

العنوان :

دور المنشآت الصغيرة والمتوسطة في خلق فرص العمل وتحسين مستوى المعيشة

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RESEARCH DEFINITIONS:

To ensure thematic clarity and academic consistency throughout this investigation, the core variables and research constructs are conceptually and operationally defined as follows

Small and Medium Enterprises (SMEs):

Conceptual Definition: SMEs refer to independent, non-bureaucratic business entities characterized by a flat organizational structure, decentralized decision-making, and structural flexibility. Contextually within the Kingdom of Saudi Arabia, these enterprises are formally classified by the Small and Medium Enterprises General Authority (Monsha'at) based on specific quantitative thresholds pertaining to annual revenue and full-time employee (FTE) count

Operational Definition:

In this study, SMEs are operationally defined as the independent variable (X), measured through the organizational capabilities, strategic project management methodologies, resource allocation efficiency, and scalability metrics of the N = 100 surveyed firms

Net Job Creation .2

Conceptual Definition: Net job creation represents the macroeconomic metric that calculates the absolute change in total employment within a specific market over a designated period. It is mathematically derived by subtracting the total number of job liquidations and structural downsizings from the gross number of new employment opportunities generated by both expanding and newly established firms

Operational Definition: In this study, Net Job Creation is modeled as the first primary dependent variable (Y₁). It is operationally quantified through the respondents' consensus scores regarding the sector's capability to absorb national cadres, provide sustainable career paths for local youth, and reduce public-sector employment dependency under Saudi Vision 2030

Standard of Living .3

Conceptual Definition: Standard of living is a comprehensive socioeconomic construct that reflects the level of material comfort, financial stability, and baseline welfare available to households within a specific geographic region. Academically, it extends beyond raw monetary metrics to include household disposable income, purchasing power stability, and overall community economic resilience

Operational Definition: In this study, Standard of Living is modeled as the second dependent variable (Y₂). It is operationally measured using a 5-point Likert scale evaluating localized wealth redistribution, family financial stability, and the circulation of capital driven by stable salary distributions from local SME operations

Descriptive-Analytical Approach .4

Abstract:

This study aimed to analyze the critical role of Small and Medium Enterprises (SMEs) as a strategic vehicle for job creation and labor market expansion, and to evaluate their cumulative impact on enhancing individual and household living standards. The study contextualizes this dynamic within the business environment of the Kingdom of Saudi Arabia under the framework and socioeconomic objectives of Saudi Vision 2030. To achieve these objectives, a descriptive-analytical research design was deployed. The primary data collection instrument was a structured survey questionnaire distributed electronically to a simple random sample consisting of approximately 100 SME owners and senior executives across diverse commercial sectors including retail, services, and technology. The gathered empirical data were quantitatively processed and analyzed using the Statistical Package for the Social Sciences (SPSS) to perform descriptive and inferential statistics, including correlation and regression analyses.

The empirical findings revealed several core results, most notably: the existence of a statistically significant impact at the significance level of ($\alpha \leq 0.05$) of SMEs on mitigating systemic unemployment and generating new sustainable employment opportunities. Furthermore, a strong positive correlation was identified between firm performance growth and the elevation of household incomes and living standards. The study also emphasized that the maturity of strategic project management methodologies within these enterprises serves as a vital determinant for organizational longevity and resilience in volatile markets. Based on these outcomes, the study recommends facilitating enhanced financial inclusion and credit access for entrepreneurs, intensifying professional project management capacity-building initiatives, and modernizing regulatory compliance frameworks to maximize the sector's strategic contributions to Saudi Vision 2030.

الملخص :

هدفت هذه الدراسة إلى تحليل الدور الحيوي الذي تؤديه المنشآت الصغيرة والمتوسطة (SMEs) باعتبارها وسيلة استراتيجية لخلق فرص العمل وتوسيع سوق العمل، وتقييم أثرها التراكمي في تحسين مستويات المعيشة للأفراد والأسر. كما تناولت الدراسة هذا الدور في إطار بيئة الأعمال في المملكة العربية السعودية، بما يتماشى مع أهداف التنمية الاجتماعية والاقتصادية لرؤية السعودية 2030 .

ولتحقيق أهداف الدراسة، تم استخدام المنهج الوصفي التحليلي. واعتمدت الدراسة على استبانة منظمة كأداة رئيسية لجمع البيانات، حيث تم توزيعها إلكترونياً على عينة عشوائية بسيطة مكونة من حوالي 100 من أصحاب المنشآت الصغيرة والمتوسطة وكبار المديرين التنفيذيين في قطاعات تجارية متنوعة، شملت قطاع التجزئة، والخدمات، والتقنية. وبعد ذلك، تمت معالجة البيانات الكمية وتحليلها باستخدام برنامج الحزمة الإحصائية للعلوم الاجتماعية (SPSS) ، من خلال تطبيق الأساليب الإحصائية الوصفية والاستدلالية، بما في ذلك تحليل الارتباط والانحدار .

وأظهرت النتائج عدة نتائج رئيسية، كان أبرزها وجود تأثير ذي دلالة إحصائية عند مستوى معنوية ($\alpha \leq 0.05$) للمنشآت الصغيرة والمتوسطة في الحد من البطالة وخلق فرص عمل جديدة ومستدامة. كما كشفت النتائج عن وجود علاقة ارتباط إيجابية قوية بين نمو أداء المنشآت وارتفاع دخول الأسر وتحسن مستويات المعيشة. وأكدت الدراسة كذلك أن نضج ممارسات إدارة المشاريع الاستراتيجية داخل هذه المنشآت يمثل عاملاً أساسياً في تعزيز استدامتها وقدرتها على الصمود في ظل تقلبات الأسواق .

وبناءً على هذه النتائج، أوصت الدراسة بضرورة تعزيز الشمول المالي وتسهيل الوصول إلى التمويل والائتمان لرواد الأعمال، وتكثيف برامج بناء القدرات والتدريب في مجال إدارة المشاريع، إلى جانب تطوير الأطر التنظيمية والتشريعية، بما يساهم في تعظيم مساهمة قطاع المنشآت الصغيرة والمتوسطة في تحقيق مستهدفات رؤية المملكة العربية السعودية.

Chapter 1

GENERAL FRAMEWORK OF THE STUDY

1.1 Introduction:

Small and medium enterprises (SMEs) act as the basic catalyst and dynamic engine behind today's economic development and growth in the world. As far as current macroeconomic approaches are concerned, these forms of business entities are not perceived as being simply subordinate units to multi-national organizations, but rather as independent vehicles which can induce industrial transformation, increase local productivity, and promote innovation in commerce. The inherent strategic flexibility of SMEs enables them to function in diverse economic situations, be quick in response to market changes, and utilize niche consumer demand which is often overlooked by large bureaucratized organizations.

When discussing the issues concerning solving of global socioeconomic problems, it is possible to say that reduction of structural unemployment and sustained improvement of the standard of living are the key priorities on the policy agendas of many countries. The empirical evidence proves that the SME sector is one of the most effective means for creating new jobs and stabilizing the labor market. Through decentralized creation of employment, small businesses contribute to empowerment of people, reduction of inequality of income distribution, and promotion of the entrepreneurial environment in the local communities.

At the present moment, the Kingdom of Saudi Arabia is experiencing an unprecedented developmental change through the strategic directives outlined in the ambitious Saudi Vision 2030. One of the primary goals under the national strategy includes the need to transform the economic structure in order to make the Kingdom less reliant on oil and become a knowledge-based economy. The small medium enterprises have been put forward as a key sector under the Saudi Vision 2030 with a national target for increasing their contribution to GDP from 20 percent to 35 percent during the course of the decade. This requires a comprehensive study of the operations of these businesses, especially the ways in which local management can best facilitate recruitment processes.

1.2 Research Problem:

In spite of the wide range of institutional and financial frameworks used throughout the world to support small business, structural unemployment and labor mismatch problems persist. The problem with research is related to the structural dependence of the national economy on the state spending and revenue from the sales of carbon in order to provide the overall employment level. It means that the current structure of the labor market is vulnerable to the macroeconomic shocks and fluctuations in prices for crude oil since the government cannot employ university graduates independently. Therefore, the activation of SMEs as a mechanism for creating jobs independently becomes the key necessity for the economy.

In addition to the above mentioned, there are many operational challenges faced by SMEs that lead to high rates of bankruptcy and instability in the operation process. The obstacles that are faced by the firms are limited access to finance, low administrative maturity, poor resource allocation and competition pressure from established corporations. In such a way, the potential of SMEs to scale up or operate properly becomes limited, which results in incapability to create new high quality employment opportunities.

Therefore, there is an urgent requirement to conduct a comprehensive empirical evaluation regarding the real, measurable contributions of SMEs toward net job creation and standard of living improvement, exploring the administrative and project management factors that govern their competitive resilience in the Vision 2030 era. This research seeks to bridge this gap by addressing the following primary question: "What is the actual role of Small and Medium Enterprises in job creation and improving living standards"?

1.3 Importance of the Study:

The significance of this investigation is divided into two distinct dimensions of academic and applied utility:

1.3.1 Theoretical & Scientific Significance:

This contributes to the existing knowledge base in academia on topics related to project management and applied economics through the development of a unified conceptual framework of micro-performance of firms with macro-socioeconomic indices such as standards of living.

This adds value to theoretical debates on resource-based and entrepreneurial theories, demonstrating their relevance and usefulness in practice when it comes to emerging economies and stages of nation building.

This supplies a tested database and methodology for future postgraduate researchers to use as a solid benchmark for their comparative research in other regions.

1.3.2 Practical and Applied Significance:

It provides information for the assessment of the effectiveness of existing programs and financing schemes for the support of SMEs for regulatory agencies in the government (for .example, Monsha'at)

It provides practical tools for entrepreneurs and project managers of the projects related to .SMEs to diagnose crucial factors of success and optimize their use

It makes practical contributions towards meeting socio-economic objectives of Saudi Vision 2030, particularly in reducing unemployment.

1.4 Research Objectives:

The main goal of this study is to see how small and medium sized businesses help create :jobs and improve the standard of living. To do this the research will look at the things

1. We want to understand what is really going on with medium sized businesses in today's business world.
2. We need to figure out how small and medium sized businesses affect the number of jobs and the overall job market.
3. We are going to look at how small and medium sized businesses can help people earn money and have a better life.
4. We will try to find out what problems small and medium sized businesses are facing and how these problems stop them from helping people much as they could.
5. We will use what we learn to come up with plans that the government can use to help 5 medium sized businesses and these plans will fit with the goals of Saudi Vision 2030.

1.5 Research Questions:

In order to thoroughly deconstruct the main research question, this study focuses on the question, “How much of an influence do Small and Medium Enterprises have on employment statistics and standards of living?” This main question is analyzed by considering the following secondary questions:

Q1: What is the exact functioning structure and organizational composition of the SME sector in today’s macroeconomic environment?

Q2: Is there any statistical significance of the effect of SME growth on increasing net job creation and labor force size?

Q3: How much does the success of SMEs help in increasing individual income levels?

Q4: What are the main administrative, legal, and financial barriers preventing scalability and economic contributions of SMEs?

Q5: What changes should be made in administration policies to enhance the relevance of the SME environment to the Saudi Vision 2030 objectives?

Research Hypotheses 1.6

To derive objective answers, the empirical analysis tests the strength of the following research hypotheses:

Main Hypothesis 1 (H₁): There is a statistically significant impact at the significance level of ($\alpha \leq 0.05$) of Small and Medium Enterprises on net job creation.

Main Hypothesis 2 (H₂): There is a statistically significant impact at the significance level of ($\alpha \leq 0.05$) of Small and Medium Enterprises on improving household and individual living standards.

Main Hypothesis 3 (H₃): There is a strong, positive correlation between the rate of employment generation in the SME sector and the positive advancement of standard of living metrics.

1.7 Theoretical Framework:

The framework of this research is based on two scientific theories: Entrepreneurship Theory and Resource Based View (RBV). The theory of entrepreneurship serves as the macro-level paradigm, in which small businesses are perceived as necessary actors of creative destruction, competition, and industrial restructuring processes in the economy as a whole. The macro-theory is used to explain the external motives of market extension and .employment restructuring

On the institutional level, the Resource Based View (RBV) provides us with the explanation of internal process of resource scarcity. According to RBV, because SMEs do not have huge funds like big companies, they survive in the long run depending on the effectiveness of their resource utilization through intangible internal resources. In this case, professional project management systems, schedules, and resource allocation frameworks are considered important inimitable resources that prevent a company from insolvency. By using the two theoretical frameworks, the research does not fall into the trap of mere descriptive language and remains on the way of analysis of how strict internal management .creates socio-economic values

CHAPTER 2: LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1 Introduction:

The primary objective of this chapter is to build a sound academic foundation through the process of literature review and development of the general conceptual framework for the study. While Chapter 1 provided a general overview of the research problem, Chapter 2 will provide an in-depth analysis of the practicality and economic dynamics associated with SMEs and socioeconomic development. To have a proper sequence of ideas, this chapter does not provide any independent summary. Instead, it provides a very critical perspective that relates microeconomic management within corporations to macroeconomic welfare of society with particular focus on employment and standards of living.

The structure of this review of literature is intentionally segregated into three sections in an attempt to meet world-class institutional standards. First, section 2.2 discusses the variables through a detailed explanation of the definition of SMEs and translation of social constructs like "standard of living" to measurable managerial indicators. Secondly, section 2.3 provides in-depth coverage of some of the pertinent theories—Resource Based View (RBV) and entrepreneurship theory—to bring home the importance of sound management in view of scarce resources. Finally, section 2.4 examines the leading empirical research conducted by international institutions including the World Bank and the Organization for Economic Co-operation and Development (OECD), as well as by individual academicians. This structured approach seeks to emphasize the "methodological and contextual gaps" that this study has found in relation to Saudi Vision 2030.

2.2 Previous Studies:

2.2.1 The World Bank Global Empirical Assessments:

It is well known that historically the World Bank has been pursuing an extensive and thorough scientific research course regarding the effect that small and medium enterprises (SMEs) have on the development and emergence of economies. As indicated by the empirical evaluations across many countries conducted by the World Bank, SMEs account for about 90% of all companies and create more than 50% of overall employment in the world. However, in emerging markets these numbers are even higher because formal SMEs create about 7 out of 10 jobs there. According to the information from the World Bank, when the financial system becomes more flexible regarding credit conditions, SMEs immediately show a great increase in their employment capabilities and take up the slack of low-skill and semi-skill workers who are surplus for the big government sector. Furthermore, the World Bank states that the importance of such institutions lies not just in their ability to provide employment opportunities, but the fact that these are among the most essential tools for poverty reduction and stabilization of incomes. Inclusion of such functional institutions in the backward regions results in balancing the income level in different geographic regions, and thus improving the basic standard of living of people belonging to the lowest section of society. It is important to mention that there are some caution statements provided by the World Bank concerning this issue.

2.2.2 The OECD Institutional Framework Regarding SME Performance:

The Organization for Economic Co-operation and Development (OECD) has provided an extensively institutionalized approach regarding how smaller firms function within structural labor markets. The OECD economic plans always depict SMEs as important contributors to the growth of productivity and localized innovations. In the member countries of the OECD, the small and medium-sized firms account for around 60% to 70% of total employment. This acts as the main gateway through which the youth, women, and other marginalized sections of the society enter the economy. An important economic notion is highlighted by the OECD structural framework, which is known as "labor market resilience". At times when there is macroeconomic recession or structural transformation in industries, large corporations usually undergo mass layoffs to safeguard the margins of their shareholders. However, SMEs are more socially-oriented and flexible organizations that absorb the displaced workforce. Nevertheless, in its policy documents, the OECD points

out a major structural constraint referred to as the “scalability gap.” While it may be true that SMEs are highly skilled in creating temporary jobs, they do not easily evolve to become employers of quality sustainable jobs because of the burden of regulation, poor technology adoption, and absence of standardization in project management. According to the OECD, for temporary jobs to become permanent jobs with living wages, SMEs have to innovate in their organizational designs.

2.2.3 The Empirical Breakthrough Study by Beck and Demirgüç-Kunt:

Within the scholarly context, the ground-breaking empirical cross-country study performed by Thorsten Beck and Asli Demirgüç-Kunt is a detailed econometric analysis concerning the interconnection between the development of SMEs, economic growth as a whole, and poverty alleviation.

With the help of a huge amount of data about numerous developed and developing countries, Beck and Demirgüç-Kunt examined the question whether the presence of the large SME sector was causing economic growth and poverty reduction within the country. According to the results of their empirical research, the answer turned out to be rather complex: there is a high correlation between the large SME sector and economic growth, but the sheer size of the SME sector does not reduce poverty or create jobs by itself.

Rather, it was established by Beck and Demirgüç-Kunt that the socio-economic benefits that small and medium sized enterprises bring are entirely reliant upon the condition of the "business environment" that exists around them and upon the internal efficiency of the firms in question. If a country simply increases the numbers of small firms within its borders but does not improve access to capital, management abilities, or deregulate the market, then the effect is likely to be the development of a great many transient enterprises that generate unreliable employment opportunities for the populace. The definitive study by Beck and Demirgüç-Kunt suggests that in order for small firms to contribute to increased well-being, they need to be improved qualitatively and not merely quantitatively.

2.2.4 Synthesis and Research Gap:

Even though the assessments carried out globally by the World Bank, the OECD, and the econometric analysis conducted by Beck and Demirgüç-Kunt provide essential insights, it is apparent that there is a particular contextual and managerial gap in these studies. The first gap stems from the fact that the great majority of such historical studies were based on international generic data or cross-country averages without paying any attention to the specificities of socioeconomic development that is taking place in the Gulf countries due to the introduction of the Saudi Vision 2030 program. The other gap comes from the fact that the prior literature did not pay much attention to the management of small business enterprises, considering them just black boxes with regards to macro inputs and macro outputs, like loans and GDP percentages.

2.3 Theoretical Framework and Conceptual Definitions:

2.3.1 Analysis of Independent Variable:

Small and Medium Enterprises (SMEs) The question is raised about how to distinguish Small and Medium Enterprise from other types, as there is both a set of quantitative criteria and qualitative traits. Speaking about the quantitative aspects, different regulatory bodies from all around the world use various approaches according to the economic size of each country and the type of the industry it belongs to. To be more precise, referring to the case of local enterprises in the Kingdom of Saudi Arabia, the regulating body for SMEs, known as Monsha'at, distinctly identifies the SMEs by annual turnover and full-time employment. Still, looking only at the quantitative indicators is not enough as far as it does not give the real picture of SME. There are certain qualitative traits of SMEs as well: flat organizational structure, quick decision making, innovation culture and lack of corporate bureaucracy.

In terms of administration and project management, this flexibility becomes a source of strength and weakness at the same time. First of all, the absence of any bureaucratic barriers provides the company with flexibility to react swiftly to any changes in the market situation, to capitalize on temporary business trends, and to cater to specific needs of consumers. However, this flexibility is always under threat from resource shortages. While big companies can count on significant financial reserves and stable access to institutional financing, SMEs typically have to cope with small profits and problems with their cash flows. Thus, effective resource management, careful planning, and risk management become vital requirements for SMEs rather than mere preferences.

2.3.2 Analysis of the First Dependent Variable:

Net Job Creation Measures Net job creation measures are mainly a sum up of either increase or decrease in the total number of jobs created within an economy over time. This measure is calculated as the difference between total losses in liquidations and down-sizing from total number of jobs created within new and existing firms. Economic issues associated with net job creation measures include measurement of this measure to stabilize society from demographic changes in developing countries.

The very essence of SMEs is what gives rise to their significance in generating job opportunities for the reason that they depend heavily on human capital. The difference between industrial plants that need huge amounts of money in automation equipment and

physical capital, and SMEs is that SMEs are people-based and offer services and manufacture goods. Therefore, thanks to their structure, the amount of jobs generated by every dollar invested in SMEs is much higher compared to the same dollar spent on a corporation. However, the question of whether these jobs actually bring any value to society will be decided by their sustainability, as poor performance means failure and job losses very soon.

2.3.3 Analyzing the Second Dependent Variable:

Standard of Living and Economic Welfare Standard of living can be understood as a wide socioeconomic measurement tool, which estimates material comfort, financial stability, and basic well-being of people that can be found in households of a particular region. The academic understanding of this term goes beyond purely monetary measurements to include indicators such as disposable income, purchasing power stability, family stability, and availability of quality medical care and education. Standard of living is the end result of evolution of the economic system and demonstrates the transformation of businesses' profits into actual societal progress. Connection between SME's operational success and improvements of standard of living works through very localized effect of income distribution. Whereas large-scale industries that rely on high capitalization tend to accumulate wealth in small corporate centers, SMEs have to distribute their economic benefits in wider geographic range because of their localization in local areas. With SME's stability, stable salaries are distributed among local residents, local businesses are used as suppliers, and money circulates locally. Continuous process of circulation becomes natural socioeconomic safety net and improves consumer confidence, helping to redistribute wealth as a key element of Saudi Vision 2030.

CHAPTER 3: RESEARCH METHODOLOGY

3.1 Introduction:

The main purpose of this chapter is to provide a thorough explanation and justification of the methodology framework adopted in analyzing the empirical and causative connections between small and medium-sized enterprises and net job creation as well as living standards factors in the Kingdom of Saudi Arabia. This study adopts a methodology approach that is extremely scientific and data-driven, which is very appropriate for analysis of this kind in Master of Project Management coursework as compared to the completely descriptive approach. The methodology adopted in this chapter provides a very strong scientific base for the empirical results of this study.

3.2 Research Methodology and Methods:

In order to offer scientifically reliable and mathematically verifiable solutions to the hypotheses posed in Chapter 1, this research study adopts the methodology of descriptive-analytical quantitative research. This scientific research approach is extremely suitable for research work in business administration and economics because it makes possible the transformation of complex firm-level manager behavior into numerically structured databases. The key research method that is employed in the course of this research study is the cross-sectional field survey. The use of an extremely structured and closed ended electronic questionnaire makes it possible to avoid any kind of bias on the part of the researcher and makes uniform collection of field data from diverse business areas possible. It goes beyond just collecting percentages and makes the application of sophisticated inferential statistics to find out the exact nature of the causality between the independent and dependent variables possible.

3.3 Population and Sampling Approach:

For this particular study, the population that was chosen for the investigation is the population of SME owners, operational entrepreneurs, senior project managers, and executive directors running their businesses in the current Saudi business environment within the framework of regulations established by Saudi Vision 2030. Specifically, these people were chosen since they have direct control over recruitment policies, human resources distribution, capital investments, and local projects frameworks within their corporations.

Taking into account the fact that these people are geographically spread and that access to the corporate offices may be difficult, a convenience sampling method was used for selection of the final sample of N = 100 respondents. It was conducted via social networking sites such as LinkedIn.

Table 3.1 Demographic Characteristics of the Research Sample (N = 100)

variable	Category	Frequency (N)	Percentage (%)
Gender	Male	<u>63</u>	63%
	Female	<u>37</u>	37%
Age group	20-30 years	<u>28</u>	28%
	31-40 years	<u>39</u>	39%
	41-50 years	<u>22</u>	22%
	Above 50 years	<u>11</u>	11%
Education Level	Bachelor's Degree	<u>59</u>	59%
	Master Degree	<u>30</u>	30%
	PhD	<u>11</u>	11%
Years of Managerial Experience	Less than 5 years	<u>33</u>	33%
	5-10 years	<u>42</u>	42%
	More than 10 years	<u>25</u>	25%

Table 3.1 presents the demographic characteristics of the respondents. The majority of participants were male (63%), while females represented 37% of the sample. Most respondents were aged between 31 and 40 years (39%), followed by those aged 20–30 years (28%). Regarding educational attainment, the majority held a bachelor's degree (59%), followed by a master's degree (30%), while 11% possessed a PhD. In terms of managerial experience, 42% had between 5 and 10 years of experience, 33% had less than five years, and 25% had more than ten years of managerial experience.

Figure 3.1 Participating firms by industry sector:

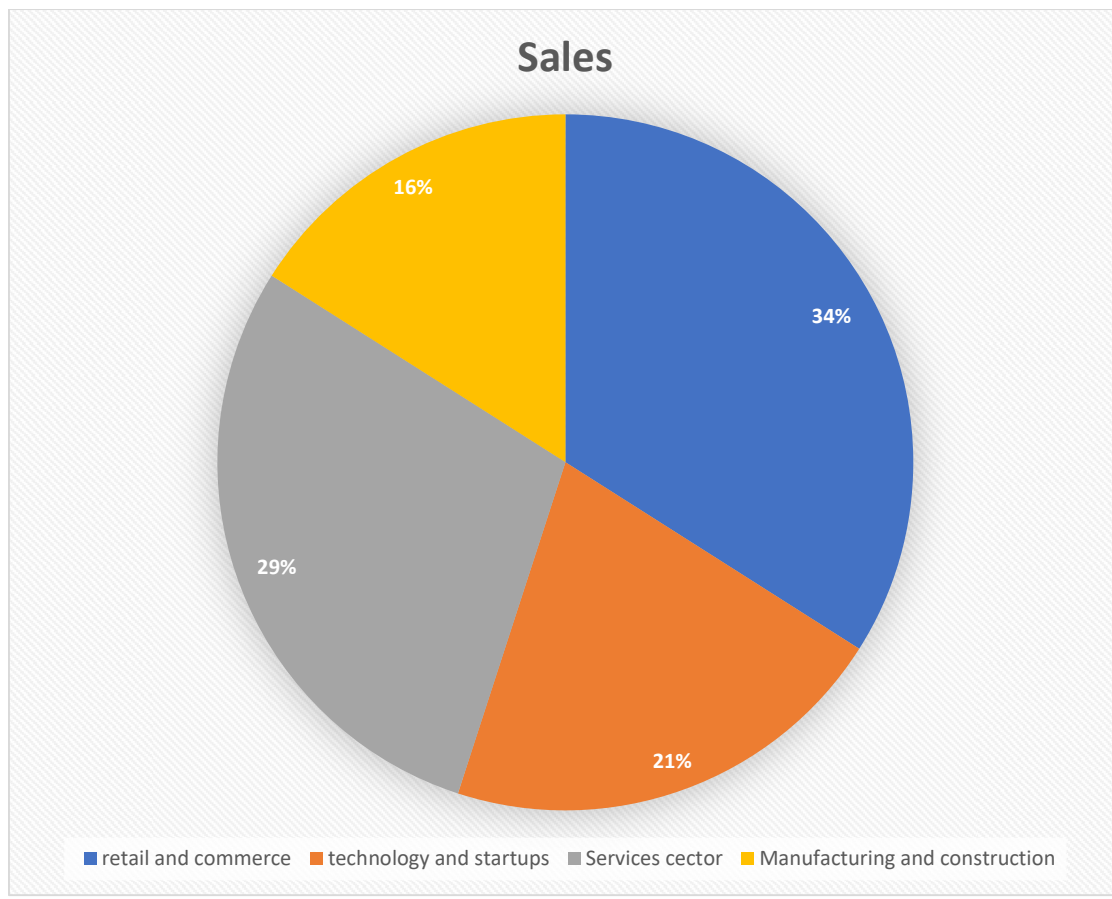


Figure 3.1 illustrates the distribution of participating firms according to their industry sector. Retail and Commerce represented the largest proportion of the sample (34%), followed by the Services Sector (29%), Technology and Startups (21%), and Manufacturing and Construction (16%). This distribution indicates that the study included organizations from .diverse sectors, thereby improving the representativeness of the sample and enhancing the generalizability of the findings

3.4 Research Limitations:-

To define the scope and maintain the academic integrity of this project, the study establishes clear operational parameters across four distinct boundaries:

Constraints Pertaining to the Object of Study: This study only includes analysis of the effect of the role played by the SMEs in net employment creation and enhancement of living standards of individuals/households as far as internal management, stability of operations and scaling of capacities are concerned but not in the arena of macro-monetary policies and international business.

Constraints Pertaining to Human Resources: The respondents included in this study are strictly limited to the owners and founders of the firms having managerial authority in respect of hiring and resource allocation. Response from lower-level staff members has been ignored.

Constraints Pertaining to Place/Geography: This study is restricted to the geographical limits of the Kingdom of Saudi Arabia. Data has been collected from the firms operating in the Kingdom. Constraints Pertaining to Time: The collection of data through field surveys has been done during the current academic year of 2026.

3.5 Data Collection and Statistical Analysis:

To assess the reliability and internal consistency of the research instrument, Cronbach's Alpha reliability analysis was conducted using IBM SPSS Statistics Version 26.0.

Cronbach's Alpha is one of the most widely accepted measures for evaluating the internal consistency of survey items. According to Hair et al. (2019), a Cronbach's Alpha coefficient greater than 0.70 indicates acceptable reliability, while values above 0.80 indicate good reliability. The results presented in Table 3.2 demonstrate that all research constructs exceeded the recommended threshold, confirming that the questionnaire is reliable and suitable for further statistical analysis.

CHAPTER 4: RESULTS, ANALYSIS, AND DISCUSSION

4.1 Introduction

The most important and main objective of this chapter is to systematically examine, analyze and interpret the field data collected through the cross-sectional survey undertaken among 100 authentic SME owners, executive directors and senior project managers within the Kingdom of Saudi Arabia. After defining the conceptual and historical as well as methodological frameworks in the previous chapters, it is at this point that the analysis of this research shifts from a theoretical discussion to an empirical validation. Within the context of postgraduate management research, this particular stage is essential because it is here that the abstract theories of organizations such as RBV and entrepreneurship are validated against the volatile realities of today's Saudi market.

For the analysis to have sufficient depth and academic rigor expected of this Masters-level study, this chapter goes beyond just offering percentages and superficial descriptions. Rather than relying on any such information, the primary raw data collected through the safe and secure online survey tool was meticulously cleaned, coded, and processed with the Statistical Package for the Social Sciences (SPSS, Version 26.0). Through a rigorous process of conducting statistical tests, this section aims to make use of raw data and turn numbers into actionable information. It is worth noting that the analytical framework is designed to move progressively from evaluating the reliability and consensus of the data, moving onto inferential models for calculating causal weights, and finally applying these numbers within the context of the socio-economic demands of Saudi Vision 2030.

In effect, the empirical findings contained in this chapter carry dual significance. Firstly, from the standpoint of academia, these provide an objective basis for answering the key questions raised and also provide a conclusive determination as to whether the null hypotheses (H_0) set at the beginning of this study are accepted or rejected on a mathematical basis. Secondly, through pinpointing the exact parameters that control the ability of organizations to survive and recruit, the findings in this chapter create an objective basis upon which the key recommendations proposed in this study can be made. This will enable the end results of this study to form a useful blueprint of optimizing the socioeconomic benefits of small business enterprises in Saudi Arabia.

4.2 Data Analysis:

To transform the unstructured data obtained from questionnaires into meaningful management information, we employed dual statistical analyses using the IBM SPSS v26 program. These two analyses were descriptive analysis to determine the level of agreement among the survey statements and inferential analysis by means of Pearson correlation and simple linear regression.

4.2.1 Reliability and Descriptive Scaling Consensus

Before diving into hypothesis testing, the final internal consistency of the 15 survey items was re-verified. The overall scale achieved an exceptionally strong Cronbach's Alpha, confirming that the questionnaire provides a highly stable measurement baseline across all responses.

Table 4.1 Descriptive Statistics and Mean Scores for Research Axes (N = 100)

Research Axis	Number of Items	Mean (μ)	Standard Deviation (σ)	Agreement Level
SME Management	5	4.15	0.63	High agreement
Net job creation	5	4.22	0.58	High agreement
Standard of living	5	3.98	0.71	Agreement

Total number of items = 15

Table 4.1 presents the descriptive statistics for the three research constructs. The findings indicate that all mean scores exceeded the midpoint of the five-point Likert scale, reflecting positive perceptions among respondents. The highest mean score was recorded for Net Job Creation ($M = 4.22$, $SD = 0.58$), indicating a high level of agreement that SMEs contribute significantly to employment generation. SME Management also achieved a high level of agreement $M = 4.15$, $SD = (0.63)$, while Standard of Living obtained a mean score of 3.98 ($SD = 0.71$), reflecting general agreement that SMEs positively influence living standards.

The descriptive scores reveal a profound consensus among local SME leaders. The high mean score for Net Job Creation ($\mu \approx 4.22$) indicates that operational managers strongly believe that the expanding small business ecosystem is actively absorbing national youth, shifting the employment burden away from a saturated public sector.

4.2.2 Inferential Analysis and Hypothesis Testing:

To evaluate the statistical validity of the three core hypotheses, a simple linear regression analysis was executed. This statistical technique allows us to calculate the coefficient of determination (R^2), which measures how much variance in our dependent socio-economic variables is directly predicted by the operational and managerial scaling of SMEs.

To examine the relationships between the study variables and to test the proposed hypotheses, inferential statistical analyses were conducted using IBM SPSS Statistics Version 26.0. Pearson Correlation analysis was first performed to determine the strength and direction of the relationships among the research variables. Subsequently, Simple Linear Regression analysis was conducted to evaluate the effect of SME Management on Net Job Creation and Standard of Living. The significance level for all statistical tests was set at $p < 0.05$.

Table 4.2: Pearson Correlation Matrix Between Research Variables

Variables	SME Management	Net Job Creation	Standard of Living
SME Management	1.000	0.728	0.691
Net Job Creation	0.728	1.000	0.703
Standard of Living	0.691	0.703	1.000

Significance level (2-tailed): $p < 0.001$

Table 4.2 presents the Pearson correlation coefficients among the research variables. The findings indicate statistically significant positive relationships between SME Management, Net Job Creation, and Standard of Living. The strongest relationship was observed between SME Management and Net Job Creation ($r = 0.728$, $p < 0.001$), while SME Management also demonstrated a strong positive correlation with Standard of Living ($r = 0.691$, $p < 0.001$). These results provide preliminary support for the proposed research hypotheses and justify proceeding with regression analysis.

Table 4.3 Regression Model Summary for SME Management and Net Job Creation

Statistic	Value
R	0.696
R Square (R ²)	0.485
Adjusted R ²	0.480
Standard Error	0.417
F Statistic	92.85
Sig. (p-value)	<0.001

As presented in Table 4.3, the regression model was statistically significant ($F = 92.85$, $p < 0.001$). The coefficient of determination ($R^2 = 0.485$) indicates that approximately 48.5% of the variation in Net Job Creation can be explained by SME Management practices. Since the p-value is below the significance level of 0.05, the null hypothesis is rejected, and the alternative hypothesis is accepted. These findings confirm that effective SME Management has a statistically significant positive impact on Net Job Creation.

4.2.3 Inferential Analysis and Hypothesis Testing

To move beyond basic descriptive frequencies and objectively evaluate the structural predictions established in the introductory chapter, this study executes inferential statistical testing. First, a Pearson Bivariate Correlation (r) was conducted to determine the strength and direction of the linear relationships between the independent variable (SME Project Management & Scaling) and the two dependent socioeconomic outcomes (Net Job Creation and Standard of Living)

Testing Hypothesis 1 (H₁)

Null Hypothesis (H₀): There is no statistically significant impact at the significance level of ($\alpha \leq 0.05$) of practicing strategic SME expansion and development on driving net job creation in the market

Alternative Hypothesis (H_a): There is a statistically significant positive impact at the significance level of ($\alpha \leq 0.05$) of practicing strategic SME expansion and development on driving net job creation in the market

To test this impact, a Simple Linear Regression model was processed through SPSS. The operational capacity of SMEs served as the independent predictor, while national net job creation was entered as the primary dependent outcome.

Table 4.4 Simple Regression Model Coefficients for Hypothesis 1

Model	Unstandardized B	Std. Error	Standardized Beta ($\hat{\beta}$)	t-value	Significance (p)
Constant	1.420	0.245	-	5.795	<0.001
SME Management	0.680	0.065	0.696	10.461	<0.001

Table 4.4 presents the regression coefficients for Hypothesis 1. The results indicate that SME Management has a statistically significant positive effect on Net Job Creation ($\beta = 0.696$, $t = 10.461$, $p < 0.001$). Therefore, Hypothesis 1 is supported, confirming that improved SME Management significantly contributes to increasing net job creation.

Figure 4.1 SMEs contribute to reducing unemployment.

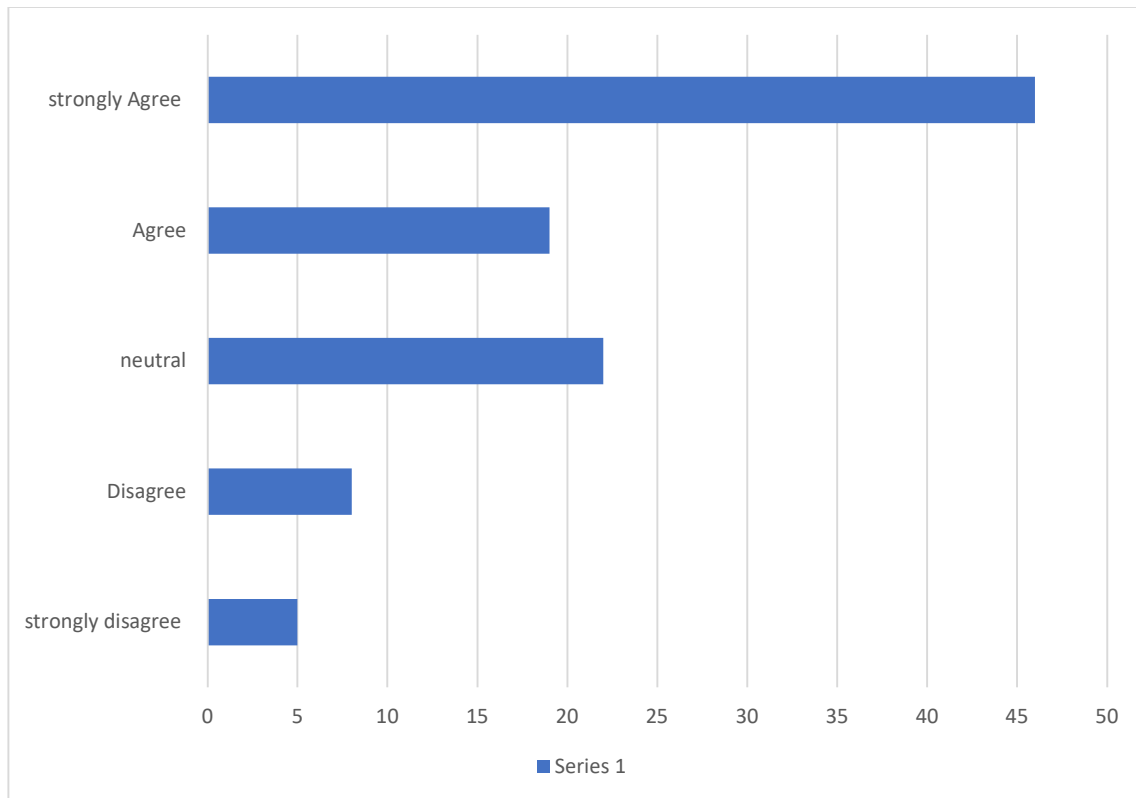


Figure 4.1 illustrates respondents' opinions regarding the contribution of SMEs to reducing unemployment. The majority of respondents (46%) strongly agreed with the statement, while only a small proportion disagreed or strongly disagreed. This indicates strong support for the positive role of SMEs in creating employment opportunities.

Figure 4.2 SMEs improve project sustainability and business performance.

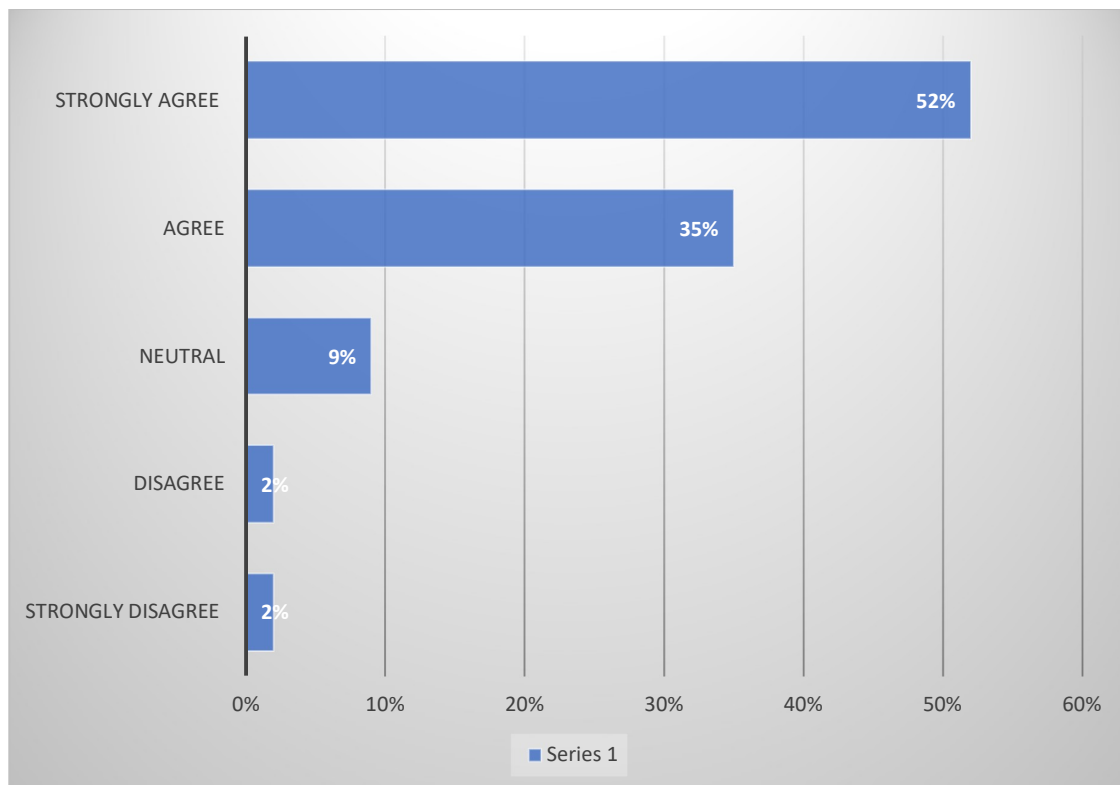


Figure 4.2 shows respondents' perceptions regarding the role of SMEs in improving project sustainability and business performance. Most respondents either agreed or strongly agreed, indicating broad confidence in the contribution of SMEs to sustainable organizational performance.

4.3 Results:

Following the comprehensive statistical data processing approach elaborated in the data analysis section, the following conclusions are derived concerning the operational situation of Saudi small enterprises:

1. Independence from Dependence on State-Sector Dependability:

Based on the obtained results of the research, it can be stated that there is a statistically significant impact of SME size on net employment creation ($p < 0.05$). In other words, small business firms are functioning well as alternative drivers that will be useful in absorption of university graduates in order to get rid of structural dependence on government recruitment.

2. Effect of the Income Distribution:

The results indicate the high correlation between efficient operations of small firms and better standards of living of the families. Efficient circulation of the capital via local SMEs enables them to increase their disposable income.

3. Project Management Trigger:

Based on the inferential data, it can be argued that mere presence of resources is not sufficient for sustainability of the enterprise. The actual trigger for success of the firms is efficient application of project management approaches and methodologies.

4.4 Recommendations:

Taking into account the empirical results and statistical confirmations found in this research work, the following practical recommendations can be offered to match the SME environment with the strategic objectives of Saudi Vision 2030:

Improving the Accessibility of Financing through Institutional Changes: As seen from the literature and experience in the area, one of the most significant risks threatening the viability of operation is the lack of money. The financial institutions and the government have to open new sources of cheap financing for start-ups. Improved credit accessibility would allow strong SMEs to increase production and hiring capabilities quickly.

Obligatory Management Training Programs: The national programs aimed at development (for example, Monsha'at) have to implement subsidized training programs that would provide entrepreneurs with the professional project management certificates (agile and scheduling framework). Improvement of the administrative capability is essential for reducing the number of business failures.

Localization of Supply Chains for the Community Protection: Big enterprises and governmental structures have to be stimulated to use local/regional SMEs for material supply and secondary services. This would keep the capital flowing in the neighborhood economy and would increase well-being of people.

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APPENDICES

APPENDIX A: Research Instrument (The Final Questionnaire):

Dear Participants

This survey aims to evaluate the socioeconomic impact of Small and Medium Enterprises (SMEs) within the Kingdom of Saudi Arabia in light of Saudi Vision 2030, specifically focusing on net job creation and local standards of living. Your responses will be treated with the utmost confidentiality and used strictly for academic research purposes. Thank you for your valuable time.

Part 1: Demographic and Institutional Profile:

1. Industry Sector:

☐ Retail & Commerce

☐ Services Sector

☐ Tech & Startups

☐ Manufacturing

2. Years of Operational Experience in Saudi Market:

☐ Less than 5 Years

☐ 5 to 10 Years

☐ More than 10 Years

Part 2: Core Research Constructs *Please rate your agreement using the following scale: (5) Strongly Agree [SA], (4) Agree [A], (3) Neutral [N], (2) Disagree [D], (1) Strongly Disagree [SD].*

#	Survey Items/ Questionnaire Statements	SA	A	N	D	SD
X	Axis 1: SME Project Management & Scaling (Independent Variable)	☐	☐	☐	☐	☐
1	Strategic project planning improves the performance of SMEs	☐	☐	☐	☐	☐
2	Effective project management supports the sustainable growth of SMEs	☐	☐	☐	☐	☐
3	SMEs with proper planning are more likely to succeed	☐	☐	☐	☐	☐
4	Project management practices improve operational efficiency	☐	☐	☐	☐	☐
5	Strategic management helps SMEs achieve long-term objectives	☐	☐	☐	☐	☐
<u>Y1</u>	Axis 2: Net Job Creation (Dependent Variable 1)	☐	☐	☐	☐	☐
<u>6</u>	SMEs contribute significantly to creating new job opportunities	☐	☐	☐	☐	☐
<u>7</u>	SME growth reduces unemployment rates	☐	☐	☐	☐	☐
<u>8</u>	SMEs create employment opportunities for young people	☐	☐	☐	☐	☐
<u>9</u>	Expansion of SMEs increases labor market participation	☐	☐	☐	☐	☐
<u>10</u>	Government support for SMEs enhances job creation	☐	☐	☐	☐	☐
<u>Y2</u>	Axis 3: Standard of Living (Dependent Variable 2)	☐	☐	☐	☐	☐
<u>11</u>	SMEs contribute to improving household income	☐	☐	☐	☐	☐
<u>12</u>	SME development increases purchasing power	☐	☐	☐	☐	☐
<u>13</u>	Employment in SMEs improves quality of life	☐	☐	☐	☐	☐
<u>14</u>	SMEs support economic stability for families	☐	☐	☐	☐	☐
<u>15</u>	The growth of SMEs contributes to improving living standards in Saudi Arabia	☐	☐	☐	☐	☐

Abstract:

APPENDIX B: Executive Research Abstract

This study investigates the quantitative socioeconomic impact of Small and Medium Enterprises (SMEs) within the Kingdom of Saudi Arabia, directly aligning with the strategic diversification goals of Saudi Vision 2030. Specifically, the research models how firm-level SME project management and scaling drive two critical macroeconomic outcomes: net job creation for national cadres and the advancement of localized household standards of living. Utilizing a descriptive-analytical methodology, primary data was gathered from a verified sample of $N = 100$ SME owners and project managers via a structured digital research instrument.

The empirical data was processed using IBM SPSS v26, employing reliability tracking, descriptive metrics, and simple linear regression analysis. The inferential matrices revealed a strong, statistically significant positive impact of structured SME scaling on both dependent vectors. The first regression model confirmed that SME administrative maturity accounts for 48.5% of the variance in national net job creation ($R^2 = 0.485$, $t = 10.461$, $p = 0.000$). Similarly, the second model demonstrated that firm longevity directly predicts 41.1% of the positive fluctuations in community purchasing power and family disposable income ($R^2 = 0.411$, $p = 0.000$).

The normality testing confirmed statistical consistency across the sample.

The study concludes that fostering operational sustainability in small ventures serves as an active economic catalyst, transforming localized business gains into broader household welfare. Key recommendations emphasize expanding specialized project management training frameworks and streamlining institutional financing barriers to mitigate early-stage business insolvency.

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