

Assessing the Entrepreneurial Management amongst Bahrain SMEs

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Abstract

Entrepreneurship is widely regarded the catalyst of business prosperity and economies development. Accordingly, a high level of entrepreneurial management practices should lead to a high level of success, and vice versa. The entrepreneurial management construct (EM), conceptualized by Stevenson (1983) and operationalized by Brown et al (2001), is centered on the business opportunity and meant to measure both the individuals' and firms-level entrepreneurial behavior with regards to dealing with business opportunity in six dimensions; namely: growth orientation (GO), strategic orientation (SO), resource orientation (RO), management structure (MS), reward philosophy (RP), and entrepreneurial culture (EC). This study aims to verify the level of entrepreneurial management embraced by the small and medium sized enterprises (SMEs) in the kingdom of Bahrain. Based on the descriptive statistical analysis of 360 self-administered questionnaires, this study suggests that the vast majority of SMEs in Bahrain could be viewed as entrepreneurial. The dimensional investigations reveal that the SMEs propensity towards entrepreneurial management is at its most in the GO, followed by MS, then EC and RP, while it is slightly lesser in the SO and RO dimensions. This study contributes to the literature, empirically, by proving that the EM practices are applicable to any firm, regardless of its age, size, business activity, or ownership structure.

Keywords: Entrepreneurial Management, Entrepreneurial Behavior, Opportunity-Based Entrepreneurship, Bahrain SMEs.

Introduction

Entrepreneurship as a phenomenon has been of interest only for economists (Cherukara & Manalel, 2011). On the macro level, it has drawn extensive attention from different policy makers as it is viewed as a machine of economic development, and has the power to impose a full-bodied podium for economic growth through advancing the levels of innovation, employment, production, and wealth (İyigün, 2015). However, on the micro level, it aims at guaranteeing efficient exploitation of possessions and extending the borders of business endeavors (Vuuren & Alemayehu, 2018). Nevertheless, there are different theories and approaches in this field, hence, choosing the appropriate approach that has an impact on both macro and micro levels remains imperative for every nation.

The opportunity-based entrepreneurship, compared to the other forms of entrepreneurship practices, has been widely acknowledged as the most influential in terms of value creation to the firm, society, and the national economies growth (Rodrigues, 2018), and a catalyst to economic development within the single-income economies (Ghura et al., 2017). Specifically, the entrepreneurial management (EM) is centered on the opportunity and is regarded as the best behavioral approach that is conducive not only to the benefits mentioned above (Brown et al., 2001), but also to build dynamic firms capable to compete in rapidly changing environment as it is inclusive of practices that may enable the managers to utilize their skills in opportunity seeking and exploitation more than any other managers (Teece, 2014; Teece 2016). Nonetheless, both opportunity-based entrepreneurship and the EM are still empirically underdeveloped and only a handful of scholars have contributed to it.

George et al (2014) emphasize that the field is still immature. While Brown et al. (2001) clarify that little effort has been made based on EM, Gurbuz & Aykol (2009) assert that more work in different world sittings is still required for the purpose of validating the EM. Accordingly, the current paper intends to fill in an important gap in the literature by studying the construct of EM and its related dimensions in another context.

The paper is organized as follows. First, an extensively review on the literature to understand the background of EM and its relevance to the purpose of the study is presented, followed by the discussion on the research methodology which is employed for data analysis. Then, the analysis is presented and explained; and finally, the discussion and conclusion of the study are presented.

Literature Review

There are different entrepreneurship theories, such as creative-based entrepreneurship Ruiz (2015), knowledge-based entrepreneurship (Hayter, 2013), growth-based entrepreneurship (Petrakis, 2012; Hermans et al., 2015; Zheng & Musteen, 2018), growth-oriented entrepreneurship Stam & Stel (2009); Giotopoulos et al (2017), and necessity-based entrepreneurship (Fu et al., 2018; Zheng & Musteen, 2018); collectively, all of which could be categorized either to the Resource Exploitation Theory or the Opportunity Exploitation Theory (Ge et al., 2016).

Resource Exploitation VS Opportunity Exploitation Entrepreneurship

The theory of resource exploitation states that in order to compete among its peers, a firm must exploit its resources at the best and enhance its aptitude by exploring business opportunities on its own. Three dimensions are central in this theory: resource identification, acquisition, integration, and utilization (Ge et al., 2016). In other words, such firms are driven by experiential and tangible resources which are already possessed, allowing the entrepreneurs to develop and control a business venture in high efficiency by best transforming and adopting its resources. Consequently, these resources are the main criteria during problem solving and opportunities decision making.

The opportunity exploitation entrepreneurship is sometimes called opportunity-based entrepreneurship or *the high value-added entrepreneurship* due to its impact on job creation, innovation and economic development (Zheng & Musteen, 2018). It is defined as “an activity in which entrepreneurs continuously collect, integrate, and utilize available and/or new

resources in order to achieve more effective methods and more satisfying results” (Ge et al., 2016, p.4).

Classic Definitions of Entrepreneurship

Despite Penrose (1950)’s definition which certainly limits the entrepreneurship in small firms, most classic definitions of entrepreneurship hover around the individuality and “who” takes the initiatives to arrange “resources”. As illustrated in table 1, Cantillon (1755) mentions entrepreneur is a freelance combats further obstacle and balances its production pace with customer demand. Say (1803) indicates entrepreneurs transfer business possessions to higher productive areas with higher returns, through numerous complications and obstacles. Marshall (1890) distinguishes between entrepreneurs and managers and highlights similar characteristics.

In addition, Schumpeter (1911) who is regarded as the father of entrepreneurship (Kaya, 2015) points out that an entrepreneur carries out new arrangements while setting up his business, and leads business activities towards creating outstanding destruction in a predetermined market. Knight (1921) states entrepreneurs are extraordinary persons who manage business activities during uncertainty.

Interestingly, Liebenstein (1968) posits that there are two types of entrepreneurs: managerial who allocate resources efficiently, and Schumpeterian who response to market needs by providing new goods or services. Kirzner (1973) contends that entrepreneurial endeavors lead the market to balance as entrepreneurs explore feasible opportunities. Timmons (1978) clarifies that the process of entrepreneurship is driven by business opportunities while entrepreneurs manage the resources based on those possible opportunities. Casson (1982) reports entrepreneurs concentrate on making critical decisions while coordinating limited resources.

Table-1

Classic Definitions of Entrepreneurship

Key: I- Individual characteristics “who”; II- Resources driven; III- Behavioral “how”; IV- Opportunity driven; V-Demand driven; VI- Innovative; VII- Innovation is not a must; VIII- Entrepreneurship is firm’s expectation; IX- Entrepreneurship is individual aspect

| Author | Coverage | | | | | | | | |
|--------------------|----------|----|-----|----|---|----|-----|------|----|
| | I | II | III | IV | V | VI | VII | VIII | IX |
| Cantillon (1755) | √ | | | | √ | | | | √ |
| Say (1803) | √ | √ | | | | | | | √ |
| Marshall (1890) | √ | | | | | | | | √ |
| Schumpeter (1911) | | | √ | √ | | | √ | √ | √ |
| Knight (1921) | √ | | | | | | | | |
| Penrose (1950) | √ | | | √ | | | | √ | |
| Liebenstein (1968) | | | | | | | | √ | |
| Kirzner (1973) | | | | √ | | | | | |
| Timmons (1978) | | | | √ | | | | | √ |
| Casson (1982) | | √ | | | | | | | √ |

Source: compiled from relevant articles

Contemporary Definitions of Entrepreneurship

Although there are several definitions that follow the old stream by providing conceptions driven by resources Alvarez & Busenitz (2001) or focusing on traditional aspects, such individual characteristics Holcombe (1998); OECD (1998), another stream has shined since 1983 that extended the phenomenon of entrepreneurship to “how” the entrepreneurial firms/ managers deal with “business opportunities” instead of “who deal with “resources”. As shown in table 2, the new stream has paved the path to a behavioral-entrepreneurship driven by business opportunity.

According to Stevenson (1983); Stevenson & Gumpert (1985); Stevenson & Jarillo (1990) entrepreneurship is an approach to management in which they pursue business opportunities regardless of the resources currently at hand, and it is viewed throughout a set of factors found between individuals or within organizations. Clearly, this definition posits that the entrepreneurial extent could be observed in several behavioral factors that are measured in individuals or/ and organizations.

Miller (1983) views entrepreneurship as a management behavior that combines three key factors, namely innovation, risk-taking and reactivity. In turn, Gartner (1985) and Aldrich & Zimmer (1986) define it as the result of an individual’s action within an organization effected by the change in the regional environment. Baumol (1990) mentions it as an institutional decision to allocate entrepreneurial activities in an innovative manner. Holcombe (1998) posits that it is the outcome of entrepreneurs’ endeavors in promoting innovative products that is reflected in sophisticated economy. Finally, OECD (1998) indicates it is the entrepreneurs’ ability to arrange resources towards seizing new business opportunities. Wennekers & Thurik (1999) describe personal and situational characteristics in which the entrepreneurs must bear while working in uncertainty and manage the overall business aspect including the business setup and the arrangement of resources as to seize or create business opportunity. Shane & Venkataraman (2000) center their definition on business opportunity in which the entrepreneurship is about detecting, assessing and seizing of opportunities to launch new products and services or even enhance the internal production system.

On the contrary, Alvarez & Busenitz, (2001) emphasize on the rule of resources in the entrepreneurship by attributing the processes of identifying and exploiting business opportunities to the extent of how well the internal resources are managed, and hence, the entrepreneurship, according to them is driven by the resources. Reynolds (2005)’s definition is behavioral as he acknowledges the importance of opportunities identifying process as the corner stone in the entrepreneurial ventures. Likewise, Zahra et al (2006) provide a behavioral definition which states that an entrepreneurial firm is dedicated on the processes of identifying, seizing, and pursuing business opportunities.

Table-2

Contemporary Definitions of Entrepreneurship

Key: I- Individual characteristics “who”; II- Resources driven; III- Behavioral “how”; IV- Opportunity driven; V-Demand driven; VI- Innovative; VII- Innovation is not a must; VIII- Entrepreneurship is firm’s expectation; IX- Entrepreneurship is individual aspect

| Author | Coverage | | | | | | | | |
|---|----------|----|-----|----|---|----|-----|------|----|
| | I | II | III | IV | V | VI | VII | VIII | IX |
| Stevenson (1983)/ Stevenson & Gumpert (1985)/ Stevenson & Jarillo (1990) | √ | | √ | √ | | | √ | √ | √ |
| Miller (1983) | √ | | √ | | | √ | | √ | √ |
| Gartner (1985)/ Aldrich & Zimmer (1986) | | | √ | √ | | | | √ | √ |
| Baumol (1990) | | | | | | √ | | √ | |
| Holcombe (1998) | | | | | | √ | | | √ |
| OECD (1998) | √ | | | √ | | | | | √ |
| Wennekers & Thurik (1999) | √ | | √ | √ | | | | | √ |
| Shane & Venkataraman (2000) | | | √ | √ | | | √ | √ | |
| Alvarez & Busenitz, (2001) | √ | √ | √ | | | | | | √ |
| Reynolds (2005) | | | √ | √ | | | | √ | √ |
| Zahra et al. (2006) | | | √ | √ | | | √ | √ | |

Source: compiled from relevant articles

Classic VS Contemporary Definitions of Entrepreneurship

As illustrated in table 3, it could be concluded that most entrepreneurship scholars have recently tried to revive the Schumpeterian conception by focusing on the essential aspects in entrepreneurship matter to both micro and macro; namely the opportunities, the firm-level entrepreneurship, and the behavioral entrepreneurship. For instant, Stevenson (1983) posits that the entrepreneurial endeavors matter to both individuals (entrepreneurs) and firms (entrepreneurship).

Zahra (1993) develops his thoughts based on firm-level behavior, followed by Brown et al. (2001) who conclude that entrepreneurship has greater than before turned out to be established as a firm-level phenomenon as a result of comprehending that entrepreneurship is related to managers regardless of the size or the age of a given firm.

The Schumpeterian conception states the entrepreneurial activities introduce new product/feature, identify new internal processes, arrange new source of supply, and organize the firm in a new way (Mathews, 2002). As a result, the entrepreneurship’s scope that stands on different kinds of opportunities wider than the idea of innovativeness, as the creative destruction within a given market, could be achieved through value creation (Stevenson, 1983) and fulfilling market needs (Liebenstein, 1968). Therefore, the improvement of existing or traditional products is another entrepreneurial endeavor. It is noteworthy that the Schumpeterian conception regards the enhancement of internal processes as part of the opportunity recognition (Schumpeter, 1911).

Table-3

Comparison between Classic and Contemporary Definitions

| Classic Definitions | Criteria | Contemporary Definitions |
|-----------------------------|-----------|---|
| “Who” acts | Question | “How” to act |
| Individuals (entrepreneurs) | Player | Individuals and/ or firms |
| Resources | Driver | Opportunity |
| Innovation | Objective | Value creation to the firm and society. |

The Behavioral Entrepreneurship and the Entrepreneurial Management

It is commonly known that Stevenson (1983) has been the first to theorize the behavioral approach of entrepreneurship (Kuhn et al., 2010; Kaya, 2015). However, he is not alone in this approach; rather, Stevenson’s theory is usually compared with the perspective of Miller (1983) (Brown et al., 2001; Randerson & Fayolle, 2009; Gürbüz & Aykol, 2009; Kuhn et al., 2010; Hameed & Ali, 2011).

Miller (1983) theorizes the Entrepreneurial Orientation (EO) which posits that the degree of entrepreneurship is seen through the extent of taking risks, innovation and act proactively and, hence, establishes a scale to assessing these factors empirically which has been exposed to a series of modifications and development by Covin & Slevin (1986; 1988; 1989). However, both of Miller’s (1983) perspective and his scale have received a wide range of criticism:

- i) The instrument taps a mixture of current attitudes and past behavior (Brown et al., 2001)
- ii) Wiklund (1999) contends that the scale is not likely able to measure the type of construct that is really intended, and in addition, misleads the labeling of the scale.
- iii) Critical evaluation on face validity and factor analysis advocates that the proactiveness factor is vague (Lumpkin & Dess, 1996; 1997).
- iv) The innovativeness precisely shows dual effects of either strong or very weak predictor to performance, hence denoting susceptibility (Hameed & Ali, 2011).
- v) Although the instrument touches upon important features of the firm-level on entrepreneurship, it is not sufficiently inclusive (Zahra, 1993).
- vi) More importantly, neither the construct of EO nor its scale explicitly and directly address to what extent firms are involved in the recognition or exploitation of opportunity, whereas the contemporary definitions of entrepreneurship tend to center around the pursuit of opportunity as shown in tables 2 and 3. Explicitly, Covin & Slevin (1991) suggest that a firm’s entrepreneurial capability is, to a certain degree, restricted by its resources.
- vii) Innovativeness is the central dimension amongst three factors forming the EO (Linton, 2019). Thus, innovation is the key objective of EO. However, the present study posits that the innovativeness is not necessarily required to reach a creative destruction in a specified market.

Besides, his theoretical role in the behavioral entrepreneurship literature, Stevenson has been considered, along with Peter Ducker, as a main contributor in the opportunity-based theory of entrepreneurship; which posits entrepreneurs do not act to change but explore and exploit the opportunities which resulted in the change that emerges from social preference or technology evolution (Simpeh, 2011).

The entrepreneurial management (EM) theorized by Stevenson (1983) has been initially considered a broader framework of entrepreneurship (Brown et al., 2001) or a paradigm

(Stevenson & Jarrillo, 1990); inclusive of management practices. This could help the firms become vital by pursuing opportunities regardless of the resources currently at hand. This is believed to result in value creation for firms and society (Stevenson, 1983), and improve entrepreneurial activities (Stevenson & Jarrillo, 1990).

EM has been acknowledged recently as a coherent theory (Majid et al., 2008; Majid et al., 2011.a; Majid et al., 2011.b; Bradely et al., 2011; Hafiz & Ismail, 2015), because it does not limit the entrepreneurial activities in persons “entrepreneurs”, rather, it views entrepreneurship as a cohesive set of practices or a collection of activities that could be performed by individuals and firms within any organizations without considering the size at different ages (Stevenson & Gumpert, 1985; Stevenson & Jarrillo, 1986).

Stevenson (1997) advocates that holding unnecessary resources by a growing or well-established firm could turn into a powerful force which would limit the flexibility required for achieving sharp growth. Therefore, the entrepreneurial endeavors according to Stevenson should have the feature of short commitment to resources that enables an entrepreneur to complete a job and to move smoothly towards another promising opportunity (Stevenson, 1983).

The theory of EM posits that the entrepreneurial activities are a spectrum of managerial practices which range between a very entrepreneurial mode managed by a promoter, to a very administrative mode managed by a trustee (Stevenson, 1983). The differentiation between both could be realized in six dimensions demonstrated in the following sub-section. Based on the above, this study concludes that EM is rooted deeply into two directions of the entrepreneurship literature, the behavioral entrepreneurship and the opportunity-based entrepreneurship, as illustrated in figure 1. In addition, the study concludes EM is a multifaceted construct because its processes are applicable to both individuals and firms at any size, industry, and the age of establishment (Stevenson, 1997).

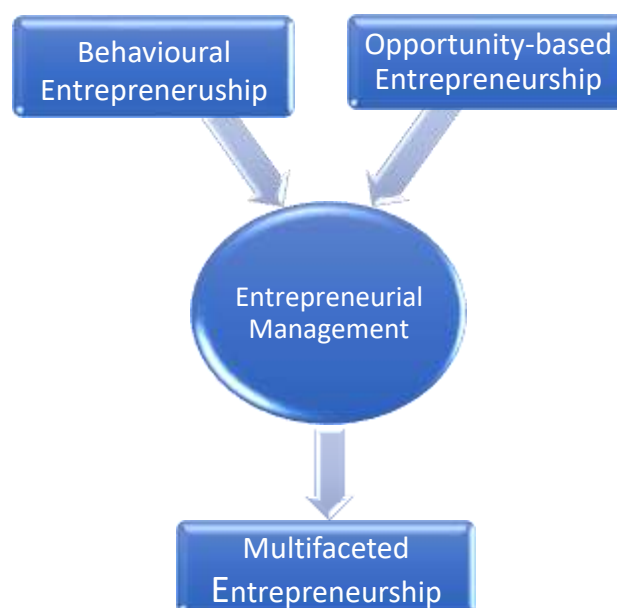


Figure-1 Implications of Entrepreneurial Management

Dimensions of Entrepreneurial Management

Stevenson (1997) posits that the EM could be measured by observing six dimensions of business practice, namely strategic orientation, commitment to opportunity, commitment of resources, control of resources, management structure, and reward philosophy. EM is not an extreme example; rather, a range of behavior that consistently falls at one end of a spectrum links a promoter with trustee. At one side, is the "promoter," who is confident about seizing an opportunity without considering the resources at hand. At the other side is the "trustee," who asserts the maximum exploitation of present resources.

The six dimensions have been originally conceptualized by Stevenson (1983), and has been restated by Stevenson & Gumpert (1985), and revisited by Stevenson (1997). However, Brown et al. (2001) have derived two more dimensions based on Stevenson & Gumpert (1985) and Stevenson & Jarillo (1986; 1990), namely Entrepreneurial Culture and Growth Orientation. Moreover, the operationalized version of the EM which has been developed by Brown et al. (2001) has merged Commitment of Resources and Control of resources into one dimension which is entitled Resource Orientation, while the dimensions of Commitment to Opportunity has been included in the Strategic Orientation due to the high similarities.

As shown in figure 2, the current study uses the six dimensions operationalized by Brown et al. (2001) who have developed the only instrumentation tool available for measuring the global EM, and is used thereafter in various studies (Eliasson & Davidsson, 2003; Harms & Ehrmam; Majid et al., 2008; Gürbüz & Aykol, 2009; Hameed & Ali, 2011; Majid et al., 2011a; Majid et al., 2011b; Hurst et al., 2013; Pratono & Mahmood, 2014; Hafiz & Ismail, 2015; Rashid & Mahmood, 2016; Rashid et al., 2018).



Figure-2 Dimensions of Entrepreneurial Management

Strategic Orientation (SO)

Strategic orientation defines the aspects that motivate a firm's articulation of strategy. A promoter is opportunity driven. His or her orientation is to say: "I will pursue opportunities

that exist in my environment without being constrained by the resources at hand". An entrepreneurial direction places the emphasis on opportunity. The entrepreneur does not have to innovate or create new ideas. Opportunity could also be found in reviving old designs or in creative use of old-fashioned styles. Conversely, a trustee is worried about how to use the resources under control. The social values and the rapid change in the technology are key drivers for promoter to pursue opportunities, whereas the trustee monitors the employees and resources in order to ensure that they are fully employed (Stevenson, 1983; Stevenson & Gumpert, 1985; Stevenson, 1997).

Stevenson argues that the innovation and creativeness are not sufficient as there are creative thinkers who cannot pursue opportunities, whereas the entrepreneurial manager does. Thus, moving on to exploit an opportunity is what really matters. A promoter prefers short time projects to be obligated in fewer responsibilities and more flexibility, but he traces an opportunity fast. The trustee in contrast is willing to pursue long term projects to ensure employing the resources at hand (Stevenson, 1983; Stevenson & Gumpert, 1985; Stevenson, 1997).

Resources Orientation (RO)

The promoter tends to make the most of the value creation by reducing the resources, thus, he is a risk taker in this strategy. Moreover, promoter is a multistage manager because of acquiring resources only after exploiting an opportunity, then, realizing the resources required. In contrast, the trustee works in high level of caution through rigid analysis prior to deciding on an opportunity, then s/he devotes large scale commitment of resource set that prevents him from being flexible as the promoter. Stevenson asserts that the uncommitted style of the promoter enables s/he to get competitive advantage through the current rapidly changing technology (Stevenson, 1983; Stevenson & Gumpert, 1985; Stevenson, 1997).

Promoter attempts to utilize the usage of the others' resources in learning what resources should be brought in-house. Promoter also learns which resources should never be owned or employed. On the contrary, the administrative tends to raise the ownership of a wide range of resources. Stevenson posits sometimes an organization needs temporarily special resources such as high-tech or equipment. However, using is often better than owning because it minimizes the risk associated with owning; yet allows for fixed costs (Stevenson, 1983; Stevenson & Gumpert, 1985; Stevenson, 1997).

i) Management Structure (MS)

Stevenson advocates that the success essentials are not restricted within the boundaries of an organization characterized with formal structure. To illustrate, decisions related to hiring and using resources rather than owning or employing them are likely compatible with a flat (informal) network of information and relationships as the promoter is interested to be informed about the various progresses through direct communication with all concerned individuals. On the other side, the trustee works in a domain where the resources are owned or employed, therefore, those resources should be organized in a hierarchal structure to enable the administrator to create relationships which stand on specific roles and tasks delegated carefully to draw a certain level of responsibility and authority (Stevenson, 1983; Stevenson & Gumpert, 1985; Stevenson, 1997).

ii) Reward Philosophy (RP)

Entrepreneurial firms contrast the administratively managed ones in their philosophy regarding reward and compensation. Entrepreneurial firms are obviously concentrated on value creation. Therefore, they tend to compensate based on performance because performance is thoroughly linked to the creation of value. On the other hand, the administrative firms are not inclined to maximizing or distribution of value. Rather, their decisions are often motivated by the aim of protecting the positions and maintaining margin of security. For this reason, the reward system focusses on the level of responsibility assigned to the individuals (e. g. number of units or resources controlled) besides short-term performance targets. The form of reward in those firms is typically about promotion, and assigning additional responsibilities (Stevenson, 1983; Stevenson & Gumpert, 1985; Stevenson, 1997).

iii) Growth Orientation (GO)

Promoters embrace entrepreneurial management because they believe it would help them attain sharp growth with fast pace, whereas the trustees think the growth could be sought out through the administrative style even though the growth they trace is often slow with steady mode because the fast pace makes them worried and cautious concerning the currently owned accumulated resources (Brown et al., 2001).

iv) Entrepreneurial Culture (EC)

Entrepreneurial firms promote the working environment that are full of ideas, exploration and creativeness, therefore, entrepreneurial culture is often found within successful firms where ideas are highly appreciated and are likely to be objectives in the processes of opportunity exploration and exploitation. On the contrary, if the firm is inclined with resources, the ideas are often considered valuable only when they are related to the use of those resources (Brown et al., 2001).

i. Entrepreneurial Management and SMEs

It is widely reported that high level of entrepreneurship endeavors and well-established SMEs have significant impact on economic growth development. Based on this conception; launching any new business venture should create new jobs opportunities, increased competition, and improved production (Vuuren & Alemayehu, 2018). On the contrary, Stevenson (1983) posits that the entrepreneurial value, economic development, and wealth creation could be created by organizations which embrace EM strategies that are reflected in a mode of management and set of practices (Brown et al., 2001) that differ from the traditional practices which are attributed to the resource exploitation theory. In other words, Stevenson (1997) posits that entrepreneurial management practices result in entrepreneurial activities.

Empirically, several causal studies have been conducted to examine the relationship between EM and SMEs performance and, therefore, confirmed that there is a link and/or positive relationship between them (Majid, Ismail & Cooper, 2008; Gurbuz & Aykol, 2009; Hameed & Ali, 2011; Pratono & Mahmood, 2014; Rashid & Mahmood, 2016).

Methods

This study has incorporated both secondary and primary data. Secondary data has been obtained from various scholarly works such as journal articles and books to provide a solid basis to shape the fundamental theory for the study. Secondary sources are of two types: first, chronological literature which covers the different theories and definitions of entrepreneurship. The second covers the scholarly works related to the behavioral entrepreneurship especially EM, including the fundamental papers of Stevenson and his colleagues, and the handful empirical studies which have been conducted within the past two decades. Besides, the primary data are explained below.

i. Sampling

Primary data are collected through email surveys and are used in the data analysis process so as to reach the final findings. This study targets the whole population of Bahrain SMEs which constitutes of 30,742 SME according to the sampling frame received from Bahrain Chamber of Commerce & Industry (BCCI). The respondents are the leaders of SMES, owners and managers of the sample SMEs. They have been chosen because they are the knowledgeable personnel, and should be able to respond to the self-administered questionnaire. Emailing the questionnaire is considered suitable because it is perceived as multiple solutions to avoid unnecessary expenses related to travelling, to cover a large sample of population, and to mitigate personal bias.

The sample was identified with the help of Bahrain Development of Small and Medium Enterprises Society (BDSME's Society), we were able to randomly send a copy of the questionnaire to 1,185 SME. 403 responses collected within six months. The response rate exceeds 34% which is considered acceptable according to Goyder (1985), especially in the business & management research where the unit of study, managers, is often busy (Mellahi & Harris, 2015). Nevertheless, only 360 sets of the questionnaire have been considered complete and useable.

ii. Research instrument

Research instruments are designed in order to assess the variables of interest using multiple-item-seven-point Likert scale with 1 being the lowest propensity to EM represented by strongly disagree, while 7 is the highest and represented by strongly agree). In other words, the scale is ranked in an ordinal continuum where the 7 points are ordered to the amount of the behavior possessed. As illustrated in figure 3, while 1 to 3 indicates an administrative behavior (trustee), 4 denotes undecided group, 5 to 7 indicates entrepreneurial behavior (promoter).

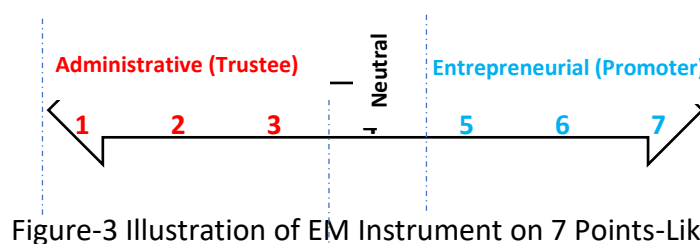


Figure-3 Illustration of EM Instrument on 7 Points-Likert Scale

The scale maintains the original version as developed by Brown et al. (2001), and the format of language has been designed in English and Arabic to have better feedback as the

respondents come from different nationalities. It has been translated through back-to-back translation method by two linguistics after a critical review conducted by ten experts for the purpose of content validity, five academicians and five practitioners, Although the scale has been used previously by several researchers (Gürbüz & Aykol, 2009; Hameed & Ali, 2011; Hurst et al., 2013; Pratono & Mahmood, 2014, Rashid & Mahmood, 2016), we conducted a Cronbach Alpha test by using SPSS to verify the reliability of the 20 EM items and hence, the result was 0.848 (see table 4), which indicates internal consistency (Taber, 2018).

Table-4

Reliability Statistics of EM Scale

| Cronbach's Alpha | N of Items | N |
|------------------|------------|-----|
| .848 | 20 | 360 |

The questionnaire is divided into 2 sections which consist of 30 items (questions) including the profile of participants, and entrepreneurial management scale (shown in table 5).

Table-5

The Structure of the Whole Research Instrument

| Section | Variable | Item |
|---------|----------------------------|------|
| 1 | Demographic | 10 |
| 2 | Entrepreneurial Management | 20 |
| | Total | 30 |

Analyses and Results**i. Demographic Profile**

Table A.1, summarizes the descriptive analysis of various demographic information of the 360 SME samples within Bahrain. The vast majority of SMEs, aged 20 and above is 157 (43.6%). A total of 21 of the response (5.8%), claim that they have been operating for 7-9 years. Thus, it is concluded that most SMEs are old-established companies with regards to operating commencement or the year of establishment. From the details presented in table 6, the convergent shares of participation in terms of firm-size, has the percentages of 31.1, 35.8, and 33.1 for the micro, small, and medium sized companies respectively, which indicates an appropriate sampling technique and proportionate chances of participation.

The results denote that 51.1% of the SMEs activity engage in this survey is pertinent to the services industry, and this constitutes 184 of the samples. Meanwhile, only 1.1% of the sample SMEs operate their business under agriculture activity. This study concludes that 171 or 47.5% of the respondents have business registration status of sole proprietorship; while 29 or 8.1%. participated firms are corporation companies, which are the least number.

Information related to respondents' characteristics is presented in table A.2. The analysis shows that the majority is aged 51 and above; 157 participations which accounted for 43.6%, whilst the lowest share is attributed to the age group between 31 and 35 with only 21 people forming 5.8% of the overall responses. Thus, it could be concluded that most SMEs are managed by seniors. Previous observation could be supported by total years of experience as, 131 people (36.4%) exceeding 20 years in the job field, whereas the least experienced group are 13 people accounted for 3.6%. Nevertheless, the results show that the experience with current company is mostly between 4- 6 years by 79 people or 21.9%, while the least

portion ranges between 16-18 years of experience by only 8.9%. In terms of nationality, the lion share goes to 326 Bahrainis representing 90.6% of the overall respondents, whereas others embody 34 people with only 9.4%.

The education level reveals that the baggiest share is accounted by Bachelor holders with 157 people, while there is only one person who holds middle school certificate, and nobody is found in primary school level. Thus, we presume that most survey papers are answered by highly qualified people, which adds extra credit to the reliability of this study. Moreover, the survey has been answered by 186 SMEs owners and 102 by managers representing 51.7% and 28.3% respectively, while the other 72 are positioned as middle managers not exceeding 20% of the overall respondents. Therefore, we conclude that the questions of the survey have been answered by the most knowledgeable group who are highly involved in the day-to-day work issues.

ii. Descriptive analysis on the adaption of EM and its dimensions

The sample SMEs have been surveyed to assess the prevalence of EM and its corresponding dimensions (growth orientation, strategic orientation, resource orientation, management structure, reward philosophy, and entrepreneurial culture) through the measures of central tendency (mean, mode, median, percentage and frequency); in order to illustrate the level of EM that is embraced amongst the sample SMEs based on the perception of their leaders (see tables 6 and A.3).

Table-6

Descriptive Statistics of the Level of EM Propensity of the Sample Firm

| | Frequency | Percent |
|--------------------------|-----------|---------|
| Administrative Behavior | 7 | 1.944 |
| Undecided | 30 | 8.333 |
| Entrepreneurial Behavior | 323 | 89.722 |
| Total | 360 | 100 |

- *Prevalence of overall entrepreneurial management (EM)*

As illustrated in Table 6, the vast majority of the sample SMEs have rated their firm as high in EM, with 323 (89.7%) of them rated at 5 or more on the EM scale. Only a minor part of the sample SMEs (1.9%) has classified “administrative” firms as at the lower side of EM continuum, which is at or below point 3. Collectively, the sample SMEs of Bahrain perceive their managerial behavior as “entrepreneurial” since the average rate is at 5.4 on the higher side of the EM scale.

- *Growth Orientation (GO)*

The propensity of GO has been surveyed among the sample SMEs. As demonstrated in table A.3, 92.2% of the sample SMEs have rated their growth behavior at point 5 or above, whereas 2.7% have rated themselves at the lower portion of the scale, 3 and below. On average, the sample SMEs have rated themselves at 5.86 on the GO scale, which denotes that they are inclined to the higher portion of GO continuum.

- *Strategic Orientation (SO)*

The SO propensity has also been verified. Table A.3 shows that 76.944% of the sample SMEs have rated at 5 or above on the SO scale, which means they perceived themselves as high in

SO scale. On the contrary, 6.39% have rated at 3 or below on the lower part of SO continuum. On average, the sample SMEs have rated themselves at 5.23 on the SO scale, which means that the tendency of most companies is found on the higher portion of the SO scale.

- *Resource Orientation (RO)*

The propensity of RO has been examined. Table A.3 illustrates the distribution of the scores is 74.72% (269 firms) of the overall sample SMEs. They are rated 5 and above, while only 3.61% are found at 3 and below. Comparatively, 21.67% are rated 4, which indicate that they are in the middle of SO continuum. On average, since the mean of the sample SMEs is 5.12, it could be concluded that the sample SMEs are inclined to the higher side of RO scale.

- *Management structure (MS)*

The inclination of MS is also examined. As shown in Table A.3, the majority of sample SMEs are rated 5 or more at the higher end of MS scale with 294 (81.67%). On the other side, 27 are scored at 3 and below with 7.5%. The average of scores (M=5.47) indicates that the sample firms perceive themselves as entrepreneurial on the MS scale.

- *Reward Philosophy (RP)*

The tendency of sample SMEs on RP is examined. As illustrated in table A.3, the vast majority scores 5 and above with 303 (84.17%) as they are rated at the higher end of the RP scale. On the contrary, a smaller proportion of the sample SMEs are rated 3 and below with 24 (6.67%) out of the overall sample. The average score (M=5.474) confirms that the inclination of the sample SMEs moves towards the higher side of RP scale.

- *Entrepreneurial Culture (EC)*

The examination of the tendency towards EC scale reveals that most of the sample SMEs are rated 5 and above with 307 SMEs (85.28%), while there are only 14 SMEs (3.89%) rated 3 or below (as shown in table A.3). On average, the mean of the scores (M=5.49) indicates that the sample firms are inclined to the higher end of EC scale.

- *Summary of the Prevalence of EM*

Figure 4 summarizes the prevalence of EM and its corresponding dimensions among the leaders of the sample SMEs, to understand the various scores and to compare between the dimensions. Since the mean scores of EM vary, from the histogram graph, they could classify the dimensions into 3 rankings based on their mode scores. At the top, the GO has reserved the first ranking by a score of 7. Second class is reserved by MS, RP, and EC by score of 6. Finally, in the third class, there are SO and RO with a score of 5. Collectively, the score of EM overrides the threshold of 4, and lies on the higher end of EM continuum with (mode= 5, mean=5.353).

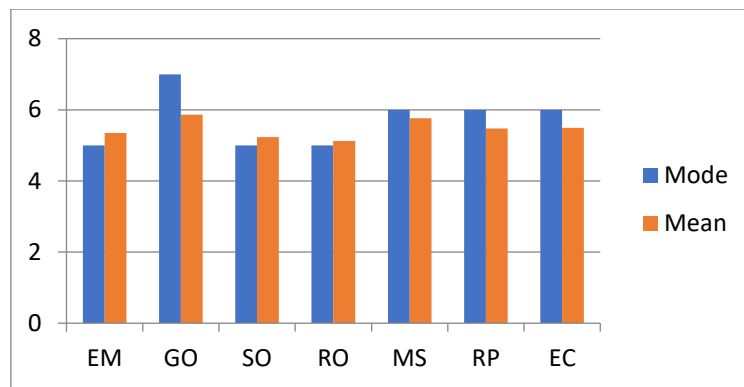


Figure-4 Scores on the EM Scale

iii. Descriptive analysis on the association between EM and categorical variables

One-way ANOVA test has been employed to evaluate the significant difference in the mean scores for different categorical variables such as business activity, ownership, and firm age across the EM. It is generally agreed, a significant value in the behavioral studies should be less than or equal to 0.05 (Hair et al., 2014), then it could be considered statistically significant difference among the mean scores of the given variable. Moreover, the effect size in ANOVA indicates the statistical impact in the strength of an association, whereas Eta squared is a common method used to denote such impact in the behavioral science by observing the difference level of the means scores (Brydges, 2019). Cohen (1988) classifies 0.01 value of eta squared as small effect, 0.06 is modest, and 0.14 is regarded as large effect.

- Differences in the mean scores of EM with regards to the business activity*

The results in 7 illustrates the one-way ANOVA test has been conducted to assess the association between EM and business activities. It is observed that the mean score for tourism is the highest (M=5.5818, SD=0.59635, N=11) while agricultural has the lowest mean scores (M=4.6750, SD=1.98557, N=4). In addition, a one-way between-groups analysis of variance (ANOVA) is employed to verify the significance of business activity to EM propensities. The subjects are listed in six groups based on their industrial domain. Table 8 reveals that there is no statistically significance difference between groups (F(5,354)=0.890, p=0.488). The effect size is determined by applying eta squared formula which shows the result as 0.025. Accordingly, it is concluded that there is a small effect as suggested by (Cohen, 1988).

Table-7

The Descriptive Statistics of the Differences EM Mean Scores with Regards to Business Activity

| | N | Mean | Std. Deviation | Std. Error | 95% Confidence Interval for Mean | | Minimum | Maximum |
|---------------|-----|--------|----------------|------------|----------------------------------|-------------|---------|---------|
| | | | | | Lower Bound | Upper Bound | | |
| Manufacturing | 61 | 5.3930 | .84472 | .10815 | 5.1767 | 5.6094 | 1.70 | 6.75 |
| Services | 184 | 5.3645 | .72144 | .05319 | 5.2596 | 5.4695 | 2.75 | 6.70 |
| Commercial | 79 | 5.3247 | .79617 | .08958 | 5.1464 | 5.5030 | 2.00 | 6.80 |
| Agricultural | 4 | 4.6750 | 1.98557 | .99279 | 1.5155 | 7.8345 | 1.70 | 5.80 |
| Tourism | 11 | 5.5818 | .59635 | .17981 | 5.1812 | 5.9825 | 4.50 | 6.25 |
| Real estates | 21 | 5.2833 | .77061 | .16816 | 4.9326 | 5.6341 | 4.25 | 6.50 |
| Total | 360 | 5.3549 | .77830 | .04102 | 5.2742 | 5.4355 | 1.70 | 6.80 |

Table-8

The one-way ANOVA of EM Mean Scores with Regards to Business Activity

| | Sum of Squares | df | Mean Square | F | Sig. | Eta Square |
|----------------|----------------|-----|-------------|------|------|------------|
| Between Groups | 2.701 | 5 | .540 | .890 | .488 | 0.025 |
| Within Groups | 214.764 | 354 | .607 | | | |
| Total | 217.465 | 359 | | | | |

- Differences in the mean scores of EM with regards to the SME ownership structure.

The results when applying ANOVA test show that the highest mean score is private limited (M=5.4680, SD=0.80968, N=57) whereas the lowest mean score is for corporation with M=5.1224, SD=0.67475 and N=29 (see Table 9). Subjects are listed in five groups according to their ownership structure. Table 10 shows that there has no statistically significance between groups (F(6, 353)= 1.448, p=0.196). The effect size is 0.024. Consequently, there is a small effect as suggested by (Cohen, 1988).

Table-9

The Descriptive Statistics of the Differences EM Mean Scores with Regard to the Firm Ownership Structure

| | N | Mean | Std. Deviation | Std. Error | 95% Confidence Interval for Mean | | Minimum | Maximum |
|---------------------|-----|--------|----------------|------------|----------------------------------|-------------|---------|---------|
| | | | | | Lower Bound | Upper Bound | | |
| Sole proprietorship | 171 | 5.4200 | .65851 | .05036 | 5.3206 | 5.5194 | 3.35 | 6.70 |
| 1.5 | 1 | 6.0500 | . | . | . | . | 6.05 | 6.05 |
| Partnership | 54 | 5.2255 | .73742 | .10035 | 5.0242 | 5.4267 | 2.75 | 6.65 |
| 2.5 | 1 | 4.6500 | . | . | . | . | 4.65 | 4.65 |
| Private Limited | 57 | 5.4680 | .80968 | .10724 | 5.2531 | 5.6828 | 2.00 | 6.60 |
| Corporation | 29 | 5.1224 | .67475 | .12530 | 4.8658 | 5.3791 | 3.90 | 6.60 |
| Family | 47 | 5.2729 | 1.14440 | .16693 | 4.9369 | 5.6089 | 1.70 | 6.80 |
| Total | 360 | 5.3549 | .77830 | .04102 | 5.2742 | 5.4355 | 1.70 | 6.80 |

Table-10

The One-way ANOVA of EM Mean Scores with Regards to the Firm Ownership Structure

| | Sum of Squares | df | Mean Square | F | Sig. | Eta Square |
|----------------|----------------|-----|-------------|-------|------|------------|
| Between Groups | 5.223 | 6 | .870 | 1.448 | .196 | 0.024 |
| Within Groups | 212.243 | 353 | .601 | | | |
| Total | 217.465 | 359 | | | | |

- Differences in the mean scores of EM with regards to the SME age

Table 11 shows that the results of ANOVA test for difference mean score of firm age. The highest score is 7-9 years of business establishment (M=5.6857, SD=0.71504, N=21) whilst

the lowest score is 13-15 years ($M=5.2971$, $SD=0.55500$, $N=34$). A One-way between-groups analysis of variance (ANOVA) is conducted to explore the significant of firm age to EM propensities. The subjects are listed in 7 groups based on firm age. Table 12 shows that there is no statistical significance difference between groups ($F(6,353)=0.770$, $p=0.594$). The effect size is 0.013 which is regarded as small effect (Cohen, 1988).

Table-11

The Descriptive Statistics of the Differences of EM Mean Scores with Regards to the Firm Age

| | N | Mean | Std. Deviation | Std. Error | 95% Confidence Interval for Mean | | Minimum | Maximum |
|----------------|-----|--------|----------------|------------|----------------------------------|-------------|---------|---------|
| | | | | | Lower Bound | Upper Bound | | |
| 1 to 3 years | 43 | 5.3622 | .76317 | .11638 | 5.1273 | 5.5971 | 2.75 | 6.55 |
| 4 to 6 years | 36 | 5.3243 | .54940 | .09157 | 5.1384 | 5.5102 | 4.50 | 6.65 |
| 7 to 9 years | 21 | 5.6857 | .71504 | .15604 | 5.3602 | 6.0112 | 4.20 | 6.70 |
| 10 to 12 years | 36 | 5.3826 | .66423 | .11071 | 5.1579 | 5.6074 | 4.10 | 6.65 |
| 13 to 15 years | 34 | 5.2971 | .55500 | .09518 | 5.1034 | 5.4907 | 4.25 | 6.30 |
| 16 to 19 years | 33 | 5.3970 | .83254 | .14493 | 5.1018 | 5.6922 | 2.80 | 6.70 |
| 20 and above | 157 | 5.3129 | .88294 | .07047 | 5.1737 | 5.4521 | 1.70 | 6.80 |
| Total | 360 | 5.3549 | .77830 | .04102 | 5.2742 | 5.4355 | 1.70 | 6.80 |

Table-12

The one-way ANOVA of EM Mean Scores with Regards to the Firm Age

| | Sum of Squares | df | Mean Square | F | Sig. | Eta Square |
|----------------|----------------|-----|-------------|------|------|------------|
| Between Groups | 2.811 | 6 | .469 | .770 | .594 | 0.013 |
| Within Groups | 214.654 | 353 | .608 | | | |
| Total | 217.465 | 359 | | | | |

- Differences in the Mean EM Scores with regards to the SME Size*

Table 13 shows the results of ANOVA test for difference mean score of the firm size. The highest score is for small-sized firms ($M=5.4347$, $SD=0.68614$, $N=129$) whilst the lowest score is for medium-sized firms ($M=5.2569$, $SD=0.89967$, $N=119$). A One-way between-groups analysis of variance (ANOVA) is conducted to explore the significance of firm size to EM propensities. The subjects are divided into 3 groups based on the number of employees. Table 14 shows that there is no statistical significance difference between groups ($F(2,357)= 1.640$, $p=0.195$). The effect size is 0.009 which is considered as small effect (Cohen, 1988).

Table-13

The Descriptive Statistics of the Differences of EM Mean Scores with Regards to Firm Size

| | N | Mean | Std. Deviation | Std. Error | 95% Confidence Interval for Mean | | Minimum | Maximum |
|--------------------|-----|--------|----------------|------------|----------------------------------|-------------|---------|---------|
| | | | | | Lower Bound | Upper Bound | | |
| 1 to 5 (Micro) | 112 | 5.3670 | .73346 | .06931 | 5.2296 | 5.5043 | 2.75 | 6.65 |
| 6 to 50 (Small) | 129 | 5.4347 | .68614 | .06041 | 5.3152 | 5.5542 | 4.00 | 6.80 |
| 51 to 100 (Medium) | 119 | 5.2569 | .89967 | .08247 | 5.0936 | 5.4203 | 1.70 | 6.70 |
| Total | 360 | 5.3549 | .77830 | .04102 | 5.2742 | 5.4355 | 1.70 | 6.80 |

Table-14

The one-way ANOVA of EM Mean Scores with Regards to Firm Size

| | Sum of Squares | df | Mean Square | F | Sig. | Eta Square |
|----------------|----------------|-----|-------------|-------|------|------------|
| Between Groups | 1.980 | 2 | .990 | 1.640 | .195 | 0.009 |
| Within Groups | 215.486 | 357 | .604 | | | |
| Total | 217.465 | 359 | | | | |

Discussion

The analysis of this study contains two sections; the first part is concerned with testing the prevalence of EM and its related dimensions among the sample SMEs, while the second concentrates on examining the association of overall EM with different categorical variables.

i. EM and its Dimensions

Since the mean and mode scores of EM are on point 5 out of 7 as shown in Figure 3, Figure 4 and Table A.3, the level of EM prevalence amongst the sample firms should not be considered premium, but relatively high. This is probably due to the SMEs age which has been established more than 20 years ago and the management embraces a mixture of traditional and contemporary managerial practices. Regarding the individual dimensions, the study offers some explanations to justify the variation in the level of EM embraced by Bahrain SMEs.

In terms of GO, the analysis reveals that it scores the highest records in this study. It denotes that most leaders of Bahrain SMEs perceive the growth as top priority, and trust EM approach could aid them to do so. In addition, the inclined answers in GO section denotes clear questions, as we attempted to adapt the items to suit the context of the study as recommended by Gürbüz & Aykol (2009, p.333) who emphasize that every context that reserves its features need to be considered while preparing the EM survey. For instance, regarding the item used by Brown et al. (2001) "It is generally known throughout the firm that growth is our top objective", has been rectified to be "Economically, everyone in the company knows the growth is our top goal". We deliberately added "economically" because the local culture in Bahrain does not accept essential goals out of domain, and people do not

appreciate an entrepreneur who thinks about earning income without considering the values that emphasize helping others and participating in the social concerns.

MS is the second ranked dimension in terms of SMEs tendency towards the entrepreneurial management. This might be linked to the smallness of Bahrain SMEs regarding the resources at hand, especially the human resources, as any company with staff members who do not exceed 100 employees is qualified as an SME. According to Stevenson (1997) “the accumulation of resources makes entrepreneurial behavior more difficult in a larger company”. Therefore, the limited resources, most probably, enable Bahrain SMEs to embrace EM concepts to work in flat structure.

Bahrain SMEs disclose relatively high entrepreneurial tendency towards EC. This could be linked to the flat management structure discussed above, which creates loose relationships between the leaders and subordinates where everyone is encouraged to communicate informally and exchange different ideas about business opportunities, the substantial concern of EM.

The inclination towards RP is also considered relatively high amongst Bahrain SMEs with mode 6 out of 7, because entrepreneurial firms tend to pay compensation based on performance rather than the number of responsibilities (Stevenson, 1997).

Compared to the previous discussion on dimensions, Bahrain SMEs show less propensity towards SO (Mean= 5.233, Mode=5) and RO (Mean=5.121, Mode=5). Although scoring 5 overruns the threshold of 4 in the 7-points Likert scale, the research is concerned about the level of awareness and adaptation of those two focal dimensions. This is because the definition of EM stands on SO and RO “pursuit of opportunity without regard to resources currently controlled” (Stevenson, 1983). Since SO is concentrated on chasing business opportunities, the results could be associated with the industrial distribution of Bahrain SMEs as the majority work locally in basic trading and simple operation services (Kasi, 2016). They depend on reselling/ using imported products and services (Naumann, Alubaydli, Abdulla & Alabbasi, 2018), without any consideration on the part of identifying business opportunities regionally or internationally (AlRabeei & Scott, 2011; Alyafie & AlMubarak, 2016).

RO is centered on hiring resources in a multi-staged commitment with a minimum commitment at each stage whenever there is an imperative need (Stevenson, 1997). Therefore, an entrepreneur in some cases tends to rent resources because he is focused on exploiting an opportunity instead of searching for a job to exploit accumulated resources. However, the term “renting” could be understood socially as lack of budget, which is embarrassing amongst businessmen. In other words, the study contends that even if some entrepreneurs hire resources, they should not disclose this orientation while answering the survey to avoid being embarrassed. Accordingly, the study recommends revisiting the statements of the items of RO in the questionnaire which has been developed by Brown et al. (2001).

ii. EM and categorical variables

The results which have been gathered in this section, show that there is a minor association of adapting the practiced EM by the sample SMEs across various firm characteristics, namely:

business activity, ownership structure, firm age, and firm size. Therefore, the study concludes that adapting EM is possible across various companies regardless of the industrial domain, ownership structure, age, and size. Thus, this study validates various statements in the literature which have been raised by Stevenson such as “entrepreneurship is an approach to management that could be applied in start-up situations as well as within more established businesses” (Stevenson, 1997), “with the different life cycles” (Stevenson & Jarillo, 1990), and “individuals who carry out entrepreneurial activities, no matter how they are defined” (Stevenson & Jarillo, 1990).

Conclusion

Entrepreneurship and SMEs play vital roles in the socioeconomic developments. However, there is no precise answer on which form of entrepreneurship has the major impact on the wealth creation of both SMEs and national economies. This study attempts to investigate this requisite question throughout the literature review and hence, concludes that the opportunity-based entrepreneurship is the most influential approach, especially the theory of Entrepreneurial Management (EM).

Additionally, this study put forth two specific objectives, first, to assess the level of entrepreneurial practices (EM) amongst Bahrain SMEs, and secondly, to verify the association between EM with various demographics. In order to reach the final conclusions, the design of the study is centered on collecting primary data through self-administered questionnaires, from 360 SMEs, which have been answered by their leaders. The results reveal that the mainstream of SMEs in Bahrain is entrepreneurial. The dimensional examinations reveal that the SMEs propensity towards EM is at its most in the GO, followed by MS, then EC and RP, and it is slightly lesser in the SO and RO dimensions.

Furthermore, the empirical statistical tests display the result in minor linkage between EM and the various organizational characteristics and hence, the study concludes that EM practices are applicable to any firm, regardless of its age, size, business activity, or ownership structure. Noteworthy that the preceding results validate important portions of the theory of EM which states that “entrepreneurship is an approach to management that could be applied in start-up situations as well as within more established businesses” (Stevenson, 1997), “with the different life cycles” (Stevenson & Jarillo, 1990), and “individuals who carry out entrepreneurial activities, no matter how they are defined” (Stevenson & Jarillo, 1990).

i. Limitation

Due to time constraints, the time frame of this study is cross-sectional. Therefore, we encourage future research to be conducted with longitudinal data. Furthermore, the influence of the opportunity-based entrepreneurship (especially EM) on SMEs performance and national economic developments requires further validation, in different sittings around the world.

ii. Future Study

Future research is encouraged to use longitudinal data analysis to further validate the results of this study. They are also encouraged to examine the influence of EM on various SMEs outcomes, such as SMEs performance. Mediating contemporary constructs in the relationship would contribute better in examining the actual influence of EM.

Annexures

Table A.1

Summary of the sample firm's characteristic

| Variable | Variable Value | Cases | Percent |
|----------------------------------|-----------------------|--------------|----------------|
| Age of firms (years) n=360 | 1 to 3 years | 43 | 11.9 |
| | 4 to 6 years | 36 | 10 |
| | 7 to 9 years | 21 | 5.8 |
| | 10 to 12 years | 36 | 10 |
| | 13 to 15 years | 34 | 9.4 |
| | 16 to 19 years | 33 | 9.2 |
| | 20 and above | 157 | 43.6 |
| Firm size n=360 | Micro | 112 | 31.1 |
| | Small | 129 | 35.8 |
| | Medium | 119 | 33.1 |
| Business activity n=360 | Manufacturing | 61 | 16.9 |
| | Services | 184 | 51.1 |
| | Commercial | 79 | 21.9 |
| | Agricultural | 4 | 1.1 |
| | Tourism | 11 | 3.1 |
| | Real estates | 21 | 5.8 |
| Ownership n=360 | Sole proprietorship | 171 | 47.5 |
| | Partnership | 55 | 15.3 |
| | Private Limited | 58 | 16.1 |
| | Corporation | 29 | 8.1 |
| | Family | 47 | 13.1 |

Table A.2

Summary of the respondent's characteristics

| Variable | Variable Value | Cases | Percent |
|--------------------------------|-----------------------|--------------|----------------|
| Age (years) n=360 | 25 and below | 43 | 11.9 |
| | 26 to 30 | 36 | 10 |
| | 31 to 35 | 21 | 5.8 |
| | 36 to 40 | 36 | 10 |
| | 41 to 45 | 34 | 9.4 |
| | 46 to 50 | 33 | 9.2 |
| | 51 and above | 157 | 43.6 |
| Nationality n=360 | Bahraini | 326 | 90.6 |
| | Others | 34 | 9.4 |
| Experience (years) n=360 | 1 to 3 years | 13 | 3.6 |
| | 4 to 6 years | 21 | 5.8 |
| | 7 to 9 years | 41 | 11.4 |
| | 10 to 12 years | 45 | 12.5 |
| | 13 to 15 years | 56 | 15.6 |
| | 16 to 19 years | 53 | 14.7 |
| | 20 and above | 131 | 36.4 |

Table A.2

Summary of the respondent's characteristics (Continue)

| Variable | Variable Value | Cases | Percent |
|--|-----------------------|-------|---------|
| Ex. with this firm (years) n=360 | 1 to 3 years | 63 | 17.5 |
| | 4 to 6 years | 79 | 21.9 |
| | 7 to 9 years | 41 | 11.4 |
| | 10 to 12 years | 44 | 12.2 |
| | 13 to 15 years | 37 | 10.3 |
| | 16 to 19 years | 32 | 8.9 |
| | 20 and above | 64 | 17.8 |
| Education n=360 | Primary school | 0 | 0 |
| | Middle school | 1 | 0.3 |
| | Secondary school | 43 | 11.9 |
| | Diploma | 44 | 12.2 |
| | High National Diploma | 16 | 4.4 |
| | Bachelor | 157 | 43.6 |
| | Master | 88 | 24.5 |
| Position n=360 | PhD | 11 | 3.1 |
| | Owners | 186 | 51.7 |
| | Top manager | 102 | 28.3 |
| | Middle manager | 72 | 20 |

Table A.3

Descriptive statistics of the prevalence of EM and its various dimensions

| Variable | Variable value | No. of cases | % of cases | Me an | Mo de | Med ian | Standard deviation |
|--------------------------------------|----------------|--------------|------------|-----------|-------|---------|--------------------|
| Overall EM (n=340) | 1 | 0 | 0.000 | 5.3 54 | 5 | 5.38 | 0.778 |
| | 2 | 3 | 0.833 | | | | |
| | 3 | 4 | 1.111 | | | | |
| | 4 | 30 | 8.333 | | | | |
| | 5 | 157 | 43.611 | | | | |
| | 6 | 145 | 40.278 | | | | |
| | 7 | 21 | 5.833 | | | | |
| Growth orientation (GO)/ n=360 | 1 | 0 | 0.000 | 5.8 63 | 7 | 6.00 | 1.123 |
| | 2 | 8 | 2.222 | | | | |
| | 3 | 2 | 0.556 | | | | |
| | 4 | 18 | 5.000 | | | | |
| | 5 | 64 | 17.778 | | | | |
| | 6 | 117 | 32.500 | | | | |
| | 7 | 151 | 41.944 | | | | |
| Strategic Orientation (SO)/ n=360 | 1 | 1 | 0.278 | 5.2 33 | 5 | 5.33 | 1.094 |
| | 2 | 7 | 1.944 | | | | |
| | 3 | 15 | 4.167 | | | | |
| | 4 | 60 | 16.667 | | | | |
| | 5 | 124 | 34.444 | | | | |
| | 6 | 108 | 30.000 | | | | |

| | | | | | | | |
|-------------------------------------|---|-----|--------|-----------|---|------|-------|
| | 7 | 45 | 12.500 | | | | |
| Resource Orientation (RO)/ n=360 | 1 | 0 | 0.000 | 5.1 21 | 5 | 5.20 | 0.970 |
| | 2 | 6 | 1.667 | | | | |
| | 3 | 7 | 1.944 | | | | |
| | 4 | 78 | 21.667 | | | | |
| | 5 | 140 | 38.889 | | | | |
| | 6 | 105 | 29.167 | | | | |
| | 7 | 24 | 6.667 | | | | |

Table A.3

Descriptive statistics of the prevalence of EM and its various dimensions (Continue)

| Variable | Variable value | No. of cases | % of cases | Mean | Mode | Median | Standard deviation |
|--|----------------|--------------|------------|-----------|------|--------|--------------------|
| Management structure (MS)/ n=360 | 1 | 3 | 0.833 | 5.76 5 | 6 | 6.00 | 1.141 |
| | 2 | 9 | 2.500 | | | | |
| | 3 | 15 | 4.167 | | | | |
| | 4 | 39 | 10.833 | | | | |
| | 5 | 90 | 25.000 | | | | |
| | 6 | 147 | 40.833 | | | | |
| | 7 | 57 | 15.833 | | | | |
| Reward Philosophy (RP)/ n=360 | 1 | 3 | 0.833 | 5.47 4 | 6 | 5.75 | 1.254 |
| | 2 | 8 | 2.222 | | | | |
| | 3 | 13 | 3.611 | | | | |
| | 4 | 33 | 9.167 | | | | |
| | 5 | 82 | 22.778 | | | | |
| | 6 | 123 | 34.167 | | | | |
| | 7 | 98 | 27.222 | | | | |
| Entrepreneurial Culture (EC)/ n=360 | 1 | 3 | 0.833 | 5.49 3 | 6 | 5.50 | 1.204 |
| | 2 | 5 | 1.389 | | | | |
| | 3 | 6 | 1.667 | | | | |
| | 4 | 39 | 10.833 | | | | |
| | 5 | 83 | 23.056 | | | | |
| | 6 | 120 | 33.333 | | | | |
| | 7 | 104 | 28.889 | | | | |

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