

# The development of Saudi Arabian Entrepreneurship and Knowledge Society

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**Abstract-** *The current knowledge society has become a major factor in the distinction between countries, as many of them have sought to focus on knowledge and information; considering it the main resource. This study aims to identify the subject of the entrepreneurship's development in Saudi Arabia and contributes to the attainment of the knowledge society. We used the analytical descriptive approach and the questionnaire tool. The study population was represented by the Ministry of Economy and Planning officials in Saudi Arabia. Furthermore, the study's sample consisted of 80 subjects, among which 60 were valid for analysis. We found that the impact on Saudi Arabia entrepreneurship, project participation and execution are reliant on support and encouragement of the concept itself while the level of education significantly influences the likelihood of project success.*

**Keywords-** *Movement; Entrepreneurial; The development; Society; Knowledge Society; vision; entrepreneur; entrepreneurship; SME*

## 1. INTRODUCTION

The Saudi Arabian Kingdom is currently witnessing a comprehensive social renaissance and is moving confidently towards its bright future and towards building a more diversified economy or post-oil economy, with higher knowledge content. Moving away from the natural resource-based economy, the country is focusing particularly on the major transformation in the global economy's infrastructures in the last two decades. With the rapid growth in Saudi Arabia, computerized projects and businesses in the Kingdom have become necessities which call for the need to pay central attention to entrepreneurship.

The embrace of the entrepreneurial culture requires the solidarity of the public and private sectors' efforts in order to achieve entrepreneurial success and to encourage individuals to move to entrepreneurial business, that will be positively reflect the transformation of the state society into a knowledge society in which, as Anna (2015)[21] states, is based on the domination of technologies and the continuous development of information, since it contains both renewable and non-expendable information. In addition, she believes that the success and excellence of institutions, with its knowledge base, is what make them distinct from other competitors in the same field.

The current knowledge society has become a major factor in the distinction between countries, as many of them have sought to focus on knowledge and information; considering it the main resource. In addition to trying to provide communication and technological means which contribute to the dissemination of information and knowledge among all its citizens, the Kingdom has shifted its focus to such factors in order to transform itself

into a knowledge society.

## 2. THE STUDY'S PROBLEM

The knowledge society is characterized by the availability and encouragement of a high level of education, an increasing growth in the knowledge-based workforce, and by the actualization of rapid innovation, modernization and development. It is also characterized with preserving the various forms of knowledge in information banks and the possibility of reformatting it into complex organizational plans, as well as exploiting the existing research centers in the community to be able to produce knowledge on a large scale in an integrated manner that takes full advantage of the accumulated experiences in the community. The knowledge society is also characterized by the need of a strong management that is capable of leading change and the entrepreneurial movement. In light of the global orientations towards focusing on the knowledge economy as a basis for supporting the country's competitive position, by depending on youth creativity and the tremendous progress of modern technologies and communications, the Kingdom of Saudi Arabia has been keen to support entrepreneurship and to connect it with the knowledge society in order to reach an advanced and developed Saudi society. According to Zaydane (2011)[45], the Kingdom has been keen to encourage its young people to do free business by offering a number of awards such as the Prince Salman Award for Entrepreneurship, the Most Competitive Youth Award, and the Fastest 100 Growing Companies Award at the General Authority for Investment. Such encouragements have been invested in order to motivate young entrepreneurs of innovative and creative companies and institutions.

Several institutions have been established in the Kingdom to activate this concept, including the National Entrepreneurship Institute, the Prince Salman Institute for Entrepreneurship at King Saud University, and the establishment of the Entrepreneurship Association in Saudi Arabia.

The main objectives of this paper were addressed as followed:

First objective: Identifying the reality of entrepreneurship and knowledge society in Saudi Arabia.

Second objective: Studying the constraints of entrepreneurship and knowledge society in Saudi Arabia.

Third objective: Identifying the entrepreneurship and knowledge society development mechanisms in Saudi Arabia.

We followed the analytical descriptive approach in consistency with the nature of the current study, since it is concerned with describing and identifying the reality of the knowledge society and entrepreneurship in Saudi Arabia from different perspectives of the samples. Moreover, the limitation of this study focuses on the developments of entrepreneurship in Saudi Arabia and its contribution to the knowledge society.

### **3. LITERATURE REVIEW**

#### **3.1 The Concept of Entrepreneurship**

The entrepreneurship phenomenon is considered of a long history. Originally, the French economist Richard Cantillon in the seventeenth century was described as an entrepreneur who risked engaging in exchanges in order to generate profit. Since then, the term entrepreneurship has gained popularity to the point that other writers such as Jean Baptist Say rephrased the meaning of the concept and described the entrepreneur as the leader of the production and distribution operations, whose aims are to minimize the allocation of resources to its lowest levels while maximizing the overall general efficiency within the production process. Entrepreneurship continued to gain popularity until the 20th century when the classical economist Joseph Schumpeter introduced the concept of innovation as an innovative person. Schumpeter described the entrepreneur as the person who gets profit through the successful innovation of the production and distribution process (Chipeta et al., 2016)[24].

Moreover, it is defined as an emerging behavioral intention in which the organizational behaviors that lead to the deviation from traditional forms of doing business (Karacaoglu et al., 2013)[32]. Other researchers defined it as starting a business and organizing its necessary resources, assuming the risks and its associated benefits (Al-Hamali and Al-Arabi, 2016)[14]. However, Sandri (2014) provides a different meaning to entrepreneurship in which he demonstrates that it is individual who gives life to the business process and puts its constituent elements into practice, thus requiring a leader to possess specific skills and personality traits and the ability to perform specific tasks and activities.

#### **3.2 The Entrepreneurship obstacles in Saudi Arabia**

There are a number of constraints facing entrepreneurship in Saudi Arabia which include:

1. Regulatory Framework: The absence of an independent regulatory framework which is responsible for the development of enterprises is considered as one of the challenges facing entrepreneurship, the most important of which are:

- Investment incentives which are difficult to obtain in many enterprises.
- The incompatibility of the financing programs with the reality of the enterprises owners' needs, and the financial problems they face, withholding them from benefiting from these programs.
- A large number of entrepreneurs face a lack of the technical support that enable them to conduct a feasibility study for their projects, and to identify the necessary needs for their projects, and also to learn about the way to face the obstacles they face.

2. The qualified Employment: This is due to the huge leap that occurred in the kingdom's economy, resulting in the existence of a group of large enterprises, and therefore skilled craftsmen from the Kingdom's citizens was unable to form, which led to the recruitment of foreign workers to fill the deficit in Saudi labor.

3. The Kingdom's accession to the World Trade Organization, which resulted in the failure of many projects that were unable to compete with foreign products, and the fear faced by some entrepreneurs to compete these products.

4. The lack some entrepreneurs' face in the way to prepare and manage projects.

5. The project's administrative and financial association to the entrepreneur, which contributed to the low level of performance at the project level and the weakness of many initiatives.

6. The lack of standards that can identify the economic variables, in addition to the absence of an independent body to support small enterprises and help them to carry on (Al-Safadi and Abu Nafisa, 2012).

### **3.3 Experiences of some Countries with Entrepreneurship**

Tunisia's experience with entrepreneurship was represented in the State's interest in setting up an office through which administrative and legal services are provided for small projects that contribute to encouraging young people to undertake small projects and assume the necessary action. Indeed, the government of Tunisia enacted a set of law specific to offering incentives for small and medium enterprises in order to promote these projects and to encourage them to carry on. The Tunisian government has also paid attention to the exploitation of the patent at the beginning of their work. Furthermore, the Tunisian government has also paid particular attention to the total exemption of modern establishments from the income tax during the first ten years, and by 50% over the next ten years. Establishing the Tunisian Bank for Solidarity has also been of prime importance to the government in order to provide individuals with funds to starting their small and medium enterprises, the Small and Medium Enterprises financing Bank was also established to provide loans for small and medium enterprises in order to encourage its sustainability (Mohammed and Abdel Karim, 2011)[35].

In contrast, The Federal Government of Nigeria has established the organizations whose mandates and operations are primarily represented in the promotion and development of free projects in the country, such as the Entrepreneurship Development Center, the Administrative Development Center and the National Directorate of Employment. Among the other similar established organizations to promote the entrepreneurial initiative spirit in Nigeria are; The Nigerian Industrial Development Bank, The Nigerian Universities Commission, The Nigerian National Youth Service Corps, Small and Medium Enterprises Development Association in Nigeria and SME Investment Program. The establishment of such organizations is to drive the small and medium enterprises sector in Nigeria towards job creation and national development. Despite these attempts by Nigeria, there is a low rate of employment and high rates of poverty, however, the attempts has not stopped, as the Nigerian universities has started to teach entrepreneurship and encourage students to start small and medium enterprises that contribute to the country's economic development (Odia and Odia, 2013)[37].

Moreover, the Indian experience was represented in support of entrepreneurship through the establishment of the National Council for small and medium enterprises; in which the council provides the registration and licensing service for these facilities through its regional branches. The Indian government also paid attention to the laws that encourage establishing small and medium enterprises, and has set up the Indian Industries Development Center to provide financial incentives and loans for the small and medium enterprises' facilities and exempting those facilities from taxes. In addition, the Indian Government focused on establishing a number of industrial zones provided with basic facilities in various regions (Muhammad and Abdul Karim, 2011)[35].

### **4. THE CONCEPT OF KNOWLEDGE SOCIETY AND DIMENSIONS**

There are many definitions of the knowledge society, which includes a group of people with convergent interests who try to benefit from the groupings of their knowledge about the areas in which they focus on (Al-Jarbouh, 2012). Overall, this directs human behavior individually and institutionally in the areas of human activity in communal areas such as: the economy, civil society, and politics and in private life in order to gradually improve the humanitarian situation (Al-Omari, 2009)[16]. The two researchers tend to the latter definition since it is closest to their research. In fact, the knowledge society consists of a set of dimensions which can be mentioned as following:

1. The economic dimension: Where information in the knowledge society is considered as the commodity and the primary source of added value. Societies that are characterized as knowledge societies are those whose economy relies on information rather than goods and services.
2. The technological dimension: Through the provision of communication and technology means to receive the information and to exchange it within the knowledge society.
3. The social dimension: Represented in the availability of information in the community and the availability of communication and technology means that contribute in its transfer.
4. The cultural dimension: Represented in the interest in information and knowledge and the justice in their distribution, in addition to the interest in the individual's creative abilities.
5. The political dimension: Represented in the provision of a political environment based on democracy, and in the provision of the freedom of data handling, and making rational decisions.
6. The educational dimension: It emphasizes on the necessity to pay attention to the human element which is the basis of creativity and innovation and the production of knowledge.
7. The religious dimension: It is concerned with the

quality and content of knowledge as long as it does not contradict the Islamic teachings (Nassar, 2016).

#### **4.1 The characteristics of the Knowledge Society**

The knowledge society has a number of features, including:

A - The knowledge explosion: This is through the existence of a high level of knowledge, and through the labor forces that possess knowledge.

B- The rapid response to change: This is through the abandonment of governmental and private institutions of their traditional roles, and through rapid response to change.

C - The technological development: By highlighting the vital role of the communication and technology means in the knowledge society (Al-Jarbouh, 2012).

This is in addition to the existence of a set of indicators through which the knowledge society in Saudi Arabia can be identified, and these indicators are as follows:

1. The extent of interest in research and development.
2. The reliance on computer and internet.
3. The competitiveness in the production and dissemination of knowledge.
4. The change in the shape of jobs, its opportunities and objectives (Al-Rafaa, 2014)[6].

#### **4.2 The Importance of Transformation for the Knowledge Society**

There is no doubt that the knowledge society contains many features that make it an urgent necessity that all traditional societies seek to transform due to the benefits of such societies creating competitive values not present in other societal countries. Therefore, knowledge is considered one of the main factors that distinguish countries from one another, and hence, require the transformation of some societies into a knowledge society. Such a society contributes to the sustainability of the development process and to the establishment of a competitive economy. This development thus accelerates the generation, dissemination and investment of knowledge while increasing content in products and exports, promote progress in the communication and modern technology means and Interaction between the means of modern technology and globalization (Al-Sadiq, 2015)[7].

#### **4.3 The requirements for a Knowledge Society**

Al-Nabawi et al. (2015)[5] demonstrates that the knowledge society has a set of requirements that can be identified; for instance knowledge integration, which contributes to the unification of the structure of scattered knowledge, as well as community interaction with knowledge, effective participation with information explosion, and humanitarian, cultural and environmental data. Furthermore, restructuring culture by harmonizing it with the knowledge society and knowledge society is not an elite society, but an inclusive society that interacts

through its language and culture with the data of the era (Al-Otaibi, 2015)[17].

Furthermore, Al-Otaibi (2015)[18] states that the rise of a knowledge society requires the existence of an administrative leadership that is concerned with laying the foundations, standards, plans and programs that work on the provision of the opportunity for employees to participate in setting the goals and policies of the institution in which they work in creating this society. Additionally, the existence of an integrated strategic structure is required in order to help settle the vision, mission institutional goals, and the existence of a flexible organizational structure appropriate to the performance requirements. All the while paying attention to individuals' cultural change and deepening their knowledge and creating a principled centered vision. The availability of communication and technology means contributing in the generation and acquisition of knowledge such as computers, e-library, e-mail and global scientific databases (Mansour bin Nayef and Al-Otaibi, 2015).

#### **4.4 Models of Experiences in Building a Knowledge Society**

In 1960s, the Malaysian society was considered an agricultural society with low human and economic development rates. At the time, the Malaysian government adopted a national strategy to build an economy based on the knowledge and on the development of the Malaysian labor's technical capacities. The government also worked on opening the Malaysian markets to foreign investment, accordingly the Malaysian economy transformed from an agricultural economy to become an advanced industrial economy based on knowledge. This policy supported the developmental mechanism of the human capacities and skills through the establishment of education and scientific research institutes and vocational training institutions. The gross national product thus increased to 84.6 billion dollars in 2007; an increase of 6% over 2006 while industrial exports also increased by 10.5% from 2006 to 188.76 billion dollars. In 2007, the average per capita output reached 10882 dollars at an increase rate of almost 3.3% for individual output per year.

Since the late 1960s, successive Malaysian governments have accorded high priority to education, training and human capacities development for the Malaysian people on the basis that education is an acquired right for citizens. In addition, vocational training is the means to build a qualified and skilled workforce capable of industrial construction in which education and science are served to building the society and the knowledge economy. Accordingly the Ministry of Human Development and the Ministry of Science, the mission and role of the Malaysian Academy of Sciences in achieving the national vision of building a knowledge economy as follows: "Achieving technological excellence, marketing research results, and assisting in

industrial processing, and providing consultation and technological solutions through its knowledge effective management and proper investment". Thus, through a national vision based on building a knowledge society and following national policies that serve reaching this goal, the Malaysian governments have been able to lead the industrial and technological construction process and to promote innovation and creativity through investing in education and scientific research and creating a research environment suitable for human and economic development and finally to realize the dreams of its people with further progress and welfare, raising the country into the level of developed countries in a record time (Nehma, 2011)[36].

In comparison, the Ruler of Dubai launched a pioneering institution for human development, and the development of science and knowledge structures in the Arab world to support young minds and to fund scientific missions, studies and researches. Such support aims to raise the level of the Arab world to the level of developed and productive countries and to eliminate the knowledge gap between the developed world and the Arab world. During the first Knowledge Conference held in 2007 by this Foundation, a working mechanism was launched to implement a large project in order to support the education and the knowledge that will enhance the international knowledge and improve the quality of higher education (Al-Faridi, 2011). Likewise, Saudi Arabia has aimed to support entrepreneurs for being the next economic power, to exploit their entrepreneurial capabilities and to support their small and medium-sized projects, which are considered to be one of the most important engines to economic growth. The Small and Medium Enterprises Authority are working today at an accelerated rate to review the rule regulations to removing the obstacles and to facilitate the access to finance and to help entrepreneurs in marketing their ideas and their products, in other words the authority is considered the key factor that enables the entrepreneurs to run and manage their facilities (Tahami, 2010).

## **5. STUDIES FOCUSING ON ENTREPRENEURSHIP**

Abbas (2012) conveys that entrepreneurs in Gaza need to challenge the obstacles facing entrepreneurship in Palestine by encouraging leadership amongst young people in the educational stages and to encouraging banks and financial policy makers to allocate programs to finance entrepreneurial projects. In contrast, the challenge facing most American schools is to achieve effective partnerships with the business sector in the United States in order to set proper conditions for further growth. Crack (2014) necessitates the development of strategies to ensuring that the schools principals are directed towards the implementation of knowledge management. While other researchers have mentioned that the performance and success of the entrepreneur depends on her work

within the organization and her acquisition of a set of behavioral skills that she invests in the development of the business (Caylor, 2014). Moreover, a study conducted by Abdul Rahim (2014) shows a clear and effective impact of entrepreneurship on institutional innovation in the Egyptian Stock Exchange, whereby the results revealed the existence of relationships linking entrepreneurship with institutional creativity.

Different perspective studies were conducted in Damascus University shows that the intentions of students to start their own business to the proportion of students who prefer to be self-employed is greater. The study also showed the existence of an intention amongst the university students to start an entrepreneurial project, while showing the influence of the student's position variable regarding the entrepreneurial work in his intention to start an entrepreneurial project (Al-Hadban, 2015)[13]. Hence, entrepreneurship was measured through the business start, rise and end indicators. The knowledge economy was also measured through the use of the four World Bank indicators in the period between the years 1996-2010 to which the study pointed out to the existence of a positive impact of entrepreneurship on the knowledge economy in Africa, while indicating to an increased in the education enrollment rates in order to acquire a job. Thus, most students were interested in education as a means to travel abroad and contribute to the development process through their remittances. This has led to an increase in the commercial activities that affect the economy positively and to an increase in the work performance positively linked to the development of knowledge-based economies in Africa (Asongu & Tchamyou 2015)[22].

Likewise, another study was done in Najran University in Saudi Arabia. The study aimed at determining the level of entrepreneurial cultural awareness and to identifying the entrepreneurship obstacles in Saudi society from the students' point of view while determining the differences between their responses in regard to gender variables; male and female. Interestingly, there were neither differences between male and female responses nor between the responses of the literary and scientific specialization (Al-Otaibi and Mousa, 2015)[18]. In comparison, studies done in Riyadh, the capital city of Saudi Arabia, show the main obstacles facing entrepreneurship education. Such obstacles include the absence of incentives and rewards that drive creative thinking, lack of strong relations between the educational and economic sectors, lack of professional paths in public education, absence of the role of business incubators sponsoring entrepreneur students, and a lack of entrepreneurial culture. Furthermore, the absence of the educational system's contribution in generating entrepreneurial ideas that are ready to be transformed into new projects, lack of material resources required to carry out entrepreneurial activities and the inferior perception toward entrepreneurs and craftsmen (Al Yamani, 2016)[9] all contributed to the struggles of efficient

entrepreneurship educations. In Oman, students have a positive attitude towards entrepreneurship, yet there were poor initiations of businesses after graduation. The researchers emphasized through their study on the need to increase the graduates' business knowledge and the understanding of business risks, in addition to promoting entrepreneurial education that can positively influence their attitudes towards entrepreneurship. The Government, higher education institutions and business incubators play an important role in changing the graduates' entrepreneurial attitude and the development of effective entrepreneurial strategies (Ibrahim, 2017).

### 5.1 Studies Focusing on the Knowledge Society

Salem (2013)[40] proposes laying a scenario to train school principals to apply knowledge management in Jordan according to statistical study's results (Salem, 2013)[40]. Boyd (2013) has identified the experience of schools that apply the knowledge management approach in San Francisco, California. He revealed that the success of the management approach is based on knowledge transformation in which building a knowledge society mainly requires a quality high education that opens all windows of science and technology and confidently plans for a bright future while also contributing to creativity and innovation, preparing cadres, and collaborating and builds knowledge partnerships with different institutions internally and externally. The management approach in information adopted by the schools as a sample of his study was successful since many societies can be distinguished from other communities by the level of its main activities'. However, the differences between a knowledge society in one country and a knowledge society in another are based on the extent of knowledge activation and of the knowledge level of use and production (Geradin, 2013)[25]. The public schools' teachers of Al-Sharjah believe that the Government of the UAE has taken great strides in the transformation towards the application of Knowledge Management thinking and is slowly shifting towards the knowledge society (Al Sudani, 2014), whereas, the knowledge society and the variables that affect it from the teaching body members' perspective in King Khalid University in Bisha shows the poor interest of females in scientific research, the diversity of teaching methods in practical faculties only, due to the existence of supporting laboratories (Al Wahesh, 2015)[20]. Some researchers (Jawdat, 2015)[31] have argued that adopting the knowledge management application in the information institutions of the university requires a clear policy and strategy that include the bases and values of its implementation supported by the university's administration, however, the application of knowledge management in the information institutions of the university faces many obstacles.

A study conducted by Al Sardy (2015)[8] shows that the university has a traditional role and not an innovative one in the construction and development of the knowledge

society. The Ministry of Higher Education and the state did not give the universities the required attention to planning for the development stage for the economic and general development (Al Sardy, 2015)[8]. Such has led to the limited role of universities in building and developing the knowledge society in Jordan and in preparing individuals with intellectual skills.

Abdul Rahman (2016)[4] argues that the increase in the number of postgraduate students, the existence of distance learning programs in the university and the diversity of research experiences with the availability of freedom in scientific research are of utmost importance. On one hand, the university enjoys relations and joint programs with local, regional and international research centers while on the other there have been a myriad of weaknesses. For instance, the lack of modern resources for information required to meet the university's community, the absence of a clear plan for scientific researches at the university, and the failure to allocate its appropriate budget. Moreover, the weaknesses are also represented by the absence of Training programs for teachers and students in the scientific research field as well as in the factors that represent the available opportunities. Furthermore, Al Barawi et al. (2017)[11] reports that the cognitive dimension should first be acquired, second by the school security dimension followed by the creative dimension then by the technical dimension and finally by the democratic dimension from the principals and teachers' perspective. Al-Forayhat (2017) indicates that there were no statistically significant differences in the study samples' estimations toward the role of Al- Balqa' Applied University in building the knowledge society which refers to the variables of his study in term of gender, experiences, and educational qualification.

## 6. METHODOLOGY

This paper focuses on entrepreneurship and the knowledge society subject in Saudi Arabia in general and the city of Riyadh in particular. This paper uses analytical descriptive methods. In addition, this paper tackles different angles that were aforementioned and the different objectives sought by other studies by identifying the study's objectives, examining previous studies related to the subject of the current study, benefiting from previous studies to determine the study's methodology, building the study's tool, determining the appropriate statistical methods, and analyzing and interpreting the findings they reached through the study.

Based on problems of the study, its objectives and the nature of its questions; the researchers followed this study in the analytical descriptive approach correspondent to the nature of the current study. The researches community means "all individuals, persons or objects that are subject of the research". The current study community consists of the Ministry of Economy and Planning officials in the Kingdom reaching 80 individuals in the city of Riyadh. The study sample then consisted of 60 randomly selected

individuals of the study community.

**Study Tools**

Data collection consisted of 60 individuals by relying on two important tools, one of which consisted of a questionnaire on entrepreneurship and the other on the knowledge society. Before implementing a final application on the sample of the study, their psychometric characteristics were verified and had followed the logical steps adopted in the preparation of these two surveys by examining the questionnaires which the researchers relied on in the preparation of the theoretical framework. The psychometric characteristics of each of the two

questionnaires are presented as follows:

**6.1 The validity of the Knowledge Society Questionnaire**

The validity of the questionnaire was verified in an internal consistency manner as one of the construct validity methods. This method also reflects the extent to which the question is related to its component and to what extent these components are related to the overall degree of the questionnaire. The results of internal consistency are shown below:

Table 1: Validity of the knowledge society questionnaires.

First axes		Second axes		Third axes	
Question	Correlation coefficient	Questions	Correlation coefficient	Question	Correlation coefficient
1	0.636	1	0.459	1	0.715
2	0.425	2	0.768	2	0.469
3	0.650	3	0.532	3	0.662
4	0.645	4	0.641	4	0.678
5	0.653	5	0.750	5	0.489
6	0.567				
7	0.671				
8	0.419				
9	0.567				

As shown in table 1, each question has a satisfactory correlation coefficient and is related to an overall degree component of which it belongs to. This indicates that the questionnaire has a satisfactory degree of construct validity.

**6.2 The consistency of the knowledge society questionnaire**

The questionnaire and its three axes have been calculated by using Cronbach's alpha coefficient calculation. The results demonstrate that the questionnaire has a high degree of consistency to its three components (Table 2).

Table 2: Consistency of the knowledge society questionnaire.

	consistency coefficient's value
First axes	0.794
Second axes	0.763
Third axes	0.726
Overall questionnaire	0.886

**6.3 The validity of the Entrepreneurship Questionnaire**

The validity of the questionnaire was verified in an internal consistency manner as one of the ways that indicates the construct validity; this method also reflects

the relational extent between the question and its components, the relation extent between these components, and the overall degree of the questionnaire. The results of internal consistency are conveyed in the following table:

Table 3: Validity of the Entrepreneurship questionnaire.

First axes		Second axes		Third axes	
Question	Correlation coefficient	Question	Correlation coefficient	Question	Correlation coefficient
1	0.696	1	0.589	1	0.765
2	0.565	2	0.668	2	0.561
3	0.556	3	0.672	3	0.762
4	0.645	4	0.541	4	0.570
5	0.673	5	0.450	5	0.413
6	0.466				
7	0.771				
8	0.519				
9	0.567				

As demonstrated in table 3, each question is related to an overall degree component to which it belongs to. This

indicates that the questionnaire has a satisfactory degree of construct validity.

by using Cronbach's alpha coefficient calculation. The results demonstrate that the questionnaire has a high degree of consistency to its three components (Table 4).

### 6.4 The Consistency of the Entrepreneurship Questionnaire

The questionnaire and its three axes have been calculated

Table 4: Consistency of the Entrepreneurship questionnaire

	consistency coefficient's value
First axes	0.794
Second axes	0.563
Third axes	0.526
Overall questionnaire	0.696

The statistical methods were used in this paper the arithmetic averages, standard deviation, Pearson correlation coefficient, and percentages. Where the computer has been used in the data analysis and processing, and a statistical packages (Statistical Package for the Social Sciences) software has been relied on (SPSS-v21) in processing data.

*knowledge society in the Kingdom of Saudi Arabia?"* To answer this question, the calculation of the percentage ratio to positive answers or to the approval on the axes related to the knowledge society in the Knowledge Society questionnaire has been calculated and the result came as follows:

## 7. RESULT

The results of the first axes: "What is the reality of the

Table 5A: Reality of entrepreneurship in Saudi Arabia

	Questions	Approval		
		Degree of affirmative approval	Degree of rejection	Percentage of affirmative approval
1	SME entrepreneurship is active in Saudi Arabia.	56	4	94%
2	Support and encouragement of the entrepreneurship concept in the society has a big effect on the entrepreneurship market in Saudi Arabia.	56	4	94%
3	Centers has a great role in developing the entrepreneurship concept in Saudi Arabia.	52	8	86%
4	Support of entrepreneurship centers in the Kingdom motivates the implementation of projects.	44	16	74%
5	Support and Entrepreneurship centers are available in Saudi Arabia.	44	16	74%
6	Spread of support and entrepreneurship centers does not motivate the participation in projects.	4	56	6%
7	Educational level affects the success of the project.	54	6	90%
8	Entrepreneurial culture of Saudi women is in its early stages.	8	52	14%



9	Awareness of the projects' Importance affects significantly the renaissance of entrepreneurship.	44	16	74%
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Table 5B: Reality of the knowledge society in Saudi Arabia

	Question	Approval		
		Degree of affirmative approval	Degree of rejection	Percentage of affirmative approval
1	Saudi Arabia has a clear vision to attain a knowledge society.	56	4	94%
2	Saudi Arabia is interested in providing legislation and laws that contribute to controlling the handling of knowledge.	4	56	6%
3	Saudi Arabia is working to activate relations between public and private institutions in order to contribute to the development of an appropriate environment for the knowledge society.	52	8	86%
4	Saudi Arabia contributes to the consolidation of ideas producing knowledge.	44	16	74%
5	Saudi Arabia contributes to the provision of communication technology among all its members to contribute to building a knowledge society.	44	16	74%
6	Saudi Arabia provides training courses for youth that contribute to building a knowledge society.	56	4	94%
7	Saudi Arabia is focused on its human resources to contribute to building the knowledge society.	60	-	100%
8	Saudi Arabia encourages institutions of higher education and scientific research to produce knowledge to contribute to building a knowledge society.	44	16	74%
9	Saudi Arabia is focused on providing suitable job opportunities for youth to contribute to building a knowledge society.	60	-	100%

The results of the second axes: "What are the constraints of the knowledge society in Saudi Arabia?" To answer this question, the calculation of the percentage ratio to positive answers or to the approval of the axes related to

the knowledge society constraints in Saudi Arabia in the Knowledge Society questionnaire has been calculated and the result came as follows:

Table 6A: Obstacles of Entrepreneurship in Saudi Arabia.

	Question	Approval		
		Degree of affirmative approval	Degree of rejection	Percentage of affirmative approval
	Obstacles of entrepreneurship in Saudi Arabia.			

10	Public and private institutions are failing to absorb more workers.	56	4	94%
11	Unemployment increase among thousands of graduates.	54	6	90%
12	Project financing difficulties.	57	3	95%
13	Constraints of poor infrastructure.	57	3	95%
14	Lack of interest in financing new projects.	56	4	94%

Table 6B: Obstacles of the knowledge society in Saudi Arabia.

	Question	Approval		
		Degree of affirmative approval	Degree of rejection	Percentage of affirmative approval
10	Public and private institutions are failing to absorb more workers.	56	4	94%
11	Unemployment increase among thousands of graduates.	56	4	94%
12	Project financing difficulties.	60	-	100%
13	Constraints of poor infrastructure.	57	3	95%
14	Lack of interest in financing new projects	44	16	74%

The results of the third axes: "What are the entrepreneurship development mechanisms in Saudi Arabia?" To answer this question, the calculation of the percentage ratio to positive answers or to the approval of

the axes related to the entrepreneurship development mechanisms in Saudi Arabia. The results of this questionnaire came as follows:

Table 7A: Mechanisms of Developing Entrepreneurship in Saudi Arabia.

	Question	Approval		
		Degree of affirmative approval	Degree of rejection	Percentage of affirmative approval
15	Encouraging entrepreneurship among young people in the educational stages by instilling entrepreneurial educational in the system.	48	12	80%
16	Encouraging banks and financial policy makers to allocate programs to finance entrepreneurial projects.	54	2	97%
17	Establishment of business incubators for all sectors in order to adopt outstanding ideas among young people.	60	6	90%
18	Use of modern entrepreneurial methods and the use of trained manpower.	48	--	100%
19	Finding the appropriate means to market entrepreneurial projects.	58	12	80%

Table 7B: Mechanisms to develop the knowledge society in Saudi Arabia.

	Question	The Approval		
		Degree of affirmative approval	Degree of rejection	Percentage of affirmative approval
15	Saudi Arabia is focused on educational institutions and providing the needed requirements for scientific research in order to encourage the production of knowledge and to contribute to building a knowledge society.	60	-	100%
16	Developing laws and legislations that contribute to attracting domestic and foreign investment to build the knowledge society.	57	3	95%
17	Focusing on human resources and exploiting them in building a knowledge society.	44	16	74%
18	Restructuring workforce planning as well as re-engineering operations, and redesigning the value chain.	60	--	100%
19	Availability of communication means and technology that contribute to the generation of knowledge which, in order, contributes to building the knowledge society.	57	3	95%

**8. DISCUSSION**

The results indicate that in general, the majority of the study sample agreed positively with a percentage range between 88% and 95% in which SME entrepreneurship is active in Saudi Arabia, while supporting and encouraging the entrepreneurship concept in society that plays a major role in the Kingdom's entrepreneurial market. In addition, it conveys that the centers have a great role in developing the entrepreneurship concept in the Kingdom and motivate the projects implementation. Furthermore, the level of education affects the success of the project of 90% while the awareness of the projects' importance significantly affects the renaissance of entrepreneurship of 74%. In table 6A indicate that between 94% and 95% of public and private institutions are unable to absorb, unemployment increased among thousands of graduates, project financing difficulties, constraints of weak infrastructure, and lack of interest in financing new projects. Results in table 7A reveal that instilling entrepreneurship in the educational system encourages entrepreneurship amongst the young by finding the appropriate means to market entrepreneurial projects are 80%. In addition, as indicated in table 7A the percentage for encouraging banks and financial policy makers to allocate programs to finance entrepreneurial projects is 97% while the percentage for establishment of business incubators for all sectors in order to adopt outstanding ideas among young people is 90% and using modern entrepreneurial methods and trained manpower is 100%. While the following questions obtained a percentage of rejection from the majority of the study sample and these questions are:

1. "The entrepreneurial culture for Saudi women is in its early stages", this question was rejected by 86% of the study sample.
  2. "The spread of the support and entrepreneurship centers does not stimulate participation in projects", this question was rejected by 94% of the study sample.
- And this result reflects for us a range of facts, reflecting the Saudi society awareness of the entrepreneurship importance in the development of Saudi society, and its desire to develop entrepreneurship. The entrepreneurship also has an important role to improve investment and to improve the national income level, and the results of this questionnaire and the results of the three questions also helped the researcher to formulate some suggestions and recommendations.
- The result of the first axes related to the reality of the knowledge society in the Kingdom of Saudi Arabia and its development mechanisms and constraints, we concluded the following; Saudi Arabia has a clear vision for the realization of the knowledge society and provides training courses for youth, the poor level of public and private cooperation, and the lack of skilled labor and the growing unemployment among thousands of graduates to contribute to building the knowledge society 94%. Meanwhile, working to activate the relations between the public and private institutions to contribute to the development of a suitable environment for the knowledge society is 86%.
- Although Saudi Arabia contributes in the consolidation of knowledge generating ideas and provision of communication technology among all its, encourages institutions of higher education and scientific research

members, the weakness of the institutions of higher education, and focusing on human resources and exploiting them in order to contribute to building the knowledge society 74%. In terms of the focus on its human resources to contribute to building the knowledge society, appropriate job opportunities for youth, the weakness in exercising the democratic principles in the modern state creates a challenge to building a knowledge society, educational institutions and in providing the necessary requirements for scientific research, and restructuring workforce planning as well as reengineering operations, and redesigning the value chain shows 100%. Finally, developing laws and legislations and increasing growth of knowledge creates challenges to building a knowledge society is 95%.

The availability of communication means and technology contributes to the generation of knowledge which accords to building the knowledge society by 95%. While some questions obtained a rejection rate by the majority of the study sample, these are Saudi focuses on the development of legislation and laws that contribute to controlling the knowledge handling. 6% and this question may reflect the weak awareness of some groups in the society about the legislation and laws enacted by the authorities to improve the quality of the knowledge society in the Kingdom, thus, the results of these questions regarding the knowledge society in the Kingdom reflect that Saudi Arabia has a knowledge base that it seeks to develop and thus, to improve the knowledge society mechanisms in the Saudi society.

## 9. CONCLUSION AND RECOMMENDATIONS

The necessity to overcome the entrepreneurship constraints indicated by responses in the field study sample, and represented as the public and private institutions are unable to absorb more workers. Current study showed that generally unemployment among graduates and project financing difficulties with lack of interest as well as the constraints of poor infrastructure. Meanwhile, the need to overcome the constraints of activating the knowledge society in Saudi Arabia, which were indicated by the responses of the field study sample, are represented by the poor level of cooperation between the public and private sectors is a challenge facing the knowledge society and lack of skilled labor the same with growing unemployment among thousands of graduates is a challenge to building a knowledge society. Moreover, this study has shown the weakness in exercising the democratic principles in the modern state creates a challenge to building a knowledge society. Although this study conducts the poor orientation of the higher education institutions and scientific research in the Kingdom of Saudi Arabia towards the production of knowledge, this creates a challenge facing the establishment of the knowledge society. We proposed, in conclusion, the necessity to increase the Arab creation of

informational content, through the production of paper and electronic publishing industries, media and technical production, and software applications. Although, working on creating a logical and sound approach to induce the effective participation between public and private participation and informational universities or scientific research centers. On the other hand, the necessity to develop appropriate and compatible plans to development computer skills for human cadres working in the public sector, and working on monitoring the physical and administrative capabilities on an annual basis to strengthen the infrastructure and physical equipment, both in the public communication system and in the in public institutions' infrastructure. Furthermore, there is a necessity to review the economic institutional structures in Saudi Arabia as well as to provide more opportunities for Saudi people to contribute to planning the next stages of cultural entrepreneurship. This is set in accord to the standards and controls which ultimately opens the door to ambitious new leaders who increment to the vision's aspirations for selecting and assigning leadership in all institutions present in the Kingdom.

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