Understanding the Lack of Uptake of Entrepreneurial Opportunities: The Case of Saudi Arabia

A thesis submitted in fulfilment of the requirements for the degree of
Doctor of Philosophy

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Declaration

I certify that except where due acknowledgement has been made, the work is that of the author alone; the work has not been submitted previously, in whole or in part, to qualify for any other academic award; the content of the thesis is the result of work which has been carried out since the official commencement date of the approved research program; any editorial work, paid or unpaid, carried out by a third party is acknowledged; and, ethics procedures and guidelines have been followed.

Signed: …………………

Ali Mohammed Alsabhan
12 December 2019
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This thesis was lightly copyedited and proofread by Amanda Cossham, based on the guidance provided in the IPEd Guidelines for Editing Research Theses (rev. 2019).
Dedication

I dedicate this thesis to my beloved parents and to my wonderful wife Norah.
Abstract

**Background:** Long dependent on its oil resources, the Saudi government has come to realise that economic diversification is an essential aim if the country is to continue to develop and prosper. The private sector is seen as a major source of this change and the issue of entrepreneurship has risen up both the policy and research agendas. With entrepreneurship closely associated with Western values and practices, in particular those of the United States, the desire to energise the private sector in the Kingdom of Saudi Arabia has led to questions concerning its culture, its business ideology and, on a practical level, its entrepreneurial ecosystem. These questions ask how culturally, ideologically and practically prepared the kingdom is to support private business endeavour among its population. It has long been part of Saudi business ideology that big is best. Large-scale corporations are seen as a source of strength and security in the developing kingdom. However, this has come at the expense of recognition of the importance of small-scale entrepreneurs who have lacked the social acceptance widely seen elsewhere. Small-scale entrepreneurship is known to be a vital source of economic growth and employment opportunities and so encouraging this group should be a vital policy goal and understanding them an important research goal. Hence, this research pursues answers to a set of research questions aimed at shedding light on the mindset of Saudi’s aspiring entrepreneurs, on how they are experiencing the Saudi entrepreneurial ecosystem, the role of culture in the entrepreneurial process, and, on a practical level, what can be done to improve the current ecosystem and encourage more entrepreneurial intention to become action.

**Methods:** To add to understanding of such issues, this research examines the experiences and perceptions of aspiring entrepreneurs attending a mentorship program in the capital, Riyadh. The participants were observed and interviewed when applying to, attending and reflecting on the program, providing an original and rich picture of the experiences of this important cohort. The research includes a literature-based review using Isenberg's Model of the Entrepreneurial Ecosystem to evaluate the country’s readiness for entrepreneur-led diversification. A review of theories aimed at understanding the entrepreneurial mindset led to the setting of a conceptual
framework that was subsequently used as a theoretical lens to interpret the findings of the study. The dataset comprised unstructured observations noted by the researcher over a period of 12 months combined with transcripts of 12 semi-structured interviews with aspiring entrepreneurs, eight mentees and four others who had unsuccessfully applied to join the program, generating vast quantities of notes and interview transcripts extended to 280 pages which required a great deal of organising. The analysis followed Eisenhardt’s (1989) eight steps approach to comparative case studies and includes within-case, cross-case, and deviant case analysis.

Main Findings: A set of themes and subthemes emerged from the analysis through an inductive process; these identified and organised the findings. The study found that idea formulation and the initial development of intention occurred for different reasons among the participants. Some experienced a moment of discovery; others had had enough of their current circumstances; and for others it was the result of a gradual build up. Further, the study found that despite the policy support for entrepreneurship, at a societal level there was yet to be acceptance of small-scale entrepreneurship as an alternative to conventional employment. As a result, participants were found to be facing considerable social pressures from their social networks guiding the aspiring entrepreneurs back towards a more socially acceptable path. Alongside these external pressures, the internal pull towards the security of salaried employment, particularly in the public sector, was found to be present in the minds of many participants. In other words, it was the informal cultural aspects of the entrepreneurial ecosystem that were preventing, in some cases, intention turning to action.

On the role of culture in shaping the entrepreneurial mindset, the research found that it was, in fact, economic ideology in the form of long-standing public sector corporatism that was behind the shunning of entrepreneurship by large parts of the population. However, it was also found that the aspiring entrepreneurs in the study displayed cultural values, such as individualism, that one would expect to find in countries more closely associated with entrepreneurship such as the United States. This contrast potentially suggests a generational difference in attitudes with older generations taking longer to respond to the new pro-entrepreneur messaging of the country’s leadership. Furthermore, one of the most common responses to the social pressures was social isolation from extended family and friends with a strong perception that entrepreneurs would inevitably follow a lonely path. This is in stark contrast to the traditionally prominent role played by such networks in this collectivist society. The importance of
knowledge localisation also emerged as a finding as participants responded to the Westernised content of their mentorship programme. The study found that only one of the participants actually started their business during the 12-month fieldwork period. The most prominent factors in this appeared to be social pressures and the relative security and conventionality of employment. Hence, the overall finding was that the three factors of entrepreneurial mindset, culture and entrepreneurial ecosystem are important mediators, or influencers, in the relationship between entrepreneurial intention and entrepreneurial action.

**Implications:** The theoretical implications of this study are that relationship between entrepreneurial action is influenced through three main factors: the entrepreneurial mindset, culture, and the entrepreneurial ecosystem. Furthermore, certain constructs within the literature on the entrepreneurial mindset proved useful in interpreting a qualitative dataset. These included hierarchy of volition, opportunity versus necessity and the intention-action gap. Other constructs relied more on the availability of quantitative data to measure values and perceptions and so were less useful as explanatory tools in this research. Crossvergence was one such example. A conceptual framework situating entrepreneurial mindset, culture, and entrepreneurial ecosystem as influencing factors in the relationship between entrepreneurial intention and entrepreneurial action which was formed deductively from the existing literature was confirmed by the findings. On a practical level, the main contribution this research makes is to offer a rich picture of the lived experiences of aspiring Saudi entrepreneurs negotiating both cultural and social influences as well as the entrepreneurial ecosystem. In doing so, the research and its main findings should be of interest to actors within the entrepreneurial ecosystem in Saudi Arabia as well as researchers active in this field, in particular to those people involved in business education, mentoring or other ways of assisting early stage entrepreneurs. For both practitioners and researchers, a set of practical recommendations is included at the end.
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Chapter 1: Introduction to the Research

1.1 Introduction

The role of the entrepreneur in the economic development of any country has long been recognised. However, the dominant framing of entrepreneurship in popular culture and academic theories of entrepreneurship have for more than a century been those emerging out of Western nations. All countries need entrepreneurs to innovate and create new enterprises whatever their cultural values and economic ideologies. It would be simplistic to view countries with cultures which contrast with those of the West as unsuited to entrepreneurialism; and yet precisely whether it is culture or the entrepreneurial ecosystem prevailing in an economy which most influences the level of entrepreneurial activity is by no means a settled debate. This thesis reports research into entrepreneurship in Saudi Arabia. To understand the country’s entrepreneurial ecosystem and the mindset of Saudis with entrepreneurial intentions, the researcher undertook a study which gave voice to this group as they negotiated the early stages of the entrepreneurial process while attending an entrepreneurship mentoring program in Riyadh, the Saudi capital.

The aim of this first chapter is to introduce the research. As part of this, the background to the research, the Saudi context, is briefly described with a focus on why entrepreneurship has become a central national issue. The need to consider the role of culture when researching in the field of entrepreneurship is also explained. After this the chapter presents the aims, objectives and research questions of the research followed by a brief summary of the methodological approach taken. A further section identifies the research gap that this study aims to fill and what other contributions are anticipated. Some of the key terms and concepts that appear regularly in subsequent chapters are then defined and briefly explained. The chapter ends by setting out the structure of the thesis and providing a description of the aims of each subsequent chapter.

1.2 The need for entrepreneurship in Saudi Arabia

During the oil boom between 2003 and 2013, the Kingdom of Saudi Arabia experienced a substantial degree of modernisation that changed its society in many ways. This boom created 1.7 million jobs, encouraged massive investments in health, education and infrastructure, and generated a 75% increase in household income (McKinsey 2015;
Mohammad & Ahmad 2012). Regardless of the significant levels of socio-economic development that Saudi Arabia achieved in the last decade, its economy is still considered a single resource-based economy (Saudi Arabia Business Forecast Report [SABF] 2015; Zahra 1999).

In the past decades, the Kingdom of Saudi Arabia has failed to diversify its economy, despite recognition of the need to do so. A study by Gylfason (2001, p. 858) concluded that “nations that believe that natural capital is their most important asset may develop a false sense of security and become negligent about the accumulation of human capital”.

King Faisal of Saudi Arabia (1964-1975) once said: “In one generation we went from riding camels to riding Cadillacs. The way we are wasting money, I fear the next generation will be riding camels again” (Gylfason 1984, p. 8). A Ministry of Economy and Planning report stated that the main strategic objectives of economic transition are to diversify the economic base from oil, to achieve balanced growth, and to attract the private sector to undertake a leading role in development (Ministry of Economy and Planning, 2014). In 2016, the then Deputy Crown Prince Mohammed bin Salman referred to the kingdom being “addicted to oil” (Reuters 2016). As Saudi Arabia faces critical economic challenges, achieving these strategic objectives is crucial to transform its economy to a more sustainable one that is less oil-dependent (McKinsey 2015). Consequently, the economy is at a crossroads, where the government is planning to shift from a government-controlled economic model to a free market-based approach (McKinsey 2015; SABF Report 2015). Thus, one of the most significant policy developments that would contribute considerably to the kingdom’s economic and social transformation is to support and encourage entrepreneurship (McKinsey 2015).

The most high-profile leadership encouragement and policy initiatives have come in the form of Vision 2030. Vision 2030 is the new Saudi Arabian blueprint, the main theme of which is to move the country away from centrally planned, state-led growth and on to a future in which the private sector, fuelled by entrepreneurship, can supplant the state in creating economic growth and jobs (Assaf 2017). The stated aims are ambitious: small and medium-sized enterprises (SME) GDP contribution to rise from 20% to 35%, unemployment to be reduced from 11.6% to 7%, and non-oil share of exports to grow from 16% to 50% (Vision 2030 2017). Although these targets are ambitious, there is evidence from the Global Entrepreneurship Monitor (GEM) that the Saudi population
may be equipped to rise to this challenge. On their measure of ‘Entrepreneurial Spirit’ GEM researchers found Saudi Arabia scored highest among the 54 countries surveyed (Global Entrepreneurship Monitor 2018). The nature of the challenge facing the nation’s leadership was made clear in other findings related to the entrepreneurial ecosystem currently in place. In areas such as entrepreneurship education, the country was one of the poorest in the survey. Both Vision 2030 and the results of the GEM survey are considered in more depth in Chapter Two.

1.3 Understanding the cultural context

For the purposes of the present study, the researcher assumes that national culture affects levels of entrepreneurialism. This assumption is based on both the evidence found in the literature and the fact that the present study is undertaken in the context of a high contrast national culture, Saudi Arabia. To use another concept, Saudi Arabia is a country with cultural distance between it and some countries most closely associated with entrepreneurialism such as the United States. Cultural distance has been defined as “the degree to which cultural values in one country are different from those in another country” (Sousa & Bradley 2006, p. 52). Furthermore, based on existing literature, the present study assumes that Saudi Arabian entrepreneurship is subject to a range of informal and formal barriers (Abu Bakar et al., 2017; Alammari, 2018; Alessa, 2018). A fuller discussion of barriers is found in Chapter Three.

Unlike many other regions in the globe, the youth of the Arab region are the most likely to indicate an interest in creating their own ventures, but at the same time they are less likely to act (Jones & Punshi 2013). A study by Louw et al. (2003) found that aspiring entrepreneurs from different cultural backgrounds possess different kinds of entrepreneurial abilities. Furthermore, the values and beliefs of a national culture have a significant association with the rate of start-ups (Carree et al. 2007; Davidsson & Wiklund 1997). These views have been supported by several studies that have identified the influence of culture on entrepreneurial activities (Pinillos & Reyes 2011; Rinne et al. 2012; Stephan & Uhlaner 2010; Sun 2009; Williams & McGuire 2010). Accordingly, the concept of culture needs to be examined in more depth to develop a clear view of the research problem.
Middle Eastern countries, including Saudi Arabia, are adapting Western knowledge and practices (Carrillo et al. 2008). Saudi Arabia has been sending its youth to Western countries to complete their undergraduate and graduate degrees in massive numbers over the last decade (Oxford 2015). Moreover, Saudi Arabia has signed agreements for knowledge transfer with many Western universities and well-known institutions or companies such as Harvard University and Alcoa Corporation (Alarabiya.net 2015; Reuters 2009). Furthermore, research in this area is frequently carried out by Western scholars, while most of the entrepreneurship knowledge and practices are mainly grounded in Western standards and methodologies and within a Western context, to promote entrepreneurship in non-Western countries (Kayed & Hassan 2010). Employing this knowledge and associated practices in non-Western countries has caused cultural values to collide, which has an impact on social, economic and legal systems (Kayed & Hassan 2013; Ralston 2008). This raises questions of whether seeking to use Western knowledge of entrepreneurship is appropriate or whether Saudi Arabia should be developing its own form of entrepreneurship that aligns with the country’s cultural values.

1.4 Aims, objectives and research questions

The overall aim of research is to make something known that was previously not part of human knowledge. Within this, a researcher may aim to explain an emerging phenomenon, investigate an existing problem, generate new knowledge, develop a new system or procedure, offer solutions, or any combination of these (Hussey & Hussey 1997). The research aim is similar to an overarching research question which provides direction to the study, including research design (Agee 2009).

Creswell (2003) states that the role of research questions is to invite discovery and exploration. However, it is not possible to address all the questions that may come to a researcher’s mind when planning their research project therefore the selection of research questions has a delimiting effect on the research (Bryman 2007). According to Bryman (2007) selected research questions should be interrelated to provide focus in the research. Furthermore, they should be capable of being researched and be related in some way to existing literature, whether theory or empirical research. Additionally, there should be a reasonable prospect that the question(s), when addressed through the research findings, could make an original contribution to the understanding of the topic at hand (Bryman
A qualitative researcher needs to “articulate what a researcher wants to know about the intentions and perspectives of those involved in social interactions” (Agee 2009, p. 431).

Research objectives guide the activities of the researcher; they explain with clarity the main actions or sets of actions that the researcher plans to undertake in pursuit of the research aim. (Agee 2009; Bryman 2007; Creswell 2003). The objectives may be undertaken sequentially and relate most closely to a particular chapter in the thesis report, which is the approach taken in this thesis. So, guided by these recommendations, an aim, research questions and objectives are set as follows:

**Research aim:** To investigate and explain how aspiring Saudi entrepreneurs experience entrepreneurship and progress towards setting up a business.

**Research Question 1** What characterises the entrepreneurial mindset of aspiring Saudi entrepreneurs?

**Research Question 2** What role does Saudi culture play in today’s entrepreneurship?

**Research Question 3** How do aspiring Saudi entrepreneurs experience and use the entrepreneurial ecosystem in Saudi Arabia?

**Research Question 4** How can the Saudi government improve the entrepreneurial ecosystem?

To meet the overall aim and address the research questions, the following specific objectives have been set and the main chapter in which they are reached is indicated.

**Research Objective 1** To undertake a thorough review of literature and secondary data sources to establish what is known about the Saudi entrepreneurial ecosystem (Chapter Two).

**Research Objective 2** To evaluate which theoretical approaches to the entrepreneurial mindset and entrepreneurial behaviour can form a general framework for the present study (Chapter Three).

**Research Objective 3** To establish a methodology and research design coherent with the research aim and addressing the research questions (Chapter Four).
Research Objective 4 To present the perceptions of aspiring Saudi entrepreneurs as they experience the early stages of entrepreneurship (Chapter Five).

Research Objective 5 To evaluate the research findings and use the conceptual framework to interpret and discuss them (Chapter Six).

Research Objective 6 To provide conclusions and meaningful recommendations for practitioners, policymakers and researcher based on the current research findings and the opportunities for further research. (Chapter Seven).

1.5 Methodology

To answer the research questions, this study needed to investigate aspiring Saudi entrepreneurs in-depth and within a real-world context. Therefore, this study employs a comparative case study approach to examine the cases of a cohort of aspiring entrepreneurs in Riyadh. In applying to undertake a mentorship program at a provider based in the city, this cohort had stated their entrepreneurial intentions and their desire to develop entrepreneurial knowledge and skills to transform a potential business idea into a successful start-up. The design and operationalising of the study were guided by Eisenhardt’s (1989) approach to comparative case study designs and theory building. This approach includes an eight-step process guiding the research from start to finish.

In total, the field work and data collection process took 12 months. It started with observations of these aspiring entrepreneurs and the way the training and development was delivered over the period of the entire program, and then by conducting individual in-depth interviews with each of the aspiring entrepreneurs held some months after the program had finished. Three forms of analysis were performed on the data: within-case, cross-case and deviant case analysis.

The primary data collected in this study is qualitative. The reason for adopting qualitative methods can be summarised as a desire to go beyond the plentiful statistical analysis of the research problem and deeper into the lived experiences and nuanced perceptions of individual aspiring entrepreneurs. The researcher also believes that data based on real human experience is particularly powerful and can often be more compelling than quantitative data.
1.6 Research gap and intended contributions

The research presented in this thesis is predicated on the existence of a lacuna in entrepreneurship literature in the Saudi context. Specifically, existing research has mostly examined the entrepreneurial intentions of cohorts of business students and has done so using quantitative methods (Welsh et al. 2014; Danish & Smith, 2012; Ali 2016; Naushad 2018). There has been qualitative research conducted in this field, but this has focused on older, established entrepreneurs and their motivations (Ahmad 2011; Alessa 2018). In the present study, a different group is studied: post-university aspiring entrepreneurs. This is an important group and includes men and women, the employed and the unemployed, and people of differing levels of academic attainment but all with at least an undergraduate degree. If Saudi Arabia is to achieve an entrepreneurial future this is an important group to understand. With this understanding it will be easier to formulate the support that this group needs to turn entrepreneurial intention into action.

This study will lead to new insights into how entrepreneurship can be hindered in a specific context. It will shed light on the experiences of Saudi aspiring entrepreneurs and aim to provide answers as to why Saudis perceive opportunity and develop an entrepreneurial intention, but in many cases fail to take the crucial step of actually starting a business. It will investigate which factors are influencing individuals during this phase: ‘soft’ influences such as culture and social attitudes or ‘hard’ ones including finance and regulation. In doing so, the authentic voices of aspiring entrepreneurs will be heard at a time when they are actively preparing for the launch of their own business while attending an entrepreneur mentoring program.

At the theoretical level, this thesis develops a conceptual framework and applies it as a lens through which to seek a more in-depth understanding of the factors mediating the path from entrepreneurial intention to entrepreneurial action.

1.6.1 Potential contributions of the research

The primary role of theory in the present research is to provide a conceptual framework as a lens through which the researcher can discuss, evaluate and interpret the findings of the present study. Rather than apply a single theoretical approach, the thesis identifies a series of theories and theoretical constructs that form this explanatory conceptual
framework. The framework is presented in Chapter Three and is returned to in Chapter Six where the research findings are discussed and evaluated in the light of this conceptual framework. Where these theories and constructs are confirmed and/or developed by the findings, this is included as part of the discussion.

Much of the previous research in this field has used undergraduate student samples (Autio et al. 2001; Chen et al. 2015; Engle et al. 2010; Krueger et al. 2000; Lüthje & Franke 2003; Zhao et al. 2005). Indeed, Schlaegel and Koenig (2014) found that this was the case for 70% of the studies included in their meta-analysis. Four studies of entrepreneurial intentions in Saudi Arabia also used samples of business undergraduates (Ali 2016; Almobaireek & Manolova 2012; Aloulou 2016; Naushad 2018). One Saudi study that used qualitative methods to explore entrepreneurship was found, but the cohort was very different with older long-established entrepreneurs participating. The current study adopts a sample of aspiring entrepreneurs who are either unemployed or intending to switch from their salaried employment to become self-employed or start a company. This is a significant contribution because these groups are important potential sources of new entrepreneurs in the kingdom.

Furthermore, each of the aforementioned Saudi studies that applied quantitative methods measured variables such as perceived behavioural control, attitude towards behaviour, and perceived self-efficacy. This research uses qualitative methods to develop a more in-depth understanding of the mindset of Saudi aspiring entrepreneurs as they negotiate the entrepreneurial ecosystem, cultural values and societal attitudes during the preparatory stages of the entrepreneurial lifecycle. As there is very little qualitative research in this field, the present study makes a contribution by providing a research design that could be used and developed in future research.

Finally, this thesis contributes an example of the comparative case study approach by analysing multiple cases of aspiring Saudi entrepreneurs to understand the phenomenon of interest. More specifically, it offers an example of the application of the eight-step process proposed by Eisenhardt (1989) for conducting comparative case studies.
1.6.2 Empirical and policy contributions

As Iakovleva and Kolvereid (2009) state, “gaining a better understanding of the real antecedents of entrepreneurial intentions enables us to create mechanisms to facilitate entrepreneurship” (p. 79). Since the government of Saudi Arabia has allocated its resources and developed policies and procedures to accelerate the creation of new business ventures (Khan 2013; Mohammad & Ahmad 2012), this research aligns with the socio-economic direction that the government is pursuing. The study will potentially make a significant contribution to the development of entrepreneurship in Saudi Arabia and will aid decision-makers in improving how aspiring entrepreneurs can be identified, trained, and guided. In other words, this information should assist trainers and government policymakers to more precisely target the most effective initiatives for entrepreneurial activity.

1.7 Key terms and concepts

Before proceeding to Chapter Two, which examines the Saudi Arabian context of this research, it is important to briefly clarify three concepts that are fundamental to the subsequent chapters: the entrepreneurial ecosystem, the entrepreneurial mindset, and aspiring entrepreneurs.

1.7.1 Entrepreneurial ecosystem

An entrepreneurial ecosystem is a framework of actors, organisations and policies that can either enable or constrain entrepreneurial action. A positive entrepreneurial ecosystem will lead to value creation through innovative and high growth start-ups which in turn will lead to higher productivity, increased employment opportunities and improved economic wellbeing (Feld 2012; Isenberg 2010; Stam 2015). The entrepreneurial ecosystem in Saudi Arabia is the core subject of the second chapter.

1.7.2 The entrepreneurial mindset

The entrepreneurial mindset is one which arises from the ability to “sense, act, and mobilize” even in uncertain conditions (Haynie et al. 2010, p. 218). It enables an individual to move from opportunity to intention and then to action. Individuals with an entrepreneurial mindset are able to identify opportunities that others do not. They are capable of mobilizing new and existing resources towards their entrepreneurial goals.
(Haynie et al. 2010). The literature debates whether this mindset results from innate personality traits (i.e. born with) or abilities that are learned and developed. The entrepreneurial mindset is the central concept of Chapter Three.

1.7.3 Aspiring entrepreneurs

Entrepreneurship can be viewed as a process or lifecycle with entrepreneurial value creation mirroring biological creation (Wagner 2006). The process has a series of stages and transitions. The first transition occurs when a person or persons begins to devote time and resources to starting a new venture. Where this happens independently (i.e., not as part of a larger organisation) those involved can be referred to as aspiring entrepreneurs (Wagner 2006). In other words, these entrepreneurs are in a preparatory stage prior to the launch of their ventures. It is this group that are the subjects of the present study.

1.8 Structure of the thesis

The work is presented in seven self-contained chapters. Following this introductory chapter, Chapter Two presents the context of the study, Saudi Arabia, to inform the reader why the study of entrepreneurialism in the kingdom is particularly relevant and timely. After a high-level review of the government, demographics and the Saudi economy, the chapter considers the current state of entrepreneurial activity and assess the existing entrepreneurial ecosystem along with the stated policy ambitions of the Saudi government as represented in its Vision2030 document. Key groups of aspiring Saudi entrepreneurs (women, the young and the unemployed) are discussed before considering how Saudi cultural values may influence the level and form of entrepreneurialism in the kingdom.

In Chapter Three, attention turns to theory and the entrepreneurial mindset. A range of theoretical constructs relevant to the study of entrepreneurialism are discussed in order to provide the present study with an explanatory framework. Some of these constructs suggest ways of predicting entrepreneurial behaviour and are more cognitive in nature. Others are more concerned with the cultural influences at play. Taken together these theoretical perspectives form an explanatory framework that will be returned to when seeking to explain and interpret the research findings.
**Chapter Four** sets out the methodology and research methods used in the research study at the conceptual level and in the operationalising of the study. The chapter explains the approach to knowledge taken and the qualitative research paradigm adopted. The framework for the comparative case study research design, first proposed by Eisenhardt (1989), is also justified. Further sections describe what the researcher did to execute the study and then analyse the data it collected. The limitations of the methods, including questions of generalisability, are discussed. Consideration is also given to the ethical dimensions of the research.

In **Chapter Five**, the findings of the qualitative research study are presented. This is first given as within-case analyses followed by cross-case analyses organised according to the themes that emerged during data analysis. Thirdly, there is a deviant case presented highlighting one particular case which deviated from the others in significant regards. Representative data fragments from the transcribed interviews and observations are used throughout the chapter in order to illustrate the emergent themes. The chapter focuses on representing and exemplifying the data to inductively establish a set of themes and findings which are also related back to the conceptual framework.

**Chapter Six** then discusses the study findings, evaluating them in the light of both the conceptual framework and the research questions presented earlier in this introductory chapter. The chapter considers what the findings tell us about what both motivates and deters aspiring entrepreneurs from ultimately undertaking entrepreneurial action. It also discusses the relationship between culture and entrepreneurial action before considering the role of the government in creating a favourable entrepreneurial ecosystem in the kingdom.

The final chapter, **Chapter Seven**, summarises the thesis, presents the main conclusions and then offers recommendations for policy, practice and further research.
Chapter 2: Saudi Arabia and its Developing Entrepreneurial Ecosystem

2.1 Introduction

The purpose of this chapter is to provide context to the present study from high level governance, demographic and economics to more detailed explanation of current policies affecting entrepreneurship in the kingdom. Drawing on official documents, statistics and empirical work, the chapter presents the current realities of a country and an economy poised for a period of transformative change, part of which will be dependent on a greater role for the private sector which will require both new government policies and greater levels of entrepreneurial input from Saudi citizens than has previously been seen. The chapter presents an assessment of whether Saudis have a propensity toward entrepreneurialism and, if so, how this propensity experiences and negotiates the national entrepreneurial ecosystem. The national culture of Saudi Arabia is also evaluated for its potential influence on social attitudes to entrepreneurship.

2.2 Establishment and government

The modern realm of the Kingdom of Saudi Arabia was declared in 1932. Its first king was Ibn Saud, from whom subsequent monarchs are descended. By this time the House of Saud had ruled various other forms of Arab and Saudi domains since the mid-eighteenth century (Al-Rasheed 2010). There is no legally binding written constitution; however, the Basic Law of Governance adopted by royal decree in 1992 states that the Qur’an and the Sunna are the country’s constitution. Article 44 of the Basic Law states that the monarch is the ultimate arbiter of the kingdom (Fanack 2017). Hence, the Saudi government is controlled by an absolute monarchy; the King is head of state and head of government, and he is also the commander-in-chief of the military. Royal decrees have the power to overrule any judicial or administrative decision. The large size of the ruling family makes it possible to extend its control throughout the political structures of the state. As well as the executive branch of government, both the judicial and legislative branches are appointed by and serve at the pleasure of the monarch (Fanack 2017).

The Basic Law asserts the independence of the judiciary, which is represented by the Supreme Council of Justice and comprises twelve judges, all of whom are appointed by
the King according to recommendations of the Council members. The monarch, as mentioned, acts as the last point of appeal and has the power to pardon. The Supreme Council has the authority to appoint, promote, and transfer lower-level judges. While in theory the judiciary is only answerable to the Holy Qur’an and the Sunna, in practice the monarch can intervene in any judicial proceedings through the use of royal decrees (Fanack 2017).

The legislative branch comprises a Council of Ministers which is responsible for drafting legislation to be presented to the monarch; the council is appointed by the monarch. Ministers are appointed for four-year terms but can be dismissed at any time by royal decree. Another significant body in Saudi Arabia is the Council of Ulama which comprises the country’s leading Islamic scholars. The unwritten pact between the monarchy and the ulama exchanges support for the former’s supremacy and policy agenda with protection of the Wahhabist foundation of the nation. However, the pact may come under strain should the ruling family need to transform the nature of the Saudi social model to meet its challenges (Al-Rasheed 2010). At the local government level, the

Figure 2-1: Map of Saudi Arabia showing 13 provinces
The kingdom is divided into 13 provinces (Figure 2-1) which are then subdivided into governorates and then municipalities.

A 1992 royal decree, ‘The Law of the Provinces’, gives the legal framework for the administration of the provinces. Most governors and deputies come from the House of Saud and are appointed to their positions by royal decree. The governors are responsible to the Interior Minister who recommends to the King who to appoint.

Democratic processes in Saudi Arabia are very limited. In 2005, municipal council elections were held in which only male Saudi citizens over 21 could participate and the same was true of the following polls held in 2011. Only half the seats on each council are elected with the other half being appointed. Having mooted women’s enfranchisement in 2011, Saudi women participated for the first time as both candidates and voters in the 2015 elections (Quamar 2016). There are mixed views on the importance of this recent enfranchisement of women. One the one hand this have been viewed as a significant work in progress (Quamar 2016) while elsewhere the interpretation is that women’s voting rights in the municipal elections are largely symbolic in nature due to the lack of real power the municipal councils have (PR Newswire 2017).

Since the founding of the kingdom, political parties have been banned and while some petitions for reform have been made none have been ceded to. Indeed, groups that have engaged in something akin to political activities have been accused and sentenced for ‘disobeying the Wali al-amr’, which translates as disobedience of the King.

2.3 Saudi Arabian demographics

The population of Saudi Arabia in 2018 is estimated to be 33.4 million according to the General Authority for Statistics (GAS) (GAS 2010). It is expected to reach 37.6 million by 2025 (GAS 2010). Approximately 62% of this population is Saudi and 38% non-Saudi. Of the Saudi population, 63% of adults are aged 15 to 39. This aspect of the country’s demographics is very interesting and pertinent to this research, because it illustrates that nearly two out of three of Saudi citizens are young, and at that stage of life young people have the potential opportunity to become entrepreneurs (Athayde 2009). Also, the growing population gives a clear indication on how large the domestic demand will be for goods, services and infrastructure (SABF Report 2015). This growth will increase the
demand for goods and services as well as jobs. With shifting demand patterns, young Saudi Arabians should begin to shift their attention to creating their own jobs rather than looking for jobs (Salem 2014). While some developed countries are grappling with issues related to an aging population Saudi Arabia has a large and growing pool of human resource to face the challenges described later in this chapter.

2.4 The Saudi economy

Saudi Arabia is the 19th largest economy in the world with a nominal GDP of US$ 707.379 billion (International Monetary Fund 2017). Taking the last quarter of a century into account, the kingdom has experienced average annual growth rates of more than 4% (Vision 2030 2017). However, according to World Bank data (2017), Saudi Arabia is currently in a period characterised by low GDP growth (1.4% in 2016, 0.6% in 2017). This low growth is set to continue, at least in the short term.

The Saudi economy is strongly dominated by the government and the ruling House of Saud. For example, it is stated in Article 14 of the Basic Law of Governance 1992 (Ministry of Foreign Affairs 2015) that all natural resources are owned by the government, including the utilisation, protection, and development of these resources. With a quarter of the world’s proven oil reserves within its territory any discussion of the Saudi economy seems to include the words ‘oil dependent’ prominently and this is not without justification.

In 2016, 28% of the country’s GDP comprised oil producer values (OEIC 2017). The state obtains 72% of its revenues from oil (BBC News 2016) and so it is easy to see that low oil prices can have a dramatic effect on the kingdom. With 10.5 million barrels produced daily (OEIC 2017), changes to production levels and price have a considerable effect on the performance of the Saudi economy that other sectors struggle to compensate for. The then Deputy Crown Prince Mohammed bin Salman, when launching the strategic plan for the kingdom entitled Vision 2030, referred to Saudi Arabia as a nation addicted to oil (Kottasova 2016). From 2014 to 2015 the kingdom experienced a massive shrinkage in GDP from US$756 billion to US$654 billion. This more than $100 billion contraction reflected a dramatic swing in the price of oil. In mid-April 2014 the price of a barrel of crude oil stood at US$104 but by February of 2016 it had plummeted to less than US$30
a barrel (investing.com 2017). While oil production remains profitable with a per barrel price anywhere over US$10, the Saudi government’s finances as then constructed (i.e. prior to the reforms) only balanced with an oil price of at least US$86 per barrel (Kottasova 2016). While the oil price collapse just described brought urgency, it would be wrong to think that the downsides of oil dependence have only just occurred to the Saudi leadership.

Diversification has appeared on the economic policy agenda since the 1970s (Kinninmont 2017). There have been some diversification successes, often overlooked: including the development of the country’s infrastructure, developing further up the crude oil value chain (refined petroleum, petrochemicals and plastics) and the establishment of major new industrial cities and Yanbu and Al Jubail (Kinninmont 2017). In addition, for the last five decades, the government has been actively promoting investment into sectors such as telecommunications, power generation, petrochemicals, and natural gas exploration (Albassam 2015). There has also been an understanding that to underpin non-oil growth, a stable banking system needed to be developed and the number of commercial banks grew to the 12 is today. Furthermore, 11 foreign owned banks have branches in the kingdom (Sillah & Khan 2014).

Expanding the non-oil economy is a key part of the Vision 2030 transformation plan, but the latest data shows that this is proving difficult. Data published in October 2017 showed non-oil annual growth of less than 1% (Nereim 2017). Describing investment risk in the kingdom, PR Newswire (2017) opined that “The corporate sector will face a much more challenging macroeconomic environment, amid contractions in public spending, rising energy costs, and tightening liquidity.” Clearly, non-oil entrepreneurship is vital for the kingdom to reach its goals.

One indicator of an entrepreneurial economy is the presence of a large SMEs sector. In some emerging economies SMEs contribute up to 40% of GDP and employ 60% of the workforce (World Bank 2015). In Saudi Arabia, the current level of SMEs contribution to GDP is 20% though the government has set an objective of raising this to 35% as part of Vision 2030 (Assaf 2017).
2.5 Evaluating the Saudi entrepreneurial ecosystem

One of the foremost models for analysing entrepreneurial ecosystems was put forward by Harvard professor Daniel Isenberg (2011; 2010). His model comprises six main components: policy, finance, markets, culture, supports and human capital as shown in Figure 2-2.

The Saudi entrepreneurial ecosystem can be evaluated using Isenberg’s model under its six main headings.

2.5.1 Policy

According to Isenberg (2011) there are three main elements to the policy component of an entrepreneurial ecosystem: public leadership support, the regulatory framework, and policy statements about entrepreneurship. In his article proposing how governments can create an entrepreneurial ecosystem to jump start the creation of new businesses, Isenberg described Saudi Arabia as “a nation with a dearth of entrepreneurial ventures (aside from the powerful family business groups)”, but acknowledged that “is fighting hard to tear down the numerous structural and cultural obstacles entrepreneurs face” (2010, p. 7). It
is true that historically, there has been a lack of entrepreneurial uptake in Saudi Arabia. Kayed and Hassan (2011) concluded that economic development and entrepreneurship cannot flourish under the current bureaucratic system and will end up wasting the public wealth without any significant improvement being made. They also suggested that entrepreneurship will occur in Saudi Arabia when a commitment by the government is established to allow all opportunities to be exploited by its people. A study by Bokhari et al. (2012) found that the Saudi government should put more focus on local entrepreneurial projects and align the country’s economic development plans with the basic entrepreneurship agenda in order to create a more innovative and creative society. In the most recent years, re-motivated by the shock deficit in government oil revenues, it appears that things may be moving in the direction these authors suggest.

Notwithstanding the highlighted deficiencies, the Saudi government has for some time recognised the role that the private sector will have in securing the long-term future of the kingdom. It has also expressed its understanding of the need to compete in global markets, something demonstrated when it joined the World Trade Organisation (WTO) in 2005. Entrepreneurialism is therefore encouraged in a number of ways. The Saudi government has long wanted a greater role for the private sector in the economy of the kingdom. Historically, large sectors of economic activity have been held in government hands, but a process of privatisation is underway. At the same time that Saudi Arabia joined the WTO, the WTO identified a long list of state owned or state-controlled assets that it believed were receiving favourable treatment and should be moved into the private sector (Burton 2016). There has been some degree of privatisation since this time but progress has been relatively slow (Burton 2016). The publication of Vision 2030 and the need to rebalance the public finances suggests a greater impetus appeared from 2016. The most high-profile privatisation to date has been that of Saudi ARAMCO, the majority state-owned oil company. It is particularly notable because while an earlier disposal of shares (7%) was made to Saudi citizens (Burton 2016), the forthcoming tranche is to be sold in an initial public offering (IPO) with shares being listed on an exchange outside of the Kingdom to foreign buyers (Pickard et al. 2017).

As noted, the most high-profile leadership encouragement and policy initiatives have come in the form of Vision 2030. Vision 2030 is the new Saudi Arabian development blueprint, the main theme of which is to move the country away from centrally planned,
state-led growth and on to a future in which the private sector, fuelled by entrepreneurship, can supplant the state in creating economic growth and jobs (Assaf 2017). The stated aims are ambitious: SME GDP contribution to rise from 20% to 35%, unemployment to be reduced from 11.6% to 7%, and non-oil share of exports to grow from 16% to 50%.

The chastening experience of the oil price collapse of 2014 described above reinforced the need for the government to reduce its reliance on oil for public spending. Hence, to understand the government’s official stance on entrepreneurship the starting point is the Vision 2030 document. The strategy recognises a clear link between education and the new entrepreneurial economy. It addresses the widespread belief that the Saudi education system has, hitherto, not reflected the needs of the private sector:

> ... a thriving economy provides opportunities for all by building an education system aligned with market needs and creating economic opportunities for the entrepreneur, the small enterprise as well as the large corporation. (Vision 2030 2017, p. 13)

The huge investment in university scholarships is also being refocussed away from the public sector and towards the country’s future needs:

> Our scholarship opportunities will be steered towards prestigious international universities and be awarded in the fields that serve our national priorities. We will also focus on innovation in advanced technologies and entrepreneurship. (Vision 2030 2017, p. 36)

This guiding strategic document recognises the need for new SMEs to be created to diversify the economy. In one relevant passage referring to expanding the role of SMEs in the economy it states:

> Therefore, we will strive to create suitable job opportunities for our citizens by supporting SME entrepreneurship, privatization and investments in new industries. To help us achieve this goal, we have established the SME Authority and we will continue
encouraging our young entrepreneurs with business-friendly regulations, easier access to funding, international partnerships and a greater share of national procurement and government bids. (Vision 2030 2017, p. 36)

As the strategic document points out, SMEs have a substantially smaller role in the Saudi economy than they do in more developed economies (Vision 2030 2017). A familiar theme of private sector stimulus policies concerns ‘red tape’, bureaucratic barriers to entrepreneurialism. Obstacles to SME development are identified as “slow and complex legal and administrative procedures”, difficulties in attracting the necessary talent (public sector careers and more latterly major corporate private sector roles have long been seen as more prestigious than employment at an SME) and lack of access to finance (2017) (Vision 2030 2017). These are significant challenges inhibiting entrepreneurialism in the kingdom and are recognised by the government which has resolved to lower these barriers.

The recently established SME Authority plans to review laws and regulations thoroughly, remove obstacles, facilitate access to funding, and enable youth and entrepreneurs to market their ideas and products. These will aid entrepreneurs in developing their skills and networks. (Vision 2030 2017, p. 37)

The Kingdom plans to raise the contribution of SMEs from the 2017 level of 20% of GDP to 35% (Vision 2030 2017). Vision 2030 reflects the government’s expectation that it is the kingdom’s youth that will drive this growth and that its demographics are a potential source of national competitive advantage,

While many other countries are concerned with aging populations, more than half of the Saudi population is below the age of 25 years. We will take advantage of this demographic dividend by harnessing our youth’s energy and by expanding entrepreneurship and enterprise opportunities. (Vision 2030 2017, p. 37)
Vision 2030 reveals much of where the government expects the new wave of entrepreneurialism to emerge from. In the rapidly growing retail sector, it pledges to “increase financing of small retail enterprises to stimulate their growth and development” (Vision 2030 2017, p. 57). The vision is not only an economic one but also a fully integrated program for societal development. Science and technology, education, health and the role of women all feature strongly. The International Monetary Fund (IMF) welcomed the new strategic plan, stating that reform “momentum is strong, and good progress is being made in reform implementation”. However, it pointed out that the Saudi economy was also at risk from the uncertainty of future oil prices (International Monetary Fund 2017).

The political economy of Saudi Arabia has long been based on a social contract between the rulers of the Kingdom and their key constituencies (Kinninmont 2017). Under the contract the government uses the vast oil revenues to fund generous salaries, benefits and subsidies to Saudi citizens and provide mostly public sector employment in white collar jobs (Kinninmont 2017). A further aspect of the social contract is the absence of direct taxes (Forstenlechner & Rutledge 2010). If the social contract is not already broken, then it is certainly under pressure as the government largesse that Saudi citizens have come to expect may have to be reshaped and probably degraded (Kinninmont 2017).

While the senior leadership in the kingdom are promoting entrepreneurship and the private sector in general, there are still reports of a burdensome regulatory regime. An evaluation of the Saudi entrepreneurial ecosystem from the perspective of technology entrepreneurs includes the following extract:

*Tech entrepreneurs highlight that the procedures necessary for company establishment involve securing the approval of multiple public authorities. (Ministry of Commerce and Investment, Chamber of Commerce, the labour office, the General Organization for Social Insurance (GOSI), The Department of Zakat and Income Tax (DZIT), and the Municipality). (OC&C Strategy Consultants 2018, p. 56)*
Among the evaluation’s conclusions are that to achieve its strategic vision, the government should alter existing structures and practices to maximise the effect of the resources being applied to stimulate private sector entrepreneurship. They see technology-based entrepreneurship as central to the future shape of the Saudi economy and urge the government to align the Saudi ecosystem with global best practices (OC&C Strategy Consultants 2018).

The transformation toward entrepreneurialism and an increased status for the private sector will not be easy process following decades during which the Saudis overwhelmingly opted for the job security, higher salaries and comprehensive benefits of the public sector. The private sector was an expat domain with 85% of private sector jobs filled by non-Saudis (Kerr 2016). In 2016, in an attempt to reduce public sector costs and encourage private sector employment, the government issued a decree to freeze civil service salaries and cut other subsidies (BBC News 2016). Less than a year later new decrees were issued reversing the cuts in response to public discontent (Hubbard 2017). This example demonstrates how challenging the goal of transformative change is going to be. It is also an example of how difficult it is to resist failing back into procyclical policies when the oil price rises rather than staying with countercyclical long-term policies such as reducing government spending (Burton 2016).

2.5.2 Finance

During the last five decades the Saudi Arabian government has established a number of funds aimed at stimulating entrepreneurship (SIDF Report 2017). These include the Saudi Industrial Development Fund (SIDF), the Saudi Credit and Saving Bank (SCSB), the Centennial Fund (TCF), and the Human Resources Development Fund (HRDF). Concurrent with this, government programs have been established including the technology incubator (Badir), Kafalah, the Small & Medium Enterprises Loan Guarantee Program, and Injaz which supports young entrepreneurs (SIDF Report 2017). Kafalah is administered by SIDF, a government agency set up in 1974 (SIDF Report 2017). Kafalah guarantees loans made to SMEs by some of the country’s leading banks including the National Commercial Bank (NCB), Riyadh Bank, and Al-Rajhi Bank (SIDF Report 2017). SIDF also reports that in 2016, 3,390 guarantees were issued benefitting 1,711 SMEs. The value of the guarantees totalled SR1,828 million (approximately US$500 million) meaning the average loan amount guaranteed was US$290,000.
There is evidence of further improvement required in this area. In a survey of Saudi entrepreneurs conducted in 2009/10, Ahmad (2012) reported that the five most common difficulties they faced in starting and running their business were: access to financial support, bureaucracy, access to credit facilities, an unfriendly business environment, and lack of support from government. However, Khan’s (2013) study of the Saudi entrepreneurial ecosystem identified 15 institutions offering access to business finance for SMEs. This included 11 from the private sector and four public sector institutions. However, as Ajami (2015) points out, SMEs are defined by having 50 to 500 employees and generating at least 10 million Saudi riyals (USD $2.6m) a year. Banks, he argues, are not interested in lending to any enterprise smaller than this, meaning there is still a gap in financing for most start-ups.

2.5.3 Culture
Culture’s role in the entrepreneurial ecosystem comprises the visibility of success stories, tolerance of risk and failure, and the social status attributed to entrepreneurs by society (Isenberg 2010). In Chapter Three there is an analytical comparison of Saudi culture and that of the United States applying Hofstede’s cultural dimensions. Here further aspects of Saudi culture are considered.

First, regarding the availability of existing established entrepreneurs, it is understood that role models play an important role in encouraging entrepreneurialism in any country. Saudi Arabia has recent examples of start-up success, particularly in high technology areas; however other Middle Eastern countries have developed a stronger reputation as entrepreneurial hubs than the kingdom. These include the UAE, Lebanon and Egypt. When business magazine Forbes Middle East published its list of 100 top start-ups, ten had a Saudi founder, compared with 37 Egyptians and the same number of Jordanians. Just four of the 100 businesses were based in Saudi Arabia, compared to the 50 based in the UAE (Forbes 2018). While this is an unscientific survey from a magazine based in the UAE, it suggests there is some way to go for Saudi Arabia to be perceived as an entrepreneurial hub.

Against-the-odds and rags-to-riches stories abound around the world. While the names Jobs, Gates, Bezos and Zuckerberg may be global, Saudi Arabia has its own examples.
Abdullah Al-Munif launched a business selling chocolate-covered dates in 2003. By 2018, there were 35 boutiques selling his Anoosh branded products with exports going around the world, and the company had expanded into health and fitness, children’s fashion, manufacturing, logistics and distribution (Almunif Holdings 2018). Isenberg (2010) explains Al-Munif’s popularity as a role model: “… when Al-Munif appears as a panellist at entrepreneurship seminars, he is swamped by aspiring Saudi entrepreneurs who take inspiration from his bravery, realizing that neither capital, nor technology, nor connections are essential to success.” (p. 7). An example of the increasing numbers of female entrepreneurs in the kingdom is Dr. Lama Taher who founded a fashion brand while pursuing a successful academic career (Arab News 2018). As the government seeks to encourage entrepreneurship, home-grown role models are set to play an important role.

Abu Bakar et al. (2017) studied the propensity of Saudis to become entrepreneurs by testing the importance of a wide range of factors. Of 10 factors, four were found to be significant predictors of propensity, where propensity was measured by a positive response to the question, “Are you, alone or with others, currently trying to start a new business, including any self-employment or selling any goods or services to others?” (Abu Bakar et al. 2017, p. 271). First, financial resources measured as household income was positively related to entrepreneurialism suggesting that those individuals in well-paid full-time employment (often in public sector jobs) were able to save enough from their salaries to start a business. Second, a negative relationship was found between ‘fear of failure’ and propensity to start a business. Third, the social legitimacy of entrepreneurship (defined as it was for the GEM project) had a positive relationship with propensity. Fourth, the entrepreneurial network is positively and significantly related to propensity, meaning that an individual is more likely to start a business if they know someone else who has recently done so (Abu Bakar et al. 2017). Of equal interest, many variables were found to have no association with the propensity to become an entrepreneur, including current employment status (i.e. full-time part-time, unemployed), education level, opportunity perception, perceived entrepreneurial skill, and social attractiveness.

**Traditions, customs and Islamic entrepreneurship**

Saudi Arabia comprises many different tribes scattered around different provinces and cities, of which the majority practice tribal traditions. Hence, the tribal heritage has a strong influence on the Saudi national culture (Kalliny et al. 2006). The tribal heritage
aspect of Saudi culture emphasises the importance of values of loyalty, honour, pride and status (Rice 2004), and/or preserving relationships and the practice of keeping face or honour (Al-Kazemi & Ali 2002). Tribal characteristics also include commitment and loyalty to the tribe, which solidifies in-group practices, and discrimination against out-groups (Ali 1990). These values and characteristics are deeply ingrained in the Saudi people and remain highly significant in society to a point that they influence the behaviours of all Saudi people (Rice 2003). In Saudi culture, it is an obligation for a person to keep their word; not doing so is seen as unacceptable and could affect any business deals (Kalliny et al. 2006). Trust and honour are the keys to the culture since a person’s word is just as valid as, if not more important than, a written commitment (Rice 2003).

From a Western perspective, Islam’s failure to modernise is often cited as the reason for a lack of entrepreneurial dynamism at national levels and entrepreneurial mindset among individuals. As an example, American historian Daniel Pipes wrote, “Islam does not offer an alternative way to modernize… only when Muslims explicitly accept the Western model will they be in a position to technicalize and then to develop” (Pipes 1983, p. 198). He further argued that the only route to development was through secularism. Such modernisation theories, however, frame entrepreneurship through an entirely Western lens (Kayed & Hassan 2010). Empirical studies from this perspective invariably apply Western-developed instruments to these non-Western contexts, which may not be appropriate. Kayed and Hassan (2010) argue that in the same way that East Asia with its strong Confucian roots has developed its own distinct approach to economic activity that is a more equilibrating Kirznerian approach, Saudi Arabia has an Islamic form of entrepreneurship. Under these principles “economic activity must be based on ethical and moral foundations and be socially acceptable” (Kayed & Hassan 2010, p. 381). The Saudi entrepreneur should not be seeking wealth for wealth’s sake but should have societal contribution and public good as the ultimate objective. Greed is not good. This is exemplified by the rejection of riba (interest) as it represents the accumulation of wealth without a tangible and beneficial output. Kayed and Hassan (2010) conclude that far from being a barrier to entrepreneurship in Saudi Arabia, religion is a pro-entrepreneurship cultural component; however, its message on this has not come through strongly enough via its formal and informal institutions such as mosques.
A further argument made for the incompatibility of Islam and entrepreneurship is concept of Islamic fatalism referring to the belief that the ultimate control of outcomes is in the hands of God. This religious tenet symbolises a belief that whatever happens, either good or bad, must happen and cannot be changed (Michele et al. 2010). This implies that aspiring entrepreneurs might conclude that the obstacles preventing them from starting their own businesses are God’s will or that personal endeavour cannot determine outcomes. However, Islam as a religion never expressly dissuades economic advancement such as entrepreneurial endeavour, innovation or progress (Kuran 2004).

Islamic values are reflected in the workplace; five of these were identified by Latifi (2006) as: benevolent treatment of subordinates by those in authority, equality, fatalism, a sense of individual responsibility, and consultative decision-making. Similarly, Alfalih (2016) posited that in the areas of employee treatment, and equality and justice in recruitment and promotion, religious values guide behaviour and practices. Although this latter assertion would seem to understate the acknowledged role of 

\[ \text{wasta} \] (‘pull’ or ‘connections’; see discussion in the next section) in the kingdom. Islam is at the heart of Saudi culture and yet according to the GEM survey Saudi Arabia ranked as having a high level of ‘Entrepreneurial Spirit’ (Global Entrepreneurship Monitor 2018). For this reason, the thesis that Islam is a barrier to entrepreneurialism appears invalid.

**Risk-taking in Saudi culture**

Risk is defined by the Business Dictionary (n.d.) as “A probability or threat of damage, injury, liability, loss, or any other negative occurrence that is caused by external or internal vulnerabilities, and that may be avoided through pre-emptive action.” In the present study we are concerned with entrepreneurial risk, where the negative occurrences are normally financial loss but could also extend to reputational damage and loss of face which in Saudi society is highly significant. Niemeier et al. (1998, p. 106) assert that “The Saudis seem to have a propensity to avoid risk but accept some uncertainty”. In justifying this statement, the authors point to Islamic fatalism which is also a fundamental part of Saudi culture. Both positive and adverse outcomes are viewed as God’s will; hence requiring the acceptance of uncertainty. Similarly, Ajami (2015) acknowledges the central role of culture in determining attitudes to risk, stating that “Everything starts with culture. Culture moves, empowers, and inspires people to create, build and hack a better world with their ideas” but adding that Saudi Arabia is “generally risk-averse”. Gambling
being proscribed under the Islamic religion may also be a factor in attitudes towards risk-taking. Another manifestation of these attitudes is insurance which for a long time was unavailable as it was considered gambling; then was only available from foreign parties; now it is highly regulated in terms of what forms it can take (Al-Ghadyan 1999).

**Wasta**

*Wasta* is a tribal Arabic term that predates Islam. The literal definition of *wasta* is ‘pull’ or ‘connections’ and the practice normally involves the head of a family performing a service for other family members, enabling them to attain something (such as getting a job or indeed starting a business) that would otherwise be unattainable for them (Hutchings & Weir 2006). In the world of business and entrepreneurship, Izraeli’s (1997, p. 1556) narrower definition of “pulling strings, nepotism or using an interceder to obtain a benefit or to speed a process – usually in relation to authorities” may be more relevant in the context of Saudi business. The social capital derived from family and friends is known to be an important factor in entrepreneurial activity (Chang et al. 2009). There are both positive and negative aspects of this form of ‘who you know’ social capital. On the one hand, family and friends have been shown to be positive influences on individuals contemplating and undertaking start-up business (Welsh et al. 2014). On the other hand, the social capital derived from *wasta* (also defined as “the intervention of a patron in favor of a client to obtain benefits and/or resources from a third party” (Mohamed & Hamdy 2008, p. 1) is overwhelmingly written about in scholarly work in negative terms (Barnett et al. 2013; Cunningham et al. 1994; Giangreco et al. 2010; Mohamed & Mohamad 2011).

Cunningham and Sarayrah (1993, p. 3) emphasise the all-pervasiveness of *wasta*, writing that “understanding *wasta* is key to understanding decisions in the Middle East, for *wasta* pervades the culture of all Arab countries and is a force in every significant decision.” They argue that without an understanding of *wasta* it is not possible to operate effectively in Arab countries. *Wasta* tends to flow through families which act as a support network both emotionally and financially. Having a well-placed family member can open the door to discounted goods and services or secure access to things otherwise out of reach (Cunningham & Sarayrah 1993).

There is also a gender dimension to *wasta* as this form of social capital is not distributed evenly between men and women. Bailey (2012) found that Arab women perceived
themselves as having negligible access to *wasta* in their own right but instead where they were able to use *wasta* it was essentially ‘borrowed’ from their husbands, fathers and brothers (Bailey 2012). The patriarchal nature of Arab societies tends to confine women to the private sphere, giving them little or no opportunity to develop their own *wasta* through social networking outside the home (Bailey 2012). In a survey of 177 Saudi entrepreneurs, Ahmad (2012) reported that lack of *wasta* was a difficulty experienced by 62% of respondents.

### 2.5.4 Support for entrepreneurialism

For Isenberg, this component comprises three elements: technological and physical infrastructure, efficient legal and accounting systems and the activities of non-governmental institutions (Isenberg 2010).

On the technology side, there has been a major investment in ICT aimed at making the Kingdom a regional technology powerhouse (Amirat & Zaidi 2019). This investment is funding a digital transformation of the economy and wider society and is understood to involve funds of up to US$40 billion. In addition to the government, major players in the telecoms, finance and oil and gas sectors are participating. Physical infrastructure investment in Saudi Arabia is set to escalate in the coming years. Media reports refer to a massive $426 million in combined public and private sector investment including railways, airport capacity and industrial parks (Dipaola & Nereim 2019).

One of the most visible actions underscoring the government’s desire to match its deeds to its words on entrepreneurialism and growth of SMEs has been the establishment of the Small and Medium Enterprise Authority (SMEA). The authority began its work promoting SMEs development, but its impact has yet to be fully realised. Its objectives are to accelerate growth of the SME sector in the Kingdom, provide continuous support to SMEs and remove the barriers faced by start-ups (BIBAN 2017). Government financial support for SMEs has come in the form of a special investment fund of US$1 billion administered by Saudi Arabia’s Public Investment Fund (PIF). There is a specific objective to create 58,000 private sector SME jobs by 2027 (The National 2017) as part of the overall addition of 500,000 to 700,000 job opportunities by 2030 (Vision 2030 2017). The establishment of SMEA has raised expectations of new policies aimed at making it easier to start and conduct a business; other stakeholders, such as major
corporations and academic institutions, are all joining what Assaf (2017) calls the new entrepreneurship ecosystem. This ecosystem comprises a rapidly expanding network of financial and non-financial support institutions including incubators and accelerators, non-financial business support providers, co-working spaces/fab labs, university-affiliated entrepreneurship programs, technology parks and, of course, funding sources (Assaf 2017). Fifty-four percent of these support institutions are to be found in Riyadh and 29% in Jeddah (Assaf 2017).

A third strand has been the establishment of government agencies such as the Saudi Industrial Property Authority (SIPA) and Saudi Arabian General Investment Authority (SAGIA). In common with many other economies, SMEs are an engine of growth and employment. SMEs comprise three categories of business: (1) Micro businesses employing between one and five employees, (2) Small enterprises employing between six and 49 people, and (3) Medium-sized enterprises employing between 59 and 249 people (GAS 2010). The overwhelming majority (87%) of these businesses are in the micro category. In all there are reported to be 852,268 of the smallest kind of business operating in the Kingdom indicating a huge potential for future growth. However, employment in these micro enterprises is dominated by non-Saudis with more than three-quarters of the two million workers in these enterprises being non-Saudis (GAS 2010).

Business incubators have been a common driver of enterprise in developed countries since the 1980s; a trend later taken up in developing economies including Saudi Arabia (Salem 2014). In addition to this, many Saudi universities have a business incubator unit offering students and researchers access to services that may be too expensive to obtain elsewhere (Salem 2014). For example, at the King Abdulaziz University, the business incubator aims to raise awareness of the importance of SMEs, offers an environment that fosters creativity, and contributes to the creation of a “self-made generation” (King Abdulaziz University 2009).

Ecosystem adviser Nader Ajami (2015) reviewed the activities of more than 40 business incubators operating in the Kingdom. He arrived at six main findings. Firstly, he found insufficient engagement from the private sector, with more than half the incubators having some form of government affiliation. Second, he found that rather than being helped by experienced entrepreneurs, the people working at the incubators were
employees without direct experience of starting and running businesses. Third, he identified a gap at the early stages of the start-up process that was leading to many aspiring entrepreneurs being turned away due to the lack of a solid business plan and detailed costings. Fourthly, he found insufficient clarity on the difference between a start-up and an SME, a difference that will determine the nature of the support required. Fifth, he warned against over-focussing on the need for a knowledge economy at the expense of other sectors. Finally, he described the local and regional nature of the entrepreneurial ecosystem with most incubators focussing on their own city. This creates a support gap for entrepreneurs aiming to access national market (Ajami 2015).

A further aspect of government support for entrepreneurialism comes in the education sector. Saudi Arabia has long suffered from impediments to entrepreneurialism including a regulatory system that brought labour issues and difficulties with contract enforceability and a lack of entrepreneurial skills among the population (Yusuf & Albanawi 2016). The skills gap is being narrowed through the introduction of training programs aimed at disseminating these skills. While many Saudis travel overseas for their higher education, the King Abdullah University of Science and Technology (KAUST) has taken up a leadership role in the Kingdom in the fields of innovation and start-ups (KAUST 2018). Other places of learning have signed agreements with foreign counterparts for the provision of business education. The interaction of higher education institutes and government departments also extends to events aimed at encouraging entrepreneurship. The annual entrepreneurship forum ‘Start Up’ is organised by the Small & Medium Enterprises General Authority (Monsha'at) and was attended by 1530 people in 2017. It featured opportunities for aspiring entrepreneurs to pitch their ideas directly to potential investors (Startup Saudi Arabia 2018). Umm Al-Qura University and Jeddah University were both involved in organising the forum (Startup Saudi Arabia 2018).

The Saudi government is underpinning entrepreneurialism through active support for and participation in e-commerce and e-government. E-commerce is being facilitated by innovations such as electronic payment systems and the digitisation of customs procedures. The e-government initiative is aimed at delivering a range of government services and information to businesses in a timely and efficient manner (Alghamdi & Beloff 2016). In their study of 53 business entities in the Kingdom, Algamadhi and Beloff found that there was still further to go in encouraging the adoption of e-government
practices among the business community. Of equal, or perhaps even greater significance is the online infrastructure of the country and through this the access to social media which Albayari (2011) predicted was set to revolutionise the Saudi business scene. In 1998, the Saudi government legalised Internet access and population coverage has grown rapidly ever since, reaching 64.7% in 2016 representing over 20 million users (Internet Live Stats 2016). Ambitious targets for high speed broadband coverage were set in the Vision 2030 (2017, p. 57) document wherein the government stated its intention to “partner with the private sector to develop the telecommunications and information technology infrastructure”.

2.5.5 Human capital

Human capital refers to the availability of experienced entrepreneurs as role models, a supply of available talent and having education and mentoring programs in place (Isenberg 2010).

Saudi role models

Countries such as the US and the UK have personalities who have entered entrepreneurial mythology with their backstories of start-ups in bedrooms, garages or market stalls. They provide an inspirational narrative that has permeated into national culture. Add to this popular television shows such as The Apprentice and Dragons Den and it can be seen that entrepreneurship has an established place in the life of such countries. In Saudi Arabia, this has not occurred in the same way or to the same degree. Technology-based start-ups, however, may be changing this in the kingdom as fast-growing businesses offering transport hailing apps, social networking, payment processing, and cloud-based technology (among others) are bringing a new wave of entrepreneurs to prominence (Ahmed 2019). Organisations such as Endeavour bring Saudi entrepreneurs and established businessmen and women together, with the latter providing strategic advice and advocating for entrepreneurship in the media (Endeavor 2018).

With regard to the supply of hireable talent and indeed the supply of tomorrow’s Saudi entrepreneurs, there are a number of potential sources including the young, women, the unemployed and social entrepreneurs; these groups are each considered next.
Young Saudis as aspiring entrepreneurs

As discussed earlier in this chapter, Saudi Arabia has a young population with 63% of adults aged 15-39 years. Clearly, if entrepreneurialism is to grow in the Kingdom then young people need to be at the forefront. Hence, as well as the gender dimension, there is an equally important phenomenon of young entrepreneurialism in the Kingdom, perhaps motivated by their realisation that the private sector has a bright future and that the previous procession through higher education to a comfortable career in the civil service is no longer guaranteed. It may also be a reflection of the young Saudi’s exposure to the cultural values behind entrepreneurialism via online media or through being Western educated. A survey conducted by HSBC (Kane 2016) found that in the Middle East (which in their sample was represented by Saudi Arabia and the UAE), there was a greater ratio of millennial (35 or under) entrepreneurs than in Europe, Asia Pacific or the United States. Recent media coverage, exhibitions and awards all lend support to the idea that the young are at the forefront of the new wave of entrepreneurialism in the Kingdom. Yusuf and Albanawi (2016) suggest that over the last decade the government-backed entrepreneur development programs across the Kingdom have been an effective catalyst for drawing young people into starting their own business. Some young Saudis have their first exposure to entrepreneurialism through university business incubators. These incubators aim to provide a stimulating environment in which students can access the tools and knowledge necessary for launching their own enterprise (King Abdulaziz University 2009).

Women entrepreneurs

No consideration of Saudi human capital would be complete without inclusion of the important role women are playing in driving the Kingdom towards a more entrepreneurial future. This is because the issue of women entrepreneurs is highly significant in Saudi Arabia, particularly in the context of future potential. This potential was made clear in a MENA-wide study by Chamlou et al. (2008) which demonstrated that female entrepreneurs’ presence in the economy was positively correlated to economic diversification. Therefore, the promotion of female entrepreneurship is a policy fully aligned with the objective of reducing dependence on oil sales (Salameh-Ayanian & El Hage 2017).
With an unemployment rate of more than one quarter (four times greater than their male counterparts), the Kingdom’s highly educated women are a potential source of effective entrepreneurship (Welsh et al. 2014). The latest data indicates that women are set to play a vital role in government efforts to stimulate entrepreneurialism and the SME sector. Furthermore, in 2017 official data recorded that 38% of all entrepreneurs in the Kingdom were women; a rapid escalation of engagement in business among women compared to just ten years earlier when the figure was 4% (Arab News 2017a). However, when Ahmad (2012) conducted a survey of SME owners in Saudi cities, none of the 177 respondents were women. Why this was the case is unclear.

The number of Saudi technology start-ups with at least one female founder grew from 5% in 2015 to 15% in 2017 (Arab News 2017a). While this is a rapid increase, OC&C Strategy Consultants (2018) state that while women are increasingly found in senior public sector roles, this has not been mirrored in the private sector in general and tech entrepreneurship specifically.

Female entrepreneurship in a society that is strongly patriarchal is perhaps a counterintuitive phenomenon. In patriarchal societies women’s role in society is largely confined to the private domain as homemaker and child-rearer. However, in Saudi Arabia female entrepreneurship has emerged as a positively perceived career choice for women and receives positive media coverage (Danish & Smith 2012). Almobaireek and Manolova (2012) argue that Saudi women may be motivated towards entrepreneurship because the employment market is so segregated and that women are restricted to a small number of roles, particularly those in the education sector.

Ahmad (2011) interviewed 19 female entrepreneurs and found that the difficulties women faced in the early stages of setting up their business were “finding relevant business information, obtaining finance, bureaucratic processes and procedures and recruiting workers” (p.134). On a socio-cultural level the fact that it is difficult to socially interact with men is clearly a salient issue. Women entrepreneurs are operating in a culture where they are normally supposed to be “submissive, docile and supportive of males” (p. 136).

Danish and Smith (2012) conducted an empirical study into the challenges faced by women entrepreneurs in the Kingdom and the government’s role in facilitating female
entrepreneurship. The researchers, who surveyed 33 women entrepreneurs in Jeddah, concluded that female entrepreneurship was likely to be confined to specific sectors, as is common around the world. They found that there were both financial and social barriers in place namely, lack of access to formal sources of finance, bureaucratic procedures and gender-specific barriers when networking. As well as addressing these, they concluded that enterprise education and training programs should be made available. They also concluded that female entrepreneurship was most prevalent in well-established business families, presumably with finance and networks already in place (Danish & Smith 2012).

The GEM 2016/17 country report for Saudi Arabia found that women tended to perceive their country as being more competitive than men do and also were more likely to see the country as being favourable to entrepreneurship in terms of the status it is accorded. A significantly larger proportion of women than men associated entrepreneurship with the solving of social problems (Global Entrepreneurship Monitor 2017). A further possible explanation for Saudi women’s tendency towards entrepreneurialism may be the obstacles they face as intrapreneurs. According to Salameh-Ayanian and El Hage (2017, p. 150), in the Arab world “women appear to be significantly absent from strategic managerial roles in all aspects of society.” Clearly, one way to circumvent this situation would be for them to start their own business. Despite the barriers, some gender specific and others that could equally be experienced by men, female entrepreneurship is an important phenomenon in Saudi Arabia and part of the overall transformation of the economic fundamentals of the Kingdom.

There is a gender dimension to the motivations behind entrepreneurship intentions that are not restricted to Saudi Arabia. Gupta et al. (2009), who collected data from India, the United States and Turkey, found that women are more likely to consider self-employment as a way to balance family responsibilities while men are more motivated by financial reward and autonomy. They also noted a pattern whereby societies where entrepreneurship was associated with masculinity had lower rates of female entrepreneurship. This results from social expectations of the man as provider of financial security, something certainly present in Saudi Arabia. Gupta et al. (2009) recognise the strong role of culture in determining employment/entrepreneur paths, explaining that “men and women seem to choose to participate in a system of self-imposed occupational segregation in entrepreneurship due to insidious and complex processes rooted in
culturally produced and socially learned stereotypes” (p. 413). This may have been true in Saudi Arabia; however, current evidence of women’s entrepreneurship and business start-up rates suggest that this segregation is not as powerful as it once was.

One barrier to women running their own business, the ban on driving, was removed on 24th of June 2018 (BBC News 2018). This removes the reliance on male relatives and chauffeurs and is likely to stimulate the already substantial entrepreneurship among women. Other restrictions such as those on international travel, Sharia inheritance rules (under which women inherit half that a man receives), and some lenders requiring character references from male relatives before they advance any funds, are still in place and may be impediments in some cases (Mark 2017).

Despite these potential barriers, the previously described growth in female entrepreneurship suggests women are resilient and determined having chosen to start their own business. Additionally, there is a growing phenomenon of women becoming involved in social entrepreneurship in the Kingdom.

**Unemployment and the unemployed as entrepreneurs**

A study conducted by Thurik et al. (2008) examined the correlation between start-ups and unemployment rates by analysing data records from 23 countries. They found that high unemployment rates may lead to more entrepreneurial activities, which in turn generate new jobs and reduce unemployment. To obtain this result, they suggested that governments must put great effort in encouraging entrepreneurship and making its viability easier to achieve.

Unemployment in Saudi Arabia could become one of the biggest challenges the kingdom may face over the coming decade (Adelman 2013), with the unemployment rate currently at 12% (McKinsey Global Institute 2015). According to the Basic Law of Governance, it is the government’s responsibility to facilitate employment. As stated in Article 28 (Ministry of Foreign Affairs 2015): “The State shall facilitate job opportunities for every able person, and enact laws to protect the worker and the employer.” A previous report outlining the government’s plans to reduce the unemployment rate appears to be unproductive (Statistical Yearbook 2006). One plan to reduce unemployment in Saudi Arabia was to replace foreign labour by Saudi nationals in the private sector.
(“Saudization”); however, this has not met with much success (Al-Asfour & Khan 2014), since qualified foreigners working in the private sector add more value and cost less than local workers who generally avoid low-skilled tasks and manual labour (SABF Report 2015). Therefore, it should be noted that minimising the imbalance between population growth and employment opportunities is important for Saudi Arabia to firstly, sustain socio-economic stability; and secondly, develop the governmental and economic supporting factors for a more diverse economy (Habiby & Coyle 2010; SABF Report 2015).

Figure 2-3 highlights the problem faced by the Saudi government in terms of unemployed nationals. While the unemployment rate across the entire workforce (including the many non-Saudi nationals) has been consistently around the 6% level, for Saudi nationals it was more than double at 12.1% (Q3 2016). Among women the rate is as high as 34.5% (Q3 2016). In Vision 2030 (2017) there is a stated aim of reducing the rate to 7% by 2030.

Several factors have been reported as contributing to the high unemployment among Saudi nationals. With falling oil revenues affecting the public finances, the Saudi
government has adopted a period of austerity to cut back government spending (Alarabiya.net 2016). With Saudi nationals highly dependent on public sector employment (Bokhari et al. 2012), any such spending reductions affect the nationals more than non-national workers who are more likely to be found in the private sector.

One government response to unemployment among Saudi nationals has been Nitaqat, a quota policy which classifies employers according to how fully they meet the requirements for employing a certain percentage of Saudi nationals. The higher the ratio, the more simplified the application process for employing expatriates, while low ration employers can face limitations on hiring expatriates unless they are already in the country (Bokhari et al. 2012). Nitaqat is part of a wider policy thrust of Saudization which is aimed at drawing more Saudi nationals into the labour force and reducing reliance on expatriate workers. Achieving this objective, however, is not simple task. On the one hand, employers know they can employ non-Saudis on lower wages and on the other, the Saudis themselves are reluctant to work in certain jobs that are socially labelled as demeaning (Ramady 2013). An increasing number of young Saudis are not having their expectations of a secure well-rewarded (usually public sector) job met and some are having to accept employment such as cashiers, transport operatives, waiters etc. which their parents would not have contemplated (Ramady 2013). Forstenlechner and Rutledge (2010, p. 38) are clear in what they see as the link between unemployment and reliance on oil revenues: “it is the way in which oil wealth has been historically distributed that has led to a situation in which nationals choose to remain unemployed until they obtain a government job.” The authors point to examples in Kuwait and the UAE where private sector salaries are topped up by the state to correct labour market imbalances.

A study conducted by Thurik et al. (2008) examined the correlation between start-ups and unemployment rates by analysing data records from 23 countries. They found that high unemployment rates may lead to more entrepreneurial activities, which in turn generate new jobs and reduce unemployment. To obtain this result, they suggested that governments must put great effort in encouraging entrepreneurship and making its viability easier to achieve. Increasingly, these unemployed are being viewed as aspiring entrepreneurs. In the third quarter of 2018 there were 350,095 male and 431,460 female unemployed Saudis. This represents a 12.8% unemployment rate for all Saudis but also represents a pool of possible future entrepreneurs or beneficiaries of the new jobs created.
by entrepreneurship. Among young Saudis the unemployment rate is of crisis proportions and widely reported to be over 30%; many of these are recent university graduates (Bokhari et al. 2012; McKinsey 2015).

**Social entrepreneurs**

Tent (2015) states that the key differentiator between business entrepreneurship and social entrepreneurship is the priority given to certain stakeholder groups. Business entrepreneurship narrowly follows the interests of shareholders whereas social entrepreneurship is “all about using the resources you have at disposal for the sake of those for which you initially started this business, the people in need” (Tent 2015, p. 100). It features voluntary and non-profit organizations applying market-based solutions (Rey-Martí et al. 2016). This activity, also known as ‘third sector’, aims to bring business solutions to societal problems (Tasamy 2019). Bringing entrepreneurial skills to bear enables problems to be solved within limited resources (Tent 2015). Social entrepreneurship is attracting worldwide interest not least as a developmental tool in developing countries (Aloulou 2017).

In Saudi Arabia the third sector is a relatively recent phenomenon and registering a non-profit organisation in the Kingdom has only been possible since the introduction of the Non-profit Companies (NPC) Draft Regulation in 2016 (Arab News 2016). Furthermore, there has been evidence put forward to suggest that in Muslim and Arab countries social entrepreneurship has been very much on the periphery of economic activity (Abdou et al. 2010; Bosma & Levie 2009). However, with long-established principles of charity and philanthropy, the Kingdom could be fertile ground for social entrepreneurship. Indeed, there has been a recent rise in the number of foundations, university departments, charities, socially-oriented corporations and entrepreneurial individuals active in the third sector in Saudi Arabia (Aloulou 2017).

**Education and mentoring**

Isenberg (2011; 2010) referred to the need for education and mentoring programs within the entrepreneurial ecosystem. A third aspect of government support for entrepreneurialism comes in the education sector. Saudi Arabia has long suffered from impediments to entrepreneurialism including a regulatory system that brought labour issues and difficulties with contract enforceability and a lack of entrepreneurial skills
among the population (Yusuf & Albanawi 2016). Through the introduction of training programs aimed at disseminating these skills the skills gap is being narrowed. While many Saudis travel overseas for their higher education, within the kingdom the King Abdullah University of Science and Technology (KAUST) has taken up a leadership role in the fields of as innovation and start-ups (KAUST 2018). Other places of learning have signed agreements with foreign counterparts for the provision of business education.

In terms of entrepreneurship, Western scholars are driving research into entrepreneurship, mostly from universities in the United States (Kayed & Hassan 2010). Therefore, as United States leads in entrepreneurship knowledge, countries who see entrepreneurship as a solution to lower the unemployment rate and see it as a tool to diversify their economy, are working side by side with these top universities to bring this knowledge to their environment (Babson 2013). Babson College, offering top-ranked entrepreneurship education programs in the United States, is working with the government of Saudi Arabia to create a leading educational college located at King Abdullah Economic City (KAEC) in Saudi Arabia (Babson 2013). This is aligned with the kingdom’s vision to become a knowledge-based economy by improving education, entrepreneurial skills, and establishing a comprehensive entrepreneurship ecosystem in the country (Babson 2013). Driven by the expertise at Babson College, the college in KAEC will be based on Babson College’s methodology, with the same level of academic rigor (Babson 2013).

The government is currently funding more than 10,000 Saudi students to receive their higher education in the West (Arab News 2017b). Since 2005 hundreds of thousands of Saudis have been funded, with the main destinations being the United States, the United Kingdom, Canada and Australia (ICEF Monitor 2017). These countries are known to be amongst the most entrepreneurial and it may be significant that so many Saudis are returning home having been exposed to these values. In past times, these Western-educated Saudis would return to pursue a public sector career. However, the government now views this human capital as part of its overall strategy of diversification, privatization and the encouragement of entrepreneurialism. At home too, Saudi citizens have a greater chance of accessing programs aimed at fostering entrepreneurial skills; something conspicuous by its absence not so long ago (Yusuf & Albanawi 2016).
2.5.6 Markets

Isenberg’s interpretation of the market’s component of a positive entrepreneurial ecosystem contained three elements: strong entrepreneurial networks, enough early adopters and ideal consumers, and healthy distribution channels.

Answering the call of Saudi leadership, entrepreneurial networks are developing across the country with Riyadh and Jeddah leading the way. These networks come in many forms, some are sector-based, some are cross-border and others include specific groups such as the young and women entrepreneurs. These networks include a range of activities such as forums and seminars, online networking (Assaf 2017).

Analysis from the US identifies Saudi Arabia as a fruitful market for early adopters, stating, “Because Saudi society is young and growing rapidly, its consumer market is weighted heavily towards technologically-literate early adopters.” (US Department of Commerce 2018, para. 3). This characteristic of the Saudi market is also reflected in the number of tech-led start-ups in recent years as Saudi entrepreneurs replicate some of the successful applications introduced elsewhere (Ahmed 2019). Saudis are willing consumers and while the pessimism surrounding the oil price shock led to a short period of depressed spending, this has since recovered as illustrated in Figure 2-4.

![Figure 2-4: Consumer spending in SAR Million 2016-2019](https://examplesite.com/graph.png)

Source: TradingEconomics.com
2.6 Measuring the Saudi entrepreneurial ecosystem

The Global Entrepreneurship Monitor (GEM) survey is conducted in 54 countries across the globe using systematic random sampling of the adult populations (Bosma et al. 2012). In Saudi Arabia, a minimum of 2000 randomly selected individual adults respond to the survey each year. In the 2018 GEM survey, 69.3% percent of Saudi respondents agreed that high status is given to entrepreneurs within Saudi society in line with the 70% global average (Global Entrepreneurship Monitor 2018). Similarly, 69.7% agreed to the statement that entrepreneurship was a good career choice in Saudi Arabia. While these statistics may suggest Saudi Arabia is firmly in line with other countries, the 2010 report of the same survey showed the high-status item attracted 92.3% agreement while the good career choice item attracted 86.8% (Global Entrepreneurship Monitor 2010). This points to a significant change in the perceptions of entrepreneurialism and not in the direction the government would hope for. Nevertheless, there is one measure on which Saudi Arabia surpasses all of the 53 other surveyed countries: entrepreneurial spirit. Entrepreneurial spirit is a combination of three items entrepreneurial awareness, opportunity perception and entrepreneurial self-efficacy (Global Entrepreneurship Monitor 2018). Respondents were asked first, whether they knew someone who had started a business within the last six months; second, whether they felt there were opportunities to launch a business in their area; and third, whether they think they personally have the required ability, knowledge and experience to start a business. Almost eight out of ten respondents perceived there to be entrepreneurial opportunities in their area, the highest level of any country (Global Entrepreneurship Monitor 2018). This first place is an interesting result and suggests that the Saudi population perceives there to be opportunity and perceive themselves to have the necessary capability to start a business. However, when it comes to intention, only 30.9% of respondents declared entrepreneurial intentions which placed the Kingdom 13th out of 54 nations. This is still a satisfactory score but a long way below their world-leading entrepreneurial spirit ranking. Also, when the GEM survey measured the percentage of the adult population aged 18–64 years who are in the process of starting a business or are the owner-manager of a new business (what it terms Total Early-stage Entrepreneurial Activity (TEA)), it found that 11.5% of respondents reported being in this group, ranking 24th out of the 54 (Global Entrepreneurship Monitor 2018). The GEM survey also includes a fear of failure item which states “Fear of failure would prevent you from starting a business” (Global
Entrepreneurship Monitor 2018, p. 21) and to which 34.4% of respondents agreed. This was a moderate result, ranking the Kingdom 30th out of 54 countries. One reason for the gap between entrepreneurial spirit and action may lie in the national entrepreneurial framework sometimes referred to as the ecosystem. GEM also survey a panel of at least 30 experts in each country who rate elements of this ecosystem. Their results can be seen in Figure 2-5.

The GEM survey indicates a high level of entrepreneurial spirit among the Saudi population, but the expert ratings part of the report is less positive for the kingdom. Out of the 54 nations, Saudi Arabia was ranked 53rd for its commercial and legal infrastructure, 51st for entrepreneurial education at school and 53rd for entrepreneurial education post-school (Global Entrepreneurship Monitor 2018). Hence our overall conclusion from this evidence is that a willing population is not matched by a positive entrepreneurial ecosystem. This is also in line with a study conducted by Azim and Hariri (2018) which revealed a “bleak picture” (p. 209) of entrepreneurship education in the Kingdom.
In addition to the GEM survey, another global survey recording ranking and comparing the business environment is conducted by the World Bank and is titled *Doing Business: Measuring Business Regulations* (World Bank 2018). The most relevant indicator to the present study is ‘Starting a business’ which measures “the number of procedures, time, cost and paid-in minimum capital requirement for a small- to medium-sized limited liability company to start up and formally operate in each economy’s largest business city” (World Bank 2018, para. 1).

They attempt to objectively measure the experiences and procedures of identical companies starting up in 190 different national economies. The companies are assumed to be ‘small’ in that they employ between 10 and 49 employees. The aggregated rankings on each measure in this category places Saudi Arabia 141st out of 190 countries, below the regional average and well below the UAE (ranked 25th) and Oman (37th) (World Bank 2018). Elsewhere in the survey Saudi Arabia has low rankings for ‘Getting credit’ (ranked 112th) and trading across borders (ranked 158th). However, ‘contract enforcement’ scored better than the regional average and the time taken to enforce a contract through the courts was shorter than the average for high income OECD countries (World Bank 2018).

**2.7 Summary**

This chapter has presented a contextual overview of Saudi Arabia, its economy and the rationale for promoting entrepreneurialism. The dependence on oil has brought great wealth to Saudi Arabia and has enabled its rulers to sustain a social contract with the citizenry based on government largesse in the form of public sector employment, good salaries, benefits and subsidies. Thanks to the oil revenues, Saudi citizens do not pay any direct taxes. However, the recent dramatic fall in the price of oil has laid bare the vulnerability of the economy and called the social contract into question.

The statistics on the number of SMEs in Saudi Arabia presented in this chapter show that entrepreneurial activity is present in the kingdom and there appears to be no justification for arguing that Saudis lack entrepreneurial instincts. However, the sheer scale of reliance on oil revenues has left these vast numbers of private sector enterprises making only a small contribution to overall GDP which may account for the lack of priority attributed to SMEs. Taken together there appears to be strong evidence that while Saudis are willing
entrepreneurs, there are issues with the Saudi entrepreneurial ecosystem that is preventing this potential from being realised.

The chapter presented evidence that the Saudi adult population has a strong entrepreneurial spirit but that this was not matched by an entrepreneur-friendly ecosystem (Global Entrepreneurship Monitor 2018; World Bank 2018). However, both the words and actions of the Saudi government in recent years points to a definitive change in direction and a raising of the prominence of private sector SME activity. The government has realised that an important part of the solution comes in the form of greater entrepreneurship among Saudi citizens, strongly supported by government policies and investments. It is now understood that SMEs are the lifeblood of an economy, providing jobs and growth opportunities. Through the support mechanisms put in place (discussed in this chapter), there are encouraging signs to suggests that the social importance of entrepreneurship is being increasingly recognised.

This chapter has discussed the societal context in which a Saudi Arabian entrepreneur operates. In Chapter 3 the emphasis changes to focus at the individual level. In particular, it examines the entrepreneurial mindset at the pre start-up phase.
Chapter 3: Understanding the Entrepreneurial Mindset

Entrepreneurship is a way of thinking, a way of acting, a form of organising, not a personal quality reserved for a minority of the population: entrepreneurship is a social construction which arises in the interaction between people in certain situations, professional connections and life phases. This viewpoint fully recognises the importance of talent, determination and individual competencies. (Hougaard 2005, p. 27).

3.1 Introduction

As Parker (2009, p. 484) succinctly explains, “individuals do not randomly become entrepreneurs”. Understanding why some of us do and some do not has attracted substantial theoretical interest resulting in multiple theoretical approaches. Some of the most significant of these are discussed in this chapter. Following the previous chapter’s examination of the Saudi context and its entrepreneurship ecosystem, this chapter moves the focus to the theoretical level. It does this to establish which theoretical concepts have been developed to help understand the entrepreneurial mindset and the influences on entrepreneurial behaviour. After discussing how the entrepreneurial mindset has been defined in the literature, the chapter considers those theoretical constructs and models aimed at predicting entrepreneurial behaviour. The following section considers the intention-action gap and the attempts made to understand why such a gap exists. After this, the chapter considers constructs which emphasise the cultural factors influencing both the entrepreneurial mindset and behaviour including cultural barriers to entrepreneurialism and the constructs of convergence, divergence and crossvergence. Finally, there is a summary of the conceptual framework adopted for the present study.

3.2 Necessity-based vs opportunity-based entrepreneurship

Some people start a business motivated by opportunity while others are driven by necessity. This is an important distinction and needs to be reflected on in the present study. Reynolds et al. (2002) proposed this duality in the 2002 annual GEM report. Opportunity-based entrepreneurship is defined as being based on the motivation for
achievement usually measured in economic terms (Reynolds et al., 2002). Global Entrepreneurship Monitor (GEM) provides a definition of necessity-based entrepreneurship as that which “occurs when individuals participate in entrepreneurial activities because all other employment options are either absent or unsatisfactory” (Almobaireek & Manolova 2012, p. 60). Similarly, Sadi and Al-Ghazali (2010) writing on the Saudi context identified necessity-based motivational factors as “redundancy, unemployment, frustration with previous employment, the need to earn a reasonable living and a flexible work schedule” (p.004).

GEM data indicates wide variations in the prevalence and ratio of these two types of entrepreneur. For example, the data shows that necessity-based entrepreneurship is all but absent in France and Spain, but highly prevalent in rapidly growing economies with large internal markets including India, China and Brazil. Opportunity-based entrepreneurship was negligible in Japan and Russia but commonplace in Thailand and Korea (Reynolds et al. 2002). At this time GEM did not collect data from Saudi Arabia. The global split between the two types of entrepreneur is approximately two-thirds opportunity entrepreneurs, one-third necessity entrepreneurs. Hechavarria and Reynolds (2009) further explored these variations and their possible association with national cultural values. Using data from the World Values Survey (WVS), which is a significant factor in predicting opportunity and necessity entrepreneurship rates at a country level, the authors demonstrate significant relationships between cultural values and prevalence of the GEM reported rates of entrepreneurship and the ratios of the two types of entrepreneur. They also report an association between the development status of the country and these ratios. Measuring opportunity-necessity motivations among aspiring entrepreneurs is problematic. There may be a tendency to respond to a survey with a positive option such as sense of achievement, financial gain, or independence rather than indicating that entrepreneurship was the only choice available to them. This may explain why only 9.7% of respondents selected necessity from a list of motivators when Almobaireek and Manolova (2012) surveyed a large sample of Saudi undergraduates. However, it could also be explained that necessity is unlikely to be a motivator for this group because they had yet to begin their working life. For example, a study among unemployed Saudi would be likely to record a very different result.
The current high levels of unemployment in Saudi Arabia were discussed in Chapter Two. With so many unemployed Saudis, particularly among the young, it can be assumed that necessity-based entrepreneurship will be a significant phenomenon in the current research. Furthermore, Saudi women are likely to be motivated toward necessity-based entrepreneurship because so many areas of employment are formally or informally closed off to them and their participation in the labour force, while increasing, is far lower than men’s. Almobaireek and Manolova (2012) refer to the vertical and horizontal labour market segregation in Saudi Arabia as the reason for the restrictions Saudi women face.

3.3 The Different Schools of Thought of Entrepreneurship

In the 20th century there were six discernible schools of entrepreneurship theory: the ‘great person’ theory, psychological characteristics, personal trait, the classical school, management school, leadership school, and intrapreneurship school (Cunningham & Lischeron 1991). The first three of these are most applicable at the ideation and start-up phases, and the latter three at the growth and maturity stages.

The ‘great person’ theory of entrepreneurship mirrors the same approach in the field of leadership but instead of being born to lead, these individuals are born to start businesses and innovate. Partly fuelled by media portrayals, individual businessmen and women are attributed innate talents that make them uniquely suited to entrepreneurship and the success of their businesses is viewed as a result of their relentless aptitude and hard work. Hughes (1986) referred to ‘The vital few’ in the title of his 1986 book describing how American economic progress had been reliant on such individuals. As understanding of entrepreneurship has increased through both theory development and empirical studies, this school and its forerunning theory of “great man” leadership (Hughes 1986) have lost support as it is considered a simplistic approach to a complex field.

The psychological characteristics school of entrepreneurship holds that individuals act mainly in accordance with their personal values and desire to satisfy personal needs (Cunningham & Lischeron 1991). Hence, psychological factors are the dominant influence on all kinds of behaviour, including entrepreneurial behaviour. Possession of entrepreneurial characteristics will increase the likelihood of undertaking entrepreneurial action (Lachman 1980). Whereas the ‘great person’ school had been mainly based on
historical narratives, the psychological characteristics school opened up the possibility of quantitative measurement of entrepreneurial potential. While great entrepreneurial people are born entrepreneurs in the first school, in this school the values supporting entrepreneurship (as with all personal values) are mainly developed before adulthood, largely ruling out any subsequent adult development of entrepreneurial values (such as through business education).

The personal trait perspective posits that there is a set of personality traits common to all entrepreneurs irrespective of country (McGrath & MacMillan 1992; McGrath et al. 1992). Among the traits most commonly studied as requisite psychological characteristics are propensity to take risks (Palmer 1971), the need for achievement (McClelland 1967) and locus of control (Rotter 1966). The American management consultant and author Peter Drucker rejects the psychological traits thesis stating, “…everyone who can face up to decision making can learn to be an entrepreneur and to behave entrepreneurially. Entrepreneurship, then, is behaviour rather than personality trait” (Drucker 2002, p. 26).

The classical school of entrepreneurship centres on understanding the differences between management and entrepreneurship. It focuses on the discovery, innovation and creation aspects of enterprise and divorces the concept from ownership. Entrepreneurs, whether owners or working for a company they do not own, have the ability to see opportunities and devise creative ways to realise them. Indeed, Schumpeter defined entrepreneurs as neither owners nor managers but innovators, and proposed the concept of ‘creative destruction’ to describe their work (Schumpeter 1934). Entrepreneurs are visionaries and are associated with an extreme form of individualism or nonconformity. As Cunningham and Lischeron (1991) argue, that is why they are successful at the start up and early growth phases but may be unsuited to management of mature businesses.

The management school of entrepreneurship, as its name suggests, borrows from management theory. Whereas the classical school emphasised creativity and innovation the management school shifts the focus to the formal business planning, supervisory and control functions of the entrepreneur (Mondy et al. 1984). Expertise, technical knowledge and technical planning are deployed to control risks (Cunningham & Lischeron 1991). Business failure arises from lack of grasp of the technical aspects of management and these can be learned and are unconnected to being born to start a business or to the values
developed during childhood. Thus, entrepreneurship education and training is an important activity for this school (Boberg & Kiecker 1988).

The fifth school is the leadership school of entrepreneurship which focuses on leadership styles and practices. It sets aside the technical aspects of management promoted by the management school and instead positions the entrepreneur as a “social architect” who through adoption of certain leadership styles and practices are able to move employees towards entrepreneurial objectives through presenting a vision (Kao 1989). This school recognises that entrepreneurship is undertaken in collaboration with other people and not in individual isolation, hence the promotion of mentoring others as a key practice for an entrepreneurial leader (Peay & Dyer 1989).

Finally, the sixth school in this brief review of entrepreneurship theories is the intrapreneurship school of entrepreneurship. Intrapreneurship is a strategic organisational objective that promotes the creation of business units where managers can semi-autonomously replicate the innovative and creative behaviours of entrepreneurs (Cunningham & Lischeron 1991). The creation of these business units mirrors new firm creation and fits within a corporate diversification strategy and with attempts to encourage innovation among managers (Antoncic & Hisrich 2003). Some literature views intrapreneurship as an organisational behaviour (Meng & Roberts 1996; Rumelt 1982) while other contributions consider the individual intrapreneur (Stevenson & Jarillo 1990; Vesper 1990). It could be argued that intrapreneurship cannot by definition fall under the umbrella of entrepreneurship, although Schumpeter (1934) had explicitly separated ownership from the concept of entrepreneurship. There is also a tension between the intrapreneur and corporate management focused on risk management, with many intrapreneurs leaving the organisation through frustration (Cunningham & Lischeron 1991).

This brief review of the main theories of entrepreneurship developed during the 20th century does not arrive at a conclusion about which is the most appropriate or successful theory; instead the researcher agrees with Cherukara and Manalel (2011, p. 18) when they conclude,
Entrepreneurship is a multifaceted phenomenon, which cannot be explained by the theories of any single school of thought or branch of science. An effective and productive collaboration of different human sciences are essential to understand the process of entrepreneurship.

In the present study, it is recognised that an entrepreneurial mindset is an important predictor of entrepreneurial action but that this action is also influenced by sociocultural factors and the realities of the entrepreneurial ecosystem in the economy. The overwhelming majority of the work conducted in the six schools discussed above was done so in a Western industrialised context and it should not automatically be assumed that it translates to other contexts which contrast in both economic ideology and culture. The chapter now continues with further discussion of the entrepreneurial mindset and efforts to predict entrepreneurial behaviour in the 21st century.

3.4 Entrepreneurial mindset

A range of definitions of entrepreneurial mindset have been offered from multiple research disciplines. Leeds and Lackéus (2013) argue that it represents an ability to think outside of the box. It has also been described as an inclination towards serial value creation (Lackéus 2016). An entrepreneurial mindset is a type of thinking, that views problems, challenges and needs as opportunities and which can develop innovative ways to address the challenges, exploiting and merging opportunities (Susilo 2014). Asenge et al. (2018, p. 127) apply the definition of “a holistic perception of generating novel ideas, evaluating opportunities and risks, or starting and running a business, whereby an individual internally assesses his or her perceptions based on holistic rather than functional attributes”. Van Vuuren and Dhliwayo (2007) frame the entrepreneurial mindset as one that is able to see business opportunities amid uncertainty. Similarly, McGrath and MacMillan (2000) assert that SME owners with an entrepreneurial mindset can exploit opportunities in an uncertain business environment. They also view this mindset as a prerequisite for progression through the entrepreneurial process.

Those possessed of an entrepreneurial mindset have both the innovative qualities and energy to seek out and exploit opportunities (Susilo 2014). The mindset is not only needed
by the business starter but also in other commercial organisations in the form of entrepreneurial management that can offer a sustainable competitive advantage over competitors who lack such people (Thompson 2004). The entrepreneurial mindset perceives the possibility of success not the fear of failure and dwells not on problems but opportunities (Susilo 2014). For Morris and Kuratko (2002) the entrepreneurial mindset implies a rejection of traditional management principles. Among the characteristics of the mindset are the disciplined pursuit of opportunities; the ability to select the best opportunities when more than one is identified; searching for opportunities with passion; the ability to engage the energy of others; and a sharp focus on execution (McGrath & MacMillan 2000).

The creation of a new venture is a complex interaction between the mindset of and the challenges faced by an aspiring entrepreneur (Ray 1993). Therefore, the entrepreneurial mindset plays an important role in shaping the destiny of a person’s business future (Baer 2014; Bonnstetter 2012; Olakitan 2011). Regardless of this, people, in general, will not play a game that they do not have the will to be involved in. This is evidenced by the research of Lüthje and Franke (2003) which identified the personality traits of risk-taking and locus of control as positively correlated to the pursuit of entrepreneurial intention. This further implies that becoming an entrepreneur depends on the individual’s willingness to pursue an entrepreneurial opportunity (Shane et al. 2003).

Since this thesis is concerned with the mindset of the entrepreneur at the pre-start-up phase, it is important to understand the entrepreneurial mindset generally. The existing literature on entrepreneurial personality traits covers entrepreneurship research in a number of national contexts. The analysis of this can be seen as a global analysis of the traits relevant to entrepreneurial activity. In most cases, the researchers posit that these traits lead to positive entrepreneurial outcomes. For example, need for achievement, opportunity recognition, successful risk-taking, tolerance of ambiguity, networking, persuasion, internal locus of control, and passion (Baron 2008; Bird & Jelinek 1988; Chen et al. 2009; Conger 1998; Kessler 2007; Mueller & Thomas 2001; Ray 1993; Shane et al. 2003).
The authors of the Global Entrepreneurship Monitor remind us that the entrepreneurial mindset is not, or at least should not be, only present in the minds of the entrepreneurs themselves:

*An entrepreneurial mindset is not just for entrepreneurs. It must include a variety of stakeholders that are willing to support and cooperate with these dynamic efforts. In addition, non-entrepreneurs with entrepreneurial mindsets may indirectly stimulate others to start businesses. This indicates the value of broader societal acceptance of entrepreneurship. (Kelley et al. 2010, p. 11)*

This mindset therefore can exist at a national level, an institutional level, including the government, and importantly may or may not be present in the social networks of aspiring entrepreneurs. That said, our primary concern in this chapter is the individual mindset.

### 3.5 Predicting entrepreneurial behaviour

Research question one asks: *What characterises the entrepreneurial mindset of aspiring Saudi entrepreneurs?* This section considers theoretical constructs of value when seeking to predict entrepreneurial behaviour and to understand the gap between intention and action in the context of starting a business.

One aspect of the entrepreneurial mindset literature is that related to predicting entrepreneurial behaviour as a means to understand the mindset and the propensity to start new ventures (Schlaegel & Koenig 2014). There are a number of theoretical approaches to prediction including the entrepreneurial event model (EEM) (Shapero & Sokol 1982), the theory of planned behaviour (TPB) (Ajzen 1991, 2001), Iakovleva and Kolvereid’s (2009) integrated version of the first two, and Bird’s (1988) Theory of Intentionality. Each of these is discussed in this section.

#### 3.5.1 The entrepreneurial event model (EEM)

Under the entrepreneurial event model (EEM), entrepreneurial intention results from three independent variables: an individual’s perception of the desirability and the feasibility of entrepreneurial actions together with their personal propensity to act on
opportunities (See Figure 3-1). Perceived desirability can be defined as the extent to which the individual is attracted to the idea of setting up a business. Perceived feasibility is based on the individual’s assessment of their own capabilities to undertake and succeed at such a venture including the availability of resources. Propensity to act represents an individual’s disposition toward carrying through their own decisions (Shapero & Sokol 1982).

![Diagram of the entrepreneurial event model](image)

**Figure 3-1: The entrepreneurial event model**

*Source: Shapero & Sokol 1982*

### 3.5.2 The theory of planned behaviour (TPB)

In contrast to the EEM, the theory of planned behaviour model (TPB) is a generalized model with application to any behaviour not just entrepreneurialism. It is used both for predicting behaviour and to understand motivating factors influencing the behaviour that come from beyond the person’s control. This consideration of motivating factors enhanced the predictive abilities of the model (Madden et al. 1992). Knowledge of the antecedents of a particular behaviour opens the possibility of changing the behaviour (Ajzen 1991).

Figure 3-2 illustrates the three constructs or sets of influencers on behavioural intention according to this theory. The first construct is attitudes toward the behaviour which represents an individual’s assessment of whether the behaviour will make a positive or negative contribution to their life. The second is subjective norms, which represent the
cultural norms and group beliefs expressed in their social environment, such as by friends, family and wider society. Third is the individual’s perceived behavioural control over the behaviour and may be based on past experience of the behaviour and/or the obstacles they foresee (Ajzen 1991). Put simply, intention is created by a combination of a personal belief that an action or behaviour is a good thing, an expectation that others all view the act or behaviour in a positive way and a perception that the behaviour is within the control of the individual and the barriers acceptable. Conversely, if one or more of these three influences are not present then intention is reduced or eliminated and the behaviour may not take place (Ajzen 1991).

The three antecedents in the TPB model have been found to predict between 30% and 45% of entrepreneurial intention (Liñán & Chen 2009; Van Gelderen et al. 2008). Indeed, Kautonen et al. (2013) later reported this figure to be as high as 59%.

Schlaegel and Koenig (2014) conducted a meta-analysis of studies applying one or other of these models. They attempted to establish which model was the best predictor of entrepreneurial behaviour and the respective strengths of the variables in each model. They found that the EEM variables had a stronger effect than the TPB variables. Some variables were found to be more reliable predictors than others. For example, perceived behavioural control and perceived desirability were significantly stronger than propensity

![Figure 3-2: The theory of planned behaviour (TPB)](source: Based on Ajzen 1991)
to act. The strongest predictive power was achieved by integrating the two models (Schlaegel & Koenig 2014).

Ali (2016) conducted a study of Saudi final year undergraduates, following various business degree programs, to understand their entrepreneurial intentions, applying the theory of planned behaviour. Survey items measured each of the four variables: entrepreneurial intention, attitude towards becoming an entrepreneur, perceived behavioural control, and subjective norms. With a sample size of 283 respondents, the results confirmed the model by showing a significant and positive relation between the three antecedents of intention and intention itself. Their attitudes toward behaviour included believing that being an entrepreneur would bring personal satisfaction (76% agreed); and that compared to other options they would prefer to be an entrepreneur (71%). Considering the subjective norms factors, the respondents tended to anticipate support from friends (73%), family (80%) and, to a lesser extent, colleagues (66%). The behavioural control items resulted in 59% agreeing that starting a business would be easy for them and 71% agreeing they would have control of the situation should they start a business. This translated into high intention levels, with 82% agreeing that they would make every effort to start and run their own business (Ali 2016).

From this, the author concluded that to raise entrepreneurial intention, which in turn raises entrepreneurial behaviour, it is necessary to increase the societal perception of entrepreneurship as a desirable career choice. This needs to be matched by interventions, principally by higher education institutions, to develop the capabilities of their students towards setting up and running their own businesses as this would increase perceived behavioural control (Ali 2016).

Following on from Ali, Naushad (2018) adopted TPB model for a further study of Saudi business undergraduates though with the addition of four psychological variables: self-confidence, internal locus of control, need for achievement, and propensity to take risks. He aimed to understand the main antecedents of entrepreneurial intentions among his sample of 550 students. The results revealed significant relationships between entrepreneurial intention and its three motivational constructs.
3.5.3 Iakovleva and Kolvereid’s integrated model

Combining the two models to increase their predictive power was also the aim in Iakovleva and Kolvereid (2009) who studied the entrepreneurial intentions of Russian students enrolled in business-oriented degree programs. Figure 3-3 shows the resulting integrated model.

In this model, intention becomes a function of the feasibility-desirability factors which is in turn a function of perceived behavioural control, subjective norms and attitudes (Iakovleva & Kolvereid 2009). The study on which the model is based involved 324 university students completing a survey comprising items on each of the variables shown in Figure 3-3. The researchers found that by combining the TPB and EEM models they could explain around two-thirds of intention variances, which suggests it may be a more powerful model than either of the original two.

![Integrated model proposed by Iakovleva and Kolvereid (2009)](image)

3.5.4 Bird’s theory of intentionality

Entrepreneurial intention is the key factor in Bird’s theory of intentionality where intentionality is defined as “a state of mind directing a person’s attention (and therefore experience and action) toward a specific object (goal) or a path in order to achieve something (means)” (Bird & Jelinek 1988, p. 422). Entrepreneurial intentions are towards starting a new venture or bringing a new initiative to an ongoing one. The model (see Figure 3-4) explains how the social and personal contexts interrelate with both intuitive
and rational thinking to form entrepreneurial intentions. Elements of the personal contexts may include personality characteristics, earlier experience of self-employment, and personal abilities. The social, political and economic context is similar to the concept of the entrepreneurial ecosystem and includes government regulatory environment.

As with other models, intention is situated as the predictor of action. The starting point of the intentional process is the “needs, values, wants, habits, and beliefs” of the entrepreneur (Bird & Jelinek 1988, p. 445).

The Bird model is based on her qualitative study of 20 active entrepreneurs in the US from which distinctive patterns of thinking and behaviour emerged. The study provided evidence of what differentiates entrepreneurs from strategic management. They are more ‘hands-on’ than managers though must constrain these impulses to, at times, look at the bigger picture. A common reason why an entrepreneur steps aside from organisational
leadership is a failure to develop strategic focus (Bird & Jelinek 1988). Boyd and Vozikis (1994) further developed Bird’s model, principally through the addition of entrepreneurial self-efficacy. This is described as the self-assessment of personal competencies related to entrepreneurial action.

3.6 The intention-action gap

The EEM and the TPB are two ways of analysing entrepreneurial intention. Iakovleva and Kolvereid (2009) assert that “intentions to start a business are the best antecedents of the actual behaviour”. (p. 79). This may be true; however, it is also true that not all entrepreneurial intentions lead to entrepreneurial action. While these intention models are undoubtedly powerful predictors of intention their ability to predict actual behaviour can be questioned (Alammari 2018).

Armitage and Conner (2001) conducted a meta-analysis of 185 studies on a wide range of human behaviour and found that TPB accounted for only 27% of behaviour variances. Another important conclusion of the study was that self-reported data concerning behavioural intentions may also be subject to “self-presentational biases” and questions arise as to the degree to which subjects can discriminate between desire and intention and also on their self-predictive abilities (Armitage & Conner 2001, p. 475). Sheeran (2002) also undertook a meta-analysis of intention and behaviour, finding that 28% of behaviour could be predicted by intention. The author also raised the question of whether expectation was not a better measure than intention because the former invited greater self-prediction as well as consideration of outside factors.

Another explanation of the intention-action gap is offered by Gollwitzer and Sheeran (2006) who argue that it is the individual’s lack of ability to successfully cope with self-regulatory issues that means they fail to progress through to action. The answer, according to Gollwitzer et al. (2009) is to change the mindset from a deliberative one to an implemental one that will enable an individual to turn their intention to entrepreneurial action.

In the field of entrepreneurialism, there are additional factors to consider when predicting behaviour. In the health, diet and exercise studies commonly included in the above-
discussed meta-analyses, arguably intention faces fewer real barriers as eating less and exercising more is within the reach of most people. However, and despite notable exceptions, starting a business requires some level of resources not available to all. This is another reason from the existence of an intention-action gap.

3.6.1 The opportunity-intention-action gap

When discussing the GEM report for 2018 in the previous chapter, a gap was revealed between the perceived opportunities for starting a business in Saudi Arabia and the stated intention to do so. While 79.5% perceived there to be entrepreneurial opportunities in their area, only 30.9% reported an intention to start a business within the next three years (Global Entrepreneurship Monitor 2018). Of course, this is still a lot of aspiring entrepreneurs, but an opportunities-intention gap clearly exists. For these intending entrepreneurs, there will be another gap between their current state and actually starting a business, the intention-action gap.

Iakovleva and Kolvereid (2009) assert that “intentions to start a business are the best antecedents of the actual behaviour” (p. 79). Comparisons have been made with situational and personality predictors and these have also found intention a better predictor of behaviour (Ajzen 1991; Kautonen et al. 2013; Krueger et al. 2000). This may be true; however, it is also true that not all entrepreneurial intentions lead to entrepreneurial action.

The TEA data in the GEM report showed that one in eleven respondents were in the process of launching a business or were active in a business they had launched in the previous 42 months. Hence from this we can propose the entrepreneurial opportunity-intention-action gap from Saudi Arabia shown in Figure 3-5.

Using the TPB as their framework and with a sample of 289 university students from both genders attending an ‘entrepreneurial culture’ training day, Aloulou (2015) conducted a survey aimed at examining the factors determining entrepreneurial intention. The results showed that these first-year students had not decisively formed preferences between a professional ‘employed’ career path and starting a business. They also demonstrated that the main determinant for entrepreneurial intention was perceived self-efficacy and not their attitudes towards entrepreneurial behaviour or the subjective norms of society.
Alessa (2018) conducted one of the few qualitative studies of entrepreneurial motivations, comparing cases in Riyadh with those in Jeddah. The eight cases were more mature entrepreneurs aged between 37 and 65 engaged in a range of ventures and the author provides a content analysis of interview transcripts. The study makes unwarranted statistical inferences and generalisations bearing in mind the size of the sample (n=8). One finding was that for male entrepreneurs’ motivation was drawn from coming from a business-owning family.

For his thesis, Alammari (2018) conducted a survey of 405 Saudi non-entrepreneurs whose employment was in the private sector. On a theoretical level, the researcher was interested in examining an alternative to entrepreneurial intention as a predictor of entrepreneurial action. He proposed the construct of ‘self-regulation’ (put simply, ‘willpower’ or the lack of it), as a process of working towards goal achievement (Bryant 2009). Self-regulation had already proven to be a good predictor of other behaviour including: studying (Orbell 2003), physical exercise (Sniehotta et al. 2005), and self-discipline in adolescents (Duckworth et al. 2011).

Kuhl and Fuhrmann explain the characteristics of the self-regulated individual thus:

They moderately use conscious monitoring of their intentions; they plan specific actions and initiate the planned behaviour at the right times and in suitable situations. They are implicitly able to control their attention and inhibit disturbing impulses in order to stay with a difficult task. (1998, p. 26).
The consequences of the gaps between opportunity perception, entrepreneurial intention and entrepreneurial action are clear and of significance in the case of Saudi Arabia. As Alammari (2018) explains, “This inconsistency between entrepreneurial intention and action can discourage the development aspirations at both country level and individual level.” (p. 233). Country-level consequences would include missing out on the benefits of entrepreneurialism that have been reported as the generation of new employment, a growth in national income and the improvement of service provision (Koe et al. 2014; Sowmya et al. 2010).

3.6.2 The hierarchy model of volition
Another useful contribution to the understanding of the entrepreneurial process comes from Hikkerova et al. (2016) who propose a hierarchy model of volition and apply it to the process entrepreneurial action. Volition is defined as “the sum of mental events or activities through which agents consciously and actively exercise their agentivity to voluntarily direct their thoughts and action” (p. 1869). Once volitional skills are activated the individual can progress through three levels or phases: pre-decision, pre-action, and action (see Figure 3-6). Different skills predominate at different levels of the hierarchy. At the first level – the Pre-decision phase – the ability to self-motivate is required. As individuals progress from having an intention to becoming aspiring entrepreneurs who begin planning in the Pre-action phase, the skills of self-regulation, self-determination and resistance to uncertainty become important. As these people move onward to become active entrepreneurs in the Action Phase they need proactivity, concentration and action orientation skills (Hikkerova et al. 2016).

Applying this conceptual framework, Hikkerova et al. (2016) conducted structured interview study with six subsamples: students intending to continue their higher education, students intending to pursue an employed professional career, students considering being an entrepreneur, undecided students, aspiring entrepreneurs, and active entrepreneurs; these represented groups at each of the three levels shown in Figure 3-6. In total there were 3,788 participants. These six groups were then compared across seven variables representing the volitional skill already mentioned.
The self-motivation skill, which included the ability to formulate future intentions, was found to be highest among the students who were considering an entrepreneurial career and lowest among aspiring entrepreneurs. Entrepreneurs (both potential and active) were distinguished by a greater self-determination skill which meant presenting goals and ambitions confidently. These same two entrepreneurial groups were also found to possess the greatest ability to resist uncertainty, with the least ability found among the undecided and the students wishing to stay in higher education. They also found that among students, those who state an intention to become entrepreneurs see their future with greater confidence than do other students (Hikkerova et al. 2016). The three entrepreneurial groups (active, potential and intending students) score significantly higher in terms of control of action than the other three groups. Level of the orientation toward action, defined as “the ability of the individual to engage in achieving his or her objectives without hesitation” (p. 1872) was, perhaps unsurprisingly, far higher in active entrepreneurs than any other group, with students considering an entrepreneurial career having the lowest score of all. The level of concentration reflects the ability to follow through on their actions until the goal is reached. The results showed a homogeneity between the three entrepreneurial groups who scored more highly than the other three groups.

![Figure 3-6: The hierarchy model of volition](source: Hikkerova et al. (2016))
groups. Undecided students had the lowest score and were thus the most likely to be distracted from their goal which they had yet to set. Active entrepreneurs stood out on the proactivity measure with other groups scoring similarly. Proactivity includes anticipating events, make and follow strategic plans and devise solutions to problems as they arise (Hikkerova et al. 2016).

The overall conclusion of this construct is that entrepreneurial groups possess and deploy skills not apparent in non-entrepreneurial groups. These skills are deployed in a particular order as shown on Figure 3-6. Hikkerova et al. (2016) also argue that their results show that personal disposition is more significant in the entrepreneurial process than environmental or economic factors, a conclusion in line with the entrepreneurial mindset approach.

3.7 The cross-cultural model of venture creation

Mitchell et al. (2000) investigated whether cognitive scripts associated with venture creation decisions varied across cultures. Their framework or the cross-cultural model of venture creation is built on three important theories: social cognition, information processing, and expert information processing. Based on their cross-cultural study, Mitchell et al. (2002) found that the mindset of individuals in the pre-venture-creation-phase or (prestart-up phase) has a significant impact on the venture creation decision. As the model in Figure 3-7 illustrates, the entrepreneurial mindset consists of three cognitive scripts (Mitchell et al. 2000, 2002) as follows:

![Figure 3-7: The cross-cultural model of venture creation](Image)

Source: Based on Mitchell et al. (2000, 2002)
**Venture arrangements scripts** are the knowledge structures or scripts that individuals have regarding what they need to engage in an entrepreneurial activity. These knowledge structures consist of four important arrangements scripts: (1) idea protection (e.g. copyrights), (2) having a venture network (i.e. use of essential social contacts), (3) access to resources necessary for a start-up (e.g. financial and human resources), and (4) venture-related skills, i.e. business abilities that provide sustainable competitive advantage for a start-up. Mitchell et al. (2000) conclude that lacking venture arrangements scripts will result in an aversion to creating new ventures.

**Venture willingness scripts** support the extent of commitment to start a new venture. They are the knowledge structures that include actionable thoughts about opportunity seeking, commitment tolerance, and opportunity motivation. The scripts’ knowledge structures of opportunity-seeking are concerned with openness and motivations to make new possibilities and alternatives real. Commitment tolerance scripts include the tendency to show actions and account for risks and responsibilities of starting a new venture. Opportunity motivation scripts are concerned with the extent of willingness to pursue an opportunity, i.e. the belief of exploiting an opportunity is more important than the risk of failing. Briefly, motivation and commitment are essential and positively related to the decision to begin a new venture.

**Venture ability scripts** are the knowledge structures that individuals have about skills, knowledge, attitudes, and norms necessary to start a new venture. Three scripts have been identified to be related to entrepreneurial ability: (1) ability-opportunity fit concern the entrepreneurial ability to recognise different ways in which customers and the value of the new venture can be created in different combinations of individuals and products; (2) venture diagnostic scripts concern the ability to understand the elements involved in starting a new venture and the ability to assess it; and (3) situational knowledge scripts favour the ability to recall related lessons and cases that have been learned and apply them to specific situations. Mitchell et al. (2000, 2002) state that individuals with highly developed ability scripts are expected to have a higher degree of self-efficacy. Thus, venture ability scripts are necessary to the venture creation decision.
Several studies have found that the entrepreneurial mindset throughout many cultures is impacted by the values within the wider society (Mitchell et al. 2000, 2002; Pinillos & Reyes 2011; Rinne et al. 2012; Stephan & Uhlner 2010; Sun 2009; Williams & McGuire 2010). Nevertheless, there is no reliable evidence on how a particular culture influences the entrepreneurial mindset nor how a crossvergent situation influences the uptake of entrepreneurial opportunities (Ralston 2008).

To conclude, the cross-cultural model of venture creation allows us to develop a general understanding that cultural values influence the entrepreneurial mindset which in turn influence the venture creation decision. However, it does not really give us a deep understanding of how a crossvergent situation influences the uptake of entrepreneurial opportunities.

3.8 Value formation and business ideology

The formation of values, particularly workplace values, was long considered through the convergence-divergence debate. Proposers of convergence argued that as industrialisation spread through developing countries, those countries would assume the cultural values of countries already in an advanced state of industrialisation. Convergence theory looks at how individuals are influenced by technology and through it how they can develop a value system that is consistent with the technology of their society, regardless of the sociocultural influences. This theory states that as societies industrialise, they will adopt technologies from other industrialised societies, and by doing so, they will embrace those societies’ values (Ralston 2008).

In opposition to this view, those supporting the divergence thesis had argued that despite industrialisation, developing countries would maintain their own diverse cultures despite being more similar at the economic level (England & Lee 1974). Responding to what they perceived as a lack of attention to a third possibility, cross-cultural management researchers Ralston and colleagues applied a convergent-divergent-crossvergent (CDC) framework to their studies thus adding the construct of crossvergence (Ralston et al. 1993; Ralston et al. 1997). The globalisation of business had raised the importance of the question of whether a unified approach under a universal corporate culture was a feasible objective for a multi-national corporation with workplaces in highly diverse countries.
Crossvergence allowed for the possibility that when people and organisations from different cultures came together, as they increasingly were under globalisation, they could learn from each other and evolve new hybrid sets of cultural values (Gupta & Wang 2004). Crossvergence occurs when management practices arise from the fusion of two or more cultures within an organisation in a way that harmonises with the heterogenous national culture. An example would be a manager from a low power distance country who themselves normally held aligned values altering their practices when assigned to an organisation in a high power distance culture where a more directional style of management may be seen as appropriate (Jacob 2005).

Ralston et al. (1993) conducted a study of management values in the United States, Hong Kong, and China which had two main findings. First, that the United States and China supported the divergence thesis with highly contrasting values reported. Second, that in the case of Hong Kong a newly formed hybrid set of values had emerged thus supporting the crossvergence thesis (Ralston et al. 1993). This new set of values resembled American values in some regards and Chinese values in others. It was in this study that the construct of crossvergence was first proposed.

A follow-up to the original study was published in 1996 and this time compared six different regions of China. The regions had varying degrees of contact with the wider world and so the researchers hypothesised that the greater this contact had been, the stronger a crossvergence effect would be. Indeed, those in more cosmopolitan areas scored more highly on an individualism measure than those in parochial areas, which they also took as supporting crossvergence (Ralston et al. 1996). Using the same CDC framework, Ralston et al. (1997) conducted a similar study comparing workplace values in the United States, Russia, Japan, and China, again they argued their finding supported the crossvergence thesis though they also raised the possibility that the crossvergence could be a transient state along a continuum between convergence and divergence. This study stated that “unique cross-bred values” cause crossvergence explaining, “crossvergence occurs when an individual incorporates both national culture influences and economic ideology influences synergistically to form a unique value system that is different from the value set supported by either national culture or economic ideology” (Ralston et al. 1997, p. 183).
The fourth study by Ralston et al. in 1999 compared the US, China and the two regions of Vietnam, north and south. The rationale for studying the two regions of Vietnam was that following reunification after the war, the two regions were treated very differently creating the possibility of changes in values. Individualism was found to be stronger in the north than the more harshly treated south. The researchers saw this as evidence that values (at least those associated with individualism) can be altered, possibly temporarily (Ralston et al. 1999).

A 2004 study switched from a geographic to a generational approach based on the rationale that exposure to the Internet of younger generations of Chinese and Americans may change their values (Egri & Ralston 2004). For example, would young Chinese have more in common with young Americans than they did with older Chinese? The results provided little evidence either way with Ralston (2008) later suggesting that a still younger sample may have been needed for an effect to be detected. Nevertheless, he still posited that age was a significant variable in value formation. The sixth study returned to the original 1993 study in order to obtain longitudinal data from United States, Hong Kong, and China in order to provide further evidence of whether values change over time (Ralston et al. 2006). The most interesting results again related to Hong Kong. Data for the original study had been collected when Hong Kong was under British rule; by the time of the collection of the second dataset it had transferred to Chinese rule. Certain value measures (Confucian dynamism and intolerance of ambiguity) showed significant changes in managerial values in Hong Kong and there were also change trends in the US and Chinese data. Managerial values do therefore appear to change over time and in some circumstances this change is of a highly significant magnitude (Ralston et al. 2006).

By 2008, when Ralston wrote a fifteen-year review of the new construct, there had been six cross-cultural studies undertaken. Conscious that the existing constructs of convergence and divergence also allow for long-term changes in values, Ralston differentiated crossvergence from divergence as this thesis saw change in values arising from socio-cultural factors and being measured across generations. Ralston instead posited that managers’ value formation was also influenced by business ideology and could take place more quickly. Convergence does allow for an influencing role for business ideology but holds that this ideology becomes more universal, whereas Ralston and his colleagues’ evidence shows an opposite direction of travel (Ralston 2008).
Ralston and colleagues had sought to build on the work of Hofstede and Trompenaar. In particular, they questioned the nation state as an appropriate unit of analysis, pointing out that multiple cultures can exist within one country’s borders. Furthermore, they argued that the approach of rating an entire country, in the way that Hofstede’s dimensions do, underestimates the significance of the individuals whose values run contrarily to the aggregated ‘nation’ (Jacob 2005). For example, there must surely be substantial numbers of Saudis who have more individualist values than the country as a whole. Jacob, also a proponent of crossvergence, explained, “If exceptions to the rule are as numerous as the rule itself, can meaningful predictions based on that rule be made about individual managerial behaviour? The answer is likely to be a resounding no.” (Jacob 2005, pp. 514-515). Jacob also posits that rather than being pure examples of their national culture, in reality many individuals are hybrids holding concurrent membership of multiple cultural groups. Furthermore, this hybridisation is an ongoing process with individual cultural identities constantly changing. The response to what was viewed as the shortcomings of the attempts to classify countries was to propose the importance of the constructs of multiculturalism and crossvergence. Multiculturalism is defined as “the management of sub-cultures within a nation” (Jacob 2005, p. 524); these subcultures are mainly defined along ethnic lines. Organisations are likely to have members who belong to subcultures that contrast with the dominant culture as described by, for example, Hofstede.

Based on theories of values formation, Ralston (2008) illustrates that there are three possible outcomes. First, convergence theory, which looks at how individuals are influenced by technology and through it how they can develop a value system that is consistent with the technology of their society regardless of the sociocultural influences. This theory states that as societies industrialise, they will adopt technologies from other industrialised societies, and by doing so, they will embrace those societies’ values (i.e. values becoming the same). Second, divergence theory argues that sociocultural values dominate and continue to exist as time passes, regardless of any other possible influences (i.e. values remaining unchanged). Thirdly and finally, crossvergence theory. This theory is very useful in explaining the complexities and different dynamics of people’s circumstances in one culture. The theory states: “the combination of sociocultural influences and business ideology influences is the driving force that precipitates the development of new and unique values systems among individuals in a society owing to
the dynamic interaction of these influences” (Ralston 2008, p. 29). The crossvergence theory asserts new and unique values systems in a society emerge from the interaction of various influences (Ralston 2008). This means that individuals and sub-groups of a given culture will integrate sociocultural influences and business ideology influences to form a unique values system. Ralston’s research did answer the question of what happens when a culture intersects with those influences but did not indicate enough about how each type of those influences contributes to the emergence of a particular approach.

3.8.1 Recent support for crossvergence in CDC studies

Ralston (2008) reflected on the crossvergence theory of values’ evolution and how it had developed since it was first proposed in the US, Hong Kong and China study published fifteen years earlier. By 2008, he and his fellow researchers had undertaken a series of six empirical studies each of which had supported the crossvergence concept to some degree. He argued in this review that the most important contributions of this theory had been to offer a more appropriate approach to understanding how values form and evolve than the classic convergence-divergence dichotomy (Ralston, 2008). He also used this opportunity to modify his definition of the theory and proposed three categories of relationships: deviating-crossvergence, conforming-crossvergence and static-crossvergence. Writing in the same year, Witt (2008, p. 48) urged researchers to continue theory development because “crossvergence perspective is yet to come to full bloom”. Indeed, researchers have continued to apply crossvergence theory to a range of research questions and, as with the original series of studies, crossvergence is commonly applied to cross-cultural studies. However, the large body of literature on convergence/divergence and crossvergence is inconclusive across a wide range of fields of study insofar as which is the predominant direction of movement for cultural values and attitudes. Is the main driver national culture (divergence), or the ideology of the globalised economy (convergence) or a hybrid combination of both (crossvergence)? Some studies report the presence of two or three in the same dataset and others show that the predominant trend depends on whichever of Hofstede’s (1980) cultural dimensions are being examined.

One reason for the inconclusiveness of CDC studies, and crossvergence in particular, was suggested by Witt and Redding (2009). They explored the link between national cultures and the institutional structures of national business systems through a comparative study of Germany and Japan in which the researchers interviewed senior executives at major
firms. They also compared the data from both these countries with the United States to examine whether there was convergence with the later due to its dominant role in international business. Both sets of executives exhibited attitudes resistant to convergence. However, the study is most relevant to present study for its questioning of the usefulness of crossvergence theory. In a brief note the authors state “We do not include in this discussion the construct of ‘crossvergence’ … because the definition of crossvergence seems to be so encompassing that virtually any outcome can qualify as crossvergence (Witt & Redding 2009, p. 880).

Notwithstanding this critique, studies based on crossvergence continue to be undertaken. In 2008, Ralston had argued that to apply the theory appropriately a longitudinal approach to research was necessary because the crossvergence phenomenon was a process that manifested itself over time. However, subsequent studies have been both longitudinal and snapshot in nature. Some of these are now discussed.

Crossvergence of values and attitudes among business students from Canada and China was addressed by Dunn and Shome (2009), with a focus on business ethics. The study compared survey responses of Canadian students with their Chinese counterparts studying at the same Canadian institution, thus representing an individualist/collectivist contrast. The researchers reported crossvergence evidence in some areas of ethical attitudes but not in others. They also raise the possibility of other factors such as age influencing their results.

Khilji et al. (2010) studied the impression management behaviour at the workplace of Indian, Israeli and Pakistani employees for evidence of convergence, divergence or crossvergence. As with many such studies, the researchers were aiming to understand whether a new set of values are crossbred when national cultures are exposed to globalisation and economic development; something that, if true, would uphold crossvergence theory. In what is also a common thread in convergence-divergence-crossvergence (CDC) studies, the researchers were investigating for the effects of Western work values on subjects from non-Western cultural backgrounds. Their study reported a crossvergence of values and thus supported crossvergence theory.
Sarala and Vaara (2010) studied the impact of national cultural differences on knowledge transfer and, in particular, the role of convergence and crossvergence in facilitating such transfers. Based on Ralston’s original research (Ralston et al. 1997), they offer a definition of cultural crossvergence in an organisational context as “a form of organisational cultural integration that results in a new and unique organisational culture that is ‘something different’ from the former cultures.” (p. 1371). Concerning the aforementioned effect on knowledge transfer, the study found that both convergence and crossvergence mitigated the potentially negative effect of cultural differences and positively assisted the knowledge transfer process. When firms merged, the process of crossvergence generated a new shared identity.

Caprar (2011) considered what happens to the identities of host country nationals (HCNs) when they go to work in their own country for a multinational company from another country, in this case Romania and the United States respectively. Focus group and interview data revealed a series of themes, some of which pointed to the emergence of values and attitudes that could be characterised as crossvergent. This included instances of rejection of aspects of their home country culture and admiration of the US culture (Caprar 2011). The researcher demonstrates how host country nationals had developed a set of values and attitudes that were significantly different from those of ‘normal’ Romanians. This study is an example of how findings from cross-cultural CDC studies should be evaluated in the light of the context; specifically, which cultures are being compared. Romanians were emerging from decades of Soviet-bloc oppression and the arrival of US multinational companies would have been viewed by some as part of the process of liberation with participants perceiving the arrival of “the American dream” in their own country (Caprar 2011, p. 616).

Sanders’ (2014) study comprised an in-depth interview with a single subject, an American expatriate in China. According to the researcher, the data reveals how the subject’s organization, a US-based multinational manufacturer, was creating “a global culture” with “global leaders” (p. 58) that could be applied wherever it operated around the world and which allowed for a blending of host and home country cultures into a “composite, crossvergent culture” (p. 64).
Fan et al. (2017), in a study with significant relevance to the present one, investigated national innovativeness to explore why some countries appeared more innovative than others when it came to technology. OECD member states were sampled, and data collected on measurements such as patent applications and Hofstede’s dimension data. Fan et al. (2017) also found mixed evidence for the effect of the individualist-collectivist values on innovativeness with both individualist countries like the United Kingdom and the United States as well as a collectivist society like Japan rating highly.

Large scale longitudinal studies reporting evidence of crossvergence have not been conducted since Ralston and his colleagues’ original set of studies, particularly the longitudinal study of eastern and Western value dimensions (Ralston et al. 2006) which opened the possibility of crossvergence being a transitional state (i.e. between divergence and convergence). While the present study is a snapshot that gathers data at one particular point in time, it nevertheless aims to provide an important contribution to the development of the theoretical concept of crossvergence and the CDC field as a whole, using qualitative methods.

Ralston’s work gives prominence to business ideology, alongside cultural values, as an important variable in understanding culture and its influences. Tung defined this ideology as “a coherent set of beliefs shared among its businesspeople which forms a system of business ideals” (Tung 2008, p. 184). This business ideology may vary considerably from one country to another (Bloom & Van Reenen 2007; Edwards et al. 2003; Muethel et al. 2011). Under the umbrella of business ideology come: leadership practices, business ethics and corruption, the importance attributed to personal connections, group or individual orientation, attitudes to employee self-reliance, multiculturalism, among other factors (Ralston 2008; Tung 2008).

3.9 Cultural values and entrepreneurialism

The relationship between national culture and entrepreneurship has attracted substantial research interest. This is unsurprising because it is widely accepted that entrepreneurial activity is a requisite for economic development and is the leading source of new jobs in most economies. These views have been supported by several studies that have identified the influence of culture on entrepreneurial activities (Pinillos & Reyes 2011; Rinne et al.
Accordingly, the concept of culture needs to be examined in more depth to develop a clear view of the research problem. There is evidence that the values and beliefs of a national culture have a significant association with the rate of start-ups (Carree et al. 2007; Davidsson & Wiklund 1997). Furthermore, it is a broad assumption that some countries are more entrepreneurial than others (Wennekers et al. 2005) and that some countries have more drivers and fewer barriers in place for entrepreneurial activity. For example, the high level of entrepreneurship in the United States has been linked to cultural values such as independence, freedom, achievement, individualism and materialism (Morris et al. 1994; Spence 1985). In other words, the United States is understood to have an entrepreneurial culture. The rationale for the existence of a relationship between cultural values and entrepreneurialism is that culture exerts an influence on the degree of support found in the environment making the creation of new ventures a legitimate activity (Hayton et al. 2002).

Wong (2014), explains entrepreneurial culture as being a set of values, beliefs and attitudes shared within an organization or a society and which characterises entrepreneurial lifestyle. It is the national societal level that the present study is most interested in, so it is important to ask which drivers and barriers affect how entrepreneurial a country is. Drob (2016) suggests that an entrepreneurial culture features the encouragement of risk, toleration of failure, promotion of innovation, encouragement for continual change and improvement, and a visionary and passionate attitude to business. Kouriloff’s (2000) review of barriers to entrepreneurialism in Australia has a number of relevant findings. In particular, he argues that the most important barriers are non-economic and that these barriers are intractable to regulation because “there is no panacea to engendering venture creation” (p. 59). The barriers, in this context, were found to be personal and cultural ones, namely, business risk, work stress, time for family, and failure concerns. However, the author also makes the point that barriers are country-specific and may not be present or may be present in even greater intensity in another country.

Hofstede’s (1980) cultural dimensions have proven to be a popular approach to the understanding of entrepreneurship including attempts to investigate barriers to such activity. This is particularly true of the individualist-collectivist dimension. Individualism is linked to the motivation for achievement and the pursuit of personal goals.
Unsurprisingly, there is widespread support for the notion that high individualism is associated with high levels of entrepreneurial behaviour (McGrath et al. 1992; Mueller & Thomas 2001; Shane 1992; Wennekers et al. 2002). However, there is also empirical evidence that counters this association, showing that it is actually collectivism which is linked to higher levels of entrepreneurialism (Baum et al. 1993; Hunt & Levie 2003). The explanation for this contradictory evidence, according to Pinillos and Reyes’s (2011) analysis of Global Entrepreneurship Monitor data, is that rather than a two-fold relationship between individualism and collectivism, there is a three-fold relationship including these two, plus level of economic development. Their study finds that the relationship between individualism and entrepreneurialism is a negative one in countries at a medium or low level of economic development but positive in countries at a high level of development (Pinillos & Reyes 2011). It appears from this that the popularly held view that individualism is unreservedly related to, even a precursor for, entrepreneurial behaviour should be questioned. Further evidence that stage of economic development is an important factor in levels of entrepreneurialism is found in Aygun et al. (2008) who reported that entrepreneurship values were rated higher among their Turkish sample than their American peers. They posit that the reason for this was the economic phase of increased industrialization and developmental opportunities that Turkey was going through at the time which had made it (in the mid-1980s) one of the fastest growing economies in the OECD. The significance of these findings about economic development for the present study is, however, limited because of the difficulty in attributing an accurate level of development to Saudi Arabia. In some respects (e.g. infrastructure, education, health system) the Kingdom resembles a highly developed nation while in others (e.g. poverty, water supply, lack of codification of laws) it appears closer to a developing country. Its deployment of a large expatriate workforce also complicates comparisons.

A comparison of Saudi Arabia with the United States using each country’s scores on the six dimensions and based on the data aggregated by Hofstede Insights (2017) illustrates the contrasts between the two countries (see Figure 3-8). Believing there are no absolute measures of culture, Hofstede instead opted to use a scale from 0 to 100. The data are collected using a survey instrument including items on each cultural dimension (Minkov & Hofstede 2010).
Power distance was a term originally coined by Mulder (1960), a social behaviourist. In Hofstede’s interpretation, power distance refers to the extent that power inequalities within a society are viewed as acceptable (Hofstede 2014d). A high power distance culture is one in which rigid hierarchies exist and are deemed to be both inevitable and justified. Those not at the top of the hierarchy have little expectation of decision-making input.

In contrast, a low power distance country may well have hierarchies and power inequalities but these are more commonly seen as undesirable and something that should be challenged and changed (Hofstede Insights 2017). A high power distance culture also places importance on dependence relationships (Radziszewska 2014). Figure 3-8 clearly indicates that Saudi Arabia is a high power distance culture while United States is a low power distance culture.

A collectivist society is one featuring strong and long-lasting bonds between members of the same in-group. In-groups can be the extended family, the community or even tribal. Such a society can be summed up as having a ‘we’ culture (Hofstede 2014c). In a collectivist society there may be a stronger tendency to exclude out-groups. The
collectivist culture prioritises relationships over tasks. In an individualist country, the individual identity is paramount over group identity with a person’s social responsibilities being confined to themselves and their immediate family. The task is prioritised over the relationships between the parties involved. While the collectivist society requires harmony to function properly, even if it is superficial, the individualist society can thrive on confrontation which is viewed as source of strength and growth (Hofstede 2014c). Figure 3-8 shows that the United States scores as a high individualist culture while Saudi Arabia is a collectivist one.

The third dimension is masculinity. Hofstede’s (2014e) description of a high masculinity society is one where gender roles are pronounced and highly differentiated. Male roles are based on assertiveness, strength and hard work while female roles are more concerned with quality of life matters. In a high femininity culture, gender roles are blurred and their distinctions minor or entirely absent, men as well as women are interested in quality of life issues and are not inhibited from exhibiting tenderness and caring qualities. There is also a contrast on work-life balance. In a high masculinity society work comes first, whereas in a high femininity culture work-life balance is important and putting family before work is acceptable (Hofstede 2014e). Interestingly, the scores attributed to the United States and Saudi Arabia are very similar for this dimension with both countries situated as moderately masculine cultures (see Figure 3-8).

Uncertainty avoidance represents the degree to which individuals in a society perceive feelings of threat from situations that are ambiguous or unknown to them and, furthermore, believe that such situations should be actively removed. Importantly for the present study of entrepreneurialism, Hofstede (2014b) states that uncertainty avoidance is different to risk aversion. In a high uncertainty avoidance culture, what is unknown or different is viewed as threatening and a source of stress and even aggression. Individuals in such a culture seek out rules to avoid uncertainty (Hofstede Insights 2017). In contrast, the low uncertainty avoidance society is suspicious of rules and sees them as breakable should the circumstances justify it. Uncertainty is accepted as a fact of life and is not resisted. Figure 3-8 shows that while Saudi Arabia is clearly a high uncertainty avoidance culture, the score of 46 for the United States situates it as broadly neutral on this dimension.
Long term orientation, the fifth dimension, was added to the original four by Hofstede in 1991 (Hofstede 1991) and emerged from the Chinese Values Survey three years earlier (Hofstede & Bond 1988). The data supporting this dimension were later increased through the addition of the World Values Survey which lent further support to the justification for the dimension (Minkov & Hofstede 2010). Briefly, and to quote Hofstede’s own words,

*Long term orientation stands for the fostering of virtues oriented towards future rewards, in particular perseverance and thrift* (Hofstede 2014a). *Its opposite pole, short term orientation, stands for the fostering of virtues related to the past and present, in particular, respect for tradition, preservation of ‘face’ and fulfilling social obligations.* (Hofstede 2001, p. 359)

Figure 3-8 shows that both the United States and Saudi Arabia score moderately low on long term orientation. In other words, they are both moderately short term-oriented cultures.

The final and most recently added dimension is indulgence versus restraint, having been uncovered in the aforementioned World Values Survey. The term was proposed by Michael Minkov (Minkov & Hofstede 2010). It refers to the degree to which individuals perceive they have control over their lives and their pursuit of happiness. In an indulgent culture, individuals perceive they have the agency to satisfy their desires for enjoyment and fun. In a restraint culture, individuals to not feel they are able to pursue pleasure with resulting unhappiness. Another symptom of restraint is that the work ethic is stronger rather than the leisure ethic that is important in an indulgence society (Hofstede Insights 2017). Figure 3-8 shows that Saudi Arabia has a broadly neutral score for this dimension while the United States is situated as moderately indulgent.

### 3.9.1 Cultural contrasts and entrepreneurialism

The United States is used in this comparison as representing a Western culture which is widely assumed to have a favourable entrepreneurial ecosystem. From the comparisons shown in Figure 3-8 we can conclude that the main points of contrast between Saudi Arabia and the United States are on power distance, individualism, and uncertainty avoidance. The question to consider is whether these differences have a consequence for
entrepreneurial action. For this we can turn to the empirical literature to see what evidence is available.

Considering the individualism–collectivism dimension, intuitively it would seem that entrepreneurship is an individualist activity. Taylor and Wilson (2012) refer to the association of individualism with entrepreneurship and innovation as a “suspicion” (p. 234). Indeed, the empirical evidence is more nuanced, and authors point to the entrepreneurial achievements of collectivist countries in Asia (Franke et al. 1991) and Scandinavia (Peterson 1988) to counter the long-established narrative that entrepreneurship can only truly flourish in an individualist country such as the United States (Tiessen 1997). In recognition of this, Tiessen (1997) declares that “entrepreneurship is the outcome of both individualist and collectivist orientations” (p. 368). Specifically, he contends that the entrepreneurial act consists of two functions: generating variety and leveraging resources. Generating variety requires innovation and the pursuit of opportunities while leveraging resources includes know-how and capital. For Hofstede (1980) individualism and collectivism are opposite ends of a continuum, but for Tiessen (1997) the two can even co-exist; certainly, for Tiessen both can be associated with entrepreneurialism. Individualism is associated with individual entrepreneurship and collectivism is linked to corporate entrepreneurship.

Using large datasets covering 62 countries and with individualism–collectivism as their independent variable, Taylor and Wilson (2012) examined whether there was an association between a society’s cultural values and the ability of its citizens to innovate and act in an entrepreneurial way. Using R&D expenditure and patent applications (among others) as proxies for innovation, they found that individualist countries were more inclined to innovation. For collectivist countries there was a split based on different types of collectivism. They termed the first type institutional collectivism, which was associated with patriotism and nationalism; it was found to stimulate innovation. However, collectivism that was based on familism or localism was associated with low innovation and acted as a barrier to scientific and technological advance (Taylor & Wilson 2012). This is potentially significant because Saudi Arabia is associated with economic familism (Mazaheri 2013).
However, it is not just individualism-collectivism that is understood to have an effect on entrepreneurial intention and/or action. McGrath et al. (1992) characterised individual entrepreneurs as likely to fit a high individualism, high power distance, low uncertainty-avoidance, and high masculinity profile. This proposal is supported by Busenitz and Lau (1996), who also argue that the finding holds at the national level. Others dispute the power distance finding, arguing that entrepreneurialism is supported by a low power-distance orientation (Liñán & Chen 2009; Mueller et al. 2002). In cultures with high uncertainty avoidance such as Saudi Arabia, people may take longer to make decisions and be more cautious in their decision-making process (Alanazi & Rodrigues 2003). Saudis prefer to avoid uncertainty, maintain strict codes of belief, and are intolerant of untraditional behaviour and ideas (Hofstede Insights 2017).

Taking innovation as a proxy for entrepreneurship and applying Hofstede’s original four cultural dimensions (individualism, power distance, uncertainty avoidance, masculinity) Shane (1992, 1993) found a series of negative and positive associations for two time periods: 1975 and 1980. Uncertainty avoidance was found to be negatively associated with innovation for both time periods. Masculinity had no significant association at either time periods. Curiously, in 1975 individualism was positively associated with innovation but in 1980 it was not. Furthermore, power distance was negatively associated with innovation in 1975 but not five years later (Shane 1992, 1993). Thus, the relationships between the cultural dimensions and innovation are not stable across time. Another proxy featured in the literature on the relationship between culture and entrepreneurship is the new business start-up rate. In a Swedish study, Davidsson (1995) went beneath the national cultural level to study start up rates in six regions understood to have different cultural values, structural features, entrepreneurial intentions and beliefs towards entrepreneurship. He found a complicated set of interactions among these factors and their association with start-up rates. Subsequently, Davidsson and Wiklund (1997) identified three cultural characteristics as being associated with higher start up rates: a need for achievement, a need for autonomy and self-efficacy, the belief in one’s ability to succeed (Bandura 1986).

There is also substantial literature examining the relationship between national culture and individual level entrepreneurial traits. The key question in this literature is the extent to which differing national cultures lead to different perceptions, motivations and
decision-making among entrepreneurs as well as the extent of commonalities that transcend cultural and national borders. Schienberg and Macmillan (1988) investigated whether entrepreneurial motives were consistent across countries irrespective of national cultural values. These motives, they argued, could be placed into six dimensions: approval-seeking, the perceived instrumentality of wealth, desire for personal development, communitarianism, and the need for escape. While these dimensions were common to all cultures, their relative importance varied greatly from one country to another. Shane et al. (1991) had a similar purpose in their three-country study. They identified that reasons for starting a business could be explained with a four-dimensional model: roles, achievement recognition, independence from others, and learning and development. While the model was applicable in each country, there was a systematic variation on the relative importance of each dimension.

### 3.9.2 Risk-taking

Three dimensions are assumed to have relevance to risk-taking: individualism-collectivism, uncertainty avoidance, and harmony. A culture with higher individualism has an emphasis on the achievement and self-dependence of the individual whereas a collectivist culture promotes the value of group cohesion (Hofstede 1980). Low uncertainty avoidance cultures thrive on innovation and novel events whereas those high on this dimension value clear rules of conduct and shun situations that are ambiguous. It should be stated here that Hofstede (2001) did later clarify that uncertainty avoidance was not exactly the same as risk avoidance. Thirdly, a culture that is high on harmony is accepting of the status quo whereas low harmony counterparts emphasise support assertiveness in advancing group or individual interests (Schwartz 1994).

Kreiser et al., (2010) hypothesised that four of Hofstede’s cultural dimensions (uncertainty avoidance, individualism, masculinity, power distance) would be related to levels of risk-taking behaviour. The results indicated that uncertainty avoidance and power distance have a significant negative influence on risk-taking levels among SMEs. In other words, those firms operating in a country where the national culture is not comfortable with ambiguity and there is a preference for clear rules (high uncertainty avoidance) and where an unequal distribution of power is deemed normal and acceptable (high power distance) were less likely to take risks than firms operating in other cultures.
In their study of corporate risk-taking across 35 countries, Li et al., (2013) hypothesised that high individualism, low uncertainty avoidance and low harmony cultures would promote greater corporate risk-taking than those with the opposite values. Their analysis supported this hypothesis thus finding that cultural influences did have a significant influence on corporate risk taking. These influences also affect the nature of the formal institutional development aimed at managing risk within the society (Li et al. 2013).

As Saudi Arabia is a collectivist, high uncertainty avoidant, high power-distance and high harmony society, the evidence suggests quite clearly that it is not a risk-taking environment. Indeed, beyond the theory and empirical studies it is widely recognised that the Kingdom is a society that lacks a culture of risk-taking.

One counter thesis to national culture’s effect on entrepreneurialism is the universal trait perspective (McGrath & MacMillan 1992; McGrath et al. 1992). This view holds that irrespective of national (or regional) cultural values there is a set of personality traits commonly found among entrepreneurs. Two studies applied Hofstede’s (1980) 4-dimensional framework to individuals in two groups: business owners and non-entrepreneurs. The value orientations of the business owners were consistent across first eight (McGrath et al. 1992) and then nine (McGrath & MacMillan 1992) countries involved in the study. According to these studies, the entrepreneurial mindset transcends cultures. For entrepreneurs, non-entrepreneurs represent an out-group.

Notwithstanding the universal trait position, Hofstede’s cultural dimensions theory remains widely cited by scholars and practitioners and it has provided a foundation for analysing how cultural values differ (Hayton & Cacciotti 2013; Hayton et al. 2002). It also relates to performance, management practices and innovation (Michael & College 1997). In the context of this study on entrepreneurship, Hofstede's work is widely employed in the field of national culture because it provides an opportunity for a comparative study of national differences and social beliefs (Pinillos & Reyes 2011; Rinne et al. 2012; Ross 1999; Stephan & Uhlaner 2010; Williams & McGuire 2010). Even though Hofstede’s research did not identify the relationship between entrepreneurship and culture, his cultural dimensions are useful in identifying the cultural factors affecting entrepreneurship.
3.10 The institutional context

Ralston was not the only scholar who explored and wrote on external influences other than culture (Bruton et al. 2010; Lim et al. 2010; Nasra & Dacin 2010; Scott 2007; Williams & Vorley 2015). One non-cultural influence of particular interest is examined by institutional theory which posits that an individual’s perception of the feasibility and desirability of engaging in new venture creation is shaped by the context in which they live (Dheer 2017; Scott 1995). The “rules of the game” that entrepreneurs operate in are set by institutional determinants, which include the social, political, and cultural framework of a society (North 1994, p. 361). Bruton et al. (2010) demonstrate the importance of institutional theory in that it has a great potential to provide useful insights to understanding entrepreneurs and their environment.

Institutional theory holds that institutions are both representative of a country’s culture and are given meaning by that culture. Furthermore, these institutions delimit the possible actions of organisations (Jepperson 1991; Scott 1995). Similarly, Hitt et al. (2004) argue that institutions, which include the capital markets, rules, laws, and governance mechanisms particular to a national setting, set the boundaries of acceptable strategic actions. Institutions achieve this through giving legitimacy to certain actions deemed acceptable and sanctioning others viewed with the culture as unacceptable (Hitt et al. 2004). Institutions are significant because they are a manifestation and a result of the inculcation of the cultural values held by a society. Importantly for the present study, institutions also facilitate understanding of entrepreneurial behaviour in a particular country (Manolova et al. 2008).

A study by Lim et al. (2010) frames the institutional perspectives by applying Whitley's conceptualisation of the legal, financial and educational institutional systems impacting on entrepreneurial cognitions (i.e. the entrepreneurial mindset) which eventually impact on the venture creation decision. This theory has been summarised by Scott (2007) as representing the three pillars of institutional forces. First, the regulatory pillar, which incorporates governmental regulations and industrial agreements and standards, also provides guidelines for new entrepreneurial ventures (Bruton et al. 2010). Second, the institutional pillar, which represents models of organisational and individual behaviour, is one that has traditionally been seen as the organisational level as in 'business
organisation' with normative values, culture, etc. (Scott 2007). In the context of the Saudi and other Middle Eastern gulf nations more dominant organisational entities exist, namely ‘extended family’ as an organisation and the ‘tribe’ as another organisation, each with its own attendant values, norms, proscriptive practices, and behaviour (Rice 2004). The final pillar is the cognitive pillar operating at the individual (entrepreneur) level based on rules and values that could limit appropriate beliefs and actions (Bruton et al. 2010). This pillar is significant to entrepreneurship research in terms of how societies accept entrepreneurs and create a cultural environment whereby entrepreneurial activities are not only accepted but also encouraged (Bruton et al. 2010).

Dheer (2017) addressed the relative importance of institutions compared to national culture as determinants of entrepreneurial behaviour. Individualism-collectivism was the dimension used as the culture variable. No fewer than 85 countries were included in the analysis and the results showed that individualism-collectivism moderated the effect of formal institutional elements, leading to the conclusion that “values, beliefs, and cultural attributes play an important role in regulating or shaping the impact that institutional policies and regulations have on entrepreneurial activity across nations” (p. 834).

On behalf of the World Bank, Klapper et al. (2006) conducted an analysis of European countries to understand why some were more entrepreneurial than others. A key measurement was the rate of new firm creation. They concluded that the three main inhibitors of new firm creation were lack of access to finance and absence of a highly developed financial system; high levels of entry regulation; and labour market regulation that reduces labour flexibility (Klapper et al. 2006). The motivation for high levels of bureaucratic regulation are also considered. It appeared that in more corrupt countries high levels of regulation were not a barrier to entry because they could be easily sidestepped through payment of bribes, whereas in less corrupt countries high regulation did have an effect, the result of which was the protection of market incumbents (Klapper et al. 2006). This is significant because high entry barriers would be likely to make market incumbents “fat and lazy” (Klapper et al. 2006, p. 611) or, to put it another way, non-entrepreneurial.

National culture may create a set of informal rules of the game for entrepreneurialism such as the status awarded to entrepreneurialism and attitudes to corporate social
responsibility, but governments create a formal framework of rules in which entrepreneurs operate. Parker and Robson (2004) found in their European study that regulation, and particularly the income tax regime, was a determinant of rates of self-employment which is taken as a proxy for entrepreneurialism.

Researchers adopting the comparative institutional perspective study and compare how countries are socio-economically organised, on the basis that the way economic activity is controlled and organised can vary greatly from one country to another. A given level of economic development does not equate to having a certain system of socio-economic organisation and the differences are accounted for at the institutional level (Whitley 2007). The institutional policies and frameworks in place in a country will determine relations among economic actors, the priority given to research and development, and overall patterns of innovative activity (Fan et al. 2017).

Kibler et al. (2014) assert that “regions cultivate distinctive institutional contexts over time, which leads to various social evaluations of economic activity.” (p. 996). In turn, these social evaluations determine the legitimacy afforded to various kinds of economic activity, including entrepreneurialism. The nature of the legitimacy is influenced by factors including demographics, economics, labour market characteristics, and the levels of past entrepreneurship in the region (Kibler et al. 2014).

The institutional theory reflected in the Saudi Kingdom operates within an extended family institutional construct and a tribal institutional construct. This pattern of non-Western institutional constructs is also repeated in the other stable autocratic economies of the Gulf region. Similar socio-economic patterns are having an impact on each of these nations as they are now faced with dwindling revenues from oil and the requirement for a more diverse base of economic activities.

As was previously stated, the economy of Saudi Arabia is at transitional point in values and practices. This is a transition in which the kingdom is adapting a modern free-market economy, in other words, a system of modern Western practices of doing business. Based on the significant work of Ralston (2008), the crossvergent situation in Saudi Arabia is the formation of a new values system through a dynamic interaction between longstanding historical and sociocultural influences and business ideology. Business ideology
includes technological, political, and economic changes. Given the situation in which Saudi Arabia’s economy is slowly changing, the macro level represents the government’s efforts to support entrepreneurship, the meso level represents the Saudi national culture, and the micro level represents the family and the extended family (the tribe).

### 3.11 Summary

This chapter has considered the entrepreneurial mindset and entrepreneurial behaviour from a theoretical standpoint. After defining the entrepreneurial mindset, the chapter considered a series of models used for predicting entrepreneurial behaviour, the EEM the TPB, the integrated version, and Bird’s theory of intentionality. Following this there is a discussion of the intention-action gap and an explanation of the gap between opportunity perception, intention and entrepreneurial action. A pronounced gap of this kind is found in Saudi Arabia which ranks as the highest out of 54 countries for entrepreneurial spirit (Global Entrepreneurship Monitor 2018) but has a deficit when converting this into action. Next the chapter moved to theories situated more at the level of culture starting with Mitchell et al.’s framework or the cross-cultural model of venture creation. The following section introduced the crossvergence construct and the associated theory of values formation. Ralston’s work asserts that managerial values result from two sets of influencers, one sociocultural and the other business ideology. There is also consideration given to barriers that may arise through cultural values that may inhibit entrepreneurship. The last theoretical approach relevant to the present study was institutional theory and how it may help understand the Saudi context.

The review of the Saudi context in Chapter Two and the theoretical and empirical literature discussed in this chapter leads to a basic conceptual framework as shown in Figure 3-9. Figure 3-9 shows that three main factors influence progress from entrepreneurial intention to entrepreneurial action. These are the entrepreneurial mindset, culture, and the entrepreneurial ecosystem.

This framework assists the researcher in determining aspects of the research design such as the interview schedules. It is also returned to as a guidance for interpreting the findings something discussed in Chapter Six of this thesis. Eisenhardt (1989) explains the significance of a priori identification of key constructs, stating that “it is valuable because
it permits researchers to measure constructs more accurately. If these constructs prove important as the study progresses, then researchers have a firmer empirical grounding for the emergent theory” (p. 536).

The main role of theory in the present study is to provide a framework for explaining and interpreting the findings. Hence, once the findings are presented in Chapter Five, we return to the theories discussed in this chapter in order to analyse the findings and evaluate the study as a whole. It is assumed that some of these theoretical approaches will be more explanatory than others and be more or less suited to the Saudi context. In the next chapter the methodology and research methods of the current study are presented and justified. There is also a detailed description of how the researcher operationalised the study.
Chapter 4: Methodology and Research Methods

4.1 Introduction

The first three chapters have provided the context for the present study and reviewed the literature to establish what is already understood about the research topic. This chapter has two main aims: to present and discuss first the methodology underpinning the present study and second the research methods applied when operationalising the study. According to Zeegers and Barron (2015), methodology is “a theory of producing knowledge through research and provides a rationale for the way a researcher proceeds” (p. 61), whereas the research methods are the modes or ways used to conduct the research.

Firstly, the chapter contrasts the two highest level choices a researcher must make which is between the two main epistemological perspectives, positivism and interpretivism, and the two research paradigms related to them, quantitative and qualitative. This will situate the present study epistemologically as the basis for further methodological choices. With the researcher selecting a qualitative design, a critique of qualitative research and the issue of objectivity is addressed.

The next section describes and justifies the research design with particular attention paid to the issues related to single case study designs. How the sampling was conducted for the interview participants is also explained. The chapter then moves on to discuss how the study was operationalised, the conducting of the interviews, transcription, translation, and then data analysis. The final parts of the chapter reflect on issues of validity, reliability and generalisation, the limitations of the study, and the ethical implications of conducting such a study. The chapter ends with a short summary.

4.2 Knowledge and the approach to research

Prior to consideration of the methods used, the sampling, the collection and analysis of data it is important to set out certain dimensions of the research enveloping the entire research process. This includes the epistemological foundation of the research paradigm, the nature of qualitative research and a critique thereof, and the implications for the study of the setting and the gender of the researcher.
4.2.1 Epistemology and the research paradigm

According to Hendricks (2006, p. 1) epistemology is, “The systematic and detailed study of knowledge, its criteria of acquisition and its limits and modes of justification”. It involves the questioning of different kinds of knowledge (Everitt & Fisher 1995). To put the methodological choices made in the research design into context, the two main epistemological approaches are discussed and contrasted. Firstly, positivism is considered briefly before a more extensive discussion of interpretivism and qualitative methods which were selected as the paradigm in the present study.

Positivism

With the arrival of science, positivism was promoted as a replacement to the rational knowledge of the Enlightenment (Venn 2006). Subsequently, these positivist principles were transferred from the natural sciences to the study of the social world by figures such as French philosopher August Compte (cited in Münch 1989, p. 36) who, to emphasise the alignment with other sciences, initially called his approach ‘social physics’ but changed this later to ‘sociology’. Scientific observations and methods were applied to social phenomena to seek explanations. Emile Durkheim set aside Comte’s philosophising and focused on reproducing natural science methods to study social phenomena. His study of suicide (Durkheim 2005) came to symbolise in many ways the positivist-interpretivist debate with critics arguing that suicide statistics were not the same as a natural world phenomenon but were socially constructed, in this case based on the coroner’s willingness to label a death a suicide or the deceased’s family’s desire to avoid such a label (Bryman 2012).

The rise of positivism in the 19th century has been attributed to the changing economic and social conditions of the time, principally urbanisation an industrialisation that brought with them social problems to which the authorities wanted to find solutions. With no answers to be found from the Enlightenment’s metaphysical philosophical approach to knowledge, the demand for quantitative data that could easily justify policy surged, leading positivism to dominate social research. Durkheim exemplifies this approach, urging researchers to work in a value-free fashion with their personal values firmly set aside (cited in Bryman 2012, p. 34). From the end of the 19th century and for much of the 20th century, the principles of positivism dominated social research.
Today however, the dominant view in extant literature is that researchers investigating the social world cannot hope to successfully apply the positivist principles used in studying the natural world. Guba and Lincoln (1994, p. 110) characterise positivist research as viewing reality through a “one-way mirror” whereby the researcher is removed from the phenomenon or object being studied. Anti-positivist scholars posit that it is simply unrealistic as the researcher’s values are inevitably a factor, starting from the choice of research topic through to the drawing of conclusions (Bryman 2007).

**Interpretivism**

The alternative to positivism is interpretivism. The roots of this approach go far back to the mid-19th century when the German word *verstehen* (‘to interpret’ or ‘to understand) was used by German philosopher Wilhelm Dilthey and others to describe an individual’s first-hand perspective of their lived experiences (Makkreel & Rodi 1989). Nevertheless, the positivist hegemony continued for much of the 20th century until it started to be challenged from alternative perspectives including phenomenology, symbolic interactionism, feminism, Marxism and ethnomethodology which can all be viewed as being under the anti-positivist or interpretivist umbrella. The diversification of research approaches was matched by diversity in methods, and substantially more qualitative research was undertaken (Bryman 2012).

The essential premise of all interpretivist methodologies is that it is not possible for society to be observed in an objective way because it is inevitably experienced subjectively. Hence, the positivist aim of applying natural science methods in the social world cannot be achieved because no two individuals including researchers experience the social world in precisely the same way. German sociologist Max Weber (cited in Planing 2014, p. 88) described his discipline as “science which attempts the interpretive understanding of social action in order to arrive at a causal explanation of its course and effects”. In undertaking an interpretivist study, the researcher attempts to build understanding of the subjective meaning of social action; put otherwise they aim to interpret the interpretations of the subjects under study (Bryman 2012). Holloway and Jefferson (2000, p. 3) argue that in social research the objective is, “Being faithful to the voices of those we are researching”. Furthermore, to achieve this “an interpretive approach is unavoidable”. These assertions are accepted in the present study with the consequence that the research design needs to adopt methods capable of capturing a rich
picture of the subjects’ definitions, interpretations and perceptions, something than inevitably means qualitative methods.

**Qualitative research**

As qualitative research gained popularity, the number of approaches under the qualitative umbrella burgeoned to the point that by the end of the 1990s, Wolcott (2002) had identified no fewer than nineteen. Creswell (2003) highlighted five of these: ethnographies, grounded theory, phenomenological research, narrative research, and case studies. Under these qualitative approaches the researcher bases their knowledge claims mainly on the socially constructed meanings attached to individual experiences with the aim of establishing a pattern or theory. Therefore, the meaning of a phenomenon is that constructed by the researcher from the views of participants. Data collected are open-ended and emerging and are used to develop themes (Creswell 2003).

**Theory or practice orientation**

Another important characteristic of the present study is that it is applied research. In the field of business research, applied research is defined as “investigation undertaken to discover the applications and uses of theories, knowledge and principles in actual work or in solving problems” (Sreejesh et al. 2014, p. 4). As explained in the first chapter, the problem in this study is the need to encourage entrepreneurialism and to understand what barriers to entrepreneurialism may exist in Saudi Arabia. The research therefore operates at both a theoretical level, applying and seeking to develop the construct of crossvergence (Ralston et al. 1993), and an applied level, seeking a better understanding of a pragmatic problem and then proposing solutions. Hence, the researcher has not made a decision to pursue a theory-oriented approach or a practice-oriented one (Dul & Hak 2007); instead the two approaches are followed in parallel. The theory orientation is toward developing the crossvergence construct and the practice orientation is toward identifying barriers to entrepreneurship in Saudi Arabia and making recommendations on how these barriers can be lowered or removed.

**Interpretivism and the study of entrepreneurship**

Interpretivist researchers recognise that “…humans learn and understand their reality through their interaction with it” (Packard 2017, p. 541). Those studying entrepreneurship would argue that while survey data may reveal some interesting causal relationships this
is not an end to the search for understanding. Quantitative methods may reveal, for example, that a majority of people respond to a specific stimulus in a given way. However, this in itself is not self-explanatory. Predicting that people will behave in a certain way then collecting data which shows this to be a correct prediction is insufficient to justify a theory (Packard 2017). By using an interpretivist approach with qualitative methods, it is possible to explore why the majority responded in this way, whether they had the same reasons for doing so and why some did not act in the same way as the majority. These are all important questions and they need to be answered before a theory can be justified. These are also the kind of questions addressed in the present study. As part of this interpretivism, the researcher sees entrepreneurialism as the product of intentionality and as a process, specifically a process of new value creation (Packard 2017).

4.2.2 Critique of qualitative research

While it is true that qualitative research has burgeoned in recent decades, it is not without critique. Positivist researchers sometimes criticise qualitative research as being too subjective to be good science and too susceptible to researcher bias. The principle of objectivity in research requires a researcher to remove any trace of personal prejudices and values from each stage of the research process. Many qualitative researchers counter this critique with normativism, arguing that objectivity cannot be achieved and is not even a desirable goal (Sarantakos 2005). However, in the present study the researcher exercised measures to avoid imposing their own values, attitudes and preferences and these are discussed in this chapter.

Critics of qualitative research also argue that it is impressionistic and unsystematic (Bryman 2012) and that the quality of qualitative research is highly dependent on the skills of the individual researcher and more heavily influenced by the researcher’s own idiosyncrasies and biases. Furthermore, the often-unavoidable presence of the researcher during data collection may influence a subject’s response, for example during an interview (Anderson 2010). Moreover, the nature of qualitative methods means that maintaining, evaluating and demonstrating rigor is problematic (Anderson 2010). Similarly, critics point out that qualitative studies are hard to replicate due to the lack of standardised procedures and the aforementioned reliance on the researcher (Bryman 2012).
The concepts of reliability and validity also feature strongly in critiques of qualitative research (Sreejesh et al. 2014). These concepts, traditionally so central to quantitative research, are less easily applied by the qualitative researcher. The concept of reliability is used to assess the objectivity and consistency of the findings and in quantitative research represents the stability of the statistical results and their replicability should another researcher repeat the study. Understandably this type of replication is almost impossible for the qualitative researcher because the setting is constantly changing, unlike research conducted in a laboratory (Bryman 2012). Despite this the qualitative researcher should take all possible steps to ensure that those reading the research report trust its findings (Golafshani 2003). In the present study, this includes the adoption of the Eisenhardt’s (1989) research and theory-building process, data triangulation (with interview data being triangulated with field observations), and a systematic approach to data analysis. As Morse et al. (2002) point out, for qualitative researchers, reliability is mainly a question of the methods used. The researcher must be able to demonstrate that their methods are both consistent and reproducible.

Turning to validity, LeCompte and Goetz (1982) view this concept as comprising of two sets of practices: internal and external. For internal validity to be achieved there needs to be close matching between the study’s findings and the theoretical contributions the researcher develops as a result of these findings. In the present study, the researcher uses the Eisenhardt (1989) framework in developing theory to ensure the closeness of the relationship of findings to theory building. By contrast, external validity concerns the degree to which the study’s findings can be generalised to other settings. The issue of generalisation is another which is challenging to qualitative researchers, especially where a case study design is applied, as with the present study (Bryman 2012). Generalisation from case studies is discussed later in the chapter.

Validity is accepted as a desirable aim in the present study though there are no exact set of techniques for pursuing it (Sarantakos 2005). Primarily, the researcher ensures that there is a close association between the data, the exploration of the findings and the proposed theory development and, in particular, that when the findings are evaluated there is constant reference back to the narratives of the cases (Moisander & Valtonen 2006). There are also grounds to suggest that validity in qualitative research can be just as strong
as quantitative alternatives. Firstly, the researcher and the data they collect are in closer proximity to the research setting. Secondly, there is an interactive communication process through the research which is not present in a quantitative study. Thirdly, the interpretations and perceptions of the research subjects are considered central to the research. Fourthly, there is flexibility and openness in the research methods instead of the rigidity of quantitative research (Morse et al. 2002).

Further challenges facing the qualitative researcher include the amount of analysing and interpreting the high volumes of data can require; the inability to present findings in a visual way as a quantitative researcher could; and the ethical considerations, discussed later in the chapter, such as anonymity and confidentiality that may also restrict the presentation of findings (Anderson 2010).

### 4.3 The research design

To develop knowledge from research, studies need to be carefully planned to produce disciplined inquiry (Lapan et al. 2011) this is achieved through research design. A research design is a framework for the collection and analysis of data and results from the researcher’s perspective of the relative importance of aspects such as generalizing the findings to other settings or populations; revealing causal links between variables; studying a phenomenon over time; or understanding behaviour in one specific social setting (Bryman 2012). Commonly used research designs are cross-sectional (associated with quantitative data collected from surveys); experimental (such as randomised control trials often used in psychology and other health-related fields); longitudinal (often panel studies examining how variables or subjects change over time; case study (a detailed intensive study of a single or sometimes multiple cases); and comparative (where two or more cases are studied in detail for comparison purposes (Bryman 2012).

One further step to take before formulating the research question is to decide what the unit of analysis will be in the study (Baxter & Jack 2008). There were two clear choices available to the researcher. The unit of analysis could have been the organisation or the mentorship program hosted by it, as a single case study. Alternatively, the unit of analysis could have been the individuals taking part in the program and the differences between
them. The latter option was chosen which situated the present study as a comparative case study design (Eisenhardt 1989).

4.3.1 Comparative case study designs

Yin (1984, p. 23) describes a case study “as an empirical inquiry that investigates a contemporary phenomenon within its real-life context; when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used”. Creswell (2003, p. 15) adds that in case study research “the researcher explores in depth a program, an event, an activity, a process, or one or more individuals. The case(s) are bounded by time and activity, and researchers collect detailed information using a variety of data collection procedures over a sustained period of time”. Two of the situations Yin (2003) identifies as making case study appropriate are present in the current research. Firstly, those studies aiming to answer How? and Why? questions. Secondly, those in which the contextual conditions of the study are relevant to the phenomenon being studied. On this latter point, the cases in the present study are to an important extent being influenced and formed by their context, specifically the organisational setting of their mentorship.

According to Yin (1984) case study designs feature four main characteristics: 1) they do not manipulate or control variables; 2) they study the phenomenon in its natural context; 3) they study the phenomenon at one of the available sites; 4) they use qualitative techniques and tools for data collection and analysis. The present study meets each of the criteria. The literature also identifies various kinds of case studies including exploratory, descriptive and intrinsic designs. The present study is a multiple case study though could also be described as a collective case study as the meaning of each overlaps (Baxter & Jack 2008).

Qualitative study of the ideation stages of entrepreneurship seems entirely appropriate to the researcher for two main reasons. Firstly, a quantitative study, for example using a survey, would require reaching large numbers of people from a hard to reach population. Where survey research has been used to examine the phenomenon of entrepreneurship in Saudi Arabia it has invariably been restricted to easy to reach student samples. Secondly, because “The processes leading to the initiation of a start-up reflect complex interactions among personal, life course, and contextual factors”, (Reynolds 1997, p. 461), these
contexts and interactions seem difficult to understand through quantitative methods and require a qualitative approach to build a rich picture of this complexity.

While most entrepreneurship researchers working in the Saudi context have used surveys, Alessa (2018) adopted a case study approach in her study of established Saudi entrepreneurs. A sample of eight male and female entrepreneurs from Riyadh and Jeddah were interviewed. With ages ranging from 37 to 65, this cohort was significantly older than the one in the present study and Alessa’s participants had businesses that were already up and running.

4.3.2 Case studies and theory building

Building on the work of Glaser and Strauss (cited in Eisenhardt 1989, p. 534) and Yin (1981), Eisenhardt (1989) aimed to propose a theory-building approach for case study research. She offers a roadmap to case study researchers comprising eight steps which are shown in Figure 4-1. This framework was adopted for the present study, shaping how the study was operationalised and reported. The way the Eisenhardt framework was applied is briefly stated here for each of the eight steps with more detailed explanation in later sections of this chapter.

![Figure 4-1: Eisenhardt's eight steps to build theory in case study research](Source: Eisenhardt (1989))

**Getting started**

Getting started means defining the research question, which has been given in Chapter One section 1.4, together with a set of sub-questions which helps the researcher focus effort. Without this focus the researcher risks being overwhelmed by the sheer volume of
data that can emerge from case study research (Eisenhardt 1989). Another possible element of this initial step is the use of *a priori* constructs drawn from the literature. Three key constructs drawn from the literature from the outset were that of national culture, the entrepreneurial mindset and crossvergence. In each case the researcher made an informed assumption of the importance of these constructs to the study.

**Selecting cases**

The second step on Eisenhardt’s roadmap is the selection of cases and she states that “While the cases may be chosen randomly, random selection is neither necessary, nor even preferable” (Eisenhardt 1989, p. 537). With regard to the number of cases, Eisenhardt gives only an indication that between four and ten cases have previously been shown to work well. In the present study there are 12 cases which created a very large volume of data and required great attention to be paid to managing and organising the data.

**Crafting instruments and protocols**

At this stage, the researcher makes decisions including whether to have multiple data sources, whether to mix qualitative and quantitative data and whether to deploy multiple investigators. The decisions are aimed at enhancing the *trustworthiness* and *authenticity* (Lincoln & Guba 1985) of the research. Eisenhardt (1989) emphasises the benefits of data source triangulation in case study research stating that “the triangulation made possible by multiple data collection methods provides stronger substantiation of constructs and hypotheses” (p. 538). As will be explained in greater detail later in this chapter, the present study collected interview data, documentary data and data from observations.

**Entering the field**

Taking field notes is suggested to give the researcher a running commentary on their experiences in the field. This is separate to the making of observations. When in the field a key guideline offered by Eisenhardt (1989) is flexibility. This flexibility may manifest itself as adding questions to the interview protocol or new items to a survey. This enables researchers to pursue themes that only emerge once they are in the field or learn from divergent cases, what Eisenhardt (1989, p. 539) refers to as “controlled opportunism”. To facilitate this, data collection and data analysis should overlap.
**Data analysis**

Data analysis undertaken in case study research for theory building is of central importance yet at the same time there is no single prescriptive analytical technique for researchers to apply. In fact, Eisenhardt (1989, p. 540) speculates that there may be “as many approaches as researchers”. Eisenhardt (1989) emphasises the usefulness of within-case analysis. Within-case analysis is defined as “the in-depth exploration of a single case as a stand-alone entity. It involves an intimate familiarity with a particular case in order to discern how the processes or patterns that are revealed in that case” (Mills et al. 2009, p. 971). The second component of data analysis is the search for cross-case patterns which is aimed at avoiding the trap of jumping to conclusions based on limited data (Eisenhardt 1989). The key to doing this effectively is to analyse the data using multiple divergent ways. This may include sorting cases into categories with a typologically based approach looking for within-category similarities and cross-category differences.

**Shaping hypotheses**

The within-case analysis and cross-case pattern seeking lead to the emergence of initial themes and concepts into a frame through which case data can be evaluated for fit. Through an iterative process, which continues until saturation has been reached, the researcher’s aim is to reach the point that the data fits closely with the newly refined theory (Eisenhardt 1989). In the present study, this meant a constant comparison between data and the conceptual framework and the multiple theories and constructs underpinning it and measuring the presence or absence of support for or contradiction of these among the dataset.

**Enfolding literature**

Another important step in theory development comes in the form of a comparison with the work already published in the research domain in a search for similarities and contradictions. The range of literature considered should not be too narrow and contradicting literature should not be ignored. This is because doing so may harm the validity and generalizability of the research. Moreover, Eisenhardt (1989) points out that contradictory literature offers an opportunity because it will require the researcher to think
creatively in “framebreaking mode” (p. 544) leading to deeper insight. This enfolding of literature is one of the key aspects in the discussion chapter, Chapter Six.

**Reaching closure**

The final step in theory building in case study research is reaching closure. There are two indicators of when the theory building process is coming to an end. One is when there is no point in adding further cases to the analysis and the other is when referring back and forward from theory to data ceases to add anything significant (Eisenhardt 1989). Pragmatically, it may be time and resources that dictate closure and sometimes, as with the present study, the number of cases is planned in advance, something which Eisenhardt confirms is commonplace.

**4.3.3 Advantages and disadvantages of case study research and its use in theory building**

No research design is perfect, and each entails the researcher making compromises and accepting potential weaknesses and limitations while trying to maximise the value of the design’s advantages.

**Advantages of case studies**

One advantage of a case study design is that it generates rich and detailed descriptions of phenomena while exploring a real-life environment in a way that can explain the complexities of life which cannot be achieved through surveys or experimental research (Zainal 2007). Furthermore, comparative case studies of two or more cases mean that more generalizable knowledge can be generated. They have the significant benefit of enabling the researcher to perform analysis both within a case and across cases (Eisenhardt 1989). Moreover, by studying multiple cases external validity is increased and researcher bias can be avoided (Leonard-Barton 1990).

Case studies are often sources of contradictory or paradoxical data that can be the source of creative insight which in turn unlocks the potential for new gestalt. Eisenhardt (1989) sees this as a key advantage of case study research. This divergent data is sometimes referred to as arising from ‘deviant cases’. In the present study the researcher was not only interested in common patterns or instances that confirmed a particular theoretical
argument but also in these deviant cases. Deviant case analysis is based on the notion that any findings generated from the data have value for theory building, not just those that exist in patterns or themes (Mills et al. 2009).

Rather than seeking statistical correlations as survey research does, case studies enable researchers to focus on underlying explanations. Casual relations can be discovered, the how and why things have happened in a particular way can be understood, and “thick, interesting, and easily readable descriptions and rich understandings” can be generated (Vissak 2010, p. 371). To address the research questions in the present study with a survey would not have enabled the researcher to delve deep into the motivations of the aspiring entrepreneurs and how their perceptions of their entrepreneurial future changed in the course of the 12 months that the data was collected. Furthermore, the case study approach brings academic research into the realities of the business world (Vissak 2010).

**Disadvantages of case studies**

Among the weaknesses of case study for theory building, it is conceded that such theory that emerges may be highly complex, the opposite of what good theory should be like (Eisenhardt 1989). Resulting theories could also be “idiosyncratic” and narrow, making generalization problematic, while questions around the testing of such theory’s predictive ability also persist (Ravenswood 2011).

Another potential disadvantage of case studies is the sheer volume of data that they generate, particularly in longitudinal studies where data are gathered over a period of time. The researcher needs to pay extra attention to systematic management of this data (Yin 1984). In the present study, the researcher conducted field observations for a year, generating vast quantities of notes and interview transcripts extended to 280 pages which required a great deal of organising.

There has been a long-standing debate over the concepts of validity, reliability and generalisability, part of which questions the applicability of these concepts to case study research and qualitative research in general. The importance of these concepts has been taken for granted by quantitative researchers but there have been a range of view expressed by those writing on qualitative research. One line of argument has questioned the fruitfulness of pursuing what are viewed as fundamentally positivist constructs
Instead, Lincoln and Guba (1985) advocated putting aside these three terms and replacing them with three newly formulated ideas of trustworthiness, authenticity and transferability. Others have used the same labels but with different underlying definitions. For example, when applied to qualitative research, validity “relates to the honesty and genuineness of the research data” and reliability to the “reproducibility and stability of the data” (Anderson 2010, p. 10). For qualitative researchers, reliability is mainly a question of the methods used. The researcher must be able to demonstrate that their methods are both consistent and reproducible (Morse et al. 2002). Qualitative researchers can take concrete measures to maximise the validity of their findings and theory building (Sarantakos 2005). Using multiple cases, as the present study does, can both strengthen external validity and help to mitigate against observer bias (Eisenhardt & Graebner 2007).

Case studies can also suffer from the potential for researchers scope their study and research questions too broadly. To address this, Stake (1995) emphasises the need for boundaries to be set to keep the study within a manageable scope. In the present study, the boundaries are time (the period during which aspiring entrepreneurs are seriously considering but not fully and financially committed to their venture), context (a mentorship program), definition (of what constitutes an aspiring entrepreneur), and place (Saudi Arabia).

In aiming to improve the quality of case study research, Dubé and Paré (2003) conducted an analysis of the quality of business case study research and their findings highlight the most common deficiencies which can serve as a good reference point for the present study. They identify these as: (a) lack of a clear research question; (b) no discussion of case selection criterion; (c) insufficient explanation of data analysis methods; (d) lack of a clear chain of evidence; and (e) no discussion of how data was collected. In the present study each of these is covered in this chapter.

### 4.3.4 Selecting the setting

In research terms, the population is total set of possible data sources (Given 2008). For the present study the population can be defined as aspiring Saudi entrepreneurs, those who indicated a motivation and a means to become entrepreneurs but have not yet started their enterprise. Researchers rarely set out to collect data from the entire population, hence
an important part of the research design is the selection of setting, site and sample (Marshall & Rossman 2006). The researcher’s task was to identify a setting where subjects were at this precise stage of having an interest in becoming entrepreneurs while not actually having committed to a start-up. This is because they would at that very time be closely considering the sort of issues that this research addresses and would therefore be valuable informants. Identifying aspiring entrepreneurs is not a straightforward task, as Reynolds (1997, p. 451) states: “The major stumbling block to a precise description of the entrepreneurial or firm start-up process has been locating nascent entrepreneurs”. Furthermore, identifying randomised samples of these early phase entrepreneurs is a very expensive process (Reynolds 1997).

The setting for the research was a small organisation called Rizq, based in Riyadh. This organisation is a private sector company operating in the commercial and professional services sector. As part of its activities, it provides mentored entrepreneurship programs applying Western techniques and practices to turn aspiring entrepreneurs into actual owners of successful businesses. Criteria were set that the program content should be delivered in Arabic by Saudi mentors and that full access should be available from the recruitment stage. Rizq was the only organisation to meet these criteria.

4.3.5 Unstructured observations
Observation research tends to be seen as coming in two forms: structured and unstructured. Structured observations are normally those which set out observe for predefined behaviours in a ‘check-list’ style approach (Mulhall 2003). While popular with positivist researchers, one of the main critiques of this method is that although it can record the presence or absence of a given behaviour it cannot help us understand the motivations or intentions for such behaviour (Bryman 2012). In contrast, unstructured observations do not predefine what behaviours are to be recorded and in the present study the researcher was interested in any behaviours relevant to entrepreneurship and the research questions presented in Chapter One.

While structured observation may be more systematic (Bryman 2012), this does not mean that unstructured observation is somehow sloppy or poor quality. As Marshal and Rossman (2006, p. 99) put it, observations are not just “hanging out” making “scribbles”. In the present study, field notes were made either in written note form or by means of
digital recordings, depending on the circumstances. For example, written notes were made at meetings as speaking into a digital recorder would have been obtrusive and distracting. On some occasions neither option was available for contemporaneous note-making; in this case notes were written up from memory by the end of the same day at the latest. The kind of notes made included thoughts, reminders for future actions, anecdotes, participant statements and body language, suggestions for subsequent interview questions *inter alia*.

To provide the depth of detail required for each of the 12 cases, observations took place over an extended period of 12 months, starting with the recruitment process, then throughout the entire time of the mentoring program, and then at subsequent follow up meetings. A total of 34 field visits were made with a total duration of more than 120 hours.

### 4.3.6 Conducting the interviews

**Sampling: Gatekeepers and the selection of cases**

From the researcher’s initial approach through to completion of the fieldwork, the management at Rizq performed a gatekeeper function in that they provided access to the research setting and the cases. Using gatekeepers is commonplace and often unavoidable in organisational research where the field work takes place on private property. Singh and Wassenaar (2016) identify two categories of gatekeeping assistance: access and cooperation. In the present study, the gatekeepers provided the potential cases with an introduction to the research and the aims of the research. The email addresses of the potential cases were also provided to the researcher. Researchers must be vigilant for gatekeepers who seek to influence the direction of the research the sampling process, or data analysis (Broadhead & Rist 2014). Rizq provided both access and cooperation but did not seek influence over the researcher and expressed their understanding of the need for independence in the research.

One of Rizq’s activities is a mentoring program for aspiring entrepreneurs. Only one mentor runs the program at a time and as a result the firm has to restrict the number of participants to eight. At the time of the research, Rizq had recently advertised for a forthcoming program and had received 24 applications for the eight places. All but one of these applicants attended one of the two informal open forum days that was phase one
of the recruitment process (with phase two being one-to-one interviews. The researcher observed the two open forum events but was not present at the interviews.

Rizq’s main criteria in selecting candidates is the likelihood of benefiting from mentorship and their commitment to entrepreneurialism. Hence, the cases in this study were effectively selected by the recruiters to the mentoring program as they applied criteria of suitability in identifying the eight mentees. As one criterion was the commitment to entrepreneurship, the preferences of Rizq were aligned with those of the researcher in terms of case selection.

The setting and cases it gave access to were ideal for a study aimed at gaining a deep understanding of how entrepreneurship in Saudi Arabia is perceived and what barriers to entrepreneurship may be affecting the decision to follow this path. This is because the mentees have demonstrated an interest in becoming entrepreneurs to the extent they were successful in their application to join the program, but they have yet to commit their time and money to starting their enterprise. What this means is that the type of questions the researcher needs to ask are on the very matters that the mentees have been considering in great depth. Their evidence can therefore be expected to be rich and carefully considered.

The researcher was introduced to the eight successful mentees and they were advised by the firm that I would be in contact with them by email. In order to maintain ethical standards in the research, the researcher was careful to emphasise that despite the support of the company, participation in the research was entirely voluntary. All eight mentees agreed to participate. The researcher contacted the 16 unsuccessful applicants and a further four of these agreed to participate in the study, although of course they were not part of the field observations undertaken during the program. These four were therefore self-selecting responders to the researcher’s email soliciting their participation. Having a group of cases of aspiring entrepreneurs who did not undertake a mentorship program enabled comparisons to be made with those who did and also meant that the researcher could set the research question: How does participation in a mentorship program influence perceptions of entrepreneurship among aspiring Saudi entrepreneurs? (RQ6)
Figure 4-2 shows the process and participation for the data collection including the number of people involved at each point.

![Diagram of data collection and participation]

**Figure 4-2: Data collection and participation**

**Developing the interview schedule**
Methodology texts often refer to three types of research interview: structured, semi-structured and unstructured. In reality, there is a continuum of researcher control from one end where exactly the same questions are asked in the same order with no follow up or elaboration, to the other end where interviews have no predetermined structure whatsoever. Most qualitative social researchers use an approach somewhere between these two (Bryman 2012).

In the present study, the researcher aimed to develop an interview schedule framed to answer the research questions presented in Chapter One. While the researcher took the schedule to the interviews and refer to it occasionally to keep the interview on course, as this was case study research requiring great depth of detail for each case there was also latitude for the participants to pursue their own threads of thought.

**Interviewing the cases**
Although it was emphasised that participation was voluntary, all eight of the mentees agreed to be interviewed. The participants were contacted to arrange the date, time and location for the interview. The participants’ preferences were met, and the interviews took place at various locations including coffee houses, libraries, restaurants and Rizq’s...
offices. The researcher ensured that a sufficient degree of privacy was afforded by the location so as not to inhibit the participant.

At the outset of each interview the researcher restated the purpose of the research, explained that the interview would be recorded, and that the transcription would be analysed and extracts may be published in the final report of the research. The participants were reminded that their participation was voluntary and that they could withdraw their participation at any stage without giving a reason. An informed consent form was provided to the participant to sign. In this form the privacy, confidentiality and anonymity of the participants is explained.

The researcher had prepared an interview schedule and occasionally referred to this to ensure that all the pertinent areas were covered. However, in order to give the participants the opportunity to contribute their thoughts on issues not directly elicited by the researcher’s questions, each interview ended by offering the participant the opportunity to raise anything not already covered. The interviews lasted forty minutes on average. At the end of each interview the researcher gave the participants her contact details and asked them to contact her with any additional thoughts they may have on the issues discussed that occur to them after the interview.

4.3.7 Transcription
Both the field notes and interviews were recorded using a digital audio recorder so that the recordings could be played back on a computer and be systematically organised. It was made clear that the interviews would be recorded on the informed consent statement. The collected data was transcribed by a professional transcription service using the denaturalised approach. While seeking an accurate reproduction of the interview, this approach excludes the pauses, incomprehensible speech and response/non-response tokens (e.g., yeah, um, huh, or their Arabic equivalents). Having a third party transcribe the data eliminated the potential for researcher bias and ensured that the data was reproduced rather than constructed (Hammersley 2010).
4.3.8 Translation
Many tens of thousands of words were transcribed. Translating all this data for analysis was not a practical option due to the time it would have taken and furthermore may have degraded the data through mistranslation. However, one consequence of this was that the intended software application NVivo could not be used as it does not functional properly with right-to-left languages. In the findings chapter extracts from the data are included that have been translated into English by the researcher.

4.3.9 Data analysis
Before explaining how the data was analysed in the present study it is worth considering the terms ‘analysis’ and ‘interpretation’. It has already been stated that this study follows an interpretivist approach, and this is nowhere more relevant than when analysing the data. Whereas in a quantitative study data may be objectively and statistically analysed, in a qualitative study such as this one the researcher evaluates a participant’s meanings and also decides which statements are most suitable to exemplify this meaning. Kim (2016) explains that analysis and interpretation are not alternatives but actually occur in tandem.

Chapter Three presented a conceptual framework based on the review of literature. In this regard, the a priori identification of key constructs is a deductive approach. However, this framework has an explanatory role and does not identify themes deductively, nor does it set hypotheses for testing. Instead the data analysis process is entirely inductive with a coding and theme identification process based purely on the data collected. The switching from deductive to inductive approaches is referred to as abduction (Suddaby, 2006).

As stated earlier in the chapter, the comparative case study design uses two phases of data analysis. The first analyses within a case and the second analyses across cases. In this study a third phase has been added, that of deviant case analysis.

The within-case analysis required a narrative analysis technique as this is suitable for telling ‘stories’ that develop over time (Bryman 2012). The analysis entails a search for narrative meaning: as Kim (2016, p. 190) explains “narrative data analysis and interpretation is a meaning-finding act through which we attempt to elicit implications for a better understanding of human existence.”.
In the present study, the story takes place over the course of one year as the cases decide to apply for the mentorship program, undertake the program, and then review their experiences once it is completed. Through the observations and interviews the researcher elicited cases’ interpretations of their experiences to enable a chronological narrative to be formed for each case.

To achieve a true narrative the research interviews needed to offer ample opportunities for the participant to ‘take the floor’ to pursue their story (Riessman 1993). The researcher took a beginning-middle-end approach allowing an extended opportunity for participants to elaborate on their experiences before the program had begun, while it was running, and after its completion a reflective summary of their journey over the last 12 months.

The second phase of analysis was across cases (Eisenhardt 1989). This required a thematic analysis technique to identify recurring. The most popular application for such an approach, NVivo, does not function fully with Arabic so an alternative had to be found. After investigating how other Arabic researchers had overcome this issue (Alwedinani 2016) the researcher found an alternative application (ATLAS) which was known to function well with Arabic. The researcher imported the huge volume of data into this application and then began a lengthy process of coding, marking and annotating the data. As is commonplace, a large and unmanageable number of themes arose so a process of grouping and merging themes was undertaken until a more limited number of themes and subthemes were established.

A third layer of analysis was added to the study to maximise its value and originality, deviant case analysis which is usually an exploratory form of analysis (Seawright & Gerring 2008). It is an approach that recognises that not only can we learn from common themes and shared experiences but also that where exceptionalism exists there are also opportunities to add to our understanding of a phenomenon (Silverman 2013).

The coding framework for analysis of qualitative data for the second (thematic) phase is shown in Table 4-1: The coding framework for analysis of qualitative data.
Table 4-1: The coding framework for analysis of qualitative data

<table>
<thead>
<tr>
<th>Theme</th>
<th>Codes</th>
<th>References</th>
<th>Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td>The lightbulb moment</td>
<td>Discovery</td>
<td></td>
<td>So many people I know are unemployed, my girlfriends are really finding it hard to get a good job and they feel that jobs are only going to men on a ‘who you know not what you know’ basis. I think that was the moment I gave up on trying to go down the conventional route to a career. (Sara)</td>
</tr>
<tr>
<td></td>
<td>Final straw</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Trendy future</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>11</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>I was nearly 30 years old, had a medical degree and was still financially reliant on my parents. I know it is common for women to be in that situation before they are married but it made me realise that it was time to make a decisive move. (Reem)</td>
</tr>
<tr>
<td>Negotiating the Saudi entrepreneurial ecosystem</td>
<td>Barriers</td>
<td></td>
<td>I feel that the private sector should do more, there is still a tendency to rely on the government to create an entrepreneurial system. So many of the incubators, funds and accelerators have some kind of government affiliation. (Adam).</td>
</tr>
<tr>
<td></td>
<td>Informal support</td>
<td>17</td>
<td>Saudi women take our male relatives’ and husbands’ wasita and channel it for the benefit of our children, for their education, for getting a good job. But I haven’t seen much use for it in terms of setting up a business. (Sultanah)</td>
</tr>
<tr>
<td></td>
<td>(wasta)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Entrepreneurial Isolation</td>
<td>New life</td>
<td>7</td>
<td>My husband and I have a plan to start a new life outside of Riyadh, as we cannot focus on our business plans without been dragged to the hectic social life. (Maha)</td>
</tr>
<tr>
<td></td>
<td>Wary of the word</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Envisioning my entrepreneurial future</td>
<td>Measuring success</td>
<td></td>
<td>However, when the two options are on the table before you a whole range of pressures pull you towards taking employment. (Adam)</td>
</tr>
<tr>
<td></td>
<td>Resisting return</td>
<td>8</td>
<td>Unfortunately, once I reach the point of success people will let me know before I even realise, and I can see myself among them being their role model for their kids (Omar)</td>
</tr>
<tr>
<td>Knowledge localisation and transfer</td>
<td>Local heroes Mentors needed</td>
<td>14</td>
<td></td>
</tr>
<tr>
<td>------------------------------------</td>
<td>-----------------------------</td>
<td>----</td>
<td></td>
</tr>
<tr>
<td>As I said all of the example stories were foreign. What about Abdullah Al-Munif with Anoosh dates? knowing his story for example will definitely help on how I apply the knowledge I received from the program and help me understand how he dealt with the same issue I’m dealing with today. (Sara)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes, I do need a mentor. I have a hundred people telling me they are worried for me, telling me I will lose a lot of money and I feel isolated. A mentor would give me someone to talk to and reduce the isolation. The problem is I can’t find someone like that. (Elias).</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>The Saudi entrepreneurial identity</th>
<th>Am I different? Is it a western thing? Wealth fetishism v the public good</th>
<th>9</th>
</tr>
</thead>
<tbody>
<tr>
<td>Most of the American examples are of people whose wealth and business have grown to a massive scale the fascination with these stories is verging on a wealth fetishism. I think in Saudi we should focus on entrepreneurship as a source of good and well-being. (Sultanah)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
4.4 Limitations and generalising the study

Entrepreneurship mentoring programs are relatively rare and a still developing phenomenon in Saudi Arabia. This restricted the researcher when selecting the setting and ultimately the cases. As the organisation which offered the setting for the study was small and employed just one mentor, the outcomes and experiences of those cases undertaking the program were highly influenced by the techniques and effectiveness of this single mentor. In other words, other mentors may have led to mentees having a different experience. Furthermore, the study is focused on a single nationality, namely Saudi Arabian aspiring entrepreneurs. This may limit generalisability of the findings beyond Arab countries.

Although intentionally limited to the pre-launch stage of an aspiring entrepreneur’s activities and development, the study does extend to consideration of the cases when their undertakings were in actual operation. Therefore, the relationship between their pre-launch experiences and post-launch outcomes cannot be established and would require follow-up research.

There is a long-running debate about the generalisability of case study research. It has been pointed out that the “contextual uniqueness” of qualitative findings works against generalisation (Bryman 2012) and unrestricted generalisation of such findings is impossible (Lincoln & Guba 1985). However, qualitative and case study researchers have responded to propose the forms of generalisation that is possible.

The research setting for the present study was not unique but was atypical in its approach and the environment it created for its staff and mentees. It may therefore not be typical of other organisations involved with the personal development of entrepreneurs. Sarantakos (2005, p. 98) argues that researchers seeking to generalise previous studies to their own work should consider the “fittingness” of the earlier case. Hence, in quantitative research the process of generalisability is an entirely objective process but in qualitative research it requires individual researcher evaluations to be made. A researcher can assist those working subsequently in the same field by being thorough in their report of the research, in particular, in how the study was operationalised (Falk & Guenther 2006).
4.5 Ethical considerations

While a study of entrepreneurialism is not a particularly controversial endeavour, this does not mean it is free from ethical considerations. Bryman (2008) identifies four areas from which ethical considerations arise: harm to participants, informed consent, invasion of privacy and deception. These will be considered in turn.

4.5.1 Harm to participants
There were no perceived risks outside normal day-to-day activities in relation to participation during the data collection. The applicants’ personal information has been anonymised. In addition, participants were advised that they have the right to withdraw from participation at any time and have the right to stop/delete the audio recording at any time.

4.5.2 Informed consent
The research was undertaken on the basis of informed consent. Before the observations commenced, the gatekeepers at Rizq gained consent from each of the mentees for the researcher to be present at the offices, observe meetings and engage with them during the program. At the interviews, the researcher asked participants to sign an informed consent form (see Appendix A) which also explained the participants’ part in the research and what would happen to the data collected.

4.5.3 Privacy anonymity and confidentiality
The researcher prioritised privacy, anonymity and confidentiality. Questions of a personal or sensitive nature were avoided to maintain privacy (Sarantakos 2005). For the same reason, observations, notes and interview questions regarding financial issues were also avoided. Anonymity was guaranteed to participants and the researcher ensured that the real names of the participants were never used on the recordings or transcriptions, the interview guides or in the thesis report itself. Pseudonyms were used in the data and in the presentation of the findings in Chapter Five. To ensure confidentiality, material containing real names and contact details was stored separately from the data and any memory sticks and other media used were kept securely in a locked cabinet when not in use. A thorough and accurate description of the research and the participant’s role in it ensured that there was no deception.
4.5.4 Ethical approval

The research proposal was been cleared and approved by the University’s Human Research Ethics Committee on the 26th of February 2016 (Project number: 19781).

4.6 Summary

This chapter has presented the choices and actions of the researcher in designing and then operationalising the research. It positioned the research in epistemological terms as interpretivist and explained the research design. It confirmed this as a comparative case study design which applies the Eisenhardt (1989) approach to theory building and data analysis. The second half of the chapter turned to what the researcher actually did during the research process from the selection of the setting through to the analysis of the voluminous body of data that was collected. Finally, the chapter considered the ethical aspects of the research together with its limitations and generalisability. In the following chapter the findings of the research are presented.
Chapter 5: Research Findings

5.1 Introduction

In the previous chapter, the methods used in the present study were explained including how data were collected and analysed. The purpose of this chapter is to articulate the results of the analysis and identify the key findings. Both the process of analysis and its articulation are informed by the need to address the research questions presented in Chapter One and are viewed through the lens of the conceptual framework presented in Chapter Three. That said, the approach was not entirely deductive as the process of analysis also permitted themes to emerge inductively where justified by the cross-case comparisons.

Following the Eisenhardt (1989) framework explained in the previous chapter, this chapter first presents the results of within-case analysis, telling the story of the eight aspiring entrepreneurs who successfully applied to join the Rizq mentoring program as they journeyed through the pre-launch period of their enterprises. The reason for this is to gain familiarity with the cases and the data associated with them. It also facilitates initial theory generation (Eisenhardt, 1989). This is followed by thematic cross-case analysis presented as a set of main and subthemes. A third layer of analysis is articulated in the form of deviant cases where anything from the data which can add to our understanding, but which does not form part of a pattern or indeed contradicts a pattern is presented. Throughout the chapter evidence from the data corpus in the form of data fragments, the interview transcripts or field notes from the observations is used to exemplify the results. Findings are identified for each theme and subtheme and summarised at the end of the chapter.

5.2 The cases

There were three levels of participation in the present study, which could be termed, low medium and high. The lowest level of participation were the 12 unsuccessful applicants to the mentorship program who did not respond to an invitation to be interviewed. While they were present at the open day recruitment event observed by the researcher, no observation data that related to them was used in the analysis. The medium level of participation comprised the four unsuccessful applicants who did agree to be interviewed
for the research but who could not be observed during program. The highest level of participation was undertaken by the eight successful applicants who were observed at the recruitment open day and throughout the mentorship program and were interviewed after the program was completed.

Table 5-1 summarises the profile of the medium and high-level participants. It is noteworthy that nine out of 12 participants were unemployed at the time of the study. Of the three employed participants, two were working in healthcare and one in the civil service, meaning that no participants were currently active in the private sector. The predominance of the unemployed status is likely related to the participants leaving employment to follow the mentorship program and/ or start their own business.

<table>
<thead>
<tr>
<th>Participant Pseudonym</th>
<th>Gender</th>
<th>Age</th>
<th>Profile</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Mentoring Program Participants</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Omar</td>
<td>M</td>
<td>33</td>
<td>Master’s in Health Management, Employed as a nurse.</td>
</tr>
<tr>
<td>Adam</td>
<td>M</td>
<td>27</td>
<td>Master’s in Information Technology, Unemployed.</td>
</tr>
<tr>
<td>Aziz</td>
<td>M</td>
<td>38</td>
<td>Ph.D. in Nursing. Employed in hospital management.</td>
</tr>
<tr>
<td>Sami</td>
<td>M</td>
<td>30</td>
<td>MBA, Unemployed.</td>
</tr>
<tr>
<td>Sara</td>
<td>F</td>
<td>27</td>
<td>Masters in Fashion Design, Unemployed.</td>
</tr>
<tr>
<td>Ahmed</td>
<td>M</td>
<td>34</td>
<td>High School level educated. Previously employed with the public sector (15yrs). Currently unemployed.</td>
</tr>
<tr>
<td>Elias</td>
<td>M</td>
<td>32</td>
<td>Master’s in Information Systems, Unemployed.</td>
</tr>
<tr>
<td>Reem</td>
<td>F</td>
<td>30</td>
<td>Bachelor’s in Medical Science. Unemployed.</td>
</tr>
<tr>
<td><strong>Unsuccessful Applicants</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Noor</td>
<td>F</td>
<td>31</td>
<td>Master’s in Business Law. Employed at Ministry of Labour and Social Development</td>
</tr>
<tr>
<td>Maha</td>
<td>F</td>
<td>28</td>
<td>Master’s in Linguistics. Unemployed</td>
</tr>
<tr>
<td>Sultanah</td>
<td>F</td>
<td>36</td>
<td>Master’s in Management. Unemployed</td>
</tr>
<tr>
<td>Majed</td>
<td>M</td>
<td>27</td>
<td>MBA. Unemployed</td>
</tr>
</tbody>
</table>

Table 5-1: Participant profiles
5.3 Within-case analysis

There is no prescribed technique or approach to undertaking and presenting within-case analysis (Eisenhardt 1989). As the cases in the present study are individual aspiring entrepreneurs and as the data was collected through observations over an extended period of 12 months, it was decided to use a narrative analysis approach. The eight mentees were the participants observed throughout the period and the four unsuccessful applicants were excluded from this part of the analysis since they did not participate in the program. It is not the intention to tell the cases’ entire life stories; it is limited to the story of the eight’s journeys through their pre-launch period from when they first conceived their desire to be an entrepreneur. As explained in the previous chapter, the data was collected through observations, informal contact and formal research interviews. In each case the researcher’s first contact was at one of the two recruitment open days for the mentorship program. This program had been advertised with the line “Join us to learn how to start your own business with a Saudi mentor who has created this tailored program for Saudi aspiring entrepreneurs”.

Following are the stories of the eight mentees as the researcher observed them during the recruitment days and the whole program. It is presented in the researcher’s ‘voice’.

5.3.1 Omar’s story: ‘the sky’s the limit’

Omar was 33 years-old at the time he took part in this study. He had a master’s degree in health management and worked as a nurse. I first encountered Omar at the first of the two recruitment open days at the offices of Rizq. He seemed aware of the purposes of the mentorship and appeared not to need too much explanation. From my observation he already seemed to know what opportunities mentorship brought and from his spoken contributions, he seemed self-aware of his improvement needs. He was confident, motivated, and a way ahead of other applicants. At the opening session, he was quiet but knowledgeable. He explained that he had some previous experience of how to sell himself and his ideas and how to negotiate with related business stakeholders but had never started his own business. His business idea, a sports-related technology product surprised me because it had no relation to his current profession (health), but as I discovered later on, Omar is really passionate about sport and likes to devote as much of his leisure time as he can to playing in a local soccer team. His experiences were directly related to his
business idea. Omar finds it difficult time to find a team to play with whenever he is free. He had built an app that allows people to create groups and teams and announce their time of playing and how many players they need so individuals like him can join.

During the opening session, when talking about his main motivation to be an entrepreneur he said, “I have a passion to be successful, having a 9 to 5 job is not enough for me”. I also noted that he said something quite interesting at the opening session that he was “... really busy, but I don’t want to let this chance to go to someone else. I know how to get the most out of [the mentorship program], and I guess I’m going to be an added value to your work”.

Later, early in the mentorship program Omar was debating and arguing the concepts that were being presented. In one case which I noted during the first workshop, it seemed there had been some sort of cultural clash. The workshop was about the ‘Leadership Pyramid’ and a worksheet had been given and participants asked to write down their vision, values and goals. After a few minutes of silence Omar interjected, in a complaining way: “Why do I need to re-evaluate my values, vision and goals? I know what I need, and I didn’t apply to this course to discover a new me! Let’s talk business, guys”. It marked Omar out as one of the more outspoken members of the group and for some more introverted mentees it was possible to detect their discomfort.

As the program progressed Omar did not need too much time to realise the benefits of this course and had impressively changed his demeanour from that first workshop as a critic or even cynic to more of a coaching role within the group. By week three I overheard him saying to other participants: “you wouldn’t believe me if I say Leadership Pyramid is the most important lesson of this course, your values, vision, and goals have to be re-evaluated very now and then”. Omar was extrovert, very good at networking and presentation skills, and easily built friendships. He had become admired.

The most notable moment from my observations of Omar during the course was in week eight, during a session on financial management. I noted that for the first time he seemed demotivated. As Saudi society is a collectivist society, Saudi families encourage engagement in social events and feel proud if one of its members hosts an event, as it is a matter of honour and also a social duty. Talking about managing personal finances was
clearly not a pleasant topic for him and he left the group somewhat stunned when he interjected: “To control my expenses, I had to cut the link between me and my family and friends”. After this comment, he did not engage in any further discussions, he was just nodding his head in agreement for the rest of the session. For the aforementioned cultural reason of collectivism, such a statement is in conflict with one of the most fundamental values of Saudi culture.

Six months later at the post-program research interview, when Omar arrived, I noticed that he was preparing something important to say “things have changed since the last time we met”. He told me he was really motivated but was also concerned about his full-time job. He really wanted to be a full-time entrepreneur, but he could not take the risk of losing his nursing income: “We are living in the best time to be entrepreneurs, but everything is expensive nowadays, I wish I could go back 10 years ago with the same knowledge I have today”. He explained that while there was an exciting buzz created by current reforms and the potential of Saudi Vision 2030, the daily economic realities had become more challenging.

When I asked Omar where he was currently at in his path towards becoming an entrepreneur, he told me,

*Things are moving ahead very well. I got my product ready to launch, but I didn’t like the navigation method, I tried for several days, I have a feeling I shouldn’t launch it yet. I need to redesign it and have a rethink. I feel the same feeling as when I was forced to re-evaluate my values. (Omar)*

I replied that I understood that this was must have been an unpleasant feeling for him. Omar then said: “yeah, same thing now, but I learnt the lesson, being very attached is not a good thing, judging your own work is the new tool to improve”.

We then talked about why being independent is so important to Omar and he explained about his childhood, and how he was with his father during weekends and after school,

*My father was poor, seeing opportunities every day and talking about them but I didn’t know back then why he didn’t try. Later*
on, I discovered that knowing-how is the thing that was holding back my dad, therefore, after I graduated from high-school, I tried my best to learn, I worked as farmer, selling vegetables, and I also worked as a taxi driver. (Omar)

Perhaps the most memorable thing Omar said was “at the age of 16, I enjoyed selling dates after school”. Looking to the future Omar said he could see himself leading an “empire” as he said, “the sky is my limit. I see myself leading a business empire that trains soccer players and hosts and manage teams and matches”.

Omar had made progress during the 12-month fieldwork period, but he was very product-focused and would undoubtedly need marketing and finance support should he decide to finally press the button. He was a good example of an opportunity-motivated aspiring entrepreneur who had identified an opportunity as a result of his own needs. He appeared to possess a motivated entrepreneurial mindset but remained rooted in and influenced by a culture which he appeared to be struggling to release himself from by adopting a more individualist stance.

5.3.2 Adam’s story: a classic ambivert

As the fieldwork began, Adam was an unemployed 27-year-old, with a master’s in information technology. I initially encountered Adam at the first of the two recruitment open days at the offices of Rizq. He seemed to be very curious but shy. From the first few questions he replied to, I thought he would not make it. But when he started talking about his business, how he wanted to be an entrepreneur and how he was willing to do whatever it takes to achieve his goal, he started to show why he was successful in being selected to join the program. At the open day session, he would sometimes show his motivation when he talked about his future in business. He reflected on his education and told the group he now asks himself why he bothered to do his masters: “It is a full-time job! but why did I have to complete my masters if I just wanted to build a business?” He explained that his employment status was the main reason he wanted to start his own business. On one occasion, when the instructor was talking about the process of registering their businesses, Adam raised his hand and asked, “Will registering my business under my name affect my chance of getting a job?” It was a fundamental question that would be deeply explored during the subsequent post-program interview.
Early in the mentorship program Adam was hesitant when sharing his opinions. He appeared reluctant to express himself as being at variance to the majority opinions being expressed around him. However, from his body language it could be seen that he did not agree with the group on several matters, but only indicating this with very discrete shakes of the head. During the break, I asked him why he did not debate more, he said “I’m not sure, I’m here to learn”. However, as the program progressed things changed. Adam now had no issue with arguing points in the group and discussing what the instructor was saying and the merits of the opinions of other participants. When about halfway through the program I asked him about being more open about your opinion he stated, “I feel more comfortable with this group, they have no issue with me being different! They actually encourage it”. At this point I noted my impression that he may be happier.

Adam struck me as a classic ambivert. Sometimes he was extrovert, particularly, it seemed, when he was among people he knew very well. I met him many times at the coffeeshop near Rizq so with me he was quite outgoing. Other times he was withdrawn, in larger groups or people he was not so familiar with.

The most noteworthy thing I observed of Adam during the program was at week eight, the topic being discussed was financial management. Halfway through the workshop, he took his belongings and while he was leaving the room he said: “I need coffee, this workshop will cause me to lose all my friends and family members, see you next week”. At this point I noted my impression that he may be happier as an employee than as an entrepreneur. I even mentioned this to him during one of our chats. When I asked Adam whether he had any kind of business plan or committed any numbers to a spreadsheet, he smiled and said that he had not and that everything was in his head.

Five months later, when Adam arrived for the interview, I noticed that he was up to something because he asked me straight away, “Do you still believe that I prefer a job over being an entrepreneur?” I said yes. He then said, “you have to know why”. He had changed, he looked very confident, and seemed to know what was best for him. He was now employed and seemed very happy, explaining that he would like to pursue his dream and be his own boss, but he still did not know exactly when. He told me, “To be a successful entrepreneur you have to have a free mindset, openness is the key here. Having
a great idea is not enough, taking risk has to include risk of going against your family and friends’ perspective!” Adam said he was not really motivated, I asked him what he perceived being an entrepreneur would feel like within Saudi society,

*Saudi youths have to be very successful in their business to be recognised as successful people. Having a job is socially encouraged, families will discourage their daughters to marry a guy who just started his own business, even if his business is noticeably successful. A business can fail at any time, no security in life there. In conclusion, having a decent job is more respectable than being an entrepreneur. (Adam)*

We then talked about the incident at the financial management session and asked why he did not like that workshop. Adam commented,

*I’ve been raised to believe that money must not be your first priority, your friends, relatives and family are more important, and comes first. Responding to their social gathering invitations and being generous to invite them back occasionally, is one of the important values of our society, and it is not cheap. (Adam)*

Adam went on to sum up his and his family’s attitude to money when he said, “*Spend and God will send, no need to be very serious about managing your financial things, be positive*”.

Looking to the future Adam has no plans to start his own business soon, but he still wants to, not only to increase his income, but also because he wants to be an entrepreneur. Adam seemed moved to look at setting up a business because he was unemployed, but he was acutely aware of the social pressures to take a conventional path of employment, which, I felt he would take if given the chance. Adam may be a good example of a necessity-based aspiring entrepreneur.

**5.3.3 Aziz’s story: nursing his ambitions**

Aziz has a Ph.D. in Nursing and at the time of attending the first of the two recruitment open days he was employed in hospital management, aged 38. It was at that open day that
I first encountered him. Right from the start he appeared anxious. He started asking questions in a way that suggested he was asking for a third person not himself:

*What are your criteria for joining the program? Should someone who wants to join have a business background? If he or she comes from a non-business background, do you have a bridging course or something. You know there should be a way...* (Aziz)

I later learned that Aziz, like many others studying and working in the health sector, believed that their field has nothing to do with business; the only avenue open to them is to start a business in what is referred to as the ‘traditional’ sector, i.e. food and drink. Aziz also informed me that he came from a family where some of its members had failed many times to start a business before they eventually succeeded. However, as he said,

*...they did that before they got married, no responsibilities, they can still live and eat at their parents’ house. I'm married now, I have to feed my family, my salary is now their income not mine anymore. However, I have a passion to have my own business, to be my own boss, but every time I think that I could fail, I immediately stop thinking about doing business.* (Aziz)

It was very obvious that Aziz had major doubts and that his attendance at the open day was speculative. The reason became clear. Many Saudis think that starting a business needs at least 150,000 Saudi Riyals (around AU$50,000) in start-up capital. Aziz asked,

*Why should I gamble this amount of money? What should I tell my wife, and my parents if I fail? Yes, I want to build my own business and be free, but if I fail no one will forgive me ... I always read about business, I enjoy it a lot, and this is why I came here today, I want to be part of it, I want to know how to do the practical things, especially from a Saudi guy like me.* (Aziz)

It was really confusing: he perceived this major obstacle to starting a business, but was nevertheless really motivated to join the program and to get more knowledge. He was in a knowledge action gap, which mean he needed to acquire the required knowledge. I
noted that perhaps joining the program was a way of demonstrating his ambition, perhaps to his family, but without the financial risk he was so acutely aware of.

Early in the mentorship program Aziz was quiet, writing copious notes. No questions, no participation; if he was asked something he kept his answers very short. He started to become engaged when he began to realise that his field, healthcare, had many opportunities. In addition, he told the group that he now believed that there are many ways that he can start his own business with as little as 5000 Saudi Riyals (around AU$1500). He explained that there was no need to use all of his own money, he could use other people’s money as investors, but he must test his product first. From this point on, Aziz changed into one of the most convinced members of the group and was making moves to start his business as the mentorship program progressed. He confirmed to me that he aimed to invest a very small amount and test his product, register it, build his networks, and persuade investors.

Aziz remained one of the more introverted members of the group, something reflected in the relatively small number of observation notes he featured in. However, one comment he made during a particularly cheerful moment in the course was noted: "I never knew that there is a way to have a product ready to be sold, with as little as 5,000 riyals, and that I can use other people’s money without asking them for a loan. It’s impressive".

Five months later, as Aziz arrived for the post-program interview, I noticed the same anxious guy I saw at the recruitment open day at the offices of Rizq. I started the interview asking where he was at with his business at the moment. He started complaining,

*I'm ready, I have taken all the necessary steps, I have built my networks, everyone is excited, but there is a big issue! You guys told me that the government is encouraging entrepreneurship, well not in my case it seems! There is no way to get a licence, they [the office responsible for the trade licences] said that there is no system for this kind of licence at this stage, it has to go through the Ministry of Health, they are the only body who can provide the service that you want to provide, no private body is allowed to operate in this area.* (Aziz)
From the interview it was clear that he had developed in terms of his knowledge of how to start his own business and how to be an entrepreneur. However, in his case the obstacle was the regulations and red tape. He told me he had not given up and showed me a news report saying that the regulations were about to change in the next few months, and this gave him some hope. Hopeful but impatient would sum up Aziz’s state of mind at the interview. He told me, "I believe in Vision 2030, but they have to work faster, we are losing so many opportunities and I’m losing my patience, I see the opportunity and I believe it will flourish". Looking to the future he was also anxious that his first to market advantage may be slipping away,

... because my business idea arose from one of the gaps that everyone was complaining about within public hospitals, I think after these news reports everyone may think of the same idea and there will be so many competitors right from the start. (Aziz)

As he left the interview, I noted down my impression that Aziz’s case was in the balance in terms of whether he would ultimately launch. He may be underestimating the role of funding when launching a business. He also gave the impression of being an aspiring entrepreneur looking for more support within the entrepreneurial ecosystem.

5.3.4 Sami’s story: searching for financial freedom

Sami, aged 30, had recently graduated from a full-time MBA course at the time of the study and had taken up employment. He attended the first of the two recruitment open days at the offices of Rizq. I could clearly see that he was excited to have the chance to get involved in the program. He gave his first impression to members of the group: “I have never attended a complete program before, but I have attended workshops here and there. But then the mentors were non-Saudis and were detached from Saudi community, culture and reality. It feels different here”.

Sami explained how he had graduated with an MBA degree just weeks before the recruitment open days; he explained that he was motivated to start his own company and never wanted to go back to what he was currently, an employee. He told me, “I’m free now, the feeling that I’m about to build my own company and be my own boss is
irresistible”. It was clear to me that his main motivation was to achieve independence through being his own boss. I speculated that he may have had a particular difficult time as an employee, perhaps a bad experience with a previous manager. Whatever it was, it was obviously motivating him and giving him the stamina he would need in abundance. He told me,

*I know I cannot build a business solely through this program, it is only 12 weeks. It is enough to get the basic skills and knowledge, but to build a business you need to work hard and you do really have the stamina to fight the ups and downs along the way until you can call yourself an entrepreneur.* (Sami)

Through the mentorship program, Sami always portrayed himself as not being ready for entrepreneurship. He had vision and his goals were clear, but he still refused to believe that he could be ready this soon. He believed that the program was very good for beginners but rejected the idea that you can actually start a business straight after the program had finished. I asked him once why he felt this way. His answer was: “entrepreneurship is hard work it is not logos and nice pictures of me and good marketing, this is just a show-off, I like this program I really do, but it is not the ultimate knowledge to start up a business”.

I identified Sami as an introvert. Part of the program was to let the participants attempt to sell their ideas to others in the group and in doing so get feedback that could help them refine their product and their approach to their market. Sami found this very difficult and he hesitated many times. “You are pushing me to sell, I don’t like it. I’m not ready, I’m not really happy with my product, why should I try to sell something that I know has weaknesses.” He was shy and avoided eye contact with anyone he was meeting for the first time, and he was the last person I got the chance to have a coffee with.

I had to reschedule Sami’s post-program interview five times. When he finally arrived for the interview, five months after the program had finished, he directly asked me, if he could read through the interview questions one more time. He asked if there would be any other questions not included on the interview schedule and also wanted to know whether the recording would be heard by anyone else. He was highly protective, but I felt
that was a positive thing as I would do the same if I was about to launch a new business. Despite his caution as an interviewee it was still clear he was highly motivated and had obviously spent the intervening months refining his plans. He explained, “My business idea is a way better now, it is now much stronger than the way I presented it when I was on the program. I am very excited to see what people going to say”. He was confident and very sure that he was going to start soon. When I asked Sami about the stage his business was at in terms of its launch he said, “to be honest I’m at the same stage I was at when the program finished. I was practising with you guys, I haven’t declared my real idea. I couldn’t trust other participants, there are many cases where people steal ideas!” We then talked about why aspiring entrepreneurs should be so protective of their ideas, and how, with this in mind can they test their product with their potential customers. He replied,

It is nothing new, it is a value; our religion teaches us to seek help for success by being quiet. There is no need to tell everyone what your goals are and how you going to achieve them. That’s why I didn’t like the Lean Start up methodology, where you let your customers know what your product will look like at a very early stage. (Sami)

Looking to the future, I asked Sami where he sees himself in 10 years. He said: “financially free”. He has this slow vigilant attitude to his progress, but he did make progress through the year of the research and could well ultimately launch.

5.3.5 Sara’s story: a passion for fashion
Sara, aged 27, was in the final year of her master’s degree in fashion design; she was studying full-time and therefore not employed. She could not come to the recruitment open days, as she was outside Riyadh at the time they were held. However, she was determined to get the chance to be on this program, as the mentor of the program at Rizq said to me, “Sara called many times asking if there is a chance for her to attend this program. I did the interview over the phone; she was passionate about her shoe fashion online website and want to get the right knowledge”. 
As part of Sara’s final term project, she was required to create a business plan for a fashion related start-up. After convincing the course mentor that she deserved the opportunity to join the program, I encountered her at one of the first sessions. I noted that she appeared confident and smart and made a point of going around and introducing herself to everyone one by one. When she had the chance to address the group she said, “I am so happy to be part of this amazing program and be part of a team that can make a difference.” She was obviously an extrovert. During one of the sessions, Sara revealed that she planned to start a business with her husband when she asked the mentor, “Is it okay to build your business with your spouse? I wish he was also here getting this help so that we would both be one the same page.” The mentor advised her very strongly that your co-founder must have the same goals and share the same vision.

Six months later, I met Sara for the post-program interview. How is your start-up going? I asked. She replied,

We have opened the first outlet and business is good. Unfortunately, I could not apply most of the knowledge I got from the program, it is foreign knowledge as my husband likes to say. I think he is right; Arabs for thousands of years are successful traders; this is nothing new to them. (Sara)

I probed her further on this, asking her if she regretted her time on the program? She responded saying,

No, no regrets. It was a very good experience. I enjoyed it a lot and learnt how to build my network. But in the real world it is hard for me, as a woman, to deal with operational things. Reality is different from the textbooks. I guess we need to create an entrepreneurship program starting from the streets of Riyadh or from Riyadh Industrial City, where the real business transactions happen. (Sara)

I enquired whether she was still motivated to start her own business and she told me, “I still have the motivation to build my business, but I thought it would be easy as long as you follow the course guide. But it is not”.
I asked Sara what the difference was between the program knowledge and what ‘real’ business is like. She said,

*I can only think of two examples of women entrepreneurs used during the program and I forget their names; they were Americans. Actually, all of the example stories used on the program were foreign. I wish the program would focus more on examples from Saudi Arabia, there are many of them and many females too. I wish that I could have heard their stories and how they dealt with the same issues I am trying to deal with today.*  

(Sara)

We then talked about why she wanted to be an entrepreneur and her comment was that

*... it is the best way to work in Saudi Arabia. Women and men were segregated since school, mixing them up at workplace needs time to improve the communications and to understand each other. For me, and for many others, we cannot, we feel uncomfortable having a male boss.* (Sara)

At the interview Sara raised the Saudi cultural rejection of the concept of entrepreneurialism:

*Entrepreneurship is not an acceptable pursuit in many people’s eyes, few people seem able to relate to entrepreneurship. They call doing business “tjarah” [Doing business in a traditional way]. Few have the courage to call himself/herself an entrepreneur. If someone does, then it will be seen as a pure show-off with a shallow understanding of business.* (Sara)

Looking to the future Sara was optimistic: “*Things are getting better, we will be allowed to drive soon, which can solve so many problems, the ecosystem of SMEs is improving and regulations are easier than before. My shoe company will get bigger and better*”.
Sara stood out from the other participants in regard to her focus on the business plan and forecasting documents that she seemed to have with her every time I saw her. This may have resulted from the opportunity to develop the plan as part of her master’s degree. Sara had opened her shoe retailing business by the end of the fieldwork period. Sara’s story reflects positively on the opportunities available in Saudi Arabia and she also highlighted an important point for actors within the entrepreneurial ecosystem that support and knowledge should be more practical than theoretical and localised so that it can be relatable for aspiring entrepreneurs.

5.3.6 Ahmed’s story: feeling the pressure

Ahmed had worked in national security for 15 years before he resigned to go with his wife to support her with her journey completing her post-graduate degree abroad that had been sponsored by her workplace. At the time of the study he was 34 years old.

I first encountered him at the second of the two recruitment open days at the offices of Rizq. He was very curious and started to ask many questions. My first impression was that he really could do something, as he said “I want to make sure that not having a university degree be an issue, from my personal view I know it is not important for my situation as I have a very rich experience where you should use it to guide me through my journey with Rizq”.

I found Ahmed’s decision to leave work to help his wife a very courageous one. He told me,

> As you know, men are the ones who are responsible for all expenses of their family, and it is a shame if a man’s women share the expense with him or take the role of leading the family. This puts a very heavy pressure on my shoulders, as my closest ties, my family and friends, will not be pleased by this decision I made. However, I had a strong belief that this journey with my wife in her studies will make us stronger and it will open many opportunities to me to build a business empire. (Ahmed)

He was confident but worried, and his closest ties were the major concern,
It is very difficult at the beginning, no one will support you, none. You need to work in silence, until you prove them wrong. Hmmm in my case everyone knew that I did leave my job to support my wife’s studies and to try to establish a new business. It would be a nightmare if I failed! (Ahmed)

Independence was Ahmed’s main motivation for wanting to be an entrepreneur, he explained to me, “I want to be different; I want to make something new among my close ties, flowing with the mainstream is making me a copy, very boring. Secure a job, buy a house and raise your kids”.

Early in the mentorship program Ahmed was very excited, coming first each morning and leaving last in the afternoon. However, as he did not complete his university studies he struggled with many topics and appeared less motivated. But as an extrovert, he was outspoken, which helped him to get engaged in many informal conversations that gave him enough knowledge about each topic.

Ahmed revealed an interesting attitude when he was asked by Rizq to provide material in the form of a testimonial that they wished to publish on their website, something they asked of all program participants. He was asked to include his name, a picture of him, the company’s name and its logo despite the venture not yet being launched. He was clearly unhappy about this and I later asked him why this was. He replied,

You know, the Rizq website is very popular now, why should I let everyone know about a company when it hasn’t even been launched? My friends and family will think that I’m a billionaire now, and if they later discovered that it is only a start-up with a website, and having no income yet, they will definitely believe that I’m showing off..... This is a show-off. The truth is I have no company. (Ahmed)

I noted my impression that in Ahmed’s case his business was going to need to generate significantly more income than his previous employment before he gains the confidence to publicly talk about it and prove the doubters wrong.
Seven months after the program had been completed, I met Ahmed for the research interview. We had been in contact through text messages, but this was the first time I had seen him face to face since the mentorship. His business had yet to launch but he had been laying the groundwork. He had told me that he had found a business partner for the venture and that he was excited by the prospect of working with them. However, at the interview he told me that he had applied for employment and after attending an interview felt there was a good chance he would be offered and accept the job. He said: “It is difficult, now I have a very good offer, a 30% increase in salary from my previous job, and it is prestigious”. When I asked him about his venture he said, “I’m working on it, but it needs more time than I expected. Two years now without a job; I cannot handle the social pressure”. When we discussed the future Ahmed confirmed that he was still very serious about the start-up and believed that he would someday run his own business. My lasting impression of Ahmed was that he felt, perhaps more than any other participant, an acute sense of social pressure that create an almost unmanageable fear of failure.

5.3.7 Elias’s story: In need of support

Elias was 32 years-old at the time of the study. He held a master’s in information systems and was unemployed at the time. My first observations of Elias were at the second day of the two recruitment open days at the offices of Rizq. My first impression was of someone who was not exactly sure why he was there. When he spoke for the first time his motivations seemed a little vague:

I have been dreaming about having my own business for a very long time was for very long time, however, by attending this kind of program may increase my chances of success, or at least, give me some of the basic knowledge... I need to know how to do it before deciding which idea I should start with. (Elias)

Elias would later tell me that he came from a social environment in which business-related topics were never discussed. There was only ever one career path discussed and that was study hard, graduate from university, take a master’s degree, and then get a secure job, preferably in the public sector. He added,
My family and friends, and even at school, have shaped my future somehow. I always wanted to be a businessman. I saw them around: they have full control and were rich. However, to be seen as successful I have to have a decent job, the same goal as the rest of my age group. (Elias)

His main motivation for wanting to be an entrepreneur was to be free and to do whatever he wanted, with no restrictions and no limits:

I see [entrepreneurs] travelling at any time of the year. They know so many people and get respected if they are really rich. Compare that to employees that have been around me since I was a child. I have heard them so many times complaining about being tied to an employer. (Elias)

This demonstrates that Elias had a rather romantic view of starting a business and associated it with great wealth and freedom; a sharp contrast in his mind with his perception of the ‘wage slave’. I noted that this appeared to be an unrealistic image.

During the mentorship program Elias showed himself to be an extrovert. He also displayed good critical thinking skills in his approach to what he was learning on the program. During one session, Omar asked the mentor what he should do what if his father suddenly called and asked him to bring groceries because he had invited some guests. Elias interjected,

We have to take cultural influences on the management of money into consideration. Younger generations should not feel pressure to keep their money to themselves, safely hidden from their parents. Our religion urges us to honour our parents and we are taught that everything we give to them we will receive two-fold in return. Therefore, I believe that we should teach aspiring entrepreneurs the importance of managing their budgets but not in a way that dishonours their parents. Parents should always come first. (Elias)
The instructor had told Omar that he should ask his father to transfer money to cover the purchases. It was clear that Elias was not afraid to question the instructor’s views.

Five months after the program had finished, I meet Elias for the post-program interview. He seemed nervous and unrelaxed. I asked him when he thought someone can be called an entrepreneur. He replied,

*I don’t understand why we should call them entrepreneurs in the first place. We Arabs have been traders for thousands of years: it doesn’t have to be a new concept for us. It is like teaching a farmer the concept of farming with a new term for farming. It just doesn’t make sense.* (Elias)

Whatever he wanted to describe himself as, it was clear that Elias was still motivated and was putting in place all the necessary steps to start a business. He did, however, tell me about some of the struggles he had had:

*... the whole thing I do, and what I say about my company or about my dreams and how all young people should take advantage of the government’s support of SMEs ... I feel like I’m saying it in a foreign language, no one wants to listen or support my ideas.* (Elias)

I asked Elias about the need of support from his family and friends,

*Yes I do need it, I feel isolated when they don’t know or just worry about me because I’m doing something different. I need them in each step forward towards success in my business, but unfortunately no one is interested, they are very concerned that I’m wasting time not finding a job and they are worried that I may invest a huge amount of money in it.* (Elias)

When we spoke of the future Elias said, “I can see myself getting a job soon. I will pause my work on building my business, but I will eventually have a successful business and
resign from my job”. He lacked support from his social network, and this was proving hard for him to overcome.

5.3.8 Reem’s story: plan to follow
Reem was a 30-year-old with a bachelor’s degree in medical science at the time of the study. She was unemployed at the time, having previously been employed in healthcare. She had recently received a job offer. Reem showed her interest in meeting like-minded aspiring entrepreneurs by attending both of the open days at the offices of Rizq. At the first open day she approached me to introduce herself. She explained that she had a medical science degree but that she was interested in starting a makeup business; she clearly found the contrast amusing. She added, “It is just something that I’m thinking of and I came here today just to meet others who may share the same thinking”.

I noted that Reem seemed quite representative of the many Saudis who worked in the healthcare sector and who perceived the business world as just too different for them. During one of our informal chats Reem explained to me that she had had a passion for fashion design and beauty since she was a child, but only as a hobby. She came from a family with no connections to business where the conventional path for a young woman was university followed by a career in the health sector, before marriage. However, she did tell me about her role model:

I read about Lama Taher a few years ago. She started a fashion brand called LUM while still following an academic career. I read how she managed to succeed without any financial assistance or help from her family. Her story gives me hope. (Reem)

Coming from a family with non-business background lead her to find a decent job through her study in the medical field. She explained,

My family were very honoured when I got the degree and I know they are very excited to see me getting a decent job. Yes, they supported me in my hobby, but would never imagine me making fashion design and beauty a career, especially not as an entrepreneur. (Reem)
She was clearly motivated, and she believed that she had fulfilled ‘plan A’ by getting her degree and starting work in healthcare. She felt this gave her the right to move on to a new challenge which, instead of fulfilling family expectations, would give her a higher level of self-fulfilment. She was also motivated by the thought of being her own boss:

When working in healthcare I seemed to have more difficulty in accepting instructions from the same person day after day. Others didn’t seem to mind but I found it very frustrating and stifling. I want to have my own space to think and be creative. (Reem)

During the early stages of the mentorship program, Reem mentioned many times that because she comes from a medical background she knew nothing about business. Whether this was a true perception or not, Reem’s extrovert personality made up for a lot during the program, and you would not say she stood out as lacking understanding of business concepts. All participants were asked to make a presentation of their business idea to the rest of the group. When Reem came to the end of her presentation she stated,

I have never felt so in control of my own destiny as I do today. Weeks ago, I had a job interview, I did very well, and the employer was very excited to have me on board. However, I haven't had the same level of happiness and confidence as I have today... I can see the possibility of starting my own small company, and it is really happening. (Reem)

At that the rest of the group cheered and clapped as she sat down. I interviewed Reem seven months later; she was still doing her market research. She was clearly more knowledgeable about SMEs and the developments happening in Saudi Arabia. She now had a very good business network that include mentors. I asked Reem why she felt the need more mentors, and she replied,

I need emotional support. I want to surround myself with a group of people who understand that what I’m doing is right, and who also see the opportunity of what I’m doing. Unfortunately, my
closest ties network feels worried that what I’m doing will affect my future career, and that I will not develop on it. (Reem)

She then talked about the complexity of understanding entrepreneurship in Saudi Arabia,

Your closest ties are the ones who support you in your worst situations, and out of caring, unfortunately, they sometimes prevent you doing what you want, or they find it difficult to understand what you really want. I think it is a social norm: a decent job is seen as a better way than starting a new business, as you could easily fail. They think the struggle of starting a new business is only for those who failed to complete their studies. (Reem)

Looking to the future, Reem could see the opportunity for her company. She envisaged a time when her friends and family would recognise and celebrate her success. She is very optimistic about the Saudi Vision 2030 and the changes happening in the country which, she argued, were throwing up all kinds of opportunities right know.

I asked about a business plan and financial forecast, but she indicated that she had not attempted such things,

I might need some help with that kind of this because, even after doing the Rizq program I’m not sure about how to go about it. I will probably try to seek out a friend or relative who is good with numbers and can also show me what to include in a business plan. (Reem)

I recorded at this point that there had been a general absence of this kind of planning documents in all cases apart from Sara who was always clutching a folder with her plans inside. Business planning and financial forecasting may need to have a higher priority among knowledge providers such as Rizq.
5.3.9 Summary of within-case analysis

The aim of this section was to introduce the eight main participants in this study and highlight the main issues faced by them as they attended the mentorship program and then met me for a more formal research interview between five and seven months after the program had finished. Prominent in their stories were the social influences on their choice of career path and the sense that starting a business was not part of mainstream social and cultural expectations in Saudi Arabia. The collectivist nature of Saudi society made the perceptions and expectations of family, friends and wider society all the more influential. The social attitudes to entrepreneurialism were more prominently discussed by the program participants than more practical issues such as financing their start up or marketing their products. The evidence from this part of the analysis tends to confirm the prominence of the cultural aspects of entrepreneurialism. It appears that Saudi culture has created a clear pathway of expectations into secure employment, particularly in the public sector.

The study offers an opportunity to consider the progression from opportunity perception, intention and entrepreneurial action, that was discussed in Chapter Three. At the follow-up interviews, only one of the eight participants on the mentorship program, Sara, had launched their business. In her case, it was in partnership with her husband. Aziz was waiting for his licence to operate; Sami, Reem and Omar were still developing their plans; Ahmed, Elias and Adam had returned to employment but may return to entrepreneurialism at some point in the future.

In the next section the analytical approach switches to cross case identification of themes and sub-themes.

5.4 Cross-case analysis

The cross-case analysis was performed using the ATLAS computer program to code the data and identify themes and subthemes. Six main themes were identified with a set of subthemes as required (see Figure 5-1). The themes are presented in a chronological way in that the first theme, the lightbulb moment, presents findings related to the early stages of idea formulation and initial motivations through to the last two themes which presents
how participants viewed their entrepreneurial future and a theme on how mentoring may be improved for future mentees.

In addition to the eight participants included in the within case analysis in the previous section, the cross-case analysis includes interview data from four additional participants, Noor, Maha, Sultanah and Majed. In each case, these participants attended one of the two open day sessions at Rizq and were interviewed one-to-one by the researcher, but they did not participate in the mentorship program itself.

Because the themes and subthemes emerged through an inductive process (described in Chapter Four), there is not a complete match with the conceptual framework presented in Chapter Three. However, as could have been expected based on the existing literature, the entrepreneurial mindset, culture, and the entrepreneurial ecosystem are prominently represented in the data and the findings they support. Figure 5-2 illustrates the match between the deductive factors identified through the literature review and the inductive themes that emerged through the data analysis process. This confirms that the three factors of entrepreneurial mindset, culture, and entrepreneurial ecosystem are important mediators, or influencers, in the relationship between entrepreneurial intention and entrepreneurial action. However, some themes such as the Saudi entrepreneurial identity could be located as both culture and mindset as illustrated in Figure 5-2.

Figure 5-1: Thematic organisation of the cross-case analysis
From Figure 5-2 we can conclude that the deductive process of developing a conceptual framework based on assumptions drawn from the existing knowledge based is substantially confirmed by the inductive process of allowing themes and subthemes to emerge from the findings of the present study. This dovetailing of deduction and induction is known as abduction (Suddaby 2006).

5.4.1 The lightbulb moment
To understand the mindset of aspiring Saudi entrepreneurs, it is important to consider the origins and basis for their entrepreneurial intentions. Entrepreneurialism is sometimes triggered by an event or experience that leads to the germination of an idea, sometimes called a lightbulb moment. It can also be viewed as the starting point of the entrepreneurial journey and may long stay in the mind of entrepreneurs wherever their journey takes them. These moments can be proactive, discoveries of a new business idea;
or reactive when other paths being followed are blocked or when alternatives to running one’s own business become undesirable. Seven of the participants were able to recall a specific lightbulb moment; three of these were mostly proactive and the other four were examples of reaction. Other recipients explained a more gradual process building up over time encouraged by the trend towards entrepreneurialism in the country.

A moment of discovery
Three participants were able to describe classic lightbulb moments that signalled the start of their path to entrepreneurialism. Discussing them in detail would be unethical as it would reveal commercially sensitive information. For Omar, his moment was when he experienced the need for a technology application that was not available in the Saudi market. Sami, likewise, said he had stumbled upon a great idea but was very tight-lipped beyond that. A third participant who fell into this category was Maja who seized on an off-the-cuff remarked made to her by a friend.

I had had enough
Sara explained how she reacted when hearing a news broadcast announcing the latest unemployment figures. Unable to believe the statistics and knowing how many of her friends were, like her, struggling to find a good job, she remembered how that moment convinced her to take matters into her own hands. She was convinced that starting her own business would be less reliant on wasṭa than finding good employment seemed to be.

*The news came on and one of the items was about the latest unemployment rate. They said it was 12% but I didn’t believe it. So many people I know are unemployed, my girlfriends are really finding it hard to get a good job and they feel that jobs are only going to men on a ‘who you know, not what you know’ basis. I think that was the moment I gave up on trying to go down the conventional route to a career.* (Sara)

Another reactive moment was experienced by Reem. Hers came not from the news but arose from her own unemployment and her dependence on her supportive parents. One day over dinner with her parents, her father spoke of his brother, Reem’s uncle. He
recounted how relieved his brother was that both his offspring were now in work and had moved into their own apartments.

_I don’t think he was trying to put pressure on me at all, or that he realised how I would take it. But it did make me feel like I was falling behind. I was nearly 30 years old, had a medical degree and was still financially reliant on my parents. I know it is common for women to be in that situation before they are married but it made me realise that it was time to make a decisive move._

(Reem)

Ahmed’s reaction was against his slow-moving career path and his perceived lack of progress during his 15 years in the public sector. Giving up the ‘9 to 5’ for life as an entrepreneur is a commonly heard story, but in Saudi Arabia secure public sector careers are highly valued and seen as respectable. This respectability had yet to be attached to entrepreneurialism. Ahmed, however, seems to be an example of the emerging rejection of the traditional path. His decision to go straight into work from high school, where he got good grades, was also unconventional. He explained,

_After 15 years I had averaged one promotion every five years, not exactly meteoric. I concluded that while I was giving my work everything, it was not giving back in the way it was for others. Younger people, maybe better connected, were actually starting to overtake me. In fact, it was the announcement of one such promotion that triggered my departure and my plan to be an entrepreneur._ (Ahmed)

**A gradual build up to a ‘trendy’ future**

As stated, not all participants reported a lightbulb moment, whether proactive or reactive. Some portrayed more of a gradual process, sometimes encouraged by what was seen as entrepreneurialism becoming trendy, underpinned by official approval. Noor described this perceived sunny future for entrepreneurialism in the kingdom:

_It is the time of opportunities; it is the best time to start your own business as everyone is interested in entrepreneurship. The_
government, universities, and even Saudis are excited to see new local small businesses. (Noor)

These sentiments were in line with Ahmed’s view that traditional perceptions of what was viewed as ‘success’ were changing among average Saudis. Security in a public sector job was starting to be seen as a reflection of lack of ambition and creativity while entrepreneurship was now fashionable.

When I started talking about setting up a business with my friends, most of whom worked in the public sector, they seemed genuinely interested in what I had to say. Nobody thought I was crazy to give up my career, though I must say they were resigned that it wasn’t for them. (Ahmed)

The emphasis on the private sector and encouragement of entrepreneurs coming from the government has clearly had an effect and time will tell if the views expressed by participants become more generally held.

5.4.2 Negotiating the Saudi entrepreneurial ecosystem

The entrepreneurial ecosystem is known to be an important factor influencing the path from entrepreneurial intention to entrepreneurial action. The participants were asked to give their impressions of what the researcher referred to as the entrepreneurial ‘system’ in Saudi Arabia, a term intended to have a broad definition and to be a more day-to-day one than the entrepreneurial ecosystem introduced and discussed in Chapter Two. Responses covered both formal and informal elements of the system. To take the formal elements first, Adam felt that the Saudi economic ideology meant that still, despite the recent policy shifts, the private sector sill took its lead from government:

I feel that the private sector should do more. There is still a tendency to rely on the government to create an entrepreneurial system. So many of the incubators, funds and accelerators have some kind of government affiliation. (Adam)

Another participant, Reem, gave her impression that the recent expansion of the system had meant it being staffed mainly by employees:
Because of the dominance of the employed working status, many of the actors in the system are themselves employees and not entrepreneurs. It would be good if successful Saudi entrepreneurs could give a little of their time to help others at these incubators or mentorship programs ... like a kind of national service. (Reem)

Further hints that the legacy of government dominance and the reliance on readily available public funds were given by Elias, who was suggesting that money was seen as the answer to everything:

I think there is still not a realisation that you cannot build the entrepreneurial side of the economy by saying, ok here is some office space and here is some cash from our fund, now get on with it. Entrepreneurialism takes place at the human level. (Elias)

The notion that Saudi entrepreneurialism may be based on corporatism more than individual endeavour came through in a comment made by Aziz:

The government seems to be focussed on SMEs which can employ up to hundreds of people. This is not what I call a start-up. Most of us on the Rizq program were thinking of a business with one or two people, making it grow after that. But a lot of the system put in place seems to be targeted above this level. Certainly, banks do seem to understand genuine small-scale start-ups. And yet look at all those famous examples from around the world. Some of the world’s biggest businesses starting up in a garage, that’s not really in the Saudi mindset yet. (Aziz)

The dominance of large over small in the kingdom was echoed when Omar spoke of an issue that had received my attention at the time of the field work. This relates to the use of corporate power to delay payments and dominate suppliers by Saudi’s large entities:

When I was devising my ideas for a business start-up, I promised myself I would not put myself in a position of being held to
ransom by big customers delaying their payments. As a corporatist culture dominated by big players, there is a lot of late payment going on and the both the moral attitudes and the actual procedures are not there to solve this problem. That’s why we see so many insolvencies among small business. So, I decided I wanted a cash-based business with a broad base of customers.

(Omar)

Turning to informal elements of the system, Sara contributed a comment on the role of the media when talking about the way entrepreneurialism is often framed through a Western lens:

*I think the media should take a little of the blame. All around us there are stories of genuine Saudi business success including start-ups, but compared to what we hear every day about Silicon Valley we hear virtually nothing about this.* (Sara)

Sami had a different take and advocated a more Western attitude towards failure which in Saudi was a potential source of family loss of face:

*We need some of the heroic ‘try, try and try again’ attitude seen in other countries. Succeeding after initial failures is seen as heroic in countries like the United States, but here in Saudi I think many would give up in the face of the stigma attached to failure. The American examples are so famous: Edison, Walt Disney, Steve Jobs, Colonel Saunders, Henry Ford ... I mean it’s like a who’s who of famous successful entrepreneurs.* (Sami)

In line with his own situation of wanting to develop his business ideas while still working, Omar identified a possible gap in the system:

*The system needs to accommodate ‘part-time’ entrepreneurs, those people, maybe like me, who would like to prepare for their start up while still being employed, maybe only having 10% of your time to devote to entrepreneurship in the early stages. Clubs*
where you can mix with people in the same situation but with facilities you can use and access to real entrepreneurs. That kind of thing would be just what I need. (Omar)

The contributions of the participants confirm that while entrepreneurship has been elevated in its importance at an official level, it may take an extended period for a comprehensive ecosystem and support network to be in place.

**Barriers in the entrepreneurial ecosystem**

Barriers to entrepreneurship is an important research field and the interviews included questions eliciting the participants’ own experiences and what issues had impeded their progress. Analysis suggested that this theme could be divided into socio-psychological barriers and practical ones such as knowledge and financial ones.

Among the social and psychological barriers were societal attitudes to what was considered a respectable career, risk aversity and expectations. Adam stated clearly the general view that “Having a decent job is more respectable than being an entrepreneur”. Similarly, Ahmed explained that starting a business was widely viewed as taking a backward step:

> That’s why I said entrepreneurship is not for everyone, I know many people with great ideas, and they can do it, but they can’t leave their jobs to work for new and small start-ups. People will see this as a downgrade or [think that] there were issues with his/her previous employer. (Ahmed)

As a strongly collectivist society, it is not surprising that the views, preferences and behaviour of an individual’s family and social network are strongly influential. In the participants’ narratives, many signals of disapproval were highlighted. These constituted a barrier to entrepreneurship. Noor explained her own experience of this:

> Many of my friends and family subtly tried to dissuade me from starting my own business. I sensed they felt they were saving me from embarrassment. I think it is a social norm, a decent job is a way better than starting a new business, as you could easily fail.
They think [the struggle] of starting a new business is only for those who are unfortunate and failed to complete their studies. (Noor)

Hence a counternarrative to the ‘age of the entrepreneur’ theme was clear to see, one which showed that, in reality, and beyond the aspiring entrepreneurs, the majority of Saudis still adhered to the long-standing disapproval of entrepreneurship. This greatly added to the fear of failure, not just financial risk but the risk of social embarrassment. Elias explained,

You will not get positive feedback from those around you until you have convincingly succeeded. No merit is attached to the process of trying, of setting up the business and going through those difficult early stages. No one wants to be part of your failure. They think if they encouraged you; they will in somehow pushed you towards your failure. (Elias)

Starting a business involves risk. Failure can lead to financial difficulties as well as the social embarrassment. Adam explained that launching his business would make finding a wife more difficult.

Many of my friends have warned me that parents wouldn’t want their daughters marrying someone starting a business. Of course, if the business goes on to be a success that would soon change. Maybe early stage entrepreneurs are better off single anyway. Less distractions. (Adam)

For those participants whose family and friends have no connection with private enterprise, there is a sense of isolation; no life raft should they run into choppy waters,

No one among my close ties has ever owned a business. For me, it is like swimming for the first time and being surrounded with people who love you and care about you, but they don’t know how to swim or what to do if I need help. (Sara)
Turning to financial and resource barriers, practical barriers were discussed in broadly equal measure to social and psychological ones. The first group of these were related to knowledge.

For Sami the need to develop his practical knowledge was enough for him to delay launching his business and seek an employed role in someone else’s business.

*It is risky to start your own business. I’m not saying I’m not a risk taker, but I need to test the water, learn some practical knowledge, and find a job that can develop my skills. As a side note: when I say find a job my friends think I’m quitting. You need to develop your skills and prepare yourself for the challenge of starting up.* (Sami)

Other participants discussed the role of knowledge. Aziz expressed a preference for practical knowledge over more theoretical knowledge, saying that “entrepreneurship knowledge is useful, but I know a friend who worked with a start-up company last year, his knowledge is deeper than mine. He worked closely with the founders.” Reem explained that she had been nudged in the same direction as Aziz during the mentorship program. Aziz noted:

*I believe the knowledge was enough, but, honestly, the program mentor advised me to take my time, find a mentor in the same industry that I’m planning to enter, or as he said: “if you are lucky enough, find a start-up or a small company similar to yours.”* (Aziz)

For small-scale business start-ups in Saudi Arabia it is common for aspiring entrepreneurs to turn to their family and closest friends for financial help, with parents often the first source considered. The young cohort of aspiring entrepreneurs in the present study had yet to acquire significant assets so approaching banks and other sources of formal financing would not be easy. However, with widespread distrust and disapproval of entrepreneurialism, many parents may be reluctant to help their offspring. This dilemma was at the forefront of participants’ minds. As Majed remarked,
I wanted to start a business that didn’t require a lot of borrowing. But as I worked on my budgets, I realised that with some initial purchases and some working capital I would need to borrow after all. Then came the choice of looking around my own social network of going for a more formal arrangement with a bank. Both have pros and cons and I still haven’t decided. (Majed)

Noor raised an important issue about the nature of family business development and whether or not it constituted authentic entrepreneurialism.

When risk is taken by the family, loans secured on family assets, responsibility’s shared among family members perhaps based on their personal experience and skills set, then this feels fundamentally different to 'pure' individual risk-taking. But actually, Saudi is a collectivist country and the family business seems to fit with that more than the individualist type. (Noor)

Adam was an example of a participant who had rejected the family business approach. He explained,

I guess the perfect arrangement would be to find an investor that you know and trust. One that had started up their own business and had administrative experience, but also one that wouldn’t try to take over... but then things are rarely ideal. (Adam)

Saudi fatalism was another cultural aspect that impacted upon the financial side of entrepreneurship in the kingdom and it does so on many levels. Businesses will thrive or fail based on God’s will and the same goes for financing. If fate determines that a business should be launched the money will, one way or another, be found.

Reem talked about the issue of getting business finance as a woman hoping to start a business. Her family did not have the financial resources to help her start her fashion business, so she had to explore formal financing.
I think it is true that women are becoming more financially independent. Many more householders have two earners and many more marriage contracts include the right to work and education. However, it is in the formal banking sector were we women face extra challenges and scepticism. Banks don’t seem to trust us to know what we are doing. (Reem)

For Reem, informal lending by friends and family meant that only those from wealthier families would start businesses, excluding many talented people unable to access finance. Sara’s experience was different. She was starting a business with her husband and they had been lent money by their husband’s parents. She explained,

Because I was starting the business with my husband, the in-laws were happy to lend us the money. I don’t think they would have been so willing if I was doing it alone. Anyway, it was preferable to us as the banks were going to charge us a high interest rate. (Sara)

Perhaps because many of the participants had not reached the point of encountering regulatory requirements, there was little discussion of this aspect. However, one participant spoke at length about the new Saudi Companies Law and another recounted a personal brush with regulation. Sultanah said that the new law which came into force in 2016 was part of the government’s efforts to encourage start-ups.

If it really works, the way it has been presented then it really could make things much simpler. I read there would be a 92% cut in processing time for setting up a new limited company. Also, bank deposit certificates won’t be needed in the future. I don’t know if it will help me personally because I was not planning to register a limited. (Sultanah)

Aziz’s encounter was more practical than theoretical. As mentioned earlier, he had experienced delays in being granted a trading license by the Ministry of Health which had led him to question the substance of the government’s pronouncements.
The participants were asked to give their thoughts on the government’s recently intensified promotion of entrepreneurialism. Throughout the interviews there were indications that participants felt that government’s stated aim of promoting entrepreneurship and the private sector was a sincere one, if not entirely effective. Sami pointed to the 2016 decision to rescind or reduce public sector bonuses as a means to rebalance the labour market that was heavily weighted towards the public sector. Reem viewed assistance for business start-ups being provided online as another example of valuable government help:

*I’m hopeful that Vision 2030 can help to create a system of guidance and also publish some business document templates that are aligned with our current business laws. I read they are working at the moment on a website that will have all the necessary information.* (Reem)

The Ministry of Commerce and Industry (MOCI) website has gone online since the interviews and provides the templates referred to and a range of e-services for business. Sara’s view on what the government could do for entrepreneurs was quite different. She referred to having to compete with non-Saudis or Saudis employing non-Saudis in their businesses, saying there was no level playing field:

*... there are many opportunities, I agree, but the country is full of international cheap labour. It is hard to compete with them as they are the reason why we have low product prices. As a Saudi, I need a minimum monthly income of 7,000 Saudi Riyals, while they can live with less than 1,500 Saudi Riyals.* (Sara)

Sara’s business venture is in the retail sector where the employment of non-Saudis is widespread as indeed it is throughout the private sector. This is part of the public-private divide that has been entrenched in the kingdom for decades. Saudis go for the high incomes and stability of public sector employment while the private sector employees end up with low pay rates. Sara did, however, go on to acknowledge that things may be changing:
In the last couple of years, I have noticed that the country has become less attractive for migrant workers. Migration fees have gone up, insurance is up, and their utility bills have also risen. Also, the fees Saudis pay to employ migrants have been put up. There are some sectors of the economy where migrant workers are totally banned. But as it stands it’s still a problem for me when I try to compete with another Saudi-owned business that employs migrants (Sara)

Aziz raised the issue of flexible working to facilitate budding entrepreneurs. In particular, he felt that if he could work part-time, he could accelerate his business plans.

I work in the public sector; my job is the only income for me. I really want to leave the job when I’m ready. One of the things that I’m struggling with is the ability to work a part-time job with one of the companies here because I can definitely get access to practical knowledge that will develop my skills and enhance my knowledge. Unfortunately, as a public sector employee I’m not allowed to work in another job even part-time jobs. (Aziz)

Noor felt that the government should redouble its efforts to alter the public’s perception of entrepreneurs and the private sector in general in order bring it on a par with the more widely valued public sector.

The government needs to have a continual public information campaign through broadcast and online media which extolls the virtue of entrepreneurship and it needs to reflect these values in the education system as well. The public and private sectors need to be on a level playing field. (Noor)

While official government policies and interventions can have an effect on the entrepreneurial ecosystem reasonably quickly, the findings of the present study suggest that culture changes more slowly. In particular, deeply entrenched attitudes towards an individualist form of entrepreneurship may take decades to change.
Informal support

Finally, and recognising the importance of personal networks in Saudi Arabia, the participants were asked to consider the issue of *wasta*. *Wasta* was first discussed in Chapter Two. The public sector machine has long been oiled with *wasta* and individuals in the private sector also use *wasta* in their dealings with regulators. How this feature of Saudi life translates to small-scale entrepreneurialism is less clear, according to the participants. Omar explained that *wasta* was less useful for a would-be entrepreneur:

*I think *wasta* is more of a government thing, a civil service and public sector thing. Ok, sometimes a business comes into contact with the authorities where *wasta* may come into play, like getting a licence or in bidding for government contracts, but for small-scale entrepreneurs it’s your product and service and how the consumers respond it that counts.* (Omar)

This point was also made by Aziz who commented, “*You can have all the *wasta* in the world but if your product is rubbish your business will fail. In this sense the business world, especially small businesses, is really meritocratic*."

Sultanah raised the gendered nature of *wasta*. While women in Saudi Arabia seek to use *wasta* as social capital they invariably have to borrow this from fathers or husbands, so their social status is dependent on who their parents are or who they marry. Sultanah did not see *wasta* as significant in entrepreneurship.

*Saudi women take our male relatives’ and husbands’ *wasta* and channel it for the benefit of our children, for their education, for getting a good job. But I haven’t seen much use for it in terms of setting up a business. Much of the process of setting up a business can be done online using government e-services which mostly cuts out *wasta* from the process.* (Sultanah)

Where does the laudable and legitimate use of personal networks cross the line and become *wasta*, which is seen by many as a blight on Saudi society? Sami saw the answer in the motivation for establishing the relationship:
... establishing relationships purposefully and employing them to generate benefits is considered a shame ... a meaningless relationship. Wasta comes from someone you know, someone who cares about you. (Sami)

From the interviews, two other things became clear. Firstly, that participants saw wasta as still an important aspect of Saudi society. Secondly, that wasta is seen as something to be condemned. The participants offered anecdotes about how their friends or acquaintances used wasta to secure advantage but none of them would reveal an instance where they used it themselves.

Overall, the attitude of the participants suggested that they were unconvinced that the small start-ups they were contemplating were fully supported by the entrepreneurial ecosystem or that it had been redesigned of late with them in mind.

5.4.3 Entrepreneurial isolation

One of the more surprising themes to emerge from the cross-case analysis was isolation. This isolation could be either unplanned or, more interestingly, entirely intentional. It would be going too far to suggest that our aspiring entrepreneurs felt forced into exile due to their proclaimed desire to follow the entrepreneurial path; however, as Maha explained, a clean break felt necessary:

> My husband and I have a plan to start a new life outside of Riyadh, as we cannot focus on our business plans without being dragged to the hectic social life. He will be the income supporter through his job. My family and, especially, my close friends don’t like the way we think. The right decision from their perspective is to find a job and don’t risk my career for something that may collapses one day. They always said that they believe in women’s empowerment! And therefore, I should secure myself. (Maha)

When Omar was discussing the pressure on him from his close friends and family, he concluded, “I believe [the social pressures] is why successful entrepreneurs are socially
isolated, as they are busy and focussed on what they do. To improve myself I’m aiming to do the same. I need to minimise emotions that can cause me to stop”.

Elsewhere, Samiyah stated that entrepreneurs were seen in simplistic terms by some as automatically joining the ranks of the super-rich, looking to them for handouts. This is another reason cited for seeking social isolation. Entrepreneurship was likened to “showing off” by more than one participant.

We also heard that language played a role in the acceptability of entrepreneurship, with the word itself having negative connotations. Ahmed explained,

> People are excited to hear anything about the creation of new business and its story of success; however, they are hesitated to hear when the term entrepreneurship been used! They are willing to talk for hours about small businesses and its challenges but negatively avoid any talk about entrepreneurship. Talking about “creating business” is real and serious but talking about entrepreneurship is fake and mostly showing off. <(Ahmed)

The language of enterprise may be seen as representing a non-Saudi concept of individual greed rather than emphasising the social contribution of starting a business, employing people, and satisfying consumer needs.

Sultanah emphasised the importance of social entrepreneurship in Saudi Arabia, a phenomenon that was being increasingly associated with women. She portrayed a gentler, kinder form of entrepreneurship that was based on delivering public good more that delivering profit:

> Most of the American examples are of people whose wealth and business have grown to a massive scale. The fascination with these stories is verging on a wealth fetishism. I think in Saudi we should focus on entrepreneurship as a source of good and well-being. I follow the work of Lujain AlUbaid at the Tasamy organisation I even went to hear her speak. (Sultanah)
5.4.4 Envisioning my entrepreneurial future

The final theme is future-oriented. It is divided into the participants’ perceptions of what entrepreneurial success looks and their thoughts on whether they will be able to resist the temptation of going into employment if they have the chance.

Measuring my success

The participants were asked to describe how they would measure their success in the future, and at what point would they have proved the doubters wrong. Omar gave his view, saying

> For as long as you haven’t [been] recognised as a successful entrepreneur (have a nice house, good school for my kids, and few cars), people will always see me struggling. They will say it to your face “you’re wasting your time, find a job, life is short”. Unfortunately, once I reach the point of success people will let me know before I even realise, and I can see myself among them being their role model for their kids. (Omar)

Sultanah saw it in terms of respect, “I want to be respected as a woman, I want to prove that I can do what I want.” Ahmed gave a humorous but authentic response to how he would know he had reached success:

> When I suddenly get calls from people who were cynical about my plans. When I get invited to more gatherings and when cousins I never even knew I had start appearing, then I will know I have made it. (Ahmed)

Elias had a particularly zealous vision of what being an entrepreneur meant and where it may lead him in the future. One could associate it with the word ruthless:

> To be successful in the business world you have to be greedy, you have to cut all of your ties with your family and friends, you need to control your expenses very well, and focus on increasing the business profit. Most Saudis praise generosity and admire people who have no hesitation of spending money for other people (e.g.
inviting others for dinner, paying the total bill, paying their parents’ expenses (even if they are wealthy). (Elias)

This was in character with Elias’s tendency to overstate things somewhat. Clearly, he saw entrepreneurialism as a route to achieving status through wealth. There are indications in this study that although a national culture may be defined in general terms using sets of cultural values (as, for example, Hofstede has done), at an individual level we can detect some more collective values and highly individualist ones.

**Resisting a return to employment**

There was a palpable force impacting on many participants: the pull back toward employment. Many participants were delaying their start-up and planning to take a job, at least for the time being. Omar would not put his existing full-time income at risk. Adam found employment soon after the program ended and had shelved his start-up plans. Aziz was by no means certain he would go ahead because he was frustrated by red tape. Ahmed was wrestling with a fear of failure and had been tempted back to employment by a 30% pay rise. Elias was also going to take a job. In fact, only Sara had launched a business within six months of the end of the Rizq program. With many of the program attendees unemployed at the time they applied to join the program, there is a possibility that they were starting a business as an alternative route to employment, albeit self-employment rather than joining to pursue an entrepreneurial dream. Adam summed up this pull toward traditional employment:

*The thought of independence and the chance of financial rewards beyond a salary is pleasant to think about. It’s a dream. However, when the two options are on the table before you, a whole range of pressures pull you towards taking employment. Family pressure, fear of failure, the insecurity of early stage businesses all mounts up. In the end I reached for the pen and signed my work contract. It was actually a great relief.* (Adam)

Omar explained how encounters with his social network would proceed: “*Family and close friends whenever they see you down or stressed, they always suggest or ask you if you consider finding a job.*”
Throughout the period of the study I heard entrepreneurialism being continually associated with words like freedom, happiness, and fulfilment. However, with the program completed and many participants deciding to defer starting their business, other sources of happiness were acknowledged. Adam exemplifies this sentiment:

... there are many ways to be successful and happy. You don’t have to go against the grain; it is itchy and has side effects. I will definitely keep what I want in my mind and I will work on it in short steps. It is important for me to have a good social life; it makes me happy. (Adam)

Majed built his resistance to returning to employment by emphasising the benefits of being an early adopter of the newly founded spirit of entrepreneurialism that the country’s leadership was promoting:

When you are relatively young like I am, you need to take a medium and long-term view. Saudis have long benefited from being virtually guaranteed a secure and financially comfortable existence, but everyone can see that is changing. There aren’t going to be business opportunities for everyone so to get ahead of the curve now would seem like a good time. (Majed)

Majed is expressing the view that with additional government emphasis on starting businesses, the best ideas and markets will soon become the domain of budding entrepreneurs.

5.4.5 Knowledge localisation and transfer

One of the subthemes to emerge during analysis related to cultural values and attitudes towards knowledge localisation and transfer. One part of the entrepreneurial ecosystem that the participants were familiar with was mentoring. Each was asked their opinion on this and specifically on the Rizq program. The fact that the mentorship program included examples almost entirely from a Western context (Steve Jobs, Bill Gates, Mark Zuckerberg, etc.) proved quite controversial and lead to suggestions that this reinforced
the stereotype that business was for Westerners and not for Saudis. Sara felt the content of the program was too Westernised and too male oriented. She explained,

“As I said all of the example stories were foreign. What about Abdullah Al-Munif with Anoosh dates? knowing his story for example will definitely help on how I apply the knowledge I received from the program and help me understand how he dealt with the same issue I’m dealing with today.” (Sara)

There was support for this point from Reem who had expected more local knowledge to be included,

“I thought it was going to be something new. A knowledge that I can relate to. Knowledge from someone who has dealt with same regulations, same culture and who really understands it, but in the end it all sounded like it came from an American textbook. (Reem)

However, there was an understanding expressed that the detailed local knowledge mentoring would have to come at a future stage as the individuals on the program were looking at businesses in varying sectors, so the content had to be high level and general. Aziz remarked,

“We got the basic knowledge we need to start, and it was useful, but guidance is the key. I think the program was meant to be motivational as much as anything. We were all there hoping to dive down into the detail of our own projects but that would never work. I think we started to realise that after the first couple of weeks. (Aziz)

There was some discussion during the interviews as to whether mentoring was actually a one-to-one process and that the premise of the program being a mentoring experience was questionable. For some the real mentoring would begin once the program was finished.
In addition to their views on the Rizq course the participants were asked about the future role of mentorship in their business start-up. Elias explained why a mentor would be someone to talk to when cynics abound,

*Yes, I do need a mentor. I have a hundred people telling me they are worried for me, telling me I will lose a lot of money and I feel isolated. A mentor would give me someone to talk to and reduce the isolation. The problem is I can’t find someone like that.* (Elias)

Aziz saw the role of the mentor more in terms of opening doors, perhaps a person with connections (*wasta*) who could get things done.

*For me the perfect mentor is someone who has taken the same journey, experienced the same challenges and felt the same pressures from those around him as I am and will. I want to hear ‘I know how you’re feeling … let me tell you how I handled that problem’. But seriously, where am I going to find someone like that.* (Sami)

All three of these participants made it clear they were not optimistic about finding a suitable mentor. Indeed, with the exception of Sara who said her husband was her mentor, none of the participants were currently being mentored.

### 5.4.6 The Saudi entrepreneurial identity

Another subtheme related to the culture factor to emerge strongly in the data was the way the participants questioned their identity. If they so plainly saw the positives of starting a business, then why were there so many cynical people around them, among their close family and friends? The participants gave opinions at an individual level and a societal level. First, whether they thought they were different in their psychological make up to others, and second, whether Saudi society as a whole was not inclined to entrepreneurialism.
Am I different?
The question of identity was raised in several ways by the participants. A theme emerged in which participants were questioning whether wanting to be an entrepreneur (and so following an unconventional pathway) meant they were different in some way to their conventional peers. Recent generations of young Saudis have grown up hearing of the importance of a university education and a secure well-paid job, preferably in the public sector. Now, however, the message was changing from the top down, although for some this new message was getting through more quickly than for others. Exactly how the participants believed themselves to be different is a complex question. There were suggestions of cognitive differences, perhaps increased critical thinking skills, and also perhaps that they had a more individualistic set of values than others. Rebelliousness and an unwillingness to take instructions also came through, suggesting a different power-distance value. So, when Reem told the group, “Is it just me that finds this all totally exciting? I don’t know why so many people turn their noses up at the thought of starting a business”, she was representing the sense of otherness among the group.

The interviews elicited the perceptions of self-identity in order to understand whether the participants, who had extensively explained how those around them reacted to their proposed entrepreneurship, viewed themselves as having different psychology or individual values than others. Participants were asked in what ways entrepreneurs differed from others. For Sara, entrepreneurship was a learned skill:

*I see entrepreneurship as a life skill and it’s one that I want to have. Times are changing, and I want to ride that change not get knocked over by it. I don’t buy the idea that people are born to be entrepreneurs, but I do see how necessity plays a big role.*

(Sara)

It is reasonable to assume that our participants are among those early adopters of the new official message that entrepreneurship and the private sector as a whole are the way of the future.

No clear personality type emerged from the interviews and observations. In fact, what was more noticeable was the diversity of personalities and experiences that were
represented. There were introverts and extroverts; some had previous work experience, others did not; some had higher than average academic achievement and others had lower; and all but three were unemployed. Some professed a more Westernised outlook while others saw no conflict between Saudi culture and entrepreneurialism. They did, however, seem confused by why they saw an exciting future as an entrepreneur and others around them saw as a risky and insecure, even foolish pursuit. Omar explained his definition of an entrepreneur:

*Creative problem solvers, that’s what I see entrepreneurs as. And I would add to that optimists. Creative optimists who get real satisfaction by solving problems. I think that’s a fair description of me and people like me.* (Omar)

Adam found it quite difficult to describe an entrepreneur but did offer two possibilities of what made them different: “*Perhaps we are just early adopters*” and then added “*Perhaps we’re just scared*”. When I asked him scared of what he replied, “*scared of not getting a job*”.

Aziz, who seemed to acknowledge his introverted nature, commented that to be an entrepreneur you have to reach out to people outside of your close network and he found this particularly challenging.

**Is it a Western thing?**

When asked if entrepreneurialism was a Western thing, contrasting answers were offered. On one hand there was some indignation at the thought that only Westerners know how to start businesses and trade. Ahmed exemplified this, saying

*No. I haven’t thought about it this way. We have been merchants and traders for centuries, but we were doing it the classic way, simple and traditional products. Now things are different we talk first about values, the mindset, innovation, business model, and we even reconsidered the definition of success. It is a new way of doing business.* (Ahmed)
Here Ahmed is suggesting that entrepreneurialism has always existed in Saudi Arabia but that the current interest in it is being framed differently with different language with a Western business focus. Sara had made a similar point when talking about the content of the Rizq program.

A different point was presented by MBA holder Majed, who raised another reason why Saudi entrepreneurship was westernising:

> With so many Saudis attending Western universities it was inevitable that the Western approach to entrepreneurialism would seep through into business thinking in the Kingdom. Western constructs and the Western business lexicon have steadily spread around the business community. (Majed)

In contrast to the narrative of centuries of Saudi entrepreneurialism, there were numerous references throughout the interviews to deeply embedded disapproval of starting a business as an alternative to employment. As mentioned earlier, Adam’s comment of his diminished marriage prospects was particularly striking and reflects the strength of cultural pressures and the conventionality of employment.

**5.4.7 Summary of the cross-case analysis**

The interview data were analysed on a thematic basis and this section has presented the themes and subthemes that coding revealed. The participants gave a rich picture of the pre-launch experiences of aspiring entrepreneurs. The wide range of barriers, often psychological ones, that the participants voiced highlight the challenges that lie ahead for those seeking to promote Saudi entrepreneurialism as part of long-term strategic rebalancing of the economy. Only one participant (Sara) launched a business; others returned to employment or planned to. The analysis shows that the government’s message that entrepreneurialism is an important facet of Saudi life has resonated with some young Saudis but has yet to be absorbed into the fabric of society. However, in terms of the latest government initiatives and Saudi Vision 2030 it is still early days.
5.5 Deviant case analysis

There are many possible ways to identify a deviant case and that is certainly true in the present study. However, since understanding the gap between opportunity perception, intention, and action is an important feature of the research, this section considers further the case of Sara because she was the only participant who had launched her venture during the completion of the fieldwork. What then could account for this?

Sara identified as a Saudi type of entrepreneur and among the participants was most strident in rejecting the Westernised content of the mentorship program. She was positive about improving situation in the Kingdom for entrepreneurs and especially for women entrepreneurs. She also explained how being an entrepreneur seemed a natural choice after being brought up in a segregated society, because entering employment and having a male boss who is not a family member would have felt strange to her. She explained that one concern she had for her business and other retail businesses was the phased Saudization requiring retailers to take on Saudi employees rather than migrant workers:

Saudi employees would expect far higher salaries. This is a dilemma for me because I have always supported the principle of Saudization but now it could hit me in my pocket. It’s not a situation I thought I would be in. We will see how that develops. (Sara)

Like all aspects of Saudi life, retailing operates within a strict framework of religion and tradition, particularly the segregation of the sexes. Sara noted,

We provide both men’s and women’s shoes in separate sections, of course. I tend to look after the women’s section and my husband the men’s section. It works out quite well. Of course, a man can help his wife choose her shoes in the ladies’ section, but we have marked off the ladies’ section and put up a “families only” sign. However, a man wanting to choose a pair of shoes for his wife on his own would have to do that online. (Sara)
When I asked Sara whether she could or would have launched the business without her husband, she thought long and hard and then responded,

*I also ask this to myself. I really didn’t want to be seen as a wife working in her husband’s business. It helps that it’s a shoe shop because Saudi women are known to love their shoes. If I am being honest, I would say that it would have been harder. I would have started with a smaller unit, I would probably have been women only, so yes I could have, I had my own savings, but I think having this partnership has enabled us to get further faster. I see myself as an entrepreneur, not the wife of an entrepreneur. If I wanted to rely on my husband, I would not have attended the Rizq program. (Sara)*

I asked her whether partnering with her husband had helped her avoid or overcome the kind of social pressures from her social network that were so commonly recounted by other participants. She agreed it had had an effect:

*This definitely helped with my close family and the friends who know me best. My husband’s participation was in some people’s eyes ‘official’ sanctioning of the plan, making it more socially acceptable. Rightly or wrongly they also felt that it would be less likely to fail. So it took on a higher level of acceptability among those closer to me. Beyond this inner group, the wider social pressures just stayed the same. (Sara)*

I asked Sara if she felt there were any other reasons why she had managed to launch her business while others on the program had not. She listed a relevant education, good business plan, access to personal financial resources, and a love of shoes as the four main ingredients. But then she added,

... we were lucky: we knew someone who got some advanced knowledge of the retail unit becoming available and we managed to get it. I think it was just luck. I know some people will say that
is was ta, but it didn’t feel like that. It was more, “If you don’t ask you don’t get”. (Sara)

In a follow up question, I asked why, in her opinion, so many of the Rizq participants had seemed to delay their plans or gone back to employed positions. For some of them it felt like they were attending for something to do because they didn’t have a job at the time. Sara said,

*I know they had good intentions, but I could just feel that at the first sight of a job offer they would be straight back into employment. Others hadn’t quite thought through their idea. Mine was for shoe retailing, not exactly something hugely innovative, but the blueprint for success is already there. For others, maybe they are just waiting for the right time to come along. (Sara)*

Sara continued to develop her point by making an interesting connection between the longstanding reliance of Saudis on their government to provide good jobs and the attitudes of would be entrepreneurs:

*I can’t say this is definitely true of my colleagues on the Rizq program, but I suspect that the entitlement mindset that has been developed in Saudi, with the government providing secure jobs and a range of benefits, has been transferred to the new wave of entrepreneurialism. This has led to the appearance of wannabe entrepreneurs who expect to be spoon-fed towards success. In a sense they just don’t understand the difference between having a job and starting a business. (Sara)*

To restate, Sara was selected as a deviant case because her business actually launched during the field work. Equally, she was the only one starting a business with a partner (her husband). I concluded that while her case in this study was deviant, Sara potentially represented an archetypal Saudi entrepreneur. She rejected the Western style of entrepreneurialism and sought to work within the framework of Saudi society while still pursuing her dream.
5.6 Summary

This chapter has presented the findings of the research interviews conducted with a cohort of aspiring Saudi entrepreneurs. It was divided into two main parts: within-case and cross-case analysis following the framework set down by Eisenhardt (1989). These two parts were sub-divided based on the thematic analysis which inductively established the themes and subthemes presented herein. Liberal use of data fragments (translated extracts of the spoken words of the interviewees) was made throughout to ground the findings in the data without editorialising them because a full analysis and discussion is deferred until the next chapter where the conceptual framework is reintroduced as a guiding lens.

The within-case analysis developed the stories of the aspiring entrepreneurs. We heard their thoughts on a range of matters from the effect of their plans on their relationships with friends and family to their weighing up social pressures with what they perceive to be the intrinsic and extrinsic rewards of starting and running their own business. The cross-case analysis generated themes and subthemes that were discussed in turn. A contrast emerged between the new official enthusiasm for entrepreneurialism and the reality of a social apprehension towards it and a clear preference at least among the older generations, such as the parents of our participants, for the orthodox path from university to a life-long career in the public sector. We learned of the high attrition of aspiring entrepreneurs who were drawn back to the safety and acceptability of paid employment. We heard the self-questioning of participants asking whether they were different from the average Saudi and if so, why that was. These were among the main findings that will be thoroughly discussed in the following chapter.

Finally, there was a deviant case analysis which highlighted in additional detail the perceptions of the one participant, Sara, who, unlike her colleagues, had entered into the action phase by launching her business.

The next chapter discusses and evaluates the findings presented in this chapter, doing so with the help of the theoretical approaches discussed in Chapter Three and guided by both the conceptual framework and the need to address the research questions presented in Chapter One.
Chapter 6: Discussion of the Research Findings

6.1 Introduction

The aim of the research was to investigate and explain how aspiring Saudi entrepreneurs experience entrepreneurship through their own words and the researcher’s observations as they take the early steps of their entrepreneurial journey. The understanding is based on the voices of the participants and the researcher’s analysis of their words and of observations made during the data collection period. The findings were presented thematically in the previous chapter. In this chapter we return to the conceptual framework and apply it as a lens through which the findings can be interpreted.

This chapter has three main aims. Firstly, it seeks to provide answers to the research questions posed in Chapter One. Secondly, it aims to link these answers to the findings of the study presented in Chapter Five. Thirdly, it explains how the answers to the research questions fit with the existing body of knowledge and research evidence. In line with Eisenhardt’s model (as discussed in Chapter Four), this chapter fulfils the ‘enfolding literature’ step by discussing the findings in the context of existing literature which may either confirm or conflict with the findings of the present study.

To achieve the aims set for this chapter we draw on the findings of the present study, the findings of other relevant empirical studies, and the conceptual framework presented in Chapter Three and revised to account for the emergent themes. The chapter is organised in a way that reflects the entrepreneurial path from opportunity perception to intention and then to entrepreneurial action. Specifically, it is organised into three main sections, one each for what the researcher understands to be the three main groups of factors mediating this journey: the entrepreneurial mindset, culture, and the entrepreneurial ecosystem as depicted in Figure 6-1. As a result of the data analysis, the culture factor was found to have two distinct sub-elements: knowledge localisation and the Saudi entrepreneurial identity so the conceptual model is revised here accordingly.
As the methodology for the present study was principally guided by Eisenhardt’s approach to comparative case studies, it is important to remember that “tying the emergent theory to existing literature enhances the internal validity, generalizability, and theoretical level of theory building from case study research” (Eisenhardt, 1989, p.545). Therefore, both differences and similarities with the existing literature are included in this discussion of the findings. The constructs developed in the literature and discussed in Chapter Three are also revisited and applied to the findings of the present study.

The following section discusses the first of the three mediating factors, the mindset of the aspiring Saudi entrepreneur.
6.2 The mindset of the aspiring Saudi entrepreneur

This section addresses the first research question: *What characterises the entrepreneurial mindset of aspiring Saudi entrepreneurs?* The motivations and deterrent factors of these entrepreneurs will also be considered. The interviews with Saudi aspiring entrepreneurs provide a rich picture of what they were experiencing in the period before they launched their business. Many of these experiences were at the emotional level. Some motivated them to proceed and others caused them to doubt. The discussion includes consideration of relevant parts of the conceptual framework as part of interpreting the findings.

Unsurprisingly, wealth motivates aspiring entrepreneurs. Omar dreamed of the day he would be at the head of a business empire while Elias explained his long-standing dream to be like the businessmen he knew who were in “full control and were rich”, travelling all year round. Other motivators were less financial and more intangible. Sami wanted to feel free; Ahmed wanted to be “different” and Omar talked about independence. For Reem it was a route to a second career and a way to pursue a hobby. On a practical level, some of the participants viewed entrepreneurship as a route out of unemployment or out of unsatisfying employment. Sara talked about the fear of unemployment.

There was evidence of self-achievement playing an important role in motivating aspiring entrepreneurs in Saudi Arabia which is in line with Sadi and Al-Ghazali (2010) who had the same finding in their quantitative Saudi study. Kouriloff (2000) argued that the most significant barriers to entrepreneurship were non-financial and could not be regulated for. Interestingly, although his study was set in Australia, which has a highly contrasting culture to Saudi Arabia, the personal and cultural barriers he identified were also found in the present study. Our aspiring entrepreneurs described being surrounded by social pressures from their friends and family and being urged not to stray from the conventional path of an employed (preferably public sector) career. In a study conducted in Saudi Arabia, Sadi and Al-Ghazali (2010) identified social restrictions as the most significant barrier reported by women about women entrepreneurs whereas male respondents thought lack of coordination among government departments as the most serious obstacle for women entrepreneurs.
The entrepreneurial mindset is not a concept related solely to the individual entrepreneur or would-be entrepreneur. As the authors of the GEM 2010 report (Kelley et al. 2010) reminded us, non-entrepreneurs can also provide an indirect stimulation to entrepreneurial activity. In the present study, the findings point more to a lack of such stimulation particularly from the social networks of our aspiring entrepreneurs who were faced with a mixture of discouragement and hostility from their friends and families. Participants went as far as reporting findings of isolation and imposter syndrome, such was the lack of entrepreneurial mindset among their friends and family (Chapter Five).

As discussed in Chapter Three, one way of understanding and predicting entrepreneurial behaviour is intention. Intention represents how ready a person is to perform a given behaviour (Ajzen 1991), in our case starting a business. It is also a motivational state and when intention is high, an individual is motivated to spend more time and effort on preparing for or performing that behaviour (Sheeran 2002). Intentions to start a business are understood to be the best antecedents of the actual behaviour (Iakovleva & Kolvereid 2009). Clearly, joining a mentorship program with the associated time commitments is an indication of high intention, even for those whose application was not successful. The intention-action gap is a useful way of addressing the question of what motivates and what deters Saudis in terms of entrepreneurial behaviour. While intention is a powerful predictor of behaviour (Sheeran 2002), not all individuals convert this intention into action (Gollwitzer 1999) and this is confirmed in the present study. Since the researcher collected data over a 12-month period, the present study has been able to highlight an intention-action gap. This gap seemed particularly pronounced because each participant had expressed varying degrees of intention, but for a range of reasons only one participant (Sara) had launched their business by the time of the follow up interview, which took place five or six month after the mentoring program had finished.

To further understand the reason for the intention action gap, we can return to some of the relevant theories discussed in Chapter Three. The theory of planned behaviour (TPB) has a three-factor model to explain influences on behaviour (internal attitude to planned behaviour, the external influence of subjective norms, and perceived control over behaviour). Each of these can be seen in the present study. As participants evaluated their entrepreneurial intention, the security of employed status gained in importance, changing their internal attitudes. The subjective norms to which Ajzen (1991) referred were very
powerfully displayed in the descriptions of the reactions of friends and family to the planned behaviour; these reactions were overwhelmingly negative. The extent to which participants perceived control is essentially the ease or difficulty they attributed to the task of setting up and running their businesses, and also their control over a successful outcome. Participants were able to elucidate their own attitudes and describe the influence of friends, family and the wider culture. However, the perceived control is more difficult to elicit as for some it may mean recounting that they feared failure or concluded that they might not have what it takes. Likewise, the entrepreneurial event model (EEM), with its perceived desirability, perceived feasibility, and propensity to act, could also be applied to the present study. We heard many rich descriptions of the desirability of starting a business with its promised independence, potential for wealth and sense of personal achievement. It was notable that perceptions of desirability were dominant at the recruitment phase and during the program but that this was partly replaced by feasibility perceptions in the follow-up interviews, presumably as the desire to outwardly project an entrepreneurial mindset was greater in the context of the mentorship program than five or six months later when the researcher interviewed them again. As for propensity to act, this is perhaps best measured with a quantitative method and requires evaluation of past behaviour not investigated in this study.

6.2.1 Hierarchy of volition

We can consider our participants in terms of the hierarchy of volition discussed in Chapter Three (Hikkerova et al. 2016). While all participants could be described as aspiring entrepreneurs on the hierarchy of volition (see Figure 6-2), we can also see that some could be described as having entrepreneurial intention but still be at the pre-decision level (Omar, Adam, Reem and Elias) while others were at the pre-action level having made their decision but not started on concrete actions in the launch of their enterprise (Aziz, Sami, Ahmed). One had progressed to the third level, the action phase, by the end of the fieldwork period (Sara).
We can add to this by showing directions of travel during the course of the fieldwork. For example, Sara went from Pre-action to Action by actually launching her business with her husband. Reem was moving from the Pre-decision phase to the Pre-action phase with the additional research and networking she had completed during the fieldwork period. Adam and possibly Omar may have actually deactivated their volitional skills with the former certainly seeming to have opted for a paid professional career indefinitely. It is also plausible that participants may have not wanted to be seen to be giving up and so repackaged a cancelation as a postponement when talking to the researcher.

According to the theory of planned behaviour, the three antecedents of entrepreneurial intentions are perceived self-control, subjective norms and attitudes towards behaviour (Ajzen 1991). The attitudes towards entrepreneurial behaviour were clearly positive; participants held a positive perception of entrepreneurialism as a career choice and frequently compared it positively to other options. Furthermore, their perceived self-control was at a high level since they displayed a confidence in their ability start and run a business. Equally clear was that subjective norms mitigating against entrepreneurial intentions instead of for them were also present. This was not in the values and attitudes of the participants themselves but in the wider social setting, which was perceived to be
relatively hostile to entrepreneurs, seeing entrepreneurship as risky and unconventional. In other words, the participants were highly resistant to the lack of support for an entrepreneurial career coming from their friends and family and yet the various degrees of delay and hesitancy recorded at the follow-up interviews suggests that this resistance may not have been shown so emphatically in action.

6.2.2 Opportunity or necessity
We can also evaluate the present study and the cases therein in terms of the opportunity-based versus necessity-based construct of entrepreneurial motivation. This classification of entrepreneurial motives was proposed by Reynolds et al. (2002) and has received further research attention, including in the Saudi context (Almobaireek & Manolova 2012; Sadi & Al-Ghazali 2010). When Reynolds et al. started using these terms in a GEM annual report, it was argued that almost all entrepreneurs could be correctly placed into one or other of the categories based on their survey responses. The qualitative methods used in the present study offer the opportunity to consider whether, in fact, opportunity-necessity is more fruitfully considered as a continuum allowing for the fact that some individuals have mixed motivations, partly opportunity based and partly derived from necessity. To develop this idea, we can consider the cases and tentatively assign them to this continuum.

- **Aziz** had a PhD and was employed in hospital management, a secure and presumably well-paid job, at the time of the study. He spoke of a passion to start his own business but appeared risk averse. His other comments suggested he was motivated by opportunity.
- **Sara** went straight from obtaining her master’s degree to starting her retail business with her husband. The case seems a clear example of opportunity-based entrepreneurship.
- **Omar**, for whom the sky was the limit, was driven by opportunity and the seeking of a more economically comfortable life than his father. The independence he sought seemed mainly economic independence.
- **Elias** expressed his motivation in terms of independence and freedom, although there was a clear financial component to this freedom. He made idealistic references to
wealthy businesspeople. This identifies him as an opportunity-based aspiring entrepreneur although being unemployed must have also been a factor.

- **Ahmed** had been voluntarily unemployed and expressed his motivation in terms of independence and a desire to break with convention. He was ultimately driven by necessity but this was necessity to seek employment arising from social pressures.

- **Sami** was an unemployed MBA holder whose central motivation was independence. He may have had unsatisfactory work experiences in the past that made him determined never to be an employee again. His motivation appeared neither fully opportunity-based nor necessity based. While he was unemployed this did not seem the main reason for wanting to start a business.

- **Reem** expressed a desire for independence while pursuing her passion for fashion design. Her opportunity seeking was balanced by necessity arising from unsatisfactory employment experiences, hence an element of both is found.

- **Adam** was unemployed and clearly stated this as the reason for wanting to start a business. In the absence of security though employment he considered a lower form of security through starting a business but when offered a job he quickly took it.

Figure 6-3 attempts to illustrate the motivations of the eight main participants along an opportunity-necessity continuum.

The motivation labels of opportunity and necessity as proposed by Reynolds et al. (2002) appear to omit other motivators that have support in the literature. These include the desire for independence or ‘to be your own boss’, as it is commonly described. It could be argued that independence is achieved financially and hence is an opportunity motivation. But it could also be argued that unsatisfactory employment experiences make it a necessity for
some. There was evidence for both in this study. Both the present study and Alessa (2018) found the search for independence to be an important factor for Saudis.

6.2.3 Evidence on the intention-action gap

Chapter Three also discussed theory related to the intention-action gap. The current study revealed qualitative data on this gap and its manifestations. Most obviously, the fact that only one of our aspiring entrepreneurs had started their business by the end of the 12-month data collection period shows how significant this gap is. Also remember that the eight aspiring entrepreneurs who had participated throughout the study had won through a competitive process to get onto the mentorship program, suggesting they were considered the most likely to benefit from the course and were suited to entrepreneurship. Hence, for only one to start their business suggests that major obstacles stand in the way of even these qualified aspiring entrepreneurs.

But there were more revealing findings. Gollwitzer and Sheeran (2006) identify a cause of the intention-action gap as being the absence of an implementation intention “that spells out the when, where, and how of goal striving in advance” (p. 69). This was prevalent among participants who rarely spoke in terms of firm dates for their plans, instead referring to ‘the future’ and other less specific terms.

AlAmmari (2018) studied the intention-action gap in Saudi Arabia using quantitative methods. He examined the cultural and cognitive factors causing this gap. His findings highlight the importance of self-regulation, a process of working toward achieving goals applying willpower, in negotiating this gap. This self-regulation includes regulation of emotional difficulties. The present study revealed the extent to which emotions were evoked by the early stages of the entrepreneurial process, particularly in response to social pressures. One manifestation of this emotional regulation come in the form of self-isolation to remove oneself from the social pressures. Omar, for example, warned against attachment during the entrepreneurship process.

A counterforce to the willpower of self-regulation is fear of failure. We heard how every time Aziz’s mind turns to thoughts of failure, he steps back and his intention is undermined. In the latest GEM report, for 2018/19, 43.6% of Saudi respondents expressed a fear of failure, the 11th highest percentage from 49 countries. Nevertheless, to some
degree fear of failure is a factor in every country. From the present study, it is clear that loss of face (an important consideration in Saudi society) and the fear of ‘I told you so’ attitudes and remarks from their social networks were palpably playing on the minds of participants. In the gap between intention and action, the fear of failure looms large.

The issue of *wasta* was raised by some participants. From one point of view (Omar and Aziz) entrepreneurship was a meritocratic area of life which levelled the *wasta* playing field. Sultanah echoed Burt’s (1998) theory and Bailey’s (2012) study regarding women borrowing social capital from men in many areas of life but she also played down its importance in venture creation.

From this discussion, there is more evidence to support the commonalities between the entrepreneurial mindsets of Saudi aspiring entrepreneurs and those in other countries than commonalities between entrepreneurial Saudis and their nonentrepreneurial counterparts. For example, the three mindset characteristics associated with high rates of new venture creation identified by Davidsson and Wiklund (1997), i.e., a need for achievement, a need for autonomy and self-efficacy (See Bandura 1986), all seemed significantly present in our sample with specific statements supporting each.

The following section discusses what the present study has informed us of the influence of Saudi culture on would be Saudi entrepreneurs.

### 6.3 Saudi culture and the aspiring Saudi entrepreneur

This section addresses the second research question: *How does Saudi culture influence entrepreneurship in the 21st century?* It draws together the findings of the present study with those of other relevant studies and also applies the explanatory framework to assist with interpretation.

Chapter Three established the link between national culture and entrepreneurialism at an individual and societal level although there was evidence for national cultural influence on entrepreneurship, there was also support for the counter position that entrepreneurs in different countries had shared traits. Louw et al. (2003) state that culture affects individual entrepreneurial abilities. It also affects the overall level of start-ups in a given culture
(Carree et al. 2007; Davidsson 1995; Davidsson & Wiklund 1997). High collectivism, high power-distance and high uncertainty avoidance are attributed to Saudi Arabia. It is not difficult to develop a narrative showing that this combination of values would create a non-entrepreneurial culture. However, the participants in this study provide a counternarrative. Indeed, we should remember that the GEM (2018) survey rated Saudi Arabia as the number one on its ‘entrepreneurial spirit’ indicator.

From this we can draw two different conclusions. Either the original narrative is wrong, or this study has identified a sub-group of Saudis who have developed a new set of values that are more accepting of individualism, being your own boss and risk-taking than the dominant culture. These two possibilities are discussed further in this section.

Study participants frequently referred to the attitudes and actions of those around them, their friends and family, towards their plans to pursue starting a business. Outside the participants, it would appear that the dominant view of entrepreneurship was disapproving. It was seen as unconventional, risky, irresponsible and even un-Saudi. This suggests a weak entrepreneurial culture. Wong (2014) explains entrepreneurial culture as being a set of values, beliefs and attitudes shared within an organization or a society and that characterises entrepreneurial lifestyle. Drob (2016) suggests that an entrepreneurial culture features the encouragement of risk, the toleration of failure, promotion of innovation, encouragement for continual change and improvement, and a visionary and passionate attitude to business. There were no notable expressions from our participants of such encouragements from their close friends and family; in fact, quite the contrary.

Potentially, the current study has tapped into a generational change in values, as many of the most powerful disapproving groups were the parents and older relatives. This is the generation that had benefitted from the generous social contract between government and citizens including secure public sector employment, housing allowances, and an unemployment rate in 1998 of just 3.25% that had risen to 12.9% among Saudi citizens twenty years later (Torchia 2018).

The Rizq program included a lot of material from a Western context and entrepreneurialism was personified by Steve Jobs, Bill Gates and Mark Zuckerberg among others. Most participants wanted to hear about Saudi businessmen and women,
people who started from nothing and started from the same environment, the same culture, with the same government, and same economy. They can easily tell the different between the environment that created Steve Jobs, and their own environment; they know that the challenges and the ways to success are different. Participants believed they have the capabilities to create successful businesses, but by exposing them to many stories and examples that are non-Saudi or non-Arab based, a sort of ‘imposter syndrome’ is being promoted because success is defined as non-Saudi and the path to success is constructed on non-Saudi foundations. According to the Rizq approach, as aspiring entrepreneurs they would need to be different to those around them: a new kind of businessperson. This study found evidence in the voices of Saudi entrepreneurs that a distinct Saudi version of entrepreneurship is desired. While not matching the global status of the names mentioned above, there are examples of role models in Saudi Arabia that could be incorporated into Rizq-type programs. Sara mentioned Abdullah Al-Munif who received substantial media coverage and went on to take his experience to others through seminars and conferences; Reem had adopted Lama Taheer as her role model; Sultanah made clear her admiration for Lujain AlUbaid, who was active in the promotion of social entrepreneurship in the kingdom.

Theory and some empirical studies suggest that Saudi Arabia is not a risk-taking culture (Ajami 2015; Al-Ghadyan 1999; Hofstede Insights 2017; Kreiser et al. 2010; Niemeier et al. 1998). However, other recent empirical evidence suggests that this is not the case. The authoritative GEM survey, discussed in Chapter Two, shows that the kingdom topped the list of 54 countries on their ‘entrepreneurial spirit’ ranking which combined measures of entrepreneurial awareness, entrepreneurial opportunity awareness, and entrepreneurial self-efficacy. The same survey also reported that nearly seven in ten Saudi adults perceived that Saudi society afforded entrepreneurialism a high status and viewed it as a positive career choice (Global Entrepreneurship Monitor 2018). In the present study, the qualitative findings offer a different picture in which the social networks of the participants appeared not to share the high-status view and saw entrepreneurialism as a risky alternative to a traditional employment path found mainly in the public sector. The reason for these contrasting pictures can only be speculated upon. All the participants in the present study were Saudi nationals, while in the GEM survey the systematic dialling of random telephone numbers would have reflected the resident population irrespective of nationality. Survey respondents reporting on their perceptions of societal values may
well present a different response than the narratives of aspiring entrepreneurs reflecting on the reactions of their families and friends. Nevertheless, the GEM survey presents findings of an entrepreneurial aware, opportunity-perceiving population in a society where they expected to be valued and considered to have made a good career choice; the present study, albeit with highly contrasting methods, has generated a picture of entrepreneurs as rebels facing huge social pressures to remain inside the comfortable corral of mainstream employment.

In Chapter Three, three cross-cultural theories were added to the conceptual framework: the CDC framework (Ralston et al. 1993), venture scripts (Mitchell et al. 2000) and Hofstede’s (1980) dimensional model. A convergent response to technological change would cause Saudi entrepreneurs to adopt the cultural values and the business ideology of the dominant (Western) culture. The ideology would reflect the Schumpeterian model of entrepreneurship with its focus on creativity and innovation and its view that the maximisation of personal returns is the dominant aim of such activity (Kayed & Hassan 2010). Among our cohort of aspiring entrepreneurs there was ample expression of creativity, innovation and (certainly in some cases) the attraction of the personal accumulation of wealth. However, it would be wrong to say that this accounted for a convergence toward the dominant Western ideology. There was too much resistance to the Americanised content of the mentoring program for this to be the case.

Divergence, by contrast, rejects the role of technology and business ideology in value formation and instead gives the primary role to national culture. The attitudes, values, and beliefs of managers is overwhelmingly shaped by the different dimensions of the national culture (Hofstede 1980). In Saudi Arabia’s case, and applying Hofstede’s dimensions as an example, this would mean our cohort would be collectivist, uncertainty avoidant, and having a very high power-distance orientation (as explained in Chapter Three). In defying their friends and families our aspiring entrepreneurs were showing some degree of individualism by placing the main emphasis on their own and in some cases their immediate partners’ interests and expectations. A desire to be their own boss and exercise greater control over their lives is not in line with the high power distance of Saudi culture as proposed by Hofstede and others. Furthermore, many of the statements made by the participants indicated they placed low emphasis on the kind of dependence relationships that one would expect to feature in a high power distance culture (Radziszewska 2014).
There was also no strong reflection of uncertainty avoidance. Overall, the divergence thesis does not seem to explain the findings of this study either.

This brings us to the third theory, that of crossvergence, in which Ralston (2008) refers to the “Purposeless transfer of Western models of management to non-Western context” (p. 519). The Rizq program seemed to transgress in this way by presenting entrepreneurship as an essentially Western, specifically American, activity. This was noticed by several participants including Sara and Reem. Instead the participants appeared to be seeking a common middle ground between the globally dominant Westernised value set applied entrepreneurship and their own Saudi cultural values.

However, any acceptance of the crossvergence thesis needs to be tempered with acceptance of the possibility that what the data reflected was a generational change showing the changing values of younger Saudis compared to older generations. Among the older generations the attitudes to what constitutes a socially acceptable career path and acceptable risk are almost certainly tilted away from entrepreneurship. The younger people in this study have had exponentially more exposure to other value sets including those associated with countries linked to entrepreneurialism such as the United States.

Much evidence suggests that there is nothing inherently non-entrepreneurial about Saudi culture (Global Entrepreneurship Monitor 2018), yet the participants in the present study appeared to be running counter to the accepted attitudes and behaviour of those around them as well as the conventions of career planning. Perhaps, Tiessen’s (1997) assertion of a collectivist kind of entrepreneurship, which contrasts with the Western kind, is the acceptable form. If Tiessen is right, Saudi Arabia may have always been entrepreneurial but in its collectivist form which he saw as corporate entrepreneurship. Corporate entrepreneurship is viewed positively in the kingdom, while there is less acceptance for individual entrepreneurship which is the form that the participants in the present study were contemplating. This may explain why the participants encountered so much social pressure, not because they were planning entrepreneurial action per se but because it was the wrong kind of entrepreneurial action, the individualist type.

Turning to Mitchell et al.’s (2000) cross-cultural model of venture creation, the participants in the present study were each engaged in the venture creation decision.
Evidence from the interviews confirmed that participants were engaging venture arrangement scripts as they put in place the knowledge structures which, as Mitchell et al. (2000) suggested, includes idea protection, developing their venture network, investigating their access to business resources, and developing skills specific to their planned venture. Participants were also wrestling with their venture willingness scripts, with a majority expressing doubts to varying degrees and for different reasons. While the participants certainly seemed to sense less risk than their non-entrepreneurial counterparts there was still noticeable hesitancy. As Mitchell et al. (2000) state, “Willingness scripts that focus on opportunity seeking are concerned with an openness, orientation, and drive toward seeking out new situations and possibilities and trying new things” (p. 978). Thirdly, for the venture ability scripts there was less evidence in the data. However, participants were clearly engaging in reflection on their self-efficacy and their ability to successfully launch their own venture.

Additionally, McGrath and MacMillan (1992) proposed that non-entrepreneurs may be perceived as an outgroup by entrepreneurs. In their seven-country study they identified values that entrepreneurs held irrespective of national culture. These entrepreneurs believed more in taking initiative, controlling their own destiny and having a positive orientation to change. In the present study the participants also displayed these values, suggesting they may have more in common with entrepreneurs in other countries than with non-entrepreneurs in their own country.

This study provides strong support for the position that the decision to undertake entrepreneurial action has two main dimensions: the social and the economic. The economic dimension requires evaluation of whether there is access to the necessary resources to start a venture. Equally importantly, as Radziszewska (2014) argues, entrepreneurs need to have social acceptance including acceptance that what they are proposing to do is legitimate and contributes to the greater good of society. Due to the sensitive and personal nature of asking financial questions, it was less easy to arrive at an understanding of the economic dimension. However, a rich picture emerged of the social dimension. The qualitative approach taken in the present study draws into question survey evidence from the GEM (2018) report which showed widespread support for the statement that entrepreneurship was viewed as a good career choice and that the country gives a high status to entrepreneurs. A number of explanations for this discrepancy could
be suggested. The GEM survey responses from randomly selected members of the public may reflect what the respondents think is happening ‘out there’, while the present study included the real experiences of aspiring entrepreneurs actually engaging in the early stages of venture creation and recalling the actual level of support and acceptance they were encountering. Perhaps the survey responders were reflecting the government leadership’s new stronger emphasis on entrepreneurialism, or perhaps the GEM responders’ definition of entrepreneurship related more to corporate entrepreneurship than to the small ventures our sample were considering launching.

We can also consider Isenberg’s yardstick when evaluating whether a culture is contributing to a positive entrepreneurial ecosystem. He asks, “Does the culture at large tolerate honest mistakes, honourable failure, risk taking, and contrarian thinking?” (Isenberg 2010, p. 4). This is difficult question to answer based on the findings of one qualitative study undertaken in one setting. Nevertheless, the present study does call into question whether, beyond the recent positive statements of the country’s leadership, the general population still have a distrust of non-corporate entrepreneurialism.

Beyond academic reasoning and evidence there have also been political and economic factors that have reinforced the sidelining of entrepreneurial activity in the kingdom. The following section considers the policies that have helped to underpin the social attitudes revealed in the present study.

The conceptual model shown as Figure 3-9 also identified knowledge localisation as part of the culture factor in determining the path from intention to action. The study provided evidence of resistance by participants to the unfiltered transfer of Western entrepreneurial knowledge and materials to the Saudi context. This raises important issues regarding the means of production of knowledge. For example, the MBA qualification was an American creation and has remained dominated by Western academic institutions. It has been reported that up to 60,000 Saudi study in the US, in English and using Western programs (Toumi, 2018). This creates a vast pool of graduates used to studying in English. However, in this study the participants had not studied abroad and most (ten out of twelve) had not been business students. They expressed a preference for non-Western perspectives on entrepreneurialism which raises questions for providers seeking to support a diverse range of aspiring entrepreneurs.
6.4 The Saudi entrepreneurial ecosystem

This section addresses the third mediating factor in the path from intention to action shown earlier in Figure 6-1. There are two research questions related to the Saudi entrepreneurial ecosystem. One related to how the ecosystem is experienced by aspiring entrepreneurs and the other asks how the government can improve this ecosystem. These are addressed in turn; however, specific recommendations for policymakers and organisations that are part of the current ecosystem are deferred until the final chapter of this thesis.

6.4.1 Experiencing the entrepreneurial ecosystem

With the exception of Aziz, regulations did not feature strongly in the experiences of the participants. This can mainly be attributed to the fact that they had mostly engaged in limited concrete actions to set up their business and so had not needed to interact with the authorities.

By applying to, and for some participating in, an entrepreneur mentorship program, the participants were benefiting from the increased interest being shown in Saudi Arabia in the encouragement of entrepreneurial activity. In signing up to attend a mentorship program our participants were affirming the view that entrepreneurship can be learned provided the ecosystem promotes this, a view encouraged by Hougaard (2005). The mentorship program had at the time of the fieldwork been the participants’ main interaction with the formal ecosystem. The other interaction of great consequence had been between the participants and their social networks which had not, in most cases, proceeded smoothly.

6.4.2 Government and the entrepreneurial ecosystem

The Saudi Arabian government controls the levers for adjusting the entrepreneurial ecosystem with only limited impact by non-governmental organisations. Even the most powerful governments cannot change a country’s culture in the short term, perhaps not even in the long term. The previous section discussed Saudi culture and entrepreneurialism, recognising that these influences are not simply changed by policy.
This section turns to the actions and policies that are under the direct influence of government.

The discourse in many domains of life in Saudi Arabia is dominated by Vision 2030. This strategic national document, discussed in detail in Chapter Two, sets out the kind of country it is planned to be. Many of the substantial elements of economic transformation are on a large-scale corporate level though a privatization program and by promoting foreign direct investment. However, there is also some specific encouragement for smaller scale enterprise including enabling banks to create financial products for small businesses, expediting licensing procedures, simplifying customs procedures, and making digital infrastructure investment (Vision 2030 2017). In the present study, Noor suggested that the government should do all it can to provide “a level playing field”, referring to the imbalance between the public and the private sectors in the public psyche, in the orientation of the education system, and in the extrinsic rewards offered by the public sector.

Survey evidence in the GEM report identified the Saudi population as entrepreneurially inclined. However, there was a major gap between those perceiving there to be entrepreneurial opportunities in their location and those who go on to act upon these opportunities (Global Entrepreneurship Monitor 2018). In Chapter Three, the nature and scale of the opportunity-intention-action gap in Saudi Arabia was explained. The findings of the interview study add qualitatively to our understanding of this gap by showing how aspiring entrepreneurs are experiencing the entrepreneurial process, particularly the social pressures felt on the path to action. The World Bank (2018) and other research studies (Ahmad 2012; Assaf 2017; Khan 2013; OC&C Strategy Consultants 2018) provide grounds to believe that much of this gap can be attributed to the lack of a positive entrepreneurial ecosystem. Specifically, access to business finance, a robust legal framework, reduced bureaucracy, facilitating cross-border trade, and cultivating a generally supportive entrepreneurial ecosystem have been identified as areas the government needs to address (Global Entrepreneurship Monitor 2018; World Bank 2018). The government could encourage banks to provide for business start-ups by guaranteeing loans to entrepreneurs. Initiatives such as the Public Investment Fund are not aimed at small-scale start-ups but instead focus on larger strategically important projects.
Finally, while other studies have emphasised the need for Saudi higher education institutions to intensify efforts to build their students’ entrepreneurial capabilities (Ali 2016), the present study shows that the need exists among those who are older and who have in most cases some employment experience already. Entrepreneurship education for mature students is a significant policy issue according to the findings of this research. While there are organisations emerging into this space, a more coordinated approach to the provision of post-university entrepreneurial education may be required. Of the 12 participants interviewed for this study, nine were unemployed at the time of their interviews and would have presumably have little problem attending the relevant programs. Chapter Two discussed the importance of entrepreneurship as a route out of unemployment. Furthermore, the number of women applying to and participating in the Rizq program supports the assertion that women are an important source of future Saudi entrepreneurs, also discussed in Chapter Two.

Saudi Arabia needs this injection of diversification and entrepreneurialism more than most countries. Its experience with great oil wealth and dependence on it (likened to a drug addition by the now Crown Prince Mohammed bin Salman (Reuters 2016)) has few parallels around the world (Kottasova 2016). As recent experience has shown, its entire policy program is subject to fluctuations. Put otherwise, the entire social contract between the kingdom’s rulers and its citizens is predicated on a certain price for a barrel of oil. In mid-2014 the oil price stood at $115 per barrel. By the first quarter of 2016 it had shrunk to $30 a barrel representing an economic shock that may be difficult to comprehend from an outsider’s viewpoint. Never mind that it has since partially rebounded, the lesson had been learned and the vulnerability of the kingdom had been fully exposed. If the present impetus away from oil dependence wanes, Saudi Arabia could experience the ultimate resource curse.

That said, the social attitudes to entrepreneurialism exposed in this qualitative study should be a matter of concern. The cohort of aspiring entrepreneurs, mostly still in the planning stage of setting up their business, were experiencing quite acute social pressures which in some cases even led to the conclusion that they needed to pursue a course of social isolation or delay or even decide not to become entrepreneurs.
6.5 Summary

This chapter has discussed the research findings in order to interpret them and identify what the present study has found about how aspiring Saudi entrepreneurs experience their journey towards entrepreneurial actions. To do so the chapter was divided into three main discussions. The first considered the entrepreneurial mindset and how it was manifested in the present study. By giving voice to the perceptions and attitudes of aspiring entrepreneurs we could hear directly of their motivations and of the psychological barriers they faced. Social pressures were prominent especially those warning of the dangers of straying from the conventional career path. However, as many participants were unemployed, there was also a sense of having nothing to lose and the need to take matters into their own hands.

The second discussion concerned the role of Saudi culture in influencing the path from opportunity perception to entrepreneurial action, and its influence over the business ideology on which the prevailing entrepreneurial ecosystem is based. Collectivist, high power distant and uncertainty avoidant, Saudi culture would appear, according to evidence discussed in Chapter Three, to mitigate against entrepreneurialism, but the relationship between cultural values and entrepreneurial action is far more nuanced. Perhaps, as suggested, such collectivist societies develop a more corporatist form of entrepreneurship. However, the dominant impression left by the participants in the present study was that they seemed to share much in common with their counterparts in more individualist countries though this was not empirically tested. This leads to a further question of whether the participants in this study were developing a new set of cultural values in the way crossvergence may suggest. Again, there were some signs of this, but it was not specifically empirically tested.

The third discussion centred on the entrepreneurial ecosystem in Saudi Arabia. Firstly, it considered how this was experienced by the participants and then made some initial conclusions on general areas of government action, with more specifics to be presented in the final chapter. The contextual review of Saudi Arabia in Chapter Two described some of the initiatives being undertaken in both ‘hard’ institutional changes and ‘soft’ presentational ones aimed at building the acceptance of entrepreneurialism in the kingdom. With one or two exceptions the participants in this study were mainly
confronting internal challenges or challenges from social pressures arising from those around them. Many had yet to be active in the entrepreneurial ecosystem, although of course those participants on the Rizq mentorship program were experiencing one aspect of it.

In the next chapter the thesis is briefly summarised, the study is evaluated for its contribution, and recommendations are proposed for both policymakers, practitioners and researchers working in this field.
Chapter 7: Conclusion and Recommendations

7.1 Introduction

The aims of this final chapter are to summarise the research presented in this thesis, state the main conclusions based on the findings of the research and suggest their significance. Then the limitations of the study are considered, including those related to the research design. Following this, the contributions of the research on the theoretical, empirical, methodological and practical levels are discussed. The chapter closes with a set of recommendations for policymakers, practitioners and researchers working in the field of entrepreneurship in Saudi Arabia and beyond. The policymakers’ and practitioners’ recommendations are intended to be of interest to a wide range of actors and stakeholders in the entrepreneurial ecosystem. These include government, third sector organisations, incubators, educators and mentors.

7.2 Summary of the research

Chapter One introduced the thesis gave a summary of the context and rationale for studying entrepreneurship in Saudi Arabia. It also presented a framework of aims, objectives and research questions that delimited the research and provided a framework for the rest of the thesis. In Chapter Two, a more detailed explanation of the context was provided, explaining how the country is governed, its demographics and the key characteristics of the Saudi economy. It evaluated the entrepreneurial instincts of the Saudi population and discussed evidence that suggested that Saudis were indeed entrepreneurial but that questions arose over the Saudi entrepreneurial ecosystem, particularly entrepreneurship education. The significance of the Vision 2030 strategy was discussed before moving on to consider further evidence of Saudis as willing entrepreneurs and cultural aspects including Islam, tradition and *wasta*.

Chapter Three changed to a more theoretical focus to develop an understanding of which theoretical approaches were useful in understanding the entrepreneurial mindset. Several approaches were discussed including the entrepreneurial event model, the theory of planned behaviour, Bird’s theory of intentionality, the hierarchy model of volition, and the intention-action gap. Cultural theories were also discussed including Convergence-Divergence-Crossvergence, the cross-cultural model of venture creation and Hofstede’s
model of cultural dimensions. The chapter concludes by presenting a conceptual framework to apply when interpreting the findings of the study.

Chapter Four explained the methodology and the research methods used by the researcher. It was explained that the research was based on an interpretivist approach to knowledge and a qualitative research paradigm. The role of the Eisenhardt (1989) Framework in the research design was also discussed. The second half of the chapter discussed how the study was operationalised including preparing the interview schedules, conducting the interviews and analysing the data. Limitations and the issue of generalisability were addressed as were the ethical considerations arising from the research.

The research findings from the interview study were presented in Chapter Five. Following the Eisenhardt (1989) Framework there was first a within-case analysis, then a cross-case analysis, and thirdly a deviant case analysis, before a summary which drew out the main findings of both. The within-case analysis was presented in a narrative style combining observations and two interviews, during and after the mentorship program at Rizq. The cross-case analysis followed a thematic analytical process which identified seven themes in the data. A deviant case analysis highlighted Sara’s case since she was the only participant who had undertaken entrepreneurial action (i.e., launched a business) during the course of the study.

Chapter Six returned to both the research questions set in Chapter One and to the conceptual framework assembled in Chapter Three. The discussion was divided into three parts: what the study informed us of the Saudi entrepreneurial mindset, the influence of culture on aspiring Saudi entrepreneurs, and what we have learned of the Saudi entrepreneurial ecosystem. This final chapter now moves on to propose the main conclusions of the research and their significance for our understanding of Saudi entrepreneurship.

7.3 Main findings and their significance

Emerging prominently from the interview data was a picture of the social pressures faced by aspiring entrepreneurs. The study found that this pressure guided the aspiring
entrepreneurs back towards a more conventional path: a more secure employed status. The pressure was resisted in different ways by different participants; some even saw social isolation as a strategy for resisting this pressure. While the government has given greater official approval to, and raised the profile of, private sector entrepreneurialism in recent years, it is reasonable to expect it to take some time before this seeps through the social consciousness of the nation and changes the attitudes of many Saudis who hold a career path of public sector job security in higher regard than starting a business.

As well as external influences, the study revealed an internal pull away from entrepreneurial action and towards employed status. This influence was found to be implicit in the data rather than being explicitly stated by participants. In fact, these Saudi aspiring entrepreneurs rarely referred to a fear of failure and expressed few doubts over their self-efficacy. This may have been motivated by face-saving or bravado, an unwillingness to display doubt particularly when they were in the environment of the mentorship program. Hesitancy and the reasons for delay were expressed in terms other than fear of failure or doubts about having the required abilities and knowledge.

Turning to what we can conclude regarding cultural values and Saudi entrepreneurialism, we can see that there is mixed evidence in the literature on whether the collectivist, high power distance and uncertainty avoidant cultures such as Saudi Arabia are conducive to entrepreneurialism. However, in the present study many of the participants did not display these values and instead seemed to hold values more similar to those of Western countries. Their perceptions of entrepreneurialism seemed mostly individualist, including their understanding that an entrepreneur’s journey may need to be undertaken alone or with their own family and not with wider networks. There was no sign of what is referred to as collectivist entrepreneurship. This brings us to the question of whether the participants in this study were unusual in their cultural values or whether they had developed a new set of values through a crossvergence process. There is insufficient evidence to demonstrate this had occurred, but it is certainly a possibility. It is also possible that we are seeing a generational change with the Millennials in our study having different values to their Generation X and Baby Boomer family members.

The study also raises the question of the relative strengths of the influence of cultural values and economic ideology. It is suggested that economic ideology has more influence
than national cultural values. Specifically, the strong corporatism and familism which has historically failed to develop the private sector has had a profound effect on the attitudes of a significant part of the population: employment in a large publicly owned corporation or civil service was as much part of life as going to university, getting married and starting a family. Corporatism and familism are prominent parts of this economic ideology and through bodies such as the Public Investment Fund, the commanding heights of the Saudi economy are still in government hands. Holding these ‘conventional’ attitudes to work is not surprising and can be seen as rational because for a long time public sector jobs offered better rewards and greater security than private sector alternatives; this state of affairs has only changed in the most recent years.

That the Saudi entrepreneurial ecosystem needs further development was established in Chapter Two through the analysis of the GEM data (Global Entrepreneurship Monitor 2018) and the evaluations of the ecosystem conducted by other informed parties (Ajami 2015; OC&C Strategy Consultants 2018). There were further signs of the need for such development in the interview study. There is clearly demand for mentorship and many applicants to the Rizq program had to be turned down. This may be an indication that more such programs are required.

There is no evidence that entrepreneurship is somehow un-Saudi, and the motivations of the participants in this study are surely no different from those in supposedly more naturally entrepreneurial countries, though they may be facing different social pressures. There is evidence supporting the view that opportunity perception and entrepreneurial intention is strong (such as the GEM report (Global Entrepreneurship Monitor 2018) showing Saudis to have the highest rating on ‘entrepreneurial spirit’), and the problem lies with the intention-action gap. This is shown in the research: only one of the participants in the present study had converted their intention into action.

By using a qualitative approach, this study has been able to look in-depth at what may be happening at various points in entrepreneurial process including at the final stage before the actual launch of a business when a significant proportion of individuals fail and abandon their plans. We have heard through the voices of aspiring entrepreneurs some of the powerful issues and blockages that occur in the real world. The participants in this study appeared mainly defiant in the face of social pressures to stay on a conventional
path of employment; however, the reality was that only one participant actually started their business during the 12-month fieldwork period. This suggests that in reality the pressure was having a greater effect than these aspiring entrepreneurs were comfortable admitting to.

7.4 Contributions of the research

At the highest level, this thesis has presented novel research because a holistic approach has been taken to understanding entrepreneurial action in the Saudi Arabian context, which has been understudied despite the country facing a clear challenge to increase entrepreneurialism and its potential contribution to the economy. Furthermore, the contributions of the research can be divided between four types: empirical, theoretical, methodological, and practical. Each are summarised in this section.

7.4.1 Empirical contributions

The main findings have been summarised above. The empirical contributions of the study are based on its addressing of the research questions presented in the first chapter. By collecting data from aspiring entrepreneurs attending a mentorship program in Riyadh, the researcher was able to build a rich picture of the entrepreneurial mindset of this important group at a vital stage of the entrepreneurial process. This picture is one of the attritions experienced on the road from entrepreneurial intention to entrepreneurial action, a journey influenced by the entrepreneurial mindset, the entrepreneurial ecosystem, and by national culture.

7.4.2 Theoretical contributions

This research did not set out to develop one or two particular theories but instead put in place a conceptual framework based on a thorough review of both theoretical and empirical literature which identified the key constructs used in the study of aspiring entrepreneurs. The conceptual framework proposed in Chapter Three represented the path from entrepreneurial intention to entrepreneurial action. It included the assumption that this path/relationship was mediated by three main factors: the entrepreneurial mindset, culture, and the entrepreneurial ecosystem. This assumption was based on the existing literature and resulted from a deductive approach. Hence, the conceptual framework provided the theoretical lens that could be applied throughout the research.
However, once the study was operationalised and particularly at the point of data analysis the approach was changed to an inductive one as codes and themes were allowed to emerge from the data rather than being imposed. Most theory development tends to be classed as either deductive or inductive but this thesis has reported a case of a third type of theory development — abductive reasoning (Suddaby, 2006) — which can include switching between deduction and induction.

Data analysis confirmed the usefulness of the identified constructs in understanding the lived experiences of aspiring Saudi entrepreneurs. The coding process revealed findings that matched each of these constructs, showing them to be prevalent factors mediating the relationship between entrepreneurial intention and entrepreneurial action. The conceptual framework was modified in the light of the findings (see Figure 6-1) with the addition of two culture-related constructs. Therefore, this thesis makes a significant contribution by identifying which constructs researchers would be advised to apply when undertaking work in this field of study. These constructs can be used as a theoretical lens. The research also applies Eisenhardt’s (1989) framework to set the findings in the context of the literature on the three main components of the conceptual framework: the entrepreneurial mindset, culture, and the entrepreneurial ecosystem.

### 7.4.3 Methodological contributions

The study adds a qualitative approach to a field dominated by survey-based research. Most previous researchers into Saudi entrepreneurship have applied quantitative methods to samples of undergraduate business students and used surveys (Ali 2016; Naushad 2018). Alessa (2018) adopted a case study approach in her study of established Saudi entrepreneurs. With ages ranging from 37 to 65, this cohort was significantly older than the one in the present study, although of a roughly similar size with eight male and female entrepreneurs from Riyadh and Jeddah being interviewed. Alessa also considered the perceptions of long-standing entrepreneurs rather than the aspiring ones featuring in the present study. Therefore, this thesis and the research it reports represent a methodologically original contribution to the field through its qualitative design and its choice of research subjects.
Furthermore, this research offers an example of Eisenhardt’s (1989) comparative case study design that has also yet to be applied to this field of study. It also develops Eisenhardt’s approach to data analysis by adding a third layer. In addition to within-case analysis and cross-case analysis, the present study added deviant case analysis on the basis that such cases can often add disproportionately to our understanding of a particular phenomenon.

7.4.4 Practical contributions
Finally, the thesis makes a contribution to those practitioners active within the entrepreneurial ecosystem, because it adds to our understanding of the mindset of Saudi aspiring entrepreneurs while they are at a preparatory stage of their journey. Those involved in educating, providing resources to, mentoring or in any way seeking to assist this group can use the study to listen to the voices of aspiring entrepreneurs as they negotiate their way through this part of the process. A greater understanding of why many fail to move on to the next stage of the entrepreneurial process can be gained by reading about the experiences of this study’s participants. A set of specific recommendations for practitioners follows in the final section.

7.5 Limitations of the research
This section identifies the limitations of the study and explains what impact they may have had on the research. The question of how future researchers respond to these limitations is deferred until the next section.

There were limitations related to the research design. Firstly, the research took place at a single location being restricted to participants living in the capital city of Riyadh. Similarly, only one mentorship program featured in the study meaning that participants shared the same mentoring experience. Both these limitations mean that there is no scope for comparisons to be made between locations and programs. Second, the fieldwork, despite being undertaken over a 12-month period, ended before it was known whether some participants had gone on to launch their business or whether they had abandoned the idea. Another data collection point, a year after the final set of interviews, would have added more conclusive evidence of whether in the end the aspiring entrepreneurs had started a business, remained unemployed or taken up conventional employment, since for
some participants this could not be determined at the follow-up interview stage. Thirdly, although the researcher was allowed unfettered access to the research participants, the study could not have been conducted without the cooperation of the gatekeepers at the mentoring organisation. The sometimes unavoidable use of gatekeepers can lead to restrictions being placed and influence being sought, though in the present study this was considered to be minimal.

The distance between the research setting, Saudi Arabia, and the researcher’s country of residence at the time of the research, Australia, was a geographic constraint and the researcher was limited in the number of periods they could be present in the setting as well as the time and cost of travel. Finally, a number of factors including some already mentioned place constraints on the generalisability of the study. The sample of aspiring entrepreneurs, all from Riyadh and all applying to and/or attending a mentorship program at the same organisation, is less readily generalisable than a larger study at multiple locations. As a piece of interpretivist, qualitative research, the subjective nature of the role of the researcher is acknowledged.

7.6 Recommendations

In addition to its theoretical and empirical purposes, the present study was also intended to make a practical contribution. Part of this contribution is in the form of recommendations, first for policy and practice in the Saudi entrepreneurial ecosystem, and second for researchers now and in the future who may want to build on this research.

7.6.1 Policy recommendations

There has undoubtedly been a concerted effort to raise the profile of the private sector in Saudi Arabia and this will undoubtedly, but perhaps slowly, seep into the public consciousness. However, for entrepreneurship to flourish it needs to be accepted and promoted that micro and small businesses are the key ingredient providing the seeds that will grow into tomorrow’s flourishing businesses. This is particularly true in technology start-ups with evidence for the US showing how small-scale start-ups can go on to become multi-billion-dollar behemoths in a relatively short period. There needs to be a constant campaign to educate the public that stepping outside the conventional career path is a positive choice contributing to the future of the country. Ali (2016) also concluded that
social acceptance was a prerequisite following his study of undergraduate aspiring entrepreneurs (a somewhat younger cohort than in the present study).

From the data in the GEM report it is clear that entrepreneurial education both during formal education and in adult learning needs to be improved. Hence, Saudi Arabian authorities should speed up efforts to include entrepreneurship in the curriculum at each level of the educational system, and not only in university programs. Otherwise high school students will have little basis on which to follow business-related programs at university.

This study also shows that there is a significant number of aspiring entrepreneurs who are considering switching out of employment to start a business. This suggests that entrepreneurship should be a prominent part of lifelong learning provision in the Kingdom. Alongside this, the government should promote and facilitate networking with established entrepreneurs, entrepreneur clubs, online forums, the use of renowned entrepreneurs as entrepreneurship ‘ambassadors’ and the dissemination of case studies in entrepreneurship. Most of the aspiring entrepreneurs in this study were often found to lack the core skills required at this stage of the process. These include the use of spreadsheets, the gathering of costing information, the ability to pitch their proposition in clear and convincing terms, and how to effectively apply for financing. The exception to this among participants was Sara who was the only one to actually launch her business. All parties involved in supporting aspiring entrepreneurs should prioritise these skills, as without them they may not achieve further access into the entrepreneurial ecosystem, particularly when aiming to be accepted to an incubator or seeking finance.

Mentors and organisers of mentorship programs can note that this study found some resistance to the replication of Western materials and the use of Western case studies during the program. Western materials are easily accessible from providers in countries such as the US, but the lack of cultural fit is something that should be considered. Adapting entrepreneurship knowledge from Western countries without well-considered alterations or the failure to use local examples and case studies when transferring this knowledge will hinder the learning process. There may be an opportunity for an Arabic-language materials provider to develop Saudi and other Arab case studies.
Based on this research, any support source whether mentoring, educational programs incubators or accelerators should prioritise the social and cultural aspects of being an entrepreneur in the kingdom. More open discussion of the social pressures being experienced by Rizq applicants and attendees would have been highly beneficial. Instead, these pressures were kept in the background and rarely discussed. Perhaps, before embarking on building the capabilities of aspiring entrepreneurs, a preparatory stage which highlights social and cultural issues including the choice between employment and self-employment would be highly beneficial and may act as a filter through which only those individuals who had evaluated these matters and decided to proceed would pass.

To meet the strategic needs of the economy, entrepreneurship is being introduced as a career choice. However, in Saudi society entrepreneurship has been seen as a side job/investment and has been discouraged as career. One potential solution to this is to build a community of local successful entrepreneurs in each region of the country. This would create awareness among the public of the great opportunities that entrepreneurship can bring to their aspiring entrepreneurs and to their local region.

Finally, returning to the state’s role, this should focus on removing the division between opportunity-based and necessity-based entrepreneurship. Most of the Saudi entrepreneurial ecosystem is aimed at supporting the former type but the government should also support necessity-based entrepreneurs as a means of tackling unemployment and structural shifts in the labour force such as the shift from public to private sector.

7.6.2 Future research recommendations
Understanding Saudi entrepreneurialism is an increasingly active research area, and with the highest levels of policy shifting towards the private sector and entrepreneurial activity such research is very much relevant to Saudi society. The present study applied a qualitative approach in order to give voice to aspiring Saudi entrepreneurs and in so doing to build a rich picture of how they were experiencing the early stages of entrepreneurship. Further qualitative studies with different cohorts would enhance this rich picture even more. This would also be true of studies using survey instruments to understand the differences between entrepreneurs and non-entrepreneurs in terms of mindset and cultural values.
Longitudinal research, which is difficult to conduct with the context of a PhD, would extend understanding of the ultimate outcomes of the entrepreneurial process for aspiring entrepreneurs. The stories of the participants’ entrepreneurial journeys still had chapters to write in many cases. Another round of interviews a year after the post-program interviews might have revealed further understanding.

Future research at multiple locations in Saudi Arabia could examine differences in how the entrepreneurial ecosystem was experienced from one city or region to another. It may be that as the capital city, Riyadh is untypical of the rest of Saudi Arabia. Also, the methods and content used in the mentoring program featured in this study may be untypical among such programs, suggesting that another way of accessing aspiring entrepreneurs could be attempted in future research.

For researchers in other countries it is hoped that this study will provide a reference point for qualitative examinations of the entrepreneurial mindsets of aspiring entrepreneurs wherever they are. This study offers a broad range of theoretical approaches in its explanatory framework. Any one or combination of these could be used in future research in this field. Finally, this study has applied qualitative methods to a research domain that has previously been dominated by survey-based research. A further development could be to combine qualitative and quantitative methods in a mixed methods study. Mixed methods research would also appear suitable in this field, combining the qualitative approach of the present study with quantitative methods measuring, for example, cultural values.
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Appendices

Appendix A

The Participant Information and Consent Form (PICF) – Interview

INVITATION TO PARTICIPATE IN A RESEARCH PROJECT

PARTICIPANT INFORMATION

Project Title:

Understanding the Lack of Uptake of Entrepreneurial Opportunities: The Case of Saudi Arabia

Investigators: • Professor Mark Leenders
Mark.Leenders@rmit.edu.au
• Ali Alsabhan (PhD candidate)
ali.alsabhan@rmit.edu.au

Dear ____________________,

You are invited to participate in a research project being conducted by RMIT University. Please read this sheet carefully and be confident that you understand its contents before deciding whether to participate. If you have any questions about the project, please ask one of the investigators.

Who is involved in this research project? Why is it being conducted?

The principal researcher, Ali Alsabhan is a PhD research student at the Graduate School of Business, RMIT University. His primary supervisor for the PhD research is Professor Mark Lenders, Deputy Head Research and Innovation GSBL.

The research project is aimed to investigate why some aspiring entrepreneurs are hesitating to start-up in Saudi Arabia. Looking at aspects of the entrepreneurial mindset
(the qualities and characteristics of successful entrepreneurs), and the potential enablers and disablers towards deciding to move towards an entrepreneurial start up.

The RMIT University Human Research Ethics Committee (HREC) has approved this research project and the it is funded by the Saudi Arabian Ministry of Higher Education.

Why have you been approached?

You have been approached because you have voluntarily accepted our invitation, declaring that you are an aspiring entrepreneur.

What is the project about? What are the questions being addressed?

As the government of Saudi Arabia has allocated its resources and facilitated its policies and procedures to accelerate the creation of new ventures, this research aligns with the socio-economic direction of the government. Further, there is a growing number of business incubators within the kingdom, mostly supported by the government, to train and guide aspiring entrepreneurs toward startups.

This research will provide a deep understanding of the mindset of the aspiring entrepreneurs as it will aid the decision makers to improve the way aspiring entrepreneurs been attracted, trained, and guided. That’s by understanding the enablers and disablers of Saudi aspiring entrepreneurs, as well as, identifying their entrepreneurial capacity. The research main focus is to investigate why some aspiring entrepreneurs are hesitating to start-up.

If I agree to participate, what will I be required to do?

At the end of this short questionnaire, you will be asked to participate in a formal face-to-face interview for 1 hour. The interview will be audio recorded to maintain accuracy of responses. If you agree, please provide us with your name and contact details.

What are the benefits associated with participation?
Though there is no direct benefit to you as a participant in this research, the general findings relating to entrepreneurship practices will provide insights as to directions in government policy, educational practices and societal interactions that may improve the entrepreneurship ecosystem and enhance entrepreneurial practice in Saudi Arabia.

*What will happen to the information I provide?*

The interview recording and its related documents will be retained in a secured locked cabinet during the research project and following its completion at the RMIT University Graduate School of Business in Melbourne. All de-identified data associated with the research will be retained under password protected computer files. All documents and data will be retained for 5 years after completion of the thesis and then destroyed.

Any information that you provide during the interview can be disclosed only if:

1. it is to protect you or others from harm,
2. if specifically required or allowed by law, or
3. you provide the researchers with written permission.

*What are my rights as a participant?*

Your involvement in this project is totally voluntary. If you do participate, you have the following rights:

- The right to withdraw from participation at any time.
- The right to request that any recording cease.
- The right to have any aspect of the recorded interview expunged.
- The right to have any unprocessed data withdrawn and destroyed, provided it can be reliably identified, and provided that so doing does not increase the risk for the participant.
- The right to have any questions answered at any time.

In particular, if there are any questions or aspects of a question that will potentially compromise the participant in any manner or lead to some form of future distress, the participant is encouraged to immediately discuss this with the interviewer. The Interview will be adjusted as per the above outlined points upon the participant’s request.

*Whom should I contact if I have any questions?*
If you have any questions or concerns regarding this research project please contact the research candidate’s supervisor, Professor Mark Leenders on +61 3 9925 1582 or send him an email on mark.leenders@rmit.edu.au If you prefer you may contact the Ethics Officer at RMIT at the contact details provided in the box below.

Yours sincerely,

Professor Mark Leenders                    Ali Alsabhan
Deputy Head Research & Innovation         PhD Candidate

Graduate School of Business and Law
RMIT University
Melbourne, Australia

If you have any concerns about your participation in this project, which you do not wish to discuss with the researchers, then you can contact the Ethics Officer, Research Integrity, Governance and Systems, RMIT University, GPO Box 2476V VIC 3001. Tel: (03) 9925 2251 or email human.ethics@rmit.edu.au
Interviewee Consent Form

1. I have had the project explained to me, and I have read the information sheet
2. I agree to participate in the research project as described
3. I agree:
   
   The following provide some common examples, but should be modified to suit:
   
   ▪ to undertake the tests or procedures outlined
   ▪ to be interviewed and/or complete a questionnaire
   ▪ that my voice will be audio recorded

4. I acknowledge that:
   
   (a) I understand that my participation is voluntary and that I am free to withdraw from the project at any time and to withdraw any unprocessed data previously supplied (unless follow-up is needed for safety).
   (b) The project is for the purpose of research. It may not be of direct benefit to me.
   (c) The privacy of the personal information I provide will be safeguarded and only disclosed where I have consented to the disclosure or as required by law.
   (d) The security of the research data will be protected during and after completion of the study. The data collected during the study may be published, and a report of the project outcomes will be provided to RMIT University as a PhD thesis in addition to non-identifiable data that will be used in academic publications. Any information which will identify me will not be used.

Participant’s Consent:

Participant: ___________________________ Date: ___________________________

(Signature)

Participants should be given a photocopy of this PICF after it has been signed.