisations such as the United Nations. A team of specialists on entrepreneurship and poverty alleviation meets regularly to discuss the role of youth entrepreneurship at the United Nations Economic Commission Working Party on Industry and Enterprise Development (United Nations 2004). The use of enterprise initiatives to address youth related issues is also prevalent in UK government policies. The UK Government's Enterprise White paper (BERR 2008) advocated changing attitudes to develop an enterprise culture in the UK, with a main focus on schooling as a conduit for fostering 'enterprise'. This has been continued by the recent Coalition Government (see BIS 2011) where an emphasis has been placed on making this 'the decade of the entrepreneur'. The national awareness raising campaign, 'Make Your Mark', run by Enterprise UK (formerly Enterprise Insight), a coalition of the leading business membership bodies and the main delivery organisations for enterprise education, aims to promote enterprise to young people. The aims of Enterprise UK are to raise awareness of enterprise and thereby have a positive influence on business start-ups; social enterprises; and on creating more enterprising employees.

Substantial investment has been made, by previous UK governments, in primary, secondary and tertiary institutions over the last decade, and enterprise education is now a mandatory requirement in secondary schools (e.g. BERR 2008; Ofsted 2005). A review of young people's attitudes to enterprise in the UK underpinned the rationale for an increase in spending on enterprise education in schools (The Davies Review of Enterprise and Economy 2002). This found that entrepreneurs are viewed, on the whole, in a positive light, but most young people surveyed would not want to run their own business because of the risks involved and a lack of the skills and experience needed (Davies 2002). Hence, the review recommended a significant expansion of entrepreneurship and enterprise education in schools.

1.2 Objectives of GUESSS

The GUESSS project is an international collaboration to investigate students' entrepreneurial intentions and experience. The aims of the 2011 survey were to:

- Investigate students' knowledge of entrepreneurship support at higher education institutions in England, their demand for and use of support, and their levels of satisfaction with this support.

- Explore the career intentions of students both immediately after graduation and five years hence.

- Examine the entrepreneurial behaviour of students attending English universities.

- Investigate the experience students have had with family businesses.

- Calculate the entrepreneurial index value of students attending English universities relative to the international bench mark.

This report presents findings from the English survey together with some comparisons with GUESSS surveys from the rest of the world.

2. Research Design and Methodology

2.1 Introduction

This section presents the research design and methodology used in the project, including questionnaire design, sample profiles, data collection and analysis. The theoretical foundation of the project is based on the constructs: 'entrepreneurial intent' and 'planned behaviour'.

2.2 Questionnaire Design

The origins of GUESSS go back to 2003 researchers at the Swiss Research Institute of Small Business and Entrepreneurship at the University of St Gallen and the KfW Endowed Chair for Entrepreneurship at the European Business School in Germany designed the first GUESSS questionnaire. A further 15 questions have since been developed to measure entrepreneurial intentions and behaviour among university students.

'Entrepreneurial intent' is a key construct in predicting entrepreneurial behaviour. According to Thompson (2009) entrepreneurial intent is a self-acknowledged conviction of a person who intends to set up a new business and consciously plans to do so at some point in the future. Krueger, Reilly and Carsrud (2000) concur with this definition and clarify that by understanding intentions, it is possible to gain insights into the ideas, behaviours and motivations behind new business creation. Two intention-based models, Azjen's theory of planned behaviour (1991) and Shapero and Sokol's entrepreneurial event model (1982), are used as the theoretical foundation for the questionnaire design (Figure 2.1).   In addition, the research investigates the influence of personal background and motives, family background, and exposure to entrepreneurship education at university level on students' intentions and experience.

Figure 2.1: The Theoretical Model
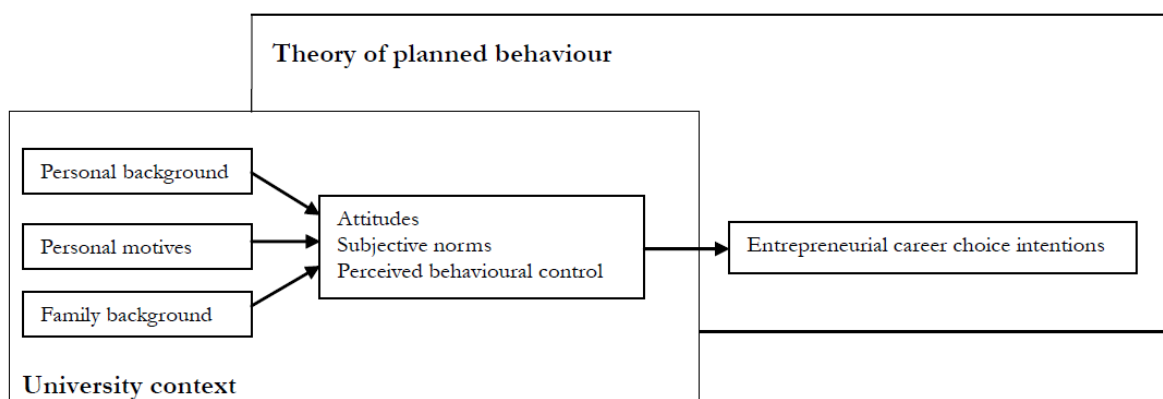
Source: Adapted from Ajzen (1991) and Shapero and Sokol (1982)

2.3 Sample Selection

In 2011 26 countries participated in the GUESSS project, with 10 new participants, of which England was one. In each country the project team was responsible for recruiting universities and liaising with them about the promotion and deployment of the on-line survey.   Table 2.1 shows details of the international sample. The international and national datasets were subjected to cleaning by the project team at St. Gallen University prior to being dispatched to national representatives.   National teams also received output files of international comparisons ready to be used in the analysis.

Table 2.1: The International Sample[1]

Country	N	%
Brazil*	29 186	31.3
The Netherlands*	13 121	14.1
Germany	12 469	13.4
Switzerland	8 115	8.7
Hungary	5 677	6.1
Austria	4 553	4.9
Russia*	2 882	3.1
Estonia	1 874	2.0
Singapore	2 391	2.6
Argentina*	1 660	1.8
France	1 498	1.6
Finland	1 437	1.5
Chile*	1 244	1.3
Portugal	1 020	1.1
China*	868	0.9
Romania*	849	0.9
South Africa	697	0.7
United Kingdom*	648	0.7
Japan*	561	0.6
Mexico	556	0.6
Luxembourg	444	0.5
Greece	454	0.5
Ireland	332	0.4
Pakistan*	321	0.3
Liechtenstein	220	0.2
Belgium	188	0.2
Total	**93 265**	**100**

Countries new to GUESSS in 2011

The English sample was drawn from 19 universities in the South East of England and in the Midlands (Table 2.2). The survey was promoted at a number of enterprise and entrepreneurship events and several respondents completed the survey from other institutions (2.6 per cent 'other'). The survey was promoted by several different

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[1] Data cleaning was undertaken by St Gallen University prior to distribution of the datasets to national teams.

methods throughout the universities, via key GUESSS contacts. In some cases students were sent direct emails inviting them to take part, whilst in other cases announcements were posted on on-line notice-boards, or via newsletters. Given the range of promotion methods used, it is therefore difficult to accurately estimate the size of sample contacted, and therefore the response rate.

The English sample is not representative of the UK student population, as there were no participating institutions from Wales, Northern Ireland or Scotland. However, the sample can provide an illustration of the entrepreneurial experience, attitudes and intentions of a cohort of students from the Midlands and the South East of England, which could potentially provide comparisons with future UK cohorts. The national sample will be referred as from now on as English.

Table 2.2: The English Sample[2]

University	N	%
Coventry	7	1.1
De Montfort	38	5.9
Greenwich	90	13.9
Kingston	183	28.2
Leeds Metropolitan	7	1.1
London South Bank	7	1.1
Oxford Brookes	4	0.6
School of Oriental & African Studies	1	0.2
Birmingham	23	3.5
Buckingham	20	3.1
East London	36	5.6
Kent	48	7.4
Manchester	14	2.2
Westminster	16	2.5
Campus Suffolk	4	0.6
Worcester	45	6.9
Loughborough	6	0.9
Queen Mary London	23	3.5
Aston	59	9.1
Other	17	2.6
Total	**648**	**100.0**

2.4 Characteristics of English Sample

2.4.1 Age of Respondents

The age profile of the English sample is shown in Figure 2.2. Respondents were divided into three age categories: under 25, 25-30, and over 30. As might expected most respondents were under 25 years of age.   There were slightly less

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[2] Data cleaning was undertaken by St Gallen University prior to distribution of the datasets to national teams.

respondents in the 25-30 category than in the international sample as a whole. There were also slightly more respondents in the over 30 category in England than in the international sample.

Figure 2.2: Age of Respondents
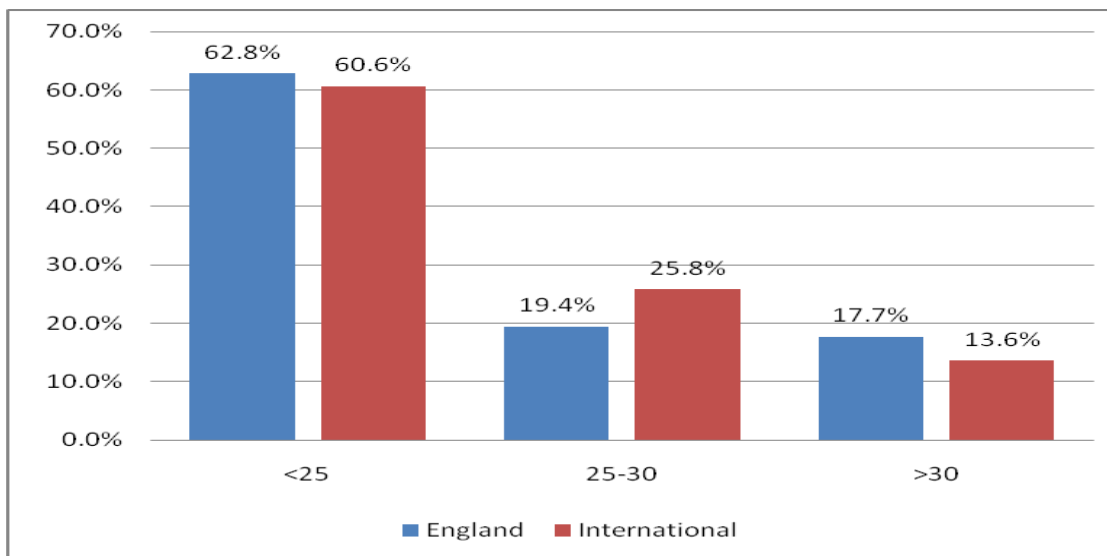
2.4.2 Gender

There were minor differences when comparing the sample from England with the international sample by gender of respondent (Figure 2.3). In both the national and international samples, more females than males completed the survey and in England this difference was greater.

Figure 2.3: Respondents by Gender
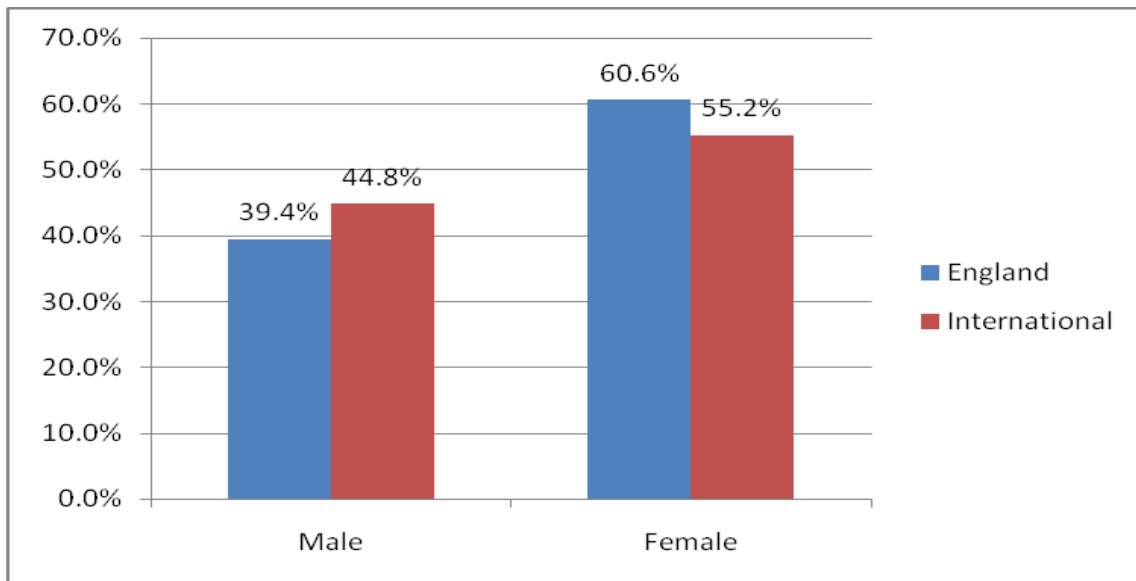
2.4.3 Marital Status

In both the English and international samples a majority of the sample was single. Just over 10 per cent of both samples were married and only two or less per cent were divorced (Figure 2.4). The marital status of respondents reflects the largely young age cohort in the samples.

Figure 2.4: Respondents by Marital Status
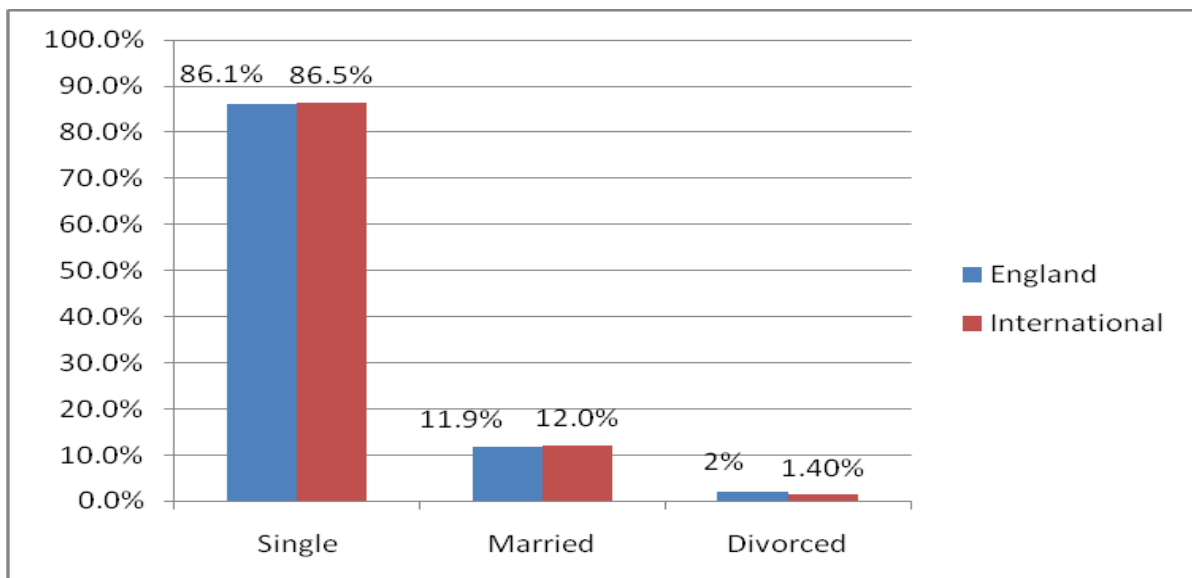
2.4.4 Nationality of English Respondents

Interestingly, the largest proportion of respondents in the English sample identified a non-UK country as their nationality (41.5 per cent) (Table 2.3). Respondents who claimed other nationalities identified 124 different nationalities (< 2 per cent for each nationality). This is perhaps not surprising given the increasing number of international students studying at English universities. It may also reflect the ethnic diversity of the local populations, particularly in London and urban locations where the participating universities were based. The next largest group identified themselves as English (38.6 per cent), followed by those claiming British nationality (18.8 per cent). There were relatively few respondents who identified themselves as either Scottish, Irish or Welsh (3 per cent or fewer).

Table 2.3: Nationality of Respondents

Nationality	N	%
British	122	18.8
English	250	38.6
Scottish	2	0.3
Irish	3	0.5
Welsh	2	0.3
Other	269	41.5
Total	648	100

2.5 Choice of Academic Studies

Respondents were asked a series of questions about their educational studies, including the current level of study, the length of time they have been studying and about their chosen discipline.

2.5.1 Current Level of Studies

The current level of studies of respondents in England was broadly similar to that of the international sample (Figure 2.5). The majority of respondents in both samples were studying for their first degree. There were slightly fewer at Masters' level in England than in the international sample. However there were also more respondents in England studying for a PhD than in the international sample (5.6 per cent compared with 2.4 per cent).

Figure 2.5: Current Level of Study by Sample
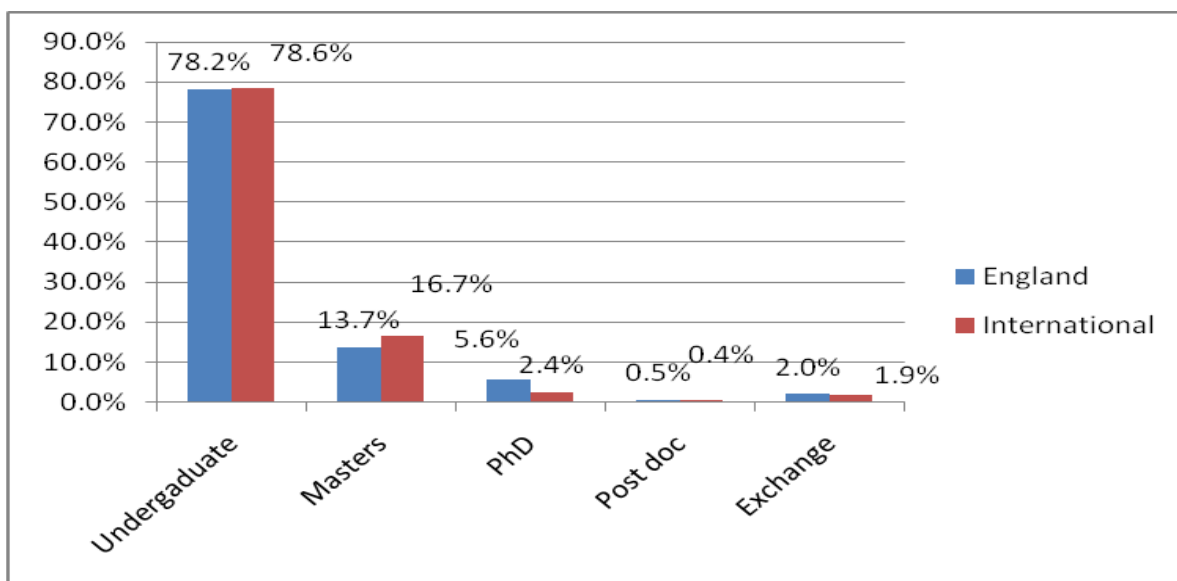
2.5.2 Length of Study and Time Spent at Current University

Respondents were asked to indicate how long that had spent at their current university and also how long they had studied in total, to provide a picture of the length of time in higher education and the movement between institutions.

Table 2.4: Duration of Studies at Current University

	English Students Total		English Students Current University		International Total		International Current University	
	N	%	N	%	N	%	N	%
1st academic year	81	12.5	272	42.0	11 439	12.3	27 768	29.8
2nd academic year	90	13.9	184	28.4	12 817	13.7	22 852	24.5
3rd academic year	117	18.1	124	19.1	11 406	12.2	15 683	16.8
4th academic year	57	8.8	42	6.5	14 301	15.3	13 237	14.2
5th academic year	302	46.6	25	3.9	43 045	46.3	13 651	14.6
Total	**647***	**99.8***	**647***	**99.8***	**93 265**	**100.0**	**93 265**	**100.0**

1 missing

Nearly half of the English respondents had been studying for at least five years (Table 2.4). This is a similar percentage to the international sample as a whole.

However, fewer than four per cent of English students had remained at the same university, compared with nearly 15 per cent of the international sample. This indicates that students at English universities are more likely to change university when undertaking a higher degree. (This assumes that, internationally, a first degree is of less than five years duration).

2.5.3 Academic Disciplines – Fields of Study

Respondents were asked to indicate their chosen field of study from one of 14 options (Table 2.5). The highest percentage of students were studying a business and management degree (26.2 per cent). The next most common category chosen was 'other' (17.1 per cent).

Table 2.5: Fields of Study

Field of Study	English Students		International Students	
	N	%	N	%
Management/ Business administration	170	26.2	20564	22.0
Other	111	17.1	15194	16.3
Engineering, architecture	58	9.0	11484	12.3
Medicine/ Health Science	49	7.6	8245	8.8
Other social science (sociology, politics)	43	6.6	3381	3.6
Cultural Studies (Theology, Philosophy, Psychology)	36	5.6	3687	4.0
Mathematics & natural sciences	33	5.1	4189	4.5
Computer science/ informatics	35	5.4	5719	6.1
Economics	27	4.2	6771	7.3
Law	24	3.7	5021	5.4
Education	23	3.5	3928	4.2
Art/ Science of art	22	3.4	1232	1.3
Sports	9	1.4	679	0.7
Linguistics	7	1.1	2129	2.3
Agriculture, forestry and nutrition science	1	0.2	1042	1.1
Total	**648**	**100.0**	**93265**	**100.0**

There was a range of responses in this category indicating several different fields. For instance there were a number of "accounting and finance" responses, along with several "business" options combined with other subjects such as finance, computers, or a language. There were also several mentions of English related subjects such as creative writing, English literature, journalism, and media studies. In fact most disciplines were represented in this category from IT, product design, and construction to science (meteorology, pharmacy) and social work. This does demonstrate that entrepreneurship is attracting attention from a broad range of disciplines.

The large proportion of respondents choosing the 'other' category may indicate that they found the categorisation used to define fields of study in the questionnaire too general, particularly in the arts and humanities. It may be the case that this classification could be developed for future surveys.

2.5.4 Summary

This year 26 countries took part in GUESSS and there was a wide range of student participation. Brazil had the largest cohort of students with 29,186 students taking part, followed by the Netherlands with 13,121. The English sample amounted to 648 respondents from universities in the South East of England and the Midlands and provides and illustration of the entrepreneurial experiences, attitudes and intentions of students attending English universities.

Most of the respondents were in the under 25 category (62.8 per cent), a similar proportion to the international sample. There were slightly more respondents in the over 30 category in England compared to the international sample. In both samples more females than males completed the survey and this was especially the case in England. The largest proportion of respondents in the English sample identified a non-UK country as their nationality (41.5 per cent), whilst 38.6 per cent stated they were English.

A majority of respondents in both samples were studying for their first degree, though there were slightly more PhD students in England. More than one in four were studying a business or management degree programme. The next largest proportion was indicated that they were studying for a degree in the 'other' category (n=111, 17.1 per cent). Such a large number may indicate that a greater range of options needs to be included in future to capture these types of degree courses.

3. Entrepreneurship Courses and Enterprise Support in English Universities

3.1 Introduction

The majority of entrepreneurship teaching at UK higher educational institutions is currently developed and delivered by business schools (SBRC 2010). However successful, the business management focus is thought by some to be inappropriate for the realisation of the potential of entrepreneurship in other non-business areas, For example in public services including police and education. Moreover, it is argued that the existing models fail to teach the essentials of entrepreneurship: how to learn from stakeholders and importantly how to manage relationships on the basis of trust, personal judgment and 'know who'. There is little emphasis on exposing students to tacit knowledge and to how things are done in practice. The range of pedagogical tools designed to 'nurture entrepreneurial behaviours' is limited to cases, lectures, projects, visits and presentations (Gibb 2005). Entrepreneurship education, it has been argued, should focus on educating 'for' entrepreneurship rather than 'about' it (Kirby 2004). According to Gibb:

> Entrepreneurial behaviours, skills and attributes, nurtured by well designed pedagogies and exposure to experience are essential components of being able to 'feel' what it is like to be entrepreneurial and are key to the creation of entrepreneurial values. (Gibb 2005: 3)

An alternative model for delivering entrepreneurship education, as Gibb suggests, would include, *inter alia*:

- Focus upon the understanding and development of entrepreneurial behaviours, skills and attributes in different contexts

- Entrepreneurship open to all and not exclusively the domain of the 'high flying' growth seeking business person

- Exploration of the need for, and role of, entrepreneurial behaviours in all kinds of different contexts, public and private, organisational and individual

- Maximising the opportunity for experiential learning and engagement in the 'community of practice'. In particular creating space for learning by doing and re-doing

Despite this self-criticism, enterprise education in the UK is experiencing growth and overall is having a positive impact on entrepreneurship in the population.

3.2 Entrepreneurship Education Database

As a means of understanding the infrastructure for enterprise education, internet research was carried out to develop a database of the entrepreneurship education and enterprise services and support for students at the Higher Education Institutions (HEIs) in the UK (SBRC 2010). The aim of this research was to gather information about the provision of entrepreneurship education in the UK, particularly looking at how entrepreneurship education is delivered and organised, how universities structure this provision and what they deliver. The key words used in the search included 'enterprise' and 'entrepreneurship', 'education', 'student support' or 'services', 'courses', 'programmes' or 'modules' in conjunction with the name of a particular university. The search was also done by looking directly at university's websites. The amount of information available online varied across universities and was a major shortcoming of using an internet search method. However, this may demonstrate that entrepreneurship provision at universities as well as the degree to which universities promote entrepreneurship programmes and student enterprise support varies and is inconsistent.

The database contains information on 66 universities spread across the UK (see Figure 3.1). This is organised into four main sections: details on how *entrepreneurship education* is organised and delivered, including teaching methods and any international activities; details of *courses and modules*; information on *regional networks*; and *student enterprise services and support*.

Figure 3.1: HEIs by Area
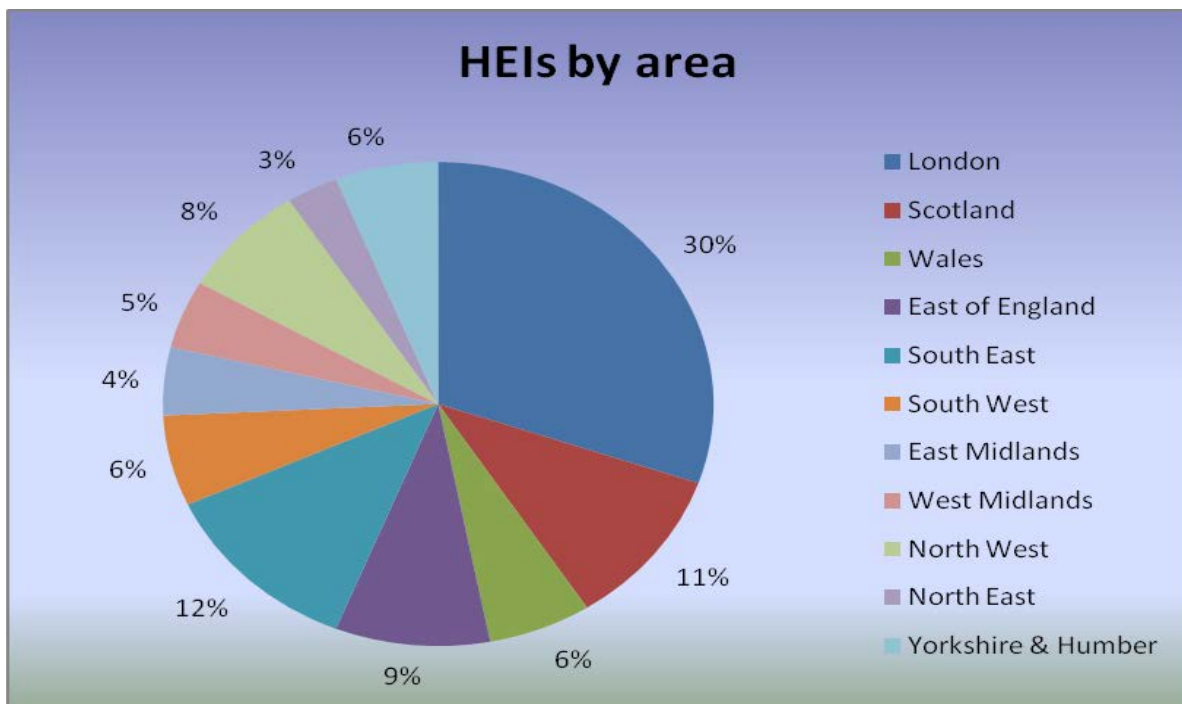
The results found that business and management schools are the leading providers of entrepreneurship and enterprise education in curriculum with 35 per cent and 14 per cent respectively. What is more; the third largest group of providers are enterprise centres within business schools together with other specialist centres, and arts, humanities & social sciences schools. Computing, design & engineering schools and enterprise centres within university each amount to 5 per cent of provision. Finally, natural sciences, lifelong learning and creative industries schools, as well as entrepreneurship education in multidisciplinary schools all make up 3 per cent.

3.3 Entrepreneurship Support at English Universities (GUESSS Survey)

Respondents to the GUESSS on-line survey were asked a series of questions about their awareness and experiences of entrepreneurship programmes and support during *their* university life so far.

First, they were asked to indicate their awareness of what was on offer at the universities they have attended. The findings are presented in Table 3.1, and are ranked in order from the most well-known to the least, in each of three categories: lectures, workshops and finally resources.

Table 3.1: Students' Awareness of Enterprise Courses and Support (n=648)

Type of support	Specific Enterprise Support	English Students			International Students		
		Yes %	No %	Don't know %	Yes %	No %	Don't Know %
Lectures	Entrepreneurship in general	58.5	7.9	33.6	61.0	9.8	29.2
	Business planning	55.2	9.0	35.8	53.8	9.9	36.3
	Innovation & idea generation	49.2	9.7	41.0	47.7	11.9	40.4
	Financing entrepreneurial ventures	38.4	13.6	48.0	32.2	18.8	49.1
	Entrepreneurial marketing	34.0	13.1	52.9	41.4	13.5	45.2
	Social entrepreneurship	31.9	12.0	56.0	34.4	15.5	50.0
	Technology entrepreneurship	25.3	13.7	61.0	30.8	18.5	50.7
	Family business	8.5	26.7	64.8	14.9	29.2	55.9
Workshops	Networking with experienced entrepreneurs	54.9	10.6	34.4	45.7	15.8	38.5
	Business plan contests/workshops	49.8	11.9	38.3	39.1	17.1	43.9
	Mentoring & coaching programmes for entrepreneurs	36.9	14.5	48.6	25.5	19.3	55.2
	Contact point for entrepreneurial issues	35.3	12.3	52.3	32.0	16.8	51.2
	Contact platforms with potential investors	29.5	17.1	53.4	22.7	22.9	54.4
Resources	Technology & research resources (library, web)	69.4	3.5	27.0	74.3	5.2	20.4
	Seed funding/ financial support	40.6	11.7	47.7	19.4	23.6	57.0

It can be seen that 'entrepreneurship in general' is the most well-known covered lecture, and was identified by over half the sample. The next two most mentioned lectures were on 'business planning', and 'innovation and idea generation'. The least well- known lectures included those on 'family business' (8.5 per cent) and 'technology entrepreneurship' (25.3 per cent).

In terms of workshops, the best known were 'networking with experienced entrepreneurs', followed by' business plan workshops and contests'. The least well-known included 'contact platforms with potential investors'. Finally, in terms of resources, 'technology and research resources' were very well known whereas 'seed funding and financial support' were least well known. All these findings were broadly similar to the international sample as a whole.

3.4 Demand for University Enterprise Provision

Respondents were asked to indicate which areas they would like to receive additional enterprise support (Table 3.2). The three top areas for lectures were the same as those identified as: entrepreneurship in general; business planning; and innovation and idea generation. This is also reflected in the international sample. However, there was a slightly greater demand for entrepreneurial financing in the English sample. On the other hand, a higher proportion of the international sample indicated a demand for both entrepreneurial marketing and technology entrepreneurship, than the English sample.

Table 3.2: Students' Demand for Enterprise Courses and Support (not currently offered)

Type of support	Specific Enterprise Support	English Students			International Students		
		Valid N	would like %	Don't need %	Valid N	would like %	Don't Need %
Lectures	Entrepreneurship in general	269	69.5	30.5	43 107	65.6	34.4
	Business planning	290	69.0	31.0	48 753	69.5	30.5
	Innovation & idea generation	329	67.2	32.8	63 257	65.3	34.7
	Financing entrepreneurial ventures	399	63.7	36.3	36 338	64.0	36.
	Social entrepreneurship	441	62.8	37.2	64 525	49.5	50.5
	Entrepreneurial marketing	428	59.8	40.2	54 666	52.7	047.3
	Technology entrepreneurship	484	54.3	45.7	61 146	54.3	45.7
	Family business	593	41.3	58.7	79 353	42.4	57.6
Workshops	Networking with experienced entrepreneurs	292	75.0	25.0	50 654	70.7	29.3
	Business plan contests/workshops	325	65.8	34.2	72 064	66.1	33.9
	Mentoring & coaching programmes for entrepreneurs	409	69.9	30.1	69 487	64.2	35.8
	Contact point for entrepreneurial issues	419	67.8	32.2	56 834	59.5	40.5
	Contact platforms with potential investors	457	71.1	28.9	63 416	67.1	32.9
Resources	Technology & research resources (library, web)	198	66.7	33.3	75 158	70.6	29.4
	Seed funding/ financial support	385	71.9	28.1	23 910	62.0	38.0

In terms of workshops, once again the areas in which demand was greatest reflected the areas where awareness was highest: networking with experienced entrepreneurs; and business plan workshops and contests. There was a slightly greater demand among English students for both mentoring and coaching programmes and contact platforms with potential investors, than among the international sample. Finally, the demand for library and web resources was much greater in both the English and the international samples than for seed funding and financial support. The demand for the latter, however, was much greater among English students (40 per cent) than among the international sample (19 per cent).

3.5 Use of Enterprise Provision

Respondents were also asked to indicate whether they had made use of the various kinds of enterprise support on offer. Of those that responded to these questions, the largest proportion indicated that they had used general enterprise support, followed by innovation and idea generation and business planning (Table 3.3). A slightly larger proportion of respondents in the English sample (61.7 per cent) mentioned that they had used enterprise support in general compared with the international sample (55.4 per cent). The technology entrepreneurship programmes had the

smallest proportion in both samples, though this was still around 40 per cent of those that answered this question.

Table 3.3: Use of Enterprise Provision

Type of support	Specific Enterprise Support	English Students			International Students		
		Valid N	Yes %	No %	Valid N	Yes %	No %
Lectures	Entrepreneurship in general	379	61.7	38.3	56 915	55.4	44.6
	Business planning	358	53.6	46.4	50 146	53.1	46.1
	Innovation & idea generation	319	57.7	42.3	44 501	53.9	46.9
	Financing entrepreneurial ventures	249	45.8	54.2	38 591	48.0	52.0
	Social entrepreneurship	207	51.2	48.8	13 905	43.9	56.1
	Entrepreneurial marketing	220	49.5	50.5	32 107	45.8	54.2
	Technology entrepreneurship	164	42.7	57.3	29 997	39.2	60.8
	Family business	55	45.5	54.5	28 730	39.5	60.5
Workshops	Networking with experienced entrepreneurs	356	60.4	39.6	42 601	44.1	55.9
	Business plan contests/workshops	323	47.4	52.6	23 768	30.1	69.9
	Mentoring & coaching programmes for entrepreneurs	239	45.6	54.4	29 841	37.8	62.2
	Contact point for entrepreneurial issues	229	48.9	51.1	21 192	32.9	67.1
	Contact platforms with potential investors	191	45.0	55.0	36 425	34.4	65.6
Resources	Technology & research resources (library, web)	450	70.9	29.1	69 341	74.6	25.4
	Seed funding/ financial support	263	44.9	55.1	18 101	41.8	58.2

Once again, networking with experienced entrepreneurs was the most popular workshop option chosen. Contact platforms with potential investors was the least popular for the English sample, whereas for the international sample this was business planning contests and workshops.

3.6 Students' Views on Enterprise Support

Respondents were asked to indicate their level of satisfaction with the enterprise support they had experienced on a five-point Likert type scale from 1 "not at all satisfied" to 5 "very much satisfied". Table 3.4 presents the mean score for each option of enterprise support. The type of enterprise support with the highest mean score for those that replied in both samples were 'lectures in innovation' and 'idea generation'. Lectures in 'family entrepreneurship' had the lowest score of 3.40 for the English sample.

Table 3.4: Students' Levels of Satisfaction with Enterprise Provision

Enterprise Support	English students			International students		
	Valid n	Mean	SD	Valid n	Mean	SD
Innovation & idea generation	184	3.90	1.00	24 005	3.77	0.99
Business planning	192	3.88	0.98	26 643	3.74	0.99
Entrepreneurship in general	234	3.88	0.99	31 527	3.72	0.95
Entrepreneurial marketing	109	3.87	1.01	18 5006	3.77	0.96
Social entrepreneurship	106	3.85	0.89	14 709	3.71	0.97
Technology Entrepreneurship	70	3.81	1.01	11 348	3.68	0.97
Family firms	25	3.40	1.08	6 100	3.63	1.01
Financing entrepreneurial ventures	114	3.87	0.99	11 745	3.61	0.99
Mentoring & coaching	109	3.88	1.04	7 165	3.67	1.01
Seed funding/ financial support	118	3.87	1.09	7 569	3.63	1.09
Technology & research resources	319	3.86	0.97	51 702	3.80	1.01
Contact point for entrepreneurial issues	112	3.85	1.06	11 271	3.69	1.04
Networking with entrepreneurs	215	3.81	0.97	18 768	3.70	0.99
Business plan contests/ workshops	153	3.74	1.06	12 543	3.66	1.01
Contact platform with investors	86	3.71	0.99	6 969	3.61	1.03

There were some differences between the English and international samples with regards ratings for workshops and resources. The most highly rated workshops for the English sample were in mentoring and coaching, whereas for the international sample technology and research resources were the most highly rated. Overall, the mean scores across the types of enterprise support were higher for the English sample than the international sample.

3.7 Evaluations of Enterprise Support at University

Respondents' were asked about their opinions and views about the levels of support for entrepreneurship within their university, via a series of statements indicating their agreement with each statement on a scale of 1-5 (Table 3.5). Generally, agreement with statements was high for those that answered these questions. The highest score among the English sample was 4.34 for the statement "university increased or enhanced my understanding of the attitudes values and motivations of entrepreneurs". Among the international sample the highest score was 4.24 for the statement "university increased or enhanced my understanding of the ability to

identify an opportunity". Again the English sample tended to record higher average mean scores than the international sample.

Table 3.5: Students' Levels of Agreement with the Influence of the University Context on their Entrepreneurial Intentions and Behaviour

University increased or enhanced my...	English students			International students		
	Valid n	Mean	SD	Valid n	Mean	SD
Understanding of attitudes values and motivations of entrepreneurs	617	4.34	1.68	91 272	4.28	1.71
Ability to identify an opportunity	605	4.32	1.63	90 055	4.24	1.74
Ability to develop networks	611	4.29	1.59	90 532	4.15	1.72
Understanding of the actions someone has to take to start a business	616	4.28	1.78	91 096	4.10	1.81
Practical management skills to start a business	615	4.14	1.67	90 868	3.93	1.79
There is a favourable climate and premises for becoming an entrepreneur at my university	611	4.11	1.69	90 653	3.92	1.75
The training I had strongly imparted knowledge	607	3.92	1.74	90 641	3.67	1.84
At university I found many entrepreneurially minded classmates	611	3.87	1.72	90 675	4.00	1.82

3.8 Summary

Respondents were asked a series of questions about their awareness and experiences of entrepreneurship programmes and support during their university life so far. 'General entrepreneurship' was identified as the most well-known type of lecture and was mentioned by half the sample. The next two most well-known types of lectures were 'business planning' and 'innovation and idea generation'. The least mentioned were lectures on family business and technology entrepreneurship, which may indicate a gap in content and delivery at English universities. On the other hand, it is possible that technology entrepreneurship is more commonly delivered by other faculties, such as engineering or product design, whose students were less likely to have completed the survey.

There was a slightly greater demand among the English sample for entrepreneurial financing compared with the international sample. The English sample also exhibited greater additional demand for mentoring and coaching and contact with

potential investors. Networking with experienced entrepreneurs was considered to be the most popular type of workshop along with general entrepreneurship support.

The most highly rated workshops for the English sample included mentoring and coaching once again, whereas for the international sample technology and research resources were the most highly rated. Overall, the students attending English universities agreed most with the statement "university increased or enhanced my understanding of the attitudes, values and motivations of entrepreneurs", which reflects the value they placed on networking with experienced entrepreneurs. The average rating of enterprise support provision by students in English universities tended to be higher than the international sample.

4. STUDENTS' CAREER INTENTIONS

4.1 Introduction

For many young people entering the labour market for the first time, long-term careers with one employer can no longer be taken for granted, replaced instead by fixed-term contracts and uncertain futures (Hayward 2004; OECD 2001a). Moreover, employers are looking for people who are flexible, innovative, decisive and easily adaptable to change: people with enterprise skills and attitudes (CBI 2009; Clarke 1997). The demand for employees with 'enterprise' skills originates from both employer organisations and from government departments (CBI 2009; Turner 2002). Against this background graduates need to be increasingly flexible in their approach to the labour market.

In the GUESSS survey, respondents were asked to indicate their preferred career choices at a number of key stages in the future. First, they were asked about their career choice immediately after graduation. Next, they were asked to provide details of their career choice five years following graduation. Finally, respondents were asked to choose from a range of motivations for their particular career choices.

4.2 Career Choices after Graduation

The results show some differences between the English and international students' the choices of careers immediately after graduating from university (Figure 4.1). Working for somebody else was clearly the preferred option for all students. However, English students (22.4 per cent) were more likely to choose to work in a small or medium sized business (<250 employees) than the international students as a whole (20.8%).

Overall, English students were also more likely to envisage running their own business than the international cohort. For instance, 4.3 per cent of English students said that they would be working in their own, already founded, business once they left university, compared with 2.3 per cent of the international students. Furthermore, more English students (5.6 per cent) intended to start their own business, compared to international students (4.6 per cent). Finally, there was a greater proportion of English students (3.1 per cent) who stated that they would be working in their family firm, than among the international students (2.3 per cent).

Figure 4.1: Career Choice after Graduation
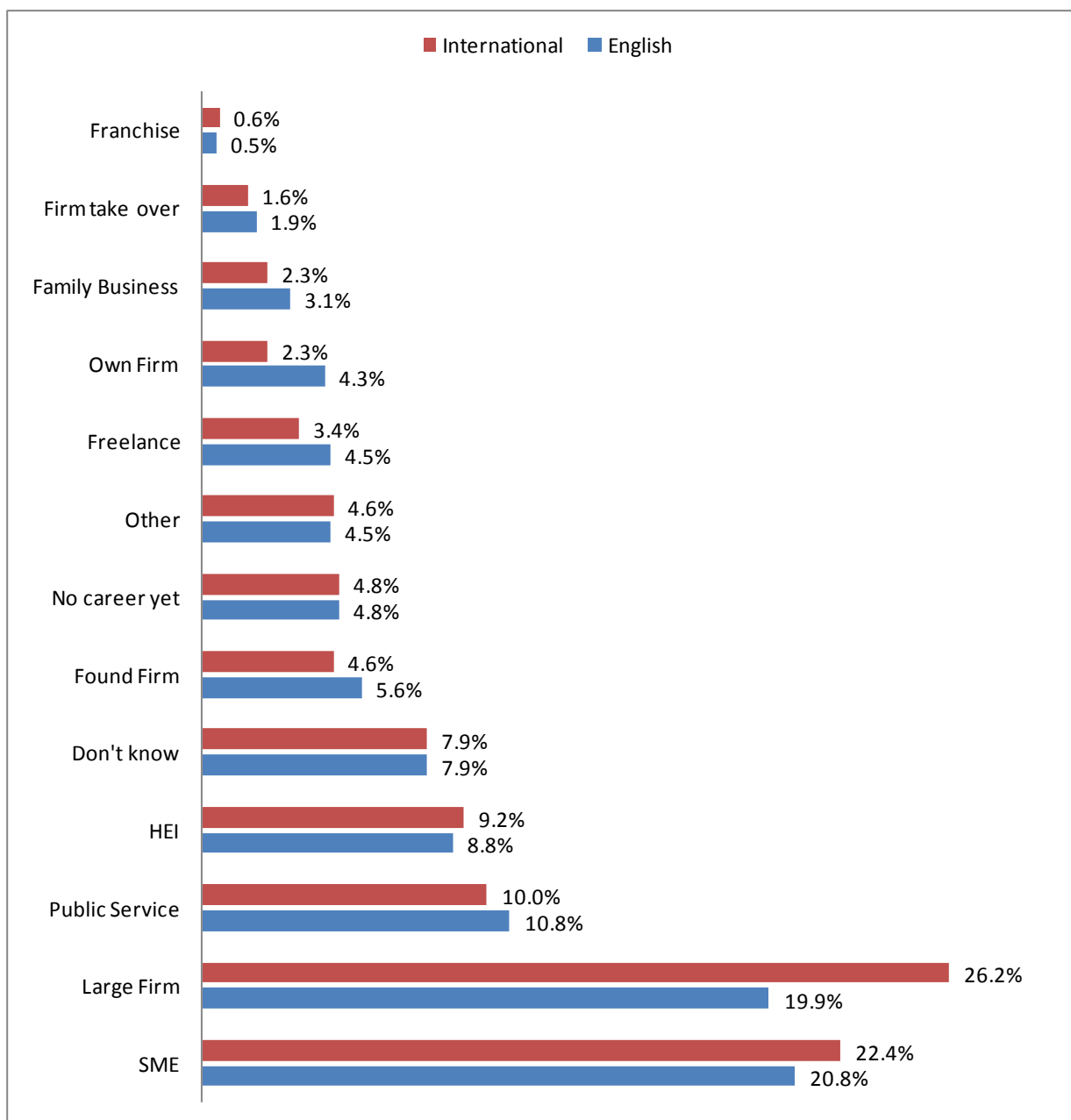
4.3 Career Choice Five Years after Graduation

Respondents were asked to indicate in what type of career they envisaged themselves to be working in, *five years* after graduation (Figure 4.2). The most popular option for all students was founding their own firm.   Interestingly, a larger proportion of English students (13.9 per cent) did not know what they would be doing five years after graduation, compared with international students (9.9 per cent). Also more English students envisaged themselves working in their family business (3.5

per cent) than international students as a whole (2.9 per cent).   Finally, there was a greater percentage of the international cohort (15.0 per cent) who said that they would be working in a large firm, than in the English sample (10.6 per cent), reinforcing the early finding on post-graduation careers.

Figure 4.2: Career Choices Five Years after Graduation
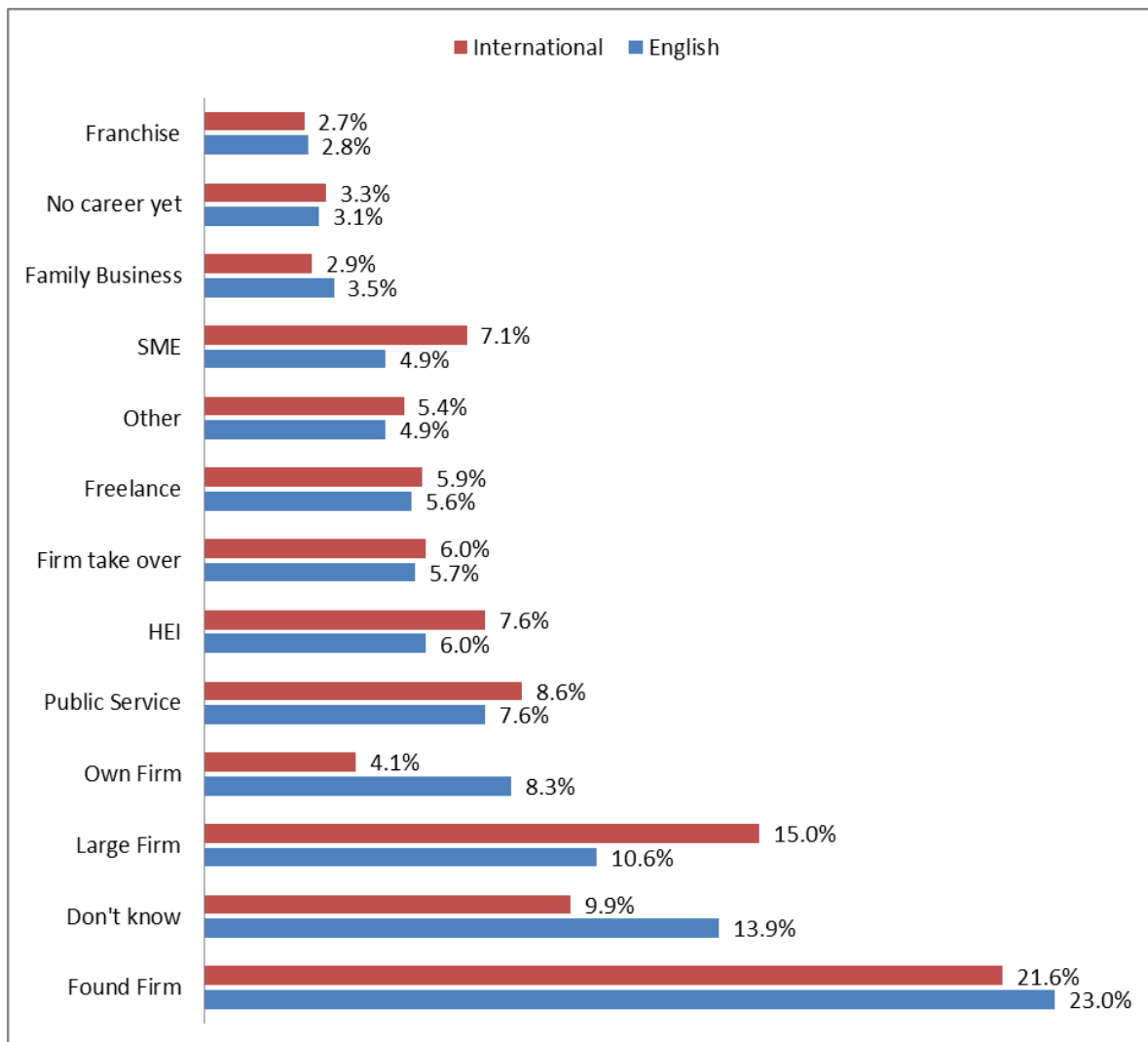
4.4 Changes in Career Choices

By comparing career choices immediately after graduation and five years after graduation, it is possible to identify any changes in career intentions (Figures 4.3 and 4.4). The greatest change in both the English and international samples was in attitudes towards founding a business. A much greater proportion of students state their intentions to establish a firm five years after graduation compared with immediately after graduation. In the English sample, this increases from 5.6 per cent

to 23.0 per cent, (Figure 4.3) while in the international cohort the increase is from 4.6 per cent to 21.6 per cent (Figure 4.4).   There were also increases in the proportion of students indicating that they did not know what career they would be pursuing. This increase was greatest in the English sample from 7.9 per cent to 13.9 per cent. In the international sample this increase was from 7.9 per cent to 9.9 per cent.

The rise in the popularity of running your own business was such that fewer students envisaged working in either large firms, SMEs or the public sector five years after graduation compared with immediately after graduation.   The decrease for these choices was greatest in the English sample (Figure 4.3) compared with the international sample (Figure 4.4).

Figure 4.3: Changes in Career Choices in English Sample
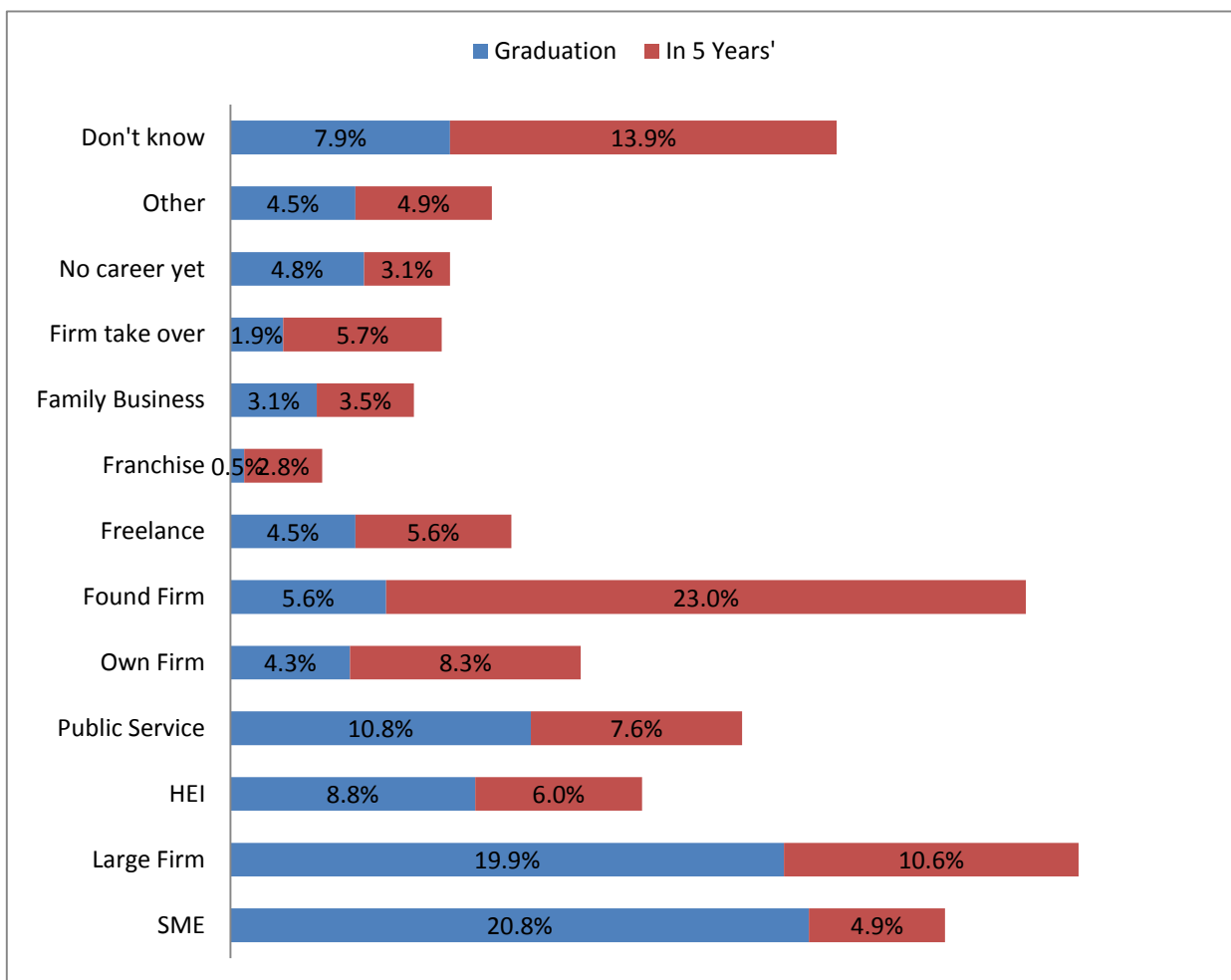
Figure 4.4: Changes in Career Choices in International Sample
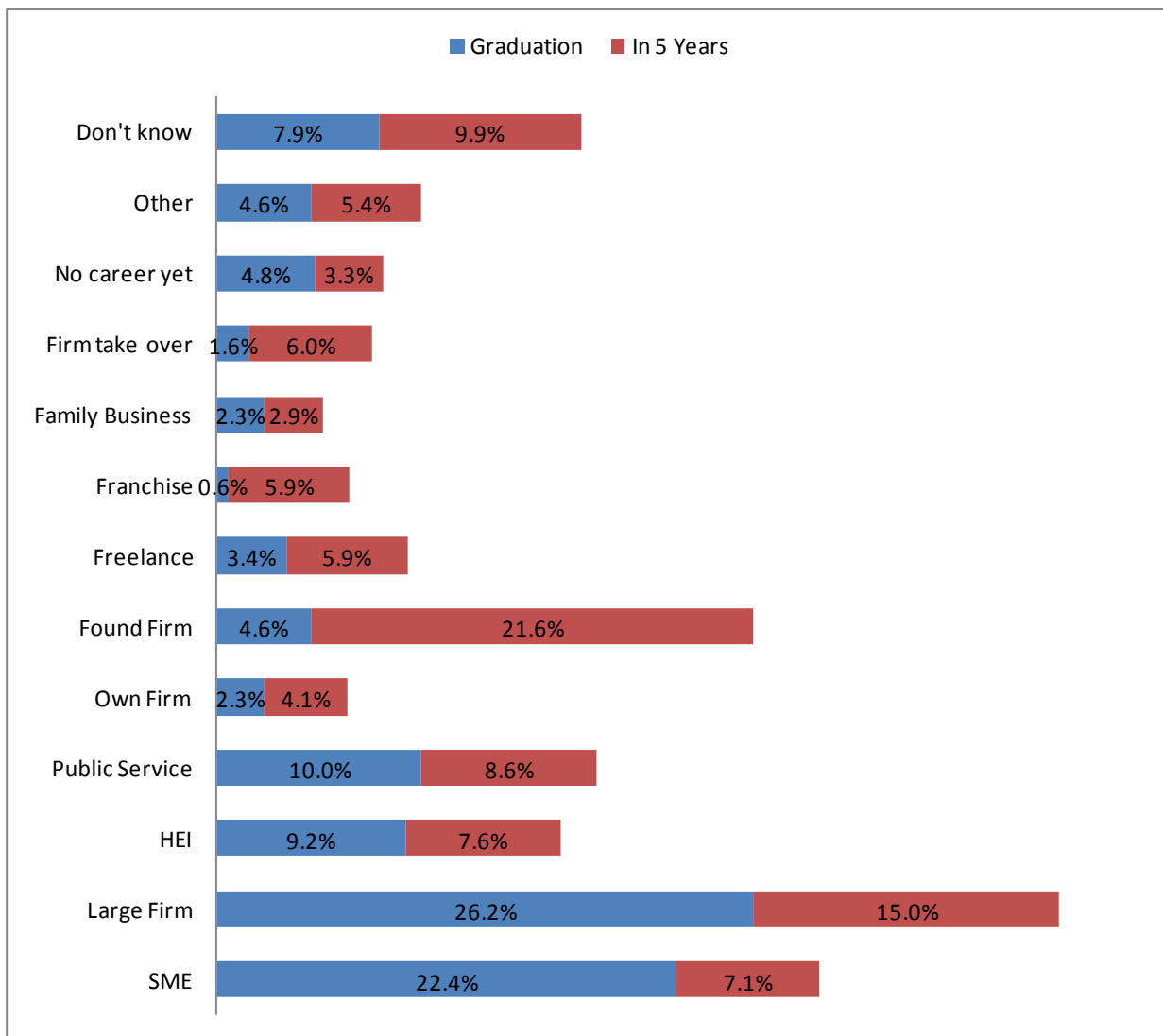
4.5 Summary

This section of the report has identified similarities and differences in choices of careers between the English sample and international sample following graduation. Immediately after graduation the international sample was more likely to choose employment in a large firm than the English sample. On the other hand, English students were more likely to choose to work in a small or medium sized firm. Overall, students at English universities were more likely to envisage owning their own business than the international students as a whole.

There was a substantial increase in the number of students intending to start a firm *five years* after graduation compared with immediately following graduation: more than one in five of all students envisaged establishing a business five years after graduation. This may indicate that students are aware of the need to gain

experience, skills and capital before embarking on founding a new business venture. If this is the case, then it may well vindicate the resources which have been invested by universities in entrepreneurship education and support, as a means of helping to lay the foundations for future entrepreneurial activities, amongst young people. In the longer run, this may help create businesses that are more sustainable rather than ones that are based on lower levels of experience, financial investment and human capital.

5. Entrepreneurial Behaviour

5.1 Introduction

This section of the report examines the entrepreneurial intentions of respondents in terms of actually starting a business; the actions taken so far to establish a business; and the industry sectors that are proving most popular to younger people.

5.2 Type of Founder

Respondents were asked to indicate whether they intended to start their own business following graduation. Slightly more of the English sample intended to found a business (14.8 per cent) than the international sample (11.0 per cent) (Table 5.1). Fewer than five per cent of both samples indicated that they intended to become a successor to an existing business. A majority of around two-thirds (60.3% of the English sample and 67.8% of the international sample) did *not* intend to start a business immediately after graduation.

Table 5.1: Type of Founder after Graduation

Type of Founder	English students		International students	
Founder	96	14.8%	10,261	11.0%
Successor	32	4.9%	3628	3.9%
Non-founder	391	60.3%	63,203	67.8%
Others	129	19.9%	16,173	17.3%
Total	648	100.0%	93,265	100.0%

Respondents were then asked whether they intended to start their own business *five years after graduation* (Table 5.2). In keeping with findings presented in Section 4, there appeared to be a greater proportion of students - around 4 in 10 - who intended to start their own business as founders. Once again there were slightly more English students who stated that they intended to start a business than in the international sample.

Table 5.2: Type of Founder Five Years after Graduation

Type of Founder	English students		International students	
Founder	257	39.7%	32,042	34.4%
Successor	60	9.3%	8300	8.9%
Non-founder	189	29.2%	35,615	38.2%
Others	142	21.9%	17308	18.6%
Total	648	100.0%	93,265	100.0%

5.3 Seriousness of Intent to Found a Business

In evaluating whether the entrepreneurial intentions of graduates are to be translated into action, the survey collected evidence on the preparation and business-related activities of respondents.

There were slightly more English students (21.5 per cent) who stated that they had already repeatedly attempted to start a business than international students (17.3 per cent) (Figure 5.1). However, there were fewer English students (31.9 per cent) who had "sketchily" tried to start a business than in the international sample (39.1 per cent).

Figure 5.1: Levels of Seriousness to Found a Business
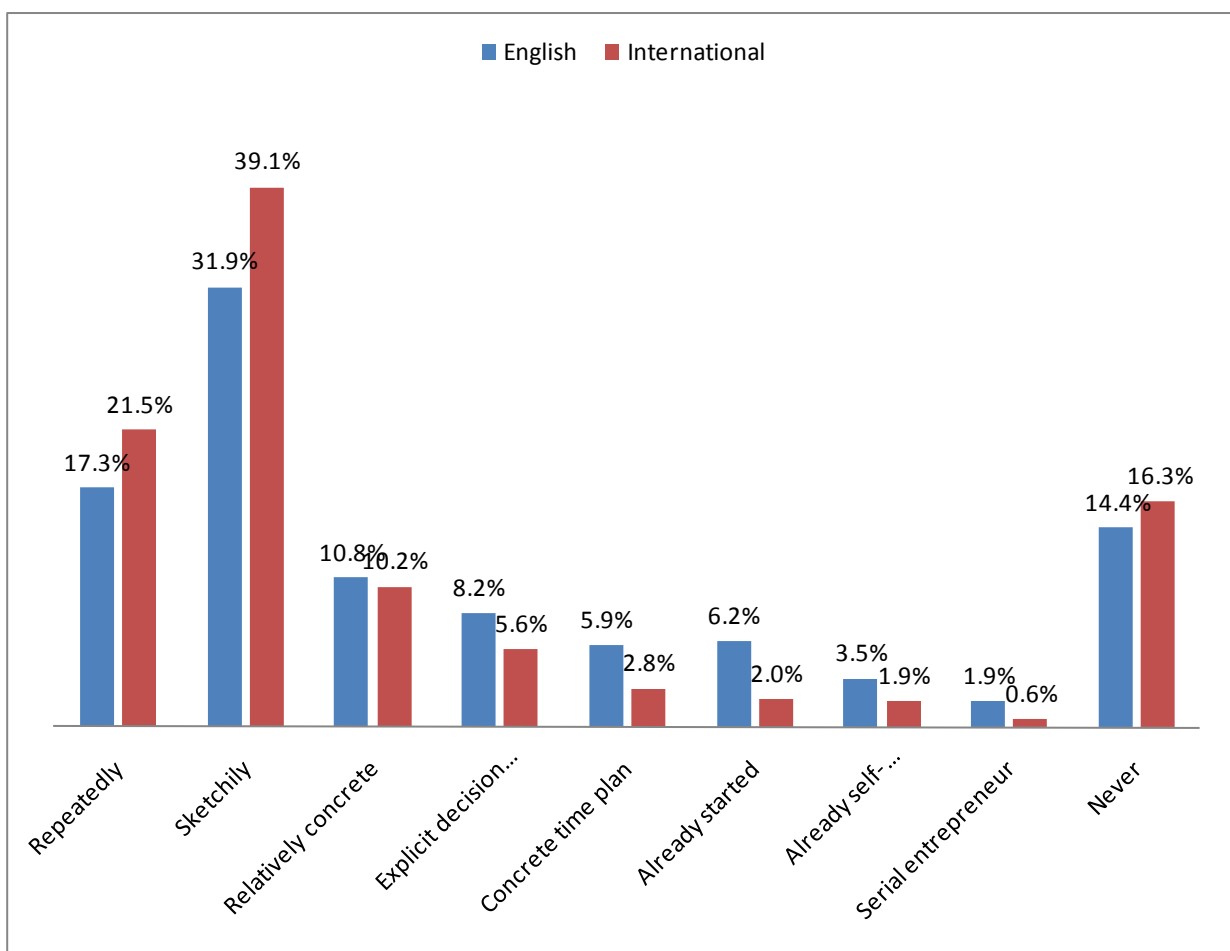
5.4 Steps Taken to Found a Business

As well as seriousness of intent to found a business, respondents were also asked about the actual steps that they had already taken. In the English sample, 313 respondents answered these questions, while 39,280 of the international sample

answered (Table 5.3). The most frequently mentioned action taken in both samples was "'thinking through initial ideas', followed by 'identified market opportunity'.

Around one-fifth of the English sample had taken *no steps so far*, compared with more than one quarter of the international sample. English students were more likely to have developed a business plan than international students (English students – 29.7 per cent, international students – 18.7 per cent). Similarly, English students were more likely than the international sample, to have looked for potential partners and to have worked on product development.

Table 5.3: Steps Taken to Found a Business

Steps Taken	English students N=313		International Students N=39280	
	n	%	n	%
Thinking through initial ideas	205	65.5	25,395	64.7
Identified market opportunity	160	51.1	13 353	34.0
Looked for partners	110	35.1	10 862	27.7
Developed business plan	93	29.7	7 330	18.7
No steps taken	67	21.4	10 592	27.0
Discussed with potential customers	52	16.6	5 225	13.3
Worked on product development	47	15.0	3 731	9.5
Purchased equipment	32	10.2	2 152	5.5
Decided date of founding	28	8.9	1 416	3.6
Requested funding from institutions	22	7.0	1 165	3.0

5.5 Industry Sectors

Respondents interested in founding a business were asked which sector this would be in. Students could choose from 15 sectors, ranging from agriculture, forestry and fishing, construction, transportation, education, health to consultancy (law, tax, management). There are obvious difficulties when drawing up such broad categories as these for such a diverse sample of respondents. This is perhaps evidenced in the choice of the "others" category as the most popular in both samples. For the English sample 19 per cent chose the "other" category whilst in the international sample this was 13 per cent.

The next most popular category was wholesale and retail (12 per cent and 10 per cent respectively), followed by communications and IT (10 per cent for both samples). The next most popular category for the international sample was "consultancy" (law, tax, management) with 19 per cent of the sample. However, only 3 per cent of the English sample chose this category. Finally, "health services" was chosen by 9 per cent of both samples.

Figure 5.2: Business by Sector
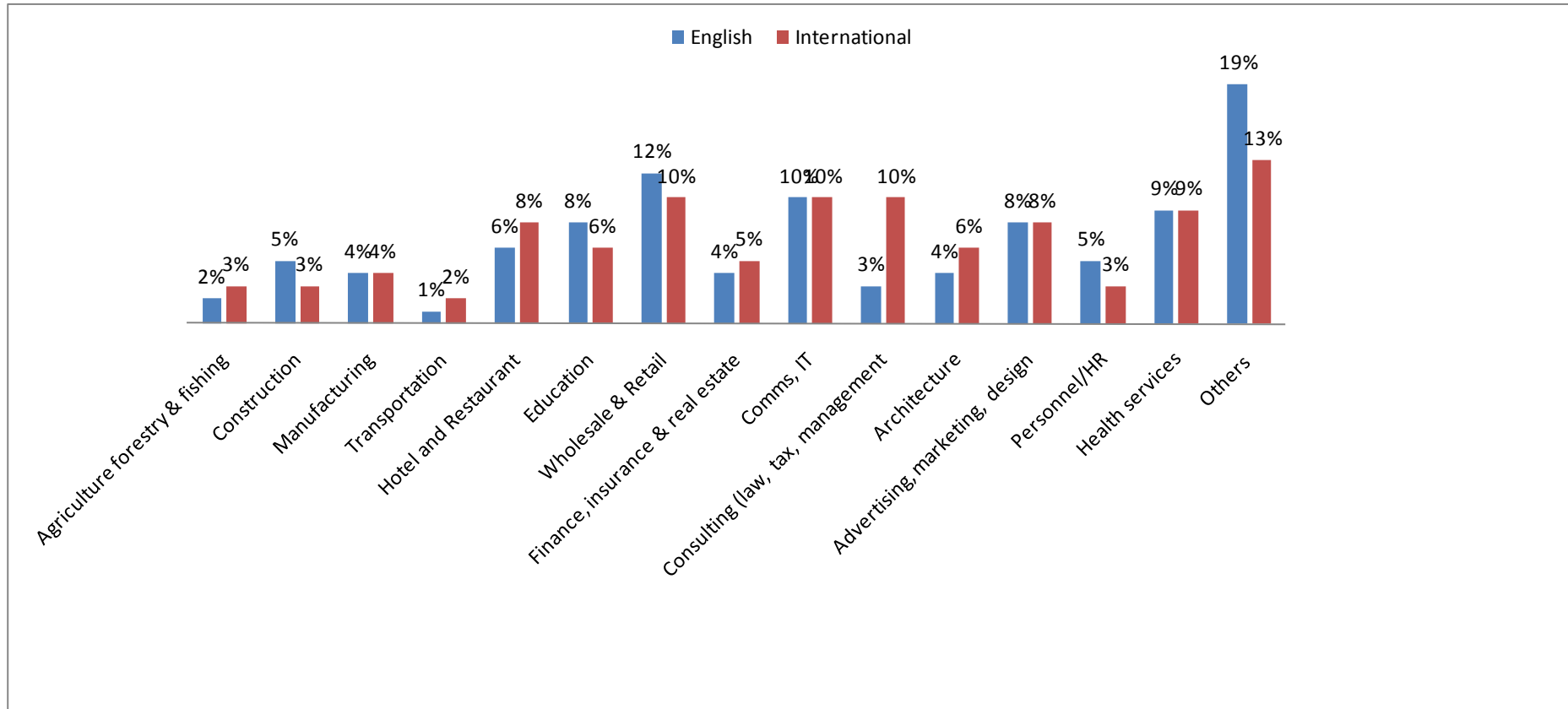
5.6 Source of Business Ideas

Respondents were asked to indicate the origins of their business idea. The most frequent source of business ideas identified by both the English and International samples was from hobbies or pastimes (41.9 per cent and 31.1 per cent respectively) (Table 5.4). The next most popular sources of ideas included university studies and fellow students, followed by current or former work activity.

Respondents were least likely to identify friends outside university as the source for their business idea (12.8 per cent).

Table 5.4 Origin of Business Idea

Source	English students N=313		International Students N=39280	
	n	%	n	%
Hobby or pastime	131	41.9	12 223	31.1
University Studies	113	36.1	17 805	45.3
Self or fellow students	106	33.9	11 787	30.0
Family	73	23.3	7 152	18.2
Current of former work activity	80	25.6	10 552	26.9
Academic, scientific or applied research	60	19.2	4 513	11.5
Friends outside university	40	12.8	4 325	11.0

5.7 Relevant Work Experience

A majority of the founders considered themselves as not having the relevant previous employment experience to start a business. These findings were universal (Table 5.5).

Table 5.5: Relevant Experience

Source	English students N=313		International Students N=39280	
	n	%	n	%
None	186	59.4	24 704	59.0
Some	127	40.6	14 576	41.0
Total	313	100.0	39 280	100.0

5.8 Barriers to Start-up

Barriers to starting up a business and the costs of starting up have received attention from policy-makers worldwide (e.g. World Bank 2012). Respondents were asked about their perceptions of the barriers to founding a business. They were asked to

indicate the level of a number of barriers on a 7 point Likert scale, with 1 representing 'not applicable' to 7 representing 'very applicable'.

The most often reported barrier to founding a business for both the English and international samples was, unsurprisingly, access to financial capital (mean scores: 5.0 and 4.89 respectively) (Table 5.6). There was also concern about bearing the potential financial risk involved in starting a business. An awareness of the potential impact of the current recession may help explain concern over the general economic environment.

The barrier identified by both English and international students as having the lowest mean score, i.e. the least important barrier, was 'lack of right business idea' (Table 5.6).   These perceived barriers demonstrate a high level of understanding by the respondents of the real challenges of starting a business, as shown in studies of new venture creation (Wright and Marlow, 2012).

Table 5.6: Barriers to Founding a Business

Barrier	English students			International students		
	Valid n	Mean	SD	Valid n	Mean	SD
Access to financial capital (debt & equity)	300	5.03	1.88	38 652	4.89	1.80
Bearing financial risk	298	4.31	1.86	38 501	4.42	1.77
General economic environment	299	4.22	1.81	38 520	4.15	1.75
Lack of contact with clients/customers	299	4.18	1.92	38 468	3.99	1.82
Having relevant technical know-how	297	3.97	1.88	38 419	3.54	1.86
High workload of entrepreneur	295	3.74	1.88	38 406	3.37	1.86
Rules & regulations	300	3.80	1.94	38 511	3.89	1.83
Having necessary skills & capabilities	298	3.72	1.93	38 467	3.47	1.87
Lack of right business idea	299	3.52	1.95	38 467	3.40	1.93

5.9 Active Founders

Altogether 5.4 per cent (35 students) were currently actively involved in at least one business. This sub-sample of respondents was asked about their business sector, size and experiences with partners and raising finance.

Of the 35 respondents, almost two-thirds had founded their business on their own (62.9 per cent) (Table 5.7) and a further 10 founded their business with one other person. This result may be considered surprising given the relative inexperience of these respondents and their need to work with otheres. However, it may be a

reflection of the type of business and the possible need to encourage greater networking amongst prospective owners.

Table 5.7: Number of Founding Partners

Number of Partners	English students N=35	
	n	%
None	22	62.9
One	10	28.6
Two	2	5.7
Three	1	2.9
Total	35	100.0

5.10 Active Founders by Sector

Of the 35 existing business owners, 30 provided details about the type of industry sector they were involved in (Table 5.8). Five businesses reported 'other' and these included auditing and stocktaking, counselling, import of goods from China and the Balkans, music, and personal development.   A further four businesses were involved in wholesale or retail trade. There were three businesses in each of these sectors: hotel and catering; communications/IT; and consulting.

The remaining businesses spanned eight further categories shown in Table 5.8. Unlike in the international sample there were no businesses in either transportation or architecture and engineering.

Table 5.8: Active Founders by Sector

Industry Sector	English students N=30		International Students N=2324	
	n	%	n	%
Others	5	16.7	473	20.4
Wholesale/retail	4	13.3	247	10.6
Hotel and catering	3	10.0	60	2.6
Comms/IT	3	10.0	348	15.0
Consulting(law, tax, management)	3	10.0	179	7.7
Construction	2	6.7	402	4.4
Agriculture	2	6.7	48	2.1
Advertising/marketing/design	2	6.7	220	9.5
Education	2	6.7	118	5.1
Finance, insurance & real estate	1	3.3	95	4.1
Manufacturing	1	3.3	69	3.0
HR	1	3.3	31	1.3
Health services	1	3.3	406	4.6
Architecture & engineering	0	0	89	3.8
Transportation	0	0	50	2.2
Total	30	100.0	2324	100.0

Overall, the results show an emphasis on the service sector rather than manufacturing.

5.11 Sources of Finance

Respondents in business were asked how they had raised their start-up capital, and comparisons made with the international sample (Table 5.9). Unsurprisingly the most popular form of finance was founders' own funds. However, the English respondents were more likely to make use of funding from family and friends than the international sample as a whole. On the other hand, international students were more likely to use a bank loan. English founders were also more likely to have funding from business competitions and grants/loans from charitable sources or government, than the international cohort. Whether or not this indicates a shortfall in available funding is difficult to detect from the survey data.

Table 5.9: Sources of Finance: Intentional Founders

Source	English students N=30		International Students N=39280	
	n	%	n	%
Own Funds	26	86.6	16144	41.1
Family & Friends	9	30.0	5853	14.9
Bank Loan	9	30.0	8052	20.5
Business competitions	7	23.3	5853	14.9
Foundation/trust/government	7	23.3	4046	10.3
External equity (e.g. Angels)	3	10.0	3221	8.2

Multiple answers possible.

5.12 Entrepreneurial Index

The entrepreneurial index weights to what extent students have thought of founding a business, and to what extent they are already active entrepreneurs. As such, the index is an indication of what can be described as 'entrepreneurial activity'. Students attending English universities showed a much lower index of 17.2 compared with the international index of 27.22. Given the nature of the evidence collected, and the international backgrounds of students attending English universities, it is not possible to speculate on the reasons for this disparity.

What is apparent is that the international background of students studying at English universities means that a survey such as this is not able to represent the entrepreneurial intentions and experiences of young people only *from* England, unlike many of the other countries involved in GUESSS. Future surveys may need to investigate this topic in more detail.

5.13 Summary

This section has sought to examine the seriousness and experiences of those respondents seeking and actually running a business. Slightly more of the English sample intended to found a business (14.8 per cent) compared with the international sample (11.0 per cent). Fewer than 6 per cent of both samples indicated that they intended to become a successor to an existing business. As well as seriousness of intent to found a business, respondents were also asked about the steps that they had already taken. The most commonly mentioned action taken in both English and international samples was "thinking through initial ideas", with around two-thirds of each sample indicating that they had undertaken this activity.

Respondents who indicated an interest in founding a business reported a diverse range of sectors for their choice. The most popular category was wholesale and

retail in both the English and international samples (12 per cent and 10 per cent respectively).   This was followed by communications and IT (10 per cent for both samples). The next most popular category for the international sample was "consultancy (law, tax, management) with 19 per cent of the sample. However, only 3 per cent of the English sample chose this category.

The most often reported *barrier* to founding a business for both the English and international samples was, unsurprisingly, access to financial capital. There was also concern about bearing the potential financial risk involved in starting a business. An awareness of the potential impact of the current recession may help explain concern over the general economic environment.

Altogether 5.4 per cent (35 students) were currently actively involved in at least one business in England. Of the 35 respondents, almost two-thirds had founded their business on their own. Unsurprisingly the most popular form of finance was founders' own funds. English respondents were more likely to make use of funding from family and friends than the international sample as a whole. These differences suggest the need for more evidence to help explain why there is variations in activities and experiences between different groups.

6. FAMILY BUSINESSES

6.1 Introduction

The positive influence of a family background in business on young people's intentions to start their own business has been well documented (e.g. Katz and Green 2009). To gauge the importance of family businesses among students, a number of questions were asked about their exposure and experience of family business ownership. Those in the English sample were less likely to have parents in business (18 per cent) than the international sample as a whole (30 per cent). The international data shows that the greatest proportions of students with family business backgrounds were in Mexico, Chile and South Africa. However, despite this difference, a similar proportion of these international students (7 per cent) and English students (6 per cent) intended to take over the family business.

6.2 Family Business Background

Table 6.1 provides some indication of the extent of family involvement in the business. Parents and one or two family members were actively involved in the family businesses in the international sample (94.3%) although this was less so in the English sample (84.0%). Similarly, family involvement in the business was lower in the English sample than the international sample, across a range of variables.

Table 6.1: Current Family Business Background

Statement	English students N=188		International Students N=28, 073	
Parents are actively involved	158	84.0	26 486	94.3
One or two family members work in the business	110	62.4	25 151	89.6
The majority of supervisory/advisory board members are family	133	70.4	26 439	94.2
The majority of management are family	131	70.1	26 481	94.3
The CEO is family	144	77.0	26 454	94.2
The president of the supervisory board is family	131	72.0	26 173	93.2

The characteristics of the family businesses are presented in Table 6.2. Three quarters of the equity in family businesses of students attending English universities and the international sample was in the hands of family members. On average, family businesses of students in England had 43 full time employees, which is considerably larger than the average of 16 for the international businesses.

Table 6.2: Characteristics of Family Businesses

Characteristic	English students			International students		
	Valid n	Mean	SD	Valid n	Mean	SD
Percentage of equity held by family	163	75.39%	34.2	23 711	74.93%	36.8
No. of employees (FTE)	168	43	128	24 327	16	67
Percentage of turnover in largest company controlled by family	125	61.26	38.7	19 443	60.97%	41.7

## 6.3 Performance of Family Businesses

Respondents involved in their family businesses were asked to indicate how the business had performed over the previous three years based on four performance indicators: sales, profit, market share and job creation. Respondents were asked to rate performance on a 7 point Likert scale with 1 = worse to 7 = best (Table 6.3) . On the whole, mean scores indicate that English family firms performed slightly better than the international sample of family firms.

Table 6.3: Performance of Family Businesses

Performance indicator	English students			International students		
	Valid n	Mean	SD	Valid n	Mean	SD
Development of sales	193	4.84	1.48	26 481	4.50	1.56
Development of profit	193	4.62	1.49	26 326	4.44	1.57
Development of market share	191	4.78	1.53	26 339	4.34	1.54
Creation of jobs	192	4.19	1.68	26 338	3.77	1.64

Finally, Figure 6.1 shows the distribution of family businesses by sector. The sectors with the largest proportion of businesses are: wholesale and retail trade (16%); construction (14%) and the others category (15%). The others category included a range of businesses such as events management, butchers, automotive, beauty industry, furniture and wood productions and holiday homes.

Figure 6.1: Family Businesses Sector
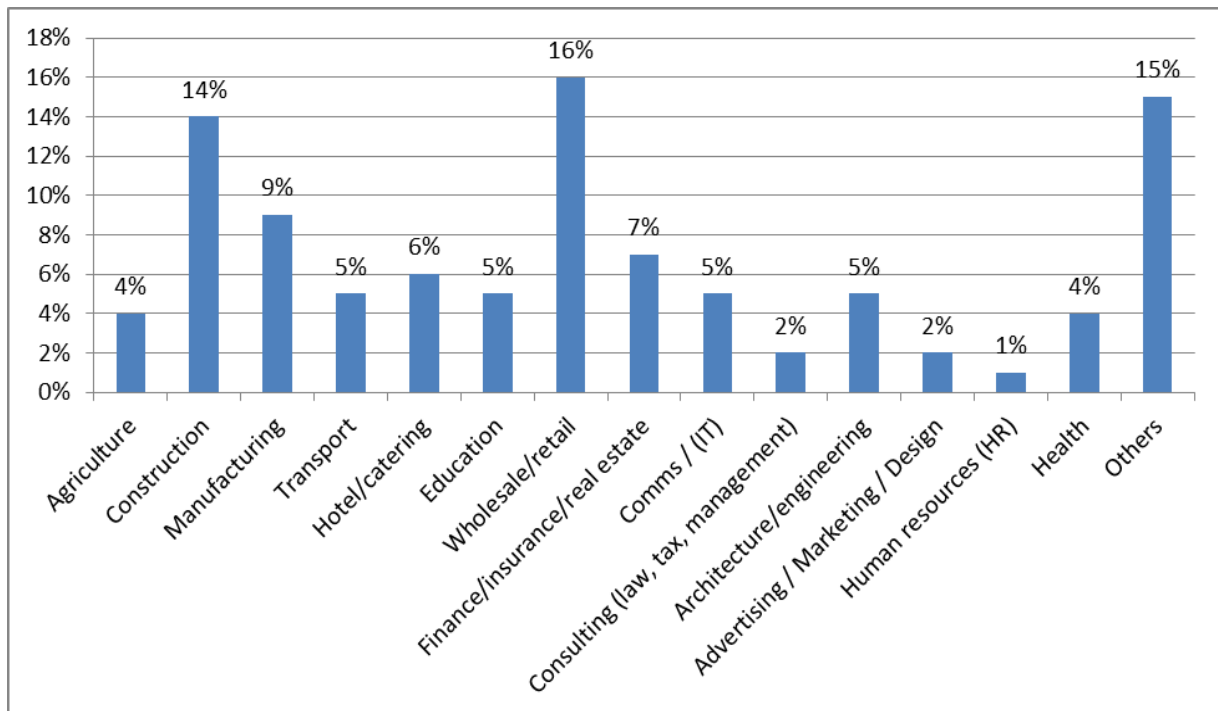
6.4 Summary

English students were less more likely to have parents in business (18 per cent) than the international sample as a whole (30 per cent). On the whole, mean scores indicate that English family firms performed slightly better than the international sample of family firms.

Three quarters of the equity in family businesses for students attending English universities and the international sample was in the hands of family members. On average, family businesses of students in England had 43 full time employees, which is considerably larger than the average of 16 for the international businesses.

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