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THE IMPACT OF SME'S PROJECTS ON THE NATIONAL ECONOMY OF OIL COUNTRIES AND WHETHER PUBLIC SECTOR ORGANIZATIONS SUPPORT THEM? CASE STUDY OF KUWAIT

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The aim of this dissertation is to obtain a doctoral (PhD) degree in the scientific field of „Management and Business”

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- No dissertation which is fully or partly identical to the present dissertation was submitted to any other university or doctoral school for the purpose of obtaining a PhD degree.

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LIST OF ABBREVIATIONS

CEIC: Global Economic Data, Indicators, Charts & Forecasts

EU: European Union

GCC: Gulf Cooperation Council

GDP : Gross Domestic Product

GEM: Global Entrepreneurship Monitor

ILO: International Labour Organization

IMF: International Monetary Fund

MLR: Multiple Linear Regression

MOFKW: The Ministry of Finance of the Government of Kuwait

OECD: Organisation for Economic Co-operation and Development

OPEC: Organization of the Petroleum Exporting Countries

R&D: Research and Development

SME: Small and Medium-sized Enterprise

SPSS: Statistical Package for the Social Sciences

UNDP: United Nations Development Program

UNIDO: United Nations Industrial Development Organization

USA: United States of America

USD: United States Dollar

VAT: Value-Added Tax

VIF: Variance Inflation Factor

1. INTRODUCTION

1.1. The Context of the Study

Kuwait is one of the world's foremost oil-wealthy nations, producing more than 2,662.000 barrels per day of unrefined oil in February 2020, which accounts for around 8.15% of the daily oil generated by the nations that make up the Organization of Petroleum Exporting Countries (OPEC) (CEIC, 2022). However, despite the importance of oil to the Kuwaiti economy, the country is one of many worldwide acknowledging the increasing significance of small and medium-sized enterprises (SMEs) in supporting financial development. According to the International Labour Organization's (ILO) overview of about 50,000 firms in 104 nations, SMEs give as much as two-thirds of all work, with such companies contributing more to business in low-income nations than high-income nations (ILO, 2013). However, despite the high number of SMEs in Kuwait, they only contribute 3% of the country's gross domestic product (GDP) (Karaspan & Volk, 2016). This is a strange paradox compared with high-income economies, where SMEs typically contribute around 50% of GDP (OECD, 2015). SMEs in Kuwait employ less than 23% of the total workforce. Here we have another disappointing number as that compares unfavourably to the fact that such companies typically employ around 50% of the workforce in emerging economies (OECD, 2015).

In 2014, the World Bank conducted an exploratory study of over 500 SMEs in Kuwait to identify the obstacles that limit their expansion. 35% of those who responded to the study stated that the routine issuance of licenses and the issuance of the necessary permits was the biggest obstacle to them, in addition to the administrative corruption of the licensing authorities (Karaspan & Volk, 2016). Nearly 25% of the participants in the study revealed one of the qualitative reasons for obstacles to business expansion, which is the need for an educated workforce, in addition to the length of time required to issue the necessary licenses. In Kuwait, it takes an average of 20 days to issue a license to start dealing with other entities, which consumes 30% of the entrepreneur's time. For the private sector to achieve the role required of it, now and in the future, governments need to create a balanced environment in which firms can thrive (World Bank, 2016). In 2013, the Kuwaiti government invested two billion Kuwaiti diners (i.e. seven billion US dollars) in the newly created National Fund for the Development of SMEs, with the money shared between institutions related to the development and support of SMEs. The fund's main objective was to diversify job opportunities and increase the participation of the private sector in the national economy (Karaspan & Volk, 2016). The

National Fund is the first national institution for small and medium-sized companies in the Arabian Gulf. Nevertheless, questions remain about the extent to which the SME sector in Kuwait is fulfilling its potential and what can be done to help it to develop further.

Taking account of the context described above and the importance of SMEs for economic development, the present study focuses on the SME sector in Kuwait. The rest of this introductory chapter details the research problem that has inspired this study (Section 1.2) and describes the research's aims (Section 1.3), objectives (Section 1.4), questions and hypotheses (Section 1.5). It also provides an overview of the research methodology (Section 1.6) and concludes by setting out the structure of the rest of the paper (Section 1.7).

1.2. Research Problem

Interest in the prosperity of SMEs is increasing among academics and policymakers alike because of the importance of the role of small and medium-sized companies in improving the economic and social level (Blackburn & Schaper, 2012). Such companies help to create new jobs, promote an increase in the money cycle, and increase competition.

In the case of Kuwait, there is a modest role for SMEs due to the weak culture of entrepreneurship and the lack of competence that the entrepreneurship community needs to obtain the financial support required to develop SMEs, intended to increase the quantity rather than the quality (Khorsheed et al., 2014). For this reason, providing assistance from government institutions that help create an entrepreneurial work environment is one of the essential requirements for boosting the motivation for the launch of new firms, small and medium-sized companies that have the potential for development (Levie & Autio, 2013).

In the Gulf Cooperation Council (GCC) countries, which include Kuwait in their number, the power and economic dominance of the oil industry and the public sector make them the leading contributors to gross domestic product (GDP). In such a context, the economic role of SMEs is comparatively modest across the GCC countries, accounting for no more than 30% of the GDP of any individual country (IMF, 2019). This compares to 33% in Australia, 43% in Canada, 44% in Austria, more than 50% in the United States of America (USA), 56% in France, 57% in Japan and 64% in Spain (UNDP, 2011). As these comparative figures illustrate, the SME sector in the GCC region is underperforming as an engine driving the achievement of regional governments' objectives relating to economic diversification and growth (UNDP, 2011). This statement must be understood in the context of the global impact of SMEs. Research shows that, internationally, such enterprises can be the most efficient instrument for accelerating social

and economic development (OECD, 2015). Such enterprises create fertile ground for workers to be trained and develop their skills. They also assist in increasing the speed at which small amounts of invested funds turnover, with consequent broader economic impacts. SMEs can also offer highly valuable employment opportunities in countries with rapidly growing young populations (a characteristic of developing economies), as well as improving overall levels of productivity and helping to diversify economies that are over-reliant on a limited number of commodities or industries, such as those of the GCC (OECD, 2015). Such enterprises are also highly attractive drivers of development and diversification because they are relatively simple to establish. They require uncomplex administrative structures and usually only small quantities of capital for initiation and the early phases of their operations. The most commonly selected legal form for such enterprises, the limited liability company, also allows them to leave the market, if required, without making an overly significant detrimental impact (UNDP, 2011).

There is a shortage of statistical information on the Kuwaiti SME sector on account of the absence of an official definition. The consequence of this lack of definition is a corresponding absence of data collection, as there is no single recognised way to determine what should be counted as an SME. However, it has been estimated that the number of SMEs is greater than 30,000, representing 90% of all registered companies in Kuwait. 85% of these companies appear to be owned by either families or individuals (UNDP, 2011). If these statistics are correct, this would equate to a low concentration of SMEs relative to the Gulf region, with one such enterprise per 43 nationals.

1.3. Research Aims

The research offers four main contributions to the body of knowledge on developing small and medium-sized enterprises (SMEs). First, it takes an entrepreneurship ecosystem perspective to provide a unique viewpoint on how institutional support influences SME growth in Kuwait. From this perspective, it offers an analysis of the growth of SMEs in Kuwait in light of recent reforms and changes that aimed to strengthen the SME sector to tackle some of the country's fundamental issues, namely, structural imbalances related to the labour market and the private sector's role. Accordingly, the research begins by presenting an overview of the ecosystem before examining how four key aspects of that ecosystem influence the growth of SMEs. In addition, the institutional level of the ecosystem in Kuwait was particularly considered in the research design. Institutions have the potential to play a significant role in supporting the SME sector by enabling access to resources. Thus, resource access at a collective level is extensively

considered in this research, which leads us to its second contribution to the body of knowledge in the field of SME development.

Second, the research takes account of network analysis at a collective level to examine how resource access in Kuwait is enabled by institutional support. Such an approach requires examining how both network size and the density of entrepreneurs influence access to resources on the collective level. Third, the research considers four key factors to examine how institutional support affects the growth of SMEs in Kuwait. The selected factors influence the entrepreneurship process as a whole, i.e. environmental factors, access to resources, and the characteristics of the entrepreneur and the firm. The research's final key contribution to knowledge in this field is conducting a survey that enables quantitative data collection and subsequent analysis. It also uses a resource generator as one of its key development approaches. The aim of the research is to analyse the role of institutional support in terms of its influence on the growth of SMEs in Kuwait from an entrepreneurship ecosystem perspective.

1.4. Research Objectives

In order to achieve its aim, the research seeks to accomplish the following three fundamental objectives (two of which can be broken down into a further six sub-objectives):

1. To present a detailed overview of the entrepreneurship ecosystem in Kuwait.
2. To analyse the role that institutional support plays in terms of enabling resource access in Kuwait by:
    2.1. Explaining, at the collective level, the main features of entrepreneurs' communication networks.
    2.2. Examining the relationship that exists at the collective level between SMEs' resource access and the main features of entrepreneurs' communication networks.
3. To analyse the extent to which institutional support influences the growth of SMEs in Kuwait by:
    3.1. Establishing the extent to which SMEs' growth is influenced by resource access.
    3.2. Analysing the impact that environmental factors have on SMEs' growth.
    3.3. Testing the relationship between SMEs' growth and entrepreneurs' characteristics.
    3.4. Examining the links between SMEs' own characteristics and their growth.

1.5. Research Questions and Hypotheses

In order to complete a sufficiently comprehensive investigation and analysis of the role of institutional support in influencing SMEs' growth in Kuwait, the following initial three questions must be addressed:

1. What are the main features of Kuwait's entrepreneurial ecosystem (based on an analysis of the years 2014–2019)?
2. What is the role of institutional support in terms of enabling resource access in Kuwait at the collective level?
    2.1. Which actors within the communication networks of entrepreneurs can provide (at the collective level) institutional support?
    2.2. What is the nature of the link between these actors who can provide (at the collective level) institutional support and entrepreneurs?
    2.3. What key features characterise (at the collective level) entrepreneurs' communication networks?
    2.4. What is the nature of the relationship that exists (at the collective level) between the key features of entrepreneurs' networks and access to resources?
3. To what extent does the support of institutions impact the growth of SMEs in Kuwait?

The researcher will examine the following issues:

1. The collective impact of the government institutions' support on the SMEs' growth as measured by their number of employees at their beginning.

2. The collective impact of the government institutions' support on the SMEs' growth as measured by the number of products at their beginning.

3. The collective impact of the government institutions' support on the SMEs' growth as measured by the sum of their number of employees and products at their beginning.

4. The collective impact of the government institutions' support on the SMEs' growth as measured by their number of employees currently (now).

5. The collective impact of the government institutions' support on the SMEs' growth as measured by their number of products currently (now).

6. The collective impact of the government institutions' support on the SMEs' growth as measured by the sum of their number of employees and products currently (now).

Based on the questions and areas of examination described above, the following hypotheses have been developed:

- **H01**: there is no significant statistical impact (at 0.05 level) for the government institutions' support (in terms of finance, labour, information and training) on the SMEs' growth as measured by their number of employees at their beginning
- **H02**: there is no significant statistical impact (at 0.05 level) for the government institutions' support (in terms of finance, labour, information and training) on the SMEs' growth as measured by their number of products at their beginning
- **H03**: there is no significant statistical impact (at 0.05 level) for the government institutions' support (in terms of finance, labour, information and training) on the SMEs' growth as measured by the sum of their number of employees and products at their beginning.
- **H04**: there is no significant statistical impact (at 0.05 level) for the government institutions' support (in terms of finance, labour, information and training) on the SMEs' growth as measured by their number of employees currently (now).
- **H05**: there is no significant statistical impact (at 0.05 level) for the government institutions' support (in terms of finance, labour, information and training) on the SMEs' growth as measured by their number of products currently (now).
- **H06**: there is no significant statistical impact (at 0.05 level) for the government institutions' support (in terms of finance, labour, information and training) on the SMEs' growth as measured by the sum of their number of employees and products currently (now).

The process of forming and testing these hypotheses is described in more detail in Chapter 3 on the research methodology. That methodology is also briefly introduced in the following section (1.6).

1.6. Research Methodology and Model

The research is explanatory in nature, aiming to develop and present an explanation of the pattern that can be observed in a particular phenomenon. Accordingly, it follows the main assumptions of the positivist approach to research, combining deductive logic (using reasoning to build and test hypotheses). That is to say, that reality exists independently of individuals' subjective perceptions and can, therefore, be defined objectively (Hallebone and Priest, 2009). In epistemological terms, a hypothesis created based on a theoretical position can be either

confirmed or disproved by methodically following a linear process (Hallebone and Priest, 2009). Such a methodology can be nomothetic in the sense that any explanation it produces relies heavily on an understanding of both causal laws and interrelations to generate and qualify a range of findings through empirical data to test hypotheses formed on the basis of theory. Throughout this process, the researcher operates as a dispassionate observer (Neuman, 2013). Thus, qualitative methods are the main approach utilised to collect and analyse data gathered in this fashion.

In the above context, there are two principal reasons why this research conducts a survey. The first of these reasons is the production of relevant statistics to inform analysis, that is to say numerical or quantitative, descriptions of how the social networks of entrepreneurs, at both individual and collective levels, enable access to required resources. Such analysis also includes consideration of the relationships between access to resources, other factors and the growth of SMEs. The second main reason for conducting a survey is that such an approach is the only way to meet the research's data needs that are otherwise unavailable anywhere else. Such data are prerequisites for informing the subsequent analysis required to answer the research questions and achieve the research objectives. A survey with a specific design to meet the research's aims is the only way to ensure that all the data required for the analysis stage are gathered.

The structure of the present research is shown in Figure 1, below.

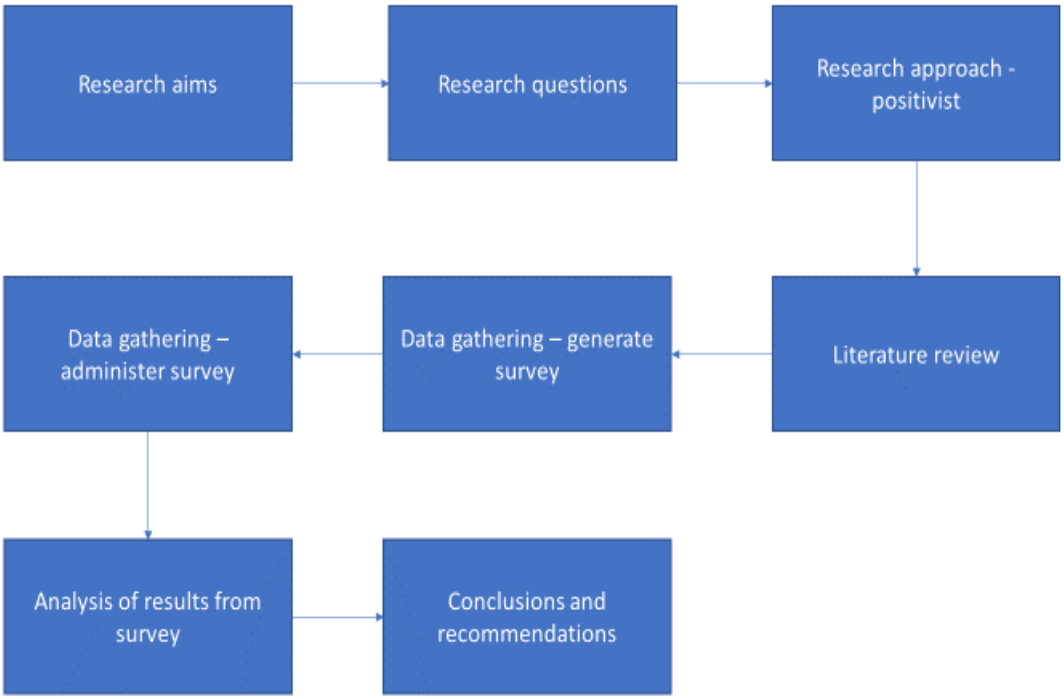

Figure 1: Research structure

Source: Authors' own compilation (2022)

1.7. Structure of the Paper

Following this introduction, the rest of this paper proceeds as follows. Chapter 2 is the literature review, which summarizes the results of other relevant papers concerning this topic. It also sets out the conceptual framework of the present study, which was developed on the basis of the previous literature. Chapter 3 details the methodology that was used in the present study. Chapter 4 sets out and evaluates the findings generated by applying that methodology. Chapter 5 presents conclusions and recommendations on the basis of those findings. Finally, Chapter 6 highlights the novel findings and contributions of the paper.

2. LITERATURE REVIEW

2.1. Introduction

Since this research focuses on the role of institutions in supporting the growth of small and medium-sized entrepreneurial enterprises (SMEs) in Kuwait, it is essential to establish a clear definition of what entrepreneurship means. Following that, it is necessary to present the emergence of small and medium-sized companies and examine the factors that drive their development, focusing on their relationships with the sort of related institutions that are the subject of the present research.

Defining entrepreneurship and the boundaries of related research can be difficult as it brings together contributions from various disciplines, including economics, business, social sciences and individual behaviour (Carlsson et al., 2013). Within those varied disciplines, researchers have analyzed entrepreneurs and entrepreneurship at different levels, from the individual and company up to the macroeconomic level, taking into account influencing factors such as the environment and networks.

Developments appeared in many societies worldwide in the seventies and eighties of the last century, which led to structural changes in various political, technological and economic fields and contributed to an international shift towards entrepreneurship (Landström, 2005). These changes led to the emergence of new projects that did not exist previously, creating new opportunities in trade and industry that were accompanied by the emergence of small and medium-sized enterprises. Ultimately, the development of these opportunities and projects drew the attention of policymakers and stimulated researchers to focus their work on the broad field of entrepreneurship. Such work has now yielded a rich range of research. However, gaps remain within that body of literature as the present review will demonstrate by highlighting the specific gaps this study proposes to fill.

As the present study is focused on Kuwait, it is also appropriate to make some introductory comments about the Kuwaiti economy, which will also be one of the subjects of this literature review. As will be shown, Kuwait's economy is not isolated from the global economy, and it needs the diversification that a thriving sector of small and medium-sized enterprises can produce. In order to understand the role that such SMEs can play in diversifying the Kuwaiti economy, several concepts must be discussed. Therefore, the initial review of the literature relating to the Kuwaiti economy is followed by sections clearly defining the concept of entrepreneurship and examining how that concept has been put into practice in order to

appreciate the role that it plays in the broader economy and understand the possibility of developing it still further to reap additional societal and economic benefits. However, it is worth highlighting at the outset the general lack of sources relating to the situation of SMEs in Kuwait specifically, which means that beyond this initial review, most of the other sources cited in this literature review are not focused on the country. The present study is intended, of course, to help to fill that gap in the literature.

2.2. A Review of the Kuwaiti Economy

Kuwait is one of the world's leading oil-rich nations, with expansive reserves of crude oil that account for around 9% of the total reserves internationally (OPEC, 2021). In February 2020, Kuwait's yield of unrefined oil amounted to 2,662,000 barrels every day. In the same year, the thirteen members of the Organization of Petroleum Exporting Countries (OPEC) were producing around 30.6 million barrels each day, meaning that Kuwait alone accounted for more than 8% of the total crude oil generated by the world's main oil-producing nations (CEIC, 2020). Oil is responsible for generating around 40% of Kuwait's 2020 gross domestic product (GDP) of 108 billion USD and nearly 90% of its export revenues (OPEC, 2021). Figure 2 shows the percentage of Kuwaiti government revenue from various sources.

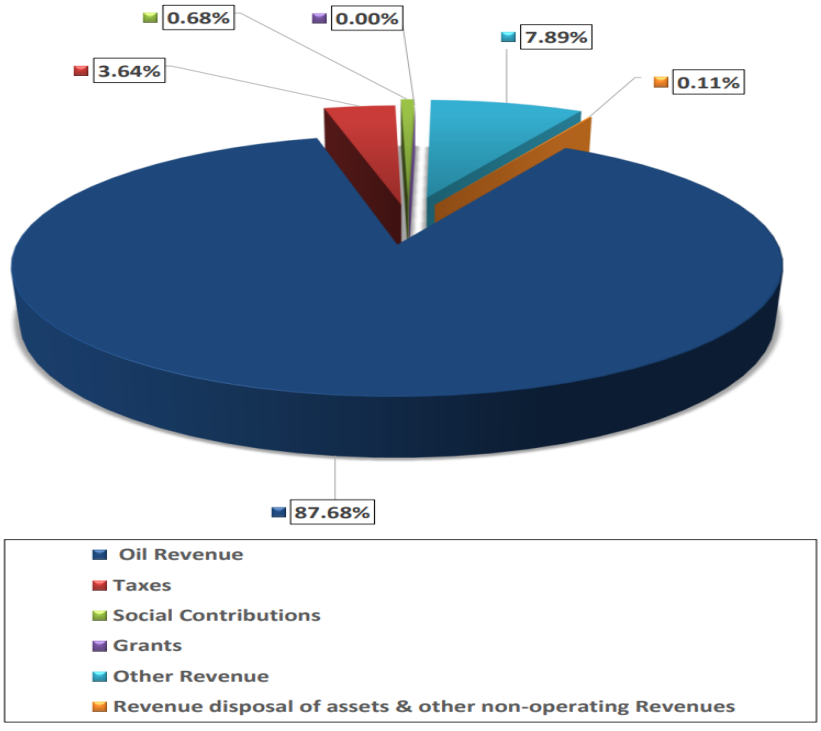

Figure 2: Kuwaiti government revenue sources

Source: MOFKW (2019)

Bearing in mind the indisputable importance of oil revenue for the Kuwaiti economy, it is unsurprising that the government relies on it to cover the majority of its expenditure in all areas, including health, education, social services, and infrastructure. For example, in the fiscal year 2019/20, the Kuwaiti government estimated revenue of 13.9 billion Kuwaiti dinars (around 45.5 billion USD) from oil. In the same year, according to estimates from the Ministry of Finance, total revenue from all other sources only amounted to 1.9 billion Kuwait dinars (around 6.2 billion USD), meaning that oil alone was estimated at contributing around 88% of the government's total revenue of 15.8 billion dinars (51.7 billion USD) (MOFKW, 2019). Revenue generated from oil exports also funds private projects related to state services and the industrial sector. Given this dependency on oil, it is unsurprising that the Kuwaiti economy is linked to changes in oil prices in a difficult way to control, leaving the government's spending programmes very susceptible to fluctuations in the highly volatile international oil market. Figure 3 shows the government's areas of expenditure.

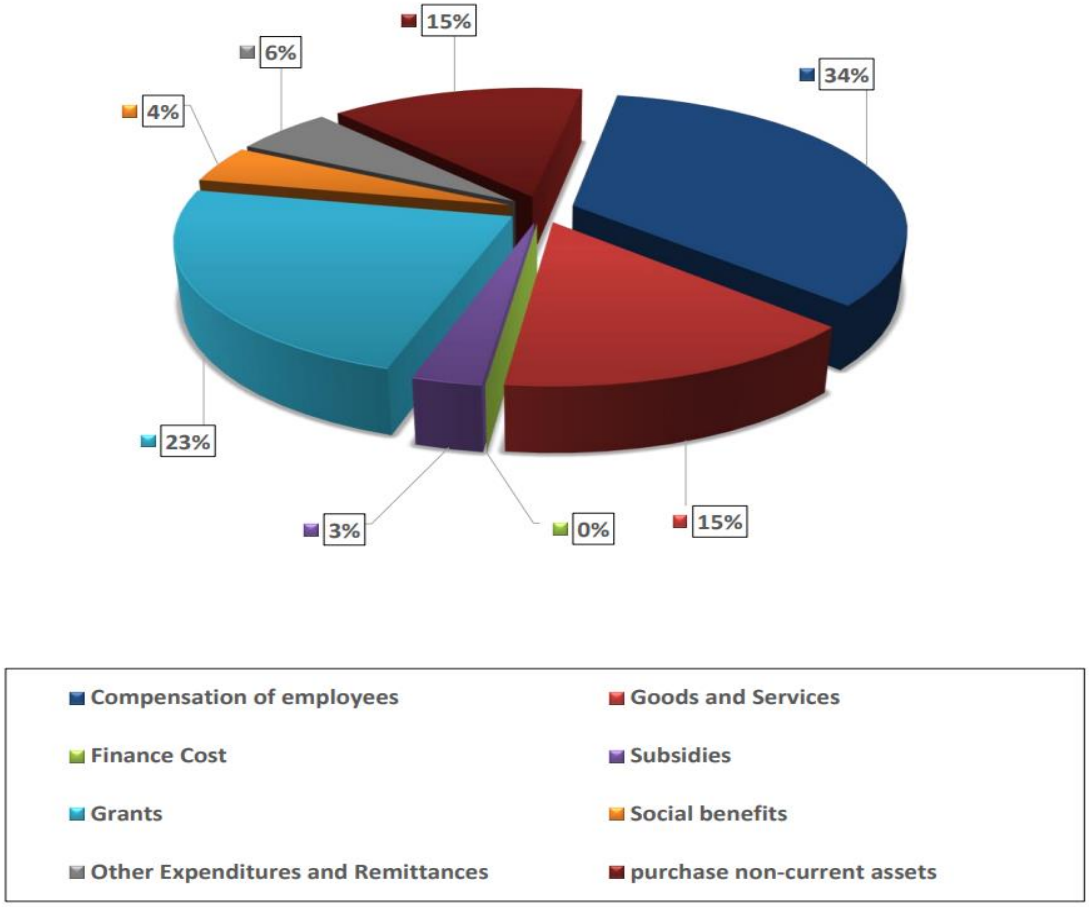

Figure 3: Kuwaiti government expenditure

Source: MOFKW (2019)

As the above evidence clearly shows, Kuwait urgently needs economic change and diversification. There are at least two main reasons for this. Firstly, since the government is heavily dependent on revenue from the oil sector to cover its expenditure and support different sectors, diversifying the economy would minimize the risk of uncertainty related to the volatility of oil prices. Secondly, diversifying the economy would influence economic development by generating more job opportunities, thus decreasing the unemployment rate, especially among the younger generation, increasing productivity and ensuring sustainable growth based on non-oil revenues (Al-Darwish et al., 2015).

Achieving greater diversification in the Kuwaiti economy will require the government to enhance the macroeconomic environment by addressing basic requirements and building capacities in innovative industries and the service sector. Furthermore, to achieve the goal of diversification, the government will also need to understand and address the challenges of the labour market and the main features of the burgeoning entrepreneurship ecosystem in Kuwait. To make these efforts successful, it will also be necessary to strengthen the country's education provision for children, young people, and adults and also augment national labour regulations, which need to be made more flexible (Schwab, 2017). Implementing reforms to the areas identified above will help the government tackle the fundamental economic issues it faces, which are detailed below in Section 2.2.1 (which looks at employment and unemployment in Kuwait) and Section 2.2.2 (which examines the country's business and entrepreneurship ecosystem).

2.2.1. Employment and unemployment in Kuwait

The insufficiency of the Kuwaiti labour market can be summarized by outlining its four main challenges. The first is a lack of competitive job opportunities for locals in the private sector. Most positions in that sector are both low-skilled and poorly paid. Consequently, over 95% of the workers in the private sector are foreign nationals, a figure that has continued to increase in recent years (ILO, 2019). As around 60% of Kuwaiti nationals seeking jobs in their own country are highly educated, they typically refuse to take these low-skilled jobs that do not require tertiary-level academic qualifications. On the other side of that challenge, however, the private sector does not provide the necessary training programmes to enhance the skills and productivity of their staff. Such programmes are also required to engage local workers in the private sector (De Bel-Air, 2014).

Closely related to the above issue, the country's second key labour market challenge concerns the fact that Kuwaiti nationals continue to view working in the public sector as significantly more attractive than the private sector. Consequently, expatriates overwhelmingly hold jobs in the private sector, while Kuwaiti citizens dominate the public sector job market. In that context, it is important to note that the wages offered by the government are, on average, much better than those paid in the private sector, reinforcing many Kuwaitis' perceptions of the labour market and explaining their preference for the public sector. In addition, most public sector jobs only require employees to work 40 hours or fewer per week, and once someone has a job in that sector, they are highly unlikely to ever be dismissed. In contrast, employers in the private sector typically require their staff to work more days and hours each week, and those employees have less job security than their peers working in the public sector. Bearing all of the above in mind, Kuwaiti jobseekers, especially younger ones, often prefer to remain jobless and wait for a public-sector vacancy rather than take up an employment opportunity in the private sector. The effect of the first two challenges combined is that the private sector in Kuwait is heavily dependent on foreign labour, as evidenced by the statistics referred to above, which are also shown in Figure 4 (ILO, 2019).

The third challenge is youth unemployment, which increases annually as more young people join the labour market yearly. A major driver of the high unemployment rate is the gap between labour demand and supply regarding academic qualifications and required skills. Thus, providing training and education programmes designed to meet the needs of the private sector side of the labour market is required. In addition, amending and improving the regulations that govern the private sector element of the labour market is key to generating more competitive job opportunities for young Kuwaitis. Those revised regulations should include such welcome interventions as enhancing wages, amending working hours and days, and improving job security in the private sector, all of which should make working in it more attractive to Kuwaiti nationals. Although the government sector is the major employer in Kuwait, it cannot grow indefinitely, which means that most future jobs must come from the private sector, which, as noted above, currently employs a comparatively lower number of Kuwaitis. According to the International Labour Organization, three-quarters of Kuwaiti workers are employed in the public sector, and 82% of all workers are foreign (ILO, 2019). Figure 4 shows the percentages of foreign and Kuwaiti workers by sector.

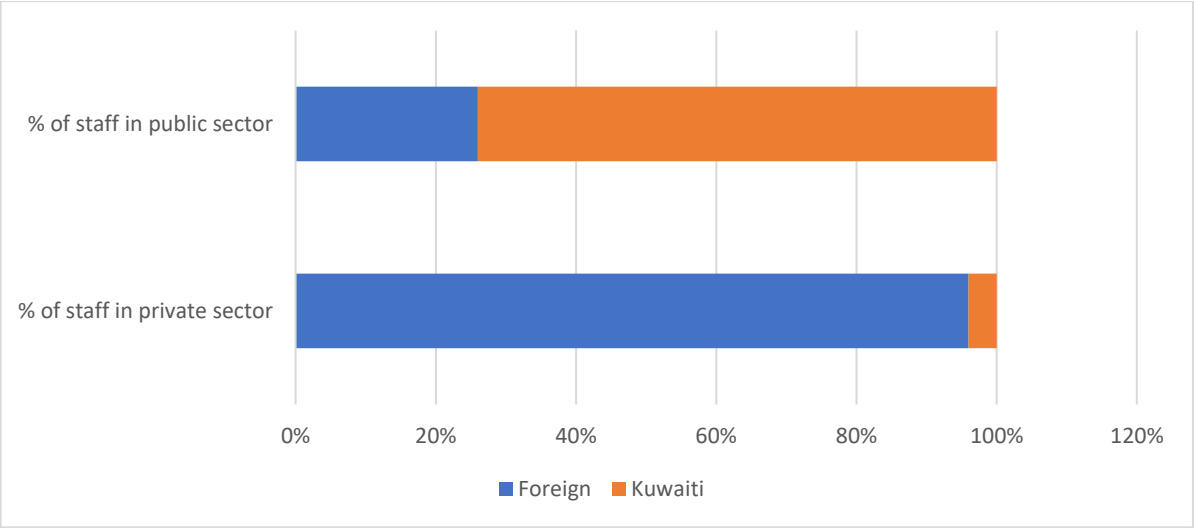

Figure 4: The percentages of Kuwaitis and foreign nationals employed in the public and private sectors in 2017

Source: ILO (2019)

The fourth main challenge faced in Kuwait is the gap between demand and supply in the labour market. This mismatch is especially evident when it comes to connecting jobseekers to opportunities that most effectively match their skills. Based on that, it is possible to deduce that the links that should exist to connect jobseekers and private employers are not functioning effectively. One aspect of that is the lack of publicly available information about job opportunities, which can be attributed to the fact that the labour market in Kuwait has traditionally been over-reliant on personal connections and networks.

2.2.2. The business and entrepreneurship ecosystem in Kuwait

Internationally, governments, inter-governmental organizations, and academics are increasingly acknowledging the significance of SMEs in terms of their positive impact on financial development at a national level. For example, a review of about 50,000 firms in 104 nations found that SMEs provide as much as two-thirds of all work, contributing to the business more pronounced in low-income nations than in their high-income counterparts (ILO, 2013). Although there are many SMEs in Kuwait, their contribution to the economy is still a relatively marginal 3% of GDP (Karaspan & Volk, 2016). This is a strange paradox compared to high-income economies, where SMEs typically contribute up to 50% of total GDP (OECD, 2015). Furthermore, SMEs in Kuwait employ less than 23% of the total workforce, which also reflects the underperformance of that aspect of the economy, which is disappointing even when

compared to SMEs in emerging economies which contribute around 50% of total employment (OECD, 2015).

2.3. Concepts and Experiences of 'Entrepreneurship' and 'SMEs'

The debate regarding SMEs and entrepreneurship has focused on the differences and similarities between the two concepts and the extent to which they are complementary or identical to each other. Over time, there have been changes and developments in the international research focused on entrepreneurship worldwide, with economists specifically interested in it, including Kirzner (1973) and Schumpeter (2017). However, many researchers in this field were historically primarily interested in the tasks and functions of entrepreneurship rather than in the entrepreneurs themselves (Carlsson et al., 2013). However, other aspects of this research field have focused on the job of being an entrepreneur and the role that such entrepreneurs play in developing entrepreneurship and economies in general. Meanwhile, other researchers have focused more on situating entrepreneurship within the context of business environments.

The first person to analyse the concept of entrepreneurship was Richard Cantillon, whose book on the subject was published in 1755. According to Cantillon, the three main actors in the economy are as follows: 1) real-estate owners, who are the main consumers, 2) entrepreneurs, and 3) employees (Brown & Thornton, 2013). Because entrepreneurs meet the desires of real estate owners (i.e. the main consumers within the economy), entrepreneurs play a crucial role in developing any economy (Carlsson et al., 2013; Brown & Thornton, 2013). Therefore, entrepreneurs are an aspect of the supply side of any economy they feature. Moreover, they are risk-takers in the face of price volatility and demand. Their risk-taking behaviour can help drive significant and rapid economic development, hence the increasing interest amongst governments in fostering entrepreneurship within their countries (Carlsson et al., 2013).

2.3.1. The perspective of economists

Say categorized three productivity factors for economic activities in entrepreneurship: research knowledge, productive knowledge, and manufacturing and production (Carlsson et al., 2013). Therefore, entrepreneurship involves the creation of new institutions, the success of which depends, at least in part, on personal specifications related to good management and individuals skills when it comes to dealing with problems while refining those skills with knowledge and continuous professional development (Parker, 2004).

However, several scholars have criticized this definition of entrepreneurs. For example, Hebert and Link (1989) considered entrepreneurship to be about decision-making, how entrepreneurs deal with opportunities and what factors may impact their businesses, such as location and resources. Similarly, Casson (2003) also took a different view from those who consider entrepreneurs to be business managers, defining the basic concepts of entrepreneurship as risk, ambiguity, perception, and change (Carlsson et al., 2013).

On the other hand, according to Schumpeter (2017), advancement can be considered to be a basic element of any business enterprise as any business visionary is an innovator, who finds and assesses an opportunity and then responds to that opportunity by producing a new item, formulating a new strategy or creating/accessing a new market. In this manner, Schumpeter characterized entrepreneurship as a "correspondence act" or a new way of innovating through items, strategies, businesses or markets (Ndhlovu & Spring, 2009; McDaniel, 2002; Carlsson et al., 2013). Based on that definition, Schumpeter mentioned five "innovation" exercises (McDaniel, 2002) that act as instruments for financial improvement (Parker, 2004). Some of these exercises will initially influence the supply of materials, whereas others may initially impact the customer or their product demand (McDaniel, 2002). Schumpeter's perspective, however, has been critiqued for considering entrepreneurs as being driven by intuitive thought processes and for claiming that they bear no risk, as he did not consider benefits to be a return on business projects; instead, benefits were considered as a buildup (Parker, 2004).

Kirzner (1973) defined the entrepreneur differently from Schumpeter's definition; he did not see him as an inventor but considered him an exploiter who takes advantage of the flaws of the economy, identifying the weaknesses of the resources and managing them accordingly. That is why he said that from his point of view, the concept of entrepreneurship is evident through the search for opportunities and consideration of options that achieve the most profitability (Ahmad and Seymour, 2008; Kirzner, 1973).

2.3.2. The perspective of behavioural science

Following Schumpeter, the focus of academic research has turned from understanding entrepreneurship to identifying how it can be cultivated. This trend can be associated with international movements related to globalisation and technological development that have introduced increasing uncertainty in both the political and economic sectors. In response to these changes, various actors have sought new ways of creating social and economic value through entrepreneurship (Landström, 2005). Therefore, both government agencies and

academics have shown increasing interest in the potential of entrepreneurship to promote national and indeed international development. That new focus on the significance of entrepreneurship has also raised important questions about what makes someone an entrepreneurial person and which set of characteristics determines success in entrepreneurship. These questions are crucial, however, they are beyond the scope of economists. Therefore, the perspectives of behavioural scientists have been sought to inform theories that define the elusive qualities of a successful entrepreneur and explain how such qualities can be cultivated to generate individual and collective economic benefits.

The groundbreaking work of McClelland (1967) has proved particularly influential in this field. McClelland identified the linkages between countries' economic development and the extent to which they cultivate achievement, a characteristic that he linked to entrepreneurship. McClelland (1967) also identified the key entrepreneurial qualities as the drive to achieve, self-control, self-belief, and the ability to take well-judged risks. Many subsequent scholars have built on McClelland's insights to identify further entrepreneurial characteristics. Nevertheless, the research in this field has been subject to critiques that have focused on both the methodologies it has used and the theories underpinning the work. Furthermore, it has been challenging to make concrete, empirically verifiable connections between entrepreneurship and any other characteristics beyond the drive for achievement that McClelland originally identified (Landstroöm, 2005). Shane and Venkataraman (2000) also observed that the scholarly focus on the characteristics of the individual entrepreneur had obscured the role played by the broader process of entrepreneurship, which encompasses such things as spotting, selecting, and responding to opportunities as they manifest in the various external environments within which entrepreneurs operate. Research concerning the entrepreneurial process is discussed in further detail in the following sub-section, which explores the perspectives of business management researchers since the 1990s on entrepreneurship.

2.3.3. The perspective of business management

From the 1990s onward, academics studying management developed a new focus on entrepreneurship and, specifically, the processes that surround and underly it. Consequently, Bygrave and Hofer (1991) offered a definition of entrepreneurship that positioned it as part of a process, specifically, the process of identifying gaps in a current or new market and creating organisations that offer the goods or services that fill those gaps.

That definition, however, created a split in further academic research on the subject, with some focusing on the former issue (how to identify opportunities) and some on the latter (how to create an entrepreneurial organization) (Landström, 2005). The work of Shane and Venkataraman (2000) is significant in the former stream of research. They focused on the process of finding and exploiting opportunities and the results produced by that process. In contrast, Gartner et al. (1992) delved into the latter stream of research, focusing on the process that goes from creating an entrepreneurial venture to establishing that venture.

As those brief overviews suggest, Shane and Venkataraman's work is somewhat broader in scope, going beyond creating a company to encompass the operations of established entrepreneurial companies. As explained, the current study focuses on established SMEs in Kuwait, tracing their growth from their original entrepreneurial beginnings to evaluate their development and identify the factors that have influenced and driven that development. In that context, it is important to give further consideration to the significant debates that have taken place in academia regarding the similarities and differences between SMEs and entrepreneurial operations. Those debates are explained in more detail in the following section.

2.3.4. Similarities between SMEs and entrepreneurship

Inyang and Enuoh (2009) identified some similarities between SMEs and entrepreneurship in terms of their economic contributions, such as creating employment and promoting growth. Furthermore, both types of organisations are subject to similar key factors that determine whether or not they succeed, such as their ability to access resources.

In terms of conceptual frameworks that enable an understanding of the relationship between entrepreneurship and SMEs, Singer et al. (2015, p.20) recommended the GEM framework, which takes account of "The interaction of an individual's perception of an opportunity and capacity (motivation and skills)... and the distinct conditions of the respective environment in which the individual is located." Other scholars have recommended alternative means of analysis. These alternative means include cluster analysis (Kasabov, 2015), social capital and network analysis (Ozdemir et al., 2014), ecosystem environmental analysis (Shepherd & Patzelt, 2011) and innovative systems analysis (De Clercq et al., 2015). Although each of these approaches has significant differences, it is important to note some commonalities in the factors they identify as significant for success. Specifically, there are three key aspects that come across consistently: an environment that supports business (Rauch, 2013), networking that facilitates the sharing of knowledge (Ozdemir et al., 2014), and the support of governments and higher

education institutions (Spigel, 2015). The significant factor that connects these three aspects is that they all permit access to the wider range of tangible or intangible resources required for business success.

2.3.5. Differences between SMEs and entrepreneurship

Despite the similarities discussed above, various scholars have argued that there are many significant differences between SMEs and entrepreneurship. Olusegun (2012) identified three major differences. The first concerns the ways in which the terms are defined, with entrepreneurship conceptualized as the process that leads to the establishment of a company (which, in many cases, is an SME). From that definition flows the second difference – that entrepreneurs focus on new opportunities while SMEs manage established operations. A third distinction relates to risk levels, with entrepreneurship inevitably entailing higher levels of risk. As these distinctions suggest, the characteristics of a successful entrepreneur are, therefore, different from those of the manager of an SME, with the former requiring higher capacities for achievement and innovation.

In addition to these academic distinctions, SMEs are subject to various legal definitions, varying from institution to institution and country to country (Hertog, 2010). For example, the United Nations Industrial Development Organisation (UNIDO) defines micro, small, and medium-sized enterprises based on their number of employees (Plans, 2004): under 10, under 50, and under 250, respectively. Meanwhile, the definitions of these three terms used by the European Union (EU) focus on both the amount of staff employed and the income generated through sales: under $3 million, under $13 million, and under $67 million, respectively. Another criterion applied in some countries is asset value (Olusegun, 2012). In Kuwait, different institutions apply different definitions and criteria. On the employment criteria, 1–4 staff members and annual revenue under $800,000 = small, 5–50 staff and annual revenue under $1.5 million = medium.

2.3.6. Complementarities between SMEs and entrepreneurship

Finally, some researchers have focused on the complementary aspects of entrepreneurship and SMEs, especially when considering how the former leads to the latter and promotes the ongoing growth of small and medium-sized enterprises. According to Ndhlovu and Spring (2009), entrepreneurship leads to creating products, services or approaches that become the basis for SMEs. This can be linked back to Shane and Venkataraman's concepts concerning spotting and exploiting high-potential opportunities in the market. According to such perspectives,

entrepreneurs can be equated with inventors (McDaniel, 2002) and entrepreneurial ventures and SMEs are neither synonymous nor contrasting concepts, instead, they are complementary.

In summary, the definition of entrepreneurship needs to encompass both the attributes of the entrepreneur and the process by which they translate those attributes into economic (and societal) success. As suggested above, the process extends from noticing and analyzing opportunities to successfully exploiting them. Ultimately, this same process applies to SMEs and many entrepreneurs, if they achieve a measure of success, become the owners of SMEs. The next section goes on to consider the issue of SMEs' growth, assessing the factors that determine it and showing how to measure it. It also highlights the research gap in the area the present study aims to fill.

2.4. SME Growth and the Research Gap

This section of the literature review is divided into three parts. The first (Section 2.4.1) focuses on the ways in which SME growth has been conceptualized and measured by previous research, a key issue in the context of the present study. The second part (Section 2.4.2) looks at the equally important issue of what the literature tells us about the factors that influence the growth of SMEs and introduces the pillars of the Global Entrepreneurship Index. Finally, the third part (Section 2.4.3) reviews empirical studies of these issues and identifies the research gap the current study proposes to help fill.

2.4.1. Concepts and measures of SME growth

Several means can be used to define/measure a company's growth. The first concerns the increases in the overall size of the business or the quality of what it offers (Wang, 2016). The second, more specifically, examines increases in staffing, turnover, or assets (Cressy, 2006). When studying SMEs, the latter concept is most frequently applied, because it encompasses sales, which can be seen as the fundamental indicator of growth upon which other forms of growth depend (Davidsson & Wiklund, 2006).

Nevertheless, there have been some criticisms of the practice of using sales as a general indicator of growth. One concerns reliability, as some SMEs may under-report their figures as a means of not paying VAT. Such issues explain why other analysts have turned to indicators such as assets and staffing levels to measure growth (Cressy, 2006). Nevertheless, these alternative indicators are not without their own drawbacks. For example, in the service industry, data collection can be challenging, making measuring assets difficult (Davidsson & Wiklund,

2006). Ultimately, selecting the element of growth upon which to focus depends on whether the level of analysis is at the level of governance, operations, or the individual.

Davidsson and Wiklund (2006) analysed various indicators' suitability to measure growth depending on the analysed aspect. They concluded that all three factors discussed above (i.e., employment, assets, and sales) are appropriate when analyzing the level of governance. When studying operations, however, only the number of sales is a useful indicator. Finally, at the individual level, only employment is unsuitable to measure growth according to Davidsson and Wiklund (2006).

Storey and Greene's (2010) discussion of these measures identified that entrepreneurs prefer to quantify growth in terms of sales because it is a simple and highly significant measure to apply. Academics often use organisations' staffing numbers as a proxy for overall growth because that figure represents the core resources upon which the enterprise can draw. However, further drawbacks apply to both of these indicators. Changes in the latter, for example, may just reflect structural shifts within the sector in which the business operates. At the same time, changes in the former could simply result from inflation driving up prices. Therefore, using multiple growth measures is the best way to get a more accurate sense of an organisation's true performance (Storey & Greene, 2010).

The present research concerns the growth of Kuwaiti SMEs (as defined by their revenues and staffing levels). Therefore, the two most appropriate indicators to measure are their annual turnover and increases (or decreases) in the number of people they employ. To permit an in-depth analysis of the phenomenon of SME growth in Kuwait, it is necessary to identify the forces that promote such growth, which is the subject of the next section of this paper. Understanding those forces also enables the construction of the theoretical and empirical frameworks that will underpin this research. Consequently, the following section focuses in more detail on what the literature tells us about the factors that influence the growth of SMEs.

2.4.2. Which factors influence the growth of SMEs?

As noted above, SMEs have attracted significant interest from policymakers and academics because of their potential to contribute to economic growth and employment levels on a national scale. In that context, it is unsurprising that a wide range of different empirical and theoretical studies have been searched to identify the factors that promote the growth of SMEs. Some of the most significant such studies are reviewed in more detail below.

Following a systematic review of over 25 papers, Storey (1994) suggested three different factors that might influence SME growth: the entrepreneurs' motivation for creating the business, the company's attributes (e.g. where it is based and its legal status), and the organization's strategic approaches. This framework is helpful as a starting point for analysis, but it fails to account for the critical role of the environment surrounding the SME.

Recent research has built upon such work and identified additional factors affecting SMEs' growth.

Al-Damen (2015) took account of the demographic and personality traits of the entrepreneur (relating them to the entrepreneurial characteristics discussed earlier concerning drive, self-belief, and capacity for risk). Sarwoko and Frisdiantara (2016) also discussed the fundamental attributes of the business but considered how these specific impact elements of operations such as HR and finance. The same researchers, and Wang (2016), also filled the gap in Storey's model concerning environmental factors relating to issues, including legislative frameworks, macroeconomic conditions, and the impact of competitors on SME growth (Sarwoko & Frisdiantara, 2016).

The influence of environmental factors on SME growth has been considered from the following perspectives: cluster (Rauch, 2013), ecosystem (Malecki, 2018), institutional (Bosma et al., 2018), and social capital and network analysis (Pollack et al., 2015). Each of these perspectives is considered in more detail below.

Studies from the cluster perspective focus on two main aspects. The first concerns the impact of local industries on SME growth via collaboration and facilitating the flow of resources. However, studies focusing on that aspect tend to neglect the influence of the various other agencies that SMEs can benefit from, including agencies operating in both the public and private sectors (Ingstrup et al., 2009). Furthermore, this focus fails to consider the extent to which modern technology enables SMEs to interact remotely with actors operating outside their local networks. Finally, studies from such a perspective have failed to incorporate network analysis that explains how collaboration impacts SMEs' growth. Porter (1998) identified four cluster-related issues that positively impact the growth of SMEs: production, demand, complementary industries, and strategic approaches. However, Porter's work has been criticized on methodological and theoretical grounds (Martin & Sunley, 2003; Rocha, 2004).

The second cluster-related perspective concerns the extent to which the local environment facilitates the development of learning relationships through networks that foster innovation.

Each region represents a unique mix of socioeconomic, cultural, and political factors that can either encourage or discourage the launching of innovative and risky entrepreneurial ventures (Spigel, 2015). However, such models do not explicitly address agencies' roles in promoting innovation (Audretsch, 1998) and economic growth (Ingram & Roberts, 2000). Furthermore, Spigel's work is limited in that it only applies to developed countries as it does not take account of the important contextual differences in the developing world, where government policies and entrepreneurial ecosystems tend to be significantly different. That gap fostered new interest in identifying the relationship between the ecosystem and the development of SMEs, as described below.

An SME's ecosystem can be conceptualized as the individual actors and groups of players that surround and support an SME (Brush et al., 2018). Spigel (2015) identified the broad range of dynamically interacting factors that constitute an ecosystem, these range from individual organizations and agencies to networks of the same. They also incorporate the cultural, political, legislative, economic, and technological issues that enable SMEs to thrive. Khan (2016) identified different levels within the entrepreneurial ecosystem: the strategic, institutional, and enterprise levels. At the strategic level, governments should strive to create fertile soil where SMEs can grow by providing supportive legislation and support programmes. At the institutional level, the agencies responsible for interacting with SMEs should try to facilitate access to the networks and resources they require to support their innovations and growth. Finally, at the enterprise level, businesses should provide the guidance and support that enables SMEs to achieve their full potential.

Institutional support can significantly impact SMEs' growth because institutions define and build communities (Blumer, 1954). Institutional influence interacts with the policy level, as policymakers can create and encourage institutions to support SMEs and increase access to required resources and networks for collaboration. An example of this comes from the development of Silicon Valley, which was significantly influenced by government policies that created relevant institutions and encouraged entrepreneurship, innovation and access to required resources (Lee, 2000). Olson (1996) focused on the application of knowledge to support growth in developing economies, a process that is exemplified by the rapid development of South Korea. Thelen (2009) examined the process of institutional evolution, examining the flexible ways in which actors twist institutions' rules to achieve their objectives.

Acs et al. (2017, p.13) quoted the Global Entrepreneurship Index as stating that "entrepreneurial ecosystems are composed of sub-systems (pillars) that are aggregated into systems (sub-

indices) that can be optimised for system performance at the ecosystem level." It follows that an ecosystem can be examined on three levels: individual, institutional, and environmental. Each of these levels can then be broken down into different pillars.

For example, the pillars at the environmental level, as defined by the Global Entrepreneurship Index, are shown in Table 1. A range of different indicators can measure each of those pillars, and the indicators at each of those levels can subsequently be aggregated into a total score.

Table 1: Global Entrepreneurship Index pillars

Pillar name	Description
Opportunity Perception	This refers to a population's perspectives on the number and quality of entrepreneurial opportunities. This pillar then weighs those perspectives against the population's freedom and rights to take advantage of those entrepreneurial opportunities.
Start-up Skills	This measures perspectives on the extent to which start-up skills are present in the population, weighed against educational quality as shown by results and levels of education.
Risk Acceptance	This measures the extent to which fear and risk aversion restrict entrepreneurship.
Networking	This covers both entrepreneurs' abilities to network and their access to relevant networks.
Cultural Support	This pillar covers the population's perceptions of entrepreneurship as a viable, attractive, and prestigious career option. It also examines the extent to which levels of corruption within a given entrepreneurial ecosystem impact those perceptions.
Opportunity Start-up	This measures the extent to which people pursue opportunity-driven, rather than necessity-driven, start-ups, which it weighs against the effects of government taxes and service quality on people's decision-making.
Technology Absorption	This reflects the country's capacity to exploit technology and measures the extent to which start-ups make use of such technological opportunities.
Human Capital	This measures the education levels of start-up founders and the extent to which firms invest in their staff through training in the context of the amount of freedom in the country's employment market.

Competition	This pillar assesses the extent to which start-ups offer unique products or services. It also considers the power in the market of established companies relative to start-ups and the extent to which legislative frameworks encourage and regulate healthy competition.
Product Innovation	This weighs a country's capacity to adopt new technology against firms' track records of creating innovative and effective products.
Process Innovation	This measures both national expenditure on research and development and the extent to which start-ups take advantage of the opportunities offered by such investment and the technological innovation that it encourages, supports, and sustains.
High Growth	This combines three factors: • the % of rapidly growing companies planning to employ >10 staff members and to grow by >50% within five years. • the extent and ease of access to venture capital. • the quality of strategies for business growth.
Internationalization	The extent to which entrepreneurs can be said to be internationalized is measured by the export potential of their business weighed against the complexity of the national economy.
Risk capital	This measures the amount of funding invested informally in start-ups and the overall size of the capital market to assess its ability to meet a country's aspirations for economic development.

Source: The Global Entrepreneurship Index (2017)

Overall, the cluster, eco-systemic, and institutional perspectives help us identify three key resources influencing companies' growth. As stated above, these are a supportive business environment (Rauch, 2013), networking (Ozdemir et al., 2014), and the supporting role played by government institutions and providers of higher education, such as universities (Spigel, 2015).

In that context, it has been argued that social capital investments help companies to grow (Lin, 1999). Such capital can include the shared norms, expectations, values, and networks that characterize and constitute a community (Halpern, 2005). Entrepreneurs can use social capital networks to access the necessary resources to grow (Burt & Celotto, 1992). This emphasizes networks' crucial role in increasing companies' chances of achieving rapid growth (Watson, 2010). That is because such networks enable the sort of information sharing that informs the

entrepreneur about their strategic options in a given marketplace. Networks can also offer entrepreneurs connections with the owners of valuable resources (Lin, 1999).

Other academics have examined the interplay of external and internal factors in terms of how they impact the success of SMEs. The latter group of factors are those over which business owners can exercise a degree of control, such as their organization's capacity and strategies. The former group of factors is beyond the entrepreneur's control and can constitute opportunities or threats. Prominent among such factors are the availability of key resources (including staff and funding) (Gupta et al., 2013), the competitive environment, the extent of entrepreneurial motivation, and the capacity that the entrepreneur has to manage challenges in the external environment (Davidsson & Wiklund, 2006). Summarizing the factors affecting SME growth, Gupta et al. (2013) identified companies' strategic approaches and capacities in core capabilities, including operations, marketing, and accessing finance. They also discussed a broader range of issues regarding external opportunities/threats and the political, legal, economic, technological, and cultural environments within which any SME operates.

The Global Entrepreneurship Monitor (GEM, 2017) identified the issues influencing entrepreneurs' decision-making regarding opportunities and the characteristics that affect growth. The latter include key drivers, high expectations, and markets (both locally and internationally) that are receptive to new products. Key drivers are the factors motivating entrepreneurs to create businesses (such as opportunity or necessity). High expectations relate to creating employment opportunities and innovative services/products (GEM, 2017). This framework takes account of business and environmental characteristics but neglects the entrepreneurial personality traits that impact decision-making. Furthermore, it pays disproportionate attention to establishing ventures, failing to consider entrepreneurship an ongoing process. The following section of this paper reviews the empirical evidence on SME growth. That discussion enables the identification of the research gap that this study proposes to fill and the establishment of its theoretical and empirical frameworks.

2.4.3. Empirical studies and identifying the research gap

Previous reviews have identified the limitations of existing empirical studies of SMEs and highlighted the challenges that researchers in this field face due to a lack of knowledge that can be generalized. Davidsson and Wiklund (2006) identified that the previous work in this field tends to take the form of secondary data, case studies, or surveys, leading to them identifying

the lack of longitudinal data as the key challenge facing researchers attempting to draw general, verifiable conclusions.

Secondary data enables the testing of theories and relationships but is insufficient to support the creation of conceptually richer theories. Survey data can help to understand perceptions of phenomena. Case studies can be longitudinal but are normally insufficient for drawing general conclusions regarding relationships. Investment of more time and funding is required to gather the requisite longitudinal data. Another challenge for empirical studies of this subject is understanding the complex nature of the socio-cultural and economic processes driving a firm's growth (Audretsch et al., 2014). As discussed above, there are also challenges in defining and measure growth (Achtenhagen et al., 2010). Briefly restated, these challenges include identifying indicators for which reliable information is available and identifying how to eliminate the impact of other forces that are not related to growth upon those indicators.

Davidsson and Wiklund (2006) proposed solutions to the problems outlined above. Taken in order, these solutions concern initial research design, creating a conceptual framework, and aligning that framework with the study's purpose. Following these recommendations, the present paper commences by considering empirical studies on the subject, before defining research gaps, and creating a research design aligned with the overall purpose.

As noted previously, both academics and policy-makers are increasingly focusing on the economic benefits of supporting SMEs (Blackburn & Schaper, 2012). However, the evidence supporting the role of SMEs in employment generation is surprisingly limited. SMEs employ between 20–30% of the workforce in the UK and North America (Carroll et al., 2000). Although those figures are higher in places such as Denmark (46%) and Germany (51%) (Cowling, 2003). In Kuwait, it has been calculated that small and medium-sized enterprises employ around 20% of the workforce (Hertog, 2010), much lower than the norm in some European countries but roughly aligned with some other Western nations.

Empirical evidence suggests that motivational factors that prompt entrepreneurs to create and sustain businesses include the desire or need for extra money and socialising (Vik & McElwee, 2011). Such motivational drivers impact companies' competitiveness and capacities for growth (Al-Damen, 2015). Other attributes influencing SMEs' growth include qualifications and the size of the organization (Yeboah, 2015). Environmental influences on SMEs include support from other institutions, such as learning and development (Vik & McElwee, 2011). Additionally, business growth can be encouraged by factors that are both specific to

organizations and part of the broader culture, including innovation and competition (Mayer, 2013). Other environmental factors that have major impacts include technology, product diversity, and market characteristics (Sarwoko & Frisdiantara, 2016). Finally, access to a range of resources is an environmental factor that is crucial to SME growth. Specifically, studies show that accessing finance is the biggest challenge faced by SMEs in the Global South (Wang, 2016).

Also in the environmental category are the collective and individual networks that impact SMEs' development. The literature differs regarding the evidence on the extent to which network features, including density, extent, and resource access, impact SME growth. Network ties can be classed as either strong or weak, where the former refers to strong emotional connections (e.g. with friends or family) and the latter to contacts with colleagues and acquaintances (Memon, 2016). Network density measures an entrepreneur's commitment to a group (Pollack et al., 2015), how often they interact with that group (Watson, 2007), and the extent of its centrality (Tan et al., 2015). Network density influences an entrepreneur's abilities to generate funds (Pollack et al., 2015), survive and thrive as a start-up (Hansen, 1995). Empirical research evidence suggests that high network density positively impacts innovation (Tan et al., 2015), growth in sales, entrepreneurial performance (Batjargal, 2007), and profits (Batjargal, 2003).

Network size counts entrepreneurs' weak and strong ties (Sullivan & Ford, 2014), which impact SMEs' growth and survival prospects (Raz & Gloor, 2007). However, evidence suggests it does not significantly affect revenue, new entrepreneurs' performance (Batjargal, 2007), or companies' survival (Aldrich & Reese, 1994). Resource access concerns people's abilities to exploit their connections to bring in required resources (Hanneman, 2016). It is also possible to identify different network types, which can be nodal, dyadic, and triadic (Tichy et al., 1979). Dyadic measures relationships between a pair of actors. Triadic refers to triple-network relationships. Both dyadic and triadic interactions have been shown to profit SMEs, especially in terms of marketing and strategic approaches (Qureshi, 2016).

Entrepreneurs rely on their networks to obtain the resources required to grow (Zhou & de Wit, 2009). These include financial resources that permit innovation, expansion into different markets, and the creation of new employment opportunities (Bellinger & Fletcher, 2014). The second level of resources is the knowledge required to establish and maintain a company (Jenssen & Koenig, 2002), including information about legal aspects (Klapper et al., 2010). Knowledge also facilitates operational management and opportunity identification (Levy et al.,

2005). Entrepreneurs can use networks to identify opportunities and improve managerial capacities (Carter et al., 2007).

Another issue concerns human resources, specifically employing suitably capable staff. Investing in staff recruitment and development impacts SMEs' performance and growth (Rotefoss & Kolvereid, 2005). In some cases, SMEs' staff are their main means of production (Quader, 2007). In that context, access to staff development resources has been shown to significantly impact SME growth by enhancing productive capabilities (Bouazza et al., 2015). However, conflicting evidence shows that companies draw more on knowledge from past experience rather than new training (Simpson et al., 2004).

Past research in this field has measured resource access via three types of generator: name, position, and resource. The former consists of a person's detailed network as established by questions relating to name interpretation (Lin & Erickson, 2010). The position generator expresses access through a hierarchically-modelled network linked to the status associated with certain job roles (Lin & Erickson, 2010). However, it has limited practical application. Finally, the resource generator measures resource access based on the strength of one's social connections. That method combines the advantages of ease of administration while yielding useful data that is simple to interpret. However, its limitations include only examining social connections from the perspective of strength (Kobayashi et al., 2013). Furthermore, it was designed from studies of only one culture, therefore, its applicability in other cultural contexts remains uncertain (Foster & Maas, 2016).

On the basis of all of the literature reviewed above, it can be seen that new ways of measurement need to be developed that are applicable in a broader range of research contexts (Kobayashi et al., 2013). Therefore, Van der Gaag and Snijders (2005) recommended amending the resource generator to take account of differing contexts. It should also be noted that these measurements are only applicable to the level of the individual.

Therefore various researchers (e.g. Álvarez and Romaní (2017) made a case for expanding the scope of analysis to the collective level. Finally, it is noteworthy that most of the research undertaken to date employs the resource generator as a means of evaluating resource access was completed in either the health or the social care sector (Kobayashi et al., 2013). These facts necessitated amendments to this measuring tool before its application in the context of the present research, which does not focus specifically on such sectors.

In summary, SMEs' potential to drive economic improvement, innovation, and increased employment has been much commented on (Landström, 2005). However, access to resources remains a key to SME growth and a major challenge entrepreneurs must overcome. Resources can be accessed via entrepreneurs' individual or collective networks (Ozdemir et al., 2014). In the latter case, access is via institutions that support SMEs by providing environments that are conducive to doing business, social networks, and governmental support that facilitates resource access (Spigel, 2015).

Research evidence illustrates that clusters of strong networks enhance SMEs' prospects of surviving and thriving. They enhance competitiveness and stimulate economic growth in developing countries (Foghani et al., 2017). Empirical research has also analysed the aspects of the broader ecosystem that enhance entrepreneurship and promote economic growth (Acs et al., 2018). Various actors within the different levels of an ecosystem promote the development of SMEs through a range of support (Khan, 2016). As the present study is in Kuwait, assessing that country's entrepreneurial ecosystem is important to identify the relevant actors and factors.

According to Khan (2016), Kuwait's ecosystem encompasses a variety of institutions, inside and outside of government, that offer varied support to increase entrepreneurs' access to the resources they require when starting up. It is important to note that ecosystems change as the entrepreneurial environment develops. Policy decisions within central government can drive such change. For example, Kuwait enacted strategic policies to create a network of institutions encouraging new business development (Karaspan & Volk, 2016). As the levels of support offered by institutions increased, the government shifted focus to increasing institutions' capacities to help entrepreneurs reach the resources they require through facilitated cooperation. Taking the ecosystem to the next level (that of the enterprise) would necessitate new governmental approaches to foster the establishment of clusters, including increasing collaboration between the private sector and higher education institutions, thus improving access to technological innovations.

The cluster, ecosystem, and institutional perspectives discussed above are the three factors that drive SME growth: government policy and universities, supportive business environments, and social networking to facilitate knowledge sharing and resource access (Ozdemir et al., 2014).

In conclusion, this section of the paper defined entrepreneurship examined the concept's connection with SMEs, and interrogated SME growth from an entrepreneurial ecosystem perspective by describing how institutions facilitate resource access that leads to growth. It is

apparent on the basis of all of the material reviewed above that a thorough analysis of SMEs' growth requires consideration of how ecosystems, networks, and institutions facilitate resource access to enable growth. Therefore, from both a network and an ecosystem point of view, it is essential to examine how Kuwait institutions enable SME growth. Such an analysis needs to take into account the following factors: the overall environment, collective access to resources, and the attributes of both the companies and the entrepreneurs driving them. The following section of this literature review looks in more detail at the environment that is the present study's focus: the Kuwaiti economy.

2.5. Analysis and Assumptions

One of the assumptions guiding this research is that entrepreneurship is an essential element of establishing, running, and growing an SME. Therefore, one of the claims that underpins this study is that the factors that promote entrepreneurship will also influence SMEs' development. On that basis, this paper contends that a thriving entrepreneurial ecosystem is a requirement for SMEs to flourish. For that reason, actions that promote and support entrepreneurship equally encourage the growth of SMEs. Therefore, any study that aims to understand why and how SMEs develop should take a broad perspective that takes account of the entrepreneurial ecosystem within a given polity or economic environment. In the present research context, the term "entrepreneurial ecosystem" refers to the combination of cultural, social, political, economic, institutional, legal, and technological factors that co-exist in a series of ever-changing dynamic relationships. The complex interactions of all these ecosystem elements create the environment within which entrepreneurship and SMEs will either bloom and blossom or wither and die.

The present study focuses on the institutional level of the Kuwaiti entrepreneurial ecosystem, focusing on the support that public sector institutions provide to support both entrepreneurship and SMEs. Therefore, it is important to define institutional support in more detail. In the context of the present research, that term refers specifically to the support that such institutions provide to facilitate the access of entrepreneurs/SME owners to the resources they require to develop their businesses. The following parts of this section of the literature review detail the factors to be considered for the analysis (Section 2.5.1) and the four assumptions upon which that analysis is based (Section 2.5.2) and offer a summary of the study's overall conceptual framework (Section 2.5.3).

2.5.1. Factors to be considered for the analysis

Based on the above definition and understanding of the relationship between the entrepreneurial ecosystem and the development of SMEs, the present study analyses the following four sets of factors to examine the growth of such businesses in the context of Kuwait.

The first set of factors relates to institutional support, which enables the entrepreneurs leading SMEs to access the resources they require, including knowledge and information, financial support, and opportunities to develop their human capital and build staff capacity through, for example, training courses.

The second set of factors covers the environmental ones, which relate to such things as the broader cultural, economic, and socio-political circumstances within which a given SME operates. Environmental factors also include access to technology within a society and the legal frameworks within which entrepreneurs work. What all these different external factors have in common is that they are issues that entrepreneurs cannot control but which nevertheless can significantly influence and impact the development of their businesses.

The third set of factors relates to the characteristics of entrepreneurs themselves. During the course of the entrepreneurial process, the personal traits of the entrepreneur are likely to have some influence on how they spot, assess and react to the various opportunities that exist in the environments in which they operate.

The fourth and final, set of factors also relate to characteristics, but this time it is to the characteristics of the SME itself rather than the entrepreneur leading it. The most relevant characteristics of an SME in the context of the present study are those that influence and illustrate their abilities to identify, evaluate, and respond to the opportunities that present themselves in the entrepreneurial ecosystem. Thus, the present study seeks to examine and evaluate the influence that supports from institutions has on the growth of SMEs by generating empirical evidence from the context of the entrepreneurial ecosystem of Kuwait. To realise that aim, the present research employs network analysis to identify and explore how institutions (from both the private and the public sectors) facilitate SMEs to access resources in ways that enhance their development and enable them to become more successful and sustainable enterprises.

The first step to identifying how support from institutions facilitates access to required resources is to analyse entrepreneurs' social networks. Such analysis aims to identify both the size of such networks and their density and to examine them at both the individual and collective

levels. In this context, the individual level refers to the influence of entrepreneurs' personal contacts (i.e., their friends and family), whereas the collective level refers to SMEs' interactions with relevant institutions from both the private and public sectors).

Specifically, regarding the size of networks, the present study's analysis seeks to determine how many institutions are providing entrepreneurs in Kuwait with access to the resources they need for their enterprises to flourish. Social network size can be measured by calculating the total number of people entrepreneurs managing SMEs interact with when seeking to access the resources they require to develop their businesses.

In terms of the density of networks, the present study's analysis examines the impact that the four sets of factors described above (i.e., the access to relevant resources facilitated by institutional support, environmental factors, the characteristics of the entrepreneur, and the characteristics of the enterprise itself) have on SMEs development. Network density refers to how frequently an entrepreneur communicates with members of their social network (as defined in the paragraph above). This study's analysis of social network density is enabled by the information generated from a six-part survey of entrepreneurs, which gathers data regarding their demographics, the characteristics of their businesses, the resources to which they have access, their network communications, the growth of their enterprise, and their perspectives on the support offered by institutions.

Before embarking upon an analysis of the degree to which support from institutions in the Kuwaiti public and private sectors promotes the growth of the country's entrepreneurial enterprises, it is first necessary to define and elucidate several key concepts related to the central arguments of this paper. Specifically, the key concepts referred to are those factors listed above that are hypothesised to influence SME growth (i.e., institutional support, environmental factors, entrepreneurial characteristics, and business attributes). In addition to that, it is also necessary to clarify exactly what growth means in this study's context.

First, however, let us start by clearly defining what the term SME means in this research. There are two main ways to define whether a business can be classified as small or medium. The first is by counting their number of employees, and the second is by counting the number of products and/or services they offer. Applying these definitions, a micro-enterprise is classified as employing from one to five members of staff and offering between one and five products/services. Taking a step up from that, a small enterprise can be classified as one that employs a number of employees between six and fifty while offering somewhere between six

and ten products and/or services. Finally, a medium-sized enterprise has over fifty employees and offers over ten products or services. Based on these definitions, the growth of an SME can be measured and tracked according to how its numbers of employees and products/services increase over time (e.g., by comparing those figures when they started out with their current figures).

The environmental factors considered in the present study relate to politics, economics, legal frameworks, the distinctive attributes of the local culture, and the technological capabilities within the environment in which the SME is operating. The entrepreneurial characteristics focused on in the present research are the individual's requirement for achievement, their capacities for innovation and taking risks, the extent of their self-confidence, and the extent to which they feel that they are responsible for the events in their life and making their own success. The SME characteristics evaluated by this study are the age of the business, where it is located, the strategies that it uses for staff development (i.e., training), publicising itself (i.e., its marketing plans), and its commitment to innovation through adopting new technology and supporting research and development (R&D) activity.

2.5.2. Assumptions

The present study is informed by the following four assumptions when evaluating the growth of SMEs.

- There is a positive association between the access to resources that institutions in the public and private sectors facilitate and SMEs' growth.
- There is a positive association between environmental factors and the growth of SMEs.
- There is a positive association between the characteristics of an entrepreneur and the growth of their SME.
- There is a positive association between the characteristics of an SME and its growth.

The rationale behind these assumptions is described in more detail below.

Regarding the first assumption (that there is a positive association between access to resources via institutions and SME growth), it is assumed that this is the case because all businesses require the sort of resources focused on in this study in order to achieve success and growth. These resources include effective strategies for development, the adoption and usage of new technologies, and access to a pool of appropriately qualified and trained staff.

Regarding the second assumption (that there is a positive association between environmental factors and SME growth), it is assumed that this is the case because although such factors are external and, therefore, not subject to the control of entrepreneurs (either individually or collectively), those factors do either offer opportunities or present threats to SMEs in ways that can significantly impact their development. In other words, environmental factors have a major influence on determining the ecosystem within which an SME operates and, hopefully, grows.

Regarding the third assumption (that there is a positive association between entrepreneurs' characteristics and the growth of their SMEs), it is assumed that this is the case because each entrepreneur's traits, experiences, and skills impact the ways in which they manage their business and determine the extent to which that entrepreneur can take advantage of the opportunities that exist in a market while mitigating the negative effects of any threats. Therefore, it is assumed that an entrepreneur's characteristics have an influence on every stage of the process of SME growth, including opportunity identification and evaluation, the plans and strategies designed based on such evaluations, how those plans and strategies are operationalised through actions, and the resource management activities employed by the entrepreneur.

Regarding the fourth and final assumption (that there is a positive association between the characteristics of an enterprise and its growth), it is assumed that this is the case because the characteristics of any enterprise both reflect and impact its capacity to take advantage of business opportunities through following the entrepreneurial process (i.e., spotting and assessing an opportunity, evaluating that opportunity in the context of both the external and internal environment and dynamics within which the SME operates, formulating the strategies that are required to gain the maximum benefit from the opportunity, designing organisational practices that enable those strategies to be effective as possible, and deploying resources in ways that facilitate the operationalisation of those practices.

2.6. Summary of the Study's Conceptual Framework

The conceptual framework that underpins this study can be summarised with reference to the following two questions.

1. What role does the support of Kuwaiti institutions (from both the public and private sectors) play in facilitating the access of SMEs at the collective level to the resources that they require for growth?
2. To what extent does such support impact the growth of Kuwaiti SMEs?

When seeking to answer these questions, it is necessary to be clear about *what* each one is referring to (i.e., the main factors being explored), *how* those factors impact SME's growth (i.e., what explains the causal relationships between these factors and the desired outcome of SME growth), and *why* those factors have that impact. Each of those issues is summarised below in the context of the two questions posed above.

In terms of question 1 (the role of institutions in facilitating access to resources), the collective level refers to the private and government institutions through which entrepreneurs access resources (in contrast to the individual level, which refers to an entrepreneur's own contacts such as friends and family). Resource access refers to an entrepreneur's ability to draw upon the following: financial support, knowledge and information, staff, and the training that enables such staff to perform effectively. The social network is defined as the overall number of people an entrepreneur interacts with to access the resources they require for business growth. Social network density refers to how frequently an entrepreneur communicates with the people who make up that network. The present study assumes that such networks' size and density have positive associations with access to the resources required for SME growth. The reasons for this assumption can be summarised as follows:

- Social networks can enable resource access in ways that lower SMEs' transactional costs while also facilitating better engagement with other actors in their networks on the basis of enhanced trust (all of which support the growth of their business).
- As the number of links in one's social network increases, so, in turn, do one's opportunities to access resources.
- The frequency with which one interacts with the links within one's network similarly offers increased chances to gain access to resources that support business growth.

In terms of question 2 (the extent to which institutional support promotes SME growth), the four factors to be focused on by the present study are as follows. The first is access to resources, which covers attaining the money, knowledge, information, human resources, and training support required to achieve business growth. This study posits a positive relationship between access to such resources and the growth of SMEs because such access gives entrepreneurs the funds and other elements they need to start and sustain their businesses. In other words, such resources support all elements of the SME growth cycle, from opportunity identification through business improvement to increased productivity.

The next factors are environmental ones, i.e., those that relate to the cultural, political, legal, economic, and technological context within which a business exists (i.e., Kuwait in the current

study). Again, the research assumes that there is a positive relationship between those factors and the growth of SMEs because they strongly influence the opportunities or threats that any entrepreneur will encounter.

The third set of factors covers those related to the attributes of individual entrepreneurs, i.e., the extent of their ambitions, their abilities to innovate and take risks, the degree to which they exhibit self-confidence, and the extent to which they feel that they are responsible for the events in their life and making their own success (as opposed to making the fatalistic assumption that control of their life is out of their hands). The present study posits that there is a positive relationship between those factors and SMEs' growth because they influence how the enterprise is managed and, partially, determine the success of those methods.

The fourth set of factors includes those related to the characteristics of the SME itself, i.e., when it was founded (how old it is), where it is based, the strategies that it uses for staff development (i.e., training) and publicising itself (i.e., its marketing plans), and its commitment to innovation through adopting new technology and supporting research and development activity. Again, the present study predicts a positive relationship between such factors and the growth of SMEs because those aspects of any business can influence its success at each step of the entrepreneurial process. Finally, it is necessary to summarise the ways in which SME growth is measured in the present study, which is via comparing each enterprise's current number of employees and products/services with the equivalent figures from when it was first founded.

The framework described above is represented and summarised in the figure below. It shows how and why institutional support can impact SME growth via the mediating influence of access to resources, environmental factors, and the characteristics of entrepreneurs and their enterprises.

Figure 5: How and why does institutional support influence the growth of SMEs?

Source: Created by the author

2.7. Summary of the Literature Review

This literature review has focused on the related concepts of entrepreneurship and SMEs, using a broad range of academic literature to define those concepts, show how they are interrelated, and explore a number of relevant issues related to them that will be examined in the present study.

Building on the previous introductory chapter, Section 2.2 reviewed the literature related to SMEs and entrepreneurship in Kuwait in further detail. It highlighted the enormity of the country's oil resources, which amount to nearly one-tenth of the world's total and provide nearly 88% of the government's income. It also showed how that level of dependency indicates the urgent need for economic diversification in Kuwait. Such diversification can, in part, be achieved by cultivating a macroeconomic environment in which a diverse range of businesses can flourish. Section 2.2 also emphasized the unemployment problems faced in Kuwait, which have four major facets, each of which is linked to the country's unusual demographic structure in which expatriates outnumber nationals:

- The lack of competitive job opportunities for locals in the private sector

- Kuwaiti nationals continue to view working in the public sector as substantially more attractive than the private sector
- Youth unemployment, which is connected to the gap between labour market demands and workforce qualifications
- The gap between demand and supply in the labour market more generally

This section also highlighted some of the key general features of Kuwait's entrepreneurial ecosystem, showing how the country's relatively high number of SMEs produces a disproportionately low percentage of its total GDP (3%, which compares very unfavourably to some other high-income countries in which the percentage can be around 50%) and employs only around 23% of its workforce (compared to nearly 50% in some emerging economies internationally.

Section 2.3 focused on how scholars from different disciplines have defined, understood, and examined entrepreneurship and SMEs differently. This section traced the history of research into entrepreneurship back to the pioneering work of Richard Cantillon in the 18th century. The section also showed how more modern academics have defined the figure of the entrepreneur, through a debate that focuses both on their characteristics and the impact that they can have on the broader economy. The section highlighted how business management researchers, in particular, have focused on the importance of the broader entrepreneurial ecosystem within which an individual entrepreneur operates. It also highlighted some of the distinctions between the broadly related concepts of entrepreneurship and SMEs, i.e., that the former focuses on business creation and the latter on ongoing operations and that the former is associated with higher levels of risk. The first of those distinctions does, in itself, reveal how close the relationship is between the two concepts, with one conceptualized as leading to the establishment of the other.

Section 2.4 focused on the crucial issue of SME growth. It showed how that growth could be measured by looking at increases in a business's size in terms of staff numbers, turnover, and assets. It explained why the present study focuses on measuring turnover and staffing numbers. As this section demonstrated, all such indicators are imperfect, but choosing two together helps counterbalance the potential disadvantages of relying on one such indicator. The section also reviewed the literature related to the factors that promote SMEs growth, which include the:

- Entrepreneur's motivations for starting the business
- Characteristics of the entrepreneur

- Company's attributes (e.g., legal status)
- Organization's strategic approaches
- Environment in which the SME is operating (in terms of legislative frameworks, macroeconomic conditions, and competitors

The section also illustrated how those environmental factors had been analysed at the cluster, ecosystem, institutional, social capital, and network levels. Each of these levels relates to the entrepreneurial ecosystem within which any SME operates, which can be divided into the fourteen pillars of the Global Entrepreneurship Index (2017). The present study focuses on three crucial elements of that ecosystem: a supportive business environment, networking, and the supporting role played by government institutions.

Section 2.4 also reviewed the existing empirical research in this field and identified the gaps in the body of literature that the present study intends to fill. A general gap in the literature is that it has tended to focus on such approaches as case studies which do not offer verifiable data regarding the relationships between individual factors and overall growth. A key factor that recent literature has increasingly focused on is SMEs' access to resources via both individual and collective networks (with the latter category encompassing the governmental and non-governmental institutions intended to support the development of entrepreneurship within a given country or region). Strong research evidence suggests that such networks improve SMEs' prospects both when they are being created and when they are established. The existence of such networks in Kuwait has been noted in the research (Khan, 2016) but more needs to be done to examine the extent of their impact and gather empirical evidence for it so that the nature and quality of the support they offer can be enhanced.

Section 2.5 of this literature review also described the factors this study will analyse, how it will analyse those factors and the assumptions that underpin that analytical process. The four sets of factors that it will analyse are summarized as follows:

- Institutional support and the extent to which it facilitates access to the resources that entrepreneurs require in terms of funding, knowledge, information, staffing, and professional development.
- Environmental conditions, i.e., the economic, political, legal, cultural and technological context within which the SME has been established and is now operating.

- The characteristics of entrepreneurs, i.e., their ambitions, risk-taking capacity, self-confidence, ability to innovate, and sense of control over the events in their lives and careers.
- The characteristics of the SME, i.e., how long it has been established, where it is located, its staff training and development strategies, its approaches to marketing, and its commitment to innovation through research, development and the adoption of new technology.

The process of analysis applied for the purposes of the present study can be summarized as follows:

- Precisely defining the term SME in the context of the present study to determine which entrepreneurial enterprises are within its scope and which are not (i.e., by counting their numbers of employees and products/services).
- Undertaking a six-part survey of the entrepreneurs whose businesses fall into the definition of SME adopted for this study.
- Using the data gathered from that survey to analyse entrepreneurs' social networks to identify both their size and their density at both the individual and collective levels (with the examination of density taking account of the impact of each of the factors mentioned above).

The four assumptions that guide this research are that there is a positive association between:

- The access to resources that institutions in the public and private sectors facilitate and SMEs' growth.
- Environmental factors and the growth of SMEs.
- The characteristics of an entrepreneur and the growth of their SME.
- The characteristics of an SME and its growth.

Finally, Section 2.6 of this literature review summarised the present study's conceptual framework, showing why it is hypothesised that the four factors being studied lead to SME growth. The following chapter of this paper shows how this framework was applied in the present research to generate results for analysis to answer its questions about SME growth.

3. MATERIAL AND METHODS

3.1. Introduction

This chapter illustrates the scientific methodology with its different aspects to investigate the role of institutional support from the public sector in terms of influencing SME growth in the entrepreneurship ecosystem. To fulfil that purpose, a survey was designed to collect quantitative data, which was identified as the best way to describe and analyse the roles played by the institutions that are supposed to support SMEs in Kuwait. The collected data were processed and analysed using the Statistical Package for Social Sciences (SPSS v.23) software. Specific statistical tests were conducted, such as frequencies, percentages, means, standard deviations, skewness, and linear regression analysis, to explore the impact of institutional support on SMEs.

3.2. Design and Approach

The approaches that can be used to study specific phenomena can be broadly divided into two types. First is the qualitative approach, which relies on interviews and the analysis of documents and records. Qualitative approaches offer valuable insights into what people think about a subject, but they have been criticised in some contexts for being insufficiently comprehensive and lacking the accuracy required to describe and analyse the phenomenon in question (Hair et al., 2014). Second, there is the quantitative approach, which relies on numeric data. Such approaches typically identify variables related to the phenomenon, develop tools to measure those variables numerically, and then analyse the data gathered using a wide spectrum of tests and procedures considered reliable and specific. Such a process can produce clear, adequate, and precise information concerning the phenomenon in question, leading to an objective and accurate conclusion (Hair et al., 2014).

For the purposes of the current research, a survey was developed to assess the four main resources provided by the institutional support (i.e. finance, labour, information and training). Each of these features was evaluated in the context of three different providers of resources: government institutions, private institutions, and family and friends.

An important issue to consider when collecting data is how to avoid bias and subjectivity. This can be achieved in several ways, including selecting appropriate statistical techniques and tests and talking directly to respondents about the importance of replying to questions as objectively as possible. This also focuses on the importance of expressing ideas and points of view using numbers, which again means using a quantitative rather than qualitative approach.

3.3. Strategy

The strategies used in the current study are all standard approaches to quantitative research on account of their utility as research tools. For example, using a survey to collect data facilitates the gathering of statistical data, which can then be used to enable the researcher to describe the phenomenon being studied and clearly identify specific results (Matveev, 2002). Data analysis allows one to identify the importance of each variable and explore any causal relationships between them. In the current research, it was necessary to quantify the amount of each resource being provided separately from the other four resources and quantify the magnitude of support provided by the two categories of institution and family and friends. Statistical analysis was used to identify the impact on SMEs of the support offered by governmental institutions (who have official responsibility for cultivating such businesses in Kuwait). That analysis was applied using the data collected using the network communications between the institutions and the SMEs. Other important issues relevant to this research topic were taken into account while designing the survey, including the firms' characteristics and entrepreneurship.

3.4. Variables

The variables that will describe any phenomenon must be identified after a lengthy period of focused observation and monitoring. Such observation is best done in an environment that is as close as possible to the real-world circumstances in which the phenomenon exists. If the research fails to specify correctly and accurately the related variables, then its descriptions of the phenomenon will lack validity. Accordingly, the researcher explored a wide range of closely related literature (in parallel with investigating the specific phenomenon in Kuwait) to identify the variables that would be assessed and evaluated to investigate relationships and the impacts of different factors. That process of identifying the variables by combining the findings of other studies and focused investigation of the specific phenomenon means that the present study will make an important addition to the previous research. In the present research, the variables studied included the following: the respondents' level of education, the business's monthly income, the age of the business, the field in which the business was operating, and the business's number of employees, number of products, and total size.

3.5. Hypotheses

The research used two factors to describe and analyse the collected data. The selection of these factors was based on the assumption that governmental institutions may play a significant role in supporting the growth of SMEs in terms of their number of employees and products. Six

hypotheses were formulated concerning each indicator's relationship with SMEs' growth. Three hypotheses focused on exploring the influence of government institutions' support on SMEs' size at their beginning. This was measured in three ways: the number of employees, the number of products and total size (which was calculated by adding the number of employees and products together). Therefore, the first three hypotheses were as follows:

- **H01**: there is no significant statistical impact (at 0.05 level) for the government institutions' support (in terms of finance, labour, information and training) on the SMEs' growth as measured by their number of employees at their beginning

- **H02**: there is no significant statistical impact (at 0.05 level) for the government institutions' support (in terms of finance, labour, information and training) on the SMEs' growth as measured by their number of products at their beginning

- **H03**: there is no significant statistical impact (at 0.05 level) for the government institutions' support (in terms of finance, labour, information and training) on the SMEs' growth as measured by the sum of their number of employees and products at their beginning.

Another three hypotheses focused on exploring the influence of government institutions' support on SMEs' growth now. Again, this was measured by the number of employees, the number of products and total growth (which was calculated by adding the number of employees and products together). Therefore, the second three hypotheses were as follows:

- **H04**: there is no significant statistical impact (at 0.05 level) for the government institutions' support (in terms of finance, labour, information and training) on the SMEs' growth as measured by their number of employees currently (now).

- **H05**: there is no significant statistical impact (at 0.05 level) for the government institutions' support (in terms of finance, labour, information and training) on the SMEs' growth as measured by their number of products currently (now).

- **H06**: there is no significant statistical impact (at 0.05 level) for the government institutions' support (in terms of finance, labour, information and training) on the SMEs' growth as measured by the sum of their number of employees and products currently (now).

3.6. Research Setting

As noted previously, the researcher planned to implement this research in the Kuwaiti environment. The intention to explore SMEs in that context was motivated by having noticed a

general trend that Kuwaiti SMEs were shrinking, withering and fading out. The “Hypotheses” section above outlines the main areas of focus.

3.7. Researcher Intentions

Any researcher’s intention and imagination of implementing and proceeding with their study is very important. Researchers who decide to conduct relational research are interested in describing general and difficult to interpret research results. At the same time, research that focuses on investigating causal relationships enables the researcher to describe and explain the relationships between the variables. These two approaches (i.e., relational and causal) can interact if the researcher chooses to use both. Therefore, in the current research focusing on SMEs in Kuwait, both these approaches were adopted and implemented from the very outset of the study. This mixing of intentions had implications for the methods chosen to implement the study and, consequently, the results of the research reflected the mixed intentions, i.e., the relational (which is expressed by the correlations) and the causal (which is expressed by measuring their impacts using linear regression).

3.8. Data

The current research relies on primary data collected directly from the respondents through a survey. The researcher carefully designed the survey to ensure it was comprehensive and could be used to collect valuable, valid and reliable data related to the SME ecosystem in Kuwait and the supporting infrastructure available to enable such businesses to flourish. The data were collected from different aspects of the field of SMEs and also included information about the businesses themselves and the entrepreneurs who were running them. Moreover, the survey consisted of different responses, e.g., frequencies and ordinal data. Both forms of data were considered essential for measuring and describing the study’s variables and, ultimately, ensuring the accuracy of the results and findings.

3.9. Population

The population of the current research consisted of individuals who work in the SME field, i.e., those entrepreneurs who had created and were running small and medium-sized enterprises at the time of the study.

3.10. Sample Selection Criterion

Scientific researchers use different research designs, such as experimental designs and surveys, to collect and analyse data and look for answers to their research questions. All researchers must choose carefully when selecting the method for identifying the individuals who will make up the sample because selecting the wrong people will inevitably create problems with the data gathered and, consequently, generate inaccurate results that cannot be used to answer the research question. So, the researcher must first accurately define the research population without mistakes and then select a method to sample it in the right way. As mentioned previously, the current research sample consisted of individuals who work in SMEs.

Broadly speaking, there are two types of sampling selection techniques: probability and non-probability sampling. The former can also be divided into two basic selection criteria. The first is systematic random sampling, which uses systematic randomising methods, such as the random number seed, chance wheel and numbered labelled cards, to identify the individuals who will participate in the research. Such methods give an equal probability to the participants. The second method is the non-systematic way, which selects the participants based on their availability. In the case of the current research, the latter method was used because the former method can present significant difficulties as the selected sample must exist on one site in order to give each participant an equal probability (Matveev, 2002). It is also important to note that probability sampling is typically only used when the researcher intends to generalise the outcome and results of the research.

3.11. Sample Size

The total population size for the present study was 380, with the researcher attempting to engage that full population. 230 surveys were returned. However, 120 were excluded from the study because they were not fully completed or they gave biased answers (e.g., the responses on network communication were the same for all three questions of that section). After those exclusions, the final sample consisted of 110 valid, completed surveys.

Table 2 gives the numbers of distributed, retrieved, excluded, valid and acceptable surveys.

Table 2: The number of surveys distributed, retrieved, excluded and valid for analysis

Total number	Retrieved	Excluded	Valid and acceptable
380	230	120	110

Source: The author

3.12. Data Collection

As mentioned previously, the researcher designed a survey to collect data for the present study. The survey consisted of six parts, each covering an important aspect of the topic. The targeted sample was reached as follows. Firstly, the researcher visited the SMEs. Then, the researcher gave an overview of the topic being studied, explained its significance, and emphasised to the respondents the importance of answering accurately and precisely to ensure the quality of the data that was to be collected. Some challenges were faced during the data collection process. For example, some entrepreneurs did not cooperate with the study and delays in completing the surveys caused a significant time-lapse between survey distribution and final collection.

3.13. Instrumentation

The researcher designed a six-part survey to collect data. Each part covered essential information related to the project variables as detailed below:

1. Demographic data on the respondents and their businesses, which consisted of the following information:

a) the respondents' level of education (divided into five options – primary, high school, diploma, college and higher education)

b) The business's monthly income (divided into four options)

c) The age of the business (divided into four options)

d) The field in which the business was operating (divided into six options – finance and real estate services; construction and building; trade and contracting; manufacturing; education; technical).

2. Further details on the business's characteristics were covered by three basic and straightforward questions covering the costs of the business and further details.

3. Information about the supporting resources available was assessed by four main questions that explored the basic provider of such resources (i.e., the government, the private sector or family and friends). These questions focused on the following four resources: finance, labour, information and training. An additional question in this section explored whether those resources were helpful or not.

4. A section about network communications, which consisted of four questions. Three of those questions (numbers 2, 3 and 4) allowed the respondent to give their answer on a five-point scale. Those questions were used to investigate relationships and the impact of the support offered.

5. A further investigation to describe and measure the progress of the current SMEs in Kuwait. Development and progress were measured by means of two indicators. The first was the SMEs' number of employees. Respondents were asked to declare how many employees they had at the outset and their current number. The second indicator assessed the progress and development of SMEs in terms of their number of products, looking at both when they started and currently.

6. A general question asking for the respondents' perspectives on the support offered by governmental institutions, including their evaluations of whether it was effective or not. If the support was identified as ineffective, the respondent was asked to give their evaluation of the reasons why that was the case.

3.14. Validity and Reliability

Validity and reliability are crucial concepts in scientific research, each of which carries a different meaning. Validity concerns expressing the actual magnitude of a quantified phenomenon. For example, if a respondent is asked to rate a statement by attaching a value to it (e.g., strongly agree), then the text that explains the question must be clear, easily understandable and straight to the point to ensure that each respondent's answer is valid. If the text that introduces or asks the question is unclear or ambiguous, then the answer given is unlikely to express each respondent's actual view on the issue that the question is meant to be exploring, thus making that response invalid for the purposes of the research. The same issues around validity apply to both the chosen variables and the ratings used. Validity can be checked in several ways. The simplest way is to share the survey with experts and other qualified people to ask for their opinions on whether it will generate valid results (face or content validity). That type of validity is not numeric and is restricted to modifying the text (adding new words or phrases, deleting some words or whole questions, and sometimes moving questions around). Other ways to check validity are numeric.

In contrast to validity, reliability concerns ensuring that a research tool measures the same value and magnitude of response each time it is used. This requires researchers to write questions in such a way that each time that question is read, it will be understood in the same way, meaning that people will respond the same way each time, i.e., offer a reliable response to the same question. This can be equated with weighing one kg on a scale. A scale will be judged as reliable

if the result is the same every time it weighs one kg. There are different ways to assess reliability in scientific research. All these methods and strategies are numeric, and each one is appropriate for certain circumstances and specific types of surveys. In the current research, reliability was checked for the network communications section, reflecting different opinions and viewpoints. To make that assessment, the researcher used Cronbach's alpha as a measure of internal consistency. That test ranges between 0 and 1, with values closer to 1 reflecting high reliability and values closer to zero reflecting low reliability.

The researcher checked the reliability of the four resources being provided by governmental institutions, the private sector and family and friends. The results are shown in Table 3. The Cronbach alpha value was found to be 0.841 for family and friends, 0.885 for government institutions, and 0.922 for private sector providers. It reached a value of 0.959 for all providers as a whole. As these reliability values were >0.70, they suggest high reliability (in a context in which the highest reliability that can be reached is 1.00).

Table 3: Reliability analysis using Cronbach's alpha for the network communications providers

Resources provided by:	Number of resources	Cronbach Alpha	Result
Family and friends	4	0.841	High reliability
Government sector	4	0.885	High reliability
Private sector	4	0.922	High reliability
Total	12	0.959	High reliability

Source: Author's SPSS analysis results

3.15. Data Analysis

After data collection, the researcher used the SPSS version 23 software package to analyse the data. The statistical techniques that were used are detailed below:

1. **Frequencies and percentages** describe the number and proportion of responses relating to the various categories of demographic and personal information.

2. **Cronbach's alpha** is a measure that is employed to evaluate the ratio of the sum of item variances to the variance of the total sum for a screen (set of items) and adjusted to take account of how many items there are (internal consistency).

3. **The mean** is one of the main measures of central tendency used to describe the value at which most of the values tend to centre. It is calculated by dividing the total value of a group of items by the number of items.

4. **Standard deviation** is one of the most commonly used ways to measure dispersions by looking at the square root of the average of the squared values of a data set from the mean.

5. **Skewness** describes the data's behaviour compared to the standard (theoretical) data distribution and can be another measure of dispersion.

6. **VIF** (variance inflation factor) is a technique used to evaluate how independent variables relate to each other.

7. **Tolerance** is an alternative technique that describes how independent variables relate to other.

8. **R** is used in Pearson correlation as a measure of the direction and strength of the linear relationship between the two sets of variables.

9. $\mathbf{R^2}$ is the square of R which represents the variation in the dependent variable that could be explained by the independent variable as a predictor.

10. **f** is a ratio representing the mean of squares of the residuals of the regression model to the mean of the total residuals and is used as a test statistic to determine the significance of a variable.

11. **Sig** reflects the magnitude of type 1 error.

12. **β** represents beta, which reflects the probability of a type II error or not rejecting a null hypothesis when it is false, with 1 minus β being the power of the test to reject a null hypothesis.

Each technique was selected depending on the nature of the data related to each variable. For example, frequencies and percentages were calculated for the demographic data. Some variables were analysed using means and standard deviations. To describe certain relationships, Pearson correlation coefficients were applied. These various statistical techniques are considered to be descriptive (i.e., non-inferential). The research hypotheses were tested through multiple linear regression (MLR), which is an inferential statistical technique that uses multiple explanatory variables to predict the outcome of a response variable. Multiple linear regression aims to model the linear relationship between explanatory (independent) variables and response (dependent) variables. Multiple regression is essentially an extension of ordinary least squares

regression, involving more than one explanatory variable. MLR is used to determine the mathematical relationship between several random variables (Valentini et al, 2021).

In other words, MLR examines how several independent variables are related to a dependent variable. Once each independent factor has been found to predict the dependent variable, information on multiple variables can be used to make an accurate prediction of the extent to which they affect the outcome variable. The model produces a relationship in the form of a straight (linear) line that best approximates each data point (Saxena & Prathipati, 2003, Valentini et al, 2021).

4. RESEARCH FINDINGS AND EVALUATIONS

4.1. Descriptive Analysis: Analysing the Sample's Demographic Data

Table 4 shows that 50% of the sample were educated to a college level, while just over one quarter (25.5 %) were educated to a diploma level. Individuals who had completed higher education made up 21.8 % of the sample, while 2.7% had only completed school-level education (see also Figure 6).

Table 4: Frequencies and percentages of the sample's demographics

Variable	Category	Count	%
Educational Level	Primary/high school	3	2.7
	Diploma	28	25.5
	College	55	50.0
	Higher education	24	21.8
	Total	110	100.0
Business Income (monthly)	Less than 500 KD	11	10.0
	500-1,500 KD	24	21.8
	1,500-2,500 KD	55	50.0
	More than 2,500 KD	20	18.2
	Total	110	100.0
Business Age	0-2 years	35	31.8
	3-5 years	39	35.5
	6-8 years	21	19.1
	9 and more years	15	13.6
	Total	110	100.0
Business Field	Finance and real estate services	20	18.2
	Constructing and building	10	9.1
	Trade and contracting	55	50.0
	Manufacturing	7	6.4
	Other: education	8	7.3
	Other: technical	10	9.1
	Total	110	100.0

Source: Author's SPSS analysis results (2022)

The analysis of monthly income (also shown in Table 4) illustrates that half of the sample (50%) earn between 1,500 and 2,500 KD monthly. The other half was divided between those earning between 500 and 1,500 KD (21.8 %), more than 2,500 KD (18.2 %), and less than 500 KD (10%) (see also Figure 7).

In terms of how long the sampled businesses had been operating, most of them were relatively new, with 35.5% in the category 3–5 years and 31.8% in the category 0–2 years. 19.1% of the SMEs sampled were in the moderate age category (6–8 years). The lowest percentage of respondents (13.6%) were in the oldest category (9 years and more) (Figure 8).

Table 4 also indicates the percentages of SMEs in each business field. 50% were in trade and contracting. 18.2% were in financial and real estate services. Both the construction and building and the technical field recorded a figure of 9.1%. The lowest numbers of businesses were involved in the manufacturing and education fields, 7.3% and 6.4%, respectively (Figure 9).

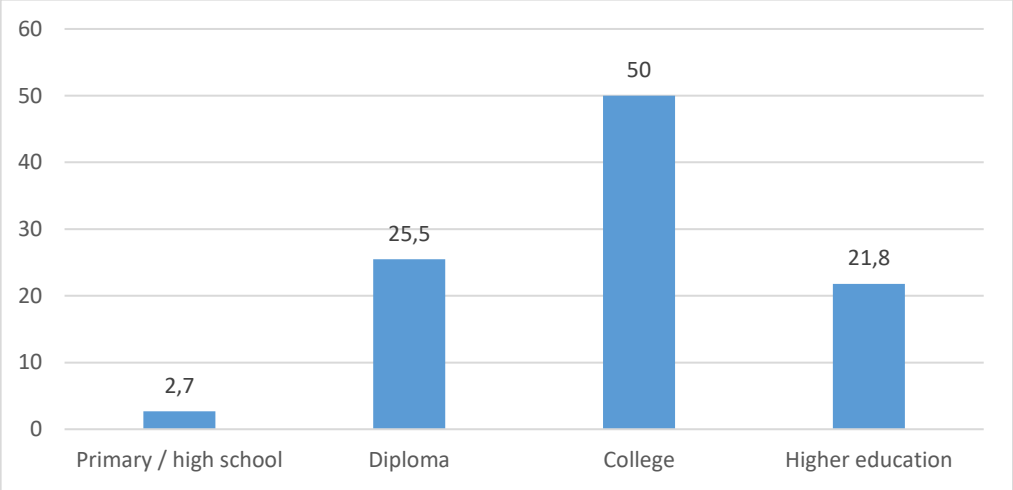

Figure 6: Education levels of the participants

Source: Author's SPSS analysis results (2022)

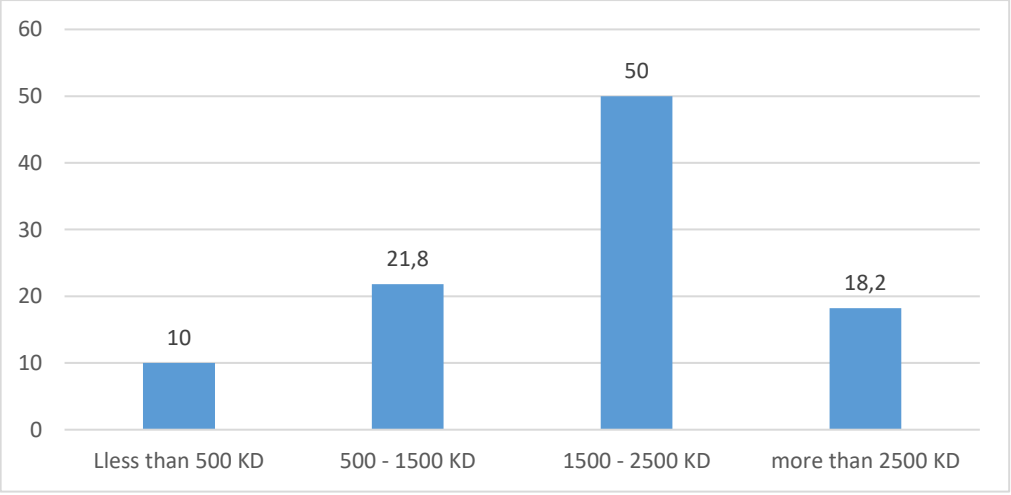

Figure 7: Participants' monthly incomes

Source: Author's SPSS analysis results (2022)

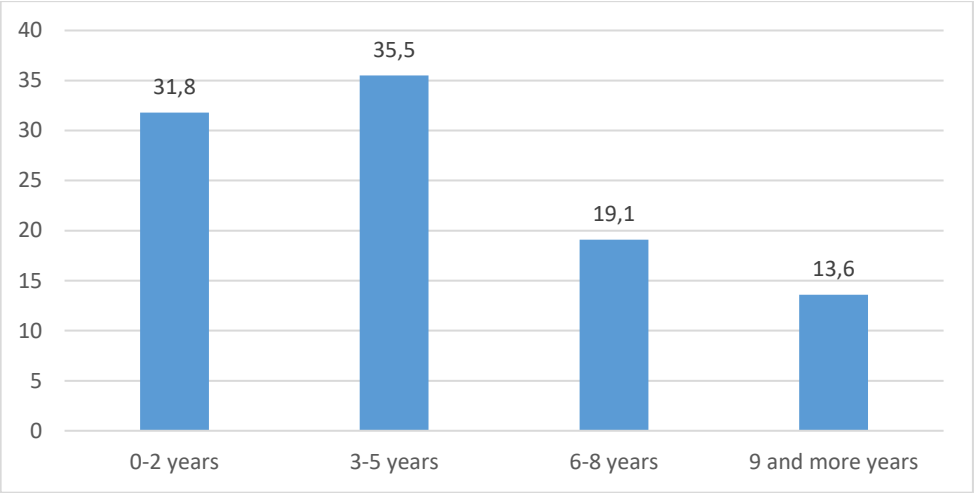

Figure 8: Age of the participants' businesses

Source: Author's SPSS analysis results (2022)

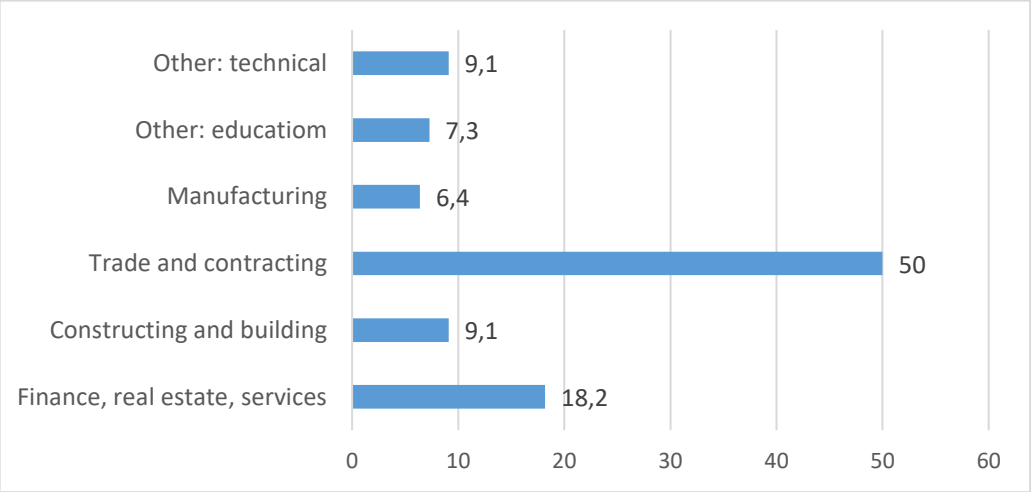

Figure 9: Participants' business fields

Source: Author's SPSS analysis results (2022)

4.2. Analysing the SMEs' Characteristics

To analyse the SME's characteristics, the respondents were asked three questions. The first ("To what extent do you believe in yourself?") focused on the respondent's self-perceptions and consisted of three answers. The second question ("How do you evaluate the cost of the following in your business?") examined the SMEs' costs and consisted of five answers. The respondent was asked to rate each of these two questions on a Likert scale from 1 to 3, representing low, moderate and high beliefs, respectively. The third question ("How would you describe the effect of the following on your business?") described five factors considered to affect the individual's SME. The respondent was given three options: negatively, no effect and

positively. For the first two questions, the answers were averaged and expressed as means in addition to standard deviations. For the third question, the frequencies and percentages were calculated for each of the five points.

Table 5 illustrates the extent of the respondents' self-belief. The mean value shows that the individuals who "like achievement and success" had the greatest mean (2.71) while the belief that had the lowest mean was "risk-taking" (2.33).

Table 5: Means and standard deviations for the extent of respondents' self-belief

Code	Belief	Mean	SD
q1.1	I like achievement and success	2.71	0.46
q1.2	I am confident	2.59	0.64
q1.3	I am a risk-taker	2.33	0.74
	Total extent of self-belief	2.54	0.57

Source: Author's SPSS analysis results (2022)

Table 6 compiles the individuals' evaluations of their businesses' costs in response to the second question. It shows that marketing had the highest mean cost (2.56), followed by training (2.26), installing technology (2.19), competitiveness (1.96) and research (1.73).

Table 6: Means and standard deviations for the evaluation of current business costs

Code	Business	Mean	SD
Q2.1	Marketing	2.56	0.61
Q2.2	Training	2.26	0.74
Q2.3	Competitiveness	1.96	0.77
Q2.4	Research	1.73	0.73
Q2.5	Install technology	2.19	0.76
	Evaluation total	2.14	0.66

Source: Author's SPSS analysis results (2022)

Table 7 compiles the results of respondents' answers to the third question, which concerned the impact of various factors on their businesses. The answers revealed that the majority of respondents (71.8%) counted state policy as a negative influence, a higher score than any of the other factors. The second-highest negative influence was work law, with 67.3% of the sample expressing a critical view of its influence on their business. Regarding the market economy, the results reflected a close split between opposing perspectives, with 50.9% stating it had a negative influence compared to the 47.3% who stated that its influence was positive.

In terms of the factors that most respondents viewed as having a positive effect, the top-rated response was for society culture (63.6%), although it should be borne in mind that 28.2% felt that that same factor had a negative impact, representing a significant alternative attitude. Technology was also generally seen as a positive factor (by 61.8% of respondents), with only 17.3% perceiving it as having a negative effect on their business.

Table 7: Perceptions of the effects of some influences on businesses

	Influences	Negative		No effect		Positive	
		Count	%	Count	%	Count	%
1	State policy	79	71.8	3	2.7	28	25.5
2	Market economy	56	50.9	2	1.8	52	47.3
3	Work law	74	67.3	0	0.0	36	32.7
4	Society culture	31	28.2	9	8.2	70	63.6
5	Technology	19	17.3	23	20.9	68	61.8

Source: Author's SPSS analysis results (2022)

4.3. Analysis of the Resources

The four resources (finance, labour, information and training) were analysed with reference to the three types of provider (family and friends, the government sector and the private sector). The results of that analysis are given below.

Table 8 shows that 69.1% of the respondents reported that their family and friends provide information, which is a higher percentage than any of the other resources. Second, after information, 58.2% of the entrepreneurs reported that their family and friends provided financial resources. However, family and friends appear to provide very little in terms of training and labour resources, 6.4% and 8.2%, respectively. The fact that family and friends do not generally provide labour and training resources is, perhaps, unsurprising as formal labour is often recruited from outside and, similarly, formal training is normally provided by other institutions (either from the government or private sector). The statistics could reflect the fact that the entrepreneurs surveyed did not consider informal labour or training provided by friends and family to be covered by the question. Further research would be required to test the validity of that assumption.

Table 8: Frequencies and percentages for the resources provided by family and friends

	Resources	Yes		No	
		Count	%	Count	%
1	Finance	64	58.2	46	41.8
2	Labour	9	8.2	101	91.8
3	Information	76	69.1	34	30.9
4	Training	7	6.4	103	93.6

Source: Author's SPSS analysis results (2022)

Table 9 shows the percentage of the respondents' families and friends who provide help to access resources. These statistics are similar to those given above (in Table 8) but distinct in the sense that those above refer to when family and friends provide a resource directly, whereas the statistics below show when they provide help to access that resource from a different source. As Table 9 shows, it appears that family and friends provide good help in terms of information (60.0%) and financial resources (58.2%). On the other hand, family and friends provide very little help in terms of labour and training resources (3.5 % and 2.7 %, respectively).

Table 9: Frequencies and percentages of family and friends providing help with resources

	Resources	Yes		No	
		Count	%	Count	%
1	Finance	64	58.2	46	41.8
2	Labour	4	3.5	106	96.4
3	Information	66	60.0	44	10.0
4	Training	3	2.7	107	97.3

Source: Author's SPSS analysis results (2022)

Table 10 reflects the percentages of the respondents' opinions on the question of whether or not government institutions provide support for the SME sector in terms of the four resources. The results show that the respondents most frequently identified government support with the labour resource (67.3%), followed by finance (60.9%). Information support was in the third position (40.0%). However, the results showed that no respondents (0.0%) reported that government institutions were providing any training. The apparent absence of such support is a significant surprise given that it would be anticipated that the government sector if it is serious about enabling SMEs to thrive, would be targetting them with appropriate training. The complete

absence of reporting of such training strongly suggests that it does not exist (or is so scarce or badly publicised that none of the surveyed organisations is aware of it). The absence of such support appears to be a very significant omission in the government's plans to support SMEs. For example, providing finance without capacity building or information without instructions on what to do with it, may not translate into the desired improvements across the SME sector.

Table 10: Frequencies and percentages for the resources being provided by the government sector

	Resources	Yes		No	
		Count	%	Count	%
1	Finance	67	60.9	43	39.1
2	Labour	74	67.3	36	32.7
3	Information	44	40.0	66	60.0
4	Training	0	0.0	110	100

Source: Author's SPSS analysis results (2022)

Table 11 reflects the percentages of the respondents' opinions on the question of whether the private sector provides support for SMEs in terms of the four resources. The results show that the respondents most frequently identified private sector support with the finance resource, although that was still a relatively low percentage of 39.1%. The next most common resource provided by the private sector was labour (32.7%). The information resource was in the third position (with 25.5%), and the training resource was last (with 21.8 %). These percentages reflect the fact that the private sector is providing support across all four domains (filling some of the gaps left by the government sector regarding training). However, the extent of that support suggests that it is still relatively underdeveloped (with none of the percentages being at or above 40%). These statistics also suggest that, when it comes to finance and information, many more entrepreneurs are dependent on friends and family.

Table 11: Frequencies and percentages for the resources being provided by the private sector

	Resources	Yes		No	
		Count	%	Count	%
1	Finance	43	39.1	67	60.9
2	Labour	36	32.7	74	67.3
3	Information	28	25.5	82	74.5
4	Training	24	21.8	86	78.2

Source: Author's SPSS analysis results (2022)

Table 12 shows the percentages of the respondents' opinions on the help presented by the institutions of the government sector. Again, this is distinct from the information in Table 10, in that the earlier table shows when government institutions provided resources directly, whereas Table 12 shows when they helped entrepreneurs to access resources from other sources. Clearly, the most help was being provided with the labour resource (75.5%), followed by the finance resource (56.4%). A significantly lower percentage (34.5%) reported receiving help with the information resource. According to the respondents, no help was presented by the government sector in terms of training (0.0%).

Table 12: Frequencies and percentages for the government sector's resources help

	Resources	Yes		No	
		Count	%	Count	%
1	Finance	62	56.4	48	43.6
2	Labour	82	75.5	28	25.5
3	Information	38	34.5	72	65.5
4	Training	0	0.0	110	100

Source: Author's SPSS analysis results (2022)

Table 13 shows the percentages of the respondents' opinions on the help presented by the private sector to access resources from elsewhere (in contrast to Table 11, which shows when private sector companies directly provided those resources themselves). Clearly, the most help was being provided with accessing the finance resource (39.1%). However, that was still a relatively low figure compared to the percentages reporting help with certain resources from governmental institutions and family and friends. The next highest percentage (23.6%) was for the information resource, followed by the training resource (19.1%). It was reported that the

private sector was providing very little help with the labour resource as reflected by its low percentage (2.7%).

Table 13: Frequencies and percentages for the private sector's resources help

	Resources	Yes		No	
		Count	%	Count	%
1	Finance	38	34.5	72	65.5
2	Labour	3	2.7	107	97.3
3	Information	26	23.6	84	76.4
4	Training	21	19.1	89	80.9

Source: Author's SPSS analysis results (2022)

4.4. Analysis of Network Communications Providers

To analyse the SMEs' network communications providers, the respondents were asked to rate each of four questions on a linear five-point Likert scale (where 1 - never, 2 - occasionally, 3 - sometimes, 4 - often and 5 - always). The first question described (through five points) the degree to which respondents used the network for the purpose of accessing each resource provided by the government or private sectors. The other three questions were rated and expressed as means and standard deviations.

Table 14 shows the means for the degree of using the government sector's network communications to access resources. The finance resource reported the greatest mean (3.60) relative to the other resources, followed by labour (mean=3.45), then information (mean= 2.65), and finally, training (mean=1.00).

Table 14: Means and standard deviations for the degree of using the government and private sectors' network communications to access resources

	Resources	Government Sector		Private Sector	
		Mean	SD	Mean	SD
1	Finance	3.60	1.56	2.49	1.74
2	Labour	3.45	1.80	2.19	1.71
3	Information	2.65	1.69	2.37	1.49
4	Training	1.00	0.00	3.76	1.63

Source: Author's SPSS analysis results (2022)

Table 15 shows the means of the respondents' use of their own contacts (i.e., family and friends) to access business resources. The highest mean (3.45) was for the information resource, followed by finance (mean=3.45), then labour (mean=1.39) and, finally, training (mean=1.35).

Table 15: Means and standard deviations for the respondents' use of their own contacts (family and friends) to access business resources

	Resources	Mean	SD
1	Finance	3.17	1.65
2	Labour	1.39	0.94
3	Information	3.45	1.57
4	Training	1.35	0.89

Source: Author's SPSS analysis results (2022)

Table 16 shows the means of the respondents' use of government institutions to access business resources. The highest mean (3.55) was for the labour resource, followed by using the government's network communications to access finance (mean=3.05), then information (mean=2.30) and, finally, training (mean=1.23).

Table 16: Means and standard deviations for the respondents' use of government institutions to access business resources

	Resources	Mean	SD
1	Finance	3.05	1.73
2	Labour	3.55	1.51
3	Information	2.30	1.56
4	Training	1.23	0.48

Source: Author's SPSS analysis results (2022)

Table 17 shows the means of the respondent's use of the private sector to access business resources. The highest mean (2.35) was for the finance resource, followed by using the private sector's network communications to access information (mean=1.98), then training (mean=1.76) and, finally, labour (mean=1.21).

Table 17. Means and standard deviations for the respondents' use of the private sector to access business resources

	Resources	Mean	SD
1	Finance	2.35	1.54
2	Labour	1.21	0.66
3	Information	1.98	1.50
4	Training	1.76	1.39

Source: Author's SPSS analysis results (2022)

4.5. SME Growth

Table 18 shows the frequencies and percentages used to describe each firm's growth in terms of its number of employees. According to the percentages, 59.1% of the firms started with a number of employees from 1 to 5, showing that they were small operations with limited levels of capital. 27.3% of the firms started with numbers of employees ranging from 6 to 50. A smaller percentage (13.6%) started with relatively large facilities and a considerable amount of capital, as indicated by the fact that their initial number of employees exceeded 50. An analysis of the firms' current employees figures shows that the number/percentage of firms with 1–5 employees had remained exactly the same (65 firms, representing 59.1% of the sample). In other words, they had not shown any development or growth. On the other hand, there was limited evidence of growth amongst those firms that had started with 6–50 employees, as five (i.e. 4.6% of the total sample) had increased to having over 50 employees. This growth could potentially be attributed to the support received or progress attained by good performance. Overall, these figures reflect little growth across the SME sector as a whole, which could indicate that there is limited support being provided by government or private sector institutions to supplement that which entrepreneurs' families and friends offer.

Table 18. Frequencies and percentages for SMEs' growth as expressed by their number of employees

Period	Number of Employees					
	From 1-5 Employees		From 6-50 Employees		Above 50 Employees	
	Count	%	Count	%	Count	%
Initially	65	59.1	30	27.3	15	13.6
Now	65	59.1	25	22.7	20	18.2

Source: Author's SPSS analysis results (2022)

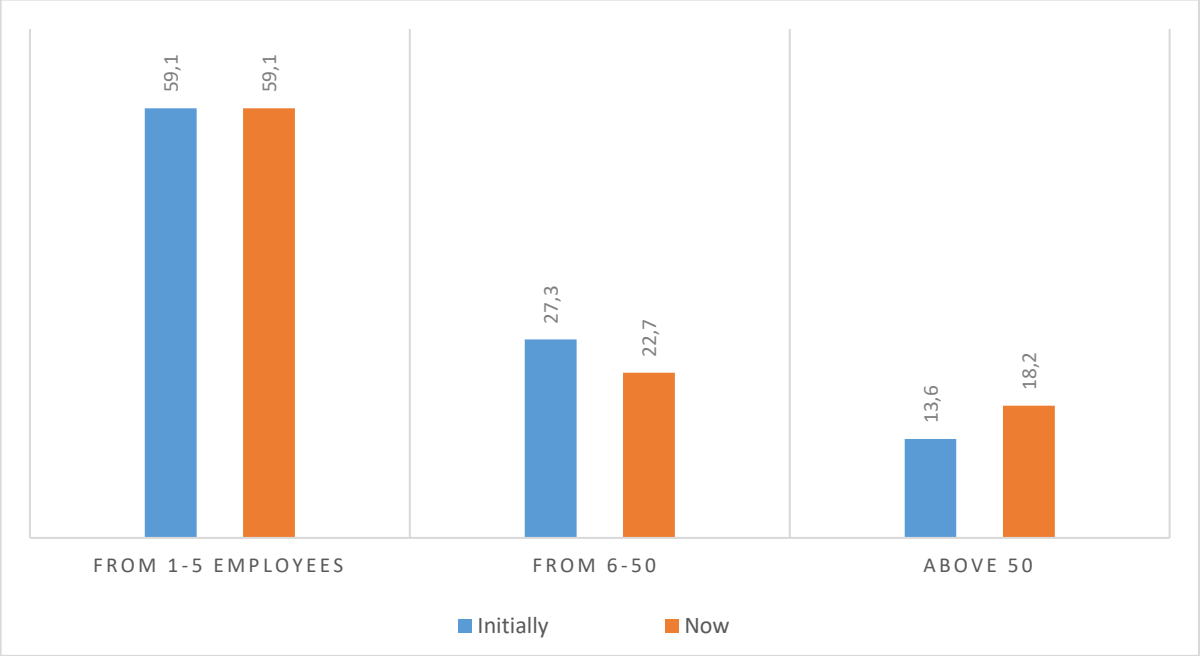

Figure 10: Firms' growth in terms of their number of employees

Source: Author's SPSS analysis results (2022)

Table 19 shows the frequencies and percentages used to describe each firm's growth in terms of its number of products. According to the percentages, 43.6% of the firms had started with a number of products ranging from 1 to 5, showing that these firms were small operations with limited facilities and levels of capital. 40% of the firms started with numbers of products ranging from 6 to 10. A significantly smaller percentage (16.4 %) started with an initial number of products of 10 or more. An analysis of the firms' current number of products shows that the firms who started with 1–5 products had made very limited progress as their number had only decreased from 48 to 46 (meaning that these smaller firms now represented 41.8% of the sample). Interestingly, the two firms from this category that had grown in terms of their number of products had made a significant jump into the above ten products category. All the firms that

started with 6–10 products remained in the same category at the time of the research. That lack of growth may be attributable to weak or low levels of support as well as other reasons such as bad marketing and low product quality. As noted above, the number of firms with over 10 products increased by two (i.e., 1.8% of the total sample).

These figures generally reflect little growth across the SME sector as a whole, which could indicate that there is limited support being provided by government or private sector institutions to supplement that which is offered by entrepreneurs' families and friends.

Table 19: Frequencies and percentages for SMEs' growth as expressed by their number of products

Period	Number of Products					
	From 1-5		From 6-10		Above 10	
	Count	%	Count	%	Count	%
Initially	48	43.6	44	40.0	18	16.4
Now	46	41.8	44	40.0	20	18.2

Source: Author's SPSS analysis results (2022)

4.6. Analysis of the General Support Provided to SMEs

Table 20 shows that 65 respondents (i.e., 59.1% of the sample) declared that governmental institutions' support for SMEs was not effective. When asked to state the reasons for this, the most commonly mentioned issue was that labour laws need to be updated (that response was given by 47.7% of the 65 individuals), followed by labour law enforcers need oversight (35.4%) and bureaucratic procedures (16.9%).

Table 20: Responses on the effectiveness of governmental institutions' support

No (Not Effective)			Yes (Effective)	
Reasons	Count	%	Count	%
	65	59.1	35	31.9
Bureaucratic procedures	11	16.9*		
Labour law needs updating	31	47.7*		
Labour law enforcers need oversight	23	35.4*		
TOTAL	65	100*		

* (out of a total of 65)

Source: Author's SPSS analysis results (2022)

Table 21 shows that 75 respondents (i.e., 68.2% of the sample) declared that private sector institutions offered low levels of support to SMEs. When asked to state the reasons for this, the most commonly mentioned issue was that there is no law regulating the role of the private sector in supporting entrepreneurs (that response was given by 74.7% out of the 75 individuals). The other issue mentioned (by the remaining 25.3%) was that an upper limit had been imposed on the financial support provided by the private sector from the government.

Table 21: Responses on whether private sector support was greater than government institutions' support

No			Yes	
Reasons	Count	%	Count	%
	75	68.2	25	22.8
There is no law regulating the role of the private sector in supporting entrepreneurs	56	74.7*		
An upper limit has been imposed on financial support provided by the private sector from the government	19	25.3*		
TOTAL	75	100*		

* (out of a total of 75)

Source: Author's SPSS analysis results (2022)

4.7. Exploring Relationships and Influences

The researcher checked the reliability of the findings regarding the four resources in terms of family and friends, the government sector and the private sector using the internal consistency concept developed by Cronbach (alpha). The results of those checks are shown in Table 22. The Cronbach's alpha value was found to be 0.841 for family and friends, 0.885 for government sector providers, 0.922 for private sector providers and 0.959 for all providers as a whole. As those reliability values were >0.70, they suggest a high level of reliability (Nunnally, 1978), remembering that the highest score that can be achieved is 1.00.

Table 22: Reliability analysis using Cronbach's Alpha for the three network communications providers

Resources via:	Number of resources	Cronbach's alpha	Result
Family and friends	4	0.841	High reliability
Government sector	4	0.885	High reliability
Private sector	4	0.922	High reliability
Total	12	0.959	High reliability

Source: Author's SPSS analysis results (2022)

The roles of the different providers were investigated using the Pearson correlation coefficient. The results are shown in Table 23.

Table 23: The roles of the three providers in terms of the support they provide for SMEs

Institution	Resource	Growth (now)					
		Number of employees		Number of products		Employees and products	
		R	sig	r	Sig	R	sig
Family and friends	Finance	0.797	0.000	0.891	0.000	0.869	0.000
	Labour	0.720	0.000	0.661	0.000	0.713	0.000
	Information	0.735	0.000	0.851	0.000	0.817	0.000
	Training	0.695	0.000	0.640	0.000	0.690	0.000
Government sector	Finance	0.811	0.000	0.891	0.000	0.877	0.000
	Labour	0.698	0.000	0.806	0.000	0.775	0.000
	Information	0.945	0.000	0.888	0.000	0.946	0.000
	Training	0.809	0.000	0.743	0.000	0.802	0.000
Private sector	Finance	0.922	0.000	0.911	0.000	0.946	0.000
	Labour	0.572	0.000	0.529	0.000	0.569	0.000
	Information	0.939	0.000	0.837	0.000	0.918	0.000
	Training	0.887	0.000	0.807	0.000	0.875	0.000

Source: Author's SPSS analysis results (2022)

A more detailed analysis of the role of the three types of providers (family and friends, government sector, and private sector) in terms of the support they provide to SMEs' growth is provided below, starting with family and friends.

In terms of financial support, entrepreneurs' families and friends had a greater relationship with the number of products (0.891) relative to their relationship with the number of employees

(0.797). The relationship between family and friends' financial support and the SMEs' total growth (as measured by both indicators) was expressed by a correlation value of 0.869. These values suggest high relationships. Additionally, all the mentioned relationship values were statistically significant (sig < 0.05), leading to the conclusion that finance strongly relates to the growth indicators in a statistically significant way.

Family and friends' relationship with the labour resource showed lower values (relative to the finance resource) as it was 0.661 with the number of products and 0.720 with the number of employees. The relationship between family and friends' support for the labour resource and SMEs' total growth (as measured by both indicators) was expressed by the correlation value 0.713. All the mentioned relationship values were statistically significant (sig < 0.05), leading to the conclusion that labour strongly relates to the growth indicators in a statistically significant way.

The analysis of family and friends' support for the information resource showed a higher relationship to the number of products (0.851) relative to its relationship with the number of employees (0.735). The relationship between family and friends' support for the information resource and SMEs' total growth (in terms of both indicators) was represented by a value of 0.817. These values reflect high relationships. Additionally, all these relationship values were statistically significant (sig < 0.05), which means that the information resource seems to be strongly related to the growth indicators in a statistically significant way.

The analysis of family and friends' support for the training resource showed a lower relationship with the number of products (0.640) compared to the number of employees (0.695). The relationship between family and friends' support for the training resource and SMEs' total growth (in terms of both indicators) was represented by a value of 0.690. Clearly, all these values express lower relationships between growth and training compared to the other resources provided by families and friends. All these relationship values were statistically significant (sig < 0.05), which means that training is strongly related to the growth indicators in a statistically significant way.

The next category of providers to consider is government institutions. In terms of financial support, government institutions had a greater relationship with the number of products (0.891) relative to their relationship with the number of employees (0.811). The relationship between government institutions' financial support and the SMEs' total growth (as measured by both indicators) was expressed by the correlation value 0.877. These values suggest high

relationships. Additionally, all the mentioned relationship values were statistically significant (sig < 0.05), leading to the conclusion that finance strongly relates to the growth indicators in a statistically significant way.

Government institutions' relationship with the labour resource had a greater relationship with the number of products (0.806) relative to their relationship with the number of employees (0.698). The relationship between government institutions' support for labour resource and SMEs' total growth (as measured by both indicators) was expressed by the correlation value 0.775. All the mentioned relationship values were statistically significant (sig < 0.05), leading to the conclusion that labour strongly relates to the growth indicators in a statistically significant way.

The analysis of government institutions' support for the information resource showed a lower relationship with the number of products (0.888) relative to its relationship with the number of employees (0.945). The relationship between government institutions' support for the information resource and SMEs' total growth (in terms of both indicators) was represented by a value of 0.946. These values reflect high relationships. Additionally, all these relationship values were statistically significant (sig < 0.05), which means that the information resource seems to be strongly related to the growth indicators in a statistically significant way.

The analysis of the government institutions' support for the training resource showed a lower relationship with the number of products (0.743) compared to the number of employees (0.809). The relationship between government institutions' support for the training resource and SMEs' total growth (in terms of both indicators) was represented by a value of 0.802. These values express good relationships between growth and the training provided by government institutions. All these relationship values were statistically significant (sig < 0.05), which means that training is highly related to the growth indicators in a statistically significant way.

The final category of provider to consider is private sector institutions. In terms of financial support, private sector institutions had a greater relationship with the number of products (0.911) relative to their relationship with the number of employees (0.922). The relationship between private institutions' financial support and each SME's total growth (as measured by both indicators) was expressed by a correlation value 0.946. These values suggest high relationships. Additionally, all the mentioned relationship values were statistically significant (sig < 0.05), leading to the conclusion that finance strongly relates to the growth indicators in a statistically significant way.

Private institutions' relationship with the labour resource showed lower values (relative to the finance resource) as it was 0.529 with the number of products and 0.572 with the number of employees. The relationship between private institutions' support for labour resource and SMEs' total growth (as measured by both indicators) was expressed by the correlation value 0.569. All the mentioned relationship values were statistically significant (sig < 0.05), leading to the conclusion that labour is highly related to the growth indicators in a statistically significant way.

The analysis of private institutions' support for the information resource reflected high relationships. The correlation value with the number of products was 0.837, and with the number of employees, it was 0.939. The relationship between private institutions' support for the information resource and the SMEs' total growth (in terms of both indicators) was represented by a value of 0.918. These values reflect high relationships. Additionally, all these relationship values were statistically significant (sig < 0.05), which means that the information resource seems to be strongly related to the growth indicators in a statistically significant way.

The analysis of private institutions' support for the training resource showed a lower relationship with the number of products (0.807) compared to the number of employees (0.887). The relationship between private institutions' support for the training resource and SMEs' total growth (in terms of both indicators) was represented by a value of 0.875. These values express good relationships between growth and the training provided by private institutions. All these relationship values were statistically significant (sig < 0.05), which means that training is strongly related to the growth indicators in a statistically significant way.

4.8. Investigating the Influence of the Government Institutions Support for SMEs

Multiple linear regression was performed. Prior to linear regression, a researcher must check for two basic assumptions concerning its application: the normality of the data distribution of the variables and the level of multicollinearity among the independent variables (in this case, the resources). Data normality detection was described using skewness and kurtosis, which are considered to fit with univariate testing, while multicollinearity was evaluated using the VIF (variance inflation factor) and tolerance test. The results are shown in Table 24, below.

According to the results shown in Table 24, the greatest observed skewness value was 2.041 for the training resource. This greatest value lies within the acceptable range for skewness values (-3 and +3) (Kline, 2005). The greatest observed value for kurtosis was 3.498, which did

not exceed the critical value of 8 (Kline, 2005). Accordingly, the mentioned skewness and kurtosis values suggest a data distribution that is close to the normal one.

The greatest VIF value was 10.400, which was observed for the information resource. This value reflects an acceptable level of multicollinearity among the predictors because it was on the boundary of the desired critical value of 10 (Gujarati & Porter, 2010), which is considered to indicate low collinearity (i.e., a low correlation among the independent variables). The final column in the table illustrates the tolerance values, which express the reciprocal of the VIF test. They reflect the minimum variance of each independent variable. The minimum acceptable value is 0.05 (Diamantopoulos & Siguaw, 2000). Therefore, as shown in Table 24, all the tolerance values were clearly greater than the minimum. Therefore, it can be concluded that there are no concerns in terms of multicollinearity.

Table 24: Normality indicators and multicollinearity detection using VIF and tolerance

Variables		Normality		Multicollinearity	
		Skewness	Kurtosis	VIF	Tolerance
Independent	Finance	-.075	-1.750	3.079	.076
	Labour	-.682	-1.013	5.889	.170
	Information	.743	-1.083	10.400	.096
	Training	2.041	3.498	3.262	.307
Dependent	Number of Employees (B)	.943	-.480	-	-
	Number of Employees (N)	.866	-.813	-	-
	Number of Products (B)	.473	-.986	-	-
	Number of Products (N)	.411	-1.075	-	-
	Growth (B total)	.785	-.590	-	-
	Growth (N total)	.762	-.752	-	-

Source: Author's SPSS analysis results (2022)

As growth was assessed at two stages (beginning and now – i.e., B and N in the table above) over two growth indicators (number of employees and number of products) the analysis of multiple linear regression was run twice. The first run used the data of SMEs' size at the

beginning, while the second run used the data of SMEs' growth (now) to investigate the influence of the resources provided by the government currently.

4.9. Testing the Hypotheses

The first three hypotheses (H01–H03) focused on the influence of government institutions' support on SMEs at the outset. Tables 25 and 26 provided the results of the resources' influence on SMEs' size when they started. The results are shown in Table 25 starting with the first model's indicator: the R indicator. It describes the relationship between the predicted and observed values of each dependent variable. The value of R is squared to produce another important fitting index called the coefficient of determination (explanation) R^2. It represents the percentage of variation observed in the dependent variable, which can be explained by the independent variables (resources).

As the value of R^2 increases (up to a maximum value of 1) the quality of the model increases alongside the ability of the independent (predictor) variables to predict the dependent variable. Expressed as a percentage, R^2 was found to be 86.4% for the number of employees, 88.6% for the number of products and 92.4 % for the overall growth (measured by the sum of the number of employees and products). In the same context, R^2 was adjusted (and labelled as adjusted R^2) to support the adoption of R^2. The values of adjusted R^2 were 85.9% for the number of employees, 88.2% for the number of products and 92.2% for the overall growth (as measured by the sum of the numbers of employees and products). It is obvious that the adjusted R^2 values were very close to the value of ordinary R^2, leading to a conclusion that each of the three models being tested (number of employees, number of products and overall growth) was considered to fit.

The second important indicator for model fit is the f ratio. The f value represents the ratio between the mean squares of the regression predicted values and the mean square of the residuals. A decrease in the residuals of the mean squares indicates less error reported by the regression model. This is expressed by the larger f values. The f test is an inferential test that enables a researcher to decide whether to accept or reject a hypothesis depending on the associated probability value sig. The monitored f value was 167.84 with p=0.000 for the number of employees, 204.22 with p=0.000 for the number of products and 321.07 with p=0.000 for the overall growth as measured by the total number of employees and products.

Accordingly, as the probabilities values being mentioned were < 0.05; the three hypotheses were rejected; consequently, the alternative hypotheses were accepted; so, the results suggest a

significant statistical impact of the government support (in general) via the four mentioned resources at the beginning of SME's.

Table 25: Multiple linear regression for testing the impact of government institutions' support for SMEs as estimated at the time of their establishment

Model Indicators	Dependent Growth (beginning)		
	Number of employees	Number of products	Growth
R	0.930	0.941	0.961
R^2	0.864	0.886	0.924
Adj- R^2	0.859	0.882	0.922
F	167.18	204.22	321.07
Sig (f)	0.000*	0.000*	0.000*

Source: Author's SPSS analysis results (2022

As the results show that there is a significant impact, it is essential to explore the impact magnitudes and their statistical relevance.

Table 26 shows the impact values as expressed by two values. The first is the unstandardised impact (B), which was measured from the primary data for each independent variable (resource). The second serves the same purpose and is called the standardised impact (β); its label indicates that the standardised value is estimated from the standardised data form. The researcher can use the first impact value (B) in cases in which all the independent variables are measured by the same unit of measurement. However, the researcher must use the standardised impact value in cases in which different units of measurement are assigned to the independent variables. Once the researcher has used an ordinal scale (Likert scale 1-5) for rating the independent variables, it can be relied on for the unstandardised impact values.

The impact values represent how many standard deviations the independent variable corresponds to, with one standard deviation being revealed by the dependent variable. The B values presented in Table 26 lead to the following analysis:

A) Regarding the number of employees, the finance (0.017) and labour (0.012) values are close to zero, showing very weak support from government institutions. The greatest impact was from the information resource (0.347, p=0.000), followed by the training resource (0.238, p=0.017) provided by the government institutions. This reflects the fact that the government institutions did not focus on or provide finance or labour for the SMEs when they were starting out, providing instead support in terms of information and training. It should be noted that the

impact values were positive but weak for finance and labour. Additionally, those two values were statistically not significant ($p > 0.05$). The results show moderate and positive impact values for the information and training resources, and those two values were statistically significant ($p < 0.05$).

B) Regarding the number of products, the impact value of the labour resource was 0.020, p=0.579, and the impact value of information was 0.028, p=0.569. Both of these scores show very weak support from government institutions for these resources, as the values are close to zero. The greatest impact was made by the training resource (0.484, p=0.000), followed by the financial resource (0.298, p=0.000) provided by the government institutions. These figures reflect the fact that the government institutions did not focus on providing labour or information resources for SMEs when they were first established, instead focusing on providing financial and training support. It should be noted that the impact values were negative for labour (but weak and almost negligible) and positive in terms of the contribution made by the government institutions for information resources. However, the results for these two resources were statistically not significant ($p > 0.05$). On the other hand, the results show moderate and positive impact values for the finance and training resources, and the results for these two resources were statistically significant ($p < 0.05$).

C) Regarding overall growth, the labour impact value was -0.004, p=0.896, showing very weak and negligible support from government institutions in terms of that resource. It should be noted that the results for that resource were statistically not significant ($p > 0.05$). The greatest impact value was related to the training resource (0.361, p=0.000), followed by the information resource (0.188, p=0.000), while the finance resource reported an impact value of 0.158, p=0.000. These results show that government institutions did not positively contribute to the overall size of SMEs as they started via the labour resource, taking into account the fact that these three resources were statistically significant ($p < 0.05$). These values show that government institutions' support and contributions were mostly in terms of training, giving information and, finally, providing finance.

Table 26: The impact values for the government institutions' support (expressed by resources) to new SMEs

Resources	Dependent Growth (Beginning)								
	Number of employees			Number of products			Growth		
	B	B	Prob.	B	B	Prob.	B	β	Prob.
Finance	.017	.041	.752	.298	.707	.000	.158	.389	.000
Labour	.012	.026	.766	-.020	-.042	.597	-.004	-.009	.896
Information	.347	.747	.000	.028	.061	.569	.188	.418	.000
Training	.238	.158	.017	.484	.321	.000	.361	.248	.000

Source: Author's SPSS analysis results (2022)

Figure 11 represents the impact values discussed above.

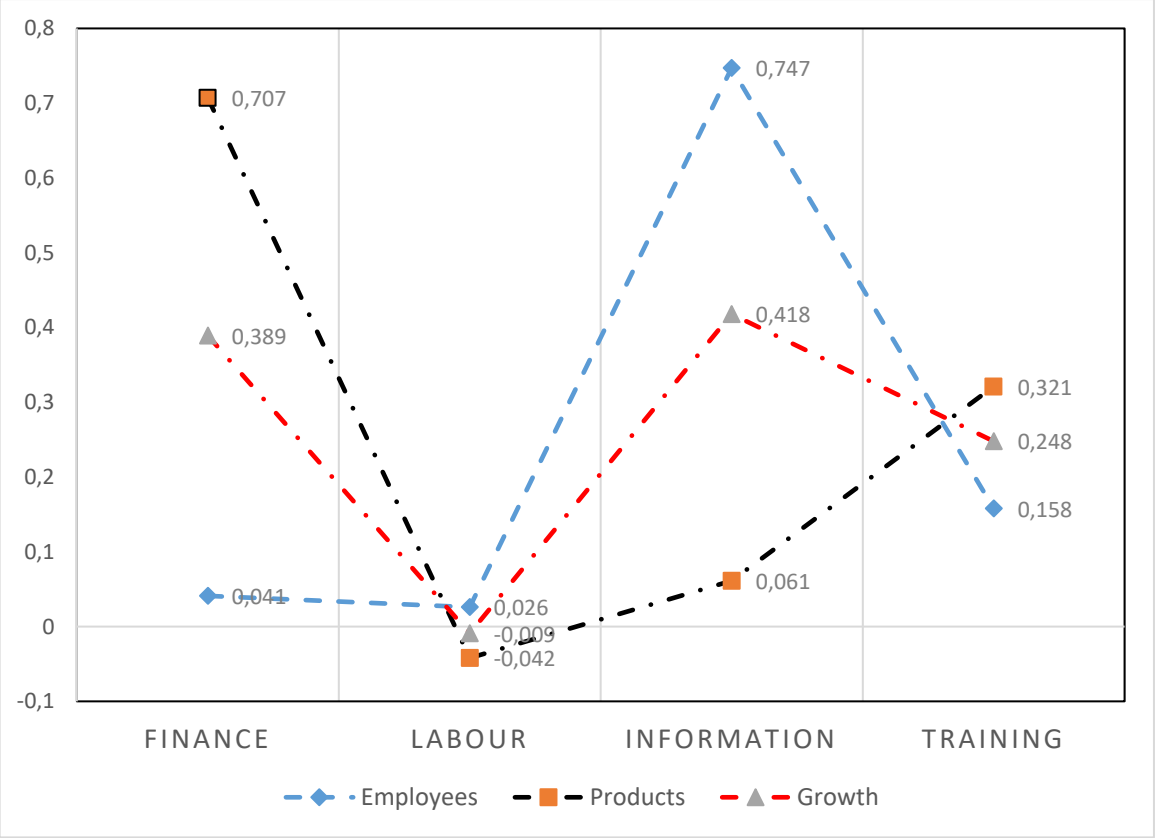

Figure 11: The Standardised impact values of SME growth at the beginning

Source: Author's SPSS analysis results (2022)

The second three hypotheses (H04-H06) explored the influence of government institutions' support for SMEs currently. Tables 27 and 28 show the results regarding the resources'

influence on SMEs' growth currently. The results presented in Table 27 start with the first model's indicator: the R indicator (which can be squared to produce the coefficient of determination (explanation) R^2 (as described above).

Expressed as a percentage, R^2 was found to be 90.8% for the number of employees, 89.4% for the number of products and 93.7% for overall growth (measured by the sum of the number of employees and products). In the same context, R^2 was adjusted (and labelled as adjusted R^2) to support the adoption of R^2. The values of adjusted R^2 were 90.4% for the number of employees, 89.0% for the number of products and 93.7% for the overall growth (as measured by the sum of the numbers of employees and products). It is obvious that the adjusted R^2 values were very close to the value of ordinary R^2, leading to a conclusion that each of the three models being tested (number of employees, number of products and overall growth) was considered to fit.

The second important indicator for model fit is the f ratio (as described above). The monitored f value was 258.97 with p=0.000 for the number of employees, 220.67 with p=0.000 for the number of products and 391.54 with p=0.000 for the overall growth as measured by the total number of employees and products.

As the probabilities were <0.05, the three hypotheses were rejected. Therefore, the alternative hypotheses were accepted. ; so, the results suggest a significant statistical impact of government support (in general) via the four mentioned resources at the beginning of SME's.

Table 27: Multiple linear regression for testing the impact of government institutions' support to SMEs currently

Model Indicators	Dependent Growth (current)		
	Number of employees	Number of products	Growth
R	0.953	0.945	0.968
R^2	0.908	0.894	0.937
Adj- R^2	0.904	0.890	0.935
F	258.97	220.67	391.54
Sig(f)	0.000*	0.000*	0.000*

Source: Author's SPSS analysis results (2022)

As the results show that there is a significant impact, it is essential to explore the impact magnitudes and their statistical relevance.

Table 28 shows the impact values in terms of how many standard deviations each independent variable corresponds to with regard to each dependent variable. The B values presented in Table 28 lead to the following analysis:

A) Regarding the number of employees, labour's impact value (0.019, p=0.519 ns) is very weak and not significant in terms of government institutions' support (with values close to zero). The greatest impact was from the training resource (0.477, p=0.000 s), followed by the information resource (0.171, p=0.000 s) provided by the government institutions. This reflects the fact that the government institutions did not focus on providing labour for the SMEs currently, instead providing support with both training and information. Clearly, the government plays the same role without significant changes as it did when the SMEs were starting out. It should be noted that the impact values were positive but weak for labour and positive for the training, information and finance resources. Additionally, the latter three resources' values were statistically significant ($p < 0.05$).

B) Regarding the number of products, the information impact value was -0.022, p=0.562 ns), and the impact value assigned to labour was 0.025, p=0.051 ns), showing very weak and not significant government institutions' support (with values close to zero). The greatest impact was observed in the training resource (0.606, p=0.000 s), followed by the finance resource (0.289, p=0.000 s) provided by the government institutions. These figures show that the government institutions do not provide information or labour resources for the SMEs currently but rather provide support in terms of training and finance. It should be noted that the impact value was negative for information (but weak and almost negligible), while there were positive impact values for labour resources, taking into account that these two resources were statistically not significant ($p > 0.05$). On the other hand, there were moderate and positive impact values for the training and finance resources. Additionally, those two resources were statistically significant ($p < 0.05$).

C) Regarding the overall growth being assessed currently, the labour impact value was 0.012, p=0.741 ns, and that of the finance resource was 0.017, p=0.721 ns, showing a very weak and negligible impact of government institutions' support (with values close to zero). The impact of each of the two resources was statistically not significant ($p > 0.05$). The greatest impact value was from the information resource (0.365; p =0.000 s), followed by the training resource (0.347; p =0.000 s). These results indicate that the government institutions positively contribute to overall growth (currently) via information and training resources for the SMEs, taking into account the fact that these two resources were statistically significant ($p < 0.05$).

Table 28: The impact values for government institutions' support (expressed by resources) to SMEs currently

Resources	Dependent Growth (Current)								
	Number of employees			Number of products			Growth		
	B	B	Prob.	B	β	Prob.	B	β	Prob.
Finance	.153	.359	.000	.289	.674	.000	.017	.038	.721
Labour	.019	.038	.519	.025	.051	.508	.012	.024	.741
Information	.171	.362	.000	-.022	-.046	.652	.365	.727	.000
Training	.477	.311	.000	.606	.394	.000	.347	.214	.000

Source: Author's SPSS analysis results (2022)

Figure 12 represents the impact values discussed above.

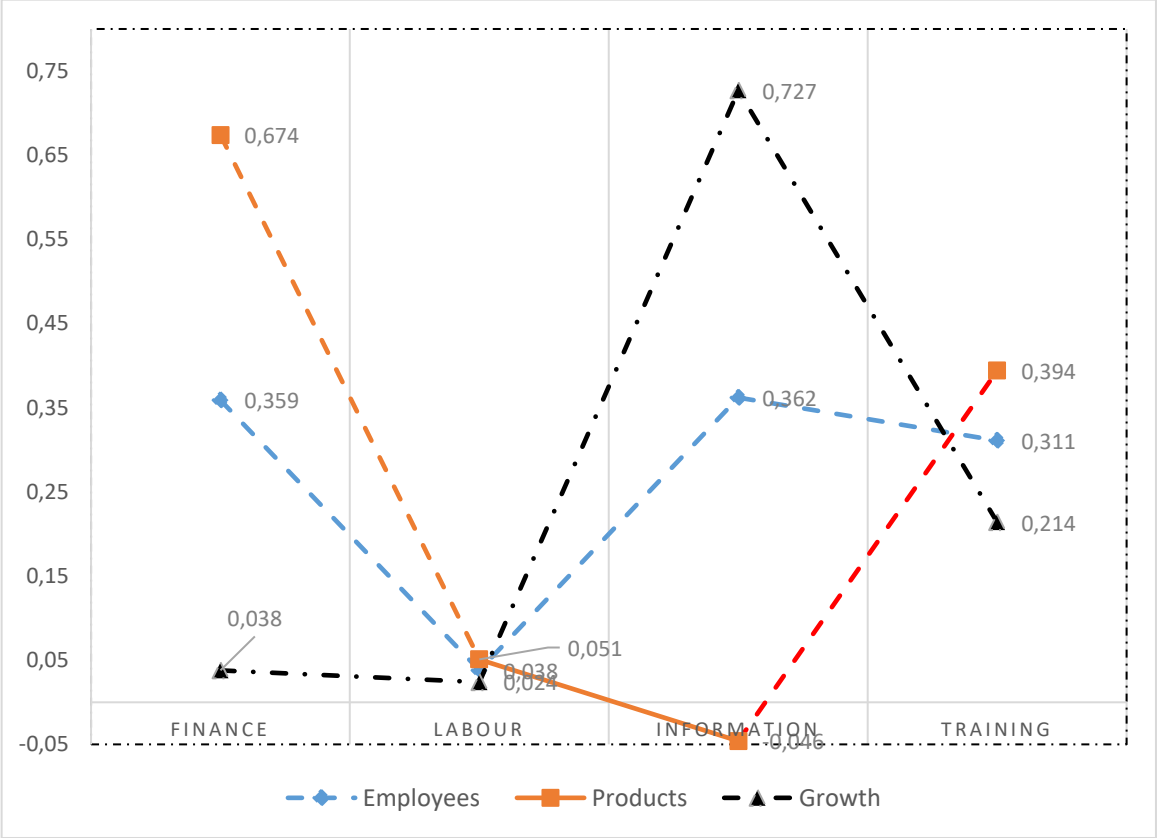

Figure 12: The impact values of SME growth currently

Source: Author's SPSS analysis results (2022)

5. CONCLUSION AND RECOMMENDATIONS

5.1. Conclusions

The main question that this research has sought to answer is whether or not institutions within the Kuwaiti government provide sufficient and effective support for SMEs. Based on the findings generated by this research, which have been presented in the previous sections, the researcher has drawn the following conclusions. These conclusions are divided into three categories.

The first category is about participants' perceptions of themselves and of the framework for supporting SMEs that the government of Kuwait has created through its national policies and relevant labour laws. In terms of the former, the main thing to note is that the participants exhibited a high level of desire for achievement and success (with a mean score of 2.71 out of 3). This suggests that failings related to the SME sector are not down to a lack of desire or effort on the part of the entrepreneurs themselves. Nevertheless, it was equally clear from the results that both state policy and labour laws were perceived as having a significant negative influence on businesses. 71.8% of participants perceived the former (i.e., state policy) as having a significant negative effect on SMEs. Meanwhile, 67.3% of participants perceived the latter (i.e., labour laws) as having a significant negative effect on businesses. This shows that the government of Kuwait must give serious consideration to revising and updating both the state policies that apply to SMEs and their relevant labour laws in order to provide more support for SMEs and give them further opportunities to grow. Doing so may enable entrepreneurs to start to fulfil their ambitions for business growth.

The second category of conclusions is about the various supporting resources that are available to Kuwaiti SMEs and the sources of those resources, i.e., government institutions, private sector institutions, and friends and family. The participants reported four supporting resources that government institutions were providing. These included both information and labour help. Nevertheless, in terms of the various resources examined, it was significant that the participants most commonly reported that the information resource was provided by family or friends (69.1%). That suggests that government sector institutions could do more to provide a higher quality of relevant information to enable SMEs to grow in Kuwait. When it comes to resources being provided by the private sector, the finance resource featured among the four resources being provided by private sector institutions. The results, therefore, suggest that the private sector appears to be a major source of financial help, but the question remains about whether

the level of that support is sufficient to enable SMEs to grow at a rate that would enable them to fulfil their potential within the Kuwaiti economy.

The third set of conclusions concerns the overall performance of SMEs and the quality of the support provided to the sector by government sector institutions. Despite the resources that were being provided by such institutions, the growth of SMEs in Kuwait was reported to be weak. This weakness was manifested both in terms of the number of staff employed by SMEs and the number of products that they offered. The underperformance of the SME sector collectively can be connected to the currently weak and low levels of support provided by Kuwaiti government institutions. It can be concluded on the basis of this research that this lack of support appears to be a significant factor contributing to the failure of SMEs in Kuwait.

Taken together, these various conclusions allow us to answer the main research question that this study set out to address, i.e., do institutions in the Kuwaiti government provide effective support for SMEs in the country? Overall, the results revealed that government sector support had a very limited, and sometimes even negative, impact on SMEs' growth in terms of the number of employees and the number of products. Based on the above findings, it can be concluded that government sector support institutions for SMEs in Kuwait are currently weak and are failing to provide the range, quantity and quality of resources that are needed to enable entrepreneurs and the leaders of small and medium-sized enterprises to develop their businesses. Consequently, the quality of that support needs to urgently be addressed in order to enable such enterprises to fulfil their potential to contribute to the growth and urgently required diversification of the Kuwaiti economy as it strives to move away from oil dependency and create new private-sector jobs for Kuwaiti nationals.

On the basis of the findings of this study, certain policy recommendations can be made to the Kuwaiti government to enable them to better fulfil their role of helping the SME sector in Kuwait to flourish. Policies that the government should consider include the following:

- Establishing a clear definition of an SME and using that definition to gather accurate statistical information that enables consistent conclusions to be drawn about the sector's growth. Such statistical information can also help researchers and policymakers alike to better identify the factors that cause growth and how such growth can be cultivated.
- Creating a holistic strategy for SME development that would bring together and coordinate multi-sectoral support for SMEs while also identifying and striving to provide any additional support requested by entrepreneurs. The strategy should be based

on regular surveys of entrepreneurs to gauge their opinions on available provisions and the future support they require. It should also be accompanied by an implementation plan that shows how the strategy's objectives will be achieved and how that achievement will be monitored and reported.

- Improving the quality of information services available to SMEs so that official, government-sponsored data is the main information resource that entrepreneurs turn to when seeking to grow their business (meaning that the government will replace entrepreneurs' families and friends as the main source of information for SMEs).
- Establishing a greater network of government-facilitated or approved training events to meet the identified needs of entrepreneurs. Such training events should be focused on developing the entrepreneurial skills and organisational characteristics that have been empirically demonstrated by research to be linked to SME growth.
- Launching a comprehensive review of the current legal regulations and state policies, which are perceived by entrepreneurs to be significant impediments to the development of the SME sector. Such a review should be completed in consultation with entrepreneurs, be informed by best practices from other contexts, and focus on creating a legal and policy framework that will enable Kuwaiti SMEs to develop.

This research also presents a challenge to Kuwaiti entrepreneurs themselves if they wish to see their own small and medium-sized enterprises grow and fulfil their potential on both an individual and a collective level. Although much of this paper has implicitly focused on what governmental and private sector institutions can do to provide better support, the challenge to entrepreneurs themselves is threefold. The first element of it is to both demand better support and make better use of the resources and support that is available. The second element of that challenge is for entrepreneurs to cultivate for themselves the personal characteristics that have been empirically shown to lead to growth for their enterprises. And the third element of the challenge to entrepreneurs leading small and medium-sized enterprises within the Kuwaiti entrepreneurial ecosystem is for them to cultivate within their own organizations the characteristics that have been shown in the present study to lead to successful development and growth.

Building on the conclusions of this study, further research is required to identify the best ways to provide the support that will enable SMEs to flourish. Such research should identify both the transferable lessons that Kuwait could learn from other contexts and determine how such

lessons could best be applied in the unique context of Kuwait's distinct economic, political, legal, technological, and cultural environment.

5.2. Limitations

All studies and their results are subject to limitations beyond researchers' control. In the case of the present study, there were five main limitations. Firstly, the lack of reliable statistical data and information sources presented challenges during the research journey. Secondly, the study was limited by the scarcity of literature on entrepreneurship in Kuwait, as is the case in most oil-producing countries. Thirdly, limited data are available on private sources of income for businesses in general and SMEs in particular. Such data were not easy to access, especially when they were not archived, and there were issues regarding their reliability. Fourthly, the failure of government sources to update their datasets regarding SMEs made it essential to obtain data from the entrepreneurs themselves, which presented challenges in terms of having to explain to them the reasons for needing to collect such data. Fifthly, the general culture of Kuwaiti society is still not prepared to deal with researchers with sincerity and professionalism and to give data credibly. This can be attributed to a lack of cultural awareness in society about the importance of such research and studies. These limitations impacted the research and made it more difficult to provide recommendations that would be suitable for the business environment in Kuwait.

6. NOVEL FINDINGS OF THE DISSERTATION

This research contributes to the general body of knowledge on the subject of small and medium-sized enterprises and entrepreneurship in the Kuwaiti context in the following five novel ways:

1) It comprehensively examined the entrepreneurship ecosystem in Kuwait, clearly defining the sector, showing how the growth of individual organisations within that sector can be measured, and examining the impact of four categories of factors on that growth (resource access, environmental factors, entrepreneurs' characteristics and SMEs' characteristics). Through that comprehensive investigation, the present study has produced new results that are highly relevant for both policymakers in Kuwait and the owners of individual SMEs within the country. For example, the findings show the negative perceptions that entrepreneurs have of Kuwait's state policies and work law, which they see as the main impediment to the growth of its SME sector.
2) The present study is the first to examine the relationship between the most important sources of growth for SMEs (i.e., resource access, environmental factors, entrepreneurs' characteristics and SMEs' characteristics) and the support provided by institutions in both the Kuwaiti government and the country's private sector. The findings show for the first time the extent to which entrepreneurs draw upon different providers for resources and the impact that those resources have on the development of their businesses, showing that although government support does have an impact on SMEs development, it is weak and needs to be further improved. For example, the findings highlighted the extent to which entrepreneurs turn to family and friends (rather than the government) for information. Similarly, the research also highlighted that the government's provision of training resources for SMEs was very weak.
3) This research represents the first exploratory investigation that highlights the mediating role that government institutions play in supporting SMEs in Kuwait. In doing so, it reveals the most important sources of growth for SMEs, their relationships to institutional support and the extent to which such businesses are negatively affected in the absence of support. By statistically tracing SMEs' growth from the time of their founding till now, the study revealed the general trend of a lack of growth across the sector in recent years, despite the increased policy focus of the Kuwaiti government.
4) Furthermore, this study has proved that the growth of SMEs, as measured by increases in their number of employees and the range of products and services that they offer, depends considerably on the extent of the support provided by the institutions of the

government, especially in terms of labour-related support, financial support, and the provision of reliable information and training resources. However, this study proved that Kuwaiti government institutions, in particular, did not provide the support required to enable SMEs to achieve growth. This key finding implies that the Kuwaiti government has much to learn from public sector institutions in other countries that have more successfully supported and developed their entrepreneurial ecosystem and, consequently, better unlocked the potential of their small and medium-sized enterprises to drive economic growth.

5) Finally, this research has proved that the following sets of factors play major roles in the growth of small and medium-sized entrepreneurial enterprises in the Kuwaiti context:
    - The characteristics of entrepreneurs (which were determined to be their ambitions, risk-taking capacity, self-confidence, ability to innovate, and sense of control over the events in their lives and careers)
    - The characteristics of their companies (which were determined to be how long it has been established, its staff training and development)
    - The institutional support that they receive and the extent to which it facilitates access to the resources that entrepreneurs require in terms of financial support, knowledge, and the information that will enable them to grow their businesses
    - Environmental conditions (which were determined to be the economic, political, legal, cultural and technological context within which the SME has been established and is now operating)

All of these elements constitute novel findings in the Kuwaiti context.

7. SUMMARY

As set out in the introduction to this paper, Kuwait is one of the world's foremost oil-rich nations. However, it urgently needs to diversify from its over-dependence on oil in order to ensure a future of economic sustainability. In that context, SMEs potentially have a major role to play in helping to address structural economic issues at an individual and national level and act as agents of future growth. However, despite that potential, the current economic performance of Kuwait's SMEs is unimpressive, contributing only 3% of the country's GDP, which compares highly unfavourably with some other high-income countries in which the equivalent percentage can reach as high as 50% (OECD, 2015).

In that context, the main aim of this research was to provide a unique viewpoint on the role of institutional support for small and medium-sized enterprises (SMEs) in Kuwait in terms of the nature of that support and the extent to which it influences growth. From that perspective, this study analysed the growth of SMEs in Kuwait by presenting an overview of the country's entrepreneurial ecosystem before proceeding to examine how four key aspects of that ecosystem influence the growth of SMEs. The four key factors used to examine how institutional support affects the growth of SMEs in Kuwait are those that influence the entrepreneurship process as a whole, i.e., environmental factors, access to resources, the characteristics of the entrepreneur, and the characteristics of the firm. The research's final key contribution to knowledge in this field came through conducting a survey to collect quantitative data for subsequent analysis.

To achieve its aim, the present study applied a quantitative research methodology, using a survey of entrepreneurs as its primary method of data collection. The data generated by the survey was then analysed to identify the features of Kuwait's entrepreneurial ecosystem and the role played by institutional support in terms of enabling resource access and impacting the growth of the country's SMEs.

Prior to developing, delivering and analysing the survey, a comprehensive review of the relevant literature was undertaken to inform the present study. That literature review focused on discussing the differing definitions of the concepts of entrepreneurship and SMEs and on identifying the factors that promote the growth of such enterprises. A wide body of research was reviewed that identified the importance of key factors related to the characteristics of the entrepreneurs themselves, the characteristics of their organizations, the environments in which they operated, and the resources that they were able to access. The literature review also

identified gaps in knowledge about the interactions between different factors and empirical evidence that proves how precisely they relate to growth (however that concept is defined and measured). Such gaps were particularly pronounced in the context of Kuwait, where the absence of a clear definition of what constitutes a small and medium-sized enterprise has further hindered research efforts.

On the basis of that literature review, the present study's conceptual framework was developed. That framework shows the hypothesised relationships between SME growth and the following four sets of factors: resource access, environmental factors, entrepreneurs' characteristics, and SME characteristics. The conceptual framework also showed why each of those sets of factors was hypothesized to lead to SME growth.

Following the literature review, the present study's survey was developed and administered. The final sample size consisted of 110 individuals who responded to a survey specifically designed to fulfil the purposes of this research. The survey consisted of six parts. The first dealt with the sample's characteristics in terms of general data and personal information. The second part was designed to evaluate the entrepreneurs' properties and contained three questions. The third part focused on supporting resources for SMEs (in terms of finance, labour, information and training) and covered the three providers of such resources (family and friends, government institutions and the private sector), that part also consisted of four questions. The fourth part was entitled network communications, and it consisted of four questions, each divided into the four resources being studied. The fifth part focused on SMEs' growth, which was represented in terms of two indicators: the number of employees and the number of products. Each SME was asked to report its number of employees and products when it started and currently, so that its growth could be measured. The final part of the survey consisted of questions about general support, and respondents reporting low or no support were asked to specify the reasons for that.

With regard to SMEs' growth, the results regarding the number of employees showed some limited development in terms of an increase in the number of companies in the above 50 employees category. 13.6% of the sample belonged to that category when they started out. Currently, the percentage in that category is 18.2%. In terms of the number of products offered by SMEs, the results showed evidence of very limited growth. When they were launched, 16.4% of the sample belonged to the above ten products category. Currently, that figure is 18.2%.

With regard to general support, the findings showed that most respondents (59.1%) rated government institutions' support as not very effective. The most important reason stated for this

(by 47.7% of the respondents) was that labour laws need updating. Overall, despite the resources that were being provided by such institutions, the growth of SMEs in Kuwait was reported to be weak.

Other key findings include the following:

- Entrepreneurs reported mainly turning to friends and family for the information resource, to government institutions for labour and financial resources, and to the private sector for training resources.
- Government support did impact SMEs' growth both at the outset and now, with the main impacts coming from the finance and information resources.
- However, overall the government resources were shown to be weak and insufficient to support the required growth in the SME sector in Kuwait. The quality of that support needs to be urgently reviewed and improved.

This study and its findings make five key, novel contributions to the body of knowledge on the subject of entrepreneurship and SMEs in Kuwait specifically.

1. Its definition and comprehensive investigation of the Kuwaiti SME sector enable it to provide powerful, empirical evidence to support the efforts of policymakers and other actors to enhance the country's entrepreneurial ecosystem in ways that unlock the potential of SMEs to contribute to growth.
2. The present study is the first to examine the relationships between the institutional support provided to SMEs in Kuwait and the most important sources of growth for such enterprises. The clear picture that it presents of those relationships should help to enable entrepreneurs to access the resources that they require.
3. This research clearly demonstrates the importance of government support in terms of creating growth in the SME sector and makes a very strong case for such support to be extended and deepened.
4. The research specifically identifies the importance of labour-related support, financial support, and the provision of reliable information and training resources for SMEs.
5. Finally, the present research has demonstrated the importance of entrepreneurial characteristics, organizational characteristics, environmental factors, and resource access in the context of SME growth. It thus challenges governments to provide support in all of these areas to entrepreneurs and challenges entrepreneurs themselves to demand

such support and cultivate their own characteristics and those of their organizations to achieve growth.

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List of Publications

- Ali M. M. S. Alajmi: Pay Determination In Relation To Labour Market And Pay Strategies, Network Intelligence Studies 8 (16) pp. 135-139, 2020
- Ali M. M. S. Alajmi, Peter Lengyel: Managing Employee Resources The Extent To Which Labour Flexibility Can Generate Employee Commitment, SEA Practical Application of Science 8 (24), 2020
- Ali M. M. S. Alajmi, Peter Lengyel: Employer-Employee Relations Effect On Production, Journal of EcoAgri Tourism ISSN: 1844-8577 Vol. 17, no. 2, 2021
- Ali M. M. S. Alajmi, Peter Lengyel: Workers Subordination, Loyalty and Productivity When Working For Entrepreneurs , International Journal of Advanced Research ISSN 2320-5407, Vol. 10 (08). pp. 1384-1389, 2022, http://dx.doi.org/10.21474/IJAR01/15310

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APPENDIX

QUESTIONNAIRE

Questionnaire before factor analysis

Dear Entrepreneur,

The questions you will find in this questionnaire relate to your field, as this questionnaire is a part of the doctoral research study titled "**The impact of SMEs projects on the national economy of oil countries and whether Public sector organizations support them. Case study of – Kuwait"**

The researcher would like to invite you to participate in this study by answering this questionnaire.

The researcher assure you that all your answers will be analyzed confidentially, as the researcher appreciate your kind cooperation.

Kind Regards,

Ali Alajmi

Ph.D. Student,

Email:alikeele@hotmail.com

First: Statistic questions

1) **Education:**

    a. Primary
    b. High school
    c. Diploma
    d. College
    e. High educated

2) **Your business income (monthly):**

    a. Less than 500 KD
    b. 500 – 1500 KD
    c. 1500 – 2500 KD
    d. More than 2500 KD

3) **Your business age?**

    a. 0-2 years
    b. 3-5 years
    c. 6-8 years
    d. 9 and more

4) **What is your business field?**

    a. Finance, real estate, services
    b. Agriculture
    c. Constructing and building
    d. Energy
    e. Social services
    f. Trade and contracting
    g. Munifactring
    h. Other : .....

Second: Properties:

1) To what extent do you belive yourself ?	little	normal	High
1. I like achievement and success			
2. I am confidence			
3. I am a Risk-taker			
Total			

2) How do you evaluate the cost of the following in your business	little	normal	High
1. Marketing			
2. Training			
3. Competitive			
4. Research			
5. install technology			
Total			

3) How would you describe the effect of the following on your business	Negative	No affect	Positive
State policy			
Market economy			
work law			
Society's culture			
Technology			

Third: Resources

1) Did you get the following resources from family and friends?		
	Yes	No
Finance		
Labor		
Information		
Training		

2) Are resources via family and friends have helped your business goals?		
	Yes	No
Finance		
Labor		
Information		
Training		

3) Which of the following resources did you obtain through government institutions or the private sector?	**Government**		**Private**	
	Yes	No	Yes	No
Finance				
Labor				
Information				
Training				

4) Are resources via government intitution or private sector helped your business goals ?	**Government**		**Private**	
	Yes	No	Yes	No
Finance				
Labor				
Information				
Training				

Fourth: Network communication

1) **Are you using the government (Gov.) or private sector to access the following resources?**

Resources	**Never**		**Occasionally**		**Sometimes**		**Often**		**Always**	
	Gov.	**Private**	**Gov.**	**Private**	**Gov.**	**Private**	**Gov.**	**Private**	**Gov.**	**Private**
Finance										
Labor										
Information										
Training										

2) **On a scale from 1 to 5, how often do you use your own contacts (family and friends) to access the following resources?**

Resources	1	2	3	4	5
Finance					
Labor					
Information					
Training					

3) **On a scale from 1 to 5, how would you rate your use of government institutions to access the following resources?**

Resources	1	2	3	4	5
Finance					
Labor					
Information					
Training					

4) **On a scale from 1 to 5, how would you rate your use of the private sector to access the following resources**?

Resources	1	2	3	4	5
Finance					
Labor					
Information					
Training					

Fifth: SME Growth

1) **How many employees in your firms at the beginning and now?**

At beginning	**From 1-5 employees**	**From 6-50 employees**	**Above 50**
Now	From 1-5 employees	From 6-50 employees	**Above 50**

2) **How many products or services in your firms at the beganing and now?**

At beginning	**From 1-5**	**From 6-10**	**Above 10**
Now	From 1-5	From 6-10	**Above 10**

Sixth: General support

1) **Is the support of government institutions for your business effective? If No , why?**
   - Yes
   - No

   Reason:

2) **Do you think that the private sector can support your business more than government institutions? Why?**
   - Yes
   - No

   Reason: