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# Impact of leadership skills on entrepreneurs' business success in Saudi Arabia

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## Pepperdine University

## Graduate School of Education and Psychology

# IMPACT OF LEADERSHIP SKILLS ON ENTREPRENEURS' BUSINESS SUCCESS IN SAUDI ARABIA

A dissertation submitted in partial satisfaction of the requirements for the degree of Doctor of Education in Organizational Leadership

by

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June, 2022

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#### ABSTRACT

Most entrepreneurial businesses fail within the first 5 years of establishment. One of the major causes is the lack of leadership skills by the entrepreneurs. The aim of this quantitative study was to define the leadership skills that were required by entrepreneurs in Saudi Arabia in creating and sustaining entrepreneurial business successfully beyond 5 years and to identify the environmental factors affecting entrepreneurship ecosystem in Saudi Arabia. The population of interest in this study was entrepreneurs from Tasamy in Saudi Arabia. Tasamy is a non-profit organization that focuses on supporting entrepreneurship in Saudi Arabia. To answer the research questions for this study, online surveys were gathered from 125 entrepreneurs, who were 23 years or older, and whose businesses have been in operation for at least 5 years or longer in Saudi Arabia. There were more men in the sample (70.4%) than women (29.6%). Ages of the participants ranged from 23 to 29 years (16.0%) to 50 or above (4.0%) with the median age being 34.5 years. All 125 participants but 6 (4.8%) had at least a bachelor's degree with 40.8% had earned master's or doctoral degrees. The top 5 leadership skills, which contributed to their entrepreneurial business success included self-confidence, decision-making ability, determination in setting and achieving goals, effective communication, and adaptability to market circumstances These helped entrepreneurs in Saudi Arabia to create and sustain business beyond 5 years. Additionally, it was found that the Saudi young generation is a major driving force, there is a need to combat corruption, as well as the need for increased cooperation efforts among government, universities, and private sector to foster entrepreneurial activities in Saudi Arabia. These were the main environmental factors affecting the entrepreneurship environment in Saudi Arabia. Although entrepreneurial success depends on both internal and external factors,

entrepreneurs who are planning to start or sustain their businesses may find these findings helpful in their pursuit to create and run successful, new businesses.

#### **Chapter 1: Introduction**

This dissertation sought to define and analyze the leadership skills necessary for entrepreneurs in Saudi Arabia to establish and sustain business operations beyond 5 years. The study used a purposive sample of 125 entrepreneurs in Saudi Arabia. The entrepreneurs had to be 23 years or older, and their business should have been in operation for at least 5 years or longer in the Kingdom of Saudi Arabia. Organizations and businesses use different methods to measure their level of success, and position in the marketplace. Such methods, focus on financial performance, customer satisfaction or increase in the number of employees and locations, personal satisfaction, flexible lifestyle, productivity and business longevity (Napolitano et al., 2015; Walker & Brown, 2004). At the same time, throughout the 20th century, there were precise tools to measure business success as companies and organizations viewed business operations as part of their daily mandate. The highly complicated and complex nature of the business environment has resulted in businesses becoming more informed, as well as liable to accept the inevitable changes, which are continuous as long as they are operational (Liu et al., 2021). In recent years, however, business longevity has been used as an indicator to measure business success (Galadanchi & Bakar, 2018; Napolitano et al., 2015).

The longevity of the business also implies overcoming the uncertainty challenges in the business environment. Other factors have also contributed to business longevity and success, for example, capital, economic climates, and human capital (Bokhari, 2017). Human resources, for instance, play a major role in the smooth running of the business, as well as accomplishing set goals and objectivities. In the competitive and continuously changing global market, human resources give a business the needed competitive advantage, especially when they are managed effectively. Oudah et al. (2018) also argue that effective leadership skills significantly influence

the entrepreneurship business success, and the resulting in business longevity. In other words, business longevity is considered to be a measure of business success. Therefore, the focus of this study was on the impact of leadership skills on the business success of entrepreneurs in Saudi Arabia beyond five years. Business longevity, in this case, was used as a measurement of success.

This introductory chapter presents the study overview, as well as outlines and analyzes the background of the study, which also includes the problem statement, purpose, research questions, and the significance of the study. The theoretical framework used for this study follows up the presentation of the questions.

#### **Background of the Study**

According to Alotaibi and Tayachi (2021), Bakry et al. (2019) entrepreneurship is expanding continuously in Saudi Arabia. As an economy that is rapidly emerging, Saudi Arabia has become a fertile ground for entrepreneurs (Spencer, 2016). Multinational corporations continuously set up their businesses in the country, especially because of the market demand, business prospects, and availability of capital. Both the foreign and the local entrepreneurs are able to realize substantial profits in Saudi Arabia. In 2021, during the Future Investment Initiative summit, 44 multinational companies in sectors like technology, consulting, and construction, relocated their regional headquarters to Saudi Arabia. Among these companies KPMG, Siemens, PepsiCo, Unliver, Novartis, Baker Hughes, Philips, Schlumberger, SAP, PwC, and Boston Scientific. Sandybayev (2019) argues that in order to establish a successful business, an entrepreneur must possess exceptional skills and qualities that will enable the enterprise to grow, develop and multiply. The life span of the business is determined by the entrepreneur particularly from his or her ability to make decisions, lead, anticipate situations and interact with

the employees. Leadership is becoming increasingly popular across the globe because many businesses have realized that the success of their business depends on the strength of their leadership.

Poor leadership has been seen as an obstacle to efficiency and further growth of businesses. Many of the businesses would want to change their strategy and create new products or businesses but do not know how to achieve its goal and where to get talented employees with leadership qualities and knowledge to determine the business direction and help it achieve its goal (Sandybayev, 2019). The problem of entrepreneurial leadership is particularly important because local businesses in Saudi Arabia are faced with competitors from companies within the region and abroad. Further, multinational operation in the region has taken advantage of functional management and has years of experience in developing and understanding their leadership potential. Thus, to ensure success of entrepreneur business, there is a need to work towards developing leadership skills.

Entrepreneurship involves firms or companies that undertake arrangement of producing new products or services. It can also be defined as activities that relate to ownership and management of an enterprise or the dynamic wealth creation that needs a person to show commitment, sacrifice own time and bear the physiological, social and financial risks in order to get the benefits in terms of financial and monetary satisfaction (Cuervo et al., 2007). More recently, entrepreneurship has been viewed as the process of creation and innovation, representing four dimensional elements including organization, individual, process, and environmental factors with the support of education and government (Hasan & Almubarak, 2016). Entrepreneurial success is defined through tangible features like firm growth or revenue, personal wealth creation, and profitability. Entrepreneurial success can be associated with

continued trading in a business and can be considered as a venture that operates for more than five years.

Engelen et al. (2015) argued that entrepreneurship and leadership are a distinctive set of underpinning behaviors, skills, and competencies. Entrepreneurship is considered as a special context of leadership. An entrepreneur is considered as a leader who makes the difference in the success of a new venture through risk taking propensity or through the ability to recognize opportunities that other people are unable to recognize. Leitch and Volery (2017) argued that for an entrepreneur to identify and exploit new opportunities and create value, they must have leadership skills. The performance of an entrepreneurial business is significantly affected by participation of leaders who have unique skills (Felix et al., 2019).

There are numerous entrepreneurial factors that lead to success of a business. For example, a successful entrepreneur is supposed to possess outstanding decision making skills and have a hunger for achievement (Makhbul & Hasun, 2011). Other qualities that an entrepreneur should possess include self-confidence, internal locus of control, innovativeness, decision making skills and good communication (Makhbul & Hasun, 2011). An entrepreneur should have the ability of facing any possibilities especially during the formative stages of a new venture. In other words, the entrepreneur should have risk taking skills. Kozubíková et al. (2017) argue that the most important skills that entrepreneurs should have include decisiveness, risk taking and optimism. Risk taking is particularly helpful in aiding an individual to develop strong entrepreneurial personality which is important for business activities. Other important skills that a successful entrepreneur should have include opportunity recognition, self-efficacy, social skills, and perseverance.

Characteristics like being creative and possessing good interpersonal, technical, and financial skills lead to entrepreneur success. Additionally, being pragmatic, goal oriented, determined, self-confident, and flexible will add value to an entrepreneur (Eshag et al., 2018). For an entrepreneur to be successful, they must have knowledge that should be gained through various ways like training or through personal experiences in informal or formal education. Knowledgeable and competent entrepreneurs can grab opportunities that may emanate from the environment. Beside all the above factors, leadership is considered an important factor that leads to business success. Entrepreneurs should practice leadership skills that can lead to innovation and organizational changes in the business as well. Entrepreneurs require functional expertise as well as self-competencies in order to succeed. Functional competencies are made up of four performances subsystems including marketing, finance, human relations and operations (Pepple & Enuoh, 2020). According to Swiercz and Lydon (2002) self-competencies include promotion of the company instead of own career, intellectual integrity, creation of a sustainable business and consulting external advisors. Successful entrepreneurship must have effective leadership of resources, processes and people in order to create new value (Reid et al., 2018).

A study carried out by Kattan (2015) found that different leadership skills have a pertinent effect on entrepreneurial activity. Skill is a capacity and ability acquired via systematic, sustained and deliberate effort to adaptively and smoothly handle complex job functions and complex activities involving things, ideas and people. Good leadership requires behavior and attitudes that characterize and relate to the skills that people develop. Many capabilities in life relate to acquiring knowledge and skills and then applying these skills in a reliable way. For a leader to be effective, an individual requires numerous component skills. Some of these skills are easy to develop while others may take a long time to acquire. A good leader must have

attitudinal qualities and not only management processes. Some of the most significant leadership skills and qualities include humility, honesty, integrity, commitment, courage, passion, sincerity, wisdom, positivity, determination, compassion, intelligence, sensitivity, extraversion, adjustment, and openness to experience, conscientiousness and self-efficacy (Kattan et al., 2016). Albloshi and Nawar (2015) argued that leadership encompasses an individual with particular skills and an ability to influence certain actions in other people that lead to common good for everyone.

Leadership plays an important role in an organization, especially during periods of transition and change. Leadership can be measured at the business level and relate to business profitability, performance, cultural health, as well as innovation. Leadership helps in ensuring that a business has a direction to move forwards, which leads to its reputation inside the industry and profitability. Enterprises have been facing increased competition as well as rapid technological changes in the conventional markets (Leitch & Volery, 2017). Effective leadership also helps businesses to gain a competitive edge and find their place in the industry they operate in through the leader's ability to adapt to the environmental contingencies and implementing and supporting change (Kuratko, 2007). According to Sy and Côté (2004), a strong sense of emotional intelligence is an important skill, as it allows a leader to act in a way that benefits the business as well as its employees. Emotional intelligence allows a person to react to an event that occurs in the business in a way that creates value rather than acting with reckless emotions with the possibility of inflating the situation. Sy and Côté (2004) concluded that emotional intelligence is key ability when it comes to performing effectively and tackling interpersonal challenges inside the organization. A good leader must think innovatively to utilize their problem solving skills in overcoming obstacles that are likely to arise spontaneously in a business.

Leadership impacts innovation and entrepreneurship through a number of aspects. An entrepreneur naturally develops leadership competencies and skills as the business grows and matures (Kadwa & Barnard, 2019). The leadership skills and competencies help an entrepreneur in determining the direction that the company will take. This, in turn, leads to profitability and builds the reputation of the business within the industry. Effective leadership skills also help entrepreneurs to grow and prepare the organization in overcoming its challenges and finding a competitive advantage in the industry and competitive environment it operates in and among other businesses (Esmer & Faruk, 2017). Thus, an entrepreneur must possess leadership skills in order to ensure the success of an entrepreneurial business.

#### **Problem Statement**

Entrepreneurial businesses are very important in the growth of Saudi economy. However, about 50% of entrepreneurial businesses fail within 5 years of their operations (Bakar et al., 2017; Gerig, 2018). The failure of the businesses is due to external forces that are beyond the owner's control. However, 50-70% of failure occurred because of factors internal to the businesses, including poor business practices and lack of leadership skills (Zehr, 2016). Many business owners are not sufficiently prepared in creating new ventures. The main problem was that some entrepreneurs do not understand the leadership skills required in creating and sustaining business beyond five years.

A report by the World Bank indicated that the major problem facing developing countries might not be resources but the management of those resources. This is true for Arab countries and the 10th annual conference held by the Arab Organization for Development and Management pointing out the leaders that are currently in the private and the public sector require increased levels of administrative efficiency in order for the desired goals of the

companies they have to be achieved (Abdulkarim & Omran, 2017). In a leadership and change forum in Riyadh, Saudi Arabia, it was discovered that Saudi Arabia is suffering from a leadership crisis and that leaders are vital to change and applying leadership concepts as well as modern management concepts (Abdulkarim & Omran, 2017). Leadership in any organization is about the abilities, skills, knowledge and behaviors required for quality initiatives to be a success. Leadership skills are crucial in achieving the quality improvements in processes, operations and services (Alharbi & Yusoff, 2012). The commitment of the top management of any organization is important in bringing quality enhancement for any business. Similarly, the lack of problem solving and critical thinking skills of a leader, can lead to a business to suffer serious consequences.

Entrepreneurial businesses have experienced tremendous success over the years because of the boost the country gave people to start businesses in 2008 by simplifying processes and reducing the days required for registration (Almushaigeh, 2013). However, the success of these businesses has been limited by lack of proper leadership skills to steer the entrepreneurial business in the right direction. The study utilized the skills approach theory to understand the needed skills that a leader should have for the success of a business.

#### **Purpose of the Study**

Leadership skills can be defined as the ability and capacity that an individual acquire through deliberate, sustained and deliberate effort in order to be in a position to handle difficult job functions as well as complex activities involving people, things and ideas (Kattan et al., 2016). The main purpose of this quantitative study was to define the leadership skills that are required by entrepreneurs in Saudi Arabia in creating and sustaining business beyond five years. Failures of business occur because of external factors including economic conditions and

regulations, but many of them fail because of leadership inadequacies (Gerig, 2018). The success of a business can be measured in terms of number of employees, locations, financial performance, productivity, and business longevity (Galadanchi & Bakar, 2018; Napolitano et al., 2015). The study also aimed at determining the impact that those skills could have on the success of a business particularly in the Kingdom of Saudi Arabia. The purpose was achieved by examining the skills approach leadership theory, which helped to identify the skills required by a leader in order to successfully steer a business forward and ensure continuity.

#### Significance of the Study

The researcher hoped that this quantitative study would raise awareness regarding the significance of leadership skills to the success of entrepreneurial business. This would in turn encourage owners of entrepreneurial business to ensure that they have the right leadership in their business and also encourage those leaders to work toward continually attaining the right leadership skills. In addition, by studying theories related to importance of leadership skills in entrepreneurial businesses, the study provided knowledge for businesses in Saudi Arabia both currently running and those intending to start and grow.

Additionally, the study made contribution to the knowledge base particularly in the area of leadership and entrepreneurship and can thus help business owners to make important decisions about the skills they may need to acquire in order to effectively steer the businesses in the right direction.

#### **Research Questions**

Using 125 entrepreneurs, a survey answered the following research questions:

 Research Question 1: What do Saudi entrepreneurs state are the top five leadership skills needed to lead a successful business in Saudi Arabia?

- Research Question 2: What do Saudi entrepreneurs state are the main environmental factors affecting entrepreneurial businesses in Saudi Arabia?
- Research Question 3: Are the leadership skills of the entrepreneurs related to their demographics factors (gender, age, educational level, marital status)?
- Research Question 4: Are the leadership skills of the entrepreneurs related to their previous job and professional experience?

#### **Theoretical Framework**

The theoretical framework of this quantitative study was based on the skills approach leadership theory, as well as adopting the SPELIT power matrix framework as an entrepreneurship environmental scan. A comprehensive literature review related to this study highlighted some insights of leadership, leadership skills, and entrepreneurship, which suggested the specific leadership skills necessary to influence business success among entrepreneurs in Saudi Arabia. The findings on leadership skills of this study should motivate entrepreneurs and business leaders to support their adoption, as well as make it a more attractive business environment. Examining the SPELIT framework means equipping Saudi decision makers with the needed information and knowledge about the entrepreneurship environment to ensure business success for entrepreneurs in Saudi Arabia.

According to Schmieder-Ramirez and Mallette (2007), a business may be affected by social, political, economic, legal, intercultural, and technological environmental factors. The negative factors may prevent a business from growing beyond five years. However, leadership also plays a very important role in the success of a business. For a business to success, the entrepreneur must possess certain leadership traits and skills.

The skills approach leadership theory is anchored on the belief that particular skills, abilities and knowledge that can be developed or learned are fundamental to effective leadership

(Northouse, 2015). The theory evaluates a leader's success based on what they are able to accomplish (Katz, 1955). The theory focuses on what a leader can do rather than who they are and thus this approach provides a broader perspective on leadership and ensures that leadership is available for everyone instead of just a few individuals if they desire and ready to learn and develop the necessary skills (Harrison, 2017). According to Katz (1955), three personal skills are important for a leader to be effective including technical, human, and conceptual. Different leaders will utilize these skills differently in order to achieve their goals.

According to Northouse (2015), the technical skills relate to the leader's proficiency in and knowledge of certain activity or work. It comprises analytical ability, competencies in specific areas as well as the ability to use the right techniques and tools (Katz, 1955). For instance, in a software firm, a technical skill might include knowledge of a particular programming language. In other words, technical skills are skills to handle hands on activities using a particular process or tool within a firm. Technical skills play an important role in the production of real products by a company. It is important at lower and middle levels of management and insignificant at upper levels (Northouse, 2015).

Human skills on the other hand, involve the ability and knowledge about working with people. It is different from technical skills on the basis that technical skills deal with things, either processes or physical objects (Katz, 1955). Human skills are sometimes called people skills and they help a leader in working effectively with their peers, superiors and followers in order to accomplish the company's goals. The human skills go a long way in assisting employees in an organization to work together as a group in order to achieve same goals. A leader who has human skills is usually able to influence others and can create an environment of trust where their employees feel secure, comfortable and encouraged to participate in planning for things that

affect them (Northouse, 2015). A leader with human skills is also sensitive to the motivations and needs of other people and takes other's need into account while making decisions. Northouse (2015) asserted that human skills are essential at every level of management.

Finally, conceptual skills are important in creating a strategic plan and a vision for a firm (Northouse, 2015). Conceptual skills relate to mental work of giving meaning to the organization and policy issues. In other words, it plays an important role in understanding what an organization stands for and the direction it is going. According to Katz (1955), it demands the ability to see the organization as a whole, and the success of the organization relies on the conceptual skills of decision makers and those who put it into action. Conceptual skill is important at top and middle levels and less significant at the lower levels of management (Northouse, 2015).

Esmer and Faruk (2017) argue that the success of any entrepreneurial business is dependent on the effectiveness of the leadership skills of its management. Entrepreneurial leadership is considered to be one of these leadership skills. According to Esmer and Faruk (2017), Entrepreneurial leadership is a novel and modern leadership that combines entrepreneurial spirit and leadership qualities. Entrepreneurial leadership is considered as a guidance that is made up of actions toward establishment of the business at an individual level, action towards innovating at organizational level and actions aimed at benefiting from opportunities at the market level (Leitch & Volery, 2017). It is a type of leadership that emanates from blending entrepreneurial spirit and leadership potency. Adding fine details of entrepreneurship to leadership gives a rise to entrepreneurial leadership and can lead to changing the global course.

Entrepreneurial leadership affects and directs the performance of the employees towards achieving the objectives of a business and exploiting any entrepreneurial opportunities (Renko et al., 2015). While the main discipline of an entrepreneur is to create new initiatives, the role of entrepreneurial leaders is looking for any opportunity outside the new venture. Beside entrepreneurial qualities, entrepreneurial leaders also possess leadership qualities.

Entrepreneurial leaders play the role of employer, informer, and speculator.

Entrepreneurial leadership is considered to be an important factor in influencing the performance of any business (Renko et al., 2015) and thus, it is important for leaders of business in Saudi Arabia to have and use the qualities of this leadership in order to ensure continuity of the business, gain a competitive edge and develop themselves. In other words, business owners must adopt entrepreneurial leaderships in order to ensure business continuity and success. Renko et al. (2015) discussed some of the characteristics that an entrepreneurial leader should possess includes risk taking, influence, patience, vision, motivating others, creativity, opportunity focus, flexibility, confidence, planning, high tolerance for ambiguity, and proactiveness. Other characteristics include problem solving, being persistent, adapting to change, innovation, team play, positivity and ability to listen (Pauceanu et al., 2021).

A research by Bagheri (2017) explored the impact of innovative behavior of an entrepreneur on the ability of employees to recognize opportunities in SMEs. The study indicated that if the entrepreneurial leader possesses innovative skills, the employees in the business are more likely to identify new opportunities. A study by Esmer and Faruk (2017) concluded that entrepreneurial leadership is an important factor that is critical for businesses and leads to success and reaching of business' objective. They argued that entrepreneurial leadership characteristics of individuals in business leading position affect the continuity, performance,

productivity and effectiveness of the business. A leader of a business should possess entrepreneurial leadership characteristics in a bid to gain competitiveness in the market, develop and grow the business and gain the ability to survive in a competitive market (Esmer & Faruk, 2017). Some of the entrepreneurial leader characteristics like the ability to influence others, courage and originality, vision, risk taking, seizing opportunities, pursuing innovations, being productive, innovative and strategic helps these leaders in revealing the impossible through innovations and identify opportunities that cannot be seen by others (Esmer & Faruk, 2017).

Entrepreneurial leaders play an important role in development of the economy, creation of new jobs in the existing businesses and ensure the sustained survival of the enterprises (Ordu, 2020). In other words, these leaders complement each and can build the right team that would help them in achieving the objective of the business. An entrepreneurial leader understands self as well as the environment with finding opportunities that create values for stakeholders, businesses and society (Esmer & Faruk, 2017). The motivation of leaders is their desire to create environmental, social and economic opportunities and they cannot be discouraged by uncertainties or lack of resources (Esmer & Faruk, 2017). Instead, such problems motivate these leaders to look for solutions of overcoming these problems. Esmer and Faruk (2017) discussed that entrepreneurial leaders do not give into skepticism and they may not remain under the pressure of the problem they are facing. The leader directs employees to overcome problems that may seem impossible to solve by making analyses and finding solutions through productive thinking skills.

#### **Definition of Terms**

• *Business Success*: As used in this study, a business venture that survives for more than 5 years from inception is considered a business success (Galadanchi & Bakar, 2018).

- Entrepreneur: "A successful individual who had started a business, building it where no previous business had been functioning, and continuing for a period of at least 5 years" (Hornaday & Bunker, 1970, p. 50).
- Entrepreneurship: This is a process of vision and innovation which requires passion toward the creation and implementation of innovative ideas with the willingness to take risks, the ability to build an effective team, the creative skills to lead and finally, with four dimensional elements: individual, organization, environmental factors, and process (Kuratko & Hodgetts, 2004).
- Leadership: "Leadership may be considered as the process (act) of influencing the activities of an organized group in its efforts toward goal setting and goal achievement" (Stogdill, 1950, p. 4).
- Leadership Skills: "The ability to use one's knowledge and competencies to accomplish a set of goals or objectives" (Northouse, 2015, p. 44).

#### **Organization of the Study**

Chapter 1 examines the introduction, research problem statement, purpose, research questions, and definition of terms. Also, the chapter includes the theoretical framework for this study, as well as the significance of the study, which included reasons for undertaking the study.

Chapter 2 is primarily a literature review on leadership, entrepreneurship, leadership skills, as well as the relationship of these skills to business success in the Saudi business environment. This chapter also involves a detailed clarification of the theoretical framework proposed in Chapter 1. Also, the chapter examines the entrepreneurship environment in Saudi Arabia through the SPELIT framework.

Chapter 3 discusses the methodology used in the research with the goal of identifying the specific leadership skills needed for entrepreneurs to lead a successful business in Saudi Arabia.

This chapter also identifies the methodology of data collection that was used, including the research design and tools for data analysis. The data collection procedures are also identified in this section as well as the steps to ensure validity and reliability.

Chapter 4 presents a detailed data analysis of the results based on the method of data collection identified for the study. Results from the respondents are quantitatively presented along with a discussion on every data set of the research survey.

Chapter 5 involves the discussion of results for each research question as well as the summary of the entire study, including the conclusions which were drawn based on the analysis of the data collected. Recommendations for future research on the same area of study are also identified. Policy and practitioner recommendations for future research are also discussed.

#### **Summary**

The purpose of the study was to determine the impact of leadership skills on business success among entrepreneurs in Saudi Arabia. The objective was to determine the extent to which leadership skills could influence the Saudi business environment, which could potentially result in business success for entrepreneurs in the country. There was also a need to ascertain the extent to which leadership skills would influence decision-making among entrepreneurs to businesses, in Saudi Arabia. Additionally, four research questions served as a study guide for this particular research and were clearly outlined. This study provided an opportunity to determine how enhancing the knowledge on leadership skills would boost the Saudi business environment. Therefore, Chapter 2 will present a literature review on leadership, entrepreneurship, and leadership skills, and their implications on the Saudi business environment as far as a business success among entrepreneurs is considered.

#### **Chapter 2: Literature Review**

In order to understand the purpose of this research, it is important to review the problem identified in this study. The literature related to leadership and entrepreneurship was reviewed on the various aspects of leadership skills and how pre-existing studies viewed the problem so as to determine the issues that are relevant to the problem. The main reason in addressing this research is to review the various leadership skills and how they impact entrepreneurs in Saudi Arabia. In addition, the literature has been completed to establish the foundations and history of leadership and examine leadership skills, as well as review leadership's impact on business performance. The following literature review contains seven sections: (a) Entrepreneurship, (b) Overview of Entrepreneurship in Saudi Arabia, (c) Leadership: Historical definitions and foundations, (d) Leadership skills, (e) Leadership theory and leadership styles in organizations, (f) Leadership's impact on business performance and leading a business, and (g) A review of Saudi Arabian entrepreneurship environment through SPELIT power matrix framework.

#### Entrepreneurship

Richard Cantillon, a French writer in 1755, was the first to coin entrepreneurship and the concepts and theories that relate to the practices of such ventures. Brown and Thornton (2013) mention that Cantillon definition of entrepreneurship is self-employment of any sort.

Entrepreneurs are willing to take risks within a given economy where they can eventually earn revenue. According to Venkataraman (2019), entrepreneurship is defined as "the discovery and exploitation of profitable opportunities for private wealth and as a consequence for social wealth as well" (p. 132). Davidsson et al. (2006) have concluded entrepreneurship is "creation of new economic activity" (p. 28). Moreover, Gartner (1988) suggests that entrepreneurs create new opportunities and are capable of creating new value to their specific ventures. They are willing to

take risks in order to seek new opportunities to grow a business. Finally, entrepreneurship according to Link et al. (2007) is a "perception of opportunity where individuals seek opportunities and where the individual acts on his or her perception to partake in a certain venture" (p. 3).

When addressing entrepreneurship, it can take a variety of forms. According to Gutterman (2018), it is important to recognize the different types of entrepreneurship phases. There are multiple phases of entrepreneurship that correlate into four stages: potential entrepreneurs, expected entrepreneurs, nascent entrepreneurs, and new business owners. Krueger and Brazeal (1994) describe that a potential entrepreneur sees the opportunities in their area and believe they have the abilities and resources to start their own business. These entrepreneurs are not afraid to take risks, and they do not fear failure in seeking those opportunities. Generally, potential entrepreneurs are trained in a specific field and have the educational background to feel confident in starting this new business venture. They understand that there is risk, but have researched all the aspects of pursuing entrepreneurship and thus are confident in the opportunities that are ahead for them.

In addition, Liñán et al. (2011) define expected entrepreneurs who have not established a business yet. However, expected entrepreneurs have declared an interest in establishing their own business within the next three years. An expected entrepreneur might be at the beginning of his or her career or attempting to understand the market and the need within his or her community before starting the business. Timing is everything, so the expected entrepreneurs wait for the right opportunity to establish a future business. Furthermore, Wagner (2006) suggests nascent entrepreneurship is an entrepreneur who has already established his or her own business. With the nascent entrepreneur, the phase looks at the first three months of the business.

The goal is to see possible opportunities and interests that are potentially beneficial to the entrepreneur and his or her business. Gutterman (2018) mentions in the last phase that the business owner looks at the individuals who have successfully "emerged from the nascent phase and have been in business more than three months but less than three and one-half years" (p. 16). The business owner is constantly attempting to seek opportunities to increase the vision and goals of his or her entrepreneurship, while sustaining the business.

#### Overview of Entrepreneurship in Saudi Arabia

The growth of technology and globalization has led businesses to expand to other territories. Major organizations have adapted global expansion as one of their growth strategies. In such cases, multinationals and entrepreneurs look for avenues that have favorable economic outlook. The Kingdom of Saudi Arabia (KSA) is considered to be one such avenue especially because it has experienced rapid economic growth recently due to its recent reforms and influx financial resources linked with trading of oil (Alfalih & Hadj, 2020). According to Bakar et al. (2017), Saudi Arabia, a member of G20, is the largest economy in Middle East and North Africa (MENA) region and its oil reserves is the largest in the world. Over 90% of the revenue in the country comes from oil and in the past 10 years the country has reaped great benefits from the rise in the oil prices. However, from 2014, the fiscal surpluses and economic revenues have declined because of the reduction in the oil prices; these are considered to be the top challenges with respect to the economy of the country (Almakhalbah, 2019).

To respond to the reduction in the oil prices, the government has established a number of initiatives aimed at diversifying its economy by reinforcing the non-petroleum sectors. The government launched the Vision 2030 in 2016 with the aim of moving from state-led growth and

centralized planning to open-market policies so that private sector and entrepreneurship can take the frontal role in the growth of the economy through competitiveness and creating jobs. Today, entrepreneurship is at the forefront of the country strategic economic planning as the country is moving towards a diversified post oil economy and a more knowledge based society (Alessa & Alajmi, 2017). The country step of introducing General Authority for Small and Medium Enterprises (Monsha'at) is an indication that the country will introduce favorable policies relating to establishing and running a business in the country and the government has introduced public programs aimed at supporting startups and making capital accessible for entrepreneurs. Additional, numerous stakeholders like corporations and universities have ventured into the entrepreneurship ecosystem and also establishing programs customized for startups in order to serve entrepreneurship better. The entrepreneurship ecosystem in Saudi Arabia is relatively new with most of the support institutions only established from 2011. The country support entrepreneurship and it is particularly encouraging the young people to start free businesses by offering economic awards like the king Salman Award for Entrepreneurship, the fastest 100 Growing Companies Award, the Most Competitive Youth Award (Alwakid et al., 2020). The awards are aimed at motivating young people to start creative and innovative entrepreneurial enterprises.

According to Yusuf and Albanawi (2016) entrepreneurship in Saudi Arabia is one of the key factors that lead to a rapid and balanced growth of the economy. Additionally, it hugely contributes to better utilization of resource, establishment of a self-sufficient and developed society and creation of job opportunities. According to Roomi et al. (2021), Saudi perceives opportunities rates and capability rate highly. Ninety and a half percent of individuals believe there are interesting opportunities around them to start a business. Also, a third of Saudis have

the intentions to start a business within the next 3 years. Entrepreneurship is perceived to have positive impact in the economy by many Saudis who believe that it leads to high job creation, and high innovation rate. Ninety percent of adults in Saudi praise entrepreneurship and believe that it is a perfect career choice. It is believed by adults that it has a high recognition and social status. It also receives positive media coverage and people believe that it is easy to start a business in the Kingdom.

In 2020, 90% of the adults' population of Saudis also believed that there were good business opportunities for establishing a business and around 86% have the capabilities of starting a business in Saudi Arabia compared to other countries in the MENA region (Roomi et al., 2021). Although the adult population that reported to have known an entrepreneur somewhere declined, still people who know of entrepreneurs are 57% in 2020. However, around 49% of individuals who see opportunities stated that they would be discouraged from starting a business because of fearing to fail. This is buttressed by Bakar et al. (2017), who conclude that fear of failure, income, perception of high status, and knowledge of other entrepreneurs affects an individual's decision to start a business. Concerning phases of entrepreneurship, Roomi et al. (2021), found that about 33% of adult Saudi stated that they intended to start a business in future.

Around one in every six adults reported being entrepreneurs who is either running or starting a business. The number represented about 24% increase in entrepreneurial activity from 2019. The major motivations for starting a business in Saudi Arabia are related to income. Ninety percent of entrepreneurs pointed that the motivation to venturing in entrepreneurship is due to job scarcity as well as a need to earn a living (Roomi et al., 2021).

Although 87% wanted to create great wealth, other motivations include 61% who wanted to

make a difference in the world and 53% wanted to continue the family tradition. Finally, one in

20 adults reported that they are established business owners. The percentage is similar to the 2019 results representing about 65% increase compared to what was reported in 2018. Fifty seven percent of the respondents in the Global Entrepreneurship Monitor report indicated that they knew an entrepreneur who stopped owning and managing a business due to coronavirus pandemic. However, 42 % had also met a person who had established a business as a result of coronavirus pandemic.

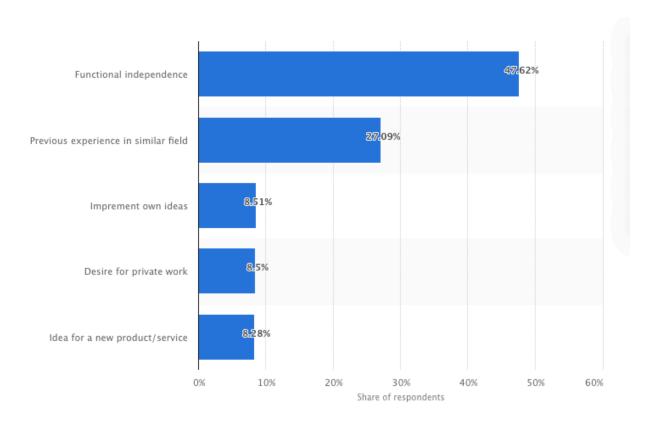
Because the Kingdom of Saudi Arabia is continuing to grow as a nation, entrepreneurship plays an integral role in the Kingdom's developmental prospects. According to Alamoudi and Bagaaifar (2017) Saudi Arabia is targeting potentially young entrepreneurs to foster widespread economic growth. Moreover, Alessa and Alajmi (2017) found that a larger percentage of young Saudis are pursuing SME entrepreneurship. To help seek new entrepreneur candidates, the General Authority for Small and Medium Enterprises was established in 2016 to develop, organize, support, and sponsor the SME sector in accordance with best global practices. Also, to encourage young entrepreneurs to establish small businesses by initiating individual access to direct funding for their business venture.

As shown in Figure 1, in a study conducted by the Statista (2019), they asked 5000 young entrepreneurs in Saudi Arabia the reasons for founding their own business. Out of those entrepreneurs 48% reported that the reason for becoming an entrepreneur was to have personal freedom and independence. The second reason young entrepreneurs desired to have their own entrepreneurship was previous work experience in that field. 27% of young entrepreneurs took their previous experience and applied it to their own business. Thus, at the forefront was the desire to grow in that particular field while still having the freedom to be their own boss. In addition, as young graduates enter into their professions, they are finding more pleasure in

seeking their own entrepreneurial venture. Abdulghaffar and Akkad (2021) declare that now, in the Kingdom entrepreneurship is considered to be one of the key elements of the country's rise in economy.

Figure 1

Reasons for Saudi Entrepreneurs to Start Businesses



Saudi Arabia is continuing to encourage individuals to become entrepreneurs. In a recent study conducted by Statista (2018), they surveyed 500 hundred participants from the ages of 16-64 years. In the survey, Statista (2018) asked participants how likely they would start a new business in Saudi Arabia in the next two years. The results were as follows: 63% of those surveyed stated that there was a good chance they would start a business in the next two years. However, only 20% stated the unlikelihood that they would start a new business.

#### Saudi Arabia: Vision 2030

Saudi Arabia launched Vision 2030 in 2016. Though Saudi is rich in oil and has benefited greatly, the country has sought to minimize its dependency on oil. One initial reason to diversify the economy and develop Saudi's public sectors was because of the collapse of the worldwide oil prices in 2014. During this specific time, Saudi Arabia experienced great economic hardships because of their prime revenue in the nation. According to Nurunnabi (2017), the oil revenues were responsible for 90% of budget revenues. Because Saudi Arabia wanted to avoid economic stagnation, the country thought it best to introduce its new vision of a knowledge based society, where the economy could flourish.

In addition, the Vision 2030 aimed at developing investment tools for unlocking the promising sectors, creating job opportunities, and diversifying the economy. All these efforts will improve services' quality and grow the economy by privatizing government services and enhancing the business environment (Council of Economic and Development Affairs [CEDA], 2016). As a result, Saudi Arabia can attract high-quality investments worldwide by leveraging its strategic location.

The department responsible for monitoring and creating the launch of Vision 2030 is CEDA. According to Grand and Wolff (2020) the Council

Periodically refines the overarching strategy, to a Strategic Management Office within that council that translates the Vision 2030 strategy into concrete government programs, to a National Center for Performance Management that monitors progress in implementing those programs by tracking how the programs are reaching their KPIs. (p. 17).

CEDA (2016) reported that the vision is based on three themes: A vibrant society, a thriving economy, and an ambitious nation. The first theme looks at the vibrant society. This theme is important in ensuring the Vision 2030 is achieved and has a strong foundation for economic growth. The goal of this theme is to improve the quality of life for Saudi citizens by empowering the society. One way to encourage this is by educating Saudis to take more preventative steps with their health. Some ways citizens may improve their way of life is to increase the ratio of individuals exercising at least once a week from 13% of population to 40%; increase the average life expectancy from 74 years to 80 years; and raise Saudi Arabia's position from 26 to 10 in the Social Capital index.

The second theme is a thriving economy. It is crucial for attaining the vision. A thriving economy offers opportunities by creating a system of education aligning with the market needs. In addition, the economy creates entrepreneurs' economic opportunities (CEDA, 2016). The thriving economy's goals include lowering the unemployment rate from 11.6% to 7%, with an increase in SMEs' contribution to the GDP from 20% to 35%, and increasing participation of women in workplaces from 22% to 30% (CEDA, 2016). One of the goals is to move from the current position as the 19th largest economy in the world into the top 15.

The third theme is to be an ambitious nation. Saudi Arabia is attempting to be more transparent and have a zero tolerance policy for corruption. Another goal under this theme is to increase the non-oil government revenue from \$ 44 billion to \$ 266 billion (CEDA, 2016). Being an ambitious nation, Saudi Arabia will raise its ranking in the E-Government Survey Index from 36 to the top 5. The goal is to expand online services to citizens in areas such as healthcare and education.

### Importance of Education to the Institution of KSA

Education in Saudi Arabia plays a crucial role in shaping and training entrepreneurial leaders. Modernizing the educational system will help Saudi Arabia in competing more globally. It will also help future entrepreneurs by enhancing their knowledge and future skills needed to be successful and help shape their knowledge of the global market. Institutions within Saudi Arabia contribute by developing and enacting policies that will only encourage Saudis to compete globally. According to Grand and Wolff (2020), education is compulsory, but increasing the standards in education is important for Saudi Arabia in reaching its Vision 2030 goals and needs improvement especially in matching the skills that the market demands. With the Vision 2030, education will assist the modernization and will equip the youth for future jobs and develop a knowledge-anchored economy. Ultimately, education will help Saudi Arabia drive entrepreneurs in achieving their business goals.

## Importance of Regulations and the Judiciary to KSA

A well-balanced judiciary system is important for Saudi Arabia's economic growth. According to Basrawi (2018) laws and regulations are constantly updated to ensure the protection and growth of entrepreneurial businesses in Saudi. These laws and regulations must exhibit fairness and be transparent so that businesses have an opportunity to thrive. In addition, Saudi Arabia's desire is to improve SMEs environment, encourage local and global investments, and to speed up the pace of the market. Because of Saudi Arabia's growth, new and upcoming regulations must be enacted. Moreover, the government is constantly making judicial reforms to protect entrepreneurs who do business in Saudi Arabia. According to Grand and Wolff (2020), the government introduced specialized commercial courts and appeal chambers, and introduced the Saudi Center for Commercial Arbitration in 2016. With the establishment of these courts,

Saudi Arabia is attempting to centralize laws and regulations through a digitized format. In turn, this helps entrepreneurs understand and utilize the new laws and regulations so that they can do business with ease.

# Entrepreneurship in the Kingdom

In 2016, Saudi Arabia introduced the General Authority for Small and Medium Enterprises SME). The aim is to introduce favorable policies relating to establishing and running a small or medium business in the Kingdom. According to Yusuf and Albanawi (2016) entrepreneurship in Saudi Arabia is one of the key factors that lead to a rapid and balanced growth in the economy. Moreover, SMEs have greatly assisted in creating new jobs, supporting innovation and boosting the economy. According to CEDA (2016), the goal is to increase SMEs contributions to the GDP from 20% to 35%. With this Vision, Saudi Arabia has partnered with Silicon Valley's 500 Startups. This is a venture capital fund that has the expertise to launch an accelerated program for high-tech entrepreneurs. This venture capital has proven to assist entrepreneurs through investments, mentorship programs, and their global network access to global entrepreneurs. Thus, Saudi Arabia's willingness to invest time, money and support into SMEs will only foster growth for future entrepreneurs.

### Future of Energy Policy and Monetary Policy

Because of the increasing awareness of preserving energy, Saudi Arabia is also attempting to find new ways to generate business and not rely so heavily on oil production. Encouraging citizens to be more conscious of energy, especially finding new ways for entrepreneurs to conserve energy is important. Because the Saudi government has reduced the number of energy subsidies, the cost of oil and electricity has impacted entrepreneurs. According to CEDA (2016), due to the natural potential of solar and wind power, new projects are being

launched that will decrease the use of oil and increase renewable energy by 50% by 2030. The use of renewable energy will be more cost effective for the entrepreneur because less of the profit will go towards energy costs. In addition, as Saudi encourages entrepreneurs, more banks are finding ways to fund new businesses through small business loans. With the Vision 2030, the goal is to increase overall funding for small and medium businesses in Saudi from 5% up to 25% of the overall funding (CEDA, 2016). The goal is to encourage financial institutions to increase the amount of loans given each year. According to Grand and Wolff (2020), a program called the Kafalah assists SMEs with loan guarantees and encourages financial institutions to invest more in small businesses.

### Leadership

Throughout the 20th and into the 21st century, leadership has only become more challenging to define. Stogdill (1974) suggests, "there are almost as many different definitions of leadership as there are persons who have attempted to define the concept" (p. 7). To add, Bass et al. (2008) argue that the search for a single definition of leadership may be useless since the right definition of leadership relies on the interest of the researcher and the type of problem or situation desired to define a leadership role.

In defining leadership then one important step is to look at how much the idea and concepts of a leader has changed over time. Starting in the beginning of the 20th century from 1900-1929, Moore (1927) defines leadership as control and centralization of power with a common theme of domination. The purpose of leadership was to lead through the idea that individuals showed obedience, respect, loyalty and cooperation to the leader. In the 1930s, a leader was defined by his or her traits. The leader was to be seen as an influencer not someone who demanded or required domination over others. More interaction between the leader and

individuals within the organization took place, and the leader attempted to mirror the personality traits of the group. In the 1940s-1950, Hemphill (1948) clarifies that leaders were defined as individuals who directed a group. Moreover, Stogdill (1950) defined leadership as "the process of influencing the activities of an organized group in its efforts toward goal setting and goal achievement" (p. 3). The leader, at this point, was not just defined by one trait, but that he or she possessed the ability to influence a group that desire change or growth.

Moving forward, in the 1960s-1970s, Tannenbaum et al. (1961) suggest that leadership requires "interpersonal influence, exercised in situation, and directed, through the communication process, toward the attainment of a specified goal or goals" (p. 24). Again, leadership is seen to influence and it requires using one's power to guide other people to contribute their thoughts and actions.

Through the 1980s-1990s, Kotter (1988) explains leadership as "the process of moving a group or groups in some direction through mostly non-coercive means" (p. 16). When individuals share in the vision, there is more trust and commitment. Moreover, Bass (1990) found that leadership is not only about influence on others but a relationship influenced through anyone involved. The interaction between the leader and others is extremely important and the group often creates, structures and even restructures its plans and commitments. Thus, according to Bass (1990), leadership occurs when one group member changes the motivation and or competencies in others within the collaborative group.

Even into the 21st century, the definition of leadership has been seen as a challenge.

Emerging research comments even emphasize that despite the different approaches to leadership, the following components can be identified as central criteria for leadership:

- Leadership is a process
- Leadership involves influence
- Leadership occurs in groups
- Leadership involves common goals.

As stated above by Northouse (2015), leadership can be defined as "a process whereby an individual influences a group of individuals to achieve a common goal" (p. 6).

Some organizations do not see leadership and management as different. To compare leadership and management, they both have the ability to influence individuals within a given organization, and both are extremely concerned with accomplishing their desired goals. In the past, organizations understood leaders to be an intricate part of management because managers are viewed as a supervisory position in which they direct and somewhat lead employees. Leaders were generally in charge of a team of individuals and sought to motivate them to care about their position and the future within the organization. However, today leaders are notable because they inspire others and build relationships that foster shared values and commitment to their team. Where leadership encourages personal growth of committed individuals, management differs in that they generally hold an authority relationship such as superior and subordinates.

According to Bennis (1989), leaders inspire trust while managers rely on control. Finding opportunities to inspire those around takes commitment and also gains individual trust. There are moments where individuals lack understanding or drive to finish a set goal and generally management controls these situations with approval ratings such as a promotion or demotion if set performance has not met the standard. However, leadership shares in the responsibility by acknowledging when a situation is not working out as planned. Instead of placing blame, a leader will encourage the team and share in the project's new plan uplifting his or her team and using

"we" and "us" versus "I" and "me" in order to form lasting relationships with other individuals. Bennis (1989) asserted that leaders are also willing to take challenges that managers just accept the status quo. In addressing this, leaders take risks by being innovative and having a vision that they inspire others to see too; while managers administer and do not necessarily care about inspiring others to take part in a vision for the organization.

Kotter (1990) conducted a study regarding the differences between these two terms. He found that when it comes to execution, management is more about controlling and problem solving, but leadership is about motivating and inspiring. Through controlling and problem solving, management monitors the plans and its designed results and outcomes. The expectation is to identify the deviations and thus find ways to plan and organize solutions for potential problems. In contrast, a leader executes through motivating and inspiring even energizing individuals to overcome challenges that seem to hinder growth in the organization. By inspiring and encouraging individuals to see a possibility in challenges, Kotter (1990) believes that the leader fulfills a basic human need which is that of acceptance and positive reinforcement to overcome major political, bureaucratic, and resource barriers that may appear limiting.

Developing a human network for achieving the agenda is another difference Kotter (1990) references between management and leadership. Under management, organizing and staffing are accomplished through a structure and responsibility that is delegated. Management also carries out a plan by providing policies and procedures that guide people through a method in order to monitor individuals and their structured responsibilities. Leadership opposes this by developing a human network that aligns people through communication. There is direction by one's words and deeds for all individuals. In leadership there is also shared cooperation which

not only motivates but influences the team's creations, visions and strategies which are in turn mutually valued and accepted.

Finally Kotter (1990) suggests that the overall outcomes and progress management and leadership present are extremely opposed to one another. Under management, managers produce a degree of predictability and order. The rule is generally through looking at the numbers, charts, and graphs, and the potential outcome will be consistent and produce specific results, which are expected by various stakeholders. By looking at data, managers will be able to predict the needs of their community and plan or budget accordingly. To contrast this method, leadership desires to produce change that is often seen to a dramatic degree and can be seen as an extremely useful change. More importantly, leadership can inspire individual relationships that, instead of relying on the data or controlled number, relies on the cooperation with others and the innovative collaborative methods of the team to build change that will foster the desired growth.

Kouzes and Posner (1987) introduced the five practices of exemplary leadership in their book entitled *The Leadership Challenge*. These five practices when practiced will lead to more satisfied and productive employees and help leaders to accomplish things exceptional:

- Model the way
- Inspire a shared vision
- Challenge the process
- Enable others to act
- Encourage the heart.

## Model the Way

Leaders who inspire others generally model positive and uplifting behaviors. When leaders exhibit shared investment and personally show they are interested in their role others take

notice. According to Kouzes and Posner (2006), "Exemplary leaders know that if they want to gain commitment and achieve the highest standards, they must be models of the behavior they expect of others" (p. 14). An effective leader also must be clear on the guiding principles and what he values the most. To clarify a leader's guiding principles, he must be self-confident and speak authentically about the beliefs that will guide most decisions and actions. However, modeling does not always mean exemplifying a positive role model for others, but it also means to listen to those core beliefs and principles within a group, team, organization or community. As stated by Vito et al. (2014), "leaders must find their voice by clarifying their values because they influence how leaders respond to their followers. Expressing genuine values to followers empowers and motivates them to accomplish what needs to be done" (p. 811) Thus, Vito et al. (2014) suggest in listening to others' voices and what matters to them, the leader helps affirm the shared values of the group. Thus, a leader models for two reasons by discovering his voice and that of others and their shared values, and second by leading by example: the example of setting practical yet ethical standards for all people to follow and be committed to.

### Inspire a Shared Vision

As discussed by Martin et al. (2014), individuals generally believe in all the possibilities the future holds for an organization when they are inspired to have a dream or vision about what could be. A leader who asks for input and or encourages his team to collaborate or share in this vision builds confidence and is committed to fostering a collaborative environment. In addition, Martin et al. (2014) found that,

A vision provides orientation and meaning for leaders and their teams. It helps them to focus their energies and engage in the transformation of practice. However, it is very important for leaders to monitor closely the energy level of teams and the organization, in

order to maintain the balance between innovation/transformation and restoration/recovery (p. 1).

Kouzes and Posner (2006), asserted that to encourage people to share in a particular vision, the leader must know his "constituents and speak their language. He must have a dialogue, not a monologue and they must have intimate knowledge of people's dreams, hopes, aspirations, visions and values" (p. 15).

## Challenge the Process

As discussed by Skipper and Bell (2008), a leader who challenges the process is willing to search for opportunities by seeking creative and new ways to embrace change, grow and improve oneself and even the organization. Also, taking risks is extremely important because in doing so the leader is able to constantly learn from small wins, while accepting mistakes, but staying committed to improving and finding ways to create opportunities for larger successes. More importantly, a leader has to be open to new and innovative ways to improve his or her brand so that the organization continues to thrive. Thus, a leader who seeks innovative yet challenging ways to collaborate, builds relationships and trust, acknowledges wrongdoing and grows from mistakes will ensure harmony amongst individuals on his or her team.

#### Enable Others to Act

Skipper and Bell (2008) concluded that there are two commitments a leader must possess which are "fostering collaboration by promoting cooperative goals and building trust," and building up others through "sharing the power"(p. 79) and utilizing discretion. To add on, a good leader realizes their commitment is to his team because it is impossible to create and foster one's dream alone. Skipper and Bell (2008) clarify that leadership is all about teamwork. Skipper and Bell (2008) also claim a leader should always attempt to promote a positive and healthy working

environment where all individuals feel inspired to share and grow. Thus, leadership is a team effort, not just one individual performance, and a leader ensures that extraordinary things happen in organizations. Most importantly, exemplary leaders enable others to act. Part of leadership is engaging and bringing people together, while creating an atmosphere where people understand they have shared vision and goals, and that they should treat others, as they would like to be treated.

## Encourage the Heart

Relationship building takes time and commitment, but when a leader takes time to understand others within a given organization, he or she builds trust. According to Kouzes and Posner (1999), leaders who exhibit a certain standard for all individuals have a clear vision, expect greatness, listen, personalize relationships, complement, celebrate successes, and lead by example. In addition, Skipper and Bell (2008) argue that leaders, "Show appreciation for excellence by giving public recognition. Demonstrate concern by walking around to encourage and inspire" (p. 79). This builds trust and once trust is built individuals are more willing to take risks, embrace change, and are inspired to share in their dreams and aspirations. To clarify, the role of a leader is to create a culture that celebrates each other's talents and commitments to the team. They personally seek opportunities to notice others' contributions and even sacrifices.

More importantly, a leader who encourages from the heart also shares the responsibility that all individuals are held with dignity and respect. Thus, a leader should demonstrate he or she cares, believes in others, and is always willing to support the team even during challenging situations.

### **Leadership Skills**

There are many approaches to leadership; among these are behavioral, skills and traits.

Robert Katz introduced the skills approach to leadership in 1955. By definition, Northouse

(2015) suggests leadership skills are "the ability to use one's knowledge and competencies to accomplish a set of goals or objectives"(p. 44). Initially, individuals took a liking to the trait leadership approach. During the early 20th century, most organizations believed that certain individuals possessed the quality to lead effectively. According to Kirkpatick and Locke (1991) these traits include drive, motivation, integrity, confidence, cognitive ability, and task knowledge. To clarify, the trait approach believes the leader is born with these special traits, which make whoever possesses them great leaders. Though leaders should have these specific traits to be effective, researchers such as Stogdill (1948) challenged this approach in the mid-20th century because someone with these traits might be a leader in a situation may not be a leader in another situation like intelligence and insight might be needed in one situation, but determination and sociability might be good in another. Thus, it is unknown what specific traits a leader needs based on the goal of the organization.

Katz (1955) suggests the skills approach to leadership is the most valuable because skills can be learned through continuously practicing and developing one's strength. Leadership skills are important for businesses' success because it involves one's ability to evolve through practicing their leadership skills. More importantly when framed as a set of skills, leadership can be viewed as a process where individuals have the ability to practice to become more efficient overtime. Also, it involves a wide variety of components, which Northouse (2015) suggests as "problem-solving skills, social judgment skills, knowledge, individual attributes, career experiences, and environmental influences" (p. 58). To add on to Katz (1955), Elmuti et al. (2005) propose that leaders should invest the time in developing these skills because they will only benefit their future success. Thus, the leader who is willing to educate and improve his or her skills will only develop and become more successful in the future.

In taking a closer look at leadership, the skills approach helps individuals identify their strengths and weaknesses so that they can reevaluate and improve them for long-term success. For this reason in 1955, Robert Katz wrote an article in *Harvard Business Review* titled "Skills of an Effective Administrator" which discussed the three skill approaches to leadership: technical, human, and conceptual. The first skills approach Katz (1955) mentions is technical. Under technical skills, a leader should have basic knowledge, for example of products or software the organization uses to perform certain aspects of the job. It is important for a leader to delegate the technical aspect to his or her followers at the middle and lower level of management so that the daily operations of job performances are able to operate smoothly.

The next approach Katz (1955) mentions is human skills. These are known when a leader has people skills. Leaders do well when they adopt people skills because it generally helps them in collaborating with others so that they can assist different groups and their goals within the organization. Northouse (2015) asserted that "Being a leader with human skills means being sensitive to the needs and motivations of others and taking into account others' needs in one's decision making" (p. 45). By listening and understanding their needs, while at the same time, making crucial decisions that will impact the organization, a leader gains the respect of those he or she is working with on a project or goal. Thus, human skills are essential at every level of an organization.

The last approach Katz (1955) mentions is conceptual skills. Conceptual skills are the ability to work with the ideas and concepts and being able to see the organization as a whole. As opposed to technical skills, which deal with things, and human skills, which deal with people, conceptual skills deal with ideas. Fundamentally, Northouse (2015) discussed that conceptual skills are "central to creating a vision and strategic plan for an organization" (p. 45). When

leaders invest in the mental aspect of "shaping the meaning of organizational or policy issues" (p. 45) they understand what the organization stands for and the direction they want to lead it towards. Therefore, when leaders do not have strong conceptual skills, they often endanger the whole organization because they do not have a strong vision in place.

In two different research studies both Tim and Van Fleet (2004) and Mumford et al. (2007), included similar findings to the three skills approach. For example, an individual in lower and middle management focuses on technical and human skills. These individuals are required to know the ins and outs of the daily technical operations as well as having to constantly collaborate with different types of individuals on projects and goals for the organization. At the upper management level, leaders focus more on the human and conceptual skills. Because these leaders possess a vision for the organization, they are constantly collaborating with groups of individuals on the goals and directions they would like to explore.

# **Leadership Theory and Leadership Styles**

Leadership theory has identified different perspectives towards leadership styles. To go more in depth, leadership theory targets the main reason individuals choose to be leaders and the type of leadership style the organization desires to utilize to ensure positive growth. These theories include transformational, transactional and entrepreneurial leadership styles. Each style has a unique approach to leadership which when we discuss the impact the style has on organization performance will become extremely valuable.

Bass and Riggio (2006) discussed that transformational leadership is important in a variety of organizations in every setting and in every sector. Generally, when individuals think about transformational leaders, they usually think of leaders who empower their followers to grow and develop into leaders and align the goals of followers, the leaders, and the organization.

According to Bass and Riggio (2006) transformational leaders rise to the challenge and inspire followers to come together to be part of the change and achieve exceptional outcomes. Bass (1999) emphasizes that the transformational approach to leadership relies on followers' involvement to be a part of the change and focus on quality and service and the leader is utilized to encourage and motivate individuals in believing that this is a challenge worth one's commitment. The transformational leader seeks to recognize a common purpose and focuses on the shared values. This, in turn, assists the transformational leader build a collective vision and mission, which the leader uses to define goals of any particular project. For the transformational leader, having a shared vision allows the team to desire to see the direction the organization is heading and also explains the purpose of that organization. Another main goal of a transformational leader is to pinpoint areas of improvement within the organization. In this case Ling et al. (2008) said that the leader must be willing to inspire or energize followers in a collaborative way to improve those aspects that are struggling and negatively impacting the organization and go beyond self-interest for the greater good.

Bass (1990) concluded that a transformational leader most often exhibits these characteristics: charisma, inspirational motivation, intellectual stimulation and individualized consideration. According to Judge and Piccolo (2004) transformational leaders have a natural ability to create bonds with followers and understand their needs. They also know each team member's goals and desires and he or she uses this to bring teams together under one vision. Having an open dialogue and transparency are also unique qualities that transformational leaders possess. They are honest and have great interpersonal skills and establish extremely positive working environments. Bass (1990) emphasizes that transformational leaders are most often useful at the executive level of the organizations. Organizations that benefit the most from

transformational leaders suffer previously from a poor culture and need someone to come in to transform the organization's vision.

Another leadership style is transactional. Bass (1985) writes that a transactional leader ensures that expectations are met. They are more rigid in their approach and expect results. Transactional leaders inspire followers to fulfill their leaders' expectations. Transactional leaders do not look for the approval of others while making critical decisions about the success of the organization. In fact, they do not typically share their vision with other individuals and there is no shared vision or creative insight. According to Bass (1990), characteristics of transactional leaders include: contingent reward, management by exception, and laissez-faire. According to Hater and Bass (1988) transactional leaders base the level work competency on performance and ability to comply with the set standards and regulations. They also rate others on reviews to ensure and even determine his or her subordinates are working to their ability and job standards.

Thornberry (2006) defines entrepreneurial leaders as willing to take risks or rather experiment, learn and try new ways of doing things to encourage growth within the organization. Though entrepreneurial leaders do eventually create a plan, this plan might not foresee the outcome or have a specific vision. However, as the individuals piece together certain critical parts, the vision starts to unfold. Cunningham and Lischeron (1991) argues that, "Entrepreneurial leadership involves setting clear goals, creating opportunities, empowering people, preserving organizational intimacy, and developing a human resource system" (p. 53). The positive aspect of an entrepreneurial leadership is that they are willing to remain open to new ideas. They understand they need others in the organization to participate in creating new ideas for the organization so that collaboration is necessary for success. Entrepreneurial leaders also value

action and expect the results collaborated upon by the group. Once they receive the anticipated results, they attempt to navigate ways to improve or make the organization better. They look for trends, and research other ways to gain support and interest from stakeholders. Fernald et al. (2005) discussed the characteristics of entrepreneurial leaders, which include: vision, problem solving, decision-making, risk taking, and strategic initiatives. The most important quality entrepreneurial leaders possess is that they can lead from any position. They also take action and believe that everyone within the organization has worth and value in their specific plan. They are problem solvers and are quick to think of new ideas that generate the team to think of new and more creative ways to drive their business.

### **Leadership's Impact on Business Performance**

An individual's performance is directly related to the person who inspires or motivates them to accomplish a goal. Thus, leaders have a direct impact on an individual's performance. Engelen et al. (2015) indicate a correlation between followers' progress and leaders who inspire them to succeed. There are several ways a leader can inspire his or her followers to have a positive impact within their organization. As mentioned above these styles are transformational, transactional, and entrepreneurial leadership.

In looking at organizations with transformational leadership behaviors, Walumbwa et al. (2008) mention that generally the organization needs to express confidence, emphasize positive vision, and communicate high performance expectations in order to motivate followers to meet job performances. Transformational leaders are said to inspire, motivate, and uplift individuals to share in a vision. Some of the key characteristics a transformational leader possesses, Tucker and Russell (2004) suggest they should deliver new energy and vision to those they are attempting to foster growth. They seek to discover the group's core values and uses those to generate

innovation. Once the transformational leader has gained respect and commitment from the group, they share with them a new vision and plan a way to project goals to gain success within the organization. There is a lot of planning and working together, which makes this leadership effective. Individuals within an organization who are valued generally work more efficiently and their performance to reach deadlines is met at a faster rate than previously. In addition, individual and group performance is improved because the leader is guiding and providing insight every step of the way.

On the other hand, MacKenzie et al. (2001) declare that transactional leadership does not seek to discover the group's core values. Followers do their work with the expectation that they will be rewarded for their efforts rather than being consistent with their values. They do not feel the need to share in a vision and do not inspire others to take part in positively changing the structure of the organization. Followers generally are willing to perform to standards under a transactional leader because there is a reward for completing such assignments. Not all organizations thrive with the transactional leader. In fact, the military, politics, education, and legal industries generally need this unbending structure to keep policies and procedures in line to continue functionality. Performance is thus rated by one's ability to comply and follow the rules of the policies and procedures. In addition, followers are rated on how well they can perform job criteria and expectations. Transactional leaders generally are willing to give both positive and negative reviews in order for employees to improve their level of commitment to the organization. Jung (2001) notes that because of transactional leaders' desire to keep structure and unwillingness to change policy and procedures; this limits the organization's creativity since the objectives are already set.

According to Renko et al. (2015), entrepreneurial leadership tends to address the issue of leading through innovation and adaptation to changing environments and it is a leadership approach that can be used to turn around organizations. This style of leadership encourages all individuals to take part in the building and designing of the desired goals for the organization. Entrepreneurial leadership encourages others to take risks and inspires job performance with the ability to motivate groups to collaborate in teams. Each team thus works on a shared goal in which that goal becomes the focus in order to attain a desired output. Entrepreneurial leadership is attained by individuals too because they are driven by the desire to grow and expand their hopes and aspirations for the organization. They are also willing to reflect as a team on what objects are working; what needs improvement; and what definitely does not work well for the organization anymore.

Under entrepreneurial leadership, followers are encouraged to share their ideas, and the ability to perform is not individual but more team based. In addition, the entrepreneurial leadership knows that once a vision is created, that vision is flexible and could eventually change. According to Renko et al. (2015), entrepreneurial leadership attributes include: flexibility, patience, and risk taking. For this reason, entrepreneurial leaders seek to reveal new and creative ways to gain approval and inspire others to perform by embracing personal and professional growth (Cote, 2017). Yukl (2012) and Leitch and Volery (2017) argue that leaders should influence the attitudes of subordinates to agree and understand what they need to do and facilitating individual and collective efforts in order to achieve shared objectives.

# **Leading a Business**

Strong leadership is vital for the success of a business Collins and Porras (1996) determine in order to lead a business, a leader should have a vision as it provides direction.

When a leader shares his or her vision with others he turns that vision into a reality. Effective leaders who clearly and passionately communicate a vision inspire others to act upon their own passion and purpose in achieving that specific vision for the organization.

Agbor (2008) indicates a leader should lead through creativity and innovation. When leading a business, leaders encourage the method of creativity by fostering an environment that is conducive for creativity to prosper. They desire to protect the process of transforming new ideas by rejecting negative people and ideas from destroying the vision. A good leader pays attention to emotions and often attempts to find value in a person's ideas, while still keeping a focus on the main purpose of the vision. Agbor (2008) mentions, "organizational creativity also depends on how leaders encourage and manage diversity in the organization, as well as develop an effective leadership structure that sustains the innovation process" (p. 39). To conclude, the leader has to be a forward thinker: it is extremely important for them to continue to evaluate and reevaluate the desired outputs needed to be successful.

Engelbrecht et al. (2017) express that leaders who show others how to embody the values of the organization foster a set culture. Leaders who model honesty, integrity, trust and fairness will set the standard and build positive values in those they lead. Because individuals are social in nature, they thrive on interactions with others. Thus, through a leader's actions and social interactions he or she has the ability to teach core values, fosters and promotes a shared vision, changes the cultural norms, improves individual and group performances, and ensures individual and group accountability.

Engelbrecht et al. (2017) argue that trust of the employees on a leader can lead to improve work engagement. Work engagement leads employees to fully commit to their work through focusing their positive mind state and energy. On the other hand, having trust in a leader

means the willingness of the employees to accept to be vulnerable to the leaders by perceiving the intentions and expectations of the leader as positive. A social exchange kind of relationship is dependent on feelings of personal obligation, trust, and reciprocity norms. There is a higher likelihood of the followers of any ethical leaders to see themselves as being in social exchange relationships with their leaders especially because they trust their leaders as well as their work engagement. A research by Buckley (2011) indicated that employees with high trust on their leader also experience increased work engagement and productivity.

Wong et al. (2010) also found out that trust has a positive impact on work engagement. Increased trust entails free exchange of information, ideas and knowledge and that this trust may contribute to a work environment where employees take active role in their work. Active engagement of employees through motivational strategies leads to contribute positively to the bottom line of the business leading to success (Alharbi & Yusoff, 2012). Agbor (2008) asserted that leadership plays an important role in the process of innovation of any company. He argues that although the success of the company is driven by technology, strategy, and culture. Innovation and creativity of a leader plays an important role in the success of the organization. The leader of the organization should be the source as well as the catalyst of innovation and creativity (Agbor, 2008). In order for the organization to constantly achieve innovation, a leader should establish an environment conducive to building and renewing organizational culture that encourages innovation and creativity. Additionally, organizational creativity is dependent on how a leader manages and encourages diversity in the organization as well as come up with an effective leadership structure that leads to sustainable innovation process. In other words, a leader must be creative and innovative in order for an entrepreneurial business to thrive.

Chong and Wolf (2010) discussed that leaders must create opportunities for followers to see the potential growth or positive outcome while encouraging them to see their worth in taking part in their responsibility to the organization. Empowering individuals to reach their full potential is a challenge a leader must meet in order for the shared vision to become a reality. Though leaders are set to inspire others to achieve their targeted goal, they also have to plan ahead for potential negative outcomes and personal setbacks to occur. This is where having a growth mindset comes in handy. A leader will make errors and experience failure, but understanding, evaluating, and learning from one's mistakes will only encourage the leader to find new ways to gain success in the future.

Gill (2002) examines the principles of change management and how a leader must deal with its challenges. A leader should anticipate changes within the organization and be prepared for situations that might negatively impact their goals or visions for the future. In addition, a leader that expects the unexpected is already creating and inspiring others to form strategies that are geared to identifying problems and finding quick solutions so all may benefit. However, a leader who is not prepared for a crisis might experience major setbacks that could result in negative outcomes and can even jeopardize the future of the organization. Thus, a leader while dealing with change should always be transparent with his or her team. A leader must effectively communicate the change that is occurring, especially if that change is dealing with the reshaping or restructuring its vision. Gill (2002) concluded in the study that leadership is the first and foremost key to a successful change.

### **Entrepreneurship Environment Through the SPELIT Framework**

The SPELIT power matrix was used as an environmental framework for this study.

According to Schmieder-Ramirez and Mallette, (2007), the environmental framework is

beneficial because it helps researchers understand what they are attempting to analyze. According to Schmieder-Ramirez and Mallette, (2007), "SPELIT is a framework that emphasizes that it is necessary to know oneself from a social, political, economic, legal, intercultural, and technical view and the organization"(p. 4). Acknowledging these driving forces assists in reinforcing or extending the existing Saudi policies about entrepreneurship.

#### Social Environment

According to Schmieder-Ramirez and Mallette (2007), the social aspect is "the fundamentals of how people interact with one another and how the structures they create impact how they interact with one another" (p. 33). One of the positive driving forces in the Saudi social aspect is that citizens value interconnectedness. Saudis are extremely family orientated and due to their close bond, they have a natural ability to network for one another. There is a high value placed on the community and this nicely assists them in establishing entrepreneurial opportunities because they know how to collaborate well and are innovative.

Another positive driving force is the recent change in leadership. Saudi Arabia is a Kingdom and with the new King Salman Al Saud has transformed the nation into a more open society for citizens to share in a quality of life. One of the most recent and positive changes is the expansion of women's rights in Saudi. Women enjoy as do men the ability to own their own businesses and work equally alongside men now. This is a huge advancement for Saudi Arabia because it opens up more opportunities for the country to produce revenue by allowing women to have enterprises that could potentially entice more individuals to buy within the country. According to Alhajri (2020), the research shows that,

The women are inspired by the Saudi Vision 2030 and the social changes that took place a few years ago to benefit them, extending work opportunities, education, enabling women to do government paperwork themselves, and allowing women to drive and travel without male permission. (p. 1)

They are eager for change and their opportunity in Saudi and are driven to take part in the social aspect of Vision 2030 to the ability for women to seek entrepreneurship. A third positive driving force is the Social Development Bank (SDB). SDB provides assistance, education and loans to lower income individuals who have or desire to open up an entrepreneur enterprise. According to Matic et al. (2012), the research has declared that "65% of the population is below the age of 25, job creation and employment opportunities for young people are the top priorities for the country and the region" (p. 12). To clarify, SDB provides loans to those who have recently graduated and individuals, businesses and families in order to give lower income individuals the same opportunities to be successful. There are generally no stipulations on these loans, and most of the time loans provided to these entrepreneurs do not have to be paid back or do not hold interest.

The last positive driving force is the rapid spread of the spirit of entrepreneurship. The government has attempted to spread this new culture of entrepreneurs in the nation so as to give Saudis the opportunity to compete more globally. Because Saudis relied on public sector jobs in the past, the Vision 2030's social climate is to encourage more Saudis to understand the importance of entrepreneurship. By increasing the awareness in schools, such as having a specific major for Entrepreneurship and opening innovation centers in universities will only increase this knowledge and support the future for entrepreneurship.

#### Political Environment

According to Schmieder-Ramirez and Mallette (2007), "the political framework can be viewed as how an organization deals with competing interests, views, assumptions, and values" (p. 55). In the past, the Saudi Arabia Kingdom was more authoritative, however, King Salman Al

Saud is a more progressive leader, and he has adopted a transformational political system. To define this political system, transformational leadership, attempts to combat corruption. This has improved entrepreneurship in Saudi Arabia because it gives them a fair chance to compete with larger corporations.

One of the most common negative driving forces is government regulations and decisions that impact entrepreneurship in Saudi. Saudi Arabia is still attempting to expand and improve communication in leadership. Sometimes a new law or regulation is created by one department without full knowledge or awareness by the other, which could harm the entrepreneurship environment. According to Moshashai et al. (2020), in order to improve efficiency in the government's decision-making apparatus, CEDA, which was founded in 2015 was given the mission to create an ease of doing business committee. The ease of doing business committee's goal is to be a bridge between all the ministries and entrepreneurs. They hold meetings and help evaluate proposed regulations to support entrepreneurs and achieve its targeted goal in ease of doing business and achieving the global ranking and achieving the goal of its 2030 vision of increasing the contribution of SME from 20% to 35% of its GDP.

A final driving force that, in the past, impacted entrepreneurs was the high unemployment rate in women. However, now through the new laws and regulations that promote and enable women to seek entrepreneurship, it has only enhanced women's participation, and now they play a major role in the entrepreneurship environment. To conclude, Sadi and Al-Ghazali (2010) concluded in their study that the main motivation for women to establish entrepreneurship in Saudi is for women to be self-achievers who desire to promote their own business ventures and to have the freedom to develop their own profits in Saudi. Sadi and Al-

Ghazali (2010) also found that women enjoy the independence entrepreneurship allows where they can build self-confidence in that specific business they have established.

### Economic Environment

To start, Saudi Arabia's economy has one of the fastest growing economies in the Middle East. It has been estimated that 90% of Saudi Arabia's economy depends on the oil district. However, Saudi Arabia is attempting to move away from their oil dependency and have sought new opportunities to produce revenue. The Saudi government is encouraging the Saudi citizens to become entrepreneurs to achieve its Saudi Vision 2030 by raising the contribution from 20% of GDP to 35% by 2030, and to grow from being the 19th largest economy in the world by GDP to 15th by 2030. This goal has only been made possible due to the increase in capital on oil. Thus, Saudi Arabia has been able to invest heavily on its infrastructure due to the oil segment, and now with this new development, they can develop their economy in other non-oil industries and enterprises.

According to Ahmad (2012) he conducted a study of 177 MSMEs located in Saudi Arabia and discovered that access to capital was the main reason entrepreneurs had difficulty obtaining financial support for their business ventures. As a result in 2020, the government established a small and medium sized bank (SMES Bank). Entrepreneurs will have more freedom and easier access to capital. Though it is still seen as an investment, these SEMs allow small businesses to take out small business loans in order to start and maintain and achieve their goals.

Because Saudi Arabia desires to increase the amount of SMEs, they provide opportunities for them to compete with larger organizations. Even when the SMEs ask 10% more for the cost of a project, generally the government will invest with the SMEs over the larger enterprise. Thus,

most often, the SMEs have privilege when dealing with government procurements and are exempted from presenting a financial guarantee when applying for a governmental project. In contrast to SMEs boosting entrepreneurial opportunities, the Saudi government in 2018, introduced a new value added tax (VAT). This is a negative driving force for entrepreneurs and has slowed down consumer spending due to the 15% VAT. However, because of the Saudi government's commitment to help small and medium-sized enterprises, SMEs are exempt from paying VAT as long as their revenue does not exceed \$100,000.

### Legal Environment

Since 1982, Saudi Arabia has been a member of the World Intellectual Property
Organization (WIPO). Being a member of WIPO allows entrepreneurs to have Intellectual
Property (IP) rights and reserve their trademark. For example, if someone has copied their rights
in another country, they have access to their IP rights and thus can file a claim to dispute if
someone has infringed upon their brand. On a more national level, Saudi Arabia has also
established the Authority of Intellectual Property (AIP). AIP is responsible for protecting (IP)
rights within the country. This is important because as the economy and technology is advancing
in Saudi so are individuals who desire to have similar business ventures. The AIP's main goal is
to protect entrepreneurs, especially those in literature, arts and sciences who have already
established that brand and trademarked or patented them.

According to Kitching and Blackburn (1998), SMEs are considered highly valuable to the economy due to their innovative visions. Protecting SMEs intellectual rights, gives entrepreneurs the ability to seek out ways to further build their business. Thus, establishing formal legal rights and securing one's intellect property only helps these potential business venturers feel protected while doing business. Prior to 2108, individuals who were not citizens

and wanted to do business in Saudi Arabia were required to seek sponsorship from a Saudi Citizen. However, in 2019, The Premium Residency law, grants non-citizens the right to live and work in Saudi Arabia. The whole idea behind this new law is to attract foreign entrepreneurs and investors. The Premium Residency law is part of Saudi Arabia's 2030 vision to build a more diverse economy. As the economy, technology and even the legal system in Saudi Arabia is transforming, they are continuing to improve their ability to be transparent with entrepreneurs and provide them with equal opportunities. One way that Saudi has been able to improve transparency is through the Etimad platform, which is a unified procurement portal for government projects.

#### Intercultural Environment

According to Schmieder-Ramirez and Mallette (2007), "the ability to respond to cultural differences is key to being an effective global leader in this environment" (p. 9). For example, entrepreneurs must recognize each other's culture and appreciate diverse groups' attitudes, beliefs and norms. Saudi Arabia's ability to improve their legal system by allowing Premium Residency, positively attracts entrepreneurs to have good communication skills and knowledge of the diverse cultures they intend to do business with, especially if they are in the country to invest in opportunities afforded to them by the government. Additionally, Saudi Arabia's appreciation and the value it has placed on diversity has encouraged more entrepreneurs to embrace culture in the workforce. Encouraging an open relationship has only improved Saudi Arabia's ability to find ways to communicate more effectively, and seek out new methods to improve business. They have found success through diverse perspectives and discovering that through collaboration innovation occurs.

One of the most important and positive driving forces for Saudi Arabia is the Quality of Life initiative. The Quality of Life program was established in 2018 and is one of Saudi's visions for 2030. The vision of this is to improve the individual's lifestyle for Saudi citizens. Improving the quality of life entails the development of an ecosystem that supports citizens and residents ability to promote tourism within the country. Dasgupta and Weale (1992), define the quality of life as a societal safety, which is powered by strong social structures, widespread economic opportunities, and efficient law enforcement.

Furthermore, Saudi Arabia has created high levels of prosperity for their citizens. Such prosperity as the quality education systems, strong infrastructure, lifestyle options attract global talent, which contributes to economic growth. It also allows for individuals to experience more freedoms by encouraging both men and women to seek out business opportunities. Finally, by promoting this initiative individuals in Saudi have the ability to experience new cultures diverse from their own. They will also have the ability to participate in cultural, environmental, and sports activities that will only boost the economy.

Saudi Arabia is making great strides in building relationships internationally. In 2017, the Saudi Center of International Strategic Partnership (SCISP) focus is to arrange all the Kingdom's international and regional strategic partner countries. One of its goals is to connect Saudi Entrepreneurs with partnerships internationally to share knowledge and to be open in building an international relationship.

### Technological Environment

In order to assist SMEs and ensure they are prosperous, the General Authority for Small and Medium Enterprises was established in 2016. One of General Authority's programs is the virtual mentorship academy (VMA). Entrepreneurs, who might face dilemmas or situations

while growing and sustaining their business, can seek assistance and support from the VMA experts. Garrett-Harris (2006) claims that e-mentoring like VMA is set up for anyone who needs guidance and help while in SMEs. In addition, Single and Muller (2001) define e-mentoring as

A naturally occurring relationship or paired relationship within a program that is set up between a more senior/experienced individual (the mentor), and a lesser skilled individual (the mentee), primarily using electronic communication, and is intended to develop and grow the skills, knowledge and confidence of the lesser skilled individual to help him or her succeed. (p. 108)

With Saudi Arabia's desire to be the 15th largest economy in the world, advancements in technology and design became extremely important, especially for SMEs. The ministry of finance in Saudi Arabia established an online platform called Etimad. SMEs have access to this platform and are able to see projects of interests and those that may be available for procurement. The establishment of Etimad has been a positive driving force because it has limited the amount of procurements obtained by larger businesses and provides more equal opportunities for SMEs to compete by having access to this platform. In addition, this advancement in technology has limited corruption and only allows for transparency between those who want to seek new opportunities in Saudi.

Brdesee (2021) defined the Etimad platform as "an electronic government procurement system, which consolidates and facilitates competition procedures" (p. 5). The platform allows more transparency between government agencies and entrepreneurs so to help facilitate new business opportunities and help small businesses grow and expand.

In addition, according to National Center for Government Resources (2021), Etimad's main objectives are to increase the participation of small and medium enterprises and local content in economic growth; enhance spending efficiency for government organizations; streamline and facilitate processes for the government and entrepreneurs; and speed the process of financial procedures for entrepreneurs.

The Etimad platform has enabled entrepreneurs to attain their economic goals by enhancing digital transformation, ensuring procedural smoothness, and uplifting effectiveness and transparency. Digital transformation through Etimad has acted to ensure organizational efficiency too. Through the Etimad platform, investors and entrepreneurs can view projects online, which promote equal access for all businesses. The platform enables the government to expand entrepreneurial activities to the Saudi Arabia economy, which only assists small or medium size businesses to compete with other existing larger corporations.

Finally, the Etimad platform has enabled financial transactions and projects' implementation, ensuring high transparency and efficiency in efforts to realize Vision 2030.

Through the platform, entrepreneurs can file financial claims and receive their payments too. The Etimad platform has been instrumental in facilitating competition and the collection of revenue, indicating the level of digital transformation (National Center for Government Resources, 2021).

With the growing numbers of SMEs, the variety of new entrepreneurs has only encouraged technological advances. Some of these advancements have inspired Saudi to compete on a global level. Saudi Arabia has made great strides with their ability to shift from traditional business structures to more e-commerce. According to Al-Hudhaif and Alkubeyyer (2011), advancements in e-commerce have generated more SMEs because now businesses do not have to wait. In fact, now opening up a business takes less time and effort due to the

government's investment in e-commerce. The rate and efficiency of encouraging small businesses has only improved technology in other ways too. For example, more businesses are seeking opportunities to have online setups, where potential customers can preview what their business has to offer. Because the government has invested in technological advancements and e-commerce, the younger generation has more ways to invest in the country.

Prior to all the technological advancements, citizens had a difficult time investing or making same day payments. Now, a citizen can make an e-payment and it posts instantly to the bank. Finally, Saudi Arabia is making great strides in technology and was one of the first to offer 5G to each city within the country. This is a huge step forward for business, especially because Saudi Arabia is the largest country in the Middle East by area and needs to be able to give access to everyone within the country.

### **Summary**

Chapter 2 starts by giving a general definition of entrepreneurship which Yusuf and Albanawi (2016) define as the ability of a group or an individual to discover or create an opportunity and use it for the benefit of the society. Ultimately, this leads to success of the innovator as well as their organization. Entrepreneurship enables markets to be developed and boost growth in any economy. The three main phases of entrepreneurship were discussed in the chapter as: potential, expected, and nascent. First, the potential entrepreneur researches thoroughly and has the confidence before establishing a business; second, the expected entrepreneur waits for the right time to start a business and researches the market for an opportunity to start a business; third, nascent entrepreneur might be a newer business, but looks at their opportunity to expand after the first three months of establishing their business.

Entrepreneurship within the context of Saudi Arabia is also explored to show its growth and factors that affect entrepreneurship in the country. In 2016, Saudi Arabia introduced the General Authority for Small and Medium Enterprises. This is an indication that the government desires to introduce favorable policies relating to establishing and running a business in the country. Because Saudi Arabia introduced programs that support new business start-ups by making capital more assessable, young entrepreneur's now feel encouraged to start new businesses. In addition, with the support from the government, entrepreneurs contribute greatly to the economy.

In order to understand the purpose of this research, the literature related to leadership was reviewed. The concept of leadership was reviewed in the chapter because the definition of leadership has changed over time. According to Bass et al. (2008), the definition of leadership is useless because the definition depends on the interests of the entrepreneur and the type of problem or situation desired to define the leadership role. The research in this chapter shows the following components of leadership as a process, involves influence, occurs in groups, and involves common goals. Northouse (2015) uses the above components to help define leadership. Thus, Northouse (2015) defines leadership as "a process whereby an individual influences a group of individuals to achieve a common goal." Defining leadership is important because most entrepreneurs cannot distinguish between leadership and management. This chapter compared how leadership and management might be similar, but also how they are different. Kouzes and Posner (1987) introduced the five practices of exemplary leadership: model the way; inspire a shared vision; challenge the process; enable others to act; and encourage the heart. These five practices are essential for entrepreneurs because they will help them lead more satisfied and

productive employees, which will ultimately help entrepreneurs accomplish a more successful business.

Robert Katz's approach to leadership skills was reviewed to better understand the leadership skills necessary to be a successful entrepreneur. Northouse (2015) defined leadership skills as, "the ability to use one's knowledge and competencies to accomplish a set of goals or objectives." Katz challenges the trait approach to leadership because it suggests that a person is born with certain traits that make them a quality leader. Instead, Katz believed that leadership is based on developing one's strength and practicing the skills necessary to be a successful leader. The skills approach was used because it helps entrepreneurs identify their strengths and weaknesses so they can reevaluate and improve them for long term success of their business. The three-skill approach was reviewed in this chapter, which are technical, human, and conceptual.

To better understand the impact of leadership skills on entrepreneurs, entrepreneurial leadership style was covered. There are multiple types of leadership styles the entrepreneur might desire to utilize to ensure positive growth. Cunningham and Lischeron (1991) argue that, "Entrepreneurial leadership involves setting clear goals, creating opportunities, empowering people, preserving organizational intimacy, and developing a human resource system" (p. 53). Fernald et al. (2005) discussed the characteristics that entrepreneurial leaders should have in order for an entrepreneurial business to be successful, which include: vision, problem solving, decision-making, risk taking, and strategic initiatives. These entrepreneurs take action, are problem solvers, innovators, and think of creative ways to drive their business. With such characteristics, a leader is able to lead a business in the right direction and also leads to success in the business. Because the role of leadership is so vital to the success of any organization,

entrepreneurs should invest in ways to be effective leaders who promote a creative spirit so that individuals are willing to buy into the goals of their specific role within the business.

The impact of leadership on business performance was reviewed in Chapter 2 to understand how leadership influences business performance. An individual's performance is directly related to the person who inspires or motivates them to accomplish a goal. According to Renko et al. (2015), entrepreneurial leadership tends to address the issue of leading through innovation and adaptation to changing environments and it is a leadership approach that can be used to turn around organizations. Leaders have an impact through inspiration and innovation. Also, entrepreneurial leadership encourages others to take risks and motivates others to reach their potential. Renko et al. (2015) suggested that entrepreneurial leaders must be flexible, patient, and be willing to collaborate with others in order to grow.

To help us understand the environmental factors affecting entrepreneurial businesses in Saudi Arabia, the literature review utilized SPELIT power matrix framework. The review looked at the environments using the SPELIT framework. The environments reviewed include the social, political, economic, legal, intercultural and technological factors. To look at each closely, the social environment in Saudi greatly impacts business. Saudi Arabians are family oriented and place value on community. This is an advantage for entrepreneurs because communities generally help support and network for each other. Additionally, the country has recently elevated the rights of women and has been encouraging them to seek entrepreneurship. Another environment is the political environment. In 2015, Saudi Arabia's government changed. The new leader of the country, King Salman is more progressive and is attempting to combat corruption and provide equal opportunities for all Saudis, which ultimately has encouraged young entrepreneurs to seek new ventures. A third environment is economic. Ninety percent of Saudi

Arabia's economy depends on oil; however, the country is trying to move away from being depending on oil to diversifying the economy by seeking new opportunities to produce revenue. One way is to encourage its people to become entrepreneurs, Thus, Saudi Arabia has been able to invest heavily on its infrastructure due to the oil segment, and now with this new development, they can develop their economy in other non-oil industries and enterprises.

In looking at the legal environment in Saudi Arabia, one of the factors is the establishment of the Authority of Intellectual Property (AIP). AIP is responsible for protecting (IP) rights within the country. This is important because as the economy and technology is advancing in Saudi so are individuals who desire to have similar business ventures. The AIP's helps entrepreneurs by protecting their brand and establishing trademarks and patents. As legal system in Saudi Arabia is transforming, there are continuous improvements through the Premium Residency Law, which grants non-citizens the right to live and work, which creates a more competitive entrepreneurship environment.

Intercultural factors include the fact that the country is making great strides in engaging with other countries. For example, the Saudi Center of International Strategic Partnership (SCISP) was established in 2017 with the aim of arranging all the Kingdom's partner countries with the goal of connecting partnerships for sharing knowledge and building international relationship in order to share knowledge between Saudi entrepreneurs and entrepreneurs internationally.

Technological factors include the fact that Saudi Arabia is progressing in adopting e-commerce. Al-Hudhaif and Alkubeyyer (2011) argue that some sector in the Saudi Arabia are gradually embracing e-commerce technologies in running their business transactions due to internal and external factors like government support and infrastructure. However, since Saudi

Arabia desires to be among the 15 biggest economies in the world, growth in technology is important for small and medium enterprises. KSA has established Etimad an online platform where SMEs can access and see procurement projects. Thus, the environmental analysis helps answer the research question relating with the environmental factors that affect the success of business in Saudi Arabia.

Thus, the literature presents a variety of ways entrepreneurs should utilize the role of leadership within their organization. The discussion of the literature provides guidance on the impact of leadership skills for Saudi entrepreneurs' business success. Chapter 3 discusses the methodology for this dissertation study.

## **Chapter 3: Methodology**

The purpose of the study was to define the leadership skills required by entrepreneurs in Saudi Arabia to create a sustainable business that goes beyond five years. Moreover, the study looked at the impact of leadership skills on entrepreneurial business success in the Kingdom of Saudi Arabia. To answer the research questions in the study, data were collected from 125 entrepreneurs that were chosen using purposive sampling. The entrepreneurs had to be 23 years or older, and their business should have been in operation for at least five years or longer in the Kingdom of Saudi Arabia. The population of interest in this study was entrepreneurs from Tasamy in Saudi Arabia. Consequently, the focus and the terminology used in this study strictly refer to Saudi Arabia.

#### **Re-Statement of Research Questions**

The study focused on four major research questions:

- Research Question 1: What do Saudi entrepreneurs state are the top five leadership skills needed to lead a successful business in Saudi Arabia?
- Research Question 2: What do Saudi entrepreneurs state are the main environmental factors affecting entrepreneurial businesses in Saudi Arabia?
- Research Question 3: Are the leadership skills of the entrepreneurs related to their demographics factors (gender, age, educational level, marital status)?
- Research Question 4: Are the leadership skills of the entrepreneurs related to their previous job and professional experience?

The motivation to conduct this study was the high failure rate of businesses, particularly within the first five years. The high failure rate is due to challenges facing many entrepreneurial enterprises. Product development and manufacturing innovation, technology changes, intense competition, and market regulations make it challenging to manage businesses necessitating

change. Consequently, the discontinuation rate or exit and closure of businesses is high.

Alsolaim (2019) points out that due to the many challenges facing businesses, most of these businesses do not survive longer than three years in Saudi Arabia. The Saudi Chambers of Commerce (2015) pointed out that over than 50% of small and medium enterprises fail in the first five years of operation. Gerig (2018) bolsters this by pointing out that small businesses in the U.S. have a high failure rate. About 50% of small businesses fail within the first five years.

Thus, the study sought to identify the leadership skills required by entrepreneurs to ensure the business's success beyond five years. The study mainly looked at the leadership skills that act as human capital. Lack of practical leadership skills by entrepreneurs often has a negative effect on the sustainability and profitability of the business (Iqbal & Ahmad, 2021). Entrepreneurs must also have managerial skills for the business to grow, mainly because a business is considered more vulnerable within the first few years.

The research used a quantitative research approach. Quantitative research is the systematic inquiry of a phenomenon by collecting computable data and performing mathematical, computational, or statistical techniques (Queirós et al., 2017). The quantitative study gathers information from participants using sampling methods and sending out online polls, online surveys, and questionnaires, and the results are presented in numerical forms.

Ahmad et al. (2019) discussed that quantitative research relies on natural science methods, which give hard facts and numerical data. The research methods aim to create cause and effect relationships between the study variables using statistical, mathematical, and computational methods. The quantitative approach is also referred to as empirical research because it is accurately measured. The data that the researcher collects can be put into different ranks or

divided into different categories, or even measured using other units of measurement. A table of raw data and graphs can be created using quantitative research, making it easy to analyze results.

## **Research Design**

Research design is the researcher's overall plan to answer the research questions (Leavy, 2017). In other words, it is the plan for the research and provides the overall framework for data collection. Research design includes the plan for selecting the research sites, data collection methods, subjects, or participants to the research questions. A comprehensive research design aims to give results that can be considered credible. Research design is also a strategic framework for the action to be taken and acts as a bridge between the research questions and their execution or the strategy's implementation.

On the other hand, the research method is the strategy used in implementing the plan. A research method is the particular procedure utilized in collecting and analyzing data (Chu & Ke, 2017). Developing the research method to be used in a study is considered a part of the research design. The research method is defined as how research should conduct the inquiry. The methodology involves analyzing the assumptions, procedures, and principles in a specific inquiry approach (Walliman, 2010). The research method elucidates and defines the type of problems to be investigated, what a researchable problem is made up of, testable hypothesis, and how to frame the research problem in a way that can be researched using specific procedures and designs and how to develop and select suitable means of data collection. Some of the research methods include participant observation or observation, surveys, interviews, focus groups, experiments, secondary data analysis or archival study, and mixed methods. This study adopted an online survey to gather data on the leadership skills required by entrepreneurs to run the business successfully and sustainably.

An online survey also called an Internet survey is one of the most used data collection methods. In this method, survey questions were sent out to the targeted sample, and the respondents responded to the survey questions through the World Wide Web. For this study, the research participants received an e-mail from the researcher explaining the aim of the study and purpose. Within the email there was an invitation link to take part in the study. A copy of email communication to participants is attached in Appendix A. The reason for use of online survey is because of flexibility, accuracy, cost-efficient and convenient because they can reach out to many respondents (Schonlau & Couper, 2017). The researcher can send the survey questions from their computer to all the targeted respondents, who answer the question conveniently. Further, the researcher will reach the participants anytime, anywhere virtually (Evans & Mathur, 2018).

#### **Sources of Data**

The target population for the study was entrepreneurs from Tasamy whose entrepreneurial businesses operate in Saudi Arabia. The entrepreneurs had to be 23 years or older, and their business should have been in operation for at least five years or longer in the Kingdom of Saudi Arabia. A list of entrepreneurs who participated in the study was obtained from Tasamy in Saudi Arabia through their database of entrepreneurs. Tasamy is a non-profit organization that focuses mainly on supporting entrepreneurship through four main pillars: accelerators and incubators, training and education, innovation and impact investing. Tasamy was one of the top 5 best performing entrepreneurship accelerators in Saudi Arabia in 2021. The researcher contacted the site and obtained a site approval for the study. A copy of the site approval is attached in Appendix B. The total number of participants was 125 entrepreneurs who had to be 23 years or older, and their business should have been in operation for at least 5 years

or longer by the time the research study was conducted. The researcher drew a sample from the list of entrepreneurs through random selection procedures. This research employed a purposeful sampling method. The researcher selected Tasamy based on the judgment that the organization's members are the best choice when it comes to gathering data from entrepreneurs that would fulfill the objectives of this research study. Sharma (2017) argues purposive sampling, also called subjective, selective, or judgmental sampling, refers to sampling techniques that rely on the researcher's judgment when selecting the units (people, organizations or case, pieces of data, and events) to be studied. In purposive sampling, the researcher must focus on the participants who are proficient and well informed with the topic of study and have the information required, and are willing to share it (Etikan & Bala, 2017).

#### **Data Collection Strategies and Procedures**

Sukamolson (2007) discussed the types of quantitative data collection, which can be classified as experimental research, causal comparative research, correlational research and survey research. Some of the most common data collection strategies include Interviews, observation, focus groups, surveys, and document analysis. To answer the research questions raised in the study, the researcher utilized the survey research method for collecting primary data. Survey research is a quantitative data collection strategy used in diverse type of research. It is a set of research strategies where a researcher administer questionnaires to a sample of respondents of the whole target population with the aim of describing their attitudes, beliefs, opinions, characteristics or behaviors of that population (Creswell & Hirose, 2019). Survey research involves collecting quantitative data by use of interviews or questionnaires, and then statistically analyzing the data in order to describe trends about the responses that the respondents give to the questions and to test hypothesis. The data collection method that was

used in the survey is online surveys using preset survey questions that were sent out to the target members of the research sample. The survey questions that were formulated for the study explored the impact of leadership skills on the success of entrepreneurial businesses in Saudi Arabia. In drafting the survey questions, the following were considered:

- The method of data collection, which in this case was an online questionnaire. The questionnaire was the most appropriate method for collecting data for this study.
- Wording of the survey questions was also an important consideration. It is essential to
  avoid advanced, complex, vague, technical, and unfamiliar terms. Keeping the
  wording simple helped keep the respondents interested to the end.
- The online respondents' effort in answering the questions was considered mainly because online respondents may not be as patient.
- The questions should have a logical flow as any inconsistencies in this order may confuse the respondent, which in turn results in bias results.
- The online survey questions can either be closed-ended or open-ended; open-ended questions will require the respondents to respond to the questions in their own words, while close-ended questions will require multiple-choice answers (Weller et al., 2018). The researcher chose the question format depending on the answers expected.
- To ensure the accuracy of the collected information, the researcher worded the attitudes and opinion questions to reflect the respondents' thoughts on particular issues.
- For online surveys to be successful, the researcher must be able to automate to ensure efficiency in collecting and analyzing data. Conducting an online survey should make it easier to automate and make collection and analysis more efficient.

- The survey layout was also an important consideration. One of the major advantages of conducting online surveys is the availability of numerous designs to enhance the survey's visual layout. The survey layout is vital as it helps capture the respondent's attention and makes it easy for them to answer the questions.
- The survey questions had different sections that were well arranged in order to collect accurate and high-quality data. It is essential to structure the questions in a way that does not confuse the respondents.
- The type of survey questions determines the data analysis that the researcher will carry out after collecting data. Before conducting the survey, information analysis was considered to avoid challenges during data analysis.

Before taking the questionnaire, there was a professional introduction explaining the purpose, the survey's goal, and some information about the researcher. The informed consent notified the respondents that the information that they would provide will be kept confidential and will only be used for the purpose of this research.

To answer the *why* and *who*, the survey was conducted to find out the impact of leadership skills on the success of entrepreneurial businesses in Saudi Arabia. The focus was on entrepreneurial businesses that had existed for at least five years, mainly because most businesses fail within the first five years of their existence. The entrepreneurs of the selected business were the respondents of the survey questions. To answer the when question, the researcher administered the survey questions online from another country other than Saudi Arabia. To answer the *how* question, the questionnaires were web-based, and the research participants received a unified resource locator (URL) link from Qualtrics into their e-mails to take part in the study. The responses were received on the researcher Qualtrics account and then

analyzed in real time because the researcher can see the response as the respondents complete the surveys. However, the researcher also had the option of downloading and keeping a copy of the survey as well as the results. The survey was meant for helping in efficiently collecting accurate data and thus applying closed-ended questions. The data were collected up to 3 weeks to give all the respondents enough time to respond, and the participation was confidential and anonymous. To increase the response rate in the study, the research participants received a reminder email from the researcher explaining the aim of the study and purpose. Within the email there was an invitation link to take part in the study. A copy of the reminder email communication to participants is attached in Appendix C. The list of entrepreneurs who participated in the study was obtained from Tasamy using their database of entrepreneurs.

The survey used a simple language questions and was available in English. However, an Arabic version was also available for entrepreneurs that did not understand English or those who preferred. The Arabic version of the survey was translated from English into Arabic through a professional and certified translator in Saudi Arabia. The use of simple language in the questionnaire helped to ensure that every respondent understood the questions to avoid misunderstanding and confusion. The closed-ended questions used a Likert-type scale with five responses for each statement.

#### **Tools or Instruments Used**

## Online Surveys

Online surveys are structured questionnaires completed by the target sample over the Internet by filling a form. Online surveys are also referred Internet surveys, or web surveys are data collection methods that use surveys or questionnaires sent over the Internet to the sample participants (Evans & Mathur, 2005). The web surveys are sent to participants through media

like phone through WhatsApp, social media, e-mail, or embedded over a website. The participants then answer the questionnaire through the web browser, and the responses are stored on a web-based database (Roztocki, 2001). Nayak and Narayan (2019) discussed that new online survey tools contain three major components; questionnaire design, reporting, and distribution.

A questionnaire is a research instrument with questions or prompts aimed at collecting information from respondents. A questionnaire comprises open-ended and closed-ended questions. Open-ended questions offer the respondents a chance to elaborate their ideas and thoughts. A questionnaire offers a quick, cost effective, and efficient method of collecting a large amount of data from a massive sample of people. Questionnaires allow for rapid collection of information because the researcher is not supposed to be available when the respondents are filling the questionnaires.

According to Afolayan and Oniyinde (2019), there are two types of questionnaires, structured and unstructured. A mixture of the two is called quasi-structured or semi-structured. A structured questionnaire contains pre-coded questions with well-defined patterns that follow a sequence of questions (Joffe, 1992). On the other hand, unstructured questionnaires use ambiguous opinion-type and open-ended questions. The study employed structured questionnaires because it used closed-ended questions that enabled the respondents to choose one among the five choices given. Structured questionnaires were also used because the study utilized a quantitative method. The questionnaire was checked against the problem under investigation to ensure that the data collected is representative, valid and reliable. The questions that were created reflected on the impact of leadership skills on entrepreneurial businesses' success in Saudi Arabia. This helped to ensure content validity.

The first question's focus was on the top five leadership skills that contributed to successful businesses in Saudi Arabia. The question was: Consider how you lead yourself and others, how important the following skills are for an entrepreneur to lead a business in Saudi Arabia by reflecting on your leadership skills in your organization. The question helped to determine whether the respondents agree that the skills contributed to entrepreneurial businesses' success. The question included 25 statements and five possible Likert-scale answers where 1 was defined as Not at all important skill, and 5 was defined as extremely important skill.

The second set of statements was related to the second research question that sought to answer: What do Saudi entrepreneurs state are the main environmental factors affecting entrepreneurial businesses in Saudi Arabia. The question was: how do you agree the following factors affect the entrepreneurial environment in Saudi Arabia? There were 20 statements on different aspects and five-key Likert-scale answers for the statement that the respondent Chose from where 1 was defined as *strongly disagree* and 5 was defined as *strongly agree*.

The third question was related to the demographics factors of the entrepreneurs. In this question, there were four questions in the first part of the survey about the entrepreneurs' demographic factors (gender, age, educational level, marital status). The answers given for the four questions and the scoring from the first research question (the respondents' skills that helped their business be successful) answered this research question.

Finally, the fourth question answered the question relating to entrepreneurs previous job and professional experience. The question was: Are the leadership skills of the entrepreneurs related to their previous job and professional experience? There were two questions about the entrepreneurs' previous job and professional experience before starting their entrepreneurial business. The answers given for the two questions and the scoring from the first research

question (the respondents' skills that helped their business be successful) answered this research question. A copy of the survey is attached in Appendix D. For the purposes of clarity, Table 1 illustrates how the survey questions relate to each research question.

Table 1
Survey Questions vs. Research Questions

Survey Questions/Parts	Research Questions
Part 2 of the survey, which covers Q.7 through	What do Saudi entrepreneurs state are the top
Q.31, is intended to answer the first research	five leadership skills needed to lead a
question	successful business in Saudi Arabia?
Part 3 of the survey, which covers Q.32	What do Saudi entrepreneurs state are the main
through Q.51, is intended to answer the second	environmental factors affecting entrepreneurial
research question	businesses in Saudi Arabia?
Part 1 of the survey, which covers Q.1, 2,3 & 4	Are the leadership skills of the entrepreneurs
and the scoring from part 2 of the survey, are	related to their demographics factors (gender,
intended to answer the third research question	age, educational level, marital status)?
Part 1 of the survey, which covers Q.5 & 6 and	Are the leadership skills of the entrepreneurs
the scoring from part 2 of the survey, are	related to their previous job and professional
intended to answer the fourth research question	experience?

The evaluation of the questionnaire's face validity was done by conducting a pilot study or pretesting the questionnaires. The questionnaire was first sent to a small sample drawn from the research sample. Both Cronbachs' alphas were above .90. Besides evaluating the face validity, pretesting helped evaluate data entry preparation, administration process, and descriptive statistics. The face validity evaluation allowed for assessing the questionnaire for comprehension by respondents and clarity (Yusoff et al., 2021).

## **Human Subjects Considerations**

Any research needs to have ethical considerations, and ethics should be an essential part of any research. One ethical consideration in research is informed consent and voluntary participation, which means that the researcher should inform the participant before starting the

online survey about the procedure. The researcher should at no time force the participants into taking part in the study and should inform the Participants that they can withdraw from the survey at any time, and that the participation is voluntary. This includes any persuasion to try to gain the participants' trust. Informed consent means that the participants must give explicit consent for participating in the study (Roberts, 2010). In this case, consent is a form of agreement between the participants and the researcher and participants cannot proceed to the survey without signing the informed consent electronically. The participants' informed consent form is attached in Appendix E.

The researcher also complied with the beneficence principle, which means do not harm the subjects, and to maximize possible benefits and minimize possible harms (Pieper & Thomson, 2016). The researcher did his best to protect the participants from any harm and to do this, it is crucial to consider the risk-to-benefit ratio, and if the risks are more than the benefit, the study should be redesigned or abandoned. The researcher must respect the participants' anonymity and their confidentiality. Further, the privacy of an individual needs to be protected. This can be done by using only a personal computer, Electronic data are stored in a password-protected computer, no IP addresses are collected, and the researcher is the only one who can access the data.

The other ethical consideration in research is data analysis. According to Roberts (2010), the ethical issue in data analysis is "making sense of the data and interpreting them appropriately so as to not mislead readers" (p. 38). This can be achieved by using appropriate statistical techniques and interpret the results as they are.

Since there are human subjects involved in the study, the Institutional Review Board must approve the protocols to be employed in the research. In this study, the researcher obtained

the participants' consent and notified them that it is voluntarily to participate in the study. The researcher filed an application to Pepperdine University Graduate and Professional School IRB. The data collection procedure started after the application was approved and the researcher obtained the approval letter from the Institutional Review Board (IRB). A copy of the approval letter is attached in Appendix F. Further, any personal data provided by the participants were treated as private and confidential, and the participant's identity was kept confidential. A copy of the researcher human subjects training certificate of completion is attached in Appendix G.

## **Proposed Analysis**

Cohen et al. (2017) argue that in designing a questionnaire, a researcher should have data analysis in mind. Data analysis involves systematic application of statistical and logical techniques in describing, illustrating, condensing, recapping, and evaluating data. Different methods of analytic procedures are aimed at providing a way of making inferences from the data collected and making a distinction between the signals or the phenomenon that the researcher is interested in and the statistical fluctuation that may be available in the data. Albers (2017) argues that the main goal of data collection is revealing the underlying trends, patterns and relationships of the contextual situation of a study. It involves using statistical tests in order to draw conclusions for the research from the data collected. The research mainly relied on Likert scale scores that the respondents used to provide answers. The data were then coded to quantitative data and then analyzed. Chyung et al. (2017) argue that the Likert scale is a type of scale applied in a survey for measuring the participants' attitude and behaviors toward a particular subject. Likert-scale questions are often five point scale, single-choice, closed-ended. According to Li (2013) the benefits of Likert scale include: easily constructed and modified, reliable, require less time and effort and their numerical measurement results can be directly used for statistical

inference. It also gives more accurate information on an individual's attitude towards a particular topic. Wu and Leung (2017) argue that a Likert scale is an ordinal scale measure with categories labeled using numbers.

The Likert-scale use helps the researchers assess the varying levels of importance, agreement, or even quality (Claveria, 2018). The Likert-scale use helped obtain the measures of central tendency: the mean, mode, and median, and related variables like standard deviation and variance. Based on the responses received, regression analysis was done using Statistical Packages for Social Sciences (SPSS). The researcher conducted a regression analysis on the data collected to estimate the relationship between the different variables. The dependent variable in the study was the top leadership skills, and the independent variable was entrepreneurial business success. The researcher first used SPSS to get the measures of central tendency and then used it to conduct the regression analysis to show correlation between the two variables: leadership skills on entrepreneurial businesses' success.

The data collected from the survey were entered into SPSS, which when analyzed generated descriptive statistics, frequencies, and percentages.

For Research Question 1, the 25 leadership skills questions were summarized with means and standard deviations. These 25 mean scores were then sorted from high to low based on the size of the mean score.

For Research Question 2, the 20 environmental questions were summarized with means and standard deviations. These 20 mean scores were then sorted from high to low based on the size of the mean score.

For Research Question 3, the 25 leadership skills questions were correlated to the respondent's gender, age, educational level, and marital status using Spearman correlations.

For Research Question 4, previous job was dummy coded into the three largest categories such as unemployed (yes/no), worked for family business (yes/no) and employee in public sector (yes/no). These dummy codes along with their previous years of professional experience were compared with the 25 leadership skills questions using Spearman correlations.

## **Means to Ensure Study Validity**

A study's validity refers to whether the study is properly designed and whether it gives relevant results to generalize the study population. The study's reliability and validity was ensured through experimental manipulation where the independent variable in the study was manipulated instead of just observing the association without any intervention. The questionnaire's face validity was done by conducting pilot testing before the actual data collection. Both Cronbachs' alphas were above .90. Srinivasan and Lohith (2017) argue that pilot study is the imitation of the main research. Its main purpose is to discover flows in the measuring tool and to ensures that the questionnaire answers the research questions in order to meet the research objectives. The questionnaire's reliability is measured by considering the participants' answers. If their answers are consistent, the research instrument is regarded as reliable.

## **Plan for Reporting Findings**

Chapter 4 of the study will give the data analysis of the data collected. Data will be presented together with applied formulas. Chapter 5 will give a discussion of the analyzed data. It will mainly show the significance of the findings in Chapter 4 relating to the research questions. Chapters 4 and 5 explain the extent to which the results provide answers to the research questions.

#### **Summary**

Chapter 3 outlined the research methodology that was adopted in conducting the research. The motivation to conduct this study was the high failure rate of businesses, particularly within the first five years. The research took a quantitative research approach. The quantitative study gathered information from participants using sampling methods and sending out online surveys and the results were presented in numerical forms. The research methods aim to create cause and effect relationships between the study variables using statistical, mathematical, and computational methods.

This study utilized an online survey, which is one of the most effective ways to gather data because of its flexibility, accuracy and it is more convenient to users: it can reach so many responders. In this method, survey questions were sent out to the targeted sample, and the respondents answered the survey questions online. For this study, the participants received an online survey through their email.

The target population for the study was entrepreneurs whose entrepreneurial businesses operate in Saudi Arabia. The entrepreneurs had to be 23 years or older, and their business should have been in operation for at least 5 years or longer in the Kingdom of Saudi Arabia. The total number of participants was 125 entrepreneurs, and a sample was chosen using random selection procedures from the list of entrepreneurs, which was obtained from Tasamy in Saudi Arabia.

The study aimed to answer the following four research questions: (a) What do Saudi entrepreneurs state are the top five leadership skills needed to lead a successful business in Saudi Arabia? (b) What do Saudi entrepreneurs state are the main environmental factors affecting entrepreneurial businesses in Saudi Arabia? (c) Are the leadership skills of the entrepreneurs related to their demographics factors (gender, age, educational level, marital status)? and (d) Are

the leadership skills of the entrepreneurs related to their previous job and professional experience?

The purpose of the survey was to collect data to better understand the impact leadership skills have on the success of entrepreneurial businesses in Saudi Arabia. The online survey was carefully crafted and used simple terms and language so that participants will be interested in finishing the survey. The questions had a logical flow, and were geared to avoid confusion for all participants.

Before sending the survey out to participants, the researcher obtained an approval from the Institutional Review Board (IRB) to conduct the study. Participants received an e-mail from the researchers explaining the aim of the study and purpose. Within the e-mail there was an invitation link to take part in the survey. The researcher informed the participants that this is a voluntary participation. Before taking the survey, there was a professional introduction explaining the purpose, the survey's goal, the minimal risk involved in taking the survey, and some information about the researcher. Each participant had to agree to participate in the research before they take the survey by signing a consent form. Once the consent was signed, they proceeded to complete the survey questions.

The study employed structured questionnaires because it used closed-ended questions that enabled the respondents to choose one among the five choices given. Each question was linked back to one of the four research questions.

The first part of the survey addressed the third and fourth research questions, which relate to the demographic factors of the entrepreneurs and the entrepreneurs' previous job and professional experience. In this part, there were 6 combined questions that collected respondents' gender, age, educational level, marital status, previous job, and professional experience. To

analyze the first part, the 25 leadership skills questions were correlated to the respondent's gender, age, educational level, and marital status by using Spearman correlations. For questions related to previous job and professional experience, these questions were dummy coded and compared with the 25 leadership skills questions using the Spearman correlations.

The second part of the survey covered the first research question, which focused on the top five leadership skills that contributed to successful businesses in Saudi Arabia. The question was: Consider how you lead yourself and others. How important are the following skills for an entrepreneur to lead a business in Saudi Arabia by reflecting on your leadership skills in your organization? The question helped determine whether the respondents agree that the skill contributed to their entrepreneurial businesses' success. The question included 25 statements and five possible Likert-scale answers where 1 was defined as Not at all important skill, and 5 was defined as extremely important skill. Once the surveys were completed, the researcher reviewed the 25 statements and summarized with the means and standard deviations. These 25 mean scores were sorted from high to low based on the size of the mean score.

The third part of the survey covered the second research question, which sought to answer: What do Saudi entrepreneurs state are the main environmental factors affecting entrepreneurial businesses in Saudi Arabia. The question was: how do you agree the following factors affect the entrepreneurial environment in Saudi Arabia? There were 20 questions on different aspects of the entrepreneurship environment and five-key Likert-scale answers for each question that the respondent chose from: 1 was defined as *strongly disagree* and 5 was defined as *strongly agree*. Once the surveys were completed, the researcher reviewed the 20 environmental questions and summarized with the means and standard deviations. These 20 mean scores were sorted from high to low based on the size of the mean score.

Before sending the survey to participants, the survey was first sent to a small pilot group drawn from the research sample in order to see its face validity and to ensure it is reliable for all participants. In addition, the piloted group was needed to discover the flow in the measuring tool and to ensure that the survey answers the research questions in order to meet the research objective. The findings from the survey will be discussed in Chapters 4 and 5, and explains the extent to which the results provided answers to the research questions.

#### **Chapter 4: Results**

#### Introduction

The main purpose of this quantitative study was to define the leadership skills that were required by entrepreneurs in Saudi Arabia in creating and sustaining business beyond five years. Surveys were gathered from 125 entrepreneurs.

Using 125 entrepreneurs, a survey answered the following research questions:

- Research Question 1: What do Saudi entrepreneurs state are the top five leadership skills needed to lead a successful business in Saudi Arabia?
- Research Question 2: What do Saudi entrepreneurs state are the main environmental factors affecting entrepreneurial businesses in Saudi Arabia?
- Research Question 3: Are the leadership skills of the entrepreneurs related to their demographics factors (gender, age, educational level, marital status)?
- Research Question 4: Are the leadership skills of the entrepreneurs related to their previous job and professional experience?

Table 2 displays the frequency counts for the demographic variables. To answer Research Question 1, Table 3 displays the descriptive statistics for the leadership items sorted by highest rating. To answer Research Question 2, Table 4 and Table 4A display the descriptive statistics for the environmental factor items sorted by the highest rating. To answer Research Questions 3 and 4, Tables 5 through 12 display the relevant statistics. As additional findings, Tables 13 through 19A display the Spearman correlations between the environmental factor items and selected demographic variables.

## **Descriptive Statistics**

Table 2 displays the frequency counts for the demographic variables. There were more men in the sample (70.4%) than women (29.6%). Ages of the participants ranged from 23 to 29 years (16.0%) to 50 or above (4.0%) with the median age being Mdn = 34.50 years. All but six (4.8%) had at least a bachelor's degree with 40.8% had some sort of graduate degree. Seventy-three percent were married. As for previous job, the most common were employed in the public sector (50.4%) or the private sector (26.4%). For professional experience, this ranged from less than one year (17.6%) to more than 10 years (26.4%) with the median of Mdn = 7.50 years.

**Table 2**Frequency Counts for Demographic Variables

Variable	Category	n	%
Gender			
	Male	88	70.4
	Female	37	29.6
Age Category <sup>a</sup>			
	23-29	20	16.0
	30-39	61	48.8
	40-49	39	31.2
	50 or above	5	4.0
Educational level			
	High school graduate	6	4.8
	Bachelor's Degree	68	54.4
	Master's Degree	39	31.2
	Doctorate Degree	12	9.6
Marital status			
	Single	34	27.2
	Married	91	72.8
Previous Job			
	Unemployed	8	6.4
	Student	8	6.4
	Worked for family business	13	10.4

Variable	Category	n	%
	Employee in public sector	63	50.4
	Employee in private sector	33	26.4
Professional experience b			
	Less than one year	22	17.6
	Two years	15	12.0
	Between 2 and 5 years	25	20.0
	Between 5 and 10 years	30	24.0
	More than 10 years	33	26.4

## **Answering the Research Questions**

## Research Question 1: The Top Five Leadership Skills

Research Question 1 was: What do Saudi entrepreneurs state are the top five leadership skills needed to lead a successful business in Saudi Arabia? To answer this question, Table 3 displays the descriptive statistics for leadership items sorted by highest rating. These ratings were based on a five-point metric: 1 = Not at all important skill to 5 = Extremely important skill. Most important skills were as self-confidence (M = 4.37), has decision-making ability (M = 4.34), being determined to achieve goals (M = 4.29), ability to communicate effectively (M = 4.28), and ability to adapt to market circumstances (M = 4.22).

<sup>&</sup>lt;sup>a</sup> Age Category: Mdn = 34.50 years.

<sup>&</sup>lt;sup>b</sup> Experience: Mdn = 7.50 years.

Table 3

Descriptive Statistics for Leadership Items Sorted by Highest Rating

Rating <sup>a</sup>	M	SD
10. Has self-confidence.	4.37	0.79
19. Has decision making ability.	4.34	0.76
7. Being determined to achieve goals.	4.29	0.75
16. Ability to communicate effectively.	4.28	0.81
9. Ability to adapt to market circumstances.	4.22	0.91
5. Being able to build trust	4.22	0.91
14. Ability to influence others.	4.18	0.87
1. Ability to motivate	4.17	0.92
24. Integrity.	4.15	1.05
4. Willing to take risks.	4.11	0.99
3. Has a vision.	4.10	0.97
17. Ability to resolve conflicts	4.09	0.75
22. Being able to solve problems effectively.	4.06	0.88
21. Ability to persuade others.	3.99	0.91
12. React to others with flexibility.	3.98	0.85
25. Being able to manage change	3.95	1.01
8. Being able to understand others' needs.	3.94	0.96
11. Being innovative.	3.91	0.98
6. Encourage creative and unique ways of doing things.	3.90	1.05
2. Ability to manage and understand your emotions and the emotions of others.	3.88	1.03
20. Ability to think strategically	3.87	0.93
18. Being proactive in anticipating what might happen.	3.83	1.00
13. Intelligence.	3.79	0.97
15. Ability to demonstrate humility.	3.46	1.12
23. Ability to work with technical things.	3.45	1.04

*Note.* Cronbach alpha reliability coefficient for the 25 items was  $\alpha = .92$ .

# Research Question 2: The Main Environmental Factors

Research Question 2 was: What do Saudi entrepreneurs state are the main environmental factors affecting entrepreneurial businesses in Saudi Arabia? To answer this question, Table 4

<sup>&</sup>lt;sup>a</sup> Rating: 1 = Not at all important skill to 5 = Extremely important skill.

and Table 4A display the descriptive statistics for the environmental factors sorted by highest rating. These ratings were based on a five-point metric: 1 = Strongly disagree to 5 = Strongly agree. The five factors with the most agreement were: The Saudi young generation is a major driving force for adopting or introducing newly innovative entrepreneurial businesses (M = 4.32), there is a need to combat corruption to provide entrepreneurs more fair chances to compete with large corporations (M = 4.26), in Saudi Arabia, increasing cooperation efforts among government, universities and private sector will foster entrepreneurial activities (M = 4.25), building a stronger knowledge infrastructure is needed for developing an innovative entrepreneurial environment in Saudi Arabia (M = 4.17), and the provision of skilled human capital will accelerate entrepreneurship activities in Saudi Arabia (M = 4.17).

 Table 4

 Descriptive Statistics for Environment Factor Items Sorted by Highest Rating

M	SD
4.32	0.91
4.26	0.92
4.25	0.96
	0.04
4.17	0.84
4 17	0.04
4.1/	0.84
4.10	0.97
4.10	0.97
4.10	0.78
<del>1</del> .10	0.78
4.02	1.17
4 4 4	4.32 4.26 4.25 4.17 4.10 4.10

Rating <sup>a</sup>	M	SD
18. In Saudi Arabia, startup incubator programs are a driving force for	3.94	0.99
entrepreneurship.		
12. Some government regulations and decisions are introduced rapidly without		
coordination with other government entities, which could affect the		
entrepreneurship environment.	3.91	1.01
10. There is a lack of innovation centers in Saudi institutions.	3.87	1.05
5. There is a need for strategic partnership between Saudi institutions and leading		
international institutions to accelerate the development of skilled entrepreneurs and		
enhance entrepreneurship activities.	3.81	1.10
1. The lack of skills required to lead and sustain an entrepreneurial business is a		
major obstacle for the development of the Saudi Arabian entrepreneurship		
environment.	3.77	1.05
4. Focusing on building a wealth as a motivation to start a business has limited		
creative and innovative businesses.	3.77	1 06
2. Lack of access to capital for entrepreneurs is a main barrier to entrepreneurial	5.,,	1.00
businesses growth	3.72	1 15
0401140040 810 11 41	5.72	1.10

*Note.* Cronbach alpha reliability coefficient for the 20 items was  $\alpha = .84$ .

**Table 4 A**Descriptive Statistics for Environment Factor Items Sorted by Highest Rating

Rating <sup>a</sup>	M	SD
15. Despite recent initiatives, e-commerce infrastructure is still a big challenge to entrepreneurial businesses growth in Saudi Arabia.	3.71	1.02
16. Inadequate participation of the private sector is a barrier to developing the	3.71	1.02
Saudi entrepreneurship environment.	3.63	1.04
3. The lack of effective startup accelerators is a major factor affecting entrepreneurship development in Saudi Arabia.	3.58	1.06
20. Lack of original ideas obstructs the Saudi entrepreneurship environment in reaching its 2030 goals.	3.46	1.20
19. The recent expansions in entrepreneurial activities have made it harder for businesses in Saudi Arabia.	2 20	1 14
businesses in Saudi Arabia.	3.38	1.14

*Note.* N = 125.

<sup>&</sup>lt;sup>a</sup> Rating: 1 = *Strongly disagree* to 5 = *Strongly agree*.

<sup>&</sup>lt;sup>a</sup> Rating: 1 = *Strongly disagree* to 5 = *Strongly agree*.

## Research Question 3: Demographics Factors

Research Question 3 was: Are the leadership skills of the entrepreneurs related to their demographics factors (gender, age, educational level, marital status)? To answer this question, Table 5 displays the Spearman correlations for the demographic variables with the leadership scale score. Inspection of the table found the leadership scale score was not significantly related to gender (p = .61), age (p = .37), education level (p = .64), or marital status (p = .32).

**Table 5**Spearman Correlations for Demographic Variables and Scale Scores

	Scale Score	
		Environmental
Demographic Variable	Leadership	Factors
Gender <sup>a</sup>	05	.00
Age	.08	.06
Education level	.04	16
Marital status <sup>b</sup>	.09	.19 *
Worked in public sector <sup>c</sup>	.06	.06
Worked in private sector <sup>c</sup>	08	09
Years of professional experience	.02	10

*Note.* N = 125.

## Research Question 4: Previous Job and Professional Experience

Research Question 4 was: Are the leadership skills of the entrepreneurs related to their previous job and professional experience? To answer this question, Table 5 displays the

<sup>&</sup>lt;sup>a</sup> Gender:  $1 = Male \ 2 = Female$ .

<sup>&</sup>lt;sup>b</sup> Marital Status: 1 = *Single* 2 = *Married*.

<sup>&</sup>lt;sup>c</sup> Coding:  $0 = No \ 1 = Yes$ .

demographic variables with the leadership scale score. Inspection of the table found the leadership scale score was not significantly related to working in the public sector (p = .48), working in the private sector (p = .36), or professional experience (p = .83).

# **Additional Findings**

Table 6 displays Spearman correlations between the leadership scale and the 25 individual leadership items with the gender of the respondent. These items are based on a five-point metric: 1 = Not at all important skill to 5 = Extremely important skill. Inspection of the table found none of the 26 Spearman correlations to be significant at the p < .05 level.

**Table 6**Spearman Correlations for the Individual Leadership Statements with the Respondent's Gender

Leadership Statement <sup>a</sup>	Gender <sup>b</sup>
Leadership scale	05
1. Ability to motivate	10
2. Ability to manage and understand your emotions and the emotions of	
others.	.12
3. Has a vision.	.00
4. Willing to take risks.	.01
5. Being able to build trust	.09
6. Encourage creative and unique ways of doing things.	.13
7. Being determined to achieve goals.	.03
8. Being able to understand others' needs.	.05
9. Ability to adapt to market circumstances.	08
10. Has self-confidence.	.03
11. Being innovative.	.01
12. React to others with flexibility.	.12
13. Intelligence.	04
14. Ability to influence others.	02
15. Ability to demonstrate humility.	09
16. Ability to communicate effectively.	01
17. Ability to resolve conflicts	10
18. Being proactive in anticipating what might happen.	16
19. Has decision making ability.	08

Leadership Statement <sup>a</sup>	Gender <sup>b</sup>
20. Ability to think strategically	.09
21. Ability to persuade others.	06
22. Being able to solve problems effectively.	.09
23. Ability to work with technical things.	08
24. Integrity.	16
25. Being able to manage change	07

Table 7 displays Spearman correlations between the leadership scale and the 25 individual leadership items with the age of the respondent. These items are based on a five-point metric: 1 = Not at all important skill to 5 = Extremely important skill. Inspection of the table found one of the 26 Spearman correlations to be significant at the p < .05 level. Specifically, older respondents gave higher importance ratings for the ability to motivate ( $r_s = .18$ , p = .05).

**Table 7**Spearman Correlations for the Individual Leadership Statements with the Respondent's Age

Leadership Statement <sup>a</sup>	Age	
Leadership scale	.08	
1. Ability to motivate	.18	*
2. Ability to manage and understand your emotions and the emotions of others.	07	
3. Has a vision.	.01	
4. Willing to take risks.	.11	
5. Being able to build trust	.01	
6. Encourage creative and unique ways of doing things.	10	
7. Being determined to achieve goals.	.06	
8. Being able to understand others' needs.	.04	
9. Ability to adapt to market circumstances.	.13	
10. Has self-confidence.	05	
11. Being innovative.	01	
12. React to others with flexibility.	.17	

<sup>&</sup>lt;sup>a</sup> Rating: 1 = *Not at all important skill* to 5 = *Extremely important skill*.

<sup>&</sup>lt;sup>b</sup> Gender:  $1 = Male \ 2 = Female$ .

Leadership Statement <sup>a</sup>	Age
13. Intelligence.	01
14. Ability to influence others.	.08
15. Ability to demonstrate humility.	.08
16. Ability to communicate effectively.	01
17. Ability to resolve conflicts	.02
18. Being proactive in anticipating what might happen.	.03
19. Has decision making ability.	.17
20. Ability to think strategically	.07
21. Ability to persuade others.	.08
22. Being able to solve problems effectively.	.09
23. Ability to work with technical things.	.04
24. Integrity.	.08
25. Being able to manage change	.07

Table 8 displays Spearman correlations between the leadership scale and the 25 individual leadership items with the education level of the respondent. These items are based on a five-point metric: 1 = Not at all important skill to 5 = Extremely important skill. Inspection of the table found two of the 26 Spearman correlations to be significant at the p < .05 level. Specifically, respondents with higher levels of education gave higher importance ratings for the ability to motivate ( $r_s = .18$ , p = .05) and the ability to manage and understand their emotions and emotions of others ( $r_s = .18$ , p = .05).

**Table 8**Spearman Correlations for the Individual Leadership Statements with the Respondent's Education

Leadership Statement <sup>a</sup>	Education
Leadership scale	.04
1. Ability to motivate	.18 *

<sup>&</sup>lt;sup>a</sup> Rating: 1 = *Not at all important skill* to 5 = *Extremely important skill*.

Leadership Statement <sup>a</sup>	Education	
2. Ability to manage and understand your emotions and the emotions of others.	.18	*
3. Has a vision.	.05	
4. Willing to take risks.	.03	
5. Being able to build trust	10	
6. Encourage creative and unique ways of doing things.	.05	
7. Being determined to achieve goals.	.09	
8. Being able to understand others' needs.	.08	
9. Ability to adapt to market circumstances.	.10	
10. Has self-confidence.	.04	
11. Being innovative.	.13	
12. React to others with flexibility.	.11	
13. Intelligence.	08	
14. Ability to influence others.	01	
15. Ability to demonstrate humility.	.01	
16. Ability to communicate effectively.	02	
17. Ability to resolve conflicts	.03	
18. Being proactive in anticipating what might happen.	.03	
19. Has decision making ability.	.00	
20. Ability to think strategically	.03	
21. Ability to persuade others.	.09	
22. Being able to solve problems effectively.	03	
23. Ability to work with technical things.	04	
24. Integrity.	07	
25. Being able to manage change	.03	

Table 9 displays Spearman correlations between the leadership scale and the 25 individual leadership items with the marital status of the respondent. These items are based on a five-point metric: 1 = Not at all important skill to 5 = Extremely important skill. Inspection of the table found one of the 26 Spearman correlations to be significant at the p < .05 level. Specifically, married respondents gave higher importance ratings for the ability to build trust ( $r_s = .21$ , p = .02).

<sup>&</sup>lt;sup>a</sup> Rating: 1 = Not at all important skill to 5 = Extremely important skill.

**Table 9**Spearman Correlations for the Individual Leadership Statements with the Respondent's Marital Status

Leadership Statement <sup>a</sup>	Marital Status <sup>b</sup>
Leadership scale	.09
1. Ability to motivate	.13
2. Ability to manage and understand your emotions and the emotions of	
others.	.07
3. Has a vision.	08
4. Willing to take risks.	.12
5. Being able to build trust	.21
6. Encourage creative and unique ways of doing things.	.02
7. Being determined to achieve goals.	11
8. Being able to understand others' needs.	01
9. Ability to adapt to market circumstances.	.11
10. Has self-confidence.	.00
11. Being innovative.	04
12. React to others with flexibility.	.16
13. Intelligence.	.07
14. Ability to influence others.	.07
15. Ability to demonstrate humility.	.10
16. Ability to communicate effectively.	.11
17. Ability to resolve conflicts	05
18. Being proactive in anticipating what might happen.	.06
19. Has decision making ability.	.07
20. Ability to think strategically	.00
21. Ability to persuade others.	.07
22. Being able to solve problems effectively.	02
23. Ability to work with technical things.	04
24. Integrity.	.00
25. Being able to manage change	02

<sup>&</sup>lt;sup>a</sup> Rating: 1 = Not at all important skill to 5 = Extremely important skill.

<sup>&</sup>lt;sup>b</sup> Marital Status: 1 = *Single* 2 = *Married*.

Table 10 displays Spearman correlations between the leadership scale and the 25 individual leadership items with whether the respondent worked in public sector. These items are based on a five-point metric: 1 = Not at all important skill to 5 = Extremely important skill. Inspection of the table found none of the 26 Spearman correlations to be significant at the p < .05 level.

Table 10

Spearman Correlations for the Individual Leadership Statements with Whether the Respondent

Worked in the Public Sector

Leadership Statement <sup>a</sup>	Public Sector <sup>b</sup>
Leadership scale	.06
1. Ability to motivate	.10
2. Ability to manage and understand your emotions and the emotions of	
others.	.07
3. Has a vision.	01
4. Willing to take risks.	.01
5. Being able to build trust	04
6. Encourage creative and unique ways of doing things.	13
7. Being determined to achieve goals.	01
8. Being able to understand others' needs.	.05
9. Ability to adapt to market circumstances.	07
10. Has self-confidence.	.02
11. Being innovative.	.00
12. React to others with flexibility.	.16
13. Intelligence.	06
14. Ability to influence others.	.09
15. Ability to demonstrate humility.	.09
16. Ability to communicate effectively.	.10
17. Ability to resolve conflicts	.09
18. Being proactive in anticipating what might happen.	.02
19. Has decision making ability.	.04
20. Ability to think strategically	03
21. Ability to persuade others.	.03
22. Being able to solve problems effectively.	02

Public Sector <sup>b</sup>
06
03
.01

Table 11 displays Spearman correlations between the leadership scale and the 25 individual leadership items with whether the respondent worked in the private sector. These items are based on a five-point metric: 1 = Not at all important skill to 5 = Extremely important skill. Inspection of the table found one of the 26 Spearman correlations to be significant at the p < .05 level. Specifically, those that worked in the private sector gave lower importance ratings for the ability to react others with flexibility ( $r_s = -.22$ , p = .01).

Table 11

Spearman Correlations for the Individual Leadership Statements with Whether the Respondent

Worked in the Private Sector

	Public
Leadership Statement <sup>a</sup>	Sector <sup>b</sup>
Leadership scale	08
1. Ability to motivate	08
2. Ability to manage and understand your emotions and the emotions of others	.01
3. Has a vision.	.01
4. Willing to take risks.	03
5. Being able to build trust	17
6. Encourage creative and unique ways of doing things.	08
7. Being determined to achieve goals.	04
8. Being able to understand others' needs.	10
9. Ability to adapt to market circumstances.	.06
10. Has self-confidence.	.00
11. Being innovative.	04

<sup>&</sup>lt;sup>a</sup> Rating: 1 = *Not at all important skill* to 5 = *Extremely important skill*.

<sup>&</sup>lt;sup>b</sup> Public Sector:  $0 = No \ 1 = Yes$ .

	Public	
Leadership Statement <sup>a</sup>	Sector <sup>b</sup>	
12. React to others with flexibility.	22	**
13. Intelligence.	05	
14. Ability to influence others.	12	
15. Ability to demonstrate humility.	07	
16. Ability to communicate effectively.	03	
17. Ability to resolve conflicts	05	
18. Being proactive in anticipating what might happen.	04	
19. Has decision making ability.	.03	
20. Ability to think strategically	02	
21. Ability to persuade others.	.00	
22. Being able to solve problems effectively.	.00	
23. Ability to work with technical things.	.08	
24. Integrity.	.09	
25. Being able to manage change	03	
$N_{\text{off}} = N - 125$		

Table 12 displays Spearman correlations between the leadership scale and the 25 individual leadership items with years of work experience. These items are based on a five-point metric: 1 = Not at all important skill to 5 = Extremely important skill. Inspection of the table found none of the 26 Spearman correlations to be significant at the p < .05 level.

 Table 12

 Spearman Correlations for the Individual Leadership Statements with Years of Experience

Leadership Statement <sup>a</sup>	Experience <sup>b</sup>
Leadership scale	.02
1. Ability to motivate	.15
2. Ability to manage and understand your emotions and the emotions of	
others.	02
3. Has a vision.	.00
4. Willing to take risks.	03
5. Being able to build trust	.02
6. Encourage creative and unique ways of doing things.	11

<sup>&</sup>lt;sup>a</sup> Rating: 1 = *Not at all important skill* to 5 = *Extremely important skill*.

<sup>&</sup>lt;sup>b</sup> Private Sector:  $0 = No \ 1 = Yes$ .

Leadership Statement <sup>a</sup>	Experience <sup>b</sup>
7. Being determined to achieve goals.	.05
8. Being able to understand others' needs.	.05
9. Ability to adapt to market circumstances.	.09
10. Has self-confidence.	08
11. Being innovative.	02
12. React to others with flexibility.	01
13. Intelligence.	03
14. Ability to influence others.	.09
15. Ability to demonstrate humility.	.05
16. Ability to communicate effectively.	.13
17. Ability to resolve conflicts	.10
18. Being proactive in anticipating what might happen.	06
19. Has decision making ability.	.02
20. Ability to think strategically	.05
21. Ability to persuade others.	.08
22. Being able to solve problems effectively.	.01
23. Ability to work with technical things.	02
24. Integrity.	03
25. Being able to manage change	01

Table 13 and Table 13A display Spearman correlations between the environmental factor scale and the 20 individual environmental factors with the gender of the respondent. These items are based on a five-point metric:  $1 = Strongly\ disagree$  to  $5 = Strongly\ agree$ . Inspection of the table found one of the 21 Spearman correlations to be significant at the p < .05 level.

Specifically, women agreed more with focusing on building a wealth as a motivation to start a business has limited creative and innovative businesses ( $r_s = .18$ , p = .05).

<sup>&</sup>lt;sup>a</sup> Rating: 1 = *Not at all important skill* to 5 = *Extremely important skill*.

<sup>&</sup>lt;sup>b</sup> Private Sector:  $0 = No \ 1 = Yes$ .

**Table 13**Spearman Correlations for the Individual Environmental Factors with Gender

Environmental Factor <sup>a</sup>	Gender <sup>b</sup>	
Environmental Factors Scale	.00	
1. The lack of skills required to lead and sustain an entrepreneurial business is a major obstacle for the development of the Saudi Arabian entrepreneurship		
environment.	15	
2. Lack of access to capital for entrepreneurs is a main barrier to entrepreneurial businesses growth	08	
3. The lack of effective startup accelerators is a major factor affecting		
entrepreneurship development in Saudi Arabia.	.12	
4. Focusing on building a wealth as a motivation to start a business has limited		
creative and innovative businesses.	.18	*
5. There is a need for strategic partnership between Saudi institutions and leading		
international institutions to accelerate the development of skilled entrepreneurs and		
enhance entrepreneurship activities.	.15	
6. Saudi Arabia efforts in improving its intellectual property environment led to	1.1	
more entrepreneurial activities.	.11	
7. The Saudi young generation is a major driving force for adopting or introducing	12	
newly innovative entrepreneurial businesses.	.13	
8. In Saudi Arabia, increasing cooperation efforts among government, universities	11	
<ul><li>and private sector will foster entrepreneurial activities.</li><li>9. There is a need to combat corruption to provide entrepreneurs more fair chances</li></ul>	.11	
to compete with large corporations	.05	
10. There is a lack of innovation centers in Saudi institutions.	11	
	11	
11. The provision of skilled human capital will accelerate entrepreneurship activities in Saudi Arabia.	.14	
12. Some government regulations and decisions are introduced rapidly without	.14	
coordination with other government entities, which could affect the		
entrepreneurship environment.	08	
13. The trend of entrepreneurial businesses will shift to be more innovative with	00	
the passage of time.	.03	
14. Building a stronger knowledge infrastructure is needed for developing an	.05	
innovative entrepreneurial environment in Saudi Arabia.	.01	
N. N. 125	.,,,	

<sup>&</sup>lt;sup>a</sup> Rating: 1 = *Strongly disagree* to 5 = *Strongly agree*.

<sup>&</sup>lt;sup>b</sup> Gender:  $1 = Male \ 2 = Female$ .

**Table 13A**Spearman Correlations for the Individual Environmental Factors with Gender

Environmental Factor <sup>a</sup>	Gender b
15. Despite recent initiatives, e-commerce infrastructure is still a big challenge to	
entrepreneurial businesses growth in Saudi Arabia.	.00
16. Inadequate participation of the private sector is a barrier to developing the Saudi	
entrepreneurship environment.	09
17. Increased government grants and supports for businesses will promote	
entrepreneurial activities.	.07
18. In Saudi Arabia, startup incubator programs are a driving force for	
entrepreneurship.	.02
19. The recent expansions in entrepreneurial activities have made it harder for	
businesses in Saudi Arabia.	16
20. Lack of original ideas obstructs the Saudi entrepreneurship environment in reaching	5
its 2030 goals.	.05

Table 14 and Table 14A display Spearman correlations between the environmental factor scale and the 20 individual environmental factors with the age of the respondent. These items are based on a five-point metric: 1 = Strongly disagree to 5 = Strongly agree. Inspection of the table found one of the 21 Spearman correlations to be significant at the p < .05 level. Specifically, older respondents agreed more with lack of access to capital for entrepreneurs is a main barrier to entrepreneurial businesses growth ( $r_s = .18$ , p = .05).

<sup>&</sup>lt;sup>a</sup> Rating: 1 = *Strongly disagree* to 5 = *Strongly agree*.

<sup>&</sup>lt;sup>b</sup> Gender:  $1 = Male \ 2 = Female$ .

**Table 14**Spearman Correlations for the Individual Environmental Factors with Age

Environmental Factor <sup>a</sup>	Age	
Environmental Factors Scale	.06	
<ol> <li>The lack of skills required to lead and sustain an entrepreneurial business is a major obstacle for the development of the Saudi Arabian entrepreneurship environment.</li> <li>Lack of access to capital for entrepreneurs is a main barrier to entrepreneurial</li> </ol>	.04	
businesses growth	.18	*
3. The lack of effective startup accelerators is a major factor affecting entrepreneurship development in Saudi Arabia.	.07	
4. Focusing on building a wealth as a motivation to start a business has limited creative and innovative businesses.	.01	
5. There is a need for strategic partnership between Saudi institutions and leading international institutions to accelerate the development of skilled entrepreneurs and enhance entrepreneurship activities.	07	
6. Saudi Arabia efforts in improving its intellectual property environment led to more entrepreneurial activities.	.08	
7. The Saudi young generation is a major driving force for adopting or introducing newly innovative entrepreneurial businesses.	03	
<ul><li>8. In Saudi Arabia, increasing cooperation efforts among government, universities and private sector will foster entrepreneurial activities.</li><li>9. There is a need to combat corruption to provide entrepreneurs more fair chances to</li></ul>	.04	
compete with large corporations	05	
10. There is a lack of innovation centers in Saudi institutions.	.12	
11. The provision of skilled human capital will accelerate entrepreneurship activities in Saudi Arabia.	.05	
12. Some government regulations and decisions are introduced rapidly without coordination with other government entities, which could affect the entrepreneurship		
environment.  13. The trend of entrepreneurial businesses will shift to be more innovative with the	.03	
passage of time.	.10	
<ul><li>14. Building a stronger knowledge infrastructure is needed for developing an innovative entrepreneurial environment in Saudi Arabia.</li><li>15. Despite recent initiatives, e-commerce infrastructure is still a big challenge to</li></ul>	05	
entrepreneurial businesses growth in Saudi Arabia.	.10	

<sup>&</sup>lt;sup>a</sup> Rating: 1 = *Strongly disagree* to 5 = *Strongly agree*.

**Table 14A**Spearman Correlations for the Individual Environmental Factors with Age

Environmental Factor <sup>a</sup>	Age
16. Inadequate participation of the private sector is a barrier to developing the Saudi	
entrepreneurship environment.	.03
17. Increased government grants and supports for businesses will promote	
entrepreneurial activities.	.07
18. In Saudi Arabia, startup incubator programs are a driving force for	
entrepreneurship.	.07
19. The recent expansions in entrepreneurial activities have made it harder for	
businesses in Saudi Arabia.	06
20. Lack of original ideas obstructs the Saudi entrepreneurship environment in reaching	
its 2030 goals.	.03

Table 15 and Table 15A display Spearman correlations between the environmental factor scale and the 20 individual environmental factors with the education level of the respondent. These items are based on a five-point metric: 1 = Strongly disagree to 5 = Strongly agree. Inspection of the table found two of the 21 Spearman correlations to be significant at the p < .05 level. Specifically, respondents with more education agreed less with there is a need to combat corruption to provide entrepreneurs more fair chances to compete with large corporations ( $r_s = .24$ , p = .007) and the recent expansions in entrepreneurial activities have made it harder for businesses in Saudi Arabia ( $r_s = .21$ , p = .02).

<sup>&</sup>lt;sup>a</sup> Rating: 1 = *Strongly disagree* to 5 = *Strongly agree*.

**Table 15**Spearman Correlations for the Individual Environmental Factors with Education

Environmental Factor <sup>a</sup>	Education	
Environmental Factors Scale  1. The lack of skills required to lead and sustain an entrepreneurial business is a major obstacle for the development of the Saudi Arabian entrepreneurship	16	
environment.	.01	
2. Lack of access to capital for entrepreneurs is a main barrier to entrepreneurial businesses growth	.03	
3. The lack of effective startup accelerators is a major factor affecting entrepreneurship development in Saudi Arabia.	04	
<ul><li>4. Focusing on building a wealth as a motivation to start a business has limited creative and innovative businesses.</li><li>5. There is a need for strategic partnership between Saudi institutions and</li></ul>	.01	
leading international institutions to accelerate the development of skilled entrepreneurs and enhance entrepreneurship activities.	08	
6. Saudi Arabia efforts in improving its intellectual property environment led to more entrepreneurial activities.	13	
7. The Saudi young generation is a major driving force for adopting or introducing newly innovative entrepreneurial businesses.	07	
8. In Saudi Arabia, increasing cooperation efforts among government, universities and private sector will foster entrepreneurial activities.  9. There is a need to combat corruntion to provide entrepreneurs more fair.	05	
9. There is a need to combat corruption to provide entrepreneurs more fair chances to compete with large corporations	24	**
10. There is a lack of innovation centers in Saudi institutions.	.05	
11. The provision of skilled human capital will accelerate entrepreneurship activities in Saudi Arabia.	13	
12. Some government regulations and decisions are introduced rapidly without coordination with other government entities, which could affect the entrepreneurship environment.	05	
13. The trend of entrepreneurial businesses will shift to be more innovative with the passage of time.	05	
14. Building a stronger knowledge infrastructure is needed for developing an innovative entrepreneurial environment in Saudi Arabia.	04	

<sup>&</sup>lt;sup>a</sup> Rating: 1 = *Strongly disagree* to 5 = *Strongly agree*.

**Table 15A**Spearman Correlations for the Individual Environmental Factors with Education

Environmental Factor <sup>a</sup>	Education
15. Despite recent initiatives, e-commerce infrastructure is still a big challenge to	
entrepreneurial businesses growth in Saudi Arabia.	14
16. Inadequate participation of the private sector is a barrier to developing the Saudi	
entrepreneurship environment.	17
17. Increased government grants and supports for businesses will promote	
entrepreneurial activities.	09
18. In Saudi Arabia, startup incubator programs are a driving force for	
entrepreneurship.	04
19. The recent expansions in entrepreneurial activities have made it harder for	
businesses in Saudi Arabia.	21 *
20. Lack of original ideas obstructs the Saudi entrepreneurship environment in	
reaching its 2030 goals.	.01

Table 16 and Table 16A display Spearman correlations between the environmental factor scale and the 20 individual environmental factors with the marital status of the respondent. These items are based on a five-point metric: 1 = Strongly disagree to 5 = Strongly agree. Inspection of the table found two of the 21 Spearman correlations to be significant at the p < .05 level. Specifically, married respondents agreed more with the environmental factors scale ( $r_s = .19$ , p = .007) and lack of access to capital for entrepreneurs is a main barrier to entrepreneurial businesses growth ( $r_s = .25$ , p = .006).

<sup>&</sup>lt;sup>a</sup> Rating: 1 = *Strongly disagree* to 5 = *Strongly agree*.

**Table 16**Spearman Correlations for the Individual Environmental Factors with Marital Status

Environmental Factor <sup>a</sup>	Marital Status <sup>b</sup>	
Environmental Factors Scale	.19	*
1. The lack of skills required to lead and sustain an entrepreneurial		
business is a major obstacle for the development of the Saudi Arabian		
entrepreneurship environment.	.08	
2. Lack of access to capital for entrepreneurs is a main barrier to		.11.
entrepreneurial businesses growth	.25	**
3. The lack of effective startup accelerators is a major factor affecting	0.0	
entrepreneurship development in Saudi Arabia.	.08	
4. Focusing on building a wealth as a motivation to start a business has limited creative and innovative businesses.	1.6	
	.16	
5. There is a need for strategic partnership between Saudi institutions and leading international institutions to accelerate the development of		
skilled entrepreneurs and enhance entrepreneurship activities.	12	
6. Saudi Arabia efforts in improving its intellectual property	12	
environment led to more entrepreneurial activities.	.08	
7. The Saudi young generation is a major driving force for adopting or	.00	
introducing newly innovative entrepreneurial businesses.	01	
8. In Saudi Arabia, increasing cooperation efforts among government,		
universities and private sector will foster entrepreneurial activities.	.06	
9. There is a need to combat corruption to provide entrepreneurs more		
fair chances to compete with large corporations	.10	
10. There is a lack of innovation centers in Saudi institutions.	.18	
11. The provision of skilled human capital will accelerate		
entrepreneurship activities in Saudi Arabia.	.16	
12. Some government regulations and decisions are introduced rapidly		
without coordination with other government entities, which could affect		
the entrepreneurship environment.	.06	
13. The trend of entrepreneurial businesses will shift to be more		
innovative with the passage of time.	.17	
14. Building a stronger knowledge infrastructure is needed for	17	
developing an innovative entrepreneurial environment in Saudi Arabia. $Note, N = 125$	17	

<sup>&</sup>lt;sup>a</sup> Rating: 1 = *Strongly disagree* to 5 = *Strongly agree*.

<sup>&</sup>lt;sup>b</sup> Marital status: 1 = *Single* 2 = *Married*.

**Table 16A**Spearman Correlations for the Individual Environmental Factors with Marital Status

Environmental Factor <sup>a</sup>	Marital Status <sup>b</sup>
15. Despite recent initiatives, e-commerce infrastructure is still a big	
challenge to entrepreneurial businesses growth in Saudi Arabia.	01
16. Inadequate participation of the private sector is a barrier to	
developing the Saudi entrepreneurship environment.	.07
17. Increased government grants and supports for businesses will	
promote entrepreneurial activities.	.15
18. In Saudi Arabia, startup incubator programs are a driving force for	
entrepreneurship.	.12
19. The recent expansions in entrepreneurial activities have made it	
harder for businesses in Saudi Arabia.	.11
20. Lack of original ideas obstructs the Saudi entrepreneurship	
environment in reaching its 2030 goals.	.10
Note, N = 125	_

Table 17 and Table 17A display Spearman correlations between the environmental factor scale and the 20 individual environmental factors with whether the respondent worked in public sector. These items are based on a five-point metric: 1 = Strongly disagree to 5 = Strongly agree. Inspection of the table found three of the 21 Spearman correlations to be significant at the p < .05 level. Specifically, those that had previously worked in public sector agreed more lack of access to capital for entrepreneurs is a main barrier to entrepreneurial businesses growth ( $r_s = .18$ , p = .05), the lack of effective startup accelerators is a major factor affecting entrepreneurship development in Saudi Arabia. ( $r_s = .21$ , p = .02), and the provision of skilled human capital will accelerate entrepreneurship activities in Saudi Arabia ( $r_s = .18$ , p = .05).

<sup>&</sup>lt;sup>a</sup> Rating: 1 = *Strongly disagree* to 5 = *Strongly agree*.

<sup>&</sup>lt;sup>b</sup> Marital status: 1 = *Single* 2 = *Married*.

**Table 17**Spearman Correlations for the Individual Environmental Factors with Working in the Public Sector

Environmental Factor <sup>a</sup>	Public <sup>b</sup>	
Environmental Factors Scale  1. The lack of skills required to lead and sustain an entrepreneurial business is a major obstacle for the development of the Saudi Arabian entrepreneurship	.06	
environment.	.04	
2. Lack of access to capital for entrepreneurs is a main barrier to entrepreneurial businesses growth	.18	*
3. The lack of effective startup accelerators is a major factor affecting entrepreneurship development in Saudi Arabia.	.21	*
4. Focusing on building a wealth as a motivation to start a business has limited creative and innovative businesses.	.07	
5. There is a need for strategic partnership between Saudi institutions and leading international institutions to accelerate the development of skilled entrepreneurs and enhance entrepreneurship activities.	01	
6. Saudi Arabia efforts in improving its intellectual property environment led to more entrepreneurial activities.	.03	
<ul><li>7. The Saudi young generation is a major driving force for adopting or introducing newly innovative entrepreneurial businesses.</li><li>8. In Saudi Arabia, increasing cooperation efforts among government, universities</li></ul>	.03	
and private sector will foster entrepreneurial activities.  9. There is a need to combat corruption to provide entrepreneurs more fair chances	.04	
to compete with large corporations	.00	
<ul><li>10. There is a lack of innovation centers in Saudi institutions.</li><li>11. The provision of skilled human capital will accelerate entrepreneurship</li></ul>	07	
activities in Saudi Arabia.  12. Some government regulations and decisions are introduced rapidly without	.18	*
coordination with other government entities, which could affect the entrepreneurship environment.	.03	
13. The trend of entrepreneurial businesses will shift to be more innovative with the	.03	
passage of time.  14. Building a stronger knowledge infrastructure is needed for developing an	.01	
innovative entrepreneurial environment in Saudi Arabia.	05	

<sup>&</sup>lt;sup>a</sup> Rating: 1 = *Strongly disagree* to 5 = *Strongly agree*.

<sup>&</sup>lt;sup>b</sup> Public Sector:  $0 = No \ 1 = Yes$ .

Table 17A

Spearman Correlations for the Individual Environmental Factors with Working in the Public Sector

Environmental Factor <sup>a</sup>	Public <sup>b</sup>
15. Despite recent initiatives, e-commerce infrastructure is still a big challenge to	
entrepreneurial businesses growth in Saudi Arabia.	08
16. Inadequate participation of the private sector is a barrier to developing the	
Saudi entrepreneurship environment.	.01
17. Increased government grants and supports for businesses will promote	
entrepreneurial activities.	.06
18. In Saudi Arabia, startup incubator programs are a driving force for	
entrepreneurship.	.05
19. The recent expansions in entrepreneurial activities have made it harder for	
businesses in Saudi Arabia.	08
20. Lack of original ideas obstructs the Saudi entrepreneurship environment in	
reaching its 2030 goals.	09

Table 18 and Table 18A display Spearman correlations between the environmental factor scale and the 20 individual environmental factors with whether the respondent worked in the private sector. These items are based on a five-point metric: 1 = Strongly disagree to 5 = Strongly agree. Inspection of the table found none of the 21 Spearman correlations to be significant at the p < .05 level.

<sup>&</sup>lt;sup>a</sup> Rating: 1 = *Strongly disagree* to 5 = *Strongly agree*.

<sup>&</sup>lt;sup>b</sup> Public Sector:  $0 = No \ 1 = Yes$ .

**Table 18**Spearman Correlations for the Individual Environmental Factors with Working in the Private Sector

Environmental Factor <sup>a</sup>	Private <sup>b</sup>
Environmental Factors Scale	09
1. The lack of skills required to lead and sustain an entrepreneurial business is a	
major obstacle for the development of the Saudi Arabian entrepreneurship	00
environment.  2. Lack of access to capital for entrepreneurs is a main barrier to entrepreneurial	09
businesses growth	01
3. The lack of effective startup accelerators is a major factor affecting	01
entrepreneurship development in Saudi Arabia.	16
4. Focusing on building a wealth as a motivation to start a business has limited	.10
creative and innovative businesses.	04
5. There is a need for strategic partnership between Saudi institutions and leading	
international institutions to accelerate the development of skilled entrepreneurs and enhance entrepreneurship activities.	08
6. Saudi Arabia efforts in improving its intellectual property environment led to	08
more entrepreneurial activities.	01
7. The Saudi young generation is a major driving force for adopting or	.01
introducing newly innovative entrepreneurial businesses.	03
8. In Saudi Arabia, increasing cooperation efforts among government, universities	
and private sector will foster entrepreneurial activities.	15
9. There is a need to combat corruption to provide entrepreneurs more fair chances	
to compete with large corporations	09
10. There is a lack of innovation centers in Saudi institutions.	.03
11. The provision of skilled human capital will accelerate entrepreneurship	
activities in Saudi Arabia.	15
12. Some government regulations and decisions are introduced rapidly without	
coordination with other government entities, which could affect the	
entrepreneurship environment.	01
13. The trend of entrepreneurial businesses will shift to be more innovative with	4.0
the passage of time.	10
14. Building a stronger knowledge infrastructure is needed for developing an	
innovative entrepreneurial environment in Saudi Arabia.  Note. $N = 125$ .	.05

<sup>&</sup>lt;sup>a</sup> Rating: 1 = *Strongly disagree* to 5 = *Strongly agree*.

<sup>&</sup>lt;sup>b</sup> Private Sector:  $0 = No \ 1 = Yes$ .

Table 18A

Spearman Correlations for the Individual Environmental Factors with Working in the Private

Sector

Environmental Factor <sup>a</sup>	Private <sup>b</sup>
15. Despite recent initiatives, e-commerce infrastructure is still a big challenge to entrepreneurial businesses growth in Saudi Arabia.	.07
16. Inadequate participation of the private sector is a barrier to developing the	
Saudi entrepreneurship environment.	02
17. Increased government grants and supports for businesses will promote entrepreneurial activities.	05
18. In Saudi Arabia, startup incubator programs are a driving force for	0.6
entrepreneurship. 19. The recent expansions in entrepreneurial activities have made it harder for	06
businesses in Saudi Arabia.	01
20. Lack of original ideas obstructs the Saudi entrepreneurship environment in reaching its 2030 goals.	.01

Table 19 and Table 19A display Spearman correlations between the environmental factor scale and the 20 individual environmental factors with years of work experience. These items are based on a five-point metric:  $1 = Strongly \ disagree$  to  $5 = Strongly \ agree$ . Inspection of the table found two of the 21 Spearman correlations to be significant at the p < .05 level. Specifically, respondents with more years of work experience agreed less there is a need for strategic partnership between Saudi institutions and leading international institutions to accelerate the development of skilled entrepreneurs and enhance entrepreneurship activities ( $r_s = -.21$ , p = .02) and there is a lack of innovation centers in Saudi institutions ( $r_s = -.21$ , p = .02).

<sup>&</sup>lt;sup>a</sup> Rating: 1 = *Strongly disagree* to 5 = *Strongly agree*.

<sup>&</sup>lt;sup>b</sup> Private Sector:  $0 = No \ 1 = Yes$ .

 Table 19

 Spearman Correlations for the Individual Environmental Factors with Years of Work Experience

Environmental Factor <sup>a</sup>	Experience	
Environmental Factors Scale	10	
1. The lack of skills required to lead and sustain an entrepreneurial business is a		
major obstacle for the development of the Saudi Arabian entrepreneurship		
environment.	02	
2. Lack of access to capital for entrepreneurs is a main barrier to entrepreneurial		
businesses growth	.10	
3. The lack of effective startup accelerators is a major factor affecting		
entrepreneurship development in Saudi Arabia.	05	
4. Focusing on building a wealth as a motivation to start a business has limited		
creative and innovative businesses.	05	
5. There is a need for strategic partnership between Saudi institutions and		
leading international institutions to accelerate the development of skilled		
entrepreneurs and enhance entrepreneurship activities.	21	*
6. Saudi Arabia efforts in improving its intellectual property environment led to		
more entrepreneurial activities.	02	
7. The Saudi young generation is a major driving force for adopting or		
introducing newly innovative entrepreneurial businesses.	12	
8. In Saudi Arabia, increasing cooperation efforts among government,		
universities and private sector will foster entrepreneurial activities.	07	
9. There is a need to combat corruption to provide entrepreneurs more fair		
chances to compete with large corporations	15	
10. There is a lack of innovation centers in Saudi institutions.	21	*
11. The provision of skilled human capital will accelerate entrepreneurship		
activities in Saudi Arabia.	03	
12. Some government regulations and decisions are introduced rapidly without		
coordination with other government entities, which could affect the		
entrepreneurship environment.	05	
13. The trend of entrepreneurial businesses will shift to be more innovative with		
the passage of time.	05	
14. Building a stronger knowledge infrastructure is needed for developing an		
innovative entrepreneurial environment in Saudi Arabia.	16	
15. Despite recent initiatives, e-commerce infrastructure is still a big challenge		
to entrepreneurial businesses growth in Saudi Arabia.	05	

<sup>&</sup>lt;sup>a</sup> Rating: 1 = *Strongly disagree* to 5 = *Strongly agree*.

**Table 19A**Spearman Correlations for the Individual Environmental Factors with Years of Work Experience

Environmental Factor <sup>a</sup>	Experience
16. Inadequate participation of the private sector is a barrier to developing the	
Saudi entrepreneurship environment.	.07
17. Increased government grants and supports for businesses will promote	
entrepreneurial activities.	04
18. In Saudi Arabia, startup incubator programs are a driving force for	
entrepreneurship.	.03
19. The recent expansions in entrepreneurial activities have made it harder for	
businesses in Saudi Arabia.	.03
20. Lack of original ideas obstructs the Saudi entrepreneurship environment	
in reaching its 2030 goals.	03

### **Summary**

In summary, this study used survey data from 125 respondents to define the leadership skills that were required by entrepreneurs in Saudi Arabia in creating and sustaining business beyond five years. Research Question 1 (top leadership skills) found self-confidence, decision-making ability, and being determined to achieve goals to be the top needed skills (see Table 3). Research Question 2 (main environmental factors) found that the Saudi young generation was a major driving force; there is a need to combat corruption, as well as the need for increased cooperation (see Table 4; Table 4A). Research Question 3 and Research Question 4 (demographics and leadership scale) were not found for any of the seven demographic variables. In Chapter 5, these findings will be compared to the literature, conclusions and implications will be drawn, and a series of recommendations will be suggested.

<sup>&</sup>lt;sup>a</sup> Rating: 1 = *Strongly disagree* to 5 = *Strongly agree*.

## **Chapter 5: Conclusions and Recommendations**

This quantitative study sought to define the leadership skills that were required by entrepreneurs in Saudi Arabia in creating and sustaining business beyond 5 years. It examined the environmental factors affecting the Saudi entrepreneurship environment. Also, this study utilized the SPELIT power matrix framework as an entrepreneurship environmental scan to identify the main environmental factors affecting entrepreneurial businesses in Saudi Arabia. Consequently, the focus and the terminology used in this study strictly refer to Saudi Arabia. The discussion of key findings in this chapter was arranged according to each of the research questions. Using 125 entrepreneurs, a survey answered the following research questions:

- Research Question 1: What do Saudi entrepreneurs state are the top five leadership skills needed to lead a successful business in Saudi Arabia?
- Research Question 2: What do Saudi entrepreneurs state are the main environmental factors affecting entrepreneurial businesses in Saudi Arabia?
- Research Question 3: Are the leadership skills of the entrepreneurs related to their demographics factors (gender, age, educational level, marital status)?
- Research Question 4: Are the leadership skills of the entrepreneurs related to their previous job and professional experience?

The overall male population within the study surpassed that of females by 40.8%. One potential reason for the finding may be linked to the novel participation of women in entrepreneurship in the country. This finding aligns with that of Alhajri (2020) who reported that the participation of women in the job market was previously restricted to a few occupations in the government and some fields, such as education. In addition, the presence of cultural obstacles deny women the chance to venture into entrepreneurship. Nevertheless, with the recent boom and the changes happening in the country, several regulations and laws have been improved to

speed up the participation of women in entrepreneurship. The median age of entrepreneurs who participated in the study was 34.5 years where a large number of participants 48.8% were in the age category of 30-39 years. All but six of the 125 participants had at least a bachelor's degree and 40.8% had earned masters or doctoral degrees. As for their previous jobs, more than 50% were employed in the public sector and 26% were in the private sector. Their professional experience before starting their businesses ranged from less than one year (17.6%) to more than 10 years (26.4%) with the median of 7.5 years of professional experience. This chapter seeks to present a comprehensive discussion of the research findings and features several comparisons involving the literature review and the findings. Furthermore, the chapter offers conclusions along with several proposed recommendations for practice, policy and future researchers.

## **Discussion of Key Findings**

The key findings in this study were from surveying 125 entrepreneurs to identify the top five leadership skills that were required by entrepreneurs in Saudi Arabia in creating and sustaining business beyond 5 years. The study examined the environmental factors affecting the Saudi entrepreneurship environment. The four research questions guide the discussion and organization in this section. Discussion revolves around literature, which disagrees or agrees with the survey results, examines the findings and explains emerging contributions to the literature. This comprehensive analysis of the findings and their correlation to literature led to important recommendations and conclusions.

## **Research Question 1: The Top Five Leadership Skills**

Research Question 1 was: What do Saudi entrepreneurs state are the top five leadership skills needed to lead a successful business in Saudi Arabia? To answer this question, descriptive statistics were used that rated the leadership skills items based on a five-point metric: 1 = Not at

all important skill to 5= Extremely important skill. Table 3 in Chapter 4 displays the descriptive statistics for the needed skills to lead a successful business in Saudi Arabia. They are sorted by highest rating based on the responses of the participants. The focus of Research Question 1 was on the top five leadership skills needed to lead a successful business; therefore, the discussion for the research question related to the five highly ranked leadership skills based on their means scores. Moreover, by revealing the top five leadership skills, specific recommendations for entrepreneurs, practitioners, and policymakers in the Saudi entrepreneurship environment will be made. The discussion in the next paragraphs is solely on the top five leadership skills ranked as highest based on the means scores of the 25 leadership skills in the entire study.

The study reported that the top leadership skills that are needed for leading a successful business in Saudi Arabia was self-confidence with the highest means score (M = 4.37). This finding aligns with Makhbul and Hasun (2011) who found that self-confidence was at the core of successful entrepreneurship. Renko et al. (2015) added that self-confidence is mandatory for entrepreneurial leaders. This implies that leaders should demonstrate self-confidence to enable employees to work towards business success. Sadi and Al-Ghazali (2010) expressed similar conclusions in their study by stating that women enjoyed the freedom entrepreneurship provides where they can nurture self-confidence in specific business ventures they have created. Just as in other organizations, entrepreneurship ventures cannot thrive when leaders lack decision-making abilities. Leaders should demonstrate the willingness to accept disappointment, be experimental, and take risks. Such abilities depend on the self-confidence level of the leader. Without self-confidence, leaders will not engage in risk-taking and move further to try new innovative processes and ideas, causing stagnation of the business.

Most participants cited this skill as the top skill that helped them to be successful entrepreneurs in Saudi Arabia. Some individuals usually feel judged due to their heavy reliance on other people's opinions rather than their own, thus affecting their self-confidence (Kirkpatick & Locke, 1991). This might lead to low self-confidence and cause individuals to have less confidence in their decision-making and opinions; leaders who lack self-confidence are not effective leaders. A leader who demonstrates self-confidence creates an empowerment feeling among followers. Therefore, followers start experiencing a sense of support and security and gain self-esteem based on the influence of their leader. Saudi leaders who will lead entrepreneurial businesses in the country must encourage positive thinking and nurture self-confidence that eliminates negativity and fear.

The leadership skill that was rated the second highest in importance for leading an entrepreneurial business was item 19, "has decision-making ability" (M = 4.34). In their discussion of entrepreneurial leaders' skills, Fernald et al. (2005) found that for entrepreneurial businesses to be successful, the leaders must have decision-making skills. Such entrepreneurs are problem solvers, innovators, and think of creative ways to drive their business. Through such skills, leaders can steer a business in the right direction and also achieve success in the business. Because the role of leadership is so vital to the success of any organization, entrepreneurs should invest in ways to be effective leaders who promote a creative spirit so that individuals are willing to buy into the goals of the business. Moreover, in their study, Makhbul and Hasun (2011) agreed with Fernald et al. (2005) by reporting that successful entrepreneurs should possess outstanding decision making skills and have a hunger for achievement. Northouse (2015) added that "Being a leader with human skills means being sensitive to the needs and motivations of others and taking into account others' needs in one's decision making" (p. 45). By listening and

understanding their needs, while simultaneously, making crucial decisions that will impact the organization, a leader gains the respect of those he or she is working with on a project or goal.

The third highest rated leadership skill according to the participants was item 7, "Being determined to achieve goals" (M=4.29). Eshag et al.'s (2018) study reported that being determined was ideal for successful entrepreneurship. Being determined means having made a firm decision and not changing it. For an entrepreneur to be successful, they must have knowledge that should be gained through various ways like training or through personal experiences in informal or formal education. Moreover, Kattan et al. (2016) found that leadership skills constituted the ability and capacity that an individual acquired through deliberate, sustained effort in order to be in a position to handle difficult job functions as well as complex activities involving people, things and ideas. Kattan et al. (2016) asserted that determination is among the most significant leadership skills a leader should possess.

The fourth highest rated leadership skill among respondents was item 16, "Ability to communicate effectively" (M=4.28). A study by Makhbul and Hasun (2011) found that entrepreneurial leaders should be able to demonstrate effective communication. Also, Tannenbaum et al. (1961) suggest that effective leadership requires "interpersonal influence, exercised in situation, and directed, through the communication process, toward the attainment of a specified goal or goals" (p. 24). Leaders could achieve their entrepreneurial goals by being good listeners, clear and succinct when communicating.

The fifth highest rated leadership skill was item 9, "Ability to adapt to market circumstances" (M=4.22). In their study, Renko et al. (2015), while discussing entrepreneurial leaders' skills, cited the ability to adapt to different circumstances as a crucial skill for entrepreneurial leaders and it is a leadership approach that can be used to turn around

organizations. Entrepreneurial leadership encourages others to take risks to reach their potential. Renko et al. (2015) suggested that entrepreneurial leaders must demonstrate adaptability, flexibility, patience, and willingness to collaborate with others in order to grow. For this reason, entrepreneurial leaders seek to reveal new and creative ways to gain approval and inspire others to perform by embracing personal and professional growth. Pauceanu et al., (2021) shared similar views by asserting that entrepreneurial leaders should be able to listen, be persistent, and be able to adapt to change. Furthermore, a study by Kuratko (2007) reported that effective leadership, through the leader's ability to adapt to the environmental contingencies and implementing and supporting change, helps businesses to gain a competitive edge and find their place in the industry in which they operate.

Entrepreneurship ventures are viewed as platforms for innovation and technology. Therefore, it was anticipated that item 23, "Ability to work with technical things" (M=3.45) would be rated at a high ranking. However, it was scored as the lowest needed skills. At an initial glance, the comparatively low ranking accorded to technical ability is a rare finding because these constitute leadership skills in entrepreneurship ventures. One reason for the low score that additional research should support is that this study did not mention the business venture's industry or size.

The previous sections discussed the research findings for Research Question 1 and the literature, which complemented the findings. To retain an impartial viewpoint, it was important to analyze literature, which contradicted the study findings. However, there were no disagreements between the literature sources within the present findings. There is no empirical study in the literature about the leadership skills required for entrepreneurial businesses in Saudi Arabia. Hence, the highly ranked skills debated in this part of the study might add to the

extensive literature associated with entrepreneurial leadership. Additionally, the study constitutes an emergent inclusion in the literature associated with the Saudi entrepreneurship environment.

In summary, self-confidence, decision-making ability, determination to achieve goals, ability to communicate effectively, and ability to adapt to market circumstances constitute the highly rated leadership skills required to lead entrepreneurial businesses in Saudi Arabia as demonstrated by the participants' views. These top five skills were considered ideal for entrepreneurs who were successful in their businesses in Saudi Arabia. The top five ranked skills support each other. Most of the entrepreneurs are young and are novices in the area. Because of that, failures or mistakes are anticipated as a result of the learning process of such young entrepreneurs. Nevertheless, with appropriate guidance from the leadership that can enable them to set attainable objectives, nurture self-confidence, there is a possibility that such entrepreneurship ventures will generate more entrepreneurial businesses. Furthermore, Saudi entrepreneurial leaders should consider reexamining the other skills in Table 3 and embrace relevant skills, which could increase their leadership abilities to effectively lead entrepreneurial businesses in Saudi Arabia.

## **Research Question 2: The Main Environmental Factors**

Research Question 2 was: What do Saudi entrepreneurs state are the main environmental factors affecting entrepreneurial businesses in Saudi Arabia? To answer this question, descriptive statistics for the environmental factors were used and sorted by highest rating. These ratings were based on a five-point metric: 1 = strongly disagree to 5 = strongly agree. The top five environmental factors with the most agreement were: The Saudi young generation is a major driving force for adopting or introducing new innovative entrepreneurial businesses (M = 4.32), there is a need to combat corruption to provide entrepreneurs more fair chances to compete with

large corporations (M = 4.26), in Saudi Arabia, increasing cooperation efforts among government, universities, and private sector will foster entrepreneurial activities (M = 4.25), building a stronger knowledge infrastructure is needed for developing an innovative entrepreneurial environment in Saudi Arabia (M = 4.17), and the provision of skilled human capital will accelerate entrepreneurship activities in Saudi Arabia (M = 4.17). Table 4 and Table 4A in Chapter 4 rated the environmental factors using means scores, rating them in terms of lowest and highest. To achieve consistency, this discussion is associated with the most significant and highest-ranked environmental factors in terms of their means scores. By solely focusing the discussion on the highest ranked environmental factors, specific recommendations that support policy improvement can be made to improve the entrepreneurship ecosystem in Saudi Arabia.

The study reported that the item with the highest ranking was item 7, "The Saudi young generation is a major driving force for adopting or introducing newly innovative entrepreneurial businesses" (M = 4.32). This finding aligns with that of Alamoudi and Bagaaifar (2017) who reported that Saudi Arabia is targeting potentially young entrepreneurs to promote extensive economic growth. Additionally, Alessa and Alajmi (2017) reported that a larger percentage of young Saudis are pursuing entrepreneurship. To help seek new entrepreneur candidates, the General Authority for Small and Medium Enterprises was established in 2016 to develop, organize, support, and sponsor the small and medium sized enterprises sector in line with best global practices. Moreover, the entity encourages young entrepreneurs to create entrepreneurial businesses by initiating individual access to direct financing for their business ventures. Additionally, an analysis of the SPELIT framework supported the finding. With the surging population, the focus of the country is on nurturing the youth who constitute the main

contributing factor to the country's development strategy. Abdulghaffar and Akkad (2021) declare that now, in the Kingdom entrepreneurship is considered to be one of the key elements of the country's rise in the economy.

The second highest ranked environmental factor was item 9, "There is a need to combat corruption to provide entrepreneurs more fair chances to compete with large corporations" (M = 4.26). Despite the Saudi government's steps in fighting corruption, the findings revealed that it is a major factor affecting the entrepreneurship environment. This finding is inconsistent with the literature, which revealed that with Saudi Arabia's desire to be the 15th largest economy in the world the recent advancement in technology has limited corruption and only allows for transparency between those who want to seek new opportunities in Saudi. One of the initiatives is Etimad platform, which allows more transparency between government agencies and entrepreneurs to help facilitate new business opportunities and help small businesses grow and expand. Future researchers should investigate this further because the SPELIT analysis suggested that it is fair, but the findings of the study suggest this is still a barrier and should be considered and reviewed by policymakers.

The third highest ranked environmental factor was item 8, "In Saudi Arabia, increasing cooperation efforts among government, universities and private sector will foster entrepreneurial activities" (M = 4.25). This finding aligns with what SPELIT framework revealed. The SPELIT analysis revealed that the country is shifting towards strengthening the private sector and government partnership via the General Authority for Small and Medium Enterprises (Monsha'at). The authority seeks to complement the partnership between the private sector and institutions of higher learning to nurture entrepreneurial activities.

The fourth highest ranked environmental factor was item 14, "Building a stronger knowledge infrastructure is needed for developing an innovative entrepreneurial environment in Saudi Arabia" (M = 4.17). Grand and Wolff (2020) reported that even though education was compulsory, increasing its standards will help Saudi Arabia to achieve the Vision 2030 objectives. Therefore, it needs improvement especially in matching the skills that the market demands. Education in Saudi Arabia plays a crucial role in shaping and training entrepreneurial leaders. Modernizing the educational system will help Saudi Arabia in competing for more globally. It will also help future entrepreneurs by enhancing their knowledge and future skills needed to be successful and help shape their knowledge of the global market. Ultimately, a stronger knowledge infrastructure will help Saudi Arabia drive entrepreneurs in achieving their business goals.

Finally, sharing the same means score with item 14 was item 11, "The provision of skilled human capital will accelerate entrepreneurship activities in Saudi Arabia" (M = 4.17). This finding is consistent with Bokhari's (2017) study, which reported that business longevity and success depends on several factors including human capital, economic climate, and capital. Besides, Katz (1955) reported that skilled human constituted an indispensable capital, and attaining long-term success necessitates skilled human capital intellect development. A significant part of attaining the General Authority for Small and Medium Enterprises objectives depends on boosting the Saudi human capital capacity.

Although the investigator attempted to avoid bias by exploring literature, which did not contradicted these findings, such literature did not exist. Despite a searching widely, only item 9 "There is a need to combat corruption to provide entrepreneurs more fair chances to compete with large corporations" of the existing literature disputed the findings in this study. This finding

can be attributed to the lack of empirical studies on the topic of entrepreneurial leadership in Saudi Arabia. With regard to the absence of empirical studies regarding entrepreneurial businesses in Saudi Arabia, the highest rated environmental factors debated in this section can add to the extensive literature associated with entrepreneurship and leadership in Saudi Arabia.

In a recap, the Saudi young generation is a major driving force, there is a need to combat corruption, as well as the need for increased cooperation between government, universities, and private sector, stronger knowledge infrastructure, and skilled human capital were considered the five most critical factors that affect the entrepreneurship environment in Saudi Arabia. As a large portion of the overall population, young people were singled out as the major driving factor for the launch of entrepreneurial businesses. These young individuals require space and support to pursue innovative entrepreneurship ideas. Therefore, partnerships that involve the private sector, higher education institutions, and the government should boost national programs to adopt the views of the young generation. Through further experiments and research, individuals learn and advance into highly skilled human capital.

## **Research Question 3: Demographics Factors**

Research Question 3 was: Are the leadership skills of the entrepreneurs related to their demographic factors (gender, age, educational level, marital status)? To answer this question, Spearman correlations were used for the demographic variables with the leadership scale score. Inspection of the results of the Spearman correlations for the demographic variables with the leadership scale score found the leadership scale score was not significantly related to gender (p = .61), age (p = .37), education level (p = .64), or marital status (p = .32).

Concerning the top five leadership skills - self-confidence, decision-making ability, determination to achieve goals, ability to communicate effectively, and ability to adapt to market

circumstances, there were no significant relationships found between the four demographic factors and the highest ranked leadership skills. Therefore, it was summarized that gender, age, educational level, and marital status did not affect the participants' feedback regarding the top needed leadership skills for leading a successful business in Saudi Arabia. Since literature demonstrated the scarcity of data concerning the effect of demographic factors on leadership skills needed to lead a successful business, this finding constitutes an emerging inclusion in the literature.

As Chapter 4 outlined, the discussion of the results relating to this research question aimed mainly at the stronger or moderate correlations to reduce potential errors that may have culminated in redundant conclusions based on spurious relationships. Therefore, to avert bias in the study, it was necessary to consider the stronger or moderate relationships for the question. Specifically, older respondents gave higher importance ratings for the ability to motivate (rs = .18, p = .05), married respondents gave higher importance ratings for the ability to build trust (rs = .21, p = .02), respondents with higher levels of education gave higher importance ratings for the ability to motivate (rs = .18, p = .05), and respondents with higher levels of education gave higher importance ratings for the ability to manage and understand their emotions and emotions of others (rs = .18, p = .05). Educated individuals have a higher likelihood of developing an awareness of what is required to improve the entrepreneurship environment through motivation. Therefore, individuals that ranked this skill thought it is essential to strive for motivation within the Saudi entrepreneurship environment and demonstrated willingness to overcome any hurdles through the ability to manage and understand their emotions of others.

### Research Question 4: Previous Job and Professional Experience

Research Question 4 was: Are the leadership skills of the entrepreneurs related to their previous job and professional experience? To answer this question, Spearman correlations were used for the demographic variables (previous job and professional experience) with the leadership scale score. Inspection of the results of the Spearman correlations for the demographic variables with the leadership scale score found the leadership scale score was not significantly related to working in the public sector (p = .48), working in the private sector (p = .36), or professional experience before starting their entrepreneurial business (p = .83).

Regarding the top five leadership skills - self-confidence, decision-making ability, determination to achieve goals, ability to communicate effectively, and ability to adapt to market circumstances, there were no significant relationships found between the three experience factors and the top five leadership skills. Therefore, it can be concluded that experience did not have any effect on the participants' feedback regarding the top five leadership skills necessary to lead a successful business in Saudi Arabia. Furthermore, possessing minimal, moderate, or extensive experience did not significantly impact upon identification the top five leadership skills. Since there were no data in the literature concerning the effect of experience on the leadership skills needed to lead an entrepreneurial business, the finding constitutes an emerging inclusion in the literature.

As Chapter 4 has outlined, the discussion of the results relating to this research question aimed mainly at the stronger or moderate correlations to reduce potential errors that may have culminated in redundant conclusions based on spurious relationships. Therefore, to avert bias in the study, it was necessary to consider the stronger or moderate relationships for the question.

Specifically, those who worked in the private sector before starting their entrepreneurial business

gave lower importance ratings for the ability to react others with flexibility ( $r_s = -.22$ , p = .01). This finding is inconsistent with what was reviewed in the literature in this study, which was asserted that entrepreneurial leaders must be flexible in order to grow (Eshag et al., 2018; Renko et al., 2015). Researchers should further examine the result comprehensively in upcoming studies.

# **Conclusions and Implications**

The purpose of this study was to define the top five leadership skills required by entrepreneurs in Saudi Arabia in creating and sustaining businesses successfully beyond 5 years and to identify the environmental factors affecting entrepreneurship ecosystem in Saudi Arabia. Online surveys were gathered from 125 entrepreneurs. The gender participation in this study was 70% male versus 30% female and 73% were married. The median age was 34.5 years and all but six of the 125 participants had at least a bachelor's degree while 40.8% had some sort of graduate degree. As for their previous job before starting their businesses, more than 50% were employed in the public sector and 26% were in the private sector. For their professional experience before starting their business, this ranged from less than one year (17.6%) to more than 10 years (26.4%) with the median of Mdn = 7.5 years of professional experience. Based on the findings, the study revealed the top five leadership skills required by entrepreneurs in creating and sustaining businesses successfully beyond five years in Saudi Arabia, in descending order:

- Has self-confidence. (M = 4.37)
- Has decision-making ability. (M = 4.34)
- Being determined to achieve goals. (M = 4.29)

- Ability to communicate effectively. (M = 4.28)
- Ability to adapt to market circumstances. (M = 4.22)

The research found that adopting the above five leadership skills would only foster entrepreneurial business success for the future entrepreneurs. Adopting the best and most effective leadership skills is important for growing an entrepreneurial business. Moreover, though the five above skills are the most important to the entrepreneur's success based on the 125 participants, it is still extremely important to also address the other 20 leadership skills a leader should possess. Because the researcher believes that a leader should have integrity, should be innovative, and be able to manage change, it is important to also address these skills. Though these skills may be extremely important, the findings of the study did not rate them as important in running a business.

A larger majority of those surveyed believed that the Saudi young generation is a driving force for adopting or introducing newly innovative entrepreneurial businesses. Saudi Arabia should focus more on the education of the younger generation in order to foster economic growth. For example, by providing schools with programs that teach intermediate and high schools students about entrepreneurship, it will only increase student knowledge and interest in a variety of business ventures. It will also provide them with the tools needed to be successful in their future by guiding them through classes that provide them with the skill set needed in the market. The study determined that increasing cooperation efforts among government, universities and private sectors would promote entrepreneurial activities. One way to do this is through startup incubator programs and innovation centers designed to support future entrepreneurs. Students are welcomed to bring their creative minds and ideas to these incubation

centers to gain support for their start up business. The goal is to pitch their ideas and to gain feedback and support which ultimately will help to foster entrepreneurial growth in Saudi.

The study reaffirms that entrepreneurial businesses with the required leadership skills have a major impact on the success of a business. The main finding of the study should inspire policymakers to provide support and improve policies that encourage young and innovative entrepreneurs to become successful in Saudi Arabia. Providing young entrepreneurs with incubation programs and innovative centers will only encourage new businesses to open in Saudi Arabia. In addition, these new entrepreneurs will also seek new leadership roles, which, upon their success, will need to examine the most important skills a leader should possess. The findings of this study revealed the top five leadership skills will provide knowledge to policymakers and entrepreneurs who are planning to start or are already running a business. This study sought to promote an understanding of the field of entrepreneurship and leadership. It closely looked at the contributions within the findings, which supported entrepreneurs and their businesses in order to enhance and improve their business performance.

## **Policy and Practitioner Recommendations**

The findings within this study resulted in making some important recommendations for policymakers and practitioners. This current study reviewed the literature about leadership and entrepreneurship and based on the findings; found there are several recommendations that should be considered by decision makers within Saudi Arabia in order to achieve its goal of promoting and increasing small and medium enterprises contribution to the GDP from 20% to 35% by 2030. Listed below are recommendations for policymakers:

• The younger generation is more influenced to seek new entrepreneurial businesses.

Because more often than not, the younger generation is motivated to seek these

opportunities, they might be faced with challenges on how to grow their business or manage it properly. Therefore, one of the recommendations is to provide business entrepreneur classes within the intermediate and high school years in order to educate and encourage them to seek out these opportunities and develop new ideas that will succeed.

- Provide more programs at the university level that will give students the ability to gain knowledge and gain support through their experience within the private sector.
  These programs could also give future entrepreneurs some sort of assistance with both local and foreign entities that they might also be interested in. For example, small business owners and entrepreneurs could link up with universities and the Saudi government to form opportunities for future entrepreneurs to gain information and promote success for their business ventures.
- Despite the Saudi government's steps to combat corruption, it is still perceived as a
  barrier for entrepreneurs' success. Future researchers should investigate this further
  because the SPELIT analysis suggested that it is fair, but the findings of the study
  suggest this is still a barrier and should be considered and reviewed by policymakers.
- Policy makers should increase the volume of funding to entrepreneurial businesses in order to ensure their success within Saudi Arabia. Some ways they could assist these entrepreneurs is providing grants and support. An example is to reduce or waive the taxes on new entrepreneurial businesses for the first five years. Also, Policy makers could recognize and encourage financial institutions to invest more in small businesses to reach the Vision 2030 goal of increasing the overall funding for small and medium businesses in Saudi from 5% up to 25% of the overall funding (CEDA,

- 2016). Because the government reduced the subsidies on electricity and gas and introduced the value added tax and also increased the municipality fees, Saudi entrepreneurs are struggling to maintain their businesses.
- The last recommendation is for entrepreneurs who are planning to start a business or attempting to sustain their business to find ways to develop their leadership skills.
   Many individuals do not follow through with opening up a business because they fear failure. However, this should not deter them from their innovative thoughts or ability to open a business.

#### **Recommendations for Future Research**

As a result of the quantitative research study conducted on the impact of leadership skills on entrepreneurial business success, the study was limited to only one organization.

- The first recommendation is that in order to improve future studies on this topic, future researchers should consider increasing the study population to a variety of organizations on how they conduct their business in Saudi Arabia.
- The second recommendation for future research is to increase the number of participants within the study. Having a small sample size does limit the research findings. However, by increasing the sample size, the researcher has the ability to see more accurate results in the findings: it gives a more accurate account between leadership and business performance.
- The third recommendation is for future researchers to consider expanding the
  variables in order to determine the success of the business in Saudi Arabia. This may
  include financial performance as a measurement of success, customer satisfaction,
  and the increase in the number of employees and business locations. Future

- researchers should determine how long the business has been operating. They should also use other methods to show the business longevity. For example, if the business has been in existence for three or ten years as recommended in the literature.
- The fourth recommendation for future researchers is to conduct a qualitative research study. In this method, the researcher should use other methods such as interviews to collect data from the different types of entrepreneurs in Saudi Arabia. This will promote a more personal and accurate perception of the impact of leadership skills on business performance. In conducting interviews, the researcher is able to ask a question and then a follow up question in order to gain a deeper insight into the leadership skills that impact the business. Though, there is a benefit to surveys, it is highly recommended that a study which uses both should be conducted when conducting future research on leadership skills.
- A fifth recommendation is for researchers to also analyze the impact leadership skills have on entrepreneurs and their success in Saudi Arabia. However, due to Saudi Arabia's multi-faceted and diverse population, researchers should also consider larger demographics. For example, researchers should look at the socioeconomic status of the entrepreneur and educational background to determine the business success.
- A sixth recommendation for future research is to apply only a three point Likert scale
  instead of a five point one. For example, the researcher should ask: Not important
  skill, somewhat important skill, or very important skill, which would most likely
  reveal different results.
- A seventh recommendation for future researchers is to expand the research on leadership skills and compare it to how other countries with similar entrepreneurial

success promote leadership skills. By looking at how other countries with different cultural norms than Saudi Arabia conduct business, the study will reveal different and interesting findings.

## **Summary**

The purpose of this quantitative study was to define the leadership skills that were required by entrepreneurs in Saudi Arabia in creating and sustaining a business successfully beyond 5 years and to identify the environmental factors affecting entrepreneurship ecosystem in Saudi Arabia. Online surveys were gathered from 125 entrepreneurs, who were 23 years or older, and their businesses have been in operation for at least five years or longer in Saudi Arabia. Leadership skills, which contributed to their entrepreneurial business success included self-confidence, decision-making ability, determine in setting and achieving goals, effective communication and adaptability to be the top five needed leadership skills. Although entrepreneurial success depends on many factors that could be internal and external, entrepreneurs who are planning to start or sustain their business may find these findings helpful in their pursuit to create and run successful and new entrepreneurial businesses.

To conclude, it is the researcher's desire that this study should inspire policymakers and entrepreneurs to pursue opportunities for entrepreneurial businesses to be successful within Saudi Arabia. Through providing more programs within the school system, more individuals will become educated on how to promote and adopt leadership skills to promote original and innovative business ideas. In addition, promoting an entrepreneurial culture will enable policymaker to help support these businesses so that they will have equal opportunities to grow and develop their business and assist the country to achieve its goal to increase small and medium enterprises contribution to the GDP from 20% to 35%.

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#### APPENDIX A

## Copy of E-mail Communication to Participants

E-mail Title: Request for Participation in my Online Survey for my Doctoral Dissertation

Dear E-mail Recipient,

My name is Omar Alaqeel; I am a doctoral candidate in Organizational Leadership at Pepperdine University. I am currently in the process for collecting data for my doctoral dissertation research study titled "IMPACT OF LEADERSHIP SKILLS ON ENTREPRENEURS' BUSINESS SUCCESS IN SAUDI ARABIA". As part of this process, I have launched an Online Survey that aims to collect data from 100 entrepreneurs' like you where I believe that your inputs are highly valuable.

The study aims is to identify the needed leadership skills required to lead a successful business in Saudi Arabia and identify the factors that affect the Saudi entrepreneurship environment. The information gathered will help in finding ways in which the development of entrepreneurial businesses can be improved and will lead to suggestions that will improve existing policies regarding entrepreneurship environment in Saudi Arabia.

Thus, I would like to invite you to participate in this anonymous online survey by clicking on the following link, review the consent form and checking the box "I have read and fully understand the consent form and agree to participate in this study".

#### LINK

Your cooperation is appreciated and I thank you for giving this survey part of your valuable time,

Best Regards,

Omar Alaqeel	
Doctoral Candidate	
Pepperdine University	
U.S. Phone	
Saudi Phone	

#### APPENDIX B

## Site Approval Letter



February 6, 2022

Pepperdine University Graduate and Professional Schools Institutional Review Board (GPS IRB) 6100 Center Drive  $-5^{\rm th}$  Floor Los Angeles, CA 90045

RE: Omar Alaqeel

IMPACT OF LEADERSHIP SKILLS ON ENTREPRENEURS BUSINESS SUCCESS IN SAUDI ARABIA

#### To GPS IRB:

This letter is to convey that I/we have reviewed the proposed research study being conducted by Omar Alaqeel intended to conduct research at <u>Tasamy for Impact</u> and find IMPACT OF LEADERSHIP SKILLS ON ENTREPRENEURS' BUSINESS SUCCESS IN SAUDI ARABIA acceptable. We give permission for the above investigator to conduct research at this site.

If you have any questions regarding site permission, please contact:



Sincerely

Lujain Al Ubaid CEO of Tasamy

#### APPENDIX C

#### Reminder E-mail Communication to Participants

E-mail Title: Reminder: Request for Participation in my Online Survey for my Doctoral Dissertation

Dear E-mail Recipient,

You were recently invited to participate in a survey, aimed at identifying the needed leadership skills required to lead a successful business in Saudi Arabia. Your participation is voluntary, confidential and valuable. Since this reminder is sent to everyone, I apologize for sending you this reminder if you have completed the survey. If you have not already completed the survey, please take approximately 15-20 minutes to complete the survey which is available in Arabic and English.

My name is Omar Alaqeel; I am a doctoral candidate in Organizational Leadership at Pepperdine University. I am currently in the process for collecting data for my doctoral dissertation research study titled "IMPACT OF LEADERSHIP SKILLS ON ENTREPRENEURS' BUSINESS SUCCESS IN SAUDI ARABIA". As part of this process, I have launched an Online Survey that aims to collect data from 100 entrepreneurs' like you where I believe that your inputs are highly valuable.

The study aims is to identify the needed leadership skills required to lead a successful business in Saudi Arabia and identify the factors that affect the Saudi entrepreneurship environment. The information gathered will help in finding ways in which the development of entrepreneurial businesses can be improved and will lead to suggestions that will improve existing policies regarding entrepreneurship environment in Saudi Arabia.

Thus, I would like to invite you to participate in this anonymous online survey by clicking on the following link, review the consent form and checking the box "I have read and fully understand the consent form and agree to participate in this study".

#### LINK

Your cooperation is appreciated and I thank you for giving this survey part of your valuable time,

Best Regards,

Omar Alaqeel
Doctoral Candidate
Pepperdine University
U.S. Phone
Saudi Phone

## APPENDIX D

## Copy of the Actual Online Survey

# Part One: Demographics Information.

[The following questions will collect demo	ographic information]
Q1. What is your gender?	
O Male	
O Female	
Q2. What is your age?	
O 23-29	
○ 30-39	
O 40-49	
O 50 or above	
Q3. What is your Educational level?	
O High school graduate	
O Bachelor's Degree	
O Master's Degree	
O Doctorate Degree	
Other	

Q4. What is your marital status?	
○ Single	
O Married	
Q5. What is your previous job before starting your entrepreneurial business?	
O Unemployed	
○ Student	
Worked for family business	
Employee in public sector	
Employee in private sector	
Q6. How long is your professional experience before starting your entrepreneurial business?	
C Less than one year	
O Two years	
O Between 2 and 5 years	
O Between 5 and 10 years	
O More than 10 years	
End of Part One: Demographics Information	
Part Two: Leading an Entrepreneurial Business in Saudi Arabia.	
[Consider how you lead yourself and others, how important the following skills are for an	
entrepreneur to lead a business in Saudi Arabia by reflecting on your leadership skills in your	

organization]

	Not at all important skill	Slightly important skill	Moderately important skill	Very important skill	Extremely important skill
Ability to motivate.	0	0	0	0	0
Ability to manage and understand your emotions and the emotions of others.	0	0	0	0	0
Has a vision.	0	$\circ$	$\circ$	$\circ$	$\circ$
Willing to take risks.	0	$\circ$	$\circ$	$\circ$	$\circ$
Being able to build trust.	0	$\circ$	$\circ$	$\circ$	$\circ$
Encourage creative and unique ways of doing things.	0	0	0	0	0
Being determined to achieve goals.	0	$\circ$	$\circ$	$\circ$	0
Being able to understand others' needs.	0	0	0	$\circ$	0
Ability to adapt to market circumstances.	0	0	0	0	0
Has self- confidence.	0	$\circ$	$\circ$	$\circ$	$\circ$
Being innovative.	0	$\circ$	$\circ$	$\circ$	$\circ$
React to others with flexibility.	0	$\circ$	$\circ$	$\circ$	$\circ$
Intelligence.	0	$\circ$	$\circ$	0	$\circ$

Ability to influence others.	$\circ$	$\circ$	$\circ$	$\circ$	$\circ$
Ability to demonstrate humility.	0	0	0	0	0
Ability to communicate effectively.	0	$\circ$	0	0	0
Ability to resolve conflicts.	$\circ$	$\circ$	$\circ$	$\circ$	$\circ$
Being proactive in anticipating what might happen.	0	$\circ$	0	0	$\circ$
Has decision making ability.	$\circ$	$\circ$	$\circ$	$\circ$	$\circ$
Ability to think strategically.	$\circ$	$\circ$	$\circ$	$\circ$	$\circ$
Ability to persuade others.	$\circ$	$\circ$	$\circ$	$\circ$	0
Being able to solve problems effectively.	0	0	$\circ$	$\circ$	$\circ$
Ability to work with technical things.	0	0	0	0	0
Integrity.	$\circ$	$\circ$	$\circ$	$\circ$	0
Being able to manage change.	$\circ$	$\circ$	$\circ$	$\circ$	0

End of Part Two: Leading an entrepreneurial business in Saudi Arabia.

## Part Three: Entrepreneurship Environment in Saudi Arabia.

How do you agree the following factors affect the entrepreneurship environment in Saudi

Arabia?

	Strongly disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Strongly agree
The lack of skills required to lead and sustain an entrepreneurial business is a major obstacle for the development of the Saudi Arabian entrepreneurship environment.	0	0		0	0
Lack of access to capital for entrepreneurs is a main barrier to entrepreneurial businesses growth in Saudi Arabia.	0		0		
The lack of effective startup accelerators is a major factor affecting entrepreneurship development in Saudi Arabia.	0			0	
Focusing on building a wealth as a motivation to start a business has limited creative and innovative businesses.	0				
There is a need for strategic partnership between Saudi institutions and leading international institutions to accelerate the development of skilled entrepreneurs	0	0			0

and enhance entrepreneurship activities.					
Saudi Arabia efforts in improving its intellectual property environment led to more entrepreneurial activities.	0	0	0	0	0
The Saudi young generation is a major driving force for adopting or introducing newly innovative entrepreneurial businesses.	0	0	0		0
In Saudi Arabia, increasing cooperation efforts among government, universities and private sector will foster entrepreneurial activities.	0	0	0		0
There is a need to combat corruption to provide entrepreneurs more fair chances to compete with large corporations.	0	0	0	0	0
There is a lack of innovation centers in Saudi institutions.	0	$\circ$	0	0	0
The provision of skilled human capital will accelerate entrepreneurship activities in Saudi Arabia.	0	0	0		0
Some government regulations and	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$	$\bigcirc$

0	0	0		0
0		0		0
0	0	0		0
0	0	0		0
$\circ$	0	0	0	0

activities.					
In Saudi Arabia, startup incubator programs are a driving force for entrepreneurship.	0	0	0	0	0
The recent expansions in entrepreneurial activities have made it harder for businesses in Saudi Arabia.		0	0		0
Lack of original ideas obstructs the Saudi entrepreneurship environment in reaching its 2030 goals.	0	0	0		0

End of Part Three: Entrepreneurship Environment in Saudi Arabia.

#### APPENDIX E

## Participants' Informed Consent Form

#### IRB Number # 22-03-1784

Study Title: Impact Of Leadership Skills On Entrepreneurs' Business Success In Saudi Arabia

#### Invitation

Dear survey recipient,

My name is Omar Alaquel. I am conducting a study on the necessary leadership skills that are required by entrepreneurs in Saudi Arabia in creating and sustaining business beyond five years. If you are 23 years of age or older, and an entrepreneur, whose business has been in operation for at least five years or longer in Saudi Arabia, you may participate in this research.

#### What is the reason for doing this research study?

This is a research project that focuses on identifying the necessary leadership skills that are required by entrepreneurs in Saudi Arabia in creating and sustaining business beyond five years and examining the factors that affect the Saudi entrepreneurship environment. Failures of business occur because of external factors including economic conditions and regulations, but many of them fail because of leadership inadequacies. Leadership skills help entrepreneurs to successfully steer a business forward and ensure continuity. Examining the entrepreneurship environment means equipping Saudi decision makers with the needed information and knowledge to ensure business success for entrepreneurs in Saudi Arabia. The results of this study will help in educating entrepreneurs and business leaders on the significance of leadership skills and their effect on business success and motivating them to support their adoption. Also, the findings will lead to suggestion to improve the existing policies regarding entrepreneurship environment in Saudi Arabia as well as make it a more attractive entrepreneurship environment. In order to participate you must be 23 years of age or older and an entrepreneur, whose business has been in operation for at least five years or longer in Saudi Arabia.

## What will be done during this research study?

Participation in this study will require approximately 15-20 minutes. You will be asked to complete an online survey by completing 3 main parts of questions. The first part of the questions will be related to demographic information such as age, gender, educational level, and professional experience. The second part will be regarding your opinion on the leadership skills needed to lead a successful business in Saudi Arabia. The third part will be about your opinion on the factors that affect the Saudi entrepreneurship environment.

## What are the possible risks of being in this research study?

Although no more than minimal, there are potential risks or discomforts associated with this study may include a potential risk for breach of confidentiality, the burden on your time, boredom, and physical fatigue from sitting while you are doing the survey. In the event you do experience any risk you could discontinue participation in the survey at any time by simply

exiting the Internet browser. You understand that the investigator is willing to answer any inquires you may have concerning the research herein described.

## What are the possible benefits to you?

There are no direct benefits to the participants in this research study. However, the results of this study will be used to benefit you or the society upon completion of the study such as the investigator will identify the necessary leadership skills an entrepreneur must have to lead an entrepreneurial business in Saudi Arabia and identify the factors that affect the Saudi entrepreneurship environment. The results will help the society to better understand entrepreneurship environment in Saudi Arabia. In particular, the outcomes of this study may benefit in finding ways in which the development of entrepreneurial businesses can be improved and will lead to suggestions that will improve existing policies regarding entrepreneurship environment in Saudi Arabia.

## How will information about you be protected?

Your responses to this survey will be kept confidential. The survey is a web-based, which will begin after reviewing this consent form and agreeing to participate in this study. The data will be stored electronically through a secure server and will only be accessed by the researcher during the study. Your answer will be obtained via the researcher's Qualtrics account where the data will be stored in a password protected electronic format. The participants' responses will be deidentified, and the relationship between you and your organization and others will not be affected whether you participate in the study or not. Nobody will be allowed to access the data except the researcher. The information gathered from this study may be published in scientific journals or presented at scientific meetings but the data will be reported as group or summarized data and your identity will be kept strictly confidential.

### What are your rights as a research subject?

You may ask any questions concerning this research and have those questions answered before agreeing to participate in or during the study.

For study related questions, please contact the investigator:

Principal Investigator: Omar Alaqeel
Email:
U.S. Phone
Saudi Phone

For questions concerning your rights or complaints about the research contact the Institutional Review Board (IRB):

Phone: 1(310)568-2305

Email: gpsirb@pepperdine.edu

# What will happen if you decide not to be in this research study or decide to stop participating once you start?

You can decide not to be in this research study, or you can stop being in this research study ("withdraw") at any time before, during, or after the research begins for any reason. Deciding not

to be in this research study or deciding to withdraw will not affect your relationship with the investigator, your organization, or with Pepperdine University.

You will not lose any benefits to which you are entitled.

## **Documentation of Informed Consent**

You are voluntarily making a decision whether or not to participate in this research study. By clicking on the I Agree button below, your consent to participate is implied. You should print a copy of this page for your records.

#### APPENDIX F

## Pepperdine IRB Approval

Pepperdine University 24255 Pacific Coast Highway Malibu, CA 90263 TEL: 310-506-4000

#### NOTICE OF APPROVAL FOR HUMAN RESEARCH

Date: March 28, 2022

Protocol Investigator Name: Omar Alaqeel

Protocol #: 22-03-1784

Project Title: Impact Of Leadership Skills On Entrepreneurs ' Business Success In Saudi Arabia

School: Graduate School of Education and Psychology

Dear Omar Alageel:

Thank you for submitting your application for exempt review to Pepperdine University's Institutional Review Board (IRB). We appreciate the work you have done on your proposal. The IRB has reviewed your submitted IRB application and all ancillary materials. Upon review, the IRB has determined that the above entitled project meets the requirements for exemption under the federal regulations 45 CFR 46.101 that govern the protections of human subjects.

Your research must be conducted according to the proposal that was submitted to the IRB. If changes to the approved protocol occur, a revised protocol must be reviewed and approved by the IRB before implementation. For any proposed changes in your research protocol, please submit an amendment to the IRB. Since your study falls under exemption, there is no requirement for continuing IRB review of your project. Please be aware that changes to your protocol may prevent the research from qualifying for exemption from 45 CFR 46.101 and require submission of a new IRB application or other materials to the IRB.

A goal of the IRB is to prevent negative occurrences during any research study. However, despite the best intent, unforeseen circumstances or events may arise during the research. If an unexpected situation or adverse event happens during your investigation, please notify the IRB as soon as possible. We will ask for a complete written explanation of the event and your written response. Other actions also may be required depending on the nature of the event. Details regarding the timeframe in which adverse events must be reported to the IRB and documenting the adverse event can be found in the Pepperdine University Protection of Human Participants in Research: Policies and Procedures Manual at community pepperdine.edu/irb.

Please refer to the protocol number denoted above in all communication or correspondence related to your application and this approval. Should you have additional questions or require clarification of the contents of this letter, please contact the IRB Office. On behalf of the IRB, I wish you success in this scholarly pursuit.

Sincerely,

Judy Ho, Ph.D., IRB Chair

cc: Mrs. Katy Carr, Assistant Provost for Research

## APPENDIX G

## Human Subjects Training Certificate of Completion

