

The Level of Community Awareness Regarding the Impact of Business Incubators on Sustainable Development

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#### Abstract

Business incubators boost the economy by combining start-ups' entrepreneurial energy with traditional resources. Knowledge-based entrepreneurial firms drive economic growth and need particular business development services. Business incubators are the core of economic growth initiatives. They provide value by combining the startup's entrepreneurial drive with resources generally accessible to startups. Business incubators aim to commercialize innovations and create employment. This study examined Saudis' understanding of business incubators' role in sustainable development. This survey aims to determine the level of community knowledge about business incubators:

#### • How can business incubators aid socio-economic development?

The study sample included 200 society members. The research addresses society's managers and implementers of socio-economic development programs at all levels and sectors. Descriptive analysis achieves research aims. Thus, the study shows that business incubators as economic development programs are well-known. Most youth think business incubators are one of the finest social programs in first-world nations. Finally, young people, who are essential to society, can adopt the concept of business incubators and contribute to the development of qualitative and innovative projects that promote the state and protect it from global crises, security, and social stability. Many business incubators advise, encourage, promote, and nurture emerging businesses. This report suggests further research.

**Keywords**: Level of Awareness - Business Incubators - Sustainable Development - qualitative and innovative projects





#### **1- INTRODUCTION**

#### 1.1. Research Background

Several changes in the global economy as a result of globalization, technological advancement, accelerated innovation, and demographic trends necessitate the need to improve levels of entrepreneurship, which also plays a critical role in their improvement of growth and development. Entrepreneurship is a significant component in supporting poverty reduction, job development, and structural improvements in its setting. In essence, entrepreneurship is a valuable instrument for raising living standards and overall societal well-being. Furthermore, the formation of new ventures is an important strategy used by governments in the pursuit of long-term national economic growth and development. It is also critical for the growth and attainment of competitive economies at both the national and international levels. In the Kingdom of Saudi Arabia, for example, the year 2010 marked the beginning of a new decade of entrepreneurial activities and breakthroughs (KSA). The necessity to implement such key economic plans is to elevate the Kingdom to the ranks of the world's most competitive economies. This highlights the importance of the Kingdom's robust economy, which is powered by enterprise and ingenuity. In this environment, entrepreneurship is critical to developing countries' economic growth and development (Salem, 2014).

According to economic studies, small and medium firms account for around 92 percent of businesses in developing nations, while employing more than 80 percent of the entire workforce in such countries. As a result, there are strong signs and a need for developing nations to commit to cultivating the next generation of entrepreneurs, business leaders, and innovators in order to achieve sustainable growth and development (Michelle, 2003). The launch of numerous business assistance programs in the Kingdom of Saudi Arabia, for example, seeks to improve the performance of small and medium-sized firms, nurture talent and entrepreneurial abilities, and provide entrepreneurial training programs.

Business incubator initiatives, such as the Saudi Business Incubator Network initiative, are specifically designed to promote consistent entrepreneurship and innovation in order to foster the development of new businesses, which in turn leads to increased job opportunities and increased



economic growth. According to Alfantookh and Bakry (2013), supporting innovation and technology transfer through learning institutions, such as Saudi Arabia university incubators, boosts company growth. Furthermore, entrepreneurial training and programs, such as those offered by various business support programs, are required for new business startups. Saudi Arabia's government efforts for new commercial firms that achieve great results also serve as a motivator for such enterprises to achieve increased performance and long-term growth.

The influence of fostering an entrepreneurial environment in Saudi Arabia is spreading to adjacent regions. Major changes are evident in the Middle East and North Africa (MENA) region, where a new breed of young and highly innovative entrepreneurs is gradually reshaping the region's economic landscape while overcoming the challenges of longstanding assumptions that have been jeopardizing value creation and risk aversion in developing nations. As a result, this study examines business incubators in the context of Strengthening Entrepreneurship in the Region (Salem, 2014).

Followers of the economy have easily noted developments in most nations, particularly the significant shift toward small and medium-sized firms. Because of their cheaper costs, wide geographic distribution, and capacity to employ a large percentage of the workforce, these firms have a significant impact on investment and development, resulting in higher rates of economic and social progress. Furthermore, those businesses aided in the vertical and horizontal integration of various economic sectors, as a result, it was important for many nations to offer aid to those firms in order for them to overcome any difficulties that they may experience, which may lead to their collapse; one technique utilized was the establishment of support networks, which can take various forms, specifically, business incubators (Shokeir & Alsukaity, 2019).

This research study investigates the Saudi society's awareness of the role of business incubators in achieving sustainable development, So the Saudi Aramco has built the Wa'ed Center for Entrepreneurship, which coincides with the Saudi Vision 2030, as well as the Bader National Program for Technical Business Incubators. In addition to putting light on several crucial and successful experiences of business incubators in some Arabic and foreign nations, as well as giving the required methods for those firms in Saudi Arabia to benefit from support.





#### 1.2. Statement of Research Problem

According to several studies, entrepreneurs and start-ups confront a variety of problems throughout the early stages of beginning a firm. These issues are mostly connected to financial difficulties, a lack of market access, a lack of management abilities, a lack of institutional support, a poor product, a lack of finance, and a lack of employee motivation. These difficulties are not just harmful from a company standpoint, but they are also a source of worry for policymakers (Shepard, 2013).

To address these issues, many procedures, regulations, and tactics have been devised, one of which is the notion of "business incubators. "Company incubators focus on assisting entrepreneurs in addressing knowledge gaps in terms of fundamental company model/strategy; skills and training are required (Bergek and Norrman, 2008). Furthermore, they assist in presenting their ideas in a logical and feasible manner, allowing them to reduce their early operational costs and increase their chances of sustainability. The crucial relevance of business incubators has been recognized across the world, and their roles in new business creation, reducing business failures, and boosting the odds of business survival during the early phases of its foundation have been valued (Erlewine & Gerl, 2004).

Governments all across the globe have been committing significant resources to the establishment and operation of business incubators. For example, China and the United States each have around 2,400 and 1,500 incubators, which contribute to the development of start-ups. In 2016, the number of business incubators in India climbed by 40%, bringing the total to 140 (Sharma, 2017). According to the Global Accelerator Report 2015, around \$191 million was invested in more than 8,800 start-ups in various regions of the world. The key causes for this investment are the United States and Canada, the Middle East Region, Europe, Latin America, Asia, and Oceania (UBI, 2019).

One thing to note here is that, globally, 50% of incubators in the Middle East area are non-profit, compared to 25 to 35% of incubators in other parts of the world (Rose and Grof, 2016). This is due to the fact that the Saudi government funds a huge number of incubators. The number of

incubators in industrialized and developing countries has increased as a means of achieving competitive economies at the national and international levels. Saudi Arabia is one such economy that is attempting to promote robust growth and enter the worldwide list of global economic giants (Nawito, 2017).

The Kingdom of Saudi Arabia (KSA) has entered a new decade of entrepreneurship and innovation in order to reduce its reliance on the oil-based economy. Despite having the largest population and consumer spending share in the GCC (Gulf Cooperation Council), Saudi Arabia's start-up ecosystem is relatively small and nascent in comparison to its vast oil sector (Shepard, 2013). In this region, SMEs contribute only approximately 20% of GDP, which is significantly lower than in first-world countries, where SMEs contribute up to 70% of GDP. Aside from that, SMEs in the KSA frequently face complex administrative procedures as well as funding challenges. It is worth noting that only approximately 5% of start-ups in the KSA are backed by financial institutions (Alshathry, 2017). This demonstrates the difficulties of establishing a new business in the Kingdom of Saudi Arabia and raises an intriguing issue of how Saudi business incubators in this region effect start-ups.

It should also be mentioned that business incubators in Arab countries in general and Saudi Arabia in particular, have not fulfilled their duties (Al Shabrawy, 2010; Shalaby, 2012). As a result, it is critical to address the existing situation of business incubators in such nations.

#### **1.3.** Aim & Objectives:

The main aim of the research study is to investigate the degree of community awareness of the role of business incubators in achieving sustainable development. It also aims at fulfilling the following objectives:

- 1. Knowing the extent of community's awareness about business incubators.
- 2. Estimating the community's awareness of the role of business incubators in sustainable development.
- 3. Estimating the community's awareness of the role of business incubators in supporting and medium enterprises.





#### 1.4. Significance of Research

We can conclude the importance of the current study, which focuses on the role of incubators in supporting pilot projects in the Kingdom and providing all required assistance. Therefore, conducting such research regarding this topic is expected to have a high positive reflections and significance that can be summarized as in the following:

- The importance of the study stems from the fact that it sheds light on a very important topic, which is how to invest human minds and competencies, as human resources represent a prerequisite for achieving comprehensive development, and a country that is unable to develop its human resources cannot achieve its desired goals.
- 2. Entrepreneurship is one of the important strategies to achieve the optimal investment in people. It is a kind of economic empowerment that leads to the development and stimulation of the capabilities of individuals in their various forms and the creation of conditions that make them able to be active and real contributors to the processes of generating income and wealth in society.
- 3. Providing the necessary attention and care to entrepreneurship in general and small projects in particular is very important given the ability of this sector to contribute effectively to the development process in all its types and fields and to achieve a set of economic and social goals.
- 4. It is also one of the few specialized studies specialized in business incubators in the Kingdom of Saudi Arabia. Therefore, it serves as a starting point that encourages other researchers to conduct their studies to fill the deficit we currently have in this category, which in turn will lead to a significant positive impact on the Saudi economy in general.
- 5. This study agrees with the orientations of the development plans in the Kingdom that focus on stimulating the national workforce to represent the values of perseverance and patience to work, creativity, innovation and innovation in order to reach the level of knowledge employment required by the desired transformation towards the knowledge economy.





#### **2- LITERATURE REVIEW**

The role of incubators in economic growth has been substantiated by empirical research. When it comes to determining the influence of incubators on new companies, the KSA cannot be an exception. According to Salem (2014), business incubators in Saudi Arabia play a significant role since there are many startups and small and medium firms forming on a regular basis, yet the government in a developing nation like Saudi Arabia has so many legislations and regulations in place. So, these new ventures and other businesses require the assistance of someone with expert knowledge, someone who knows everything, and this is where an incubator comes in. (Salem 2014).

Shokeir and Alsukaity (2019) investigated the present status of Saudi business incubators and their role in supporting creativity in the leading institutions to fight unemployment and activate Saudization efforts. They found that the role of Saudi incubators in supporting projects is still very limited because of the lack of experience in addition to work to nonscientific methodology, the role of incubators is also limited to the establishment of social headquarters for project, Saudi incubators are not supported enough to be an effective mechanism to support projects. (Shokeir & amp; Alsukaity, 2019).

According to Elmansori (2014), business incubators help fledgling enterprises by offering information about the market and business environment. It helps them by offering tools, modern technology, shared spaces, and training programs that help them grow on the business route. Business incubation programs also offer substantial financial backing and legal expertise. As a result, they are a one-stop shop for businesses attempting to establish themselves in this competitive industry (Elmansori, 2014).

According to Al-Mubaraki and Busler (2012), start-ups and SME's lack experience and encounter difficulties in efficiently allocating their funds for administration, payroll, and market research. Business incubators enter the market to rescue emerging businesses from issues that may impede their future growth. Most start-ups and SME's lack specific abilities to deal with startup risk, and they also lack the necessary workforce to cope with such scenarios. In these cases, business



incubators assist entrepreneurs with their financial, management, and marketing abilities, as well as assisting them in dealing with any type of adversity (Al-Mubaraki & Busler, 2012).

According to Alshumaimri, Aldridge, and Audretsch (2010), technological progress is now the key to company success. People are now focusing on the competent use of technology and new innovations, as this focuses the country on new company start-ups, however SME's will not receive much funding to support these ideas, since this demands a large investment. Thus, business incubators enter the picture by providing financial assistance so that companies do not fall behind due to financial issues (Alshumaimri, Aldridge & Audretsch, 2010). In this regard, the Saudi government is enacting new policies and revising laws and regulations, all of which are contributing to the country's improvement. The government is also encouraging the usage of business incubators since they help to boost the economy and create employment.

According to Elmansori (2014), the primary purpose of a business incubator is to build successful businesses in terms of money, tools and technology, business environment, capabilities, and infrastructure. It strengthens any company and gives it the ability to stay steady in the face of any difficulty. Business incubators provide as a company's support system (Elmansori, 2014). Most Arab nations are confronted with several challenges, including a lack of resources, labor, and technological innovation, as well as an unpredictable financial market. Business incubators are assisting these countries in overcoming these challenges (Hamad & Arthur, 2011).

According to Rao and Kalyani (2017), Saudi Arabia's primary source of revenue is oil. In this work, men outnumber women by a large margin. Women, youth, and the elderly are not given equal opportunities, but with the advent of startups and numerous SMEs in a wide spectrum of open markets. Business incubators assist in providing office space, shared meeting space, a kitchen, a communal reception area, and a variety of other facilities that benefit nascent companies in developing countries (Rao & Kalyani, 2017).

Globalization, technological innovation, and changes in demographic trends exacerbate the demand for entrepreneurial improvement. Start-ups and fresh businesses are critical to any country's economic development since they provide jobs for new entrants. Entrepreneurship



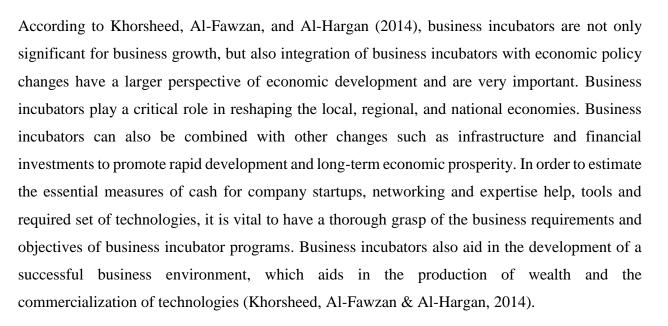
generates job possibilities, which aids in the reduction of poverty and the improvement of the living standard and general well-being of society. According to Martins et al. (2019), business incubators play an important part in economic development initiatives by assisting with resources in entrepreneurial drives of new enterprises. Business incubators give value to the business drive by commercializing technology and other resources that fresh start-ups demand. It has made significant contributions to Saudi Arabia's economic development, as the country's economic plan is built on innovation and high-growth commercial initiatives (Salem, 2014).

According to Salem (2014), Saudi Arabia has demonstrated a new pattern of entrepreneurial efforts and technical advancements in their business companies in recent decades. This has propelled the country to the top of the list of economically competitive nations in the globe. In this scenario, entrepreneurship is critical to the country's development and economic progress. According to several studies, small and medium firms in developing nations employ up to 80% of their employees and generate around 92% of their revenue. As a result, Saudi Arabia's business incubator efforts assist entrepreneurs in fostering talents and providing entrepreneurial training and skill development programs to promote new firms, resulting in new employment possibilities and increased economic growth (Salem, 2014).

According to kiseleva (2017), business incubator programs are the most dynamic facility that aids in the development of fledgling enterprises by giving assistance at their starting phases. Most significantly, the beginning stage is critical in any business, and incubators capitalize on the fact that new businesses are more likely to fail during their earliest stages

Elmansori (2014) contends that through incubators, entrepreneurs may transfer their ideas into extremely profitable and long-term company investments by receiving coaching during the development and growth stages. This reduces the failure rate of new businesses, particularly during their early stages. As a result, business incubators help fledgling enterprises succeed through managerial techniques, coordinated exposure to business concepts, technological assistance, and other resources. The Saudi government establishes business incubators to prevent the failure of new company initiatives and to enhance the nation's economic growth (Elmansori, 2014).





#### **3- MATERIALS AND METHODS**

#### 3.1. Research Design

This study uses the descriptive-analytic method a research methodology used in the social and human sciences to understand social and cultural phenomena. This method involves collecting reliable data from various sources, describing it accurately, and analyzing it carefully to uncover patterns and hidden meanings in the studied phenomena.

This method is considered a qualitative method, as it focuses on the detailed aspects of social and cultural phenomena and seeks to understand them through description and analysis, rather than focusing on quantity and statistics. (Christopher, Tippy, & Jupp, 2019).

#### **3.2. Research Population and Sample**

The research targets entrepreneurs and small business owners in the Kingdom of Saudi Arabia. The study sample was chosen to be a total of (192) Persons, based on the Random sample way in chosen.





#### 3.3. Data Collection tools

The researcher depended in this research mainly on the based questionnaire as a tool to collect the data. the questionnaire includes a set of items related to the degree of community awareness of the role of business incubators in achieving sustainable development, where this questionnaire was formed of two sections. The first section consists of the personal data of the participants, while the second section consists of paragraphs and axes of the study and consists of two domains as follows:

- Community awareness of business incubators.
- Community awareness of the importance of business incubators in achieving sustainable development.

The researcher used a "*5-points Likert scale*" for each item, there are 5 choices to determine the level of their consent. the answers give numerical indicators that represent the level of the answer on the item that are used to show the level of increase or decrease of the consent on the items of the questionnaire. the table (1) shows this.

Level of agreement	V. Low	Low	Medium	High	V. High 4.20 - 5.00 83.9% - 100.0%
Mean	1.00 – 1.79	1.80 – 2.59	2.60- 3.39	3.40 – 4.19	
RII	20.0% - 35.8%	35.9% - 51.8%	51.9% - 67.8%	67.9% - 83.8%	

Table (1): Level of agreement about Items according to mean value of answers

Hint: Mean: Mean of answers, RII= Relative Important Index (mean/5 \*100%).

The provided information gives a clear indication that if the mean is less than (1.79), it indicates a very low level of agreement. A mean between (1.80-2.59) indicates a low level of agreement, while a mean between (2.60-3.39) indicates a moderate level of agreement. A mean between (3.40-4.19) indicates a high level of agreement, and a mean equal to or greater than (4.20) indicates a very high level of agreement.





#### 3.4. Data Analysis Tools

After the completion of the survey, the quantitative data was obtained and checked for missing values, inconsistencies, and any response errors. A manual coding system was developed to ensure that each variable was coded correctly. The Statistical Package for Social Science (SPSS) was utilized for inputting and analyzing the quantitative data. The coded data was double-checked visually to ensure the accuracy of data entry. Descriptive statistics were computed for each variable, including checking the range for out-of-range values, performing frequency counts, analyzing the distribution to detect irregular responses and extreme values, and calculating means and standard deviations for accuracy.

#### 3.5. The validity and reliability

Internal consistent Means consistency of each paragraph of the questionnaire with the domain that belongs to that specific paragraph, so correlation coefficients have been calculated between the degree of each paragraph and the total score of the domain to which it belongs, in order to verify the validity of the questionnaire, the results indicate validity consistency of internal data in the study where values of correlation coefficient ranged for all phrases in all study dimension between 0.436 to 0.864, and these values were significant at 5% level, these results indicate the existence of the validity of the internal consistency of the questionnaire. Tables 2 and 3 illustrate this.

No.	items	Corr. Coefficient	Sig
1	Have you ever heard of business incubators in Saudi Arabia	.573**	.001
2	Do you have enough information about business incubators	.581**	.001
3	Business incubators help support and supply small and medium enterprises with some resources	.436*	.016
4	Business incubators help hone and improve the skills of the founder that will build a sustainable business by organizing comprehensive training programs in the field of business.	.589**	.001
5	Business incubators contribute to providing guidance and guidance to the founders of small and medium-sized companies to improve their skills and competencies	.529**	.003
6	Did business incubators help to communicate with some government agencies	.539**	.002
7	Do business incubators support and adopt new ideas	.661**	.000
8	Do business incubators provide a suitable environment for the establishment of small and medium enterprise	.809**	.000

#### Table 2: The internal consistency of the first domain.





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\*Correlation is significant at the level 0.05 (2-tailed) \*\*Correlation is significant at the level 0.01 (2-tailed)

#### Table (3): The internal consistency of the second domain.

No.	items	Corr. Coefficient	Sig
1	The business incubator helps diversify small and medium enterprises	.473**	.008
2	The incubator contributes to the development of various sectors in Saudi Arabia	.736**	.000
3	The incubator contributes to enhancing youth employment opportunities and reducing unemployment problems	.543**	.002
4	The incubator contributes to creating a strong network of influential people who can connect startups with companies and experienced people	.756**	.000
5	It helps small and medium-sized companies to face the administrative, financial, technical and marketing difficulties that usually face the incorporation stage	.788**	.000
6	The incubator helps connect small businesses to each other through knowledge-based business networks, as it acts as a bridge linking emerging and innovative projects to productive sectors, market movement and requirements	.864**	.000
7	Incubator companies contribute to survival and continuity by relying on themselves and reducing the failure rate in new projects	.707**	.000
8	The incubator accelerates business growth in various fields by promoting creativity and innovation	.815**	.000

\*\*Correlation is significant at the level 0.01 (2-tailed)

The value of Cronbach's alpha for the first domain 0.703, and in the second domain 0.852, and the overall reliability coefficient reached was 0.855. These results indicate the presence of high reliability in the data.

#### Table (4): Cronbach's Alpha to measure the stability of the study tool

Dimensions	No. of items	Cronbach Alpha (α)
Community awareness of business incubators.	8	0.703
Community awareness of the importance of business	8	0.852
incubators in achieving sustainable development.		
Overall reliability coefficient	16	0.855





It was conducted depending on the outcomes of SPSS

#### **4- RESULTS**

#### 4.1. Demographic Data

The results indicate that 37.5% of the individuals in the sample are male and the other 62.5% are female. The age distribution of the sample is as follows: 7.3% are less than 20 years old, 38.5% are aged 20-37, 26% are aged 27-35, 10.9% are aged 35-42, and 17.2% are aged above 42 years old. The results show that 71.4% of the sample have an undergraduate education, while 8.9% have a postgraduate education, and 19.8% have a high school education.

Table (1): The participants distribution according to the gender.

Gender	Ν	%
Male	72	37.5
Female	120	62.5
Total	192	100.0

Table (2): The participants distribution according to the age.

Age	Ν	%
Below 20 years old	14	7.3
From 20 to 27 years old	74	38.5
From 27 to 35 years old	50	26.0
From 35 to 42 years old	21	10.9
Above 42 years old	33	17.2
Total	192	100.0

Table (3): The participants distribution according to the education.

Education	Ν	%
High School	38	19.8
Undergraduate	137	71.4
Postgraduate	17	8.9
Total	192	100.0





#### 4.2. Community awareness of business incubators

Table (4.4) presents the descriptive statistics for the eight items related to "community awareness of business incubators". The item with the highest relative importance index (RII) and a mean score of 4.26 out of 5 indicates a very high level of importance. This item states that business incubators help in honing and improving the skills of founders to build sustainable businesses through comprehensive training programs in the field of business. Conversely, the item with the lowest RII and a mean score of 2.95 out of 5 indicates a medium level of importance. This item pertains to having enough information about business incubators. Overall, the analysis shows that "community awareness of business incubators" is rated as high. The mean score for this aspect is 3.87 out of 5, with an RII of 77.4% and a standard deviation of 0.67.





#### Table (4): Descriptive measurements of items of the "community awareness of business

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Ν	Item	S. D	D	Ν	А	S. A	М	SD	RII	LA	R		
1	Have you ever heard of business incubators in Saudi Arabia	5.7%	15.1%	27.1%	30.2%	21.9%	3.47	1.16	69.4%	High	7		
2	Do you have enough information about business incubators	8.9%	33.3%	25.0%	19.3%	13.5%	2.95	1.19	59.0%	Medium	8		
3 Business incubators help support and supply 3 small and medium enterprises with some resources		0.5%	9.4%	2.6%	55.2%	32.3%	4.09	0.88	81.8%	High	4		
4	Business incubators help hone and improve the skills of the founder that will build a sustainable business by organizing comprehensive training programs in the field of business.	0.5%	5.2%	2.1%	52.1%	40.1%	4.26	0.78	85.2%	Very High	1		
5	Business incubators contribute to providing guidance and guidance to the founders of small and medium-sized companies to improve their skills and competencies	1.0%	5.7%	1.6%	54.2%	37.5%	4.21	0.82	84.2%	Very High	2		
6	Did business incubators help to communicate with some government agencies	2.6%	18.8%	0.5%	52.1%	26.0%	3.80	1.10	76.0%	High	6		
7	Do business incubators support and adopt new ideas	1.6%	10.9%		49.0%	38.5%	4.12	0.98	82.4%	High	3		
8	Do business incubators provide a suitable environment for the establishment of small and medium enterprise	0.5%	11.5%	1.6%	56.3%	30.2%	4.04	0.91	80.8%	High	5		
	All items						3.87	0.67	77.4%	High			

Hint: M=Mean of answers, RII=Relative Importance Index ((Mean/5) \*100%), SD=Standard Deviation., LA= Level of agreement, R=Rank, S.D.

= Strongly Disagree, D= Disagree, N= Neutral, A= Agree, S. A= Strongly Agree



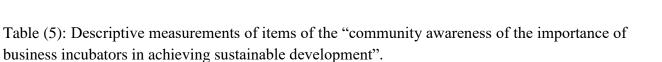


# 4.3. Community awareness of the importance of business incubators in achieving sustainable development

Table (4.5) presents the descriptive statistics for the eight items related to "community awareness of the importance of business incubators in achieving sustainable development". The items with the highest relative importance index (RII) and a mean score of 4.05 out of 5 indicate a high level of importance. These items highlight that the business incubator plays a significant role in diversifying small and medium enterprises and contributes to enhancing youth employment opportunities while addressing unemployment issues. Conversely, the item with the lowest RII and a mean score of 3.93 out of 5 also indicates a high level of importance. This item emphasizes that the incubator facilitates the connection between small businesses through knowledge-based business networks. It acts as a bridge, linking emerging and innovative projects to productive sectors, market movements, and requirements. Overall, the analysis reveals that "community awareness of the importance of business incubators in achieving sustainable development" is rated as high. The mean score for this aspect is 4 out of 5, with an RII of 80% and a standard deviation of 0.74.







N	Item	S. D	D	N	A	S. A	М	SD	RII	LA	R
1	The business incubator helps diversify small and medium enterprises	1.0%	1.6%	21.4%	43.2%	32.8%	4.05	0.84	81.0%	High	1
2	The incubator contributes to the development of various sectors in Saudi Arabia	0.5%	1.0%	27.6%	37.5%	33.3%	4.02	0.84	80.4%	High	3
3	The incubator contributes to enhancing youth employment opportunities and reducing unemployment problems	0.5%	2.6%	24.0%	37.0%	35.9%	4.05	0.87	81.0%	High	1
4	The incubator contributes to creating a strong network of influential people who can connect startups with companies and experienced people	0.5%	3.6%	20.8%	44.3%	30.7%	4.01	0.84	80.2%	High	5
5	It helps small and medium-sized companies to face the administrative, financial, technical and marketing difficulties that usually face the incorporation stage	0.5%	3.6%	20.8%	43.8%	31.3%	4.02	0.85	80.4%	High	3
6	The incubator helps connect small businesses to each other through knowledge-based business networks, as	1.0%	4.2%	24.5%	41.7%	28.6%	3.93	0.89	78.6%	High	8

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ourn	N	Item	S. D	D	Ν	A	S. A	М	SD	RII	LA	R	
		it acts as a bridge									Y	O H	Y OF
		linking emerging and											
		innovative projects to											
		productive sectors,											
		market movement and											
		requirements											
		Incubator companies											
		contribute to survival											
		and continuity by											
	7	relying on themselves	0.5%	4.2%	26.0%	39.6%	29.7%	3.94	0.88	78.8%	High	7	
		and reducing the											
		failure rate in new											
		projects											
		The incubator											
		accelerates business											
	8	growth in various	1.0%	3.1%	23.4%	42.2%	30.2%	3.97	0.87	79.4%	High	6	
	0	fields by promoting	1.0 /0	5.170	23.470	+2.2/0	50.270	5.91	0.07	1 2.4 /0	Ingi	0	
		creativity and											
		innovation											
	All	items						4.00	0.74	80.0%	High		
											U		

Hint: M=Mean of answers, RII=Relative Importance Index ((Mean/5) \*100%), SD=Standard Deviation., LA= Level of agreement, R=Rank, S.D = Strongly Disagree, D= Disagree, N= Neutral, A= Agree, S. A= Strongly Agree

In summary, the findings indicate a high level of community awareness and recognition of the significance of business incubators in supporting entrepreneurs, fostering innovation and growth, and addressing various challenges faced by startups and small businesses.

#### **5- DISCUSSION**

Business incubators are one of the supporting factors to the start-ups, since they provide technical and financial assistance for the new ventures. (Kulal, 2022). According to Knopp (2006) business incubator is "an economic development tool designed to accelerate the growth and success of entrepreneurial companies (start-ups) through an array of business support resources and services". Hence, business incubators are considered as a growth engine of the prosperity for the promotion of small-medium enterprises (Bruneel et al., 2012; Shannxi, 2016). However, most of the people are not aware of business incubators (Kulal, 2022). But the present study showed a high community awareness about business incubators. This is considered promising because awareness of business incubators and their role in the business world is an important factor for entrepreneurs to develop and advance their businesses.



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While, the students at Al Ain showed a medium knowledge of the concept of 'business incubators', where 74% of students provided a correct definition of the concept (AL-Tkhayneh, Alhajjaj & Aboutaleb, 2022). In another study in Gaza strip, Dahleez (2009) reported that only 38.46% of the students in their final year of bachelor education have information about business incubators, while (61.54%) of students didn't hear anything about it.

Kulal (2022) found that those students are not aware of the incubation center (Centre for Entrepreneurship Opportunities and Learning), Mangalore. The difference in the level of awareness between these mentioned studies may be due to the different places of conducting the studies, in addition to the different nature of the studied samples. There are many ways to raise awareness about business incubators, where AKACEM and MOSTEFAOUI (2018) reported that workshops and academic courses are the most effective tools for disseminating knowledge about business incubators. It's worth to mention that Business Incubators as an initiative that cannot succeed by the will of only one institution or individual, but they can be successful by the support and shared responsibility among the Government agencies, business associations, colleges, and full participation from the society.

The majority of the present study's participants agreed that business incubators help support and supply small and medium enterprises with some resources. For young businesses, business incubators are important supporters since they provide firms with physical facilities and intangible support. Business incubators improve the opportunities of incubated firms to identify missing resources and knowledge and to access scarce resources. In addition to enhance the opportunities of new ventures to acquire new and inaccessible resources. New opportunities of funding for incubated firms such as investment from venture capital also can be opened. All of that can be achieved by Networking and knowledge sharing (Pattanasak et al., 2022).

A possible explanation for the disappointing performance of incubators is that start-ups do not take full advantage of the resources offered by the incubator. In some cases, entrepreneurs are unable



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to use the incubator's resources to develop missing intangible resources where entrepreneurs are not aware of their resource gaps, reluctant to leave their comfort zone, and mainly short-term oriented. Therefore, to ensure that start-ups develop a comprehensive resource base, incubators supporting early-stage startups need to take an assertive strategy towards entrepreneurs, create self-awareness among them, and encourage them to make use of the incubator's resources (Van et al., 2017).

The present study demonstrated a very high level of awareness among community about the role of business incubators in providing guidance and guidance to the founders of small and mediumsized companies to improve their skills and competencies. The business incubators provide their clients with counseling and educational services (e.g., counseling related to the acquisition of funds for entrepreneurship, the creation of business plans, mediation with contacts, planning the marketing strategy, and the like) (Lesakova, 2012). This depends mainly on staff expertise of business incubator which provides qualified knowledge and skills for supporting tenants (Pattanasak et al., 2022).

The main reason of unemployment problem is the un-matching competence of human resources produced by educational institutions with the need of working market, because the used curriculum has not been oriented towards the working market yet. (Sudana et al., 2019). Creating of founder who have the entrepreneurship skills needs to provide real experience to learners by entrepreneurial learning business incubator model where learners will obtain actual knowledge about business management such as; administration and human resources to the marketing that can develop the established businesses (Abu-Jalil, 2017). In the present study, there was high level of awareness about the role of business incubators in hone and improve the skills of the founder by organizing training programs.

Micro, small and medium enterprises are increasingly optimizing external support to provide them with the necessary capabilities and knowledge to improve business competitiveness and profitability (Omar et al 222). External support is the assistance that provided to the enterprise



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from external parties, including the government. Many scholars suggest a positive association between external support and enterprise performance (Omar et al 222). Most direct external support is usually given in association with specific government policies or financial intermediary terms (Omar et al 222). The majority of participants in this study confirmed that business incubators help enterprises to communicate with some government agencies.

The present study revealed a high-level awareness in community about support and adopt of new ideas by business incubators. It is known that business incubators seek to generate an appropriate atmosphere for the development of innovative and creative capabilities and special skills through encouraging the spirit of innovation, creativity, and initiative. Business incubators also seek to develop an entrepreneurial spirit, instill and spread a love of self-employment in entrepreneurs, through enhancing and improving managerial talents and preparing them to adopt new ideas and willingness to take risks, thus produce advanced organizations that can develop a more understanding of the mechanisms of competition in the global market (AL-Shawabkeh, 2021).

Many previous studies mentioned the importance and contributions of business incubators in multiple business sectors and areas, which confirmed that these organizations play an important role in fostering sustainable economic growth in local, regional, and national levels and in social development (Scillitoe and Chakrabarti, 2010; Zahra and Wright, 2016; Sansone et al., 2020; Vaz, de Carvalho and Teixeira, 2022).

Business incubators showed significant and positive influence on sustainable entrepreneurship growth (Ahmed et al., 2022). Business incubators help the start-ups by providing services and access to knowledge resulting in survive their early stage and to create a solid foundation for sustainable growth (Deyanova et al., 2022). Lamperti, Sammut and Courrent (2023) reported that a sustainability orientation in business incubators may play a role in fostering sustainable development by the creation of new sustainability ventures.

In the present study, participants showed a high level of awareness about contribution of business incubators in the development of various sectors in Saudi Arabia. Saudi government has put

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innovative, high-growth businesses at the center of its economic agenda. Various types of business incubators are used in the Kingdom of Saudi Arabia in promoting business activities within the region, mainly in the establishment of new businesses and support for medium and small enterprises with low financial capacity (Salem, 2014). But it worth to mention that, the role of Saudi business incubators in supporting projects is still very limited because of the deficiency of experience and work to nonscientific methodology in addition to that the role of business incubators is limited to the establishment of social headquarters for project (Shokeir and Alsukaity, 2019).

According to the present results, participants showed high level of awareness of incubator contributing to enhancing youth employment opportunities and reducing unemployment problems. A previous study reported that business incubators participate in the promotion of the national economy and support institutions in activating the economic growth strategy accompanying the increase in job opportunities (AL-Shawabkeh, 2021). With an unemployment rate of 30% between Saudi citizen youth, entrepreneurship should be evolved, because higher entrepreneurship may expedite self-employment in new businesses and reduce unemployment (Bokhari, Alothmany & Magbool, 2012). As we mentioned earlier, business incubators play a major role in the development of entrepreneurship (Dahleez, 2009).

To achieve their endeavors, entrepreneurs need to communication skills and to communicate with related companies and experienced people. in this study, the community showed a high level of awareness about contribution of business incubator in creating a strong network of influential people who can connect startups with companies and experienced people. The business incubators help in connect small businesses to each other using knowledge-based business networks, as business incubators acts as a bridge linking innovative and emerging projects to productive sectors, market requirements and movement. Entrepreneurs can use network resources to produce or test ideas, identify market opportunities, develop new technology, gain legitimacy, and obtain access to financial funding (Pettersen et al., 2015). Hong et al. (2019) confirmed the significance of mutualism and its effect of rising cooperation among organizations to diffuse knowledge.



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In the present study there was a high level of awareness regarding the role of business incubator in acceleration business growth in various fields by promoting creativity and innovation. The study of Borish, Ahmed and Shehaib, Salma, (2019) found that business incubators are considered the most important ways to support innovations and innovations for emerging, small and medium entrepreneurial projects that help them continue and develop their competitive capabilities.

#### 6- Conclusion and Recommendations

#### 6.1. Conclusion

The study concludes that the respondents have a high level of awareness regarding business incubators. Respondents have a high level of awareness regarding the benefits business incubators (e.g. supporting and supplying small and medium enterprises with some resources, providing guidance and guidance to their founders, and provide a suitable environment for the establishment of their enterprise, in addition to, helping to communicate with some government agencies, supporting and adopting new ideas, and in helping hone and improve the skills of the founder). Moreover, respondents have a moderate level of information about business incubators. The respondents have a high level of awareness regarding role of business incubators in achieving sustainable development, and in in the development of various sectors in Saudi Arabia

The study concludes that the respondents have a high level of awareness regarding the role of business incubator in creating a strong network of influential people who can connect startups with companies and experienced, and in connecting small businesses to each other through knowledge-based business networks, as it acts as a bridge linking emerging and innovative projects to productive sectors, market movement and requirements.

In addition, the study concludes that the respondents have a high level of awareness regarding the role of business incubator in helping small and medium-sized companies to face the different difficulties that usually face the incorporation stage, and in contributing in their survival and continuity. Also, the study concludes that the respondents have a high level of awareness regarding.





the role of business incubator in accelerating business growth in various fields by promoting creativity and innovation.

#### 6.2. Recommendation

The study provided the following recommendations:

- Perform more research in the field of business incubators.
- Develop new ideas for business incubator projects.
- The government should establish more and more business incubation centers.
- Increase awareness about business incubators among the community and showing their economic and social importance.
- Increase the level of youth awareness of the culture of business incubators and motivate them to participate in.
- Encourage the start of small businesses and entrepreneurship, especially for young people.
- Incubators need to periodically evaluate their performance to identify their weaknesses and strengths, and address the weaknesses and to work to strengthen the strengths, to achieve their real goal.







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