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EXPLORING SOCIAL ENTREPRENEURSHIP IN KINGDOM OF SAUDI ARABIA

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ABSTRACT

Social enterprises play an important role in bringing about change in societies in order to improve them. Social enterprises work in the form of social and economic objectives with an entrepreneurial spirit, so that social services are provided to improve the status of poor communities. Societies in Saudi Arabia have accepted the model of social entrepreneurship as a solution to many issues, the most important of which is the elimination of poverty and inequality. Thus, this work has analyzed the importance social entrepreneurship and enterprises, and its impact on societies and influence on kingdom of Saudi Arabia. In this work, the sample size of the target population is 100. Data was collected by means of a questionnaire. The results showed that 45 % of the respondents indicated that they preferred to be a social entrepreneur, while 55 % indicated that they prefer to be employees or part of the social enterprise. In addition, the results showed 52 % of the respondents stated that social entrepreneurship has major contribution and impact on economic value. In addition, the majority of respondents disagreed with the complexity of the concept of social entrepreneurship and pursued to enhance and encourage social entrepreneurship in the nation.

INTRODUCTION

In this world, each culture is known by adopted practices and the results also shed similar light on society. In general, the diverse practices adopted by different people in different societies are based on their belief in social change. The same scenario applies to social entrepreneurship as well. In general, social entrepreneurship is defined as a model that help organizations to create and manage their mission to bring about social change in different ways [1].

According to Chell et al. [2], different organizations have different beliefs about being socially active while considering the different challenges facing society. For example, some organizations are motivated by income earnings, while others are concerned only with the recognition of market opportunities [3]. Furthermore, the majority of entrepreneurs who are interested in helping society are looking for target groups that lack different resources, such as financial or physical, while others with a business mentality are getting into social entrepreneurship to find good people who are related to their different concerns [4].

Rey-Martí et al. [5] stated that some business-minded personalities are socially active just to set up networks and use the investor-linked network and to participate accordingly. In general, if people have different mentalities, their approach to social entrepreneurship is associated with both profit and non-profit outcomes [5]. The difference between a business entrepreneur and a social entrepreneur played a major role in the development of both societies and economies. Understanding social entrepreneurship from a theoretical and research perspective gives an image of an individual with a specific mission [6]. The main difference between a business entrepreneur and a social entrepreneur depends on the mission and the response that is generated [6]. Calic and Mosakowski [7] stated that a business entrepreneur has the ability to pay for most of his resources in order to add additional value to the business and yield a profit-related result. On the other hand, social entrepreneurship is linked to support for people who are not capable enough to afford to pay for their lives or for the needs of their lives [7].

Rivera-Santos, et al. [8] stated that social entrepreneurs play an aggressive role that directly or indirectly helps societies and residents of different target groups that also support the economy. In addition, Durkin and Gunn [9] reported that social entrepreneurs follow the mission of creating and sustaining social values by recognizing opportunities that are not visible to the normal human eye. According to Littlewood and Holt [10], social entrepreneurs usually face distinctive challenges that are both explicit and central to their mission. Social entrepreneurs usually perceive their strategic approach on the basis of their mission and equally assess opportunities and, as a result, the ultimate outcome reflects the central criterion, but not wealth [10]. Thus, the definitive characteristics of social enterprises give the impression of an organization with income and profit generation that is inclined to support the communities for the purpose of improvement [11]. Furthermore, Andersen et al. [12] stated that social enterprises work in the form of social and economic objectives with an entrepreneurial spirit in order to provide social services to disadvantaged communities, such as the provision of community services to people in need in terms of education, culture and improving living environment.

Since the beginning of the last decade, the Kingdom of Saudi Arabia has opened different doors to its nationals. Acceptance and recognition of entrepreneurship is a top priority among all the benefits and facilities provided to residents [13]. The government has fostered entrepreneurship through a variety of approaches and, as a result, the Kingdom of Saudi Arabia has been

ranked high as a favorable place to do business because of its policies, its efficient market and its sophisticated market position [13]. This gives an image of acceptance to social entrepreneurs who are interested in the implementation of good ideas in society. The basic need to understand the efforts of entrepreneurs to be social depends on a few reasons that are either related to the nature of their business, their personal interest or anything else. The environment that has given rise to social entrepreneurship in the Kingdom of Saudi Arabia has witnessed many achievements in the promotion and establishment of the economy. Thus, this work was carried out to analyze the standing of social entrepreneurship in Saudi Arabia.

METHODOLOGY

Quantitative research method has been used for this work. Data collection was done using questionnaire. The sample size of the target population is 100. The questionnaire has been divided into two parts that will throw light on demographics such as age, gender and educational background where as second part will be about opinions towards questions asked in relation to social entrepreneurship in Saudi Arabia. In addition, the second part of the questionnaire will help to identify the direct association of the participant with the social enterprise or entrepreneurship. The participants were asked to understand the role of entrepreneurship and its results in terms of social value, economic value and environmental value. The questionnaire was designed to provide insights into the creation of social value and the focus of people on economic added value through entrepreneurial activities. The data were analyzed in basic statistic and were presented in graphical form.

RESULT AND DISCUSSION

Demographic Analysis

Based on Figure 1, 38% of the respondents were male and 62% were female.

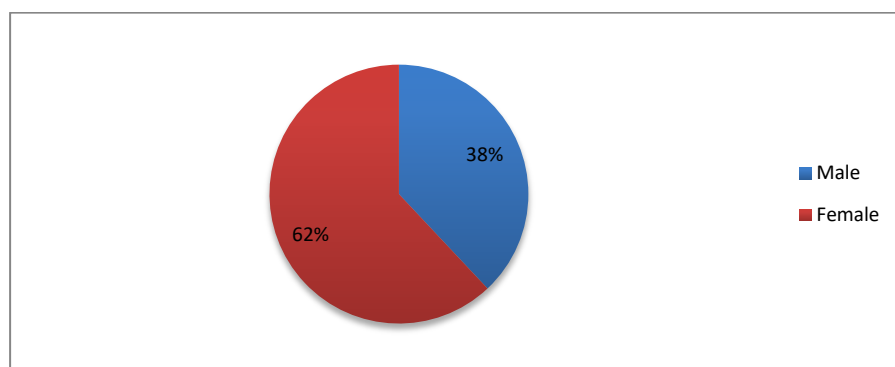


Figure 1. Gender

Based on Figure 2, in terms of age group, 5 % of the respondents were between 15 to 21 years, 49 % were between 22 to 29 years, 33 % were between 30 to 39 years and 11 % were between 40 to 55 years. Figure 3 shows the percentage for education level. Based on Figure 3, 12 % completed high

school, 58 % completed bachelor’s degree, 19 % completed master’s degree and 11 % were PhD holders.

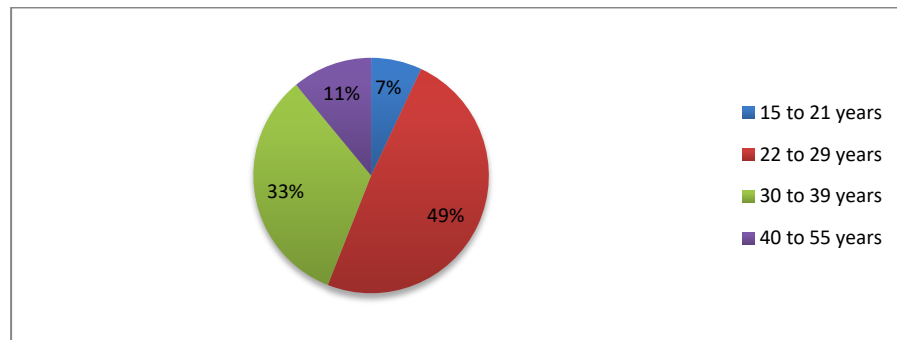


Figure 2. Age

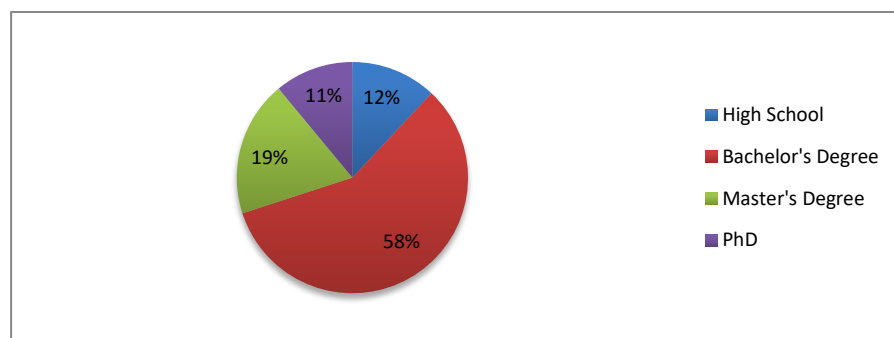


Figure 3. Education level

Questionnaire Analysis

In this section, the responses to the questions asked in the questionnaire are presented. The respondents were asked ‘if their role describes relationship with being social entrepreneur or part of organization or employee that is into entrepreneurship?’. Based on Figure 4, 45 % of the respondents stated social entrepreneur and 55 % stated being employee of social enterprise. This gives an impression that the concept of population for being the entrepreneur and part of social enterprise is clear.

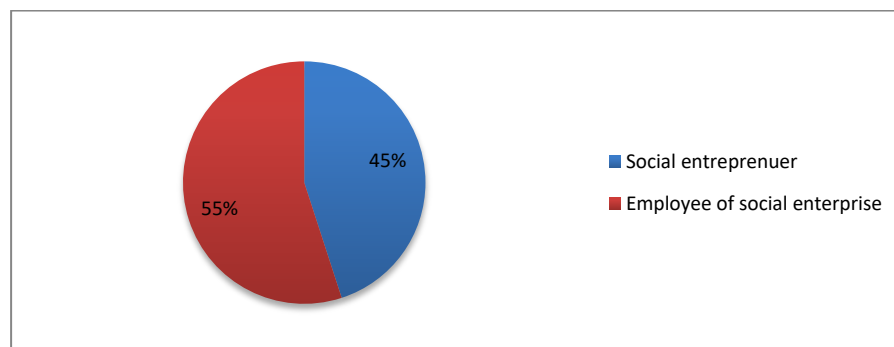


Figure 4. Being social entrepreneur or part of organization that is into entrepreneurship.

The respondents were asked ‘what is the practice of social entrepreneurship and impact of its result on the society?’. Based on Figure 5, 27 % of the respondents stated social, 52 % stated economic value and 21 % stated environmental value as the impact. Thus, majority have vouched for its output on economic value.

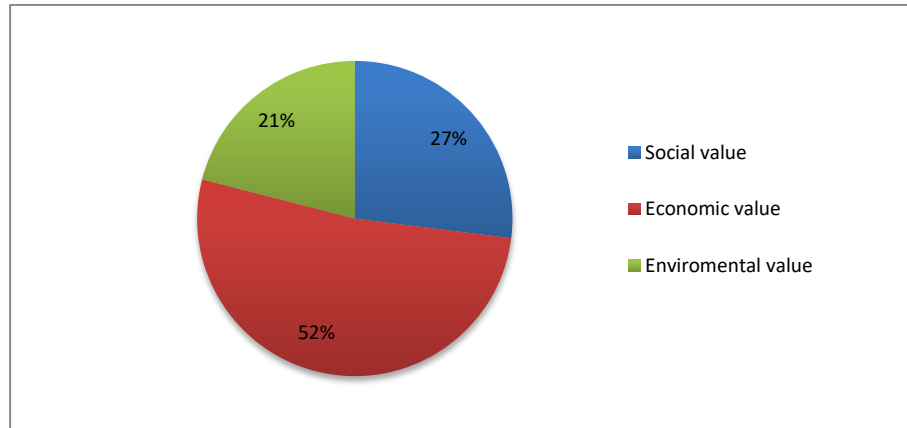


Figure 5. Practice of social entrepreneurship and impact of its result on the society

The respondents were asked about importance of the concepts and practices adopted for social entrepreneurship in kingdom of Saudi Arabia. Based on Figure 6, 72 % of the respondents stated that the concept is it important and 28 % stated it is not important. As a result, the majority of respondents believe in its importance because they visualize positive outcomes that have a direct or indirect impact on society.

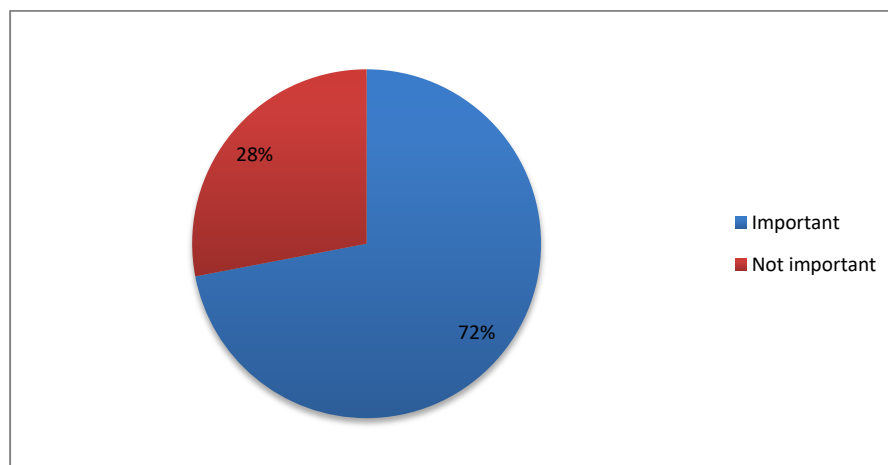


Figure 6. Importance of the concepts and practices adopted for social entrepreneurship

The respondents were asked, 'does social entrepreneurship show positive social impacts? '. Based on Figure 7, 59 % stated yes and 49 % stated no.

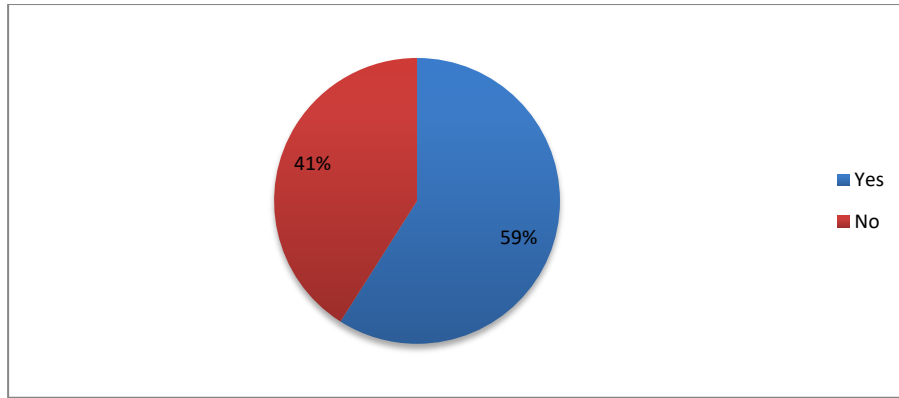


Figure 7. Social entrepreneurship exhibits positive social impacts

The respondents were asked, ' what are the barriers to start social enterprises in kingdom of Saudi Arabia?'. Based on Figure 8, 24 % stated lack of awareness on social impact, 37 % stated lack of funding, 24 % stated lack of skills and competences and 15 % stated that they have no idea about the barriers.

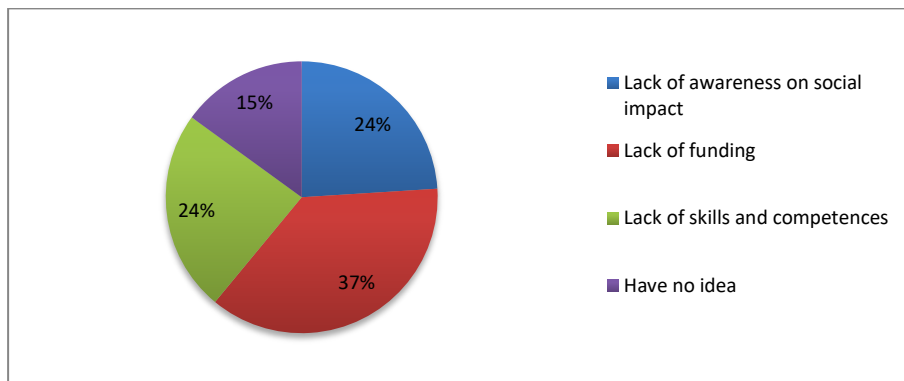


Figure 8. Barriers to start social enterprises

The respondents were asked, 'Is social entrepreneurship a complex concept, especially in the Kingdom of Saudi Arabia?'. Based on Figure 9, 28 % of the respondents agreed, 53 % disagreed and 19 % were neutral.

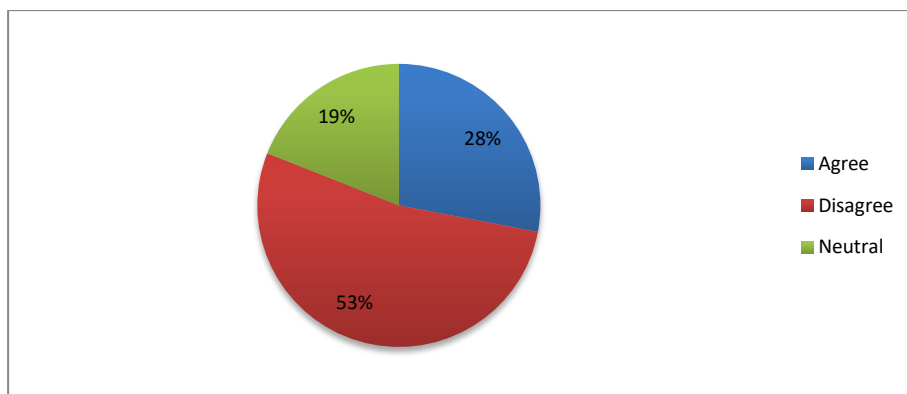


Figure 9. Barriers to start social enterprises

Overall Discussion

The age group of participants indicates that more than half of the population are young people of less than thirty years of age; their opinion on the extraction of results, as they represent the future of the country and their aspirations for social entrepreneurship. Furthermore, only 44% of the population is over the age of 30, representing the knowledge, culture and environmental practices that have been adopted in the past and to be transferred to the next generation with innovative approaches. The results obtained from the questionnaire show that the female gender as the majority of respondents.

It can be estimated that 88 % of participants are qualified enough to understand what questions have been asked and why they should or should not have an entrepreneurial impact on society. Moreover, half of the population claims to be social entrepreneurs who indicate their direct presence and efforts in the development of communities and societies with diverse agendas and approaches. The remaining 45% play a significant role such as employee, either directly or indirectly, in the same domain.

The Saudi community's strong belief in the impact of social entrepreneurship on economic value refers to the development of societies that directly or indirectly contribute to the development of societies. The limited percentage that claims to have an impact on social value seems to be the least concerned about economic development or may belong to a territory where recognition of environmental and social values is preferred. This is in accordance to the work of Saebi et al. [14] where it was reported that social entrepreneurship has demonstrated a positive impact on economic development of a nation. Furthermore, it was stated that acceptance of practices is important for social entrepreneurship, replicating the ideology of belief and attachment to these practices.

Results have also shown that 72% of the population regards these practices as important because of their direct and indirect impact on economic value. The balance of 28 per cent showed a discrepancy due to the belief of certain people associated with social and environmental values that do not have an impact. This is agreed by Bellostas et al. [15] where it was stated that social entrepreneurship was accepted globally not only for the sake of having a positive impact on society, but also for engaging people in support of different causes. At the end of the day, it engages different people to take initiatives to develop economic value, social value and environmental value.

Moreover, the result has shown that there is a trend that people want to follow in order to become part of social entrepreneurship with all their hearts. Despite difficulties due to lack of awareness, lack of funding and skills or competencies, there is a need for this initiative. In addition, the majority of people disagreed with the complexities of the concept of social entrepreneurship and sought to promote and encourage social entrepreneurship in order to improve the overall status of the community. This is agreed by

Kickul and Lyons [16] where it was stated that social entrepreneurship is not a complex procedure and it is required to improve the overall status of a community.

CONCLUSION

In this work, the status of social entrepreneurship in Saudi Arabia has been analyzed. It can be concluded that the majority of participants have been trained enough to identify what is the main requirement in society and what is the impact of social entrepreneurship. Their response is an indication of their aspirations, which has shown that economic value is equivalent to the development of social and environmental values in Saudi Arabia. This simply highlights the importance of social entrepreneurship and people's commitment in improving the status of the Saudi Arabia community through innovative approaches.

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