

The Impact of Innovation on the Performance of SMEs in Oman

Nasser Alyahyaei^a, Nor Azilah Husin^b, Kamisah Supian^c, ^aFaculty of Business Studies, Arab Open University, Muscat, Oman, ^{b,c}Faculty of Business and Accountancy, University Selangor, Malaysia, Email: ^anasser.y@aou.edu.om, ^bnor_azilah@unisel.edu.my, ^ckamisah@unisel.edu.my

One of the national priorities of Oman Vision 2040, is the Private Sector, Investment, and International Cooperation. The strategic direction of 2040 focuses on enabling the private sector competitive economy which integrates with the world economy. To inspire Omani citizens on the entrepreneurial path and to improve the SMEs performance, the government has been conducting workshops and seminars on small and medium-sized businesses in different regions in Oman. The purpose of this paper is to contribute to the knowledge of entrepreneurship in Oman; hence it studies the impact of innovation on the business performance of SMEs in Oman. The research employed a quantitative approach in gathering and analysing data, using a self-administered questionnaire. The findings of this study concluded that innovation is positively and significantly related to business performance of SMEs in Oman.

Keywords: *Entrepreneurship, Entrepreneurial Orientation, SMEs, Innovation.*

Introduction

Entrepreneurship is essential to a country's economic development. It sparks the creation and application of innovative ideas. The independent spirit of entrepreneurs has contributed immensely to the development of managerial skills and maximisation of given resources. Many of the big corporations that provide massive employment today started out as small enterprises originated by dauntless individuals who defied the odds. It goes without saying that entrepreneurship is essential to a country's development (Morris, 2016). Morris & Kuratko (2008) defined entrepreneurship as creation of wealth, creation of enterprise, creation of innovation, creation of change, creation of employment, creation of value, and creation of growth. Schumpeter (1976) believes that "the function of entrepreneurs is to reform or revolutionize the pattern of production by exploiting an invention or, more generally, an untried

technological possibility for producing a new commodity or producing an old one in a new way, by opening up a new source of supply of materials or a new outlet for products, by reorganizing an industry and so on”. Śledzik (2013) in his commentary on Schumpeter’s entrepreneurial theory described innovation as the “creative destruction” that develops the economy while the entrepreneur plays the role of creator and goes on to say that “entrepreneurship is innovation and the actualization of innovation”.

The concept of entrepreneurship is often attached to the phenomenon of SMEs, an acronym for small and medium-sized enterprises. These types of firms can be described in qualitative terms: They are managed independently with the manager owning the business. In addition, their capital is set up by one or a few persons. Finally, they operate locally and are small compared to their established competitors (Byrd & Megginson, 2013). SMEs can also be defined in quantitative terms. Ayyagari et al. (2007) noted that different countries adopt different criteria - such as employment, sales or investment – in defining small and medium enterprises. In the case of Oman, the Public Authority for Small and Medium Enterprises which is also known as Riyada, classifies SMEs into three categories—micro, small and medium. Micro refers to businesses employing 1-5 workers and sales of 100,000 OR and below. Small pertains to firms with 6-25 workers and sales of 100,000 to 500,000 OR. Medium describes companies with 26-99 workers and sales of 500,000 to 1,000,000 OR. Sales figures are based on the initial estimates of the new business owners and the latest audited results (Riyada, 2015).

In Oman, for the past few decades, the government has been the main employer of Omani citizens who are attracted by the high salaries and generous benefits given by the different agencies, particularly in the oil sector. However, In the light of low export oil prices, the government has struggled to effectively balance its budget. To save on budgetary costs, the government has started pointing employable citizens to the private sector for employment or encouraging them to start their own business (Times of Oman, 2018).

To inspire Omani citizens on the entrepreneurial path, the government has been conducting workshops and seminars on small and medium-sized businesses in different regions in Oman. Successful entrepreneurs have been tapped to share their experience and expertise with their fellow Omanis who are thinking of starting their own enterprise but who need expert guidance and support to proceed. Clearly, the Sultanate of Oman has become acutely aware that its best bet for continued prosperity is in expanding its entrepreneurial base. It is something that is fraught with challenges, but at the same time also filled with opportunities. However, the Riyada annual report in 2018 acknowledged the small, though growing, impact of SMEs on the local economy especially when it compared with other GCC countries (Riyada, 2018). This leads to the importance of analysing the factors affecting the performance of the SMEs in Oman from different views. There have been few actual studies on the performance of Omani SMEs and most of the available research focused not on performance per se but on the challenges

experienced by Omani SMEs. Hence, the focus of this research paper is to analyse the relationship between innovation and business performance of SMEs in Oman. It tends to answer the following question:

- Is there a significant relationship between innovation and business performance of SMEs in Oman?

Literature Review

Innovation

Drucker (1985) described innovation as the “knowledge base of entrepreneurship.”. He observed that successful entrepreneurs engage in a higher type of this activity which he called systematic innovation which “consists in the purposeful and organized search for changes, and in the systematic analysis of the opportunities such changes might offer for economic or social innovation”. Manso (2017) observed that while innovation is required in this age of fast-paced technological change, companies find it difficult to make experimentation and risk-taking an integral part of their business practice. To address this need, Manso (2017) offered a model for motivating innovation based on probability theory and experimental evidence. Besides giving incentives for both CEOs and employees to innovate, it was recommended that corporate leaders create a culture that accepts early failure and rewards long-term performance. This study is relevant in its affirmation that both management and employees should work together to come up with innovative ideas. Additionally, Arenhardt et al. (2018) analysed how innovation is perceived by small and medium-sized enterprises in the European Union. The study measured the opinion of experts with extensive knowledge of this group. The focus was on the relevance that SMEs attribute to the factors that lead to innovation with reference to the degree of their individual countries’ development. Results showed that SMEs from less developed nations seem more aware of the advantages of innovation to their businesses. This research could lay the foundation for comparative studies on innovation perceptions in GCC countries which include Oman.

Moreover, Parida et al. (2012) addressed the gap in researching how open innovation activities positively affect the innovation outcomes of SMEs. Drawing data from 252 high technology SMEs, the researchers concluded that open innovation activities have a positive influence on different innovation outcomes. For example, analysis revealed that technology sourcing has a beneficial relationship with radical innovation performance. In the same manner, it was shown that technology scouting relates positively with incremental innovation performance. The paper recommended steps based on the focus of the SME which wants to improve its performance. Specifically, if the firm intends to concentrate on incremental innovation which requires a low level of investment, it should be ready to collaborate with associates outside the

value chain. Should they aspire for radical innovation, then they should work with strong firms within it.

Business Performance

Business performance relates to the effectiveness of business operations and the success of their products and services on the market. Customers will always prefer novelty products and services as a strong buying incentive. These products and services to compete in the market will require radical and continuous development. Gaining a competitive advantage is inevitably connected with innovation (Rybárová et al., 2019).

There has been no agreement among researchers on an appropriate measure of performance. While Watson (2010) employs three variables to determine the performance of SMEs, namely (i) the success or failure rates, where failure is defined as the closure of business, (ii) return measures, specifically the return on equity (ROE), and (iii) the return on assets (ROA). The researcher also added that determining the performance of SMEs should employ methods that have the attributes of objectivity/verifiability; relevance/representational faithfulness; reliability/freedom from bias; and simplicity/parsimony.

Alternatively, Mahmood & Hanafi (2013) on the matter of measuring performance, the researchers opted for a subjective rather than objective metric. On a five-point Likert scale, the owners/managers were asked to gauge their firms' performance on the criteria of likely profitability which was also adapted in this research. Their study indicates that entrepreneurial orientation including innovation, is positively and significantly related to business performance of female-owned small and medium enterprises in Malaysia. Generally speaking, various research notes a positive relationship between entrepreneurial orientation dimensions including innovation and business performance. To name a few, Covin & Slevin (1989), Covin & Slevin (1991), Miller & Bromilley (1990), Lumpkin & Dess (1996) and Al Swidi & Mahmood (2011).

Moreover, (Rauch et al., 2009) analysed the relationship between entrepreneurial orientation (EO) dimensions including innovation and business performance. Their study included 51 articles and showed a significant positive relationship between EO and business performance. Similarly, a study by Alrabeei (2014) of Bahraini SMEs revealed that the main hindrances to growth are the shortage of qualified human resources that can fit the needs of SMEs, a lack of suitable finance, and aggressive competition. The study noted the pressing need for Bahraini SMEs to be more creative and adaptable in their approach in their business operations, and the necessity of adopting an internalisation strategy. Likewise, and based on applied comparison conducted in the Slovak Republic by Rybárová et al. (2019) between the development of innovation and development of the financial ratios, it concluded that ROS indicators (the proportionality of changes in profit and sales), the % value added of total turnover (the

proportionality of changes in value added to the changes in sales) , the % EBITDA of total turnover (the proportionality of changes in earnings before taxes, interest and depreciation to the changes in revenues), the ROA (the proportionality of changes in earnings (EBIT) to the change of the asset) and the total assets turnover show a certain dependency on innovation activities.

Moreover, Georgellis et al. (2000) examined how entrepreneurial behaviour affects business performance. Using a sample of some 300 small businesses, drawn from Central London, the paper argued that small businesses motivated by a desire to grow in terms of sales and/or employees and to survive in a dynamic and competitive environment need to be innovative. On the contrary, Al Balushi & Bagum (2017) used a theoretical framework that showed that financial management, marketing management, operations management, and human resource management are independent variables on which Omani SMEs' growth strategies highly depend. Using both quantitative and qualitative research methods, they concluded that the management of four major departments of SME should be strong enough for developing growth or expansion strategies. If SME's owners possess knowledge and skills to manage these four departments of their business, then they can think to grow their business which is a key to success in today's competitive business world. Inability to do so would result in a challenges and issues for growth strategies of Oman's SMEs. Likewise, Kraus et al. (2012) concluded that although their research on Dutch SMEs did not find a direct positive effect of innovation on performance during the turbulent environment, it did find that innovative SMEs do perform better in unstable environments.

Methodology

This research employed a quantitative approach in gathering and analysing data. A self-administered questionnaire was distributed to gather the statistics as shown in Table 1. A correlational research methodology is used as research design for this study. Additionally, the study used the probability sample technique since it is enormously difficult to study a research population in its entirety. This inquiry was limited to organisations which fall under the guiding definitions of SMEs as set out by the Ministry of Commerce and Industry and those registered with the Public Authority for SMEs Development also known as Riyada. According to the National Center for Statistics and Information (NCSI), the total SMEs registered (Riyada) by the end of 2019 were 42,698 (NCSI, n.d.). As per the G*Power software 3.1 it suggests a sample size of at least 89 respondents since we are using one independent variable (Faul et al, 2007). However, 268 responses were received. A panel of experts was consulted on the wording of the questionnaire. Respected professors from the academe, practicing entrepreneurs, and government officers provided helpful scrutiny on the applicability and preciseness of the language. The Arabic translation was likewise scrupulously checked for accuracy.

The choice of responses is spread over a 10-point Likert scale. *Strongly Disagree* and *Strongly Agree* occupy the extreme points with the lowest number assigned to the former. The choice of a 10-point Likert scale was made based on a study by Awang, Afthanorhan, and Mamat (2016). Using Structural Equation Modelling (SEM), the researchers analysed samples of 5-point and 10-point Likert scales by testing for their Composite Reliability (CR), Average Variance Extracted (AVE) and discriminant validity. The results revealed that the 10-point scale is more relevant because it meets the accepted standards for reliability and validity and because the relationship between latent variables in the scale can be confirmed.

Table 1: The Questionnaire

	Innovation
EOI1	We continually make improvements in our products and processes.
EOI2	We explore non-traditional and creative ways of doing business.
EOI3	We actively research and brainstorm on better methods of conducting our business.
EOI4	We find ways to add value to our existing products/services to differentiate our business from our competitors.
EOI5	We are open to partnerships with other businesses to develop new products and services.
	Business Performance
A	Finance
PF1	Our company shows profitability as evidenced by increasing revenue and net income.
PF2	Our company always meets its “Cost Effectiveness” objective.
PF3	Our manufacturing/service standards accurately reflect the time needed to produce/provide them.
B	Sales
PS1	Our market share is growing as shown in the increasing number of new customers.
PS2	We have not had a loss of order or lack of business during our years of existence.
PS3	Our company always meets its “On-time Delivery” goal.
C	Employees
PE1	Our staff turn-over rate is low.
PE2	Our employees’ morale is high.
D	Reputation
PR1	We maintain a mutually beneficial and productive relationship with our business partners.
PR2	Our company enjoys a well-known and respected position in the market.



Analysis and Findings

The research data was analysed in two stages, first the SPSS version 15 was employed to analyse the profile of respondents and the descriptive statistics. Second the SMART-PLS 3.0 used to conduct the assessments of measurement model.

Descriptive Analysis

Table 2 shows the respondents profile, and it illustrates that more than half (53%) of the SMEs that responded to the questionnaire are in Muscat and the low responses were from Musandam governorate. Table 2 also shows that 46.6% of the respondents are business owners, 29.5% managers and 23.9 % both owners and managers. In terms of company types, Table 2 shows that 49.3% are service companies, 11.2% manufacturers, 5.6% wholesaling and 43% retail. 18.3% of these companies stated that they received assistance from government agencies. Finally, Table 2 shows the age of the companies, where 19.4% are 3 years old, 26.5% are 4-6, 28% are 7-14 and 26.1% are over 15 years.

Table 2: Profile of Respondents

Particulars	Frequency	Percent %
Governorate		
Muscat	143	53.4
Dhofar	13	4.9
Musandam	2	0.7
AL Dakhilya	35	13.1
North AL Batinah	16	6.0
South AL Batinah	15	5.6
AL Dhahira	7	2.6
Al Wusta	4	1.5
Buriami	6	2.2
North AL Sharqiyah	14	5.2
South AL Sharqiyah	13	4.9
Position		
Owner	125	46.6
Manager	79	29.5
Both	64	23.9
Type of Company		
Manufacturing	30	11.2
Wholesaling	15	5.6
Services	132	49.3
Retailing	91	34.0
Assistance Received from Government Agencies		
	Frequency	Percent
Yes	49	18.3
No	219	81.7
Years of Existence		
3 Years	52	19.4
4-6 Years	71	26.5
7-14 Years	75	28.0
15+ Years	70	26.1

Table 3 shows a high average mean score of innovation indicators with 7.49 and a standard deviation of 2.172.

Table 3: Innovation Descriptive Statistics

Innovation	Mean	Std. Deviation
We continually make improvements in our products and processes.	7.60	2.083
We explore non-traditional and creative ways of doing business.	7.38	2.231
We actively research and brainstorm on better methods of conducting our business.	7.35	2.196
We find ways to add value to our existing products/services to differentiate our business from our competitors.	7.57	2.095
We are open to partnerships with other businesses to develop new products and services.	7.57	2.258
Average Innovation score	7.49	2.172

Similarly, Table 4 shows a high average mean score of business performance indicators with 7.85 and a standard deviation of 1.967.

Table 4: Business Performance Descriptive Statistics

Business Performance	Mean	Std. Deviation
Finance		
Our company shows profitability as evidenced by increasing revenue and net income.	6.45	2.155
Our company always meets its "Cost Effectiveness" objective.	6.65	2.082
Our manufacturing/service standards accurately reflect the time needed to produce/provide them.	7.10	1.906
Sales		
Our market share is growing as shown in the increasing number of new customers.	7.10	1.989
Our company always meets its "On-time Delivery" goal.	7.52	1.955
Employees		
Our employees' morale is high.	7.12	2.155
Reputation		
Our company enjoys a well-known and respected position in the market.	7.85	1.967

The skewness and kurtosis of innovation and business performance fall in the normal range between ± 3 (Griffin & Steinbrecher, 2013). The results are shown in Table 5.

Table 5: The skewness and kurtosis for normality

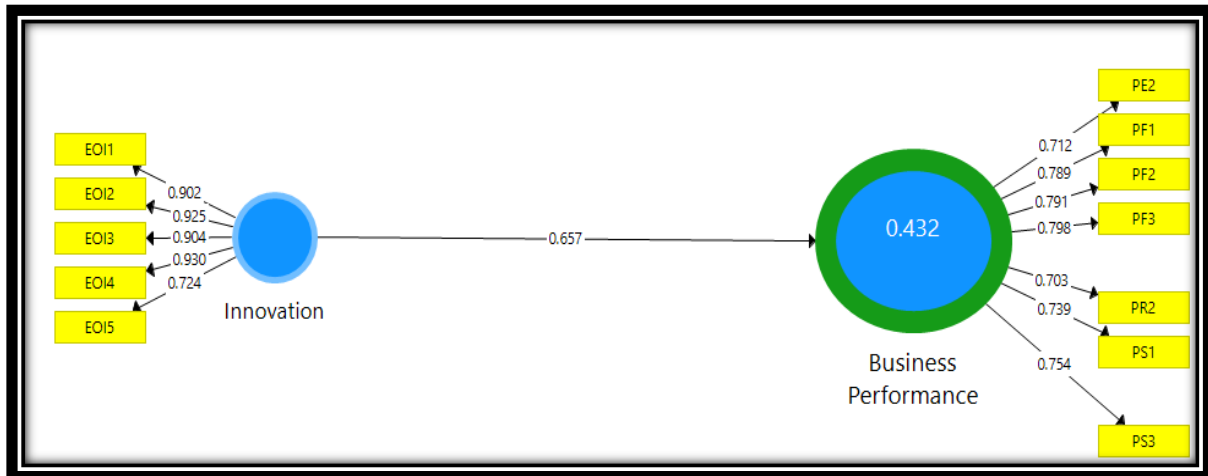
Particular	Skewness	Kurtosis	Normality Assumption
Innovation	-1.277	1.991	Normal
Business Performance	-1.477	3.208	Normal

Note: All factors are normally distributed if the range of Skewness and Kurtosis is between ± 3

Assessment of Measurement Model

SmartPLS 3.0 was employed to conduct the assessments of measurement model on this study's data. Figure 1 shows the Model of the study in PLS-SEM, which describes the relationship between the latent variables and their indicators.

Figure 1. Structural Model



In this phase, SmartPLS 3.0 was employed using algorithms and the structural modelling technique. The measurement model properties were evaluated for consistency and reliability before testing the structural model. Table 6 shows that the factor loading was above 0.70, the composite reliability (CR) for all constructs was above 0.70, and Average Variance Extracted (AVE) is at least 50%. The results suggest the validity at each construct level, justifying that the indicators were loaded to appropriate construct (Hair et al., 2014). These three results show that all constructs are strongly correlated with their own measures variables as shown in table 6. It is worthy to note that three items (PS2, PE1, and PR1) from the questionnaire were deleted due to low item loadings.

Table 6: Result of Reliability Test

Construct	items	Item Loading	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Innovation	EOI1	0.902	0.925	0.945	0.775
	EOI2	0.925			
	EOI3	0.904			
	EOI4	0.930			
	EOI5	0.724			
Business Performance	PF1	0.789	0.875	0.903	0.572
	PF2	0.791			
	PF3	0.798			
	PS1	0.739			
	PS3	0.754			
	PE2	0.712			
	PR2	0.703			

Additionally, all constructs were correlated with their measures rather than with any other construct suggesting the model achieved the discriminant validity as shown in Table 7.

Table 7: Discriminant Validity- Fornell-Larcker Criterion

	Business Performance	Innovation
Business Performance	0.756	
Innovation	0.657	0.881

Next, a bootstrapping procedure of 5000 times of re-sampling was run, and the results were consistent. The path coefficients in PLS-SEM analysis are shown in Table 8. The nature of the path coefficient shows that innovation has a significant impact towards business performance of SMEs in Oman with a positive relationship with 0.135 ($p\text{-value} = 0.000 < 0.01$) (Hair et al., 2019).

Table 8: Significance Testing Results of the Structural Model Path Coefficients

	Path Coefficients	t Statistics	p Values	Confidence Intervals		Significance ($p < 0.01$)
				2.5%	97.5%	
Innovation -> Business Performance	0.135	1.826	0.000	-0.009	0.269	Yes

*** significance at 0.01

Conclusion and Recommendation

This study makes contribution to the literature by investigating and testing the relationship between innovation and business performance of SMEs in Oman. To the best of our knowledge, there have been few actual studies on the performance of Omani SMEs and most of the available research focused on the challenges experienced by Omani SMEs. This study concluded that innovation is positively and significantly related to business performance of SMEs in Oman. This significant positive relationship is consistent with previous studies such as Covin & Slevin (1989), Covin & Slevin (1991), Miller & Bromilley (1990), Lumpkin & Dess (1996), Rauch et al. (2009), Al Swidi & Mahmood (2011), Parida et al. (2012), Mahmood & Hanafi (2013) and Alrabeei (2014). These previous studies highlighted the positive and significant relationship between innovation and business performance, whether innovation was studied as a separate independent variable or along with the other entrepreneurial orientation dimensions namely, risk-taking, pro-activeness, autonomy, and competitive aggressiveness.

The findings of this study indicate one of the key areas that contribute to the success and growth of SMEs in Oman and the world in general. Innovative companies will have better opportunities to survive and excel during the severe competition, enabling these companies to meet the changing demands of their customers and to diversify their products or services portfolios.

However, innovation can be risky and new ideas can lead to failures. For this reason, future research might focus on investigating the challenges and opportunities of innovation status in Oman, suggesting ways on how to nurture innovation culture and how to foster it. Apart from this, it is important to point out the limitation of collecting the objective data on performance which was hindered by an understandable hesitancy on the part of respondents to disclose specific figures (e.g. on equity/assets/sales) to outsiders. This is a common issue in performance studies as pointed by Mahmood & Hanafi (2013). The responses to the business performance questions are therefore limited to the choices posed in the Likert scale which are answered based on a subjective appraisal by the respondents. To make up for this, the questions are constructed in a manner that would elicit the most objective response possible.



REFERENCES

- Al Balushi, B., and Bagum, S. (2017). Growth strategies of sme in oman- issues and challenges. *International Journal of Small Business and Entrepreneurship Research*, Vol. 5, No. 2, pp. 21–61.
- Al Swidi, A.K. & Mahmood, R. (2011). How does organizational culture shape the relationship between entrepreneurial orientation and the organizational performance of banks. *European Journal of Social Sciences*, Vol. 20, No. 1, pp. 28–46.
- Alrabeei, H. (2014). Barriers to Growth Key Challenges Facing Bahraini Small and Medium Enterprises. *Arabian Journal of Business and Management Review (Oman Chapter)*, Vol. 4, No. 3, pp. 45.
- Arenhardt, D. L., Simonetto, E. de O., & Rodrigues, G. O. (2018). Importance of Innovation for European SMEs: Perception of Experts. *Dimensión Empresarial*, Vol. 16, No. 2, pp. 21–37. <https://doi.org/10.15665/dem.v16i2.1450>
- Awang, Z.; Afthanorhan, A.; and Mamat, M. (2016). "The Likert scale analysis using parametric based Structural Equation Modeling (SEM)," *Computational Methods in Social Sciences (CMSS)*, "Nicolae Titulescu" University of Bucharest, Faculty of Economic Sciences, Vol. 4, No. 1, pp. 13-21, June.
- Ayyagari, M., Beck, T., & Demirguc-Kunt, A. (2007). Small and medium enterprises across the globe. *Small Business Economics*, Vol. 29, No. 4, pp. 415–434. <https://doi.org/10.1007/s11187-006-9002-5>
- Byrd, M.J. and Megginson, L. C. (2013). *Small Business Management: An Entrepreneur's Guidebook* (7th ed.). McGraw-Hill.
- Covin, Jeffrey G; Slevin, D. P. (1991). A Conceptual Model of Entrepreneurship As Firm Behavior. *Entrepreneurship Theory and Practice: ET&P; Waco*, Vol. 16, No. 1, pp. 7. <https://search.proquest.com/docview/213811372?accountid=145454>
- Covin, Jeffrey, G., & Slevin, Dennis, P. (1989). Strategic Management of Small Firms in Hostile and Benign Environments. *Strategic Management Journal*, Vol. 10(1), pp. 75–87. file:///C:/Users/Ichiyanagi/Downloads/Strategic_Management_of_Small_.pdf
- Drucker, P. (1985). *Innovation and Entrepreneurship Practice and Principles*. HarperCollins Publishers, Inc.



- Faul, F., Erdfelder, E., Lang, A.-G. & Buchner, A. (2007). G*Power 3: A flexible statistical power analysis program for the social, behavioral, and biomedical sciences. *Behavior Research Methods*, Vol. 39, pp. 175–191.
- Georgellis, Y., Joyce, P. and Woods, A. (2000). Entrepreneurial action, innovation and business performance: the small independent business. *Journal of Small Business and Enterprise Development*, Vol. 7, No. 1, pp. 7–17.
- Griffin, M. M., & Steinbrecher, T. D. (2013). using Secondary Datasets to Understand Persons with Developmental Disabilities and their Families. In *International Review of Research in Developmental Disabilities* Vol. 45, pp. 155–183. Academic Press Inc. <https://doi.org/10.1016/B978-0-12-407760-7.00004-9>
- Hair, Joe F., Sarstedt, M., Hopkins, L., & Kuppelwieser, V. G. (2014). Partial least squares structural equation modeling (PLS-SEM): An emerging tool in business research. *European Business Review*, Vol. 26, No. 2, pp. 106–121. <https://doi.org/10.1108/EBR-10-2013-0128>
- Hair, Joseph F., Risher, J. J., Sarstedt, M., & Ringle, C. M. (2019). When to use and how to report the results of PLS-SEM. *European Business Review*, Vol. 31, No. 1, pp. 2–24. <https://doi.org/10.1108/EBR-11-2018-0203>
- Kraus, S., Rigtering, J. P. C., Hughes, M., & Hosman, V. (2012). Entrepreneurial orientation and the business performance of SMEs: A quantitative study from the Netherlands. *Review of Managerial Science*, Vol. 6, No. 2, pp. 161–182. <https://doi.org/10.1007/s11846-011-0062-9>
- Lumpkin, G. T., & Dess, G. G. (1996). Clarifying the entrepreneurial orientation construct and linking it to performance. *Academy of Management Review*, Vol. 21, No. 1, pp. 135–172. <https://doi.org/10.5465/AMR.1996.9602161568>
- Mahmood, R. and Hanafi, N. (2013). Entrepreneurial Orientation and Business Performance of Women-Owned Small and Medium Enterprises in Malaysia: Competitive Advantage as a Mediator. *International Journal of Business and Social Science*, Vol. 4, No. 1, pp. 82–90.
- Manso, G. (2017). Creating Incentives for Innovation. *California Management Review*, 53, No. 9, pp. 1689–1699. <https://doi.org/10.1017/CBO9781107415324.004>
- Miller, K. D., & BROMILEY, P. (1990). Strategic Risk and Corporate Performance: an Analysis of Alternative Risk Measures. *Academy of Management Journal*, Vol. 33, No. 4, pp. 756–779. <https://doi.org/10.2307/256289>



- Morris, M. (2016). *The Importance of Being Entrepreneurial in Today 's Changing University Environment*.
- Morris, MH, and Kuratko, DF, C. J. (2008). *Corporate entrepreneurship and innovation*. Thomson Higher Education.
- NCSI. (n.d.). *Small and Medium Enterprise - DATA PORTAL*. Retrieved May 2, 2020, from <https://data.gov.om/eopqlmg/small-and-medium-enterprise>
- Parida, V., Westerberg, M., & Frishammar, J. (2012). Inbound Open Innovation Activities in High-Tech SMEs: The Impact on Innovation Performance. *Journal of Small Business Management*, Vol. 50, No. 2, pp. 283–309. <https://doi.org/10.1111/j.1540-627X.2012.00354.x>
- Rauch, A., Wiklund, J., Lumpkin, G. T., & Frese, M. (2009). Entrepreneurial orientation and business performance: An assessment of past research and suggestions for the future. *Entrepreneurship: Theory and Practice*, Vol. 33, No. 3, pp. 761–787. <https://doi.org/10.1111/j.1540-6520.2009.00308.x>
- Riyada. (2015). *SME definition*. <https://riyada.om/en-us/aboutus/Pages/definesme.aspx>
- Riyada. (2018). *Riyada Report 2018*. [https://riyada.om/en-us/downloads/Riyada Report-half year-AR.pdf#search=report](https://riyada.om/en-us/downloads/Riyada%20Report-half%20year-AR.pdf#search=report)
- Rybárová, D., Štetka, P., & Šagátová, S. (2019). Relationship between innovation and business performance. *Megatrend Revija*, Vol. 16, No. 3, pp. 83–93. <https://doi.org/10.5937/megrev1903083r>
- Schumpeter, J. (1976). *capitalism socialism and democracy* (3rd ed.). George Allen and Unwin.
- Śledzik, K. (2013). Schumpeter's View on Innovation and Entrepreneurship. *SSRN Electronic Journal*, April 2013. <https://doi.org/10.2139/ssrn.2257783>
- Times of Oman. (2018). *Oman adds regulations for 2019 budget to rationalise spending*. <https://timesofoman.com/article/140684>
- Watson, J. (2010). *SME Performance: Separating Myth from Reality*. Edward Elgar Publishing Limited.