

## **NURTURING ENTREPRENEURIAL CULTURE: A STUDY OF SME OWNERS/MANAGERS IN BAHRAIN**

**Dr. Samir Al-Mansoori**

Flat 13, Building 846, Road 1110, Tubli, Kingdom of Bahrain.

**Abstract:** *Entrepreneurship plays a pivotal role in driving economic growth and job creation, both globally and within the Gulf Cooperation Council (GCC) region. This paper explores the significance of entrepreneurship in the GCC, where it is considered a vital element for economic diversification, employment generation, and sustainable development. In alignment with Bahrain's Economic Vision 2030, fostering a dynamic and equitable Small and Medium-sized Enterprises (SMEs) sector is recognized as essential for achieving national economic goals. As micro-businesses and SMEs comprise a substantial portion of operating firms in Bahrain, contributing significantly to the country's GDP and employment, this study delves into their role in promoting economic development.*

**Keywords:** *Entrepreneurship, SMEs, economic growth, employment generation, Gulf Cooperation Council, Bahrain, economic diversification, sustainable development.*

### **1. Introduction**

Entrepreneurship, as an omnipresent aspect of human activity, is the economic engine driving many nations' economies in the global competitive landscape (Fritsch and Wyrwich, 2017; Yusuf and Albanawi, 2016; Toma et.al., 2014; Van Stel et.al., 2005). In the GCC, entrepreneurship is considered as the key plank for economic diversification, employment creation and sustainable growth (Miniaoui and Schilirò, 2017). According to the Economic Development Board (EDB) of Bahrain, the aggregate scale of the importance of SMEs for many countries specifically in the GCC, in terms of generating growth and employment, cannot be underestimated. Bahrain's Economic Vision 2030 recognized that stimulating entrepreneurial endeavors towards the development of a dynamic and equitable SME sector is a key ingredient to sustain Bahrain's national economic strategies. Specifically, the Ministry of Commerce and Industry stated that micro businesses and SMEs represent almost 90% of all operating firms (including branches of foreign companies) and that they account for nearly 30% and 73% of the country's GDP and employment of private sector employees respectively.

Because of the important role of SMEs in the new economy, a lot of researches focus on their business performance and critical success factors (Douglas et. al., 2017; Lo et.al, 2016; Fairoz et.al., 2010; Philip, 2011; Fairoz and Hirobumi, 2016; Indarti and Langenberg, 2004). Starting up anytype or form of entrepreneurship venture has cultural, social and economic dimensions. The significant role that culture and orientation play as a construct in the multi-dimensional aspects of entrepreneurship and business performance has been documented in several literatures and as such there are varieties of entrepreneurial opportunities instituted across cultures in the worldtoday (Aleksandra, 2014; Abzari and Safari, 2008; Altinay, 2008; Aramand, 2012; Kreiser et.al., 2010; Radziszewska, 2014; Arshad et.al., 2014; Kraus, et.al, 2012).

In the November 2017 Global Entrepreneurship Development Institute (GEDI) analysis report of international entrepreneurship, Bahrain was ranked 34th out of 137 countries and fifth in the MENA region in terms of its ability to nurture and promote entrepreneurial activities given a series of indicators which includes cultural and social entrepreneurial dimensions. Within the framework of mediating influence of culture and orientation, our study focuses on the entrepreneurial performance, spirit and endeavors of SMEs owners/managers in the Kingdom of Bahrain.

## **2. Literature Review and Hypotheses**

### **2.1 Entrepreneurial Culture and Orientations**

For over two centuries, entrepreneurship, as a concept, has been ill defined due to its multidimensional nature. According to Stam and Spigel (2017), the concept of entrepreneurship evolves on the creation of opportunities for innovation which leads to incremental and novel societal contributions. Hence, entrepreneurs are viewed as the most critical factors for economic development of a country (Schumpeter 1934) because they are responsible for the organization and management of business enterprises through judicious utilization of the theories of entrepreneurship. These entrepreneurial theories both aspire to enhance the theoretical and practical skills and knowledge of the entrepreneurs (Chakraborty et al., 2016) and can be categorized into sociological, economic and cultural aspects.

Entrepreneurial process has two components, (a) an event, it is the implementation of new ideas, product or services; (b) an agent, it is the person or an individual who carries out the process of an event with responsibility. The agent is the personal characteristic which differentiates the entrepreneur from non-entrepreneur.

Hofstede (1980) defines culture as a “*set of shared values, beliefs and expected behaviors*” and can be understood in many levels of analysis (Hofstede, 2001; Pinillos and Reyes, 2011; House, et.al., 2004). The most significant point of the definition of culture is how it shapes people's interpretations and perceptions in the society.

From various perspectives, several studies have stressed the influence of cultural factors on entrepreneurship. Zhao et.al., (2012) proposed the –national culture - personal values- entrepreneurial behavior model in which culture was described as the degree by which a society considers the desirability of entrepreneurial behaviors such as risktaking, growth-orientation, innovativeness, opportunity recognition and exploitation. In the literature review of Hayton et al. (2002), culture and entrepreneurship were linked to three broad research streams namely: (1) the impact of national culture on aggregate entrepreneurship measures such as national innovative output or newly created businesses; (2) the association between national culture and the characteristics of individual entrepreneurs; and (3) exploration of the impact of national culture on corporate entrepreneurship.

Entrepreneurs can utilize and apply one universal theory that is being responsible for making cultural choices, entrepreneurs being one of the important product of culture. Entrepreneurs helps to influence the stakeholders of the enterprise by instilling culture with respect to business (Chatterji, et.al., 2013). As dynamic segment of society, entrepreneurs are essentially affected from and by cultural changes and must closely follow current events which leads to varied entrepreneurial activities (Şahin and Asunakutlu, 2014). Countries differ considerably in the level of entrepreneurial activity (Freytag & Thurik, 2007; Minniti et al., 2005; Reynolds, Bygrave, & Autio, 2003)

The cultural theories of entrepreneurship provide given knowledge on some traditional and effective cultural influences. The different theories of entrepreneurship are relevant for the development of the business which helps the beneficiaries to perform better. The objective of these theories is not only to enhance the skills and knowledge of the entrepreneurs but also to help them apply these in the practical world (Chakraborty et al., 2014). The entrepreneurial theories can be divided into sociological, economic and cultural aspects. The cultural theories of entrepreneurship provide given knowledge on some traditional and effective cultural influences.

### **Theories of Entrepreneurship**

Peter F. Drucker explained that the entrepreneurs are one that are constantly looking for new avenues to change and utilize this change as an opportunity. His theory is based on two important factors which are innovation and resources. Innovation depends on resources and resources gain importance only when perceived to possess economic value. Innovating new ideas as well as new products or any elements related to his business help him to increase his productivity. Resources like capital are important to incorporate new innovations. (Simpeh, 2011). The theory explains that there is relationship between the innovation, resources and the behavior of the entrepreneurs.

Peter Drucker had derived three main points which help the role of entrepreneurs:

1. Entrepreneurs increase the value and satisfaction of the customer through the efficient utilization of the resources.
2. Entrepreneurs are responsible for the creation of new value.
3. Entrepreneurs must combine the existing materials and the resources (Scholte, et. Al.,2015)
4. Backgrounds are the ones that shine in their entrepreneurial skills.

### **2.3 Entrepreneurial Orientation**

#### **2.4 Hypotheses**

Ho 1: There are no significant relationships between the entrepreneurship orientations and cultural entrepreneurial values of the SME managers.

Ho 2: There are no significant relationships between the entrepreneurship orientations and cultural entrepreneurial values of the SME managers.

### **3. Research Methodology**

The study will employ random samples of the entrepreneurs as owners/ managers of small enterprises with 40 and 20 respondents; owner/managers and staff respectively. To gather more reliable data from the survey about the cultural entrepreneurial values and orientations, profile and qualities of the respondents/subjects, the BCCI will assist the researchers in identifying the samples of the study, prior to the administration of the survey questionnaire.

This will use of the descriptive correlation research design because the study will describe an existing relationship between and among variables and the degree to which two or more of these variables are related and or different. The study will try to relate the cultural entrepreneurial values in terms self-reliance, toughness, power ambiguity and short-term/long-term orientation and their entrepreneurial orientations in terms of entrepreneur's profile and qualities.

The difference in the perceptions of the two groups of respondents as business owners / managers and staff will also be considered.

This paper is a qualitative study and will use a descriptive correlation research design. The survey of this paper using questionnaire is to be conducted and administered to randomly selected samples of 40 SME owners/managers and 20 SME staff in the Kingdom of Bahrain.

#### 4. Results and Implications

**Table 1. Distribution of Respondents and Subjects of the Study**

| Respondents     | Frequency | Percent |
|-----------------|-----------|---------|
| Owners/managers | 40        | 0.666   |
| Staff           | 20        | 0.333   |
| <b>Total</b>    | 60        | 100     |

Table 1 shows the distribution of respondents of the study. The owner/managers of the SMEs composed of forty (40) respondents or 66.66 %, who are the same subjects of the study. The staff counts twenty (20) or 33.33% of the total respondents.

**Table 2. Distribution of Types of Business of the Study**

| Type of Business | Frequency | Percent |
|------------------|-----------|---------|
| Retail           | 20        | 50      |
| Service          | 15        | 37.5    |
| Others           | 05        | 12.5    |
| <b>Total</b>     | 40        | 100     |

Table 2 shows the different small and medium enterprises which the researchers included in the survey. In as much as this was a walk-in floating of survey questionnaires, the researchers randomly selected above-mentioned businesses. The retail accounted the highest number with half of the survey conducted which is 50%, followed by the service businesses and others with 37.5 % and 12.5 % respectively.

**Table 3. Distribution of Entrepreneur's Profile According to Age**

| Age Group    | Frequency | Percent |
|--------------|-----------|---------|
| 21-25        | 10        | 25      |
| 26-30        | 15        | 37.5    |
| 36-40        | 7         | 17.5    |
| 41-45        | 8         | 20      |
| <b>Total</b> | 40        | 100     |

Table 3 manifests the distribution of age groups of the SME owner/managers. Majority of the subject/respondents have ages from 26-30 years old which is 37.5% of the total. The least number of owner/managers belong to age group 36-40, which is 17.5 %. Although quite equitably distributed, the SME owner/managers are relatively young.

**Table 4. Distribution of Entrepreneur’s Profile According to Gender**

| <b>Gender</b> | <b>Frequency</b> | <b>Percent</b> |
|---------------|------------------|----------------|
| Males         | 29               | 72.5           |
| Females       | 11               | 27.5           |
| <b>Total</b>  | 40               |                |

Table shows that males dominate the operations of businesses which accounted for 72.5 % of the total and women accounted only for 27.5%.

**Table 5. Distribution of Entrepreneur’s Profile According to Educational Attainment**

| <b>Educational Attainment</b> | <b>Frequency</b> | <b>Percent</b> |
|-------------------------------|------------------|----------------|
| Secondary                     | 7                | 17.5           |
| Diploma                       | 10               | 25             |
| Bachelor                      | 16               | 40             |
| Master                        | 4                | 10             |
| Others                        | 3                | 7.5            |
| <b>Total</b>                  | 40               | 100            |

Above table shows that majority of the SME owner/managers are Bachelor’s Degree holders which accounted for 40%. The least has others, which is only 7.5%. This means that the owner/managers are educated and has formal education training prior to their operations of their business.

**Table 6. Distribution of Entrepreneur’s Profile according to Trainings Related to Business/Entrepreneurship**

| <b>Trainings</b>           | <b>Frequency</b> | <b>Percent</b> |
|----------------------------|------------------|----------------|
| Sponsored by TAMKEEN       | 15               | 37.5           |
| Sponsored by Private Orgs. | 15               | 37.5           |
| Self- sponsored            | 10               | 25             |
| <b>Total</b>               | 40               | 100            |

When asked about their trainings related to business, the subject/respondents said that majority of them were sponsored by TAMKEEN and some private organizations, while the others were self-sponsored with two 37.5 % and 25 % respectively.

**Table 7. Perceived Entrepreneur’s Qualities by the Owner/Managers Themselves**

| <b>The Entrepreneur:</b>                                   | <b>5</b> | <b>4</b> | <b>3</b> | <b>2</b> | <b>1</b> | <b>WM</b> |
|--|----------|----------|----------|----------|----------|-----------|
| Is a risk-taker  | 22       | 3        | 13       | 1        | 1        | 4.10      |
| Is Innovative and has desire to do something well/creative | 15       | 12       | 3        | 5        | 5        | 3.67      |

# Innovative Journal of Entrepreneurship and Business (IJEB)

Volume 11 Issue 2, April-June 2023

ISSN: 2837-3960

Impact Factor: 8.42

Journal Homepage: <https://americaserial.com/Journals/index.php/IJEB/index>

Email: [contact@americaserial.com](mailto:contact@americaserial.com)

Official Journal of America Serial Publication

|  |    |    |   |   |   |             |
|--|----|----|---|---|---|-------------|
| Works and coordinates well the activities in the organization/enterprise | 14 | 12 | 5 | 4 | 5 | 3.65        |
| Has self –awareness  | 15 | 13 | 5 | 4 | 3 | 3.82        |
| Is self-confident  | 16 | 14 | 4 | 4 | 2 | 3.95        |
| Has personal initiative  | 16 | 12 | 2 | 5 | 5 | 3.72        |
| Is knowledgeable on current market information and trends                | 17 | 13 | 5 | 3 | 2 | 4.00        |
| Is dynamic in his/her activities/tasks                                   | 15 | 14 | 5 | 3 | 3 | 3.87        |
| Is involved in long-term contracts, projects and activities              | 15 | 12 | 3 | 5 | 5 | 3.67        |
| Shows perseverance and determination in all tasks and functions          | 17 | 13 | 4 | 3 | 3 | 3.95        |
| Is an opportunity-seeker   | 18 | 13 | 4 | 3 | 2 | 4.05        |
| Is desirous to become his/her own boss                                   | 20 | 12 | 2 | 4 | 2 | 4.10        |
| Is competitive with personal integrity                                   | 17 | 12 | 1 | 6 | 4 | 3.80        |
| Is desirous to become economically independent                           | 18 | 13 | 5 | 2 | 2 | 4.07        |
| Has leadership capabilities  | 17 | 10 | 3 | 6 | 4 | 3.75        |
| <b>Total Weighted Mean</b>   |    |    |   |   |   | <b>3.87</b> |

Table 7 shows that among all qualities of the entrepreneurs, the subject/respondents perceived themselves to be predominantly risk-takers with a weighted mean of 4.10, followed by being desirous to become his/her own boss with the same 4.10 weighted mean. The third highest is on becoming to be economically independent with 4.07 weighted mean. The least of the qualities rated 3.65 weighted mean is on the perceptions that they work and coordinate well the activities in the organization. However, all the surveyed owner/managers perceived themselves to have possessed all the above-mentioned good qualities of the entrepreneurs.

## Table 8 Pearson R Correlation on Orientation on Self Reliance (Staff and Owner/Managers)

| X -<br>M <sub>x</sub> | Y -<br>M <sub>y</sub> | (X -<br>M <sub>x</sub> ) <sup>2</sup> | (Y -<br>M <sub>y</sub> ) <sup>2</sup> | (X - M <sub>x</sub> )(Y -<br>M <sub>y</sub> ) |
|-----------------------|-----------------------|---------------------------------------|---------------------------------------|---|
| -0.267                | -0.113                | 0.071                                 | 0.013                                 | 0.030   |
| -0.067                | 0.087                 | 0.004                                 | 0.008                                 | -0.006  |
| 0.083                 | -0.163                | 0.007                                 | 0.027                                 | -0.014  |
| -0.117                | 0.157                 | 0.014                                 | 0.025                                 | -0.018  |
| -0.447                | 0.337                 | 0.200                                 | 0.114                                 | -0.151  |
| -0.117                | -0.213                | 0.014                                 | 0.045                                 | 0.025   |
| 0.783                 | 0.457                 | 0.613                                 | 0.209                                 | 0.358   |
| -0.067                | -0.093                | 0.004                                 | 0.009                                 | 0.006   |
| 0.433                 | -0.213                | 0.187                                 | 0.045                                 | -0.092  |
| -0.217                | -0.243                | 0.047                                 | 0.059                                 | 0.053   |
| <b>Mx: 3.9</b>        | <b>67</b>             | <b>My: 4.0</b>                        | <b>13</b>                             | <b>Sum: 1.16</b>                              |
|                       |                       |                                       | <b>2</b>                              | <b>Sum: 0.55</b>                              |
|                       |                       |                                       | <b>2</b>                              | <b>Sum: 0.191</b>                             |

Table 8 shows the value of R which is 0.2388. This suggests that there is a positive correlation between the two variables. As to self-reliance, the two groups of respondents have positive correlation of their perceptions on this entrepreneurial culture dimension. They agree that the SME owners/managers are self-reliant in which case they relied on their own power and resources when they started with their business and specifically that they are self-contained and secured of their own capabilities and resources.

**Table 9. Pearson R Correlation on Orientation on Mental Toughness (Staff and Owner/Managers)**

| $X - M_x$      | $Y - M_y$       | $(X - M_x)^2$    | $(Y - M_y)^2$    | $(X - M_x)(Y - M_y)$ |
|----------------|-----------------|------------------|------------------|----------------------|
| 0.365          | 0.269           | 0.133            | 0.072            | 0.098                |
| -0.285         | 0.199           | 0.081            | 0.040            | -0.057               |
| 0.065          | 0.019           | 0.004            | 0.000            | 0.001                |
| -0.235         | -0.061          | 0.055            | 0.004            | 0.049                |
| -0.135         | -0.361          | 0.018            | 0.130            | -0.018               |
| 0.065          | -0.281          | 0.004            | 0.079            | 0.066                |
| -0.285         | -0.231          | 0.081            | 0.053            | -0.046               |
| 0.165          | -0.281          | 0.027            | 0.079            | 0.005                |
| 0.015          | 0.329           | 0.000            | 0.108            | 0.106                |
| 0.265          | 0.399           | 0.070            | 0.159            | <b>Sum: 0.218</b>    |
| <b>Mx: 3.7</b> | <b>My: 4.03</b> | <b>Sum: 0.47</b> | <b>Sum: 0.72</b> |                      |
| <b>85</b>      | <b>03</b>       | <b>5</b>         | <b>5</b>         |                      |

Table 9 depicts the value of R which is 0.3708. Although technically, a positive correlation exists, the relationship between the variables is weak. On mental toughness, the two groups of respondents likewise agree that they are positively related. Both groups of respondents agree that the SME owner/managers possess mental toughness as business operators. The owner-managers are resilient and confident in their entrepreneurship undertakings. They believe that they are educated enough to run or operate their respective businesses.

**Table 10. Pearson R Correlation on Orientation on Power Distance (Staff and Owner/Managers)**

| $X - M_x$ | $Y - M_y$ | $(X - M_x)^2$ | $(Y - M_y)^2$ | $(X - M_x)(Y - M_y)$ |
|-----------|-----------|---------------|---------------|----------------------|
|-----------|-----------|---------------|---------------|----------------------|

|                |                |                  |                  |                    |
|----------------|----------------|------------------|------------------|--------------------|
| -0.045         | -0.150         | 0.002            | 0.022            | 0.007              |
| -0.275         | 0.430          | 0.076            | 0.185            | -0.118             |
| 0.025          | -0.350         | 0.001            | 0.123            | -0.009             |
| -0.175         | -0.170         | 0.031            | 0.029            | 0.030              |
| -0.025         | 0.160          | 0.001            | 0.026            | -0.004             |
| -0.145         | 0.250          | 0.021            | 0.062            | -0.036             |
| 0.225          | 0.150          | 0.051            | 0.022            | 0.034              |
| -0.025         | 0.180          | 0.001            | 0.032            | -0.005             |
| 0.225          | -0.450         | 0.051            | 0.203            | -0.101             |
| 0.215          | -0.050         | 0.046            | 0.002            | -0.011             |
| <b>Mx: 3.8</b> | <b>My: 4.1</b> | <b>Sum: 0.27</b> | <b>Sum: 0.70</b> | <b>Sum: -0.214</b> |
|                |                | <b>9</b>         | <b>7</b>         |                    |

Table 10 presents the value of R which is -0.4811. Although technically a negative correlation, the relationship between the variables is only weak.

On orientation of power distance, the two groups of respondents negatively agree. This is the only indicator where the two groups of respondents did not agree. The two groups of respondents did not agree from the overall assessment that power in the organization is unequally distributed that is, simply defined from the lower echelon. Furthermore, the perceptions of those below the management ladder suggests that power emanates usually from the top management.

**Table 11. Pearson R Correlation on Orientation on Uncertainty Avoidance (Staff and Owner/Managers)**

| X - M <sub>x</sub> | Y - M <sub>y</sub> | (X - M <sub>x</sub> ) <sup>2</sup> | (Y - M <sub>y</sub> ) <sup>2</sup> | (X - M <sub>x</sub> )(Y - M <sub>y</sub> ) |
|--------------------|--------------------|------------------------------------|------------------------------------|--|
| -0.650             | -0.137             | 0.422                              | 0.019                              | 0.028                                      |
| 0.150              | -0.167             | 0.023                              | 0.014                              | 0.008                                      |
| -0.100             | -0.117             | 0.010                              | 0.111                              | 0.069                                      |
| 0.150              | -0.087             | 0.023                              | 0.001                              | 0.001                                      |
| 0.100              | 0.333              | 0.010                              | 0.018                              | 0.033                                      |
| 0.100              | 0.263              | 0.010                              | 0.047                              | 0.007                                      |
| -0.150             | -0.037             | 0.022                              | <b>5 Sum: 0.31</b>                 | 0.007                                      |
| 0.200              | 0.033              | 0.040                              |                                    | -0.033                                     |
| 0.050              | 0.133              | 0.003                              | <b>5</b>                           | <b>Sum: 0.109</b>                          |
| 0.150              | -0.217             | 0.023                              |                                    |  |
| <b>Mx: 4.1</b>     | <b>My: 3.00</b>    | <b>93 Sum: 0.58</b>                |                                    |  |

The value of R is 0.2527. Although technically a positive correlation, the relationship between the variables is weak (*nb.* the nearer the value is to zero, the weaker the relationship).

As to avoidance of uncertainty, the two groups of respondents agreed on this indicator. That the owner/managers are perceived to avoid uncertainties in their businesses as much as possible. This negates the idea earlier presented that they are risk-takers.

**Table 12. Pearson R Correlation on Long-Term Orientations (Staff and Owner/Managers)**

| X -<br>M <sub>x</sub> | Y -<br>M <sub>y</sub> | (X -<br>M <sub>x</sub> ) <sup>2</sup> | (Y -<br>M <sub>y</sub> ) <sup>2</sup> | (X - M <sub>x</sub> )(Y -<br>M <sub>y</sub> ) |
|-----------------------|-----------------------|---------------------------------------|---------------------------------------|---|
| -0.309                | -0.304                | 0.095                                 | 0.092                                 | 0.002   |
| -0.309                | 0.046                 | 0.095                                 | 0.001                                 | 0.081   |
| -0.059                | -0.034                | 0.003                                 | 0.001                                 | 0.009   |
| 0.191                 | -0.284                | 0.036                                 | 0.011                                 | 0.009   |
| 0.241                 | -0.034                | 0.058                                 | 0.013                                 | -0.008  |
| -0.119                | 0.096                 | 0.014                                 | 0.002                                 | 0.038   |
| 0.041                 | 0.106                 | 0.036                                 | 0.012                                 | <b>1 Sum: 0.25</b>                            |
| 0.191                 | 0.096                 | 0.058                                 |                                       | 0.018   |
| -0.109                | 0.116                 | <b>0.0</b>                            | <b>Sum:</b>                           | -0.013  |
| 0.241                 | 0.196                 | <b>0.41</b>                           |                                       | 0.047   |
| <b>Mx: 4.0</b>        | <b>0.09</b>           | <b>My: 4.</b>                         |                                       | <b>Sum: 0.065</b>                             |

The value of R is 0.1996. Although technically a positive correlation, the relationship between your variables is weak (nb. the nearer the value is to zero, the weaker the relationship).

On long-term orientations, the two groups of respondents agree on this indicator. They perceive that the SME owner/managers possess the items described of them.

This implies that most of the owner/managers are focused on the future of their business. This implication further shows that the SME owner/managers are persistent, possess perseverance and adaptive in the business situations, qualities which are indispensable of entrepreneurs.

**Table 13 Data Summary for T-Test -Orientations on Self -Reliance (Staff and Owner/Managers)**

|                       | A               | B               | Total          |
|-----------------------|-----------------|-----------------|----------------|
| <b>n</b>              | <b>10</b>       | <b>10</b>       | <b>20</b>      |
| $\sum X$              | <b>39.67</b>    | <b>40.1299</b>  | <b>79.8</b>    |
| X <sup>2</sup> $\sum$ | <b>158.5329</b> | <b>161.5941</b> | <b>320.127</b> |
| SS                    | <b>1.162</b>    | <b>0.5524</b>   | <b>1.725</b>   |
| mean                  | <b>3.967</b>    | <b>4.013</b>    | <b>3.99</b>    |

**Results:**

Mean<sub>a</sub>—Mean<sub>b</sub> t df one-tailed P **0.356379**  
**-0.046 -0.389** two-tailed **0.712758**

P>.05 indicates no significant difference detected between the variances of the two samples. Above table shows that the two groups of respondents, the owner/managers and the staff of the small and medium enterprises have no significant difference in their perceptions on the orientations on self-reliance of the SME owner/managers.

**Table 14. Data Summary for T-Test - Orientation on Mental Toughness (Staff and Owner/Managers)**

|            | A        | B      | Total    |
|------------|----------|--------|----------|
| n          | 10       | 10     | 20       |
| $\sum X$   | 37.8499  | 40.31  | 78.16    |
| $X^2 \sum$ | 143.7375 | 163.21 | 306.9522 |
| SS         | 0.4753   | 0.7251 | 1.5029   |
| mean       | 3.785    | 4.031  | 3.908    |

**Results:**

Mean<sub>a</sub>—Mean<sub>b</sub>    t    df    one-tailed P    **0.012811**  
**-0.246    -2.67    9 two-tailed    0.025622**

P>.05 indicates no significant difference detected between the variances of the two samples. Similarly, on orientations on mental toughness, the two groups of respondents showed no significant difference in their perceptions, results being greater than the P level.

**Table 15. Data Summary for T-Test - Orientation on Power Distance Index (Staff and Owner/Managers)**

|            | A       | B        | Total    |
|------------|---------|----------|----------|
| n          | 10      | 10       | 20       |
| $\sum X$   | 38.25   | 41.2     | 79.45    |
| $X^2 \sum$ | 146.584 | 170.4508 | 317.0356 |
| SS         | 0.2786  | 0.7068   | 1.4206   |
| mean       | 3.825   | 4.12     | 3.9725   |

**Results:**

Mean<sub>a</sub>—Mean<sub>b</sub>    t    df    one-tailed P    **0.0216525**  
**-0.295    -2.35    9 two-tailed    0.043305**

P>.05 indicates no significant difference detected between the variances of the two samples. On the orientations on power distance, the table likewise shows that the two groups of respondents show no significant difference in their perceptions.

**Table 16. Data Summary for T-Test - Orientation on Uncertainty Avoidance**

|                       | A       | B        | Total  |
|-----------------------|---------|----------|--------|
| n                     | 10      | 10       | 20     |
| $\sum X$              | 40.999  | 39.36999 | 80.369 |
| X <sup>2</sup> $\sum$ | 168.685 | 155.314  | 323.99 |
| SS                    | 0.585   | 0.3152   | 1.0331 |
| mean                  | 4.1     | 3.937    | 4.0185 |

**Results:**

|                                      |       |    |            |   |           |
|--------------------------------------|-------|----|------------|---|-----------|
| Mean <sub>a</sub> —Mean <sub>b</sub> | t     | df | one-tailed | P | 0.0471495 |
| 0.163                                | +1.87 | 9  | two-tailed |   | 0.094299  |

P>.05 indicates no significant difference detected between the variances of the two samples. On orientations on uncertainty avoidance, the table shows no significant difference on the perceptions of the two groups of respondents.

**Table 16. Data Summary for T-Test - On Long-term Orientations (Staff and Owner/Managers)**

|                       | A        | B      | Total  |
|-----------------------|----------|--------|--------|
| n                     | 10       | 10     | 20     |
| $\sum X$              | 40.09    | 40.04  | 80.13  |
| X <sup>2</sup> $\sum$ | 161.1321 | 160.57 | 321.71 |
| SS                    | 0.4113   | 0.259  | 0.6705 |
| mean                  | 4.009    | 4.004  | 4.0065 |

**Results:**

|                                      |       |    |            |                |           |
|--------------------------------------|-------|----|------------|----------------|-----------|
| Mean <sub>a</sub> —Mean <sub>b</sub> | t     | df | one-tailed | P              | 0.4767335 |
| 0.005                                | +0.06 | 9  | two-tailed | Not applicable |           |

P>.05 indicates no significant difference detected between the variances of the two samples. On long-term orientations, the two groups of respondents show no significant differences in their perceptions. Overall assessment, all the five indicators on entrepreneurial orientations show no significant difference between the two groups of respondents' perceptions. The total weighted means for each

indicator as follows: Orientation on Self-Reliance, 3.66, Orientation on Mental Toughness, 3.78, Orientation on Power Distance Index, 3.82, Orientation on Avoidance, 4.10 and on Long-term Orientations 4.00 respectively, indicate that the two groups of respondents agree on all the five indicators. They all agree that the owner/manager of SMEs in Bahrain are oriented on mental toughness to run the business. They are self-reliant and do avoid uncertainties in operating their businesses. They are oriented on power distance and have long-term vision of their businesses. These imply that most of those respondents and subjects of the study have positive backgrounds in doing their businesses.

### **5. Conclusion and Recommendations**

The following conclusions can be drawn from the findings:

- SME owner/managers are relatively young, operating retail and service businesses, predominantly males and have acquired sufficient education to run their own undertakings. They also acquired a few trainings related to entrepreneurship sponsored by TAMKEEN and either private and Training Institutes, which some of them have personally self-sponsored.
- SME owner/managers perceived themselves to have possessed all the mentioned good entrepreneurial qualities specifically on risk-taking, becoming a Boss of themselves and being economically independent.
- The two groups of respondents, that is, the staff and the owner/managers agree on most of the entrepreneurial orientations of the latter, the results being positively correlated, except that one indicator, which is on the orientation on power distance.
- The two groups of respondents, the staff and the owner/managers have no significant differences of their perceptions on the entrepreneurial orientations of the latter. Results show that the two groups have agreed on all the indicators cited.
- Some of the problems encountered by both groups of respondents are as follows:
  - a. The business is affected by recession in the gulf region.
  - b. The business prefers locals to be hired as this is preferred by the government, a problem to the expats.

### **Bahrainization Goal... part of Vision 2030...**

- c. A problem on increasing costs of raw materials.
- d. A problem on diversity of manpower in the workplace.
- e. Lack of interest in doing the business.
- f. Lack of proper training in doing the business.
- g. Lack of proper attitude and values in doing business.
- h. Lack of some resources in doing business.
- i. Markets are not very stable.
- j. The economy is not very stable for business in Bahrain.

### **Suggestions and Recommendations:**

- *One of the key elements to accelerating job creation in the Kingdom of Bahrain is to develop entrepreneurial spirits of the locals, hence, the Government should foster creation of more companies, spread innovation through trainings and initiate economic entrepreneurial activities.*

- *Given some of the problems encountered by the SME owner/managers, policy-makers and business leaders must identify motivations to the SME owner/managers, and open a healthy entrepreneurial system and possibly come out with plans to resolve the lacking elements of entrepreneurial aspects in the country. Including, but not limited to an entrepreneurial culture, regulatory framework, infrastructure, equity investors, financing for small and medium-sized enterprises, and formal education in entrepreneurship. (A World Economic Forum report in collaboration with Booz & Company, October 2011)*
- *To conduct a similar study, this time to include more types of businesses and more subjects/respondents, to rule out differences and may be similarities because of some constraints of the study.*

## **6. References**

- Ministry of Commerce and Industry, Bahrain,  
<http://www.moic.gov.bh/En/Main/News/Pages/Dynamic-SMEsector-is-vital-to-economy.aspx>
- Michael Fritsch, Michael Wyrwich; The effect of entrepreneurship on economic development—an empirical analysis using regional entrepreneurship culture, *Journal of Economic Geography*, Volume 17, Issue 1, 1 January 2017, Pages 157–189, <https://doi.org/10.1093/jeg/lbv049>
- Yusuf, N., & Albanawi N.I (2016). The Role of Entrepreneurship in Economic Development in Saudi Arabia, *Business Economics Journal*, 7, pp. 204. doi:10.4172/2151-6219.1000204.
- Toma, S. G., Grigore, A. M., & Marinescu, P. (2014). Economic development and entrepreneurship. *Procedia Economics and Finance*, 8, 436-443.
- Van Stel, A., Carree, M., & Thurik, R. (2005). The effect of entrepreneurial activity on national economic growth. *Small business economics*, 24(3), 311-321.
- Miniaoui, H., & Schilirò, D. (2017). Innovation and Entrepreneurship for the Diversification and Growth of the Gulf Cooperation Council Economies. *Business and Management Studies*, 3(3), 69-81.
- Lo, M. C., Wang, Y. C., Wah, C. R. J., & Ramayah, T. (2016). The critical success factors for organizational performance of SMEs in Malaysia: a partial least squares approach. *Revista brasileira de gestão de negócios*, 18(61), 370-391.
- Douglas, J., Douglas, A., Muturi, D., & Ochieng, J. (2017, December). An exploratory study of critical success factors for SMEs in Kenya. In Toulon-Verona Conference "Excellence in Services".
- Philip, M. (2011). Factors affecting business success of small & medium enterprises (SMEs). *Amity Global Business Review*, 6(1), 118-136.

## **Innovative Journal of Entrepreneurship and Business (IJEB)**

Volume 11 Issue 2, April-June 2023

ISSN: 2837-3960

Impact Factor: 8.42

Journal Homepage: <https://americaserial.com/Journals/index.php/IJEB/index>

Email: [contact@americaserial.com](mailto:contact@americaserial.com)

Official Journal of America Serial Publication

---

Indarti, N., & Langenberg, M. (2004). Factors affecting business success among SMEs: Empirical evidences from Indonesia. *second bi-annual European Summer University*, 19.

Arshad, A. S., Rasli, A., Arshad, A. A., & Zain, Z. M. (2014). The impact of entrepreneurial orientation on business performance: A study of technology-based SMEs in Malaysia. *Procedia-social and behavioral sciences*, 130, 46-53.

Kraus, S., Rigtering, J. C., Hughes, M., & Hosman, V. (2012). Entrepreneurial orientation and the business performance of SMEs: a quantitative study from the Netherlands. *Review of Managerial Science*, 6(2), 161182.

Kreiser, P. M., Marino, L. D., Dickson, P., & Weaver, K. M. (2010). Cultural influences on entrepreneurial orientation: the impact of national culture on risk taking and proactiveness in SMEs. *Entrepreneurship: Theory and Practice*, 34(5), 959-984.

Fairoz, F. M., Hirobumi, T., & Tanaka, Y. (2010). Entrepreneurial orientation and business performance of small and medium scale enterprises of Hambantota District Sri Lanka. *Asian Social Science*, 6(3), 34.

Fairoz, F. M., & Hirobumi, T. (2016). ENTREPRENEURIAL ORIENTATION AND BUSINESS PERFORMANCE OF SMALL AND MEDIUM SCALE ENTERPRISES IN JAPAN. *Asian Journal of*

*Management Sciences & Education* Vol, 5, 3.

Global Entrepreneurship Development Institute (GEDI), November 2017

Aleksandra, R. (2014). Intercultural dimensions of entrepreneurship. *Journal of Intercultural Management*, 6(2), 35-47.

Levent Altınay, (2008) "The relationship between an entrepreneur's culture and the entrepreneurial behaviour of the firm", *Journal of Small Business and Enterprise Development*, Vol. 15 Issue: 1, pp.111-129, <https://doi.org/10.1108/14626000810850874>

Abzari, M., & Safari, A. (2008). The Role of Culture on Entrepreneurship Development. *The International Journal of Knowledge, Culture and Change Management*, 9, 135-154.

Majid Aramand, (2012) "Women entrepreneurship in Mongolia: the role of culture on entrepreneurial motivation",

*Equality, Diversity and Inclusion: An International Journal*, Vol. 32 Issue: 1, pp.68-82, <https://doi.org/10.1108/02610151311305623>

*Innovative Journal of Entrepreneurship and Business (IJEB)*

<https://americaserial.com/Journals/index.php/IJEB/index>, Email: [contact@americaserial.com](mailto:contact@americaserial.com)

## **Innovative Journal of Entrepreneurship and Business (IJEB)**

Volume 11 Issue 2, April-June 2023

ISSN: 2837-3960

Impact Factor: 8.42

Journal Homepage: <https://americaserial.com/Journals/index.php/IJEB/index>

Email: [contact@americaserial.com](mailto:contact@americaserial.com)

Official Journal of America Serial Publication

---

Stam, E. and Spigel, B. (2017), *Entrepreneurial Ecosystems*, Blackburn, Thousand Oaks, CA.

Yeboah, M. A. (2014). Analysis of Entrepreneurship: How does Culture Influence Risk-Taking in SMEs in the Sekondi-Takoradi Metropolis, Ghana. *American International Journal of Contemporary Research*, 4(2), 131140.

Hofstede, G. (1980). *Culture's Consequences: International Differences in Work-Related Values*. Beverly Hills CA: Sage Publications.

Hofstede, Geert. 2001. *Culture's consequences: Comparing Values, Behaviors, Institutions, and Organizations across Nations*. Thousand Oaks, CA: Sage.

Schumpeter, Joseph (1934), *The Theory of Economic Development*, Cambridge MA: Harvard University Press.

Chakraborty S., Jon C. Thompson, and Etienne B. Yehoue, (2016), –The Culture of Entrepreneurship, *Journal of Economic Theory* Forthcoming.

Şahin, T. K., & Asunakutlu, T. (2014). Entrepreneurship in a cultural context: A research on Turks in Bulgaria. *Procedia-Social and Behavioral Sciences*, 150, 851-861.

House, R., Hanges, P., Javidan, M., Dorfman, P., & Gupta, V. (2004). *Culture, leadership, and organizations: The GLOBE study of 62 societies*. London: Sage Publications, Inc.

Zhao, X., Li, H., & Rauch, A. (2012). Cross-country differences in entrepreneurial activity: The role of cultural practice and national wealth. *Frontiers of Business Research in China*, 6(4), 447-474.

Hayton, J. C., George, G., & Zahra, S. A. (2002). National culture and entrepreneurship: A review of behavioral research. *Entrepreneurship theory and practice*, 26(4), 33-52.

Pinillos M.J. & Reyes L. (2011). Relationship between individualist–collectivist culture and entrepreneurial activity: evidence from Global Entrepreneurship Monitor data. *Small Business Economics*, 37(1), 23-37.

Ijaz, M., Yasin, G., & Zafar, M. J. (2012). Cultural Factors Effecting Entrepreneurial Behaviour Among Entrepreneurs: Case Study of Multan, Pakistan. *International Journal of Asian Social Science*, 2(6), 908-917. Model, E. C. O. (2016) *Cultural theories of entrepreneurship*.