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# Institutional Creativity and Entrepreneurship in Institutes of Higher Education: Opportunities and Challenges

Tawfeeq Mohammed Alanazi<sup>1</sup>, Hanan Usama Hassan Mahmoud<sup>2</sup>

<sup>1</sup> University of Tabuk. Tabuk, Saudi Arabia, +966504231825, tawfeeqmq@hotmail.com

<sup>2</sup> University of Tabuk. Tabuk, Saudi Arabia, +966530950327, hananosama92@yahoo.com

## Abstract

The purpose of this research is to find an appropriate framework in establishing a creativity and entrepreneurship institute based on previous experience and current opportunities and capabilities in Tabuk Province. In addition, this study aims to determine some challenges that affect the growth of ventures & entrepreneurs and to determine the opportunities & challenges that might affect the establishment of institutional creativity and entrepreneurship centres at the University of Tabuk. The exploratory research methodology was employed along with a qualitative approach. Data was collected through four sets of focus groups that were designed to gather certain people (government officials from different sectors, business owners, young entrepreneurs, and students) who are involved and might benefit from institutional entrepreneurship. The findings of this research are emphasised in four aspects. First, the culture of entrepreneurship and institutional entrepreneurship awareness levels are low among local communities. Second, the research finds several opportunities at Tabuk area, which could be beneficial in creating an entrepreneurship centre. Third, there are several challenges that might obstruct the process of creating an entrepreneurship centre. Finally, the role of government and private sectors were determined. The research was conducted in a certain area of Saudi Arabia, which is Tabuk Province. This might limit generalisation of the research's results.

**Keywords:** Creativity, Entrepreneurship, Higher Education, Incubators, Accelerators

## 1. Introduction

Entrepreneurship as a concept has become a controversial subject for over a few decades ago. Wennekers & Thurik (1999) consider entrepreneurship as a potential opportunity to create new business and take difficult decisions based on current resources. While Sethi (2011) presents entrepreneurship concept as an integrated component of venture capital, technology, and human resource. However, the opportunity is the main part of entrepreneurship and "without opportunities, there is no entrepreneurship" (Short & et al., 2010, p. 40). In order to find an opportunity for a potential business, there is a need to create new ideas or new methods that provide real value to customers. Many of those ideas and methods require long and complicated processes & development, even among higher education institutes or among the various sectors. Despite critical roles played by the government, there is a need to establish a creativity and entrepreneurship institute in universities where research & development, counselling, and training are available. The number of creativity and entrepreneurship

centres in the universities are growing rapidly due to important roles played by the universities) Office of Innovation and Entrepreneurship, 2013), which takes them further to becoming an entrepreneurial university. Entrepreneurship as a concept is not new. Several years ago when farmers' produce are above the market demand, they devise new methods to keep their harvest such that the crops last until next season and that enable them to supply market for the whole year. Entrepreneurship has similar meaning with that, in addition to strategic planning and sophisticated processes. Innovation, proactiveness and taking possible risks are the main components of entrepreneurial orientation. Thus, an entrepreneurial business consists of these aspects along with unique opportunities that differentiate it from others. Stevenson & Jarillo (1990) intensify on opportunities, seeing it as a key factor in creating potential successful businesses.

In a country with a growing economy like Saudi Arabia, there is a crucial need to create and support the ecosystem of entrepreneurship. The university is part of this system, and the ministry of education has a long-term vision and enthusiasm to create an integrated environment that supports entrepreneurship system among universities through polarising and attract professionals to transfer the global experiences of entrepreneurship they have acquired (Abu-Baker, 2014). Still, these efforts are not effective due to different capabilities, prospects, and resources in each region of Saudi Arabia. Therefore, it is crucial to discover opportunities, challenges, resources and capabilities in certain regions, which can help in creating institutional entrepreneurship. Previously, successful entrepreneurship institutes depended on several aspects, but funds and relationships between these institutes and entrepreneurs are the most important aspects (Bowers & et al., 2006). Well-established research centres in conjunction with other universities supervising students' research are also important factors (Menziez, 2000). During the early stages of a business start-up, many new ventures might fold up and disappear. Entrepreneurship has a similar situation where a low level of funds and weak capacity of technical supports might accelerate failure at the early stage of institutional entrepreneurship (Dalmarco & et al., 2018).

## 2. Background

### 2.1. Higher Education Institute and Entrepreneurship Culture

Many years ago, Schumpeter (1947) defined an entrepreneur as a person who is working on something new or working on something already existing but in a different way. Drucker (1985, p. 21) also emphasizes that an entrepreneur be a person who "shifts economic resources out of an area of lower productivity into an area of higher productivity and greater yield." Besides that, Stevenson & Jarillo (1990, p. 23) define entrepreneurship as "a process by which individuals - either on their own or in conjunction with an organisation - pursue opportunities not minding the resources they currently control." However, this definition ignores personal skills and capabilities, which is necessary for real business (Mason, 2000). On the other hand, Davidsson (2003) revises most of the entrepreneurship definitions and found three disciplines linked these definitions together: entrepreneur's skills employed processes of entrepreneurship and exploited opportunities as a result of entrepreneurship. Therefore, the definition of entrepreneurship is still open for argument and debate.

Mainly, entrepreneurship as a process is related to societal culture, and the concept of entrepreneurial culture has become a trendy term when studying entrepreneurship. Culture is transmitted from one generation to another over time, and that transmission involves teaching, imitation, knowledge, and values (Boyd & Richerson, 1985) where the culture of entrepreneurship is a mix of these components. Berger (1991) studies entrepreneurship culture in different countries and found that they all referred to the paradigm shift of the economy, which differed from region to another. Faltin (2001, p. 138) however, highlights several factors that can shape the culture of innovation entrepreneurship as "the significance of the entrepreneurship idea, the findings on creativity, chance for the systematic development of ideas and adopting them to meet society's values and problems." It seems that the culture of entrepreneurship is attributed to three main factors of entrepreneurship (innovativeness, risk-taking, and proactiveness) and these factors are created, developed and transmitted (Chakraborty & et al., 2016).

Somehow, culture has a specific impact on entrepreneurs themselves or on the entrepreneurship system in general. The questions which always arise are: what can make someone an entrepreneur while another is not? What are the motivations that might enable a person to start a new business? What consequences of culture

encourage or discourage a person from being an entrepreneur? Relevantly, Weber (1976) defines entrepreneurship as motivation to the spirit of successfulness and achievement. We can understand Weber's argument when we look at immigrants entrepreneurs. They start a new business to mitigate discrimination in the new culture. However, many important values and norms enable them to start a new business (Ward, 1983; Werbner, 1994). One of the interesting researches conducted by Hayton & et al. (2002) review 21 previous researches about the consequences of culture for entrepreneurship. They found either individuals or society have cultural values that were derived from cognition, needs & motives as well as beliefs & behaviours. Continually, these factors shape the norms and values of a certain culture which influence institutional and economic context and on the overall push entrepreneurship to create a comprehensive ecosystem (Hayton & et al., 2002).

Meanwhile, the education system should support entrepreneurship framework, which by means consists of two parts: arts and science (Sexton & Kasarda, 1992; Bridge & et al., 1998). Despite management and enterprise programmes are being taught for a long time, entrepreneurship programmes need more than a scientific curriculum to introduce personal and experimental side of it (Johannisson, 1992). However, teaching entrepreneurship as a part of management knowledge is not sufficient when students should be aware of entrepreneurship with successful cases from real business (Jack & Anderson, 1999). Furthermore, Hindle (2007, p. 119) develops a framework for entrepreneurship curriculum consisting different subjects of "marketing, sales, organisational behaviour, strategy, commercial development, opportunity evaluation, accounting & finance, and creativity." All of those subjects are supposed to drive mechanism of planning and assist in business start-up. Prior to that, several concerns must be solved when planning and building an entrepreneurship education system such as gender, national bias and local culture as well (European Commission, 2006).

Globally, entrepreneurship education is rapidly growing, and it contributes to a new system of learning. Indeed, a good foundation for entrepreneurship education system boosts the functionality of managing new ventures (Hansemark, 1998). Thus, students desire to obtain the required knowledge of entrepreneurship through educational system or through practical cases, which can be gained outside the education system. Gurol & Atsan (2006) propose six personal characteristics that might have an influence on students starting or at least thinking about starting a business. These are "innovativeness, need for achievement, the locus of control, risk-taking propensity, tolerance for ambiguity and self-confidence" (Gurol & Atsan, 2006, p. 28). More or less, some factors might influence students' choice of an appropriate major of study. However, choosing to be an entrepreneur is driven by entrepreneurship intentions and those students who had taken entrepreneurship programmes to have the willingness to learn entrepreneurship more than those who do not (Wibowo, 2017). The importance of teaching Entrepreneurial courses is articulated widely, but the appropriate courses are still debatable.

## ***2.2. Value of Institutional Creativeness and Entrepreneurship Centre***

Many important studies and research have highlighted the value of establishing an institutional centre of creativity and entrepreneurship. Among higher education institutes, creativity and entrepreneurship have recently become one of the focal educational objectives. However, universities should differentiate between research centres and business incubators, where the results of research centres can be transformed to a real business which can be developed by business incubators (Stal & et al., 2016). Research centres - sometimes referred to as technological incubators - consists of faculty members and students' projects, where these researches can result in new patent or developed products. In this stage, research centres support working in parallel with entrepreneurship centres to determine the potential success of products in the market. Bowers & et al. (2006) survey the profiles of 56 entrepreneurship centres and found that successful centres depended on early secured funds and strong relationship between entrepreneurial centres & entrepreneurs themselves. Not only that but also newly emerged ventures should be separated from incubators as soon as they are established or completely or partially merged with a well-established company to avoid lean startup (Lalkaka, 2001). Furthermore, Menzies (2000) conducts a comparison study focus on successful institutional entities that were established in Canadian universities to determine opportunities and challenges. The research concluded that the best environment that might encourage a successful entrepreneurship centre should consider a bundle of activities that are related to research including scientific research publication, scholarships, agreement with other universities to enhance the system of entrepreneurship, supervise students' research and pioneer staffs (Menzies, 2000). Accordingly, many

factors can play a significant role in encouraging successful entrepreneurship centres. However, successful factors that work with a certain entrepreneurship centre might not be the same and might be inappropriate for other entrepreneurial centres. Stal & et al. (2016) determine the relationship between technological incubators and research centres at universities to accelerate inventions transforming to real businesses, which needs a successful entrepreneurship model and cases to elucidate the importance of innovation and improve private sector alliances. From another point of view, Almubairik & Aljasser (2014) explain some factors from both angles that affect entrepreneurship processes among integrated ecosystem, macro, and microenvironment. They found that the macro environment barriers are due to economic recession and social problems, whereas, microenvironment barriers involve financing and its resources, investment troubles, high and aggressive competition, data and information accessibility, marketing and administration skills problems, human resources problems and finally technical problems (Almubairik & Aljasser, 2014). Furthermore, the entrepreneurship ecosystem was elucidated fairly in Western Europe and the US. However, Abu-Baker (2014) propose several factors that could enhance the entrepreneurship ecosystem among developing countries, in particular, Saudi Arabia and the universities' roles in such a comprehensive system. These factors are linked to entrepreneurship culture, policy, and regulations, infrastructure, private sector, and finance.

Indeed, most of literature adduce that entrepreneurship education play a significant role in successful entrepreneurship eco-system. Winkel & et al. (2013) focus on educational programmes and curriculums which comprises concept of entrepreneurship and investment among the universities' students, and that leads to making a competitive investment plan. Whether it is an integrated programme or a few modules, entrepreneurship education is linked to real cases and active businesses. Almekhlafy (2014) conduct a research to determine the extent of entrepreneurship programmes pervasion among universities and their capabilities to teach entrepreneurship programmes. The reviewed study revealed several suggestions from different authors about entrepreneurship educational programmes contents among higher education institutes. One of the most important models that was suggested as a guide to integrated system and environment is the Potter's model. This model consists of four factors: environment, economy, entrepreneurs and enterprise (Almekhlafy, 2014) and these checks if a successful entrepreneurship education has been implemented properly. Malaysia has a good experience with prevalence entrepreneurship culture among higher education. According to Shamsudin & et al. (2016), about 30% of academic curriculums and 15% of experimental curriculums focus on entrepreneurship culture, whereby students are able to interact with these programs. Previously, a study in the same country proves that three key points appeared to be the main motivation for educational entrepreneurship among universities and these include inspiration of students & employees, university capability & its facility and rules & regulation, which bring about changes to the entire entrepreneurship ecosystem (Abdullah & et al., 2014). Recently, Fichter & Tiemann (2018) report that involvement of entrepreneurs in regulating and developing roles of entrepreneurship eco-system has a huge potential in creating a successful start-up business. Sheta (2012) also explores the possibility of spreading entrepreneurship culture among Egyptian's university, which might be a way of encouraging fresh graduates to start their own business and reduce unemployment rate. The research suggestion concentrated on two angles: developing specific curriculums and make them compulsory for all students and holding training courses for faculty members to develop teaching skills that are related to entrepreneurship.

After all, the start-up is the most crucial stage of any business. A study that was conducted in Brazilian universities found that the trigger to starting up a business is owner technologies development not university's innovation and when an entrepreneur gets appropriate training, he or she is able to transfer the plan of business to real business (Dalmarco & et al., 2018). Along with stage of start-up, entrepreneurial climate and student's perceptions should be taken into consideration because it encourages students to start their own business (Bergmann & et al., 2018). In terms of entrepreneurial university, Jansen & et al. (2015) deeply investigate three different universities in three different countries and a model that could encourage students to be entrepreneurs through education, stimulation and incubation were developed. Each stage should consist of trainers, successful models and sufficient capabilities and facilities (Jansen & et al., 2015). However, Vilcov & Dimitrescu (2015, p. 178) conclude that "entrepreneurship education is a discipline with a strong application and involves raising the student's personality formation act." Thus, a well-designed programme of entrepreneurship helps to encourage students to to start their own business but does not guarantee success.

No doubt that entrepreneurship centres all over the world are experiencing several challenges. However, each one of them operates in the uneven environment and economic system. Local regulations, workforce, financial resources, local culture, markets, government support and education system all have a certain impact on the success or failure of entrepreneurship centres (Sheta, 2012). Saudi Arabia has potential for economic growth in the meantime, where the economy shifting is concentrated on small and medium enterprises. Those enterprises are mostly started individually. They might be launched without any incubation or has been incubated in one of the entrepreneurship centres. Entrepreneurs might also receive good entrepreneurship training and education or might not. Presumably, incubated enterprises and start-up owners who received an appropriate entrepreneurship education and training are willing to succeed. Nevertheless, what are the factors that assist and support entrepreneurship centres in Saudi Arabia to succeed and perform successful business incubation and entrepreneurship education? Like any other country, entrepreneurship centres are faced with several challenges and opportunities. Thus, the aim of this research is to determine the challenges and opportunities that might discourage or encourage entrepreneurial centres to perform successfully.

### 3. Methodology

Due to less information and knowledge about entrepreneurship centres among Saudi Universities, there is a need to understand the main challenges and opportunities that those type of centres is facing. Based on previous literature, the main research methodology was determined by exploratory research along with a qualitative approach. This is the most appropriate methodology if the phenomena have not been properly articulated (Easterby-Smith & et al., 2012). According to Saunders & et al. (2012), qualitative research uses an inductive approach to enrich theoretical spectacle. This approach is used in the research to determine the kind of challenges and potential opportunities that may play significant roles within entrepreneurship centres. Thus, the focus group method was employed to collect data for this research. The reason behind using focus group in collecting data was to discuss with a certain group of people who are involved and interested in entrepreneurship. Morgan (1997, p. 12) emphasises that "the hallmark of the focus group is the explicit use of the group interaction to produce data and insights that would be less accessible without the interaction found in a group." As a result, everyone is willing to take part in the discussion and focus on answering questions (Krueger & Casey, 2009). However, the reporting focus group is subjected to the researcher's judgment. In this research, Krueger & Casey's (2001) guide on designing and conducting focus group was used and followed.

The first step is to decide who is involved in the study focus group. While researchers are trying to find out some of the challenges and opportunities that might arise to disrupt or enhance the success of entrepreneurship centres. Investors and entrepreneurs are the main target group of people for this research. The criteria to recruit interviewees was specified based on group similarities and accordingly, two groups were determined. The first group consists of investors, businessmen or owners, and related government officers. The second group consists of entrepreneurs who have a running business or students who have unique ideas for potential business. Two lists of expected participants are obtained through the University's alumni and chamber of commerce. The researchers started calling each one in the list to recruit and confirm their agreement for participation in the focus group. Based on the local culture in Saudi Arabia, the two groups were divided into four groups where females were separated from the males. A number of participants in the focus group, ranging from five to ten people, is important in enriching and controlling discussion at the same time (Krueger & Casey, 2001). Therefore, seven female & five male entrepreneurs and students were assigned to groups one, and two and seven female & nine male investors and government officers were assigned to groups three and four. Table 1 shows the focus groups participants' categories. According to the objectives of focus groups, certain open-ended questions were defined. Before participation in each focus group, a consent letter was offered to all participants to read carefully before signing. Female groups were moderated by female co-authors of this research, and the male groups were moderated by the male authors. Each group was designed to semi-structured interviews. This format can offer time, freedom and flexibility for the discussion (Patton, 2002) and the moderator was responsible for keeping the discussion in the right direction. While group discussions were conducted in Arabic, all group discussions were tape recorded, transcribed and translated into English.

In order to analyse data of focus groups, a certain procedure was followed as suggested by Krueger & Casey (2001). First, all discussions of focus groups were revised, and any unnecessary interference was deleted. Each

participant was coded based on focus group number and his or her status. Each intervention was summarised and coded. These summaries were transferred to excel where each question has a separate sheet. The next step was to assign a theme for each equation in order to allocate each intervention summary into the appropriate theme. This sequence of procedure provides accurate responses for each participant.

Table 1: Participants Categories:

Group Code	No. of Participants	Category	Range of Age	Gender
Group a	2	Students	22-25	Male
	3	Entrepreneurs	25-28	Male
Group b	4	Students	22-25	Female
	3	Entrepreneurs	24-27	Female
Group c	5	Business owners	31-65	Male
	4	Governmental officers	26-55	Male
Group d	5	Business owners	27-57	Female
	2	Governmental officers	32-40	Female

#### 4. Findings

Following Krueger & Casey's (2001) guide in conducting and analysing focus groups, a brief of all responses was reviewed and categorised carefully to show interventions in a clear pattern. Broad ideas of focus group discussions were presented based on repeating a number of citations.

Mainly, the concept of entrepreneurship is still vague among students and entrepreneurs themselves. This might be related to the weakness of sparing culture of entrepreneurship. Some of those persons are considered as a real entrepreneur by venturing into a new business with high risk. However, they do not know basic emblems and skills required by entrepreneurs. Some of them thought that being an entrepreneur is similar to being a freelancer, where the latter concept is not controlled and managed.

“Entrepreneurship is when you decide to work freely without supervision and can take any idea to business stage” (a<sup>2</sup>). “Think, plan, build and act individually if you want to be a freelancer. While an entrepreneur is supposed to be officially registered and follow certain regulations” (b<sup>3</sup>). “It is an opportunity especially for someone who due to parental pressure studied a course that’s not suitable. Entrepreneurship is an opportunity to change instant situations” (b<sup>4</sup>).

Business owners and government officials have similar thought to students and entrepreneurs. They are completely confused about the real meaning of entrepreneurship. There is no agreement to conclude and clarify entrepreneurship concept, and each one of them has a different thought.

“Entrepreneurship is when a person works individually without any obligations and commitment to local regulations and can manage business according to his or her capabilities” (c<sup>3</sup>). “Entrepreneurship is when a person invests his or her money to make a profit by producing certain products” (c<sup>6</sup>). “It is any work aside those from the government sectors having special regulations enforced by the owners and in which the owners invest a certain capital in order to make profits for individuals or group of owners” (c<sup>9</sup>). “... it is when a person can run a business individually without any further restrictions or opinion of others affecting his or her business” (d<sup>2</sup>)

#### **4.1. Entrepreneurship Culture**

Through group discussions, it is obvious that there is a huge misunderstanding of entrepreneurship culture and entrepreneurship functions. No one reply to entrepreneurs culture questions, even when it has been repeated twice. It seems there is no any idea what entrepreneurial culture means. The focus was on entrepreneurship institute and functions and also there is also an ambiguous understanding of entrepreneurship centres in general. Some students and entrepreneurs never heard about these type of centres. Even if some people have heard once, still centres' services and supports are unknown to them.

"Entrepreneurship centres comprise a team of workers who provide training for those unemployed for a period of time and provide funds" (a<sup>2</sup>). "The main objective of those centres is that anyone who has an idea might join one of these centres and they provide him or her with special training on how to think strategically" (a<sup>4</sup>). "These type of centres can help students enhance their talent, skills and implement their ideas" (b<sup>6</sup>).

Business owners and government officials have a different point of view about entrepreneurship centres. They are of the opinion that the main job of those centres is to support entrepreneurs financially. Others believe that those centres should provide business opportunities for job seekers. Sometimes, they confuse entrepreneurship concept with entrepreneurship centres activities.

".. It is a new activity for something fabulous to be created. These centres have the ability to incubate people with new and visible projects as well as to support them with training, funds and consultations" (c<sup>4</sup>). "These centres (whether private or government centres) should provide job opportunities to entrepreneurs" (d<sup>3</sup>). "... it is concerned with providing visibility study, strategic plan, fund and follow up projects" (d<sup>4</sup>).

#### **4.2. Entrepreneurship Institution Awareness**

It seems that students are not aware of entrepreneurship centres. They only named two of those well-known entrepreneurship institutions. Nevertheless, interviewees are not aware of the institutes' missions and functions neither methods of funding.

"I do not think there is an entrepreneurship centre except for Bab Rizq Jameel and National Entrepreneurship Centre" (b<sup>1</sup>). "I think there are good numbers of those institutes. However, there is insufficient awareness among students and entrepreneurs to absorb and incubate students, ideas and projects" (b<sup>3</sup>).

Even those private business owners and interviewees from the government could not name any entrepreneurship institute. They are very confident that entrepreneurship centres have a great mission to support the growth of private sectors. In summary, business owners believe these institutes are an arm of the national economic system. However, they could not specify what they need from these institutes as outcomes.

"Tabuk has no entrepreneurship institute. However, entrepreneurship at different entities perform these functions" (c<sup>5</sup>). "I had an experience with National Entrepreneurship Centre in Tabuk. It still has a limitation in its real function and responsibilities" (c<sup>2</sup>). "I have not heard about these type of centres in Tabuk. But some entrepreneurship functions might be observed among different entities like the Saudi Social Development Bank" (d<sup>6</sup>).

#### **4.3. Entrepreneurial Opportunities**

Through interviews, it appears that female students are more precise than male students in determining entrepreneurial opportunities. In general, female students and entrepreneurs are enthusiastic about starting their own business as soon as they have the opportunity to do so and that is because they know exactly what project has a potential in the market.

"The best way to start a business these days is to establish a fashion factory where all designers can implement their own designs and ideas" (b<sup>2</sup>). "Here in Tabuk, there is a limited number of



professional centres for ladies like a private place that provide several services like massage, gymnasium facilities, and fashion designing" (b<sup>4</sup>).

On the contrary, male owners have a clear vision than female owners in determining a potentially successful project in Tabuk. Mainly, we can understand the males' prediction of successful opportunities for business. Here in Saudi Arabia, most private businesses are managed and run by males. Therefore, they are close to the market and have the ability to analyse market opportunities more than the females.

"There is a huge potential for agricultural industries in Tabuk. As long as Tabuk city remains an agricultural area, there is a need to establish various kinds of factories that transfer fresh crops to long-term products" (c<sup>1</sup>). "One of the most successful projects in Tabuk or let's say in Saudi Arabia is the medical and education sectors. However, these projects need a massive venture capital" (c<sup>3</sup>). "Tabuk has a number of opportunities. One of those is renewable energy and tourism, especially at the coasts. Also, there are possibilities for medical tourism, marine games, countryside tourism, and national heritage" (c<sup>4</sup>).

#### **4.4. Entrepreneurial Challenges**

There are so many challenges that entrepreneurs might face at the early stage of their own business. Most of these challenges bother around financing, legalisation, mentoring and marketing support. Entrepreneurs and students almost agreed that any new venture might face lean start-up at an early stage of business life and this is an expected issue all over the world.

"One of the main issues is financing, and I am personally afraid of being jailed. I have an idea for good and potential business. However, I have insufficient funds to finance and start a business, and I cannot take the risk of getting a loan. I am afraid of not being able to pay back the loan on time" (a<sup>4</sup>). "We need mentoring and training institutes to guide entrepreneurs in the right path and diminish most of the challenges" (a<sup>3</sup>). "In my opinion, the most important challenge is having the instructor or mentor that can take you up to a professional level in managing your own business. I personally developed myself through internet sources and consultant training centres" (a<sup>2</sup>). "The first challenge was financing, and then marketing came second. In addition, family and society support are important. They might be the cause of success or failure" (b<sup>3</sup>). "One of the most challenges faced is the consideration of the saturated society to women business" (b<sup>4</sup>).

Owners and government officials have a different opinion. Perhaps, they think carefully and business wise about any new venture and returns on investment. Most of them agreed that venter capital is not one of their consideration at this time. Regulations and legislation also cause huge barriers to new ventures.

"Challenges can be concentrated in fund, regulation & legislation and governmental support" (c<sup>1</sup>). "There are no reliable sources for accurate information and data that encourage and support investment decisions" (c<sup>3</sup>). "I personally consider lack of experience and blind imitation as the main causes of failure" (c<sup>4</sup>).

#### **4.5. Governmental Roles**

Basically, there are so many roles that government is supposed to act considerably. Most of these roles have been mentioned above by interviewees. In a developing country like Saudi Arabia, the roles of government should be higher than those in developed countries to enhance and encourage entrepreneurship as an integrated ecosystem. The question here is that, is it really the role of government to take up a new venture till advanced level? What do entrepreneurs expect from the government? Experts think it is not the role of government to create new successful ventures. However, the government should create prospects and solid ground for success.

Students and entrepreneur interviewees mostly rely on the government to support new ventures either financially or by placing a solid ground on legislation. It is normal to find this type of reliance among fresh graduates or young entrepreneurs. Responsibility is underestimated among them, and they do not want to be under pressure at the early stages of their businesses.

"At the moment, there are quite a few governmental supporting entities. If I do not pay business liabilities, I will go to jail. It has to be a governmental authority related to the beneficiary's governmental body, such as the Saudi General Authority of Civil Aviation, which can support new ideas and take full consideration of these new ideas. I mean to form a partnership with entrepreneurs" (a<sup>4</sup>). "The important point is that the government should create research centres in every city of Saudi Arabia to study and find out the city's needs. By so doing, these centres are responsible for regenerating and developing new ideas based on the community's needs" (a<sup>4</sup>). "I think the main point is to provide an authority that supports entrepreneurs, discovering those who have a new idea, guide them, train them and finance them" (b<sup>2</sup>). "The government should support talented people during the early stages of their education and encourage them to implement their ideas" (b<sup>6</sup>).

On the other hand, government officials and owners agree on government regulations flexibility and stability which might encourage entrepreneurs to boost their own business. They also agreed that it is the entrepreneur's responsibility to attain success or failure. Moreover, an entrepreneur needs to spend more time collecting information and data about potential businesses. However, they refer to time consumption which is an important factor for success.

"The government should stabilise regulations and processes, and there should be a margin of flexibility and clear steps that facilitate entrepreneurs' needs to take their own business up to a growing level" (c<sup>3</sup>). "Time is important. Entrepreneurs should invest in time, not too long and not too short as well. Spend enough time searching; collecting information and preparing a feasibility study and that would lead to a successful business" (c<sup>2</sup>). "An Entrepreneur should develop certain skills continuously and be aware of any changes that happen in the market which is related to his or her line of business" (d<sup>3</sup>).

#### **4.6. Private Sector Roles**

Honestly, the private sector thinks mainly about their own business. If there is a benefit of any new venture, they will invest. The research reveals a misunderstanding of venture capital among all interviewees. We can understand the private sector's situation about the business that needs venture capital to invest especially in a country like Saudi Arabia, where the majority of private sectors are driven by government support. This point of view is mentioned several times through focus group interviews.

"I can invest in any project that is within my scope of business if that project has a potential for success and I need government to facilitate regulations for the new project" (c<sup>3</sup>). "There are many things that entrepreneurs should provide to persuade me to invest with him or her. I need to see a good and sophisticated feasibility study, cost of financing & opportunity cost and proposed signs for success" (c<sup>5</sup>). "While the need to take the discussion of investing in a new venture is a clear vision of the future project, entrepreneurs should show ability and willingness to take his or her new idea to form a successful business. In addition to that, the government should participate in facilitating these type of projects" (c<sup>6</sup>).

Owners have mentioned several sectors that might have potential success in Tabuk City. These areas are summarised in tourism, pharmacy industry, food and fish industry, military industry and agriculture.

### **5. Discussion**

Several points can be presented in this research. One of the main issues is related to the lack of awareness about entrepreneurship culture and entrepreneurship institution's roles. When it comes to entrepreneurship, four main principles should be involved. First, new ideas or new methods that add a new value to the market and economy. Second, these new ideas or new methods should be created or developed further; otherwise, they have no value. Third, a mix of innovation, risk-taking, and proactiveness to consider the project as an entrepreneurial business. Fourth, legal entity and formation to pursue business processes legally and as required. This research reveals a misunderstanding of entrepreneurship concept. Despite this viewpoint mentioned by Hansemark (1998) and

Chakraborty & et al. (2016), the problem still exists. Participants are of the opinion that any new business is an entrepreneurial project with no consideration to the four principles of entrepreneurship mentioned above. Even early studies of the business and preparation depend on answering several questions that are not related to the four principles. Even though imitation is normal and required at learning stages, but not at the leave of differentiating new ventures. On the other hand, owners also could not explicate entrepreneurship and its implications among their own businesses. All they believe in is that entrepreneurship as a creative model of new business is equivalent to new ventures only. This thought must be replaced with the real concept before pursuing further. Apparently, it seems there is a real problem with local culture, entrepreneurship culture and community point of view of entrepreneurs. Females are the most affected by this overview. In a limited local culture like Tabuk, a woman might establish a new business independently but extremely struggle to convince her family and community that she can run a business like the male. Local community discourage females from getting a job, let alone if she wants to start her own business? However, local culture and entrepreneurship culture should be changed to eliminate obstructions that induce youths (either male or female) to start their own business.

The main reason behind this research is to find opportunities and challenges that might affect the creation of entrepreneurship entities in higher education institutes. The research reveals a good number of barratry and challenges. Here is a summary of some of these main challenges. First, education system at both general education and higher education levels are incapable of merging entrepreneurship culture in the education system. Majority of students finish high school or graduate from the university with a great balance of knowledge, but they have less developed skills. Furthermore, the education system should encourage creative thinking. Second, financing where the majority of entrepreneurs fail to obtain the necessary fund for their new venture. Banks finance a very limited number of ventures. However, entrepreneurs cannot commit to banks' requirements. Partnership for most entrepreneurs is a good choice, and I guess if they can find one. Third, research and development as a system and institution still suffer from a lack of finance and incubation. Universities are willing to take responsibly of this part if there are enough funds and capability by professional academic staff. Fourth, there is no specific organisation or body that provides reliable data from the market. In other words, there is a need for data centres to support entrepreneurs with reliable and accurate data. Moreover, there should be two types of entrepreneurship institutes. Incubators and accelerators and each one of them have activities and processes that integrate each other.

On the other hand, there are many opportunities that can encourage the university to establish an entrepreneurship institute. Some of these opportunities are linked to the government, and some of them are linked to local markets in Tabuk. New and updated regulations and legislation that the government of Saudi Arabia has announced lately within Saudi Arabian vision of 2030 definitely will contribute to enhancing entrepreneurship as a new form of business. In addition, Tabuk has a young and growing university which allow top managers to create and develop entrepreneurship system based on the recent experiences of other universities and without any complicated bureaucracy. The university invests a huge amount of money to set up its colleges and utilities up to global standards. Furthermore, an area of Tabuk has a huge reservoir of groundwater which makes the area the best place for agriculture and food industry. In addition, Tabuk has a long and unique beach that can be exploited for many tourism activities. While conducting this research, the government of Saudi Arabia announces new mega projects in Tabuk Province - NEOM. The project planned to change the meaning of living cities in the world. In other words, a new style of future living exist on 26,500 sq km and focus on several industries such as clear energy and water, mobility, biotech, food and advanced manufacturing (NEOM, 2018).

Finally, a good number of tasks need to be activated, and each part of the entrepreneurship ecosystem should understand its roles and act accordingly. Abu-Baker (2014) has mentioned some of these roles. However, if there is no certain assembly to coordinate all of these aspects and tasks, the entire system might not work successfully. The government should take the initiative to enhance the policy of small and medium enterprises and facilitate current regulations to protect entrepreneurs from being bankrupt and face several finance penalties. That will encourage new ventures to face the challenges and sustain the market. Also, the government should support entrepreneurship institutes and entrepreneurs with at least seed funds to pursue their own business. Nevertheless, new ideas and methods should be developed further to form new values. Otherwise, there is no need to waste time on these ideas. Thus, the need for research centres is crucial. The main body responsible for founding research centres is higher education institute, which is to be supported by the government. Not only that, the

university should consider entrepreneurship training and mentoring as well. Academic staff usually provide consultation with a general view where private sectors (business owners precisely) should participate as business mentors and advisers. In that case, some new ventures might find an appropriate partnership to finance the new venture.

## 6. Conclusion

Entrepreneurship is a new form of business these days. There is no event or conference in the world where entrepreneurship is not mentioned. The importance of entrepreneurship reflects on the entire economic system. Successful entrepreneurial ventures create new value in the market, increase local gross domestic product, create new jobs and reduce government expenditures. All of these benefits and others made entrepreneurship an appropriate choice for new business formation. Although there are plenty of entrepreneurship entities, many authors agree that the University is the best place to establish creativeness and entrepreneurship institute where research utilities and professional scientists are available. In this research, the focus is on the possibility, opportunities, and challenges of creating a creativity and entrepreneurship centre in the University of Tabuk. Different focus groups were formed with a various group of people to determine the main framework of the centre. Findings of the research revealed a good number of opportunities that can support the creation of the centre and many challenges that should be focused on and eliminated. On the other hand, entrepreneurship culture is important among the local community to support entrepreneurs and youths to start their own business. The local community has a prevailing thought that getting a job to secure financial income at an early stage of life is much better than any risk that might occur if a person takes the initiative and create own business independently. In addition, the education system, both general and higher education should be revised to support entrepreneurship through curriculums, and awareness. Thus, it is a complete and integrated system of entrepreneurship where government, the private sector, education system authority and entrepreneurs must realise their own roles and participate accordingly in setting up a successful creativeness and entrepreneurship institute. Finally, it is good and valuable to learn from other institutions in order to create institutional entrepreneurship among Universities. However, each area or region has various prospects and resources that differ than other region and what might work here might not work in another region.

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