
Factors affecting entrepreneurship in emerging economies: a case of Dubai

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Abstract: This paper explores the antecedents of entrepreneurial success in emerging markets. Drawing on the objectives, methodology and data (OMD) approach, the study uses principal component factor analysis together with varimax rotation to investigate success factors underpinning entrepreneurial activities in Dubai. Using a random sampling technique, 550 entrepreneurs from various industries within the business enclave of Dubai were selected as respondents. The findings indicated that the creation of entrepreneurial success required visionary leadership, government support for new businesses ventures, opportunities to create own destiny, opportunities to reap substantial profits and opportunity to contribute to society. The study confirms that entrepreneurship is a hazardous venture with uncertainty and risk but there are financial rewards as well.

Keywords: entrepreneur; emerging economies; innovation; individual factors; career intentions, brand Dubai.

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1 Introduction

While entrepreneurship has been found to be the hub around which businesses and economies revolve, factors that actually contribute to the success of entrepreneurs are still a subject of debate among scholars and practitioners (Makhbul and Hasun, 2011; Stefanovic et al., 2010; Dafna, 2008; Jong and Hartog, 2007). In particular, there is disagreement regarding the definitional boundaries (Rivera-Santos et al., 2015) and the dimensions along which entrepreneurs in emerging economies succeed in the mist of world economic disorder (Dacin et al., 2010; Mair and Martí, 2006; Santos, 2012; Zahra et al., 2009). On one hand, some believe that successful entrepreneurs across the world have various outstanding qualities as attributes, such as decision making, innovation, good communication, self-confidence and independence (Hisrich, 2004). On the other hand, some see it as mere economic fortune and that some people succeed in their developmental objectives based on economic endowment (Chandler et al., 2011; Smit, 2010).

Although the quantity and quality of entrepreneurship research has increased dramatically over the last two decades, entrepreneurship research is still almost exclusively-focused on North American and European regions (Bruton et al., 2008). The exploration of domains outside of these two developed economic regions remains extremely limited. In particular, little is known of entrepreneurship in emerging economies, that is economies that are increasingly moving to market orientations and rapidly advancing economically (Bruton et al., 2008). For example, several East Asian economies with large ethnic Chinese populations are considered emerging. These populations are well-known for their excellence in entrepreneurship, and yet there have only recently been significant attempts to understand their organisational and entrepreneurial methodologies (Ahlstrom et al., 2004; Yeung, 2002).

Considerably, other parts of the developing world are experiencing similar growth spearheaded by entrepreneurship, but an understanding of them remains equally limited. Further, Wilson and Purushothaman (2003) argue that by 2050, the economies of Brazil, Russia, India and China (the 'BRIC' economies) will be larger than that of the G-6 countries, namely, USA, Japan, Germany, UK, France and Italy. Notwithstanding, research has been extremely limited on these BRIC economies, particularly on Brazil, Russia and India. Further, Peng (2000) argues that researchers should not assume that findings in developed economies will be equally-applicable to emerging economies. Hence, research findings known from the world's developed economies may not readily apply to entrepreneurship in emerging economies. Thus, there is a strong need to develop an understanding of entrepreneurship in emerging economies.

Another motivation for our study is that emerging economies provide a unique, quasi-experimental context for testing existing theories. However, too often, emerging economies are treated as a set of uniform block. Emerging economies may share some

similarities, but they also have distinctive characteristics. Each country's history, size and economic munificence differ, as do their economic development paths. In addition, there is a need to develop an understanding of these differences and their impacts. However, where there are also similarities that various economies share, these too should be established. Therefore, there is a need for a more fully-developed understanding of the nature and degree of difference between emerging economy entrepreneurship and mature economy entrepreneurship. There is also the need to understand future implications for these economies. It is argued by Friedman (2011) that the differences between countries and between mature and emerging economies will decline over time as globalisation, information technology and other improved lower-end innovations become widely available to the developing world.

Dubai in the United Arab Emirates (UAE) is well-known to be quite an exemplary case of entrepreneur success. Even in the mist of financial and economic crises, Balakrishnan (2008) posits that the city seems to be an international business phenomenon, and a global entrepreneurial destination, comparable to celebrated cities and states of the world such as New York, London, Paris, Tokyo, Beijing, Moscow, New Delhi, Mumbai, Singapore and Hong Kong in terms of infrastructure and other holdings.

Within the context of the premier business centre of Dubai, this paper explores the entrepreneurial factors that make Dubai a global entrepreneurial destination. The purpose is to determine the factors that account for the entrepreneurial success (Makhbul and Hasun, 2011) of the city so other emerging economies can learn from their success story. The study therefore seeks to answer the question: what are the factors that influence Dubai's entrepreneurial success?

For the remaining sections that follow, we discuss the entrepreneurial environment and the factors associated with Dubai business environment that make it an outstanding entrepreneurial and business-centre, using an objectives, methodology and data (OMD) approach. Then we examine factors that influence entrepreneurship as a way of gaining an understanding of the reasons why an emerging economy like Dubai stands out in the entrepreneurial and business world.

This is followed by description of the specificities of the Dubai brand environment, considering the socioeconomic and political contextual dimensions.

The final section discusses the implications of the study for entrepreneurship and the management field more specifically.

2 Literature review

Economic theory has been used extensively for research in entrepreneurs owing to the opportunities it provides to recognise entrepreneurship from economic perspectives. Two dominant theories emerge from economic theory, namely, the neoclassical equilibrium theory and the Austrian theory. Neoclassical equilibrium theory assumes that everyone can recognise all entrepreneurial opportunities but it is an individual's risk-disposition that governs who becomes a successful entrepreneur (Kihlstrom and Laffont, 1997). However, traditional neoclassical equilibrium theory, according to Eckhardt and Share (2003), fails to explain the framework of entrepreneurship and the existence of entrepreneurial opportunities. The Austrian theory is based on methodological individualism and posits that social phenomena occur as a result of the way individuals are motivated and their actions. Therefore, individuals who do not pay

attention to changes within the business environment tend to lose many opportunities, whereas those who recognise the existence of opportunities in the external environment and value them, potentially profit from those opportunities (Ardichvili et al., 2003; Shane and Venkataraman, 2000; Shane, 2000). Hence, for an entrepreneur to succeed, the individual requires special insight and knowledge to discover and recognise entrepreneurial opportunities (Ulhøi, 2005).

Economic theory has not been able to fully explain opportunity recognition; therefore, scholars have adapted two other social sciences to create theoretical frameworks to buttress the process of opportunity recognition. This has been done through the lenses of personal cognitive framework and social context. Therefore, research from the psychology perspective has sought to explore why some individuals can recognise entrepreneurial opportunities while others in the same corporate context lack the capability to perceive opportunities. The majority of entrepreneurial opportunity recognition literature has focused on psychological variables, such as personality traits that may influence individuals to exploit opportunities (De Carolis and Saporito, 2006). Consistent with the evolving nature of these theories, there have emerged in international and business management theories the concepts of institutional theory, resources-base theory and transaction cost theory.

Within these theories, entrepreneurship and development, branding, entrepreneurial efforts, visionary leadership in the emerging economy of Dubai are explored in this study.

2.1 Entrepreneurship and development

The history of economic development and business growth can be traced back to the industrial revolution (1776–1830) with the publication of the classic book on development and economics, *The Wealth of Nations* (1776) by Adam Smith who is credited with ushering in the era of development with its laissez faire philosophy. Economic development is also reflected in the rising national and per capita income (Kuznets, 1979) of Dubai making it possible to disperse its wealth for its citizens equitably. Without exaggeration, Dubai has witnessed a phenomenal growth, setting an example for the rest of emerging economies.

The term emerging economy is used often in international and business management literature, but most scholars are evasive in providing a definition for the concept, perhaps thinking it is well-known and understood implicitly. However, some authors have focused on different emerging-economy aspects, while others have attempted to define the term by providing attributes instead of clear definitions. In the process, emerging markets have been viewed through the lenses of less-developed markets, and classified as economies with a huge space for growth, markets that initiate a high degree of growth in an attempt to 'emerge' as a market economy through the process of economic (and political) reforms (transition economies need to understand future implications for these economies). Attempts have also been made to differentiate emerging economies from other economies by seeing them as economies with huge potential for growth, which could be expressed through differences between obtained levels of economic development evident by purchasing power parity. However, the common denominator for all the classifications and distinctions is the driving force behind emerging economies, which is the quality of economic (and political) reforms. To summarise, emerging

markets are said to be countries enjoying rapidly-improving living standards and a growing middle class with rising economic aspirations.

Therefore, emerging markets can be defined as a subset of former developing economies that have achieved substantial industrialisation, modernisation and rapid economic growth differentiated by the degree of economic development and per-capita income.

Within the context of this definition, Dubai can be classified as an emerging economy, which is worth being considered for its entrepreneurial drive.

Dubai has become a focus and more integrated into international trade and finance (Lawa et al., 2014) given the important role it plays within the Gulf Corporation Council in terms of population and economic size as well as addressing its developmental objectives effectively. Whilst many countries around the world, especially the advanced economies, are struggling to cope with near zero and negative growth rates, arising from the current entrepreneurial and financial crisis, Dubai's has been a steady growth economically. The credit for embedding entrepreneurial class and entrepreneurship at the centre of economy and economic development belongs to Schumpeter (1912), who added innovations. Innovation takes economies to greater heights, for example, the present IT innovations, to the credit of the entrepreneurial class, which is the real wealth-making class.

2.2 *Factors affecting entrepreneurial efforts in Dubai*

Entrepreneurship is "at the heart of national advantage" [Porter, (1999), p.845]. The economic picture of the small principality of Dubai is significant as it has emerged in a short period of time with good adherence to the World Trade Organization charter of free trade, export orientation and balancing of oil and non-oil economies.

The UAE has built expertise by hosting a range of world events including the Dubai Desert Classic Golf, Formula 1, Grand Prix, Dubai International Film Festival and Global Energy Forum. Dubai is also noted for new shopping and tourist experiences, and has turned healthcare into a fine-service sector. Above all, Dubai seems to be an entrepreneurial marvel, with the opportunity to host Expo 2020, taking the city to greater heights.

Table 1 Area population and economy Dubai

1	New Dubai/UAE member	1971
2	Area	411 sq. km.
3	Population (2012)	2.37 million
4	GDP (\$bn) (2012)	394.48
5	Per capita GDP (\$)	69,184.57
6	Investment-GDP (%)	23.42
7	Saving-GDP (%)	33.8
8	Inflation (%) consumer	1.74
9	Government revenue-expenditure	480.56 and 314.4
10	Current account (\$ bn)	40.92

Source: Government of Dubai (2013)

Although the Emirate of Dubai is a small city of approximately 411 square kilometres and a population of 2.37 million, the economic state is extremely healthy (see Table 1). Dubai's per capita GDP is around \$69K and the investment and saving rates are approximately a quarter and a third of the GDP, respectively. As a result, the economy of Dubai is considered to be a very healthy one. In addition, there is an excellent management of revenues and expenditure, with current account balance of two digit surplus.

The Emirates growth averaged 10% per annum during the first decade of the 21st century 2000–2010 (Government of Dubai, 2013). In addition, the environment of the Emirates appears to give rise to the most welcome and special category of 'people's CEOs' (Gulf News, 2013). The result is the spectacular rise of Dubai in the last 20 years with 'Brand Dubai' making its mark globally.

As a result, the Dubai economy is one of the most dynamic and economically important regions in the world economy. However, as these emerging economies become larger and more integrated into international trade and finance, they face an increasingly complex set of policy challenges (Lawa et al., 2014), technological advancements, as well as different types of opportunities, self-efficacy and other social norms. Table 1 provides some of Dubai's economic indicators from which factors that have had an influence on Dubai's entrepreneurial success can be investigated further.

2.3 Government policies

Entrepreneurship is recognised as the bedrock of economic development (Friedman, 2011), and the success of the nation's economy is contingent on how government profiles its entrepreneurial efforts. The correlation between entrepreneurialism and economic development has been studied extensively at all levels (Minniti, 2008). A study by Kumar and Liu (2005) reveals that the entrepreneurial sector contributes immensely to the overall GDP of nations, which is reinforced by Acs et al. (2005) who made suggestions for governments to minimise the constraints on entrepreneurship through policies. Government policies in this context are any course of actions intended to regulate and improve entrepreneurs in terms of supportive, implementation and funding streams by the government (Obaji and Olugu, 2014). Such actions include the creation of a conducive environment for business that will highly-promote entrepreneurship. This enabling environment is created by governments enacting and implementing guidelines that will regulate entrepreneurial activity as entrepreneurship is often the bedrock of a nation's path to industrialisation. Furthermore, governments need to enact policies that would create a user-friendly environment for entrepreneurs. Pals (2006) intimates that there is a need for government policies in relation to entrepreneurship that will transcend various administrations to ensure continuity of implementation irrespective of which administration is in power to achieve the goals of the guideline, which is often lacking.

2.4 Technological advancement (innovation and creativity)

As far back as 1934, Schumpeter (1934) presented the innovation function into the discourse of entrepreneurial process. Recently, Mazzucato (2011) articulated that

innovation is indispensable when considering entrepreneurship as it serves as an impetus for growth. Moreover, the European Union recently recommended innovation as a strategic drive for economic development and urged its development partners to pay attention to innovation and creativity. Innovation is, therefore, considered as a catalyst for economic development that generates employment, creates wealth and is an avenue for emerging markets to accelerate their technological advancement (Somsuk and Laosirihongthong, 2014).

2.5 Opportunities

Holcombe (2003, p.25) argues that “when markets are not in equilibrium, profit opportunities exist, and entrepreneurs discover and act on these profit opportunities to equilibrate the market”. Holcombe (2003) further articulates that entrepreneurial opportunities are influenced by three factors; namely, dis-equilibrate markets, factors that enhance production possibilities, and the effects of entrepreneurial activities themselves. Dis-equilibrating factors can be easily understood within the context of neoclassical theory which emphasises that changes in tastes, technologies, or available resources push the economy out of equilibrium and create profit opportunities for those who reallocate resources. The Austrian theory reinforces the fact that the way individuals are motivated and act, enhance production possibilities, implying a reallocation of resources because the mix of goods and services demanded will change as income grows, and because an increase in the extent of the market will make different production techniques more profitable.

Foreign direct investment (FDI) is an important contributor to national development in terms of the flow of capital, technology, knowledge and skill across national boundaries, which create opportunities for host countries, particularly for emerging economies (Javorcik, 2014). Literature linking FDI and economic development in the host economy mostly addresses spill-over productivity effects via the dissemination of innovations on locally-owned firms (Barrios et al., 2005; Ayyagari and Kosova, 2010). Other factors for positive spill-overs include demonstration effects (Barry et al., 2003), labour mobility (Fosfuri et al., 2001) and enhanced export performance (Greenaway et al., 2004). Others cite potential advantage to the recipient country through contributions to restructuring the economy (Caves, 1974) Dubai is noted to attract FDIs the most within the Gulf Corporation Council and Middle East regions as well as North African countries as entrepreneurs across the world converge to invest in real estate, transportation, marina, and manufacturing at the various free zone enclaves that have been created by the authorities.

Opportunities for entrepreneurs come in many other forms such as risk-taking, wealth creation and start-up. As a result, entrepreneurship increasingly plays a more important role in the development of emerging economies. Risk is inevitable in most ventures; however, no one seeks risk per se, except those with a pathological gambling dependency. Entrepreneurial, however exhibit a willingness to take the right kind of risk at the right time to create their own destiny.

Developing a model for economic development as a process of institutional transformation, Banerjee and Newman (1993) focused on the interplay between the agents of occupational decisions and the distribution of wealth. Banerjee and Newman (1993) asserted that poor agents choose working for a wage whilst worthy agents become entrepreneurs attributing such moves to capital market imperfections. Therefore, whether

the entrepreneur remains self-employed in small-scale production (stagnation) or the situation where the entrepreneurial enters the active labour market in both large and small-scale production (prosperity) is contingent on the initial distribution of wealth. As a result, Banerjee and Newman (1993) established that for a population of dispossessed, the best choice to work for a wage will be towards prosperous capitalism.

Whereas Banerjee and Newman (1993) focus on financial requirements as the defining characteristics of entrepreneurship, Iyigun and Owen (1999) focus on the element of risk. Iyigun and Owen (1999) distinguish between two types of human capital, namely, entrepreneurial and professional human capital.

Although increasing the allocation of formal education share time continues in intermediate-income countries, the more important professional roles are relatively more abundant in rich countries. However, both entrepreneurship activities are important and countries that initially have too little of either entrepreneurial or professional human capital may end up in a developing trap. Iyigun and Owen (1999) identify former communist countries as examples of economies that have a highly-educated labour force but that still do not achieve the high-income steady state owing to a shortage of entrepreneurs (p.255). Engaging in the firm start-up has been operationalised as “in your working life how many new business ideas have you taken action towards the creation of new business?” (Reynolds et al., 2004).

2.6 Personal traits and entrepreneurial

The personal trait influence on entrepreneurship has been researched extensively (for example, Zhao and Seibert, 2006; Rauch and Frese, 2007; Caliendo et al., 2011b). Caliendo et al. (2011a) explored the extent to which variables of social cognition influence the decision making process of entrepreneurs in terms of entry and survival in self-employment.

Independent life style which is operationalised as the need for autonomy and/or independence focuses upon the effects of self-employment on growth. However, Blanchflower (2000, p.497) finds no evidence for a panel of OECD countries demonstrating increases in self-employment rates to increase economic growth. Personality traits on entrepreneurs identify drive and energy level as characteristics (Zhao and Seibert, 2006) as well as extraversion, openness to experience, agreeableness, conscientiousness and emotional stability (Barrick and Mount, 1991). Other personality traits include self-confidence, setting-challenging but realistic goals, using money as a performance measure, persistent problem-solving, taking moderate risks, learning from failure and using criticism (Rauch and Frese, 2007). These traits were selected and classified into factors for the investigation.

2.7 Visionary leadership

Bennis and Namus (1985) concluded that visionary leadership is instrumental to new-value creation through challenging conventions and the adopting of an opportunity-driven strategy is contingent to the outcomes of entrepreneurs. Hunt and Dodge (2002) argue that there are many areas where the fields of leadership and entrepreneurship intersect. In support of this notion, Autio (2011) analysing the leadership development contributions of different support initiatives, showed that there were significant differences among policy initiatives that explicitly sought to support

high-growth orientation and growth performance in entrepreneurship. This role of visionary leadership in support of new venture creation and entrepreneurship is epitomised by the rulers of the emirates of Dubai who championed the entrepreneurial spirit by introducing incentives that aided new start-ups.

The UAE Dubai's development is nature, environmental, global and people friendly. It strives to support fair principles of foreign trade and foreign collaboration, creating a win-win situation for all the stakeholders. As a result, world-class efficiency and productivity are by-words for Dubai as was highlighted by the Government of UAE (2009) in its statement regarding the visionary role of Sheikh Zayed:

The Prosperity, harmony and modern development that today characterize the UAE is due to a very great extent to the visionary role played by Sheikh Zayed both prior to the formation of the federation and in the nearly 33 years that allowed until his death in November 2004.

For example, foreign trade, hospitality, exploration of natural resources are the appreciation of nature and the importance of natural heritage that are recurring motifs in the history of the Dubai and continue to be vital building blocks of 21st century development.

Through the visionary leadership of the rulers of the country, the UAE used its strategic location to grow into a trading centre, and in a very short time transformed into an economic beacon by attracting entrepreneurs at all levels and for all industries, even at the firm level. As entrepreneurs need a vehicle for transforming their personal qualities and ambitions into actions, small firms provide an opportunity where the entrepreneur has a controlling stake. The outcomes of these entrepreneurial manifestations at the firm level generally have to do with newness, which can be realised through products, processes and organisational innovation, entry-new markets and innovation nosiness start-ups.

3 Methodology

Using a random sampling technique, 550 entrepreneurs with express interest in business and entrepreneurship within Dubai were selected as respondents. In particular, owners/entrepreneurs of small medium size (SMS) organisations were used. Postgraduate students were appointed as enumerators to distribute the questionnaire for face-to-face processing. Where feasible, the respondents were provided the questionnaire for self-administration. Based on the research definition of who an entrepreneur is and who a successful entrepreneur is, 492 sets of the questions were used for further analysis as primary data. The sets of questions were based on factors that were crystallised after the literature review and initial interviews were conducted.

3.1 Research instrument

The researchers developed a set of survey instruments through a thorough review of literature and initial interviews to identify factors essential for entrepreneurial success. To accomplish the research objectives, the researchers organised the questionnaire using a five-point Likert scale ranging from (1) as strongly disagree to (5) as strongly agree. The first part of the two-part questionnaire related to the respondent's background and the

second part to entrepreneurial-related factors. To test the validity and reliability of the instrument, the instrument was pilot tested using ten selected professionals, entrepreneurs and academics. In the process of the piloting, some of the items were modified and others dropped. Exploratory data analysis (EDA) was conducted to ensure that all requirements regarding normality, linearity, homoscedasticity, heteroscedasticity and multicollinearity were satisfied. The findings showed that the requirements were fulfilled before commencement of the data analysis.

3.2 Entrepreneurial survey

The instrument was administered in 2013 with the help of well-briefed voluntary post-graduate students. Out of the 550 samples disseminated, 492 questionnaires were returned indicating a response rate of 89%.

3.3 Data analysis and results

As shown in Table 2, about two-thirds of the respondents were less than 30 years of age, 19% were in the age group of 30–34 years and 15% of them were 35 years of age or more. The mean age of the respondents in this study was 28.2 years. 63% of the respondents in our study were male and 37% were females.

Table 2 Respondent background information

<i>Background information</i>	<i>Percentage</i>
Age (in years)	
Less than 25	33.1
25–29	32.7
30–34	19.3
35 and above	14.9
Mean age in years	28.2
Gender	
Male	63.2
Female	36.8
Nationality	
Emirati	60.1
Arab expatriate	21.0
Other expatriate	18.9
Monthly family income (in AED)	
Less than 25,000	30.3
25,000–50,000	20.1
50,000–75,000	14.8
75,000–100,000	12.6
100,000 and above	18.3
Not reported	3.9
Total number of respondents	492

About 60% of our sample was constituted of Emirati respondents while the proportions of Arab expatriate and other expatriates were almost the same at nearly one-fifth each. In terms of family income, about 46% of the respondents had family incomes of more than AED 50,000 per month. However, for 30% of the respondents, the family income was less than AED 25,000 per month and one-fifth of them fell into the category of AED 25,000–50,000 per month (see Table 2).

As a five-point Likert scale was used to collect the information, the test for internal consistency was applied for reliability. The Cronbach's alpha was 0.817 for all the variables. To identify the main factors to be an entrepreneur, 13 variables were identified and to extract the various factors which indicated the motivational factors to be an entrepreneur, principal component analysis was applied on all the variables. The principal component analysis extraction method with varimax with Kaiser normalisation rotation method was used to determine the factor loading and communalities.

Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was 0.842 in this study. Similarly, Bartlett's test of sphericity, another indication of strength of the relationship among the variables was found to be highly-significant at 0.000.

Table 3 Mean and standard deviation for entrepreneur motivation

<i>Motivational factors</i>	<i>Mean</i>	<i>Standard deviation</i>
E1 Government is very supportive for new businesses	4.06	.924
E2 Technological advancements in UAE	4.06	.718
E3 International opportunities	4.05	.783
E4 Opportunity to create own destiny	4.32	.741
E5 Opportunity to reach your full potential	4.21	.741
E6 Opportunity to reap impressive profits	4.13	.724
E7 Independent life style	4.09	.723
E8 My qualification suits me to be an entrepreneur	3.98	.854
E9 My knowledge and skills about entrepreneurship gives me confidence to be an entrepreneur	4.10	.808
E10 My personality qualifies me as an entrepreneur	4.08	.834
E11 Opportunity to contribute to society and be recognised for your efforts	4.16	.779
E12 My parents/family members want me to pursue a career in self-employment/business	3.96	.930
E13 Family income	3.33	1.50

3.4 Descriptive statistics

The mean and standard deviation for all the variables are presented in Table 3. Looking at data, it can be observed that 'opportunity to create your destiny' was found to be one of the most important factor that influenced the respondents to be an entrepreneur as it had the highest mean score of 4.32, followed by 'opportunity to reach your full potential' and 'opportunity to reap impressive profits' at 4.21 and 4.13 respectively. To test the factor of whether it was very important that the government should be supportive and also provide a conducive environment for the businesses, Table 3 shows that the mean score for each factor 'government is very supportive for new businesses' and 'technological advancements' was found to be much higher at 4.06. This indicated that the government was supportive.

Table 4 Correlation matrix

	E1	E2	E3	E4	E5	E6	E7	E8	E9	E10	E11	E12	E13
E1	1												
E2	.277**	1											
E3	.345**	.375**	1										
E4	.187**	.199**	.201**	1									
E5	.204**	.274**	.270**	.515**	1								
E6	.188**	.239**	.201**	.401**	.552**	1							
E7	.263**	.390**	.331**	.192**	.176**	.192**	1						
E8	.231**	.261**	.264**	.229**	.258**	.271**	.267**	1					
E9	.281**	.263**	.305**	.278**	.286**	.303**	.582**	.582**	1				
E10	.260**	.270**	.290**	.243**	.226**	.292**	.326**	.454**	.550**	1			
E11	.238**	.204**	.257**	.338**	.442**	.535**	.265**	.284**	.299**	.286**	1		
E12	.283**	.084	.143**	.172**	.099*	.206**	.181**	.176**	.176**	.181**	.176**	1	
E13	.160**	-.021	-.004	.160**	.068	.109*	.067	.031	.095*	.067	.065	.112*	1

Notes: **Correlation is significant at the 0.01 level (two-tailed). *Correlation is significant at the 0.05 level (two-tailed).

Table 4 shows the result of inter-correlations of the variables. As can be seen from the table, all the variables with ‘government is very supportive for new businesses’, ‘opportunity to create your own destiny’, ‘opportunity to reap impressive profits’, ‘my knowledge and skills about entrepreneurship gives me confidence to be an entrepreneur’ were positively-related and most of them were highly-significant at 1% level of significance. However, most of the remaining variables were also significantly associated with each other.

3.5 Results of factor analysis

A total of 13 variables were identified for the analysis and principal component analysis was applied. Retaining only those variables which had a eigenvalue more than 1, a total of four factors emerged from the analysis. In Table 5, these four factors were combined and explained a 59.3% of the total variance.

After removing the factor loading with less than 0.50, the data presented in Table 6 shows the communalities. It can be observed from the table that ‘opportunity to create your own destiny’, ‘opportunity to reach your full potential’, ‘opportunity to reap impressive profits’ and ‘opportunity to contribute to society and be recognised for your efforts’ were substantially-loaded on factor 1. However, ‘My qualification suits me to be an entrepreneur’, ‘my knowledge and skills about entrepreneurship gives me confidence to be an entrepreneur’ and ‘My personality qualifies me as an entrepreneur’ were substantially loaded on factor 2 while ‘government is very supportive for new businesses’, ‘technological advancements in UAE’, ‘International opportunities’, and ‘independent life style; were substantially-loaded on factor 3. The remaining two variables relating to the family were substantially-loaded on factor 4.

The first factor accounted for 18.5% of the total variance and explained that for the respondents’, drives to start their own businesses and to prove themselves in the competitive environment were important. The second factor explained about 16.0% of the variance. It showed that qualification, knowledge and skills as well as personality played an important role for the entrepreneur. The third factor accounted for 14.9% of the variance. This factor signified the importance of government support and a supportive environment for entrepreneurs indicating a significant dependence on government and the environment provided by the government. The last factor explained less than 10% of the total variance. It reflected the need for family support can be seen in Tables 4 and 5.

Table 5 Variance

Component	Rotation sums of squared loadings		
	Total	% Of variance	Cumulative %
Factor 1	2.402	18.474	18.474
Factor 2	2.074	15.955	34.429
Factor 3	1.942	14.940	49.369
Factor 4	1.295	9.962	59.331

Table 6 Principal component factor analysis (varimax rotation), factor loadings and communalities for motivational variables

<i>Motivational factors</i>	<i>Factor 1</i>	<i>Factor 2</i>	<i>Factor 3</i>	<i>Factor 4</i>	<i>Communality</i>
Government is very supportive for new businesses			.554	.522	.603
Technological advancements in UAE			.731		.592
International opportunities			.690		.532
Opportunity to create your own destiny	.701				.541
Opportunity to reach your full potential	.813				.703
Opportunity to reap impressive profits	.784				.664
Independent life style			.676		.508
My qualification suits me to be an entrepreneur		.797			.684
My knowledge and skills about entrepreneurship gives me confidence to be an entrepreneur		.790			.712
My personality qualifies me as an entrepreneur		.712			.598
Opportunity to contribute to society and be recognised for your efforts	.661				.520
My parents/family members want me to pursue a career in self-employment/business				.609	.486
Family income				.739	.570

4 Conclusions

Although it is evident that the entrepreneurial approach of a state enthruses its residents to become entrepreneurial, not all of them can make it. Entrepreneurship is an adventure in the daunting business world of uncertainty and risk, but there are good financial rewards. From the study, the government and its leadership are considered to be very entrepreneurial for the general good of its citizens and developmental welfare. Ultimately, a number of factors impact on entrepreneurship, which is viewed mainly as a social accomplishment. This new form of entrepreneurship augers well for Dubai, UAE and the Arab and Islamic world, as well as the globalised world in general. This generalisability is quite revealing of the universality of entrepreneurship and its contribution to human as well as environmental welfare. From the study, Dubai emerged as a blazing example of the new entrepreneurship form.

5 Limitation and managerial implications

As with most studies, this study has some limitations in the application of the findings. First, the empirical evidence was limited to the cosmopolitan area of Dubai. This limits the generalisability of the results. Second, though Dubai is considered an emerging economy, the economic dynamics may be different from other economies and, therefore, the factors may not be applicable to those economies. Although a cross-sectional analysis was used in this study for exploratory purposes, a longitudinal study could be helpful for explaining the factors that are applicable across various emerging economies.

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