

Business Incubators – A Cure or Curse – A Study focused on the Perception of Young Entrepreneurs in Oman.

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Abstract

Business incubators support the young entrepreneurs to improve their business idea and make their ventures successful. Though this is true, a good number of young entrepreneurs do not focus on joining these incubators due to their differences in perception towards business incubators. This study attempts to throw light on the perceptions of young and prospective Omani entrepreneurs towards business incubators, by focusing on 250 young individuals, following tertiary education in the higher education institutions (HEIs) in Oman. The information collected were analyzed using Principal Component Analysis and Multiple Linear Regression techniques. The results showed that individuals' perception towards the support mechanism available at the incubators along with professional guidance and network support could play a positive role in encouraging them to join the incubation program, while assumed negativity related to the possibility of losing their cherished vision and possible increase in startup costs, could play a negative role on the likelihood of joining business incubators. These findings will help the incubators, Universities and policy makers to redefine their business practices to improve the effectiveness of their services.

Keywords: *Business incubator, Perception, Assumed negativity, Support mechanism*

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Introduction

Research Background

Business incubators play a major role in helping the young entrepreneurs to set up their businesses successfully. While playing an advisory role, these incubators also provide shared facilities and resources such as office space, logistics, access to financial resources and technical support. The concept of business incubation has seen tremendous growth over the past few years. More and more entrepreneurs are choosing to join these incubators in order to improve their business success. However, the higher level of growth experienced by the business incubation market has resulted in mushrooming of business incubators around the world. Business incubators were developed with a unique focus on venture creation and sustenance. As such, while helping venture creation, they also support the start-ups in getting connected to the right network, which could make sure that the businesses are both successful and sustainable. Though business incubators seem to offer numerous advantages and tactical support to the new start-ups, it is important to understand to what extent budding entrepreneurs think about these organizations as entities that really support their business ideas, as in some cases the business incubators themselves are startups in nature. Studies conducted by Barrow (2001) has found that business incubators, though beneficial in general, could also become a major hindrance to some budding entrepreneurs. This observation was supported by Macdam and Marlow (2007) who explained that these issues were rarely recognized and discussed in public platforms, even though they are real. Miller and Bound (2011) (as stated by Lukosiute, Jensen & Tanev, 2019), has also noted that some of the

entrepreneurs perceive incubators as a mechanism through which rich guys could ‘rip off’ the budding entrepreneurs, who are in desperate need for support. As such, the success of business incubation, as a mechanism towards improving entrepreneurship in the country, will depend on how it is perceived by young and budding entrepreneurs. Failure to understand the budding entrepreneurs’ perception towards business incubators may result in these entities failing to fulfill the mission of supporting the development of successful business ventures. This study has made a sincere effort to explore the issue and find out whether business incubators are considered by young and prospective entrepreneurs as a cure or a curse, by understanding their perception towards business incubation in the Sultanate of Oman, using the explorative research platform. This study would be very useful for business incubators as the results would help them to understand their consumers’ perception related to their incubation program and position themselves accordingly. This study would be very useful for educational organizations such as Schools and Universities, as it would help them to understand the young and prospective entrepreneurs’ perception towards business incubators and incorporate that understanding into their respective curricula. The findings of this study will also help decision makers to relook at their strategic priorities and devise suitable control mechanisms, if needed.

Business incubation is a relatively new concept in Oman. Even though the first technology park known as Knowledge Oasis Muscat was started in 2003, the industry is still in its early stages, with only few players in the market. Oman, being a country with nearly 45% of its population below the age of 25years and facing a huge problem with youth unemployment, could benefit a lot from



the development of a proper system to support young entrepreneurs (Sanyal & Hisam, 2018). The data released by Oman Centre for Statistics and Information displayed a declining trend in the number of new ventures registered in the country over the past few years. On the other hand, reports have shown that the failure rate of new ventures is also relatively higher in Oman (Ashrafi & Murtaza, 2008). As the declining trend on new business registrations and higher failure rate could pose serious problems to the country's economy, focusing on developing a support system such as business incubators to support the new businesses assumes greater importance. As the young entrepreneurs' perception related to the incubators and the services provided by them will have a serious influence on them being part of such incubation process, this study focuses on understanding the young and aspiring entrepreneurs' perception related to business incubation in Oman.

This research paper is divided into five sections and organized as follows. Section 1 focuses on introducing the topic and providing a research background. Section 2 concentrates on reviewing the available literature, while section 3 discusses the research methods, data collection and data analysis. Section 4 concentrates on the findings and discussion while section 5 draws the conclusion and discusses significance of this study.

Research Objectives

This study was conducted with the following objectives.

- To identify the dominant perceptions related to business incubators among prospective Omani entrepreneurs.

- To assess the impact of those dominant perceptions on the likelihood of young entrepreneurs joining the business incubators.

Literature Review

The concept of business incubation has been in practice for more than 50 years now (Lukosiute et al., 2019). Business incubators were found to be providing the much required support to aspiring young entrepreneurs, by that improving the chances of success and survival of their business ventures (Jacobson et al., 2017). Majority of this support focuses on providing cheap office space and administrative support, while many incubators also provide assistance towards developing network links, consultative support towards marketing and operations, accounting support and guidance towards identifying the right funding options, if needed (Al-Mubarak & Busler, 2010; Stott et al., 2016). Business incubators also support the young entrepreneurs to explore their business idea further and identify the gaps and opportunities present in the market. This support mechanism and established networks help the young entrepreneurs to fine tune their business ideas with a clear understanding of the market conditions (Choto, 2015; Vegitti & Adoscalitei, 2017).

Though the concept of incubation was found to be beneficial to the startup ventures in general, joining the incubators also involves certain risk as well (Lukosiute et al., 2019). As business incubators are also business ventures that have their own key performance indicators (KPIs) and targets, there is a feeling that the ventures developed by these incubators mostly remains fragile with the need of external support, even after they have moved out of the incubator at the end of the prescribed period (Yu, 2015). The



focus also could be a bigger problem, as the institutional DNA of the incubators may not always go in line with the mission of those aspiring entrepreneurs (Prashar, 2013). In case of private incubators, the equity charged by them or the conditions that attached to the support provided by them, make it difficult for the young and prospective entrepreneurs to think innovatively and take calculated risks to develop their enterprises (Miller & Bound, 2011). This may also sometimes force the individuals to focus more on complicated equity ownership related negotiations, at a time when they were supposed to focus on developing a successful business (Prashar, 2013). The rate at which incubators have come into existence and their internal targets, could result in new ventures being forced to focus more on financial gain, rather than focusing on creating value and developing successful businesses. This may result in the development of ventures that lack clear focus and global ambitions (Lukosiute et al., 2019).

Mas-Verdu et al. (2015) have observed that many business incubators are very generic in nature and do not possess all the required facilities. Their lack of facilities in terms of technology and network support may fail to provide the much needed support to the young entrepreneurs (Sa et al., 2012). This could be very much counter productive to the young entrepreneurs, as they may also not have a clear idea about the facilities that should be available, when choosing or joining a business incubator.

A good number of young and prospective entrepreneurs feel that joining the business incubators and discussing their ideas with the team could expose their ideas to the threat of being stolen by other individuals (Lukosiute et al., 2019). Very few business incubators who participated in the study conducted by Lukosiute et al.

(2019) were found to provide legal advice and intellectual property related consultation. As the risk of intellectual property theft is very real in practice, legal advice and intellectual property related consultation should form an integral part of any incubation program.

The study conducted by Meru and Struwig (2015) has found that, perception towards the extent to which business incubators fulfil their promise of improving business success, differ greatly between different entrepreneurs. Their study revealed that the services provided by many incubators fall well short of the perceived expectations of the entrepreneurs, as these incubators, mostly private and equity sharing in nature, are driven by their own profit motive which not only compromises the quality of their services, but also jeopardise the passionate vision of the young entrepreneurs.

Some entrepreneurs feel that business incubators drain the fighting spirit of the entrepreneur at the early stages of the business by making them too reliant on the support provided by the incubator (Glenn, 2012). This excessive hand-holding makes the young entrepreneurs unable to cope with the external pressure once they are out of the incubation process. Incubators, in their thirst to improve the number of successes among the entrepreneurs who are participating in their incubation process sometimes fail to allow the entrepreneur to expose himself enough to practical business issues and make meaningful decision on their own (Glenn, 2012).

The success of business incubation concept mainly depends on the entrepreneur's perception related to such incubation process. If the perception of the entrepreneur is not strong enough to encourage him/ her to join the business



incubator, that could not only adversely affect the new ventures, but also the sustainability and scalability of the incubation concept itself (Meru & Struwig, 2015).

Consumer's perception related to any aspect could play a major role in their behaviour (Covey, 1989). Hence, prospective entrepreneur's perception related to business incubation, in terms of the support provided towards business creation, growth, development and protection of intellectual property could greatly influence their decisions related to joining a business incubator (Sanyal & Hisam, 2018).

Business incubation is a relatively new concept in Oman, with the industry still in its infancy. As the concept itself is very new in the country, convincing the young entrepreneurs to join those business incubators could prove to be more difficult than in developed countries. At the same time, it is important to note that majority of the start-ups registered in Oman, over the past few years, have failed to survive beyond few years primarily due to lack of technical knowledge, inadequate infrastructure and lack of support system (Sanyal & Hisam, 2018). This makes it important to encourage these entrepreneurs to join the business incubators and make use of the support system available. The first step of such process should be the detailed understanding of the young entrepreneur's perception related to these incubators. This study endeavors to fill this gap by understanding the perception of prospective entrepreneurs towards business incubators. This knowledge would help both the business incubators and the local authorities to do the needful to manage or overcome any concerns raised by the young and prospective entrepreneurs.

Methods

Research Focus

This study is focused on understanding the young and prospective entrepreneurs' perception towards business incubators. As this study attempts to unearth enhanced understanding about a given concept, this study will follow the exploratory research methodology, to fulfill its research objective. This research has used scientific methods for data collection and analysis to understand prospective entrepreneurs' perception towards business incubators in Oman, in an objective manner, and hence has followed the ambits of social research. Overall, this research follows the exploratory social research methodology to understand the young entrepreneur's perception related to business incubators.

Research instrument

This study has used a structured self-completion questionnaire developed using 5-point likert scale for data collection

Sample Characteristics

This study has considered 250 adult students, who were studying in the final year of their tertiary education program in the higher education institutions in the capital of Oman. All the respondents have studied the entrepreneurship module and possess a reasonable idea about the startup ventures and the difficulties faced by the startups in Oman.

Sampling Procedure

The researcher has used cluster sampling method to collect the required information and has identified the capital city (Muscat) as the cluster under consideration. 12 higher education institutions were



randomly chosen for this study. Thirty students from each of the chosen higher education institutions were considered for this study. The student lists provided by the respective colleges were used to choose the respondents. Every effort was made to make sure that the respondents were clear about the objectives of this study and participation in the survey was voluntary in nature.

Sample Size

Roscoe (1975) has identified that, an acceptable sample size for multivariate research could be ten times higher than the number of items considered for the survey. This observation was supported by Hair et al. (2010), who noted that the sample size that has 10:1 ratio with the number of items would be much more acceptable. Kline (2011) also supported these observations and noted that a sample size of 10 cases per parameter would be more acceptable. This study has considered 21 items. As such, based on the above observations, the minimum number of samples should have been 210. In order to further improve the accuracy, the researcher has decided to use 250 samples for this study. However, considering the fact that the response rate could be lesser than 75% because of the profile of the respondents, the questionnaire was issued to 360 respondents within the target group. Out of 360, only around 275 respondents returned the completed questionnaire. Out of which, the first 250 questionnaires which were found to be complete, were considered for analysis.

Data Analysis

The data collected was analysed using SPSS 20 (Statistical Package for Social Scientists) and interpreted to identify useful insights related to the perception of

young and prospective entrepreneurs. The researcher has used principal component analysis to understand the dominating clusters of perception and multiple linear regression to learn their relevance towards influencing the likelihood of joining a business incubator.

Hence, the likelihood of joining the business incubator (L) was modelled as,

$$L = \beta_1 + \beta_2x + \epsilon \quad (1)$$

where, β_1 represents the constant value, β_2 represents the influence of independent variable(s), x represents the independent variable(s) and ϵ represents the error.

Findings and Discussion

Principal Components

The literature review helped the author to identify 21 items related to entrepreneurs' perception towards business incubators. These items were used to identify the principal components. The inter item correlation matrix developed using these items did not show the presence of any significant correlation between them. As such the author proceeded to focus on the KMO and Bartlett's test to study the sampling adequacy for factor analysis.

Table 01: KMO and Bartlett's Test Results

Kaiser-Meyer-Olking Measure of Sampling Adequacy		0.712
Bartlett's Test of Sphericity	Approx. Chi-Square	2.045E3
	df	210
	Sig.	.000



The KMO and Bartlett's test displayed higher sampling adequacy (0.712) compared to the acceptable range of 0.6 and above. Bartlett's test also displayed lower but significant chi-square statistic. Based on these observations the author decided to proceed with the principal component analysis to understand the young entrepreneurs' perception towards business incubation in detail. As a standard practice towards dimension reduction technique, the author decided to use varimax rotation with Kaiser normalization, during data analysis. The author also decided to only retain the items that have gained a minimum factor loading of 0.5, in the rotated component matrix table, for further analysis, to improve the effectiveness of the findings.

The analysis supported the author in identifying eight principal components. The eight principal components developed using the thoughts of the respondents were able to explain 72% of the total variances. The scree plot developed also clearly supported this observation.

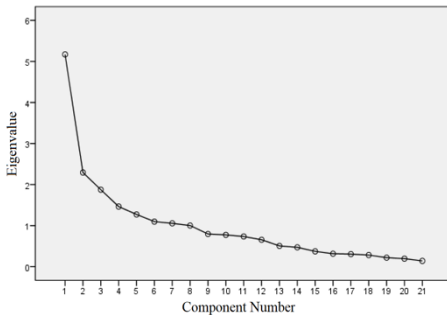


Figure 01: Scree plot for Dimension Reduction

The first principal component identified included thoughts such as business incubators are just a waste of time (0.797), incubators may convince the entrepreneur to do something he is not happy about (0.756), culture being too skeptic about business incubators (0.723), incubators

being not supportive towards radical innovation (0.764), possibility of the business idea being copied (0.631) and thoughts about incubators increasing the startup cost (0.743). The loadings suggested that these variables will act together and will be in a position to explain 24.6% of total variance. As these variables are focused on the negative issues which could refrain the entrepreneurs from being part of business incubators, this component is categorized as Assumed Negativity Towards Incubators.

The second principal component included the consumers' perception related to incubators being helpful for the young entrepreneurs to deeply understand their actual business idea (0.726), incubators supporting the new businesses through monitoring and control mechanism (-0.66), and the thought about incubators playing a major role in making the businesses profitable (0.707). This principal component will be in a position to explain 10.9% of the total variance. As all the variables forming this component have focused on the support, this component is categorized as Positive Support Mechanism.

The third principal component identified concentrates on the thoughts related to incubators leading the young entrepreneurs towards business success (0.77) and incubators providing a chance for the young or prospective entrepreneur to get connected to the appropriate networks (0.64). These two variables together will be in a position to explain 8.9% of the total variance. As these variables are related to networks and success, this principal component is categorized as Network Support.

The fourth principal component focused on the support available in the websites

(0.648) and the website support being much faster than incubators (0.794). Together, these variables were able to explain 5.2% of the total variances. As such, this component is named as Availability of online support.

The fifth principal component included only one variable which considered the incubators run by Omani entrepreneurs to be more effective (0.859). As such this component will be categorized as Omani Incubators. This component was able to explain around 6% of total variance.

The sixth principal component included the role of higher educational institutes in supporting the young entrepreneurs (-0.554) and the role of private sector organizations in supporting young entrepreneurs (0.834). These two variables together were able to explain around 5.3% of the total variation. As these variables focus on support, this is categorized at Support from Other Organizations.

The seventh principal component included thoughts about incubators helping the entrepreneurs to tune their marketing mix (-0.52) apart from providing operational support (0.742). These two variables together were found to be able to explain 5.03% of the total variance. This principal component is categorized as Operational Support.

The final principal component is focused on the awareness towards business incubators being very low in Oman (0.874). This component was found to be able to explain 4.77% of the total variation and is categorized as Customer Awareness.

The principal components identified through the process showed the dominant

perceptions of the respondents towards business incubators.

Descriptive Statistics

The reliability analysis conducted for the test instrument resulted in a Cronbach's alpha value of 0.779. As this value is greater than 0.7 (as indicated by Nunnally and Bernstein, 1994, as an acceptable measure), the researcher decided that the research instrument is reliable. The test of normality resulted in skewness values between -1.26 to 0.2 and kurtosis values between -0.6 to 1.39. These values fall within the range identified (-2 to 2) as acceptable by George and Mallery (2010) and Brown (2006).

As the reliability and normality values were found to be within the range considered by past researchers as acceptable (Nunnally & Bernstein, 1994; Brown, 2006; George & Mallery, 2010), the researcher decided to continue with the regression analysis

Table 02: Skewness and Kurtosis

Principal Components	Skewness		Kurtosis	
	Statistic	Std. Error	Statistic	Std. Error
PC1	-1.26	0.154	1.39	0.307
PC2	-0.64	0.154	1.61	0.307
PC3	-0.47	0.154	-0.1	0.307
PC4	-0.35	0.154	-0.6	0.307
PC5	-1	0.154	1.12	0.307
PC6	-0.37	0.154	-0	0.307
PC7	0.02	0.154	-0.5	0.307
PC8	-0.57	0.154	-0.1	0.307
Valid N (listwise)				

Regression Analysis

Once the principal components were identified, regression analysis was conducted to understand the impact of the identified principal components on the



entrepreneurs' decision towards joining an incubator, using the identified principal components as independent variables and the likelihood of joining a business incubator as the dependent variable.

Table 03: Model Summary

Model Summary			
Model	R	R Square	Adjusted R Square
1	.390 ^a	.152	.124
a. Predictors: (Constant), PC1, PC2, PC3, PC4, PC5, PC6, PC7, PC8			

Since multiple regression is used, the adjusted R² is considered here as the predominant statistic. The results displayed lower correlation between the independent and dependent variables (r = 0.390) and explained that the independent variables (identified principal components), will be in a position to exert 12.4% of influence on the dependent variable (likelihood towards joining an incubator), confirming the reasonable explanatory power of the independent variables.

Table 04: ANOVA Table

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	35.63	8	4.453	5.407	.000 ^a
Residual	198.47	241	0.824		
Total	234.10	249			

a. Predictors: (Constant), Assumed Negativity (x_1), Positive Support Mechanism (x_2), Network Support (x_3), Availability of online support (x_4), Omani Incubators (x_5), Support from Other Organizations (x_6), Operational Support (x_7) and Customer Awareness (x_8)

The F value (5.407) displayed in the ANOVA table and assumed statistical significance ($p < 0.05$) explained that the proposed model possesses higher model fit as well.

The coefficients table displayed the following results.

Table 05: Coefficients Table

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	Beta	Std. Error	Beta		
1 (Constant)	1.580	.536		-5.93	.004
x_1	-.200	.097	-.152	2.946	.041
x_2	.479	.129	.267	-2.058	.000
x_3	.226	.094	.167	3.725	.017
x_4	-.041	.086	-.032	2.411	.632
x_5	-.040	.057	-.047	-.479	.476
x_6	-.106	.125	-.061	-.714	.398
x_7	.283	.079	.235	-.847	.000
x_8	-.040	.074	-.033	3.581	.593



a. Dependent Variable: Likelihood of joining a Business Incubator
b. Predictors: (Constant), Assumed Negativity (x_1), Positive Support Mechanism (x_2), Network Support (x_3), Availability of online support (x_4), Omani Incubators (x_5), Support from Other Organizations (x_6), Operational Support (x_7) and Customer Awareness (x_8)

As mentioned earlier, the researcher has modelled the likelihood of young and prospective entrepreneurs joining a business incubator (L) as,

$$L = \beta_1 + \beta_2x_1 + \beta_3x_2 + \beta_4x_3 + \beta_5x_4 + \beta_6x_5 + \beta_7x_6 + \beta_8x_7 + \beta_9x_8 + \epsilon \quad (2)$$

where, β represents the unstandardized beta values, x represents the independent variables and ϵ represents the error term. Hence the mathematical model in this case should read as,

$$L = 1.580 - 0.200x_1 + 0.479x_2 + 0.226x_3 - 0.041x_4 - 0.040x_5 - 0.106x_6 + 0.283x_7 - 0.040 + \epsilon \quad (3)$$

This could be interpreted as,

- independent variables x_1 , x_4 , x_5 , x_6 and x_8 exert negative influence on the dependent variable. However, ‘p’ value for variables x_4 , x_5 , x_6 and x_8 were greater than 0.05, which denotes non-significance.
- independent variables x_2 , x_3 and x_7 exert positive influence on the dependent variable. This relationship is supported by both ‘t’ statistics and ‘p’ values ($P < 0.05$ in all three cases) as well.
- The relatively higher β_1 , and the corresponding ‘t’ and ‘p’ values ($t = -$

5.93, $p < 0.05$) denote that the likelihood of joining a business incubator experience limited influence from the independent variables considered in this study. This observation supports the coefficient of determination ($r^2 = 0.124$) measured earlier.

The regression analysis has shown that consumers’ perception related to business incubators providing Positive Support Mechanism to play a major role in improving the likelihood of the young entrepreneurs joining a business incubator ($\beta = 0.479$), followed by perceptions related to Operational Support ($\beta = 0.283$) and Network Support ($\beta = 0.226$), while Assumed Negativity was found to be negatively influencing such behaviour ($\beta = -0.200$) These variables also displayed lower ‘p’ values ($p < 0.05$) which denoted their statistical significance. The regression analysis showed that these independent variables together will be in a position to exert 12.4% of influence on the likelihood of individuals joining the business incubators.

The results showed that positive perception held by the respondents towards business incubators may only bring in limited success towards improving the likelihood of the young entrepreneurs joining such business incubators, while assumed negativity towards business incubators may play a negative role. This shows that business incubators have not been seen as a cure at the moment by majority of young and prospective entrepreneurs in Oman.

Discussion

This study has found respondents’ perception towards positive support mechanism to exert higher and statistically significant influence ($\beta = 0.479$, $p < 0.05$)



among the variables, on the young and prospective entrepreneur's likelihood towards joining business incubators. This observation related to the role of positive support mechanism also follows the predictions of Covey (1989), Choto (2015) and Jacobson et al. (2017) as well. This requires both the educational institutions and business incubators to capitalize on this aspect and focus more on educating the young and prospective entrepreneurs about the different services provided by the business incubators. Clear and accurate information, strongly supported by success stories, provided in a verifiable manner with a clear focus on the benefits to the prospective entrepreneurs, will help the individuals to understand the importance of joining business incubators and develop positive thoughts related to the support mechanism available in these incubators. This positive thought could encourage more individuals with creative business ideas to join the business incubators to develop their ideas and become successful entrepreneurs in future.

Apart from positive support mechanism, this study has found perception related to the provision of operational support to exert significant ($p < 0.05$) positive influence ($\beta = 0.283$) on the likelihood of joining business incubators. This is true as useful operational support could help young entrepreneurs to overcome the challenges faced by startup ventures. These findings support the observations of past researchers (such as Al-Mubarak and Busler (2010), Choto (2015) and Stott et al. (2016)) who found entrepreneurs perception towards the availability of operational support to exert strong influence on their willingness towards getting enrolled in a business incubation programme. Business incubators need to exploit this factor and focus more on improving the quality of their program by inviting resource people from different fields to support the individuals who have

joined the incubation program. While supporting the young entrepreneurs with operational aspects related to starting and managing a business venture, business incubators should also educate the young entrepreneurs on the technical aspects related to the type of businesses the entrepreneurs are interested in. This focused strategy would help the incubators to improve the richness and reach of the incubation program, while, helping the organizations to emphasize on their resolve towards providing the required guidance and support.

The results also showed the presence of significant relationship ($p < 0.05$) between perception related to incubators supporting the entrepreneurs to get connected to the right network and the prospective entrepreneurs' likelihood towards joining business incubators. This positive influence ($\beta = 0.226$) could also play an instrumental role in encouraging the prospective entrepreneurs to enroll themselves with business incubators. This finding goes in line with the observations of Bliemel and co-authors (2016), who felt that prospective entrepreneurs prefer to join business incubators due to the possibility of gaining network support. This requires the organizations to capitalize on this perception and work towards making it a reality by connecting the young entrepreneurs to the right network of business professions, who would support them to achieve success in their entrepreneurial journey. Business incubators need to develop a clear plan providing a detailed picture about the areas of business that would be covered through the program along with the support personnel who would be providing mentorship to the young entrepreneurs. This would allow the prospective entrepreneurs to develop a clear picture about the type of learning and support they would receive through the program and the importance of such learning. This



type of focused communication would play a major role in facilitating more entrepreneurs to join these business incubators. This study has found 'Assumed negativity' (negative thoughts related to business incubators) to exert significant ($p < 0.05$) negative ($\beta = -0.200$) influence towards the likelihood of the respondents joining a business incubator. This finding is in line with the observations of Glenn (2012), Lukosiute et al. (2019), Miller and Bound (2011) and Yu (2015) all of whom found the elements that formed the variable 'assumed negativity' to have serious influence on the success of business incubators. This requires the organizations to relook at their communication strategy and make sure that the information provided by them are both accurate and appropriate. This accurate, appropriate, fact-based and verifiable information would help the organizations to dispel any wrong assumptions and position themselves in the right manner, in the minds of the consumer. This type of focused communication strategy would also help the individuals to be clearly informed about the services provided by business incubators before joining them. This would invariably bring down their level of 'Assumed negativity' held by the young and prospective entrepreneurs towards business incubation and improve the likelihood of them joining business incubators in the future.

This study has also found the young and prospective entrepreneurs' perceptions related to availability of online support, suitability of the incubators run by Omani entrepreneurs, Support required from other educational or private organizations and customer awareness to not exert any significant influence ($p > 0.05$ in all cases) on the likelihood of them joining the business incubators in future. Although these findings fail to follow the observations of some of the past

researchers (such as Ashrafi & Murtaza (2008) and Sanyal & Hisam (2018)), the information will be of great help to both educational institutions and business incubators, as it would help them to be more focused on their approach and redirect their resources towards factors that could improve the likelihood of the young entrepreneurs joining the business incubators.

Conclusion

This study has helped the researcher to understand the young and prospective entrepreneurs' perception related to business incubation and their impact on the likelihood of them joining a business incubator in future. It was found that young and prospective entrepreneurs' perception related to the positive support mechanism provided by the incubators, operational support available with the incubators and their ability to provide the required support to the entrepreneurs to get connected to the right network could positively influence the likelihood of young entrepreneurs joining a business incubator, while assumed negativity, which stems from the thought of being forced to do something they are not happy about, cultural skepticism, lack of support towards radical innovation, fear of losing the business idea to others along with possible increase of startup costs, to exert negative influence. In short, this study has helped the researcher to achieve both the objectives.

These findings could pave the way for business incubators to rework their communication strategy to provide accurate and appropriate information. Such focused information would help the prospective entrepreneurs to get a clear idea about incubation concept and processes, before deciding to join any such incubators. These findings would



also help the Universities and other educational institutions to take note of the perspectives of prospective entrepreneurs and adjust their curriculum to improve the understanding related to incubation concept. Oman, being a country with a relatively younger population and struggling with multiple problems related to youth unemployment and increasing failure rate of new ventures could greatly benefit from the findings of this study as the findings have provided a clear idea about the factors that could influence the likelihood of the entrepreneurs joining business incubators. This requires the decision makers to ensure that business incubators incorporate this knowledge into their business strategy and make the incubation process both effective and efficient.

Appendix – A - Principal Component Analysis

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.170	24.619	24.619	5.170	24.619	24.619	3.976	18.933	18.933
2	2.294	10.923	35.542	2.294	10.923	35.542	2.166	10.316	29.250
3	1.875	8.930	44.473	1.875	8.930	44.473	1.837	8.746	37.996
4	1.464	6.971	51.444	1.464	6.971	51.444	1.810	8.617	46.613
5	1.272	6.058	57.502	1.272	6.058	57.502	1.533	7.302	53.915
6	1.098	5.227	62.729	1.098	5.227	62.729	1.368	6.515	60.430
7	1.055	5.025	67.754	1.055	5.025	67.754	1.358	6.467	66.898
8	1.002	4.772	72.526	1.002	4.772	72.526	1.182	5.629	72.526
9	.796	3.790	76.317						
10	.775	3.689	80.006						
11	.735	3.500	83.506						
12	.655	3.121	86.627						
13	.506	2.409	89.036						
14	.471	2.243	91.279						
15	.373	1.776	93.055						
16	.315	1.502	94.557						
17	.306	1.458	96.015						
18	.283	1.348	97.363						
19	.219	1.042	98.404						
20	.195	.929	99.333						
21	.140	.667	100.000						

Extraction Method: Principal Component Analysis.



Appendix – B – Rotated Component Matrix

	Component							
	1	2	3	4	5	6	7	8
Joining incubator is a waste of time	0.8							
Omani culture does not encourage entrepreneurs joining business incubators	0.72							
Incubators may force me to do something I do not want to do	0.76							
Incubators may not support radical innovation	0.76							
My business idea could get copied by others in the incubator	0.63							
Incubators may increase the startup costs	0.74							
Business Incubators can make me understand what I really want		0.726						
Business Incubators could play a major role in making businesses profitable		-0.66						
Incubators support with monitoring and control mechanism		0.707						
Incubators lead the young entrepreneurs towards success			0.728					
Incubators help the entrepreneurs to get connected with right contacts			0.71					
There are enough of				0.648				



websites supporting business startups in Oman								
The online support available are more focused and faster than business incubators				0.794				
Incubators run by Omani Entrepreneurs could be more helpful					0.859			
Higher education institutions should promote business incubators						-0.554		
Private sector should play a major role in supporting young entrepreneurs						0.834		
Incubators will help the participants to identify the right place to start business							-0.518	
Incubators support the day to day operations of the new venture							0.742	
Awareness towards business incubators is very low in Oman.								0.874
Incubators help all type of businesses	0.31	0.417	-0.024	-0.127	0.082	0.052	0.499	0.389
Incubators help in planning the businesses	0.094	0.415	0.381	0.477	0.395	-0.123	-0.147	0.032
Extraction Method: Principal Component Analysis.								
Rotation Method: Varimax with Kaiser Normalization								
a. Rotation converged in 22 iterations.								



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