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Innovation in Advanced Technologies and Entrepreneurship and Their Role in Business Development in the Kingdom of Saudi Arabia

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Abstract

The aim of this research study is to highlight the role of innovation and entrepreneurship within influencing business development of KSA. In order to achieve the aim effectively, a quantitative research design has been opted for using a survey/questionnaire targeted towards young adults, managers and supervisors who have a direct experience of working within the business sector. A total of 102 respondents participated in the study and yielded interesting results. The main barrier and driver of innovation was identified to be the internal culture of an organization. Whereas, organizations still seemed to be conflicted about the influence of entrepreneurship over business development. However, the overall results provided by the respondents provide a clear picture regarding the positive influence of entrepreneurship over business development within KSA.

Keywords: innovation and entrepreneurship, business development, technologies and entrepreneurship.



المخلص

الهدف من هذه الدراسة البحثية هو تسليط الضوء على دور الابتكار وريادة الأعمال في التأثير على تطوير الأعمال في المملكة العربية السعودية. من أجل تحقيق الهدف بشكل فعال ، تم اختيار تصميم بحث كمي لاستخدام استطلاع / استبيان موجه للشباب والمديرين والمشرفين الذين لديهم خبرة مباشرة في العمل في قطاع الأعمال. شارك ما مجموعه 102 من المستجيبين في الدراسة وأسفرت عن نتائج مثيرة للاهتمام. تم تحديد الحاجز الرئيسي والمحرك للابتكار ليكون الثقافة الداخلية للمؤسسة. في حين أن المنظمات لا تزال تبدو متضاربة حول تأثير ريادة الأعمال على تطوير الأعمال. ومع ذلك ، فإن النتائج الإجمالية التي قدمها المستجيبون تقدم صورة واضحة فيما يتعلق بالتأثير الإيجابي لريادة الأعمال على تطوير الأعمال داخل المملكة العربية السعودية.

الكلمات المفتاحية: الابتكار وريادة الأعمال ، تطوير الأعمال ، التقنيات وريادة الأعمال.



1. Introduction

The innovation and advancements have led the world to move towards digitalization as innovation is the key to success and helps the businesses to grow at a greater pace in order to lead within the industry. The saturation within every industry has made it applicable for the businesses to have innovation within their operations and the methods they have been using since years to compete within the industry (Duening et al., 2020). Innovation helps in providing differentiation to the business and the companies, as a new way of operating is the only element that makes the business to stand out within the industry. Moreover, in the light of innovation it can be determined that entrepreneurship is one of the tools that helps in providing opportunity to the businesses and improve the economic conditions of the country. In the current era, innovation and entrepreneurship are playing an essential role in order to come up to the expectations of the customers and the marketplace. Saudi Arabia is one of the Middle Eastern country that has its dependence on the natural sources, which mainly includes the oil and the products related to petroleum. In the current scenario, Saudi Arabia has been transforming itself to move towards innovation and diversify the way they operate (Abdulghaffar, & Akkad, 2021). The country has been focusing on the human capital and the needs to having a knowledge-based economy.

As it has been identified by Skoko (2011), the fast pace that Saudi Arabia has been through is due to the innovation and their investments in the entrepreneurial sector. The country now has around 65 territory education institutes in just a time of few years. The main aim behind the diversification of the country and its interest in the entrepreneurship and the innovation is due to the long term planning where they may see a depletion in the supply of the oil which their prime contributor to the economic development. It has been the leader of in the oil and the petroleum industry but now have move towards diversification and technological advancements, which may lead the country to a greater level and help them to compete within this competitive environment (Abdulghaffar, & Akkad, 2021). As the whole world has moved towards globalization, which includes development of the economies using effective technologies, and the strategies that helps in improving the living patterns and builds up credibility of the country.

1.2 Significance of the Study

As mentioned by (2019), almost 76.5% of the total adult population of Saudi Arabia has a chance and the relative opportunities to start their own business and or set up their own company. Therefore, it can be determined that the market of Saudi Arabia have a great potential and still needs to be explored. Similarly, in the current scenario Saudi Arabia has been ranked s second highest out of the total number of 49 countries analyzed. Moreover, the country has also determined the need of entrepreneurship to boost up the economy where the Saudi vision 2030 is one of the central elements that can lead to a greater political and economic position of the country.



The vision 2030 of Saudi Arabia is based on 3 main pillars which include a vibrant society, a thriving economy and also a potential and ambitious nation. In response to the respective vision of the country it has been identified that the main objective is to support and expand the number of SME's that contribute effectively to the GDP of the nation (Nurunnabi, 2017). As the SME's (small and medium sized enterprises) does not require a hefty amount to be initiated and also helps in coming up to the expectations of the customers as per their spending patterns.

It has been stated by Ribeiro et al. (2010) that in order to have better opportunities and increase the number of entrepreneurs, an ecosystem is required which includes policies, organizations, investors or stakeholders and a pool of ideas as well. This ecosystem leads and motivates the businesses and startup's to invest within the country with new and innovative ideas that can satisfy the needs of the market and the customers respectively. Hence, in the current scenario, the Kingdom of Saudi Arabia has committed to develop an ecosystem that will attract greater number of entrepreneurs and new business ideas.

1.3 Research Aims and Objectives

- To determine the need of innovation and entrepreneurship in the role of business development within Saudi Arabia.
- To evaluate the significance of Entrepreneurship within the business environment.
- To identify the contribution of SME's to the GDP of the country.

1.4 Research Questions

1. *What is the need of innovation and entrepreneurship in the role of business development within Saudi Arabia?*
2. *How entrepreneurship contributes to the development of economy and also the GDP of the country?*

Hypotheses

1. *Innovation and advanced technologies have a positive impact on the development of the country.*
2. *Entrepreneurship and its role in business development has a positive impact on the development of the country.*

1.5 Limitations of the Study

The limitations of the study describes the barriers which includes the restrictions of the corona virus where having face to face interactions is not possible, hence the survey will be conducted through online distribution of the questionnaires. 1



2. Literature Review

2.1 Introduction

An Entrepreneur can be defined as the person who has an idea that is applicable within the marketplace with the basic requirements of investment, research and development and technology as well. The main aim of an Entrepreneur is to identify the gap within the marketplace, the gap defines a need or a demand that is present within the economy and can be provided to the people in form of product or a service (Bessant, & Tidd, 2007). Entrepreneur uses his/her skills to analyze the need in the market, which requires exceptional knowledge of the marketplace.

Moreover, an Entrepreneur involves high risk with high return although low risk with low return. The main objective of the Entrepreneur is to analyze the right opportunity at the right time, which can help him/her to boost his skills. There have been different examples of Entrepreneurship provided above which includes the Tesla (Elon Musk), Apple Inc. (Steve Jobs), whereas many more examples of innovation and technology can be of Facebook where the Entrepreneur Mark Zuckerberg analyzed the needs of a social website that may connect the whole world and became the youngest richest person in the world (LI, & ZHANG, 2013).

2.2 The steps to an Entrepreneurial Enterprise

There are several steps to be followed in order to setup an entrepreneurial enterprise and have a successful business. There are different stages and factors that needs to be considered by the entrepreneurs in order to make their idea applicable and successful.

1. Finding the right business

From the view of an entrepreneur, every market can be penetrated with the use of innovative ideas and the immense knowledge of the market. Hence, in this case it can be evaluated that the entrepreneur should choose the business he/she is passionate for and can work in it for the lifetime. Being an entrepreneur is not easy and requires immense skills and attention of the person, hence it is recommended that the person chooses the type of business that he loves and cares about for example food industry, vehicle industry, travelling and many more.

2. Building vision for the business

In order to have a viable business having vision for the business is very necessary which determines the long-term approach of the business. Moreover, the vision of the business defines the ways through which the business will pass on through the time. The vision will define the long-term approach of the business.



3. Idea Generation

The third step defines that the entrepreneurs should have an effective idea that is viable in the business environment and is applicable with some resources and capital. The first step is the most critical one and needs the skills and abilities of the person to evaluate and identify the relevant gap in the market that can be fulfilled through the initiation of a product or service. It requires the person to be creative as well as innovative at the same time to evaluate the untapped markets.

4. Opportunity Evaluation

The fourth step require the entrepreneur to evaluate whether the idea is viable within the business environment. Moreover, he also needs to asses that whether the application of idea with the investment will be a high-risk project or a low one. Similarly, will it be able to provide high return with high risk or low return with low risks. Hence, in the current step the validity of the idea is to be tested where it will be also analyzed that what will be other sources needed to have compliance within the idea for instance the intellectual property, capital, people and many more.

5. Determining the required Resources

After evaluation of the business and its opportunity, the fifth step requires the entrepreneur to determine the resources that are needed to setup the business and initiate it. These resources can be the goods and materials needed and the number of workers, etc. These resources will then define the budget or the capital that is needed for the respective business.

6. Get Professional Help

The sixth step defines that after determining the required resources that are needed for the business it is important to take the guidance from a professional person that will help in aligning the steps and strategies for the business. Moreover, the professional guidance also provides with a long-term approach to the entrepreneur and helps in devising newer strategies that are applicable further in the business.



7. Budgeting of the business

The budgeting of the business is one the main elements and requires exceptional skills and qualities of the entrepreneur. In order to devise the budget of the business it is essential to determine every aspect of the business as having low or high budget both effects the business negatively. Similarly, after analyzing and planning the budget many entrepreneur do not proceed with their idea, or many start their business but due to bankruptcy, the business tends to shut down. Therefore, it is very essential to have proper planning of the budget and devise it accordingly. Furthermore, the budge also determine the numbers of the investors needed, the amount of capital and the returns of the respective business. Moreover, the budgeting also covers up the legal costs of the business, which is very necessary for the business.

2.3 How to make the project a Success

In order to make the project a successful one it will firstly require the entrepreneur to have an effective plan that is viable within the market and can satisfy the needs of the people up to a certain level. Hence, after covering all the steps to setup an entrepreneurial enterprise, the strategies should be developed that will be used in order to have positive results. Therefore, in order to have greater success rate the profit margins should be kept high where it must be monitored to analyze whether the business is moving towards growth or not. Similarly, in order to sustain the business it is very essential to maintain the quality and the standards of the business. As having quality, this increases the credibility of the business and attracts a greater number of customers. The credibility helps the customers to implement the most effective marketing tool to the business, which involves the word of mouth that is the most effective marketing strategy and helps in promoting the business.

2.4 The Project Cycle

The project cycle in entrepreneurship defines different phases of the project that are to be processed through in order to better and effective results for the project. However, the number of phases are determined by the situation of the project and the management involved within the execution of the business or the enterprise. The project life cycle comprises of altogether 4 stages which are named as the initiation stage, planning stage, the execution of the project and finally the closing of the project.

1.1 Initiation Stage

This is the first stage of any project or the business, which requires effective entrepreneurial skills in order to have better results and outcomes. As the name implies, initiation requires the generation of the idea with its stated vision and mission on which the business will depend and will be able to have a long-term approach. Similarly, in the first stage it is necessary to define the objectives of the business and the deliverable as well.



2. Planning Stage

The second stage requires the development of the strategic plan that will help in providing with the path to follow. Planning involves the identification of the strategies that are liable to be completed for instance the budget, the number of stake holders, the duties provided to the employees or the workers. There are although two types of plan, where the first one involves strategic planning and the other one is implementation planning. The strategic planning involves the objectives that are to be completed timely with the association of the mission and vision of the business. Similarly, the other type of planning is the implementation planning where the strategies are discussed in order to implement the business or the project with the set objectives and the budget. The project implementation determines the opportunities that can be obtained in order to have better efficacy in the results and outcomes of the respective project.

3. The Execution Phase

The third phase of the project is the most crucial stage as it involves the implementation of the objectives and the deliverables. The project execution can be explained as the implementation of the planning of the project. The project or the business execution requires the entrepreneur to manage the people and communicate the information all over the stakeholders, sponsors, and the partners as well. The project execution involves the strategy formulation and the process management of the objectives where the plan of the business devised by the entrepreneurs is implemented which involves the budget of the business, the strategic planning needed to execute the deliverables, etc.

Moreover, the execution of the project determines the viability of the business and the efficacy of the strategic plan that was devised. Similarly, the profits and returns of the business are also one of the elements that depicts the variability and effectiveness of the business and the strategies setup by the entrepreneur. Moreover, the execution phase is considered as substantial and important because it measures the performance of the business and compares it with the expected performance.

4. The termination Phase

The termination phase is considered as the last stage of any project or the business as in the current stage the business processes are evaluated with the expected performance, which provides the overview of the project and helps in depicting the flaws and the weaknesses of the project. Moreover, it justifies whether the planning or the operations of the business needs to be improved or not.

Hence, as mentioned above that in order to make the business or the project a success it is necessary to follow several steps that are necessary to be taken before starting a business. An entrepreneur generates an idea to be implemented in order to satisfy the needs of the customers after evaluating the need in the market. The four respective stages will help the entrepreneur to boost up the experience of the customers by having effectiveness within the operations of business just like the saving of the costs and sticking to the vision of the respective business.



2.5 Stages to implement the entrepreneurial process to SME's.

SMEs are the main components of the nation and add great value to the GDP of the country. The SME is also known as the small and medium sized enterprises and are usually the ones that are the newly established business by using the concepts of entrepreneurship. It has been also determined that almost 75% of the entrepreneurial ideas fail, which is due to the misinterpretation of the planning and the formulation of the strategies. As mentioned above the project life cycle is one of the core concepts of entrepreneurship that will help a business to sustain within the competitive environment and penetrate effectively. Similarly, the SME's and the new business setups also need to use some basic strategies that will help them to grow faster and maintain their reputation effectively. Economies having huge number of SMEs tend to have rapid growth and notice a greater change within their GDP; therefore, they are considered as an effective element for the economic development. SME's tend to target a smaller number of people as compared to the multinational companies; they also have lower budgets and investors, which makes the business to be low risk in the market.

As the current study is based on the entrepreneurship and its implication within the Saudi Arabia, it has been evaluated that Saudi Arabia is moving towards innovativeness and technological advancements where the main aim is to boost the new ideas and businesses that can help the country to have newer businesses and attract the FDI's (foreign direct Investments). In this case, the country needs to have commitment towards the respective business development strategy, which primarily requires a great idea that can fulfill the demands of the local or the international market.

2.6 Theory of Innovation

The theory of diffusion of innovation describes the process of communication of an idea or the product that diffuses and spreads over time in respect to the need and demand of the social system. The theory of innovation describes how fast the advancements and technological spread over the economy. The key to adoption is that every person has their own perception, which has segmented the adoption of innovation into different stages. Total five stages that describes depict the characteristics of different people and their vision towards growth. The first stage of the diffusion of innovation theory includes the

1. Innovators

The innovators are the one that are first in trying the new product or the service as they need change and advancements in their life. The innovators stand at the first stage of the theory due to the reason that they are risk takers and are willing to take higher risks for higher returns.



2. Early Adaptors

The early adopters are the second one in the list and represent the opinion leaders where they admire people to change and also adopt the change themselves. They have the knowledge of the market and are also aware of the change that takes place within the ecosystem. Hence, they are the ones that do not need motivation in adopting the new products or trying the new service etc.

3. Early Majority

The third stage within the theory of innovation includes the early majority where these people are the ones that have greater knowledge of the innovation that has took place from the average people. Although, they tend to observe the results before trying the new idea which can be either a product or a service.

4. Late Majority

As the name implies these people are the ones that are a bit risk averse and rely on the majority first in order to adopt or change. The people included within the late majority usually wait for the most number of peoples to try out the service or product first and review it accordingly. On this bases they take their decisions where they see whether the people are liking it or not.

5. Laggards

The laggards can be defined as the people that have traditional approaches and are only dependent of what they have already tried. These people are risk averse and are not comfortable adopting any new method and technique, which makes them to stay with the traditional and the old life styles, making them the most difficult ones to convince in order to try the innovative products or services.

Hence, in response to the theory of innovation and the 5 stages of adoption, it can be determined that the entrepreneurs are the ones that should be fond of these stages and should know the approach of the people that have been operating within the respective business environment that will help them to target the potential customers. The 5 stages explained above depicts the way through which new products and services are adopted.

2.7 Significance of Entrepreneurship with Examples

Entrepreneurship can be defined as one of the significant tools to provide that helps in evaluating the gap in the market and providing solutions that can help the business to grow at a greater pace. Entrepreneurship is one the tools that helps in depicting the opportunity and tries to provide solution to it (Hamdi-Kidar, & Vellera, 2018). In the current scenario the leading businesses and the organizations of the world are the common examples of entrepreneurship and innovation which evaluates how innovative techniques and tools can lead the organization to differentiate within the economy.



The most common examples can be of Apple and Tesla where they both have profits in trillion of dollars and are the leading examples of how innovation works and should be implemented. Apple Inc. has been working on the technological advancements and have been successful in leading the industry. The company has made it liable for the employees to be innovative that has provided them a competitive advantage over the rivals within the industry. For instance, the launch of iPhone is one of the leading examples of how innovation can provide with extreme level of success (LI, & ZHANG, 2013).

2.7.1 Techological Changes

Moreover, it can also be identified that innovation helps in satisfying the needs of the consumers and the customers as it provides with a solution to a respective problem. Innovation is cost effective and provides cost saving techniques to the business or the organization while providing satisfaction to the customers (Chell, 2013). Similarly, it can be determined that Tesla is also one of the leading examples of entrepreneurship and innovation where starting from manufacturing an electronic car, the company and its owner, Elon Musk, have been on the top of the minds of the customers. The company invests a greater amount on the research and development which makes it viable to satisfy the needs of the customers by providing with products like the electric car Tesla Model X and many more to fill the gap in the market and fulfill the demands of the unsatisfied customers (Bilbeisi, & Kesse, 2017).

2.7.2 Societal Development

Innovation provides a strategic direction to the country and has been identified as the prime economic contributor as innovation promotes and welcomes entrepreneurship where new business ideas are lightened up. Similarly, new businesses requires capital and investors that also has an effect on the spending patterns of the customers (Johnson, 2001). Hence, these all practices lead to the development of the economy. Moreover, the use of technology has made it even more convenient for the people to start their own business with a new idea and concept. Moreover, the increasing competition has made it even more difficult for the new businesses to penetrate in the market due to the saturation in the marketplace. Similarly, the increasing competition also includes the monopoly created by the marketers that has been the massive barrier for other companies to enter into the market. However, it has been determined by the author Gordon et al. (2009), that with the effective use of technological advancements and the concepts of entrepreneurship, it is comparatively easy for the businesses and the entrepreneurs to enter into the market as providing a new product or service in the market will help in satisfying the needs of the customers and coming up to their unmet expectations.



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2.7.3 Increased Exports

Having new businesses within the country helps in devising and coming up with new products and services that can satisfy the needs of the customers. The main of the entrepreneur is to establish and target the untapped market where they could propose a new solution to the customers and through their new ideas of devising products and services. The most common example can be of Uber that was started in the UK as a ride hailing company and now has spread all over the world. Hence, an effective idea is easy to be sold and adapted by the people.



3. Methodology

3.1 Introduction

The research methodology is one of the main elements of the study that helps in providing the methods through which the data is collected. The main aim of the research is to provide the research design, which includes the qualitative and quantitative nature of the research (Kothari, 2004). Similarly, the data collection method is also depicted within the research methodology that defines the ways through which the data is collected for instance the primary data collection or the secondary.

3.2 Research Design

There are two major types of research designs that helps in depicting the nature of the research, which involves the qualitative research design and the quantitative as well (Paradis et al., 2016). The quantitative research design is based on numerical values and statistical data, which assists in providing with data that is more authentic and is based on facts and figures. For the current study, the method used will be the quantitative research design where the data will be based on statistical method and numerical patterns that will help in providing with a detailed analysis of the Saudi marketplace in respect to innovation and Entrepreneurship (Burton, 2016).

3.3 Research Philosophy

The research philosophy depicts the development of the knowledge that will be represented and depicted within the respective research. There are although three main types of philosophies which include the positivism, interpretivism and pragmatism. Hence, in the current study the research philosophy used will be the positivism which is based on the quantitative methods and will help in providing with the factual knowledge based on the topic of innovation in advanced technologies and entrepreneurship and their role in business development in the kingdom of Saudi Arabia (Abdulhaffar, & Akkad, 2021).

3.4 Data Collection Method

The research methodology includes the data collection method as it acts as one of the most effective element to analyze and attain the findings of the research. There are majorly three types of data collection method, which includes the primary data collection, the secondary data collection method, and the mixed method as well. In response to the current study, the data collection method used will be the primary data collection where the researcher will attain the data through survey on a group of young employees and recent graduates of Entrepreneurship (Hox, & Boeijs, 2005).



3.4 Data Analyses and Methods

The study is based on the desired topic, innovation in advanced technologies and entrepreneurship and their role in business development in the kingdom of Saudi Arabia where the research will be based on quantitative research design and the data collected will be using primary methods (Ashri, 2019). Based on the primary quantitative methods it can be determined that the data analyses tool used is frequency analyses where different distributions of the answers will be analyzed and evaluated as per the given questionnaire having closes ended questions depicted through the use of Likert scale (Stankovic, 1994).

4. Results and Discussion

4.1. Results

A sample of 102 respondents have been catered within this study, contributing towards the following results,

In a sample of 102 respondents, around 44.1% were female i.e. 45 Females whereas Males were 57 forming around 55.9% of the entire sample. Therefore, Males were in majority within the research sample as displayed in Table 4.1.

Table 4.1. Gender Frequency

		Gender			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	45	44.1	44.1	44.1
	Male	57	55.9	55.9	100.0
	Total	102	100.0	100.0	

Talking about Age, the entire sample consists a majority of young adults i.e. people between the age of 21 to 34 forming around 54.9% of the sample. This is followed by people aged between 35-44 forming around 33.3% of the sample and then people aged below 21 forming 11.8% of the sample as displayed in Table 4.2. This sample would therefore, provide a true representation of the opinions of present day young adults.

Table 4.2. Age Distribution

		Age			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Under 21	12	11.8	11.8	11.8
	21-34	56	54.9	54.9	66.7
	35-44	34	33.3	33.3	100.0
	Total	102	100.0	100.0	



Table 4.3. Highest Education Level

Highest Education

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Certificate/Diploma	30	29.4	29.4	29.4
Doctorate	10	9.8	9.8	39.2
Graduate Certificate/Diploma	11	10.8	10.8	50.0
Higher Diploma/Bachelors	31	30.4	30.4	80.4
Masters	17	16.7	16.7	97.1
Professional Certificate/Training in Entrepreneurship	3	2.9	2.9	100.0
Total	102	100.0	100.0	

Table 4.3. displays how the sample is distributed when categorized under the highest education level earned by each individual. Majority of the sample has completed their bachelors forming around 30.4% of the sample, followed by Certificate and Diploma holders forming 29.4% of the sample and people who have completed their masters forming around 16.7% of the sample. Other respondents are categorized under doctorates, graduate diplomas and professional trainings etc. The sample varies between a range of higher specializations ensuring that the results come from different perspectives.

Table 4.4. Position within Company

Position in Company

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Assistant Manager	12	11.8	11.8	11.8
Owner	15	14.7	14.7	26.5
Manager	7	6.9	6.9	33.3
Managing Director	19	18.6	18.6	52.0
Senior Manager	25	24.5	24.5	76.5
Supervisor	24	23.5	23.5	100.0
Total	102	100.0	100.0	



Table 4.5. Working Experience

Working Experience

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Upto 1 year	10	9.8	9.8	9.8
1-3 Years	16	15.7	15.7	25.5
4-6 years	47	46.1	46.1	71.6
7-9 Years	24	23.5	23.5	95.1
More than 9 Years	5	4.9	4.9	100.0
Total	102	100.0	100.0	

Since the study is regarding the impact of entrepreneurship and innovation on business development within Saudi Arabia, therefore, most of the working individuals have been selected from the business market. As displayed in Table 4.4., majority of the sample consists of Senior Managers followed by Supervisors, Managing Directors, and Owners. Other categories also include managers and assistant managers. Depending upon their roles within their respective organizations, their working experience has also been displayed within Table 4.5. Most of the sample has an experience of around 4-6 years forming around 46.1% of the entire sample, followed by 7-9 years forming 23.5% of the sample and 1-3 years forming around 15.7% of the sample. Therefore, experienced individuals from the market have been included within this study.

Table 4.6. Firms' Strategic Orientation

Statistics

Firms' Strategic Orientation

N	Valid	102
	Missing	0
Mean		2.28
Std. Deviation		1.093

Firms' Strategic Orientation

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 1	28	27.5	27.5	27.5
2	39	38.2	38.2	65.7
3	13	12.7	12.7	78.4
4	22	21.6	21.6	100.0
Total	102	100.0	100.0	



Based on the respondents' perspectives, the ideal innovation strategy for organizations should be reactive i.e. to respond to others within the industry. It can be related with the results achieved within Table 4.6 that only around 21.6% of the sample dare to often make changes within their products and services. The second highest majority was achieved by a passive innovation strategy whereas the least count was achieved by the Proactive Strategy, which is the foundation for Entrepreneurship under companies. Therefore, as displayed in Figure 4.1., most of the respondents believe in reactive and passive innovation strategy for their organizations.

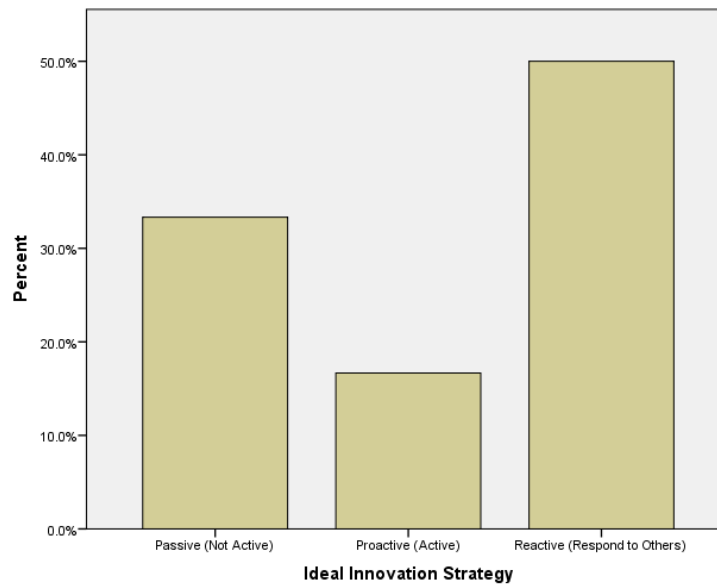


Figure 4.1. Ideal Innovation Strategy

On the other hand, identifying the main drivers of innovation within organizations, Figure 4.2 provides a detailed plethora of answers provided by respondents. Majority of the sample called Internal Culture and Technology as the main drivers behind innovation within organizations.

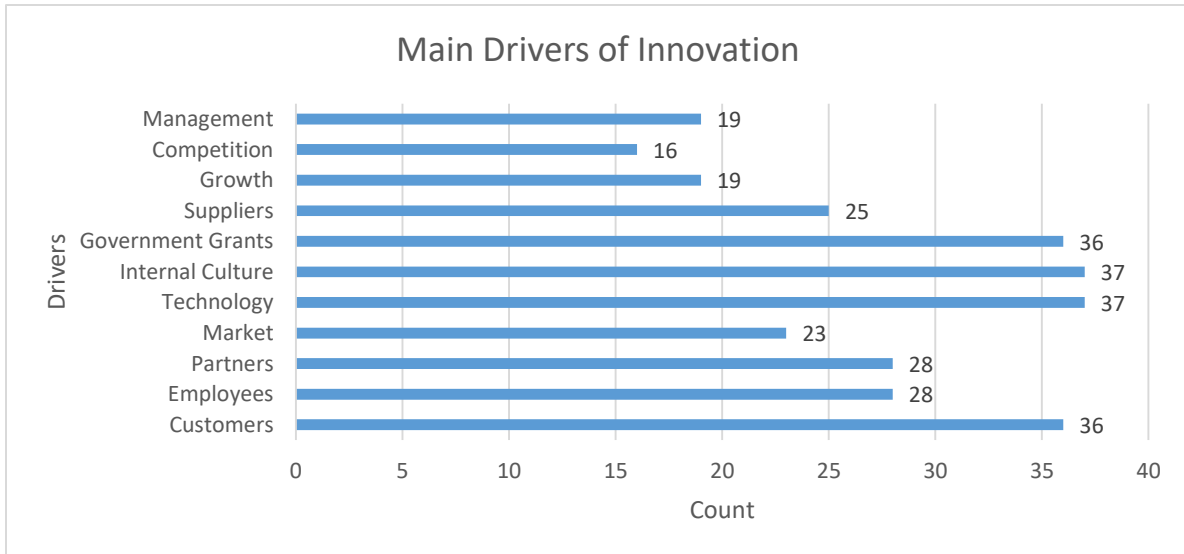


Figure 4.2. Drivers of Innovation

Around 36 respondents mentioned that Government Grants and Customers are also main drivers of innovation within organizations, followed by Partners, Employees, and even Suppliers. However, majority replied with Internal Culture and Technology, therefore, organizations should consider investing in these two aspects of the organizations to improve upon their innovation strategy.

Table 4.7. Causes of Innovation

Statistics

Best Platform for Innovation

N	Valid	102
	Missing	0
Mean		3.25
Std. Deviation		1.892

Best Platform for Innovation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Cost Reduction	16	15.7	15.7	15.7
	Increase Efficiency	26	25.5	25.5	41.2
	Incremental Improvement	29	28.4	28.4	69.6
	Market Growth	8	7.8	7.8	77.5
	New development	7	6.9	6.9	84.3
	Quality Improvement	2	2.0	2.0	86.3
	Strategic Growth	14	13.7	13.7	100.0
	Total		102	100.0	100.0

Further going in-depth of the root cause of Innovation within organizations, it was highlighted that a majority said incremental improvement and increasing efficiency within business operations first leads towards innovation, followed by cost reduction and strategic growth.



Whereas, new development, market growth and quality improvement were also considered. Therefore, it can be concluded through Table 4.7 that the method to increase efficiency in business operations is through innovation in most cases.

On the other hand, looking at the barriers towards innovation from Figure 4.3., majority responded with Internal Culture and Rigidity. A pattern can be noticed here between Figure 4.1 and 4.3 that Internal Culture can also be the main driver of innovation and also the main barrier of innovation, therefore, companies need to hold their internal culture in high significance. Similarly, the next barrier is Customer attitude and Behavior, followed by Shortage of talent, Economic risk and Access to research. Therefore, all of these variables need to be taken into account when forming an innovation strategy for the organization.

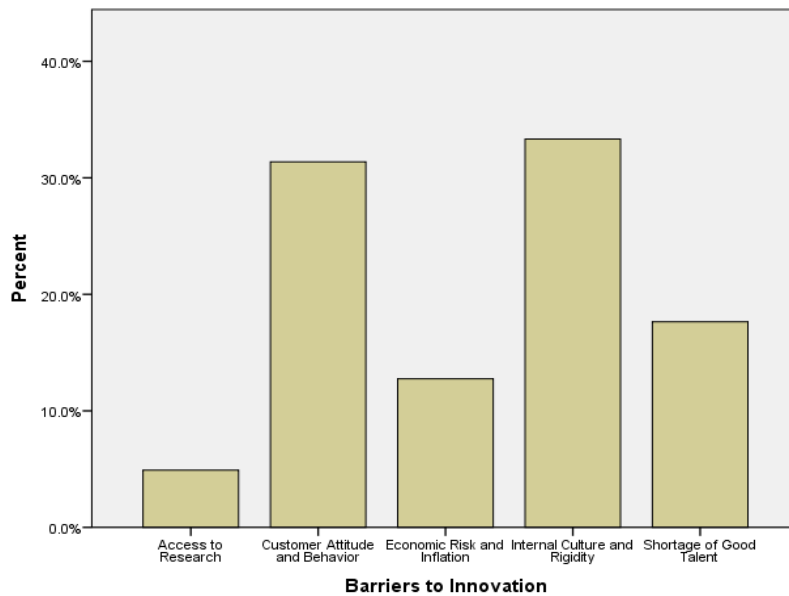


Figure 4.3. Barriers to innovation

Table 4.8 displays the mean answers provided by the entire sample. Most of the sample responded answers near 2 and 3, therefore, most of the answers were in agreement with the statements provided within the questionnaire as 2 stands for Agree and 3 stands for Neutral on the Likert Scale. It can therefore be assumed from the mean answers provided by the sample that Innovation and Entrepreneurship play a positive role in business development within Saudi Arabia. Moreover, the standard deviation is also between 0 to 1, therefore a positive minimum variance exists among the sample.

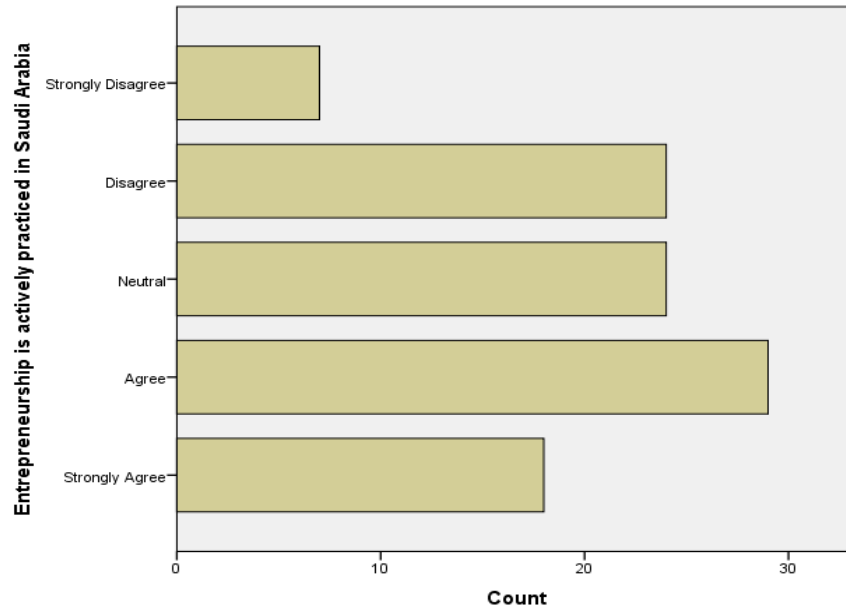


Figure 4.4. Entrepreneurship Actively Practiced

Based on the answers of the respondents, majority claimed that entrepreneurship is actively practiced within Saudi Arabia. Whereas, a large majority also claimed that it was not actively practiced. Therefore, based on the results in Figure 4.4. it can be assumed that within KSA a few segments actively practice entrepreneurship whereas a few do not.

Table 4.9. on the other hand, speaks about support and encouragement provided to entrepreneurship within KSA. Most of the people agreed that if people support and encourage such practices within the society, KSA is bound to stir their entrepreneurship market as well as compared to other countries. Therefore, support and encouragement should be provided to such practices within the country.

Table 4.8: Support and Encouragement of Entrepreneurship

Support and encouragement of the entrepreneurship concept in the society has a big effect on the entrepreneurship market in Saudi Arabia.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Agree	10	9.8	9.8	9.8
Agree	52	51.0	51.0	60.8
Neutral	22	21.6	21.6	82.4
Disagree	13	12.7	12.7	95.1
Strongly Disagree	5	4.9	4.9	100.0
Total	102	100.0	100.0	

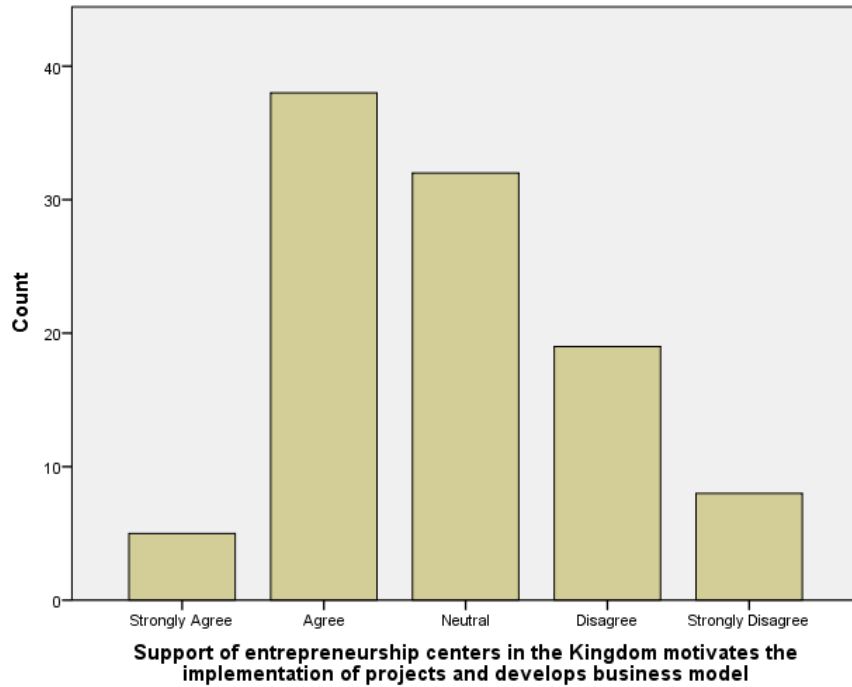


Figure 4.5. Support of Entrepreneurship

Now most of the respondents agreed that supporting entrepreneurship centers within the Kingdom helps in implementing various projects and helps in improving upon existing business models within the organization. Most of them also remained neutral while responding to the statement; however, since majority agrees with the statement, the response can be taken in agreement as displayed in Figure 4.5.

Table 4.9: Spread of Support and Entrepreneurship Centers

Spread of support and entrepreneurship centers does not motivate the participation in projects and impede the process of business development

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Agree	15	14.7	14.7	14.7
Agree	34	33.3	33.3	48.0
Neutral	27	26.5	26.5	74.5
Disagree	19	18.6	18.6	93.1
Strongly Disagree	7	6.9	6.9	100.0
Total	102	100.0	100.0	

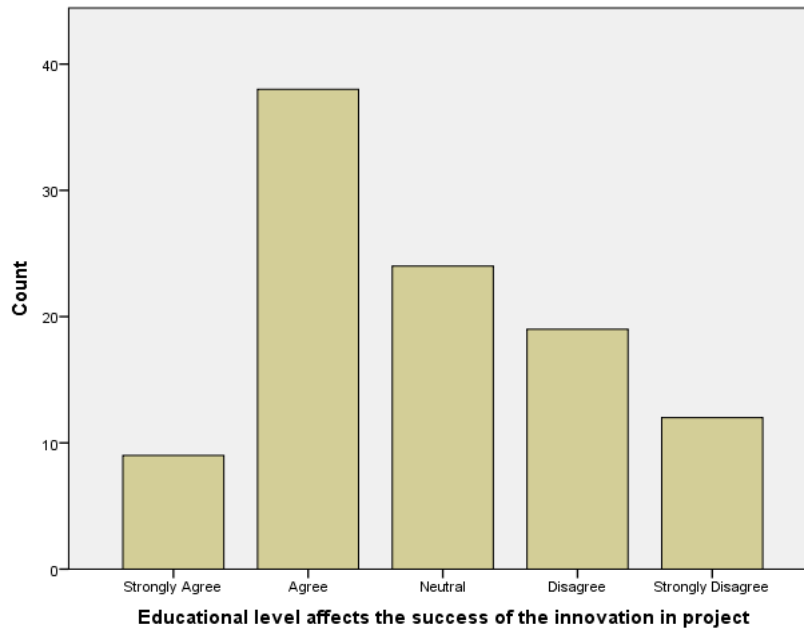


Figure 4.6. Educational Level on Success of Innovation

Table 4.10. displays the results from a contradicting statement to the research study where most of the sample respondent in agreement as well. Around 48% of the sample agreed that entrepreneurship centers in fact do not motivate participation in projects and instead delays business development. The results within this statement are in conflict with the responses achieved through Figure 4.5. Therefore, here it can also be assumed that where a few organizations support the stance of entrepreneurship centers motivating business development, a few organizations also hold the opposite point of view.

Talking about projects it is necessary to consider the educational level or the talent that one possesses in order for it to be successful. As displayed in Figure 4.6. majority of the sample responded that the educational level of the people participating in the project often predicts the success of innovation within that project. Even though a few also were of the opposite opinion, within the sample, more than half of the sample agreed that educational level does play a part.

Table 4.10: Entrepreneurial Culture in Saudi Arabia

Entrepreneurial culture of Saudi citizens is in its early stages.

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Agree	7	6.9	6.9	6.9
Agree	39	38.2	38.2	45.1
Neutral	34	33.3	33.3	78.4
Disagree	16	15.7	15.7	94.1
Strongly Disagree	6	5.9	5.9	100.0
Total	102	100.0	100.0	



Around 45.1% of the sample as displayed in Table 4.11. responded that the entrepreneurial culture within Saudi Arabia is only in its early stages as compared to other countries of the world. Therefore, a more majority of the sample responded that it has in fact crossed the early stages. Assuming that the majority is right, it would be correct to say that Saudi citizens are already well familiar with the concept of Entrepreneurship within the country.

Moreover, Figure 4.7 highlights the fact that almost more than half of the sample agrees that entrepreneurial skills should be included in the educational curricula of the country so that as they grow up they will be able to display entrepreneurial abilities to their full potential.

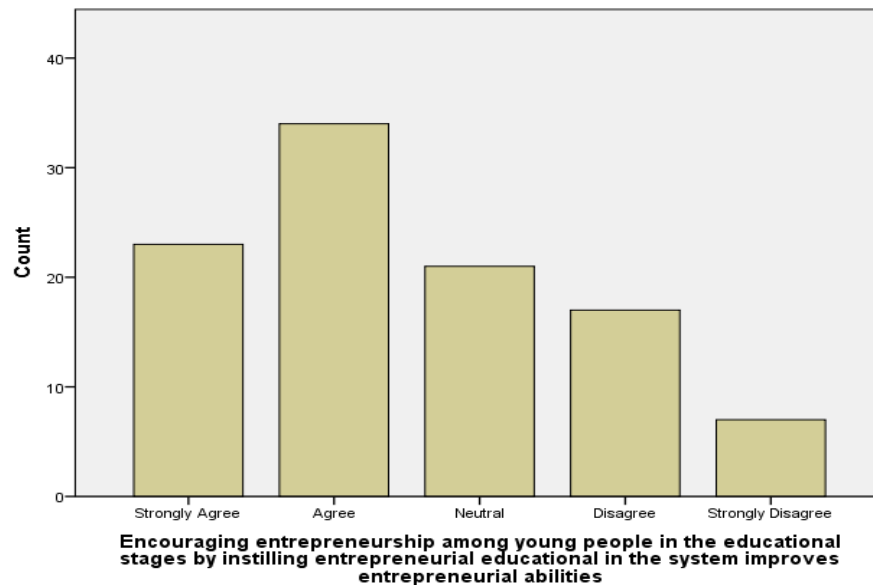


Figure 4.7. Encouraging Entrepreneurship in Educational Stages

Table 4.12. Entrepreneurship encourages Banks and Financial Policy Makers

Entrepreneurship encourages banks and financial policy makers to allocate programs to finance entrepreneurial projects and creates investment opportunities in the country

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Agree	16	15.7	15.7	15.7
Agree	42	41.2	41.2	56.9
Neutral	27	26.5	26.5	83.3
Disagree	14	13.7	13.7	97.1
Strongly Disagree	3	2.9	2.9	100.0
Total	102	100.0	100.0	



Around 56.9% of the sample accredited Entrepreneurship to be an attractive source of foreign investment within the country as shown in Table 4.12. These respondents agreed that Entrepreneurship leads towards the creation of new projects within the economy based on which banks and financial policy makers introduce new laws and funding which indirectly attracts foreign investment within the country. Foreign investment in result has a positive impact over business development.

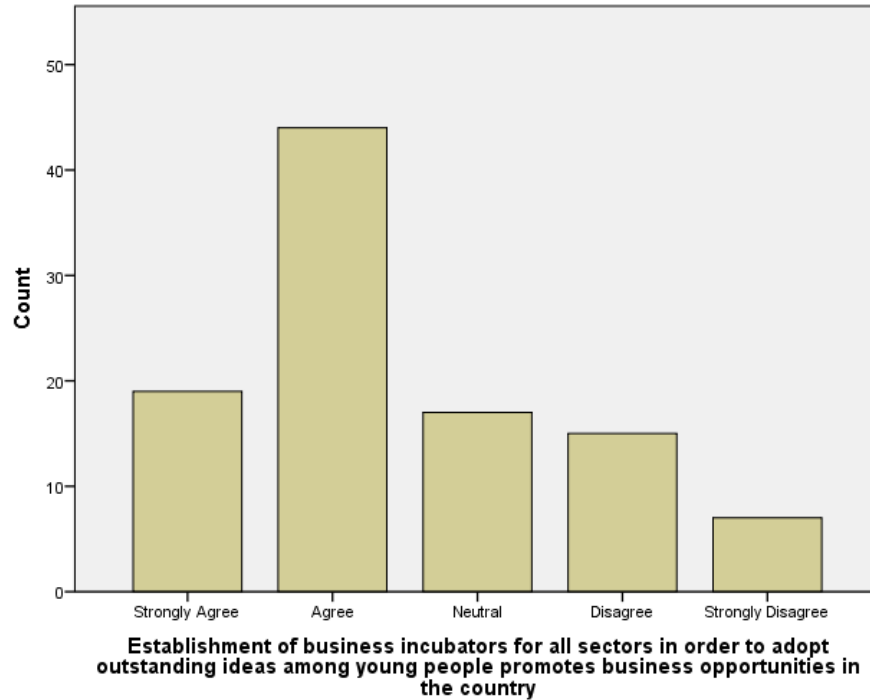


Figure 4.8. Establishment of Business Incubators

Table 4.13. Promoting Entrepreneurship improves Employability

Promoting entrepreneurship promotes the chances of employability in the country

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Agree	11	10.8	10.8	10.8
	Agree	43	42.2	42.2	52.9
	Neutral	17	16.7	16.7	69.6
	Disagree	17	16.7	16.7	86.3
	Strongly Disagree	14	13.7	13.7	100.0
	Total	102	100.0	100.0	



Figure 4.8 talks about business incubators within the country and its role within promoting business opportunities. A majority of the sample agreed that the role of business incubators in the country would help in promoting business opportunities. As business incubators provide a platform for young people to display their ideas and gain support in the form of funding and other technological help, it directly leads towards entrepreneurship within the country.

Table 4.13 is an outcome of the establishment of business incubators within the country. As business, opportunities are created within the economy, entrepreneurship also rises, which leads towards an increased employability within the country as new jobs are created. Around 52.9% of the sample as displayed in Table 4.13 agreed with this statement. Therefore, entrepreneurship stimulates employment within the country which is another factor playing positively under business development within the economy.

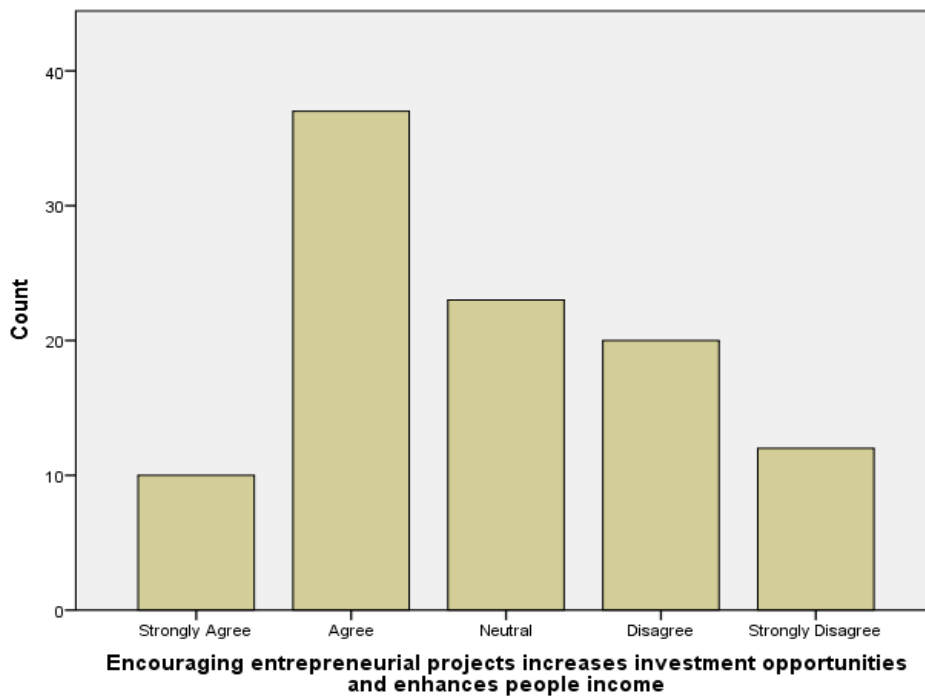


Figure 4.9. Entrepreneurial Projects increase Investment Opportunities

A large majority of the sample agreed that entrepreneurship is an attractive source of investment opportunities as displayed in Figure 4.9. It can also be supported by the results achieved in Table 4.12 due to entrepreneurs getting special policies and funds in order to actively start their projects. Moreover, due to this investment and increased business opportunities within the economy, employability also improves as can be seen in Table 4.13 and Figure 4.9. Therefore, Entrepreneurship in fact plays an important role within business development. It is known that increasing chances of employability further improves the financial standing of the person within the society as the income of the person increases which in return increases the purchasing power.



Therefore, Inflation is also significantly reduced. Around 51% of the sample also agreed with the phenomenon as shown in Table 4.14., therefore, it can be proved that Entrepreneurship and Innovation within the Kingdom would play a positive role on business development as well.

Table 4.14. Entrepreneurship Improves Income

Entrepreneurship improves income and people purchasing power, which also reduces inflation

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Agree	14	13.7	13.7	13.7
Agree	38	37.3	37.3	51.0
Neutral	26	25.5	25.5	76.5
Disagree	20	19.6	19.6	96.1
Strongly Disagree	4	3.9	3.9	100.0
Total	102	100.0	100.0	

4.2 Discussion

First of all, the entire sample is based on 102 respondents which range between the age of 21 to 44 where the majority of the sample is comprised of Males and the rest are Females. Most of them are either Managing Directors or Supervisors working in their respective companies for over more than 1 year providing this research study with careful input directly from the business sector. The fact that experienced workers are able to provide more insights regarding the business sector and how it actively participates in Entrepreneurship, therefore, providing more authenticity to the study overall. The first factor discussed within the questionnaire was related to each of the firm’s strategic orientation. A strategic orientation of an organization provides information regarding the long-term goals of the company or which type of strategies are usually going to be opted by the company. The strategic orientation in this case is also known to have a significant effect on the organization’s performance as well since it dictates the kind of business operations to be driven within the company (Liu & Fu, 2011). In this case, most of the respondents mentioned having a reactive strategic orientation i.e. to respond to others. This was followed by companies opting for a passive strategy and then the proactive strategy. Therefore, most of the companies adopted the reactive strategic orientation. Companies, which are reactive, tend to copy the competition or other organizations within the market, which is not a progressive strategy since they are called followers (Verhoeven, Zerfass & Tench, 2011). The most innovative strategic orientation is that of Proactive, however, most of the organizations within Saudi Arabia tend to make little changes rarely within their products and services offering as displayed in Table 4.6. Most of them wanted to either maintain their portfolio or make changes within the existing one. Figure 4.2 on the other hand, provided an overview of the main drivers of innovation existing within the business sector.



A huge majority responded with Internal Culture and Technology. Internal Culture is the root cause of driving innovation within an organization, as many companies tend to create such policies that provide employees the support to be able to come up with new ideas as reported by Buschgens, Bausch and Balkin (2013). Similarly, technology drives innovation within organization as it provides the latest infrastructure with new capabilities to excel at different aspects within the sector (Kung, 2013). Similarly, Figure 4.3 pointed out the major barriers towards innovation within organizations pointing towards customers and internal culture. As mentioned previously and by Buschgens, Bausch and Balkin (2013) that the internal culture of the organization provides an environment that supports the innovative thinking of their employees. However, customers are a different aspect. The success and failure of a product often depends on the consumers' attitude towards it. If the target segment does not wish to buy the new innovation or show demand for it, the innovation is set to fail (Oke, 2004).

All the questions on the Likert Scale were fairly responded by the respondents, with an average answer between 1-3 i.e. Strongly Agree, Agree, and Neutral respectively as shown in Table 4.8. Therefore, all the statements provided were taken in agreement with the respondents. Saudi Arabia is a country where majority of the respondents from the research study claim that entrepreneurship is actively participated in the business sector. This can be well acknowledged by the raging types of entrepreneurship within the KSA's economy such as female entrepreneurs (Sadi & Al-Ghazali, 2010), scientist entrepreneurship (Alshumaimri, Alridge & Audretsch, 2012) and entrepreneurial ecosystem (Khan, 2013) as found in previous studies. Similarly, all of them are of the opinion that providing support to entrepreneurship centers and similar incubators would help support the initiative of support within the country. As people will provide support, it would also encourage young adults to display their ideas on a platform. Similarly, the support also leads to the development and implementation of ideas in real time leading towards an improvement in business development irrespective of the country background. A majority of the sample agreed with this notion whereas a majority also agreed with the opposite of this notion as well. This conflicting nature of results led the research study to assume that a 50% of the sample supported entrepreneurship whereas the rest were of the opposite mind. On the other hand, Table 4.11 provides interesting results that where most of the respondents think that the Saudi Arabian economy is in its early stages where Entrepreneurship is concerned, the respective following majority says otherwise. The studies of Khan (2013) and Alshumaimri, Alridge and Audretsch (2012) also support the 2nd majority of the sample since their studies mention Entrepreneurship gradually increasing within KSA at that time of their studies.

As per majority of the respondents, entrepreneurship encourages policy makers to provide the business segment with certain policies (Kupferberg, 2003) that attract foreign source of investment to the country (Hallen & Eisenhardt, 2012). Similarly, a majority agreed that the establishment of incubators provides a platform for entrepreneurs that results in increasing the number of existing business opportunities within the country.



Conclusion and Recommendations

5.1 Conclusion

Based on the results, this research study can easily conclude that Entrepreneurship and Innovation leads towards a positive impact over the business development irrespective of the country. Therefore, an equal positive impact will also occur within the economy of Saudi Arabia. As supported by the results mentioned within the previous Chapter of this study, the main drivers of innovation are either internal culture or technology within the organization. Internal culture leads towards different ideas within the organization, developed through the creative thinking and creative environment developed within young adults and the organization respectively. Similarly, technology further supports the creative thinking of the young adults through infrastructure and latest technology.

Likewise, it can be mentioned that Entrepreneurship is a result of Innovation. Because of entrepreneurship centers and incubators, young adults get a platform to display their business ideas, which results in new business opportunities, employment, and foreign investments. Therefore, income increases in the economy, reducing inflation significantly while improving the economy as a whole. Thus, entrepreneurship influences the economy in a positive manner leading towards business development, proving both the hypotheses devised within the research study.

5.2 Recommendations

The following recommendations have been devised based on the research methodology and results of the research study,

- The sample size is only limited to 102, which is very low to represent the opinion of an entire country. Therefore, a more proper research study can be carried out in the future using a larger sample.
- In future studies, a 50/50 sample can be considered using proactive organizations from the industry along with reactive in order to assess the difference they influence over the economy.
- The studies suggest that Entrepreneurship positively influences business development within the country, therefore, entrepreneurship centers and incubators should be increased within the country.



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