Towards an explanation of the formalisation process of home-based businesses in Kuwait

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Declaration

This thesis is submitted in fulfilment of requirements for the degree of Doctor of Philosophy in the Stirling Management School at the University of Stirling, Scotland.

The author declares that this thesis is based on her own original work, except for quotations and citations, which she has duly acknowledged. She is responsible for any errors and omissions presented in this thesis. Also, she declares that this thesis has not been previously or concurrently submitted, either in whole or in part, for any other qualification at the University of Stirling or other institutions.

Signed: 

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Previously published work

This publication relies on data collected for the purposes of publication, but not taken from data in this thesis.

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Accomplishments

Home-based businesses (HBBs) in Kuwait are informal and permissible business activities for which the government has set no rules or regulations. Because of their invisibility, their economic significance is assumed to be minor. I founded the first and the only website www.hbbhub.com to provide a picture of the nature of HBBs in Kuwait, the challenges that HBB owners face, and business success stories behind the formalised HBBs, to improve statistics regarding HBBs and business start-ups in Kuwait.

Visions of this website are to encourage research on HBBs in Kuwait and other Gulf Council Cooperation countries (GCC), to gain further insights into their owners, and to expose academic institutions and universities performing research on, and holding seminars and conferences regarding HBB activities, to this information, these HBB activities, and their owners.

Dedication

To my wonderful parents and my loving family, you are the reason who I am today.

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In the nearly 5 years that I have known Dr Suzanne Mawson, I have come to know her as a powerful advocate and huge drive for me. She is also one of the most caring and supportive persons I have met. When we first started corresponding, I felt that it would be a great journey to have her as a mentor in my academic career. I never really felt that I will be alone in my PhD journey. She has always been there for me no matter what. Dr Suzanne has become a sort of life coach for me. I know from my personal experience what an amazing gift I had in Dr Suzanne being my PhD supervisor. Thanks, Dr Suzanne, for your enormous support, guidance and advice, thanks for providing me the opportunity to teach at the University of Stirling.

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List of abbreviation

ATB	Attitude Toward the Behaviour
ESRC	Economic and Social Research Council
GCC	Gulf Council Cooperation
GDP	Gross Domestic Product
GEM	The Global Entrepreneurship Monitor
GUEP	General University Ethics Panel
GUESSS	Global University Entrepreneurial Spirit Students' Survey
HBB	Home Based Business
HBBs	Home Based Businesses
ICT	Information and Communication Technology
MENA	Middle East and North Africa region
PBC	Perceived Behavioural Control
SME	Small and Medium Enterprise
SN	Subjective Norms
TPB	Theory of Planned Behaviour
UAE	United Arab Emirates
UK	United Kingdom
USA	United States of America

Glossary

Term	Definition
Home-based business	"Any business entity engaged in selling products or services into the market operated by a self-employed person, with or without employees, that uses residential property as a base from which the operation is run"(Mason et al., 2011, p. 629). "A business that uses the family residential property as a substitute for commercial premises for the conduct of business" (Wynarczyk and Graham, 2013, p. 453).
Informal Kuwaiti home-based business owners	Kuwaitis who started their businesses from/at home on a part- or full-time basis, without having an official business license. They benefit from the internet and social media platforms for servicing customers and their business activities.
Participants	Kuwaiti informal home-based business owners who participated in this research.
Formalisation of home-based business in Kuwait	Shifting the home-based business activity from informal to formal sector by registering the business in the government authorities and obtaining a business licence.
Formalised participants	Home-based business owners who participated in this research and obtained their official business licence during the research period.

Abstract

In recent decades, the 'Home-Based Business' (HBB) has become an increasingly important form of entrepreneurial activity, driven by the fact that this type of business is the largest and fastest growing subset in the overall business sector around the world. Hitherto, HBBs were comparatively under-researched and literature on them was limited. Despite the global nature of HBB activities, few academics have researched this type of business activity.

The process of HBB formalisation is an action that follows an intention. Therefore, it is important to understand the reasons behind formation of intention and how these might lead to HBB formalisation. This thesis contributes to a body of literature on HBBs, entrepreneurial intention, the intention–action gap, and formalisation of informal entrepreneurship, by exploring the HBB formalisation process in Kuwait. The research uses the Theory of Planned Behaviour (TPB) as an orienting theoretical framework to better understand how the intention of an HBB owner to formalise their HBB is formed, and when and why this intention is translated into actual HBB formalisation.

Drawing on a qualitative longitudinal approach, a sample of 50 informal Kuwaiti HBB owners were interviewed and followed throughout the three-phases spanning a 2-year period, resulting in 112 interview sessions. Using constructivist grounded theory methods, in-depth semi-structured interviews were conducted over this time. This research yielded several important results: push and pull factors, other motivations, key circumstances, and personal characteristics all played important roles in the formalisation process of HBBs in Kuwait. The unique contribution of this research resides in understanding the situations under which the intentions of informal Kuwaiti HBB owners to formalise their HBB are translated into actual formalisation, in addition to exploring the barriers and facilitators to the HBB formalisation process. Implications for theory, policy, practice, and methodology are provided. Finally, recommendations for future research, and research limitations, are presented.

Keywords

Home Based Business, informal economy, Kuwait, entrepreneurial intention, Theory of Planned Behaviour, intention–action gap, formalisation of informal entrepreneurship, Constructivist grounded theory

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CHAPTER ONE

1.1 Introduction

This thesis seeks to explore the formalisation process of HBBs in Kuwait. Literatures related to the topic of the thesis were reviewed. These literatures include HBBs, entrepreneurial intention, the intention–action gap, and the formalisation of informal entrepreneurship. The process of HBB formalisation is an action that follows an intention. Accordingly, Theory of Planned Behaviour (TPB) is used in this thesis, considering formalisation of HBB an action.

In this thesis, TPB is used as an orienting theoretical framework to explain why do some informal Kuwaiti home-based business owners formalise their home-based business, whilst others do not?– it does not attempt to test the TPB empirically but rather, it was used as a background for data analysis, to make sense of the meaning embedded within the data, and help to discuss the findings more clearly in light of the TPB.

By combining a qualitative longitudinal research approach with constructivist grounded theory methods and using TPB as an orienting theoretical framework, push and pull factors were explored and designated as antecedents of intention to formalise HBB. Using TPB as an orienting theoretical framework helped in understanding the origin of intention to predict HBB formalisation, as well as exploring the reasons behind the formalisation of HBBs in Kuwait.

This chapter provides an overview of HBB, noting that HBB has become an important form of entrepreneurial activity. Moreover, it illustrates research aims, questions and contribution. This chapter also addresses the significance of this research in Kuwait context. The thesis structure is summarised at the end of this chapter.

1.2 Research context

The home has become an increasingly important place for work, reversing forces of the industrial era in which home and work were obviously demarcated (Felstead et al., 2005). As Pink, (2001, p. 41) observed, *"the home itself is being reconfigured as a place that's not a respite from work, but the central location for it."* Over the last decade, Home-Based Businesses (HBBs) have become an important form of entrepreneurial activity (Mason et

al., 2011). HBB includes two types of businesses: (i) most or all of business activity performed in the residential home, and (ii) working from the home but a significant share of business operations are done either at the customer's premises or at outdoor sites (Reuschke and Domecka, 2018).

Research in different countries to 2010 demonstrated that over half of all small businesses were based at/from home (Mason, 2010). About one out of seven individuals in the United Kingdom (UK) are working for themselves, with this figure (at the time of writing) expected to double over the next 14 to 24 years (Enterprise Nation, 2014). It is now widely acknowledged that internet availability, money transfer mechanisms (e.g. PayPal), and social media platforms have provided significant opportunities for HBBs to cost-effectively serve customers worldwide (Mason and Reuschke, 2015; Wynarczyk and Graham, 2013).

Hitherto, research on HBB growth has been minimal, and their significance to the country's national economy has not been widely understood (Lynn and Earles, 2006; Mason et al., 2011; Nathan et al., 2019). This dearth of information and lack of recognition has led policymakers to incorrectly regard HBBs as being of marginal economic significance (Mason, 2010). Because HBBs are not recognised as a segment of the Small and Medium Enterprise (SME) sector, and are often viewed as 'lifestyle' or 'trivial' business, they have remained largely invisible, and have not received deserved policy attention (Mason et al., 2011). Some researchers have viewed HBBs to be marginal lifestyle or hobby businesses (Mason and Reuschke, 2015; Walker et al., 2004), while others have recognised the economic, social and environmental benefits associated with local development, job creation and community vitality that they provide (Mason and Reuschke, 2015; Mehtap et al., 2019; Walker et al., 2008).

HBBs have been considered incubators for new and young businesses (Mason and Reuschke, 2015), providing opportunities for entrepreneurs to test and try new ideas (Bosworth and Newbery, 2015) and reduce start-up costs (Mason and Reuschke, 2015; Vorley and Rodgers, 2014). For many individuals, however, home is seen as a permanent business location, with only 3% of HBB owners intending to leave home as a result of future growth (Carter et al., 2006). Despite this range of different views and perceptions, one thing that researchers agree upon is that HBB activities are invisible from the perspective of policy (Mason et al., 2011).

"In official statistics, HBBs had not been identified separately" as a business sector, their estimated numbers were sensitive to definitions and data sources (Mason et al., 2011, p.5). The difficulty in obtaining information about HBBs is associated with a fear that some HBB owners have about losing their own properties or being subjected to additional expenses or penalties (e.g. business taxes, revenues gains tax), should they be discovered by government officials. This has resulted in the significant undercounting of HBB numbers (Mason et al., 2011).

"For any business entity to operate in any country, they require a license issued by a government authority" (Sawaya and Bhero, 2018, p. 544). A trading license is a permit given to potential entrepreneurs to undertake a certain operation in a specified manner upon request by a regulating authority, usually after meeting certain requirements, including the payment of a specified fee (Gellhorn, 1958). Such license enabled potential business owners to conduct business within the jurisdictional region of the government. Under normal circumstances, the government can censor a business or any other functioning activity if it is found to be carrying its activities without a legal license. Licenses are thus an important and indispensable aspect of contemporary economies (Sawaya and Bhero, 2018).

Each country has its own business registration and licensing requirements. Differences in regulation and taxation systems regarding HBB activities also exist between countries. As an example, in the UK, HBBs are formal business activities, and owners must register their business with government officials. However, some have argued that informality is a rational response to inefficient regulation (Kenyon, 2007). In Kuwait, there are no clear rules or regulations inhibiting HBB owners from starting their business from/at home, and it is not registered with government authorities. As Williams and Nadin, (2012) mentioned that unregistered business activity is considered informal. Welter and Smallbone, (2011) maintain that informal entrepreneurial activity is context dependent. Accordingly, HBB activities in Kuwait are regarded as permissible informal business activities.

Formalisation includes registration and licensing fees. However, it also includes the ongoing costs of compliance with health and safety, social security and other labor regulations (Williams and Krasniqi, 2018). OECD, (2002) stated that business owners who hide their business activities from public authorities, do so to avoid many situations

including meeting certain legal standards such as a minimum wage, maximum working hours, safety, or health standards. Registering a business allows the government to monitor business activities, employees, and workers. So, to have a formal business, it is required to be registered with government authorities and to acquire a business license before selling goods and providing services (Kenyon, 2007).

Formalisation, for self-employed individuals, means not only obtaining a business license, registering their accounts, and paying taxes which represent the costs of entry into the formal economy (Kenyon, 2007). However, they would like to receive the benefits of formality in return for paying all these costs. Such benefits include enforceable commercial contracts; legal ownership of their place of business; access to government procurement bids; membership in trade associations and government contribution to the social protection of themselves and their employees (Chen, 2012).

In Kuwait, individuals are free to start their own HBB at any time they want, without the need for government's permission. While blog and newspaper accounts report HBBs to be widespread in Kuwait (Etheridge, 2014), official government statistics or databases regarding the prevalence of HBB activities in Kuwait are lacking. Research on the HBB phenomenon in Kuwait, and the impact of formalised (registered) HBBs on the Kuwait economy, also is lacking. This is particularly important given that, in 2018, the Kuwait government implemented new licensing schemes for business start-ups to facilitate business procedures, and to encourage Kuwaitis to start-up their business (refer to chapter 3 for more details). To start-up a business in Kuwait, individuals must register their business with the government authorities and obtain a business license. Likewise, to formalise an HBB, informal Kuwaiti HBB owners must register their business with the government authorities and obtain a business license.

Accordingly, formalising the informal HBB allows the government to monitor the business activities focusing on employees and workers' health and safety. On the other side, becoming licensed provides business owners and their customers with confidence and trustworthiness of the business. Getting the business license allows Kuwaiti HBB owners to launch their own formal shop, sign contacts with formal companies, access to government procurement bids, membership in Kuwait Chamber of commerce and industry as well as having the opportunities to expand their business in the future.

Thus, in this thesis, formalisation of HBB in Kuwait is identified as *"shifting the HBB activity from informal to formal sector by registering the business with the government authorities and obtaining a business licence."*

1.3 Research aims, questions, and contribution

This research aims to explore the reasons behind the formation of intention of informal Kuwaiti HBB owners to formalise their HBB, using TPB as a framework. Moreover, it aims to explore the intention–action gap within the TPB framework, and barriers along with facilitators to the HBB formalisation process. The underlying question of this thesis is: *Why do some informal Kuwaiti home-based business owners formalise their home-based business, whilst others do not?*

Three sub-questions emerged from the main research question:

1. What are the reasons behind the formation of intention of some informal Kuwaiti home-based owners to formalise their HBB?
2. Why do some informal Kuwaiti home-based business owners, who intend to formalise their HBB, complete the formalisation process[1]?
3. Why do some informal Kuwaiti home-based business owners with the intention to formalise their HBB not formalise it?

This thesis makes several contributions to literature on HBBs, entrepreneurial intention, the intention–action gap, and formalisation of informal entrepreneurship. It enriches current HBB literature by improving the understanding of the HBB phenomenon in general, and specifically in Kuwait context, as to the best of the researcher's knowledge, no research on HBBs has been undertaken in Kuwait. Most research on HBBs has focussed on Western economies, and to a lesser extent, on non-Western economies. The studies in Western economies predominantly has been UK-based (e.g. Bosworth and Newbery, 2015; Ekinsmyth, 2011), and has attempted to describe the nature of the HBB, and owner characteristics and their motivations (e.g. Dwelly et al., 2005; Enterprise Nation, 2014; Mason and Reuschke, 2015; Mason et al., 2011). Other studies include those in the United States of America (USA) (Kane and Clark, 2019; Loscocco and Smith-Hunter, 2004;

[1] According to the rules and regulations in Kuwait (see Chapter 3 for more details), successful completion of formalisation means that a firm has completed license requirements and attained a business license.

Simon and Way, 2015), Canada (Bryant, 2000), Australia (Burgess and Paguio, 2016; Nansen et al., 2010; Stanger, 2000; Walker, 2003), New Zealand (Clark and Douglas, 2014), and the Netherlands (Folmer and Kloosterman, 2017).

Research on HBBs in non-Western countries includes that in South Africa (Smit and Donaldson, 2011; Tipple, 1993), Malaysia (Sulaiman et al., 2009), the United Arab Emirates (UAE) (Erogul and McCrohan, 2008; Wally and Koshy, 2014), Saudi Arabia (AlGhamdi and Reilly, 2013), Jordan (Mehtap et al., 2019), and Palestine (Khoury et al., 2018). The impact of adopting electronic commerce among HBB owners in Malaysia (a developing country) was compared with that in Singapore (a developed country) (Nathan et al., 2019).

This thesis contributes to literature on entrepreneurial intention by using a TPB as a framework. To the best of the researcher's knowledge, no study has used TPB to understand the formation of intention of HBB owners to start-up their own business, or their intention to expand it beyond their home, as TPB has been criticised for its inability to explain how the antecedents of intention are formed (Gotlieb et al., 1994). This research explores the formation of antecedents of informal Kuwaiti HBB owners' intention within the TPB framework.

Most research on entrepreneurial intention has focused on a positivist approach[2], drawing on large-scale quantitative data, with little consideration given to individuals and their stories (Mawson and Kasem, 2019). More 'humanistic' approaches to *"attain a better understanding of the complex psychological mechanisms leading to intention formation"* (Liñán and Fayolle, 2015, p. 925) are required. This research uses constructivist grounded theory methods to understand how the antecedents of informal Kuwaiti HBB owners' intention to formalise their HBB are formed.

Existing literature is unclear about how individuals' intentions to start-up a business evolve, change, and/or differ over time (Krueger, 2009). Few studies have examined the temporal progression of intention, whether it does or does not change (e.g. Audet, 2004; Kautonen et al., 2013; Kolvereid and Isaksen, 2006). There is a notable scarcity of long-term longitudinal research on entrepreneurial intention (Liñán and Fayolle, 2015; Liñán

[2] *"The philosophical stance of the natural scientist entailing working with an observable social reality to produce law-like generalisation. The emphasis is on highly structured methodology to facilitate replication"* (Saunders et al., 2016, p. 724).

and Rodríguez-Cohard, 2015). To fill this knowledge gap, this research uses a longitudinal approach to explore the effects of time on intention status.

As most research on entrepreneurial intention has surveyed students, limiting the extent to which results can be generalised (e.g. Liñán and Chen, 2009; van Gelderen et al., 2008). McGee et al., (2009, p. 971) stated *"students simply don't have the experience and resources to judge whether they can be successful entrepreneurs."* and following recommendations made to target individuals engaged in business start-up behaviour (Fayolle and Liñán, 2014; Schlaegel and Koenig, 2014), this research contributes to entrepreneurial intention literature by focusing on a sample of informal Kuwaiti HBB owners currently operating their business from/at home.

At the heart of entrepreneurship research is whether an individual decides to take action (start-up a business) or not (Holland and Garrett, 2015). Since little is known about what translates entrepreneurial intention into action (Fayolle and Liñán, 2014; Kautonen et al., 2015; Schlaegel and Koenig, 2014), a need exists to empirically and theoretically investigate this intention–action gap. Most research on entrepreneurial intention–action gap has used a cross-sectional design (e.g. Carter et al., 2003; Krueger et al., 2000; Lee et al., 2011) as opposed to a longitudinal research approach (Audet, 2004; Kautonen et al., 2013; Kolvereid and Isaksen, 2006). Individuals may change their priorities regarding establishing a business over time, and, accordingly, their intention to start-up a business; this means that TPB only at a given period of time can theoretically predict an individual's intention (Cassar, 2007). Because of this, a need exists to perform longitudinal studies, taking into consideration the effect different variables have on the transformation of intention into action longitudinally (Fayolle et al., 2014; Fayolle and Liñán, 2014; Krueger et al., 2000; Segal et al., 2005). Therefore, this thesis contributes to the literature on entrepreneurial intention–action gap by applying a longitudinal approach to explore how time influences the intention of informal Kuwaiti HBB owners to formalise (or not) their HBB.

Research on entrepreneurial intention to address the influence of barriers or facilitators on taking action/start-up a business is also limited (Krueger, 2009). It is required to study and evaluate the effects of changes in legal policies on entrepreneurial intentions/action (Engle et al., 2010; Fayolle and Liñán, 2014). Such an evaluation could strengthen links between

entrepreneurship research and public policy (Zahra and Wright, 2011). In this respect, this research also contributes to the formalisation of informal entrepreneurship literature by exploring barriers and facilitators that influence the informal Kuwaiti HBB owners' intention to formalise (or not) to formalise their HBB.

As HBB activities in most countries (e.g. UK, Australia, Qatar) are considered formal business, individuals can start-up their business from or at home by registering with government officials. However, in Kuwait a HBB is an informal and permissible business activity, individuals are free to start-up their HBB at any time, due to the absence of government rules or regulations. Williams and Nadin, (2012) noted that governments needed to develop rules and regulations, as they initiated incentives to encourage informal entrepreneurs to enter the legitimate sphere. Current research on informal entrepreneurship has not comprehensively explored barriers and facilitators to business formalisation (Mukorera, 2019). Therefore, this thesis contributes to the literature on the formalisation of informal entrepreneurship by exploring barriers and facilitators to HBB formalisation in Kuwait.

1.4 Research significance

Kuwait depends almost entirely on continued oil production as a source of revenue, with oil exports representing 60% of its GDP and approximately 90% of its exports. Other sectors such as banking, finance, investment, industry, services, real estate, and the Kuwait Stock Exchange, play lesser roles in the country's GDP. Falling oil prices have led to budget deficits, forcing the Kuwait government to cut expenditure and decrease employment opportunities (Kuwait New Agency, 2018).

Kuwait currently suffers from major unemployment due to its relatively young population structure, and high numbers of young people seeking employment (Ministry of State for Youth Affairs, 2019). While several factors might contribute to this unemployment, it is largely due to the public sector's diminished ability to employ Kuwaitis given increased demands on the budget, and the private sector's preference to employ expatriates at lower wages (Etheridge, 2014). Furthermore, because the government employs some Kuwaitis in positions outside their areas of expertise, this has pushed some Kuwaitis into thinking about starting their own businesses (an HBB) from/at home, hoping to grow, succeed, and

eventually formalise their HBB. As such, the HBB has become an important option for Kuwaitis awaiting employment or seeking to escape government institution bureaucracy.

In a step to diversify financial sources and reduce unemployment among Kuwaitis, The Amir of Kuwait, Sheikh Sabah Al-Ahmad Al-Jaber Al-Sabah, announced the government sought to encourage Kuwaitis to become entrepreneurs and to contribute to Kuwait national economy (Al-Watan Newspaper, 2019). Complying with Kuwait government's plan to encourage entrepreneurship, this research will shed light on the HBB phenomenon in Kuwait, considering that HBBs play an important role in the national economy. It should demonstrate that the formalisation of the HBB by Kuwaitis may assist the Kuwait government in partially solving the unemployment problem. Kuwaiti HBB owners are creative, generally young, informal entrepreneurs seeking self-employment (many of whom have the intention to formalise their HBB). However, the Kuwait government does not take the HBB seriously, considering this activity targeting a limited segment of society (marginalised groups, unemployed young people or women working in simple professions).

Formalisation of HBBs:

1. Formality contributes to job creation which contributes toward reducing unemployment among Kuwaitis and increasing participation in the labour market.
2. Formalisation will facilitate keeping track of accurate statistics as formal businesses in Kuwait must register in government authorities.
3. Getting a business license (formalisation of HBB in Kuwait) allows business owners to open their own shops, sign contracts with formal companies and the opportunity to expand their business.

1.5 Thesis structure

This thesis comprises seven chapters, including this one.

Chapter 2 reviews literature relating to HBB in the informal economy, motivations and entrepreneurship, and entrepreneurial intention, with an emphasis on the TPB model and its three antecedents of intention. In it, criticisms of TPB are discussed, and significant gaps in literature relating to TPB and the intention–action gap are identified. A review of business formalisation is provided, wherein the roles of personal characteristics of

entrepreneurs (self-confidence, previous experience in business, persistence, and future vision) in business start-ups are addressed. Barriers and facilitators to business formalisation are discussed.

Chapter 3 focuses on a Kuwait context, explaining rules and regulations for starting a business, along with brief discussion about HBBs in Kuwait.

Chapter 4 outlines philosophical assumptions underlying paradigms and justifies the rationale for using the constructivist paradigm as the most suitable philosophical foundation for this research. Then, it explains the importance of using a qualitative longitudinal approach to answer the research questions. Methods of data collection and analysis for three research phases are detailed. Finally, criteria for judging the credibility of constructivist grounded theory studies are presented.

Chapter 5 details qualitative longitudinal findings for the three phases of data collection. First, it introduces phase one data analysis and summarises participant characteristics and their HBB activities. Participants are categorised into two groups based on whether they intend to formalise their HBB or not. This is followed by an analysis of the roles of push and pull factors in forming the antecedents of a participant's intention to formalise an HBB. In phase two, changes in some participant socio-demographic characteristics will be reported to explain the effect of these changes have had on intention status. The roles of motivations and key circumstances in translating a participant's intention into action are discussed. In phase three, to reach theoretical saturation, the roles of personal characteristics are discussed in relation to HBB formalisation.

Chapter 6 discusses qualitative longitudinal research findings and addresses the research questions. It starts by positioning the push and pull factors within the antecedents of intention in the TPB framework. The roles of motivations, key circumstances, and personal characteristics on translation informal Kuwaiti HBB owner's intentions into action (intention–action gap) are discussed. The last parts of this chapter are devoted to discussing the barriers and facilitators to the HBB formalisation process.

Chapter 7 outlines the conclusion of this research and addresses the main question underlying this thesis. It also discusses the implications of this research as they relate to

theory, practice, policy makers and methodology. The last part of this chapter discusses the research limitations and provides recommendations for future research.

1.6 Conclusion

This chapter has addressed the importance of the HBB as a form of entrepreneurial activity for the creation of new job opportunities. The chapter has mentioned that there is a lack of literature on the HBB, particularly in Kuwait. Also, it has presented the research contribution, aims and questions that are posed in this thesis. Finally, an overview of the thesis structure is provided to articulate that a qualitative longitudinal approach along with constructivist grounded theory methods will be used in this research. The next chapter will review extensive literature on HBB, entrepreneurial intention, TPB, the intention–action gap and conceptualisation of business formalisation and its barriers and facilitators.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

Reviewing prior literature in the field of research is important to create a sense of context, to understand and articulate what has been previously accomplished, and how this extends previous work (Charmaz, 2014). However, for researchers following a grounded theory approach, reviewing literature presents a dilemma (Charmaz, 2017a; El Hussein et al., 2017). One of the founders of the grounded theory method, Glaser, (1978) advised researchers not to review the literature before data collection, to ensure they remained open to what was happening in the field of research so as not to contaminate the research findings. Conversely, Charmaz, (2014), the founder of constructivist grounded theory, disagreed, arguing that researchers cannot enter a field of study in a state of ignorance, 'a blank slate,' stating *"delaying the literature review [...] can result in rehashing old empirical problems"* (Charmaz, 2014, p. 306). Following Charmaz's recommendation, the literature review in this research was used as an orienting framing for data collection and analysis (see page 70, section 4.4.3 Literature review as an orienting framework).

This chapter is structured as follows: it starts with providing some definitions of HBB, followed by an overview of the HBB phenomenon. It discusses the HBB and the informal economy. The role of push and pull factors in the start-up process of a business, and links between entrepreneurial motivations and intention, are introduced. TPB and its three antecedents of intention: Attitude Toward the Behaviour (ATB), Subjective Norms (SN) and Perceived Behavioural Control (PBC) in relation to business start-up are presented. The criticisms of TPB, with an emphasis on the intention–action gap, are discussed. An overview of business formalisation is provided, revealing the importance of personal characteristics (e.g. self-confidence, previous experience, future vision, persistence), seeking independence and personal autonomy and friends and family support and encouragement in business start-up. Finally, barriers and facilitators related to business formalisation are discussed.

2.2 Defining home-based businesses

There is no clear definition as to what constitutes an HBB, Deschamps et al., (1998, p. 77) stated that defining HBB was 'a dilemma.' The lack of a clear definition is due to heterogeneity of work-related activities which take place from/at home, inconsistency in

working definitions, obstacles in identifying an appropriate sampling frame, and uncertainty in the legal status of HBBs (Bosworth and Newbery, 2015; Smit and Donaldson, 2011).

Walls, (2007) defined an HBB as a registered business establishment at a residential dwelling unit. Unlike a corporation, a business establishment represents an individual location at which a business takes place, and is an officially registered entity engaging in private, public, government, or non-profit activities. HBB activities can take place in the home and include telecommuting, working from home, and unofficial self-employment (Kane and Clark, 2019).

Van Gelderen et al., (2008, p. 164) adopt Keen and Sayers, (2005, p. 186) definition of a home-based internet business, as *"a business entity operated by a self-employed person working from home selling commodities or services in the market, using the internet as a key mechanism for servicing customers."* This definition focuses on internet usage for providing services to customers, rather than sourcing or buying goods/services by the business owner.

Anwar and Daniel, (2014, p. 3) define an HBB for online businesses as *"self-employed individuals operating a business in their home and using the internet to undertake a significant proportion of their business activities."* This definition recognises the use of the internet for HBB business activities, not restricted to the selling of products/services requiring a physical premise.

Sulaiman et al., (2009, p. 24) define an HBB with reference to e-business, including micro enterprises and SME, as *"Business processes that are conducted using internet technologies that help to improve the quality of services and values in terms of the way people work, collaborate, and communicate with their stakeholders and business partners. It also includes the changes in the company's structures, strategies, procedures and culture."* Business operations can be performed at home or any other place connected to the internet. Business operations include sourcing, buying, and selling goods, and fulfilling orders. Sometimes a third-party subcontractor is necessary, or services such as eBay or PayPal are required. This definition can be applied for businesses that benefit from the internet and operate from home.

Some studies include both employment status and business location in their definition. For example, Mason et al., (2011, p. 629) define an HBB as *"any business entity engaged in selling products or services into the market operated by a self-employed person, with or without employees, that uses residential property as a base from which the operation is run."* A significant feature of such business is that a residential property is used as a base to run it. Two types of HBB are identifiable: that which uses the home for production and services, and that which uses it as an administrative base, but work occurs elsewhere. This definition is particularly applicable to traditional HBBs not dependent on the internet to run a business.

Wynarczyk and Graham, (2013, p. 453) define an HBB as *"a business that uses the family residential property as a substitute for commercial premises for the conduct of business."* This definition does not require the HBB owner to be self-employed[3], nor does it mention internet use, so it can be applied only to traditional HBBs. Nathan et al., (2019) use this definition to define electronic commerce for an HBB in an emerging and developed economy. Others have added features of full or part time basis to it, such as Smit and Donaldson, (2011, p. 25), who define an HBB as *"paid work conducted from a residential dwelling on a full-or-part-time basis,"* referring to the home as an informal business location. This latter definition, however, regards paid work, rather than for a self-employed business.

Confused terminology exists. For example, Ekinsmyth, (2011) and Bosworth and Newbery, (2015) frame the concept of an HBB in the discipline of entrepreneurship. Clark and Douglas, (2014), include self-employed entrepreneurs in addition to other entrepreneurs who work on medium to long term contracts for larger firms. Enterprise Nation, (2014, p. 11) referred to HBB owners as 'homepreneurs.' However, commonalities in the majority of HBB definitions are that home is the location of the business.

As Welter and Smallbone, (2011) maintain that informal entrepreneurial activity is context dependent, so in Kuwait, where no rules or regulations prevent HBB owners from starting a business from/at home, HBBs are permissible but considered informal business activities (for more details, please refer to Chapter 3). Also, Williams and Nadin, (2012) mentioned

[3] An owner of a business who earns a living by working for themselves, not as an employee of someone else and not as an owner (shareholder) of a corporation (Murray, 2019).

that unregistered business activity is considered informal, so in Kuwait, where HBB activities are informal. In this research, the term 'informal Kuwaiti HBB owners' refers to *"Kuwaitis who started their businesses from/at home on a part- or full-time basis, without having an official business license. They benefit from the internet and social media platforms for servicing customers and their business activities."*

2.3 Home-Based Business in context

Since World War II, HBBs were considered a means to supplement [or augment, or to provide in a time of extreme hardship] family income. For example, men worked as barbers and women as caretakers of household affairs, in addition to other forms of light businesses such as sewing and knitting (Ofosuhene, 2005; Wolkowitz et al., 1995). After World War II, HBBs declined in number as a result of global mass production and economic growth (Soldressen and Fiorito, 1998). In post-industrial time, around the 1970s, HBBs once-again flourished in an era of postmodern urbanisation and globalisation, due to developments in modern technology and communications (Smit and Donaldson, 2011).

Over the past century, HBBs were considered a relatively cost-effective way to start a business with little capital. However, recent lifestyle, demographic changes and the development of information technology have facilitated their growth (Pratt, 2008). Leaps in Information and Communication Technology (ICT) offer greater flexibility to deliver services from home to other locations (Walker, 2003). In many countries cultural attitudes regarding self-employment have become more positive. In the 1980s there was a breakdown in social contracts between business owners and labourers, and large companies no longer provided pay increases or good pensions for loyal employees (Mason et al., 2011). Working hours and working loads have also increased and become less flexible. Consequently, working in large businesses became less attractive, providing opportunities for small businesses to grow.

By 2008, HBBs increased steadily in number as a result of the recent recession which had a greater impact on employees than on self-employed persons (Mason et al., 2011). During this financial crisis, many employees were forced to leave their jobs, were pushed into self-employment, or opted for self-employment out of necessity rather than personal choice (Enterprise Nation, 2014). Nearly half of the HBBs in the UK were registered within the

period of the Great Recession (2008–2013), with about 1 in 7 UK individuals working for themselves; this figure (at the time of writing) is expected to double in the next 14 to 24 years (Enterprise Nation, 2014). From then, HBBs occupy many sectors, such as retail, creative and business services, technology, fashion, foodstuff retailers, hair salons, handicrafts, traditional healers, and financial and management consultants (Enterprise Nation, 2014; Smit and Donaldson, 2011).

Existing stereotypes of HBBs revolve around several popular ideas. One perception is that most owners are women who generate low income, fitting their professional responsibilities around childcare or the household; they are therefore considered economically insignificant (Mason et al., 2011; Walker and Webster, 2004). Alternatively, HBBs are perceived to be more suitable for women with less financial need, such as a hobby business (Loscocco and Smith-Hunter, 2004). HBBs have also been considered craft/artisan type operations or cottage industries, where owners conduct business from a shed or kitchen table to generate petty cash on a part-time basis, or until a proper job becomes available (Walker, 2003). Other perceptions include HBB owners being older (50+) and/or retired, who became self-employed to continue working (Mason et al., 2011).

Some researchers believe that using a home as workplace can reduce the start-up costs of a business. However, it is important to consider the acceptance of the owners themselves to use home for establishing their HBB as serious business entities (Mason and Reuschke, 2015; Vorley and Rodgers, 2014). Others believe that HBB owners may test the market before developing a hobby into a business and consider home to be a temporary base for it (Enterprise Nation, 2014; Mason and Reuschke, 2015; Walker, 2003). Running an HBB provides opportunities for entrepreneurs to test their ideas (Bosworth and Newbery, 2015). Operating a business from home is a flexible form of economic activity, with flexible working hours (Mason and Reuschke, 2015). Wynarczyk and Graham, (2013) reported flexibility of working and a work-life balance, especially amongst those with caring responsibilities, as the main motivations for starting an HBB. Working from home also provides a chance to care for elderly/disabled family members (Mason et al., 2011).

The advantages to HBB owners of starting a business from home are many, such as the freedom to be creative, self-directed, and self-motivated, and to work in comfortable surroundings (Wynarczyk and Graham, 2013). Increased city congestion and introduction

of carbon taxes may also encourage more people to work from home, reducing atmospheric pollution (Mason, 2010; Mason et al., 2011). Although HBB owners tend to work longer hours than employees, this should not be considered a disadvantage (Enterprise Nation, 2014), as owners who do so are more satisfied and expect to be rewarded for their effort, making them happier than other employees (Mason et al., 2011). Reuschke and Houston, (2016) reported that some HBBs move into separate business premises once they begin to grow.

Whilst HBB owners can enjoy various benefits of operating a business from home, constraints include an inflexible or inadequate workspace, and a lack of boundaries between work and family, especially when inviting customers/clients into the workplace (Mason and Reuschke, 2015). Additionally, owners can find themselves distanced from social activities and interactions, such as celebrating special parties (Wynarczyk and Graham, 2013). Also, if they lack discipline, they might be unable to access training or support, lack holiday and maternity pay, and might have to work on weekends (Mason et al., 2011).

2.3.1 Home-based business in the informal economy

The prevalent of informal economy is a worldwide phenomenon that exists in all countries around the world, regardless of its economic system (Welter et al., 2015). It is also referred to by terms such as “shadow,” “grey,” “underground,” “undeclared,” “off-the-books,” “cash-in hand,” “or “irregular” economy (ILO, 2019; Williams and Nadin, 2010). Defining the informal economy is difficult—whether to do so in terms of informal workers, or according to the nature of the business, which may be partially informal (Shapland and Heyes, 2017). For example, some businesses hire informal workers on an hourly or daily basis at reduced wage and/or without signing official contracts to reduce operational costs. Also, informal markets supply cheaper goods and services that help formal enterprises maintain low wages for labourers. In some cases, lower labour costs in the formal market subsidise the market (Portes and Walton, 1981).

Difficulties in defining what constitutes an informal activity, and an absence of government control of such activities, contribute to a lack of government records regarding informal activities (Renooy, 1990). Accordingly, researchers preferred to focus on

studying the formal economy, for which data are richer (Williams and Nadin, 2010; Williams and Nadin, 2012).

Informal economy activities are *"technically illegal yet are not "anti-social in intent"* (De Soto, 1989, p. 11). Other studies defined informal economy as *"All legal production activities that are deliberately concealed from public authorities […] to avoid payment of income; value added or other taxes; to avoid payment of social security contributions; to avoid having to meet certain legal standards such as a minimum wage, maximum working hours, safety or health standards, etc. "* (OECD, 2002, p. 139). Williams and Nadin, (2010, p. 363) defined it as "*the paid production and sale of goods and services that are legitimate in all respects besides the fact that they are unregistered by, or hidden from the state for tax and/or benefit purposes."*

Several researchers believe that the informal economy is efficient, productive and helps grow the formal economy in developing countries by exploiting new resources, providing sources of income for the poor, and decreasing un- and underemployment (Bangasser, 2000; De Soto, 2000; Schneider et al., 2011). Bennett and Estrin, (2007) demonstrate how informal activities in developing countries enable entrepreneurs to examine the profit of their venture's idea, helping them to experiment cheaply in an uncertain environment.

Other researchers believe that informal entrepreneurship[4] deprives the government of revenue (Williams, 2017; Williams and Krasniqi, 2018), represents unfair competition for businesses complying with formal rules (Karlinger, 2014), and fails to protect customers with legitimate problems related to poor product or service quality (Williams and Bezeredi, 2018). Because of the prevailing negative image of informal entrepreneurship, and the informal sector in general, addressing this phenomenon has become a concern of governments and supra-national agencies (ILO, 2019). No cross-country surveys have examined the types of policies that small businesses entrepreneurs find effective to reduce informal practices (Williams and Kedir, 2018), although La Porta and Shleifer, (2014) did

[4] *"Somebody actively engaged in starting a business or is the owner/manager of a business that is less than 36 months old who participate in socially legitimate, paid activity that is legal in all respects other than that is not declared to, hidden from or unregistered with the authorities for tax, social security and/or labour law purpose when it should be declared"* (Williams, 2017, p. 7).

conclude that small businesses were more likely to engage in informal work than large businesses.

Informal economy emphasises the presence of a continuum ranges from informal to formal ends, with interdependence between the two sides (Becker, 2004). Obeng-Odoom and Ameyaw, (2014) refer to the informal economy as "in formal informal economy." Welter et al., (2015) also view entrepreneurial activities as a continuum from formal to informal. Many interdependencies exist between the informal and formal economies (Webb et al., 2009). For example, employing undocumented workers willing to work for lower wages and without benefits to work in formal business may produce services or goods comparable to those of documented workers.

Study of the informal sector attempts to address development policies and economic prospects because of its significant contribution to the global Gross Domestic Product (GDP) (Webb et al., 2009). The estimated average size of the informal economy accounts for 37.6% of the official GDP in sub-Saharan Africa, 36.4% in Europe and Central Asia, 34.7% in Latin America and the Caribbean, and 27.3% in the Middle East and North African region (MENA) (Schneider et al., 2011). Globally, about two-thirds of all enterprises begin unregistered (Autio and Fu, 2015), more than half operate on an unregistered basis (Acs et al., 2013), and an even higher proportion of them operate in the informal sector, if the uncalculated number of formal enterprises underreporting sales is included (Williams and Kedir, 2018).

The informal economy can comprise different informal businesses including HBBs. Employment in the informal economy is either as a wage worker (paid on an hourly basis) or as a self-employed business owner operating a business by themself or with a partner(s), such as a family business (i.e., as an informal HBB owner) (Amin, 2002). Informal businesses are hidden from state regulations (Khoury et al., 2018), and are invisible and not identified separately in official statistics (Mason et al., 2011). It is difficult to obtain clear information on HBBs in some countries since many of their activities occur in the informal economic sector. The difficulty in obtaining information can be, at least in part, attributed to the fear owners have about losing their properties or incurring increased expenses or penalties (e.g. business tax, revenues gains tax) if discovered by government

officials. As a result, the number of HBBs is significantly undercounted (Mason et al., 2011).

In some countries HBBs are considered to be informal enterprises, where informal entrepreneurs start a business from/at home without registering it with government officials (e.g. Jordan) (Mehtap et al., 2019). Informal entrepreneurs are individuals who start a venture that trades legitimate goods and services but is not registered with official authorities (Schneider et al., 2011; Williams and Nadin, 2012). While it is widely assumed that informal entrepreneurs are concentrated in lower income countries, where poverty drives poor people to generate income (Bruton et al., 2013; Tebaldi and Mohan, 2010), in England 34% of informal entrepreneurs are clustered in the lowest quartile of gross household income, as are 35% in the Ukraine, and 30% in Russia (Williams, 2009). This indicates that informal entrepreneurs are not restricted to lower income countries, but that they are clustered at either ends of the income spectrum and occur in both poor and rich countries. Informal entrepreneurs commence ventures to improve living standards and increase family income (Thai and Ngoc, 2010).

Some researchers found that women entrepreneurs are more likely than men to start informal ventures and continue operating in the informal economy (Williams, 2009; Williams and Round, 2008). Others found that public sector corruption is a key factor leading entrepreneurs to exit the formal economy and to operate informally (Williams and Schneider, 2016; Williams and Shahid, 2016). Public sector corruption reduces entrepreneurial trust in government, driving them to operate informally (Gulzar et al., 2010). Another view is that the higher the risk of detection and punishment, the lower the level of informality (Williams and Bezeredi, 2018). Others found that informal entrepreneurs balance the perceived and actual costs of operating informally against their benefits, and work informally when benefits exceed costs (ILO, 2019; Sinclair-Desgagné, 2013).

2.4 Motivations and entrepreneurship

Motivation was defined as the *"psychological processes involving arousal, direction, intensity, and persistence of voluntary actions that are goal directed"* (Mitchell, 1997, p. 60). Research on an individual's motivation tends to address: *"what activates a person,*

what makes the individual choose one behaviour over another, and why do different people respond differently to the same motivational stimuli?" (Carsrud and Brännback, 2011, p. 11).

Empirical and theoretical research has attempted to explain the motivations behind entrepreneurial business start-up (Bolton and Thompson, 2000; Carter et al., 2003). The theoretical rationale for the reasons used in these empirical studies was initially based on a wide range of sources, such as the need for independence (Hofstede, 1980), material incentive (Friberg, 1976), social approval (McClelland, 1961), fulfilment of personal values or norms (Friberg, 1976), and desire to escape or avoid a negative situation (Friberg, 1976; Shapero, 1975). Several factors explain why an individual starts a business (Scheinberg and MacMillan, 1988), such as a need for approval, independence, personal development, improved welfare and wealth, and to follow a role model(s), to which a passion or enthusiasm for venture-related activities (Smilor, 1997) can be added. Cardon et al., (2009) suggest that entrepreneurs who experience a passion, benefit from its motivational energy.

Johnson and Darnell, (1976) developed and tested a push-pull model built on research by Oxenfeldt, (1943), to identify factors explaining new venture creation. Their starting point was their assumption that creation of a new venture was based on changes from being salaried or unemployed to being self-employed. Such a decision is made when the total monetary and non-monetary payoffs resulting from self-employment exceed those derived from remaining employed or being unemployed. The trigger for such a decision can be interpreted as a function of 'push' or 'pull' forces. For example, Brockhaus, (1980) viewed the absence of satisfaction in a current job as a push force that led an individual to start a business. Gilad and Levine, (1986) proposed 'push' and 'pull' factors to explain entrepreneurial supply, reporting short-term unemployment (15–26 weeks) to have a positive effect on new business creation; this does not mean that unemployment was desirable—just that unemployment in a free market created its own counteracting forces.

Individuals who often change jobs, and/or who have precarious jobs or low salaries, are more likely to become self-employed (Evans and Jovanovic, 1989). Mason, (1989) studied the motivations of two groups of entrepreneurs: those who started their business between 1976 and 1979 (pre-recession), and 2, those who started their business post-1979

(recession period). They argued that entrepreneurial decisions made by the pre-recession group were primarily driven by pull factors such as market opportunities, finances, or a new product, while push factors such as unemployment, lay-off or job-related uncertainty, motivated recession-period entrepreneurs.

Creation of a new venture that represents a source of profit is a pull factor (a 'positive'), whereas a push factor is (a 'negative') when it results from a conflict between the current situation of the 'want-to-be' entrepreneur and the situation they experience (Freytag and Thurik, 2007). Individuals can be pulled into entrepreneurial activities by positive forces, such as seeking independence, self-fulfilment, personal autonomy, improved wealth, a feeling of freedom, increased life satisfaction, to follow role models, market opportunities, and other desirable outcomes (Birley and Westhead, 1994; Carter et al., 2003; Cromie and Hayes, 1991; Shane et al., 2003; van der Zwan et al., 2016), and pushed into entrepreneurship by negative forces, such as unemployment, job dissatisfaction, the absence of personal development, difficulty in finding a job, insufficient salary, inflexible working hours, and family pressure to transfer family business to a new generation (Giacomin et al., 2011; Hessels et al., 2008; Hughes, 2003). Notwithstanding the roles played by these different factors, it is generally agreed that the desire to be independent is a dominant factor explaining new business start-up (Scheinberg and MacMillan, 1988; Birley and Westhead, 1994).

Independence is generally considered to be a pull motive (Carter et al., 2003; Kariv et al., 2009; Miller and Le Breton-Miller, 2017; Orhan, 2005; Shane et al., 2003; Still et al., 2005). However, factors other than autonomy or independence might influence the decision to start one's own business. For example, Stephan et al., (2015) reported individuals were motivated to start-up their business because they needed additional income, in addition to other factors such as the need to control their life, to become their own boss, and job satisfaction. Individuals were generally more likely to be pulled rather than pushed into entrepreneurship (Dawson and Henley, 2012; van der Zwan et al., 2016).

Reynolds et al., (2003) replaced the concepts of push factors with 'necessity' entrepreneurs and pull factors with 'opportunity' entrepreneurs. Although various measures of opportunity and necessity in entrepreneurship exist, it is generally agreed that pull factors form the basis for opportunity entrepreneurs, while push factors form the basis for

necessity entrepreneurs (van der Zwan et al., 2016). Necessity entrepreneurs are pushed into entrepreneurship because no other option for work exists or is satisfactory, while opportunity entrepreneurs are pulled into this endeavour by choice, such as to exploit a market opportunity or to fulfil a desire for autonomy, independence, freedom, increased income, wealth, challenge, recognition, and improved status (Aidis et al., 2006; Harding et al., 2005; Kolvereid, 1996; Minniti et al., 2006; Smallbone and Welter, 2004).

Several studies have examined the relationship between push-pull dynamics and an individuals' gender, with an emphasis on female entrepreneurial motivation (see Hughes, 2006; Kirkwood, 2009). Orhan and Scott, (2001) identify the need for a flexible job (given family responsibilities) as a push factor for women. It has also been argued that most women are motivated by push factors to start-up a business and, as such, have little desire to grow their business (Fatoki, 2014; Rey-Martí et al., 2015), possibly because they place greater value on balancing a family and business life (as a consequence of which they expect less from their business than their male counterparts). Tlaiss, (2015) found some Emirati women were 'pulled' into entrepreneurship because of a need for independence and recognition, while some were 'pushed' out of frustration with a previously fixed job. Other studies have found that pull factors motivate men and women equally (Dawson and Henley, 2012; Minniti et al., 2006). An individuals' motivations to pursue entrepreneurship are a mix of 'push' and 'pull' factors, rather than any single reason, and that *"a pull/push model represents many entrepreneurial motivations"* (Ducheneaut and Orhan, 2000, p. 90; Laure Humbert and Drew, 2010; Tlaiss, 2015).

A main limitation of the push/pull model is that it is often conceptualised as an economic and social process in simplistic terms. *"The dichotomy (between push and pull factors) if taken as an either/or question is reductionist and stereotypical resulting in understandings that do not account for the relationship between pull and push, or more generally the complexity of factors at work"* (Linstead and Hytti, 2005, p. 595). What this model does not consider is the potential importance of each factor and its practical implications on the behaviour of an individual. It is therefore, important to examine how these factors are constructed, and their relative importance in any analysis using the push/pull framework (Laure Humbert and Drew, 2010). The push-or-pull dualism has been considered very shallow, because other factors (e.g. business decisions, owner preferences, choices) can explain entrepreneurial behaviour, and these may change over time (Shane, 2009;

Smallbone and Welter, 2004). Some individuals start a business in response to a 'disruptive' event, while others may go into it for different reasons (van der Zwan et al., 2016).

In many ways the distinction between pull and push factors in entrepreneurship research is ambiguous. The arbitrary categorisation of motivational factors into one of push or pull does not reflect the complex nature of these factors, nor their meaning in context. For example, Dawson and Henley, (2012, p. 713) noted:

> *"A desire for independence [...] may reflect a positive attraction to self-employment (pull factor) or a rejection of lack of independence in prior work (push factor)." "It is unclear if individuals report that they chose self-employment to escape unsatisfactory working conditions in organisational employment or are pulled by the attractiveness of working conditions in self-employment allied to greater personal autonomy."*

Freytag and Thurik, (2007) stressed the importance of understanding the interactions between economic, social, and demographic factors, and the gender influence arising from an entrepreneurs' background. They provide an example of how different demographic characteristics of two women with the same motivation factors (e.g. presence/absence of small children) may influence them to start their business, and argued that it may not be feasible to become an entrepreneur for the mother of young children operating within a traditional family model. Morrison, (2000, p. 98) summarised this with *"the process of entrepreneurship initiation has its foundations in person and intuition, and society and culture. As a result, this process is much more holistic than simply an economic function."* Birley and Westhead, (1994, p. 14) maintain *"... starting a business is a complex process which involves a variety of motivations and stimuli."* According to Kuratko et al., (1997, p. 24)*"understanding entrepreneurial motivation is critical to understanding the complete entrepreneurial process."* By recognising the link between intentions and actions, researchers can understand the entrepreneurial process (Krueger and Carsrud, 1993).

2.5 Motivations and entrepreneurial intention

In social sciences, behavioural intention is a core research issue (Yeh et al., 2020). It describes *"a person's motivation in the sense of her or his conscious plan or decision to*

exert effort to enact the behaviour" (Armitage and Conner, 2001, p. 1430). According to Ajzen, (1991, p. 181)*"intentions are assumed to capture the motivational factors that influence behaviour and to indicate how hard people are willing to try or how much effort they would exert to perform the behaviour."*

Entrepreneurial process takes place because people are motivated to pursue and exploit perceived opportunities (e.g. Osiyevskyy and Dewald, 2015). This view is rooted in the theory that entrepreneurial action is intentional, resulting from motivation and cognition (Kautonen et al., 2013; Kolvereid and Isaksen, 2006). Ryan and Deci, (2000) assert that goals and motives play an important role in predicting behaviour. An individuals' intention to start a business is dependent on their entrepreneurial motivation (Kuratko and Hodgetts, 2007). Segal et al., (2005) contend that the concepts of intention and motivation are synonymous, so a link therefore exists between intentions, motivations, and behaviour. Generally, a stronger intention to engage in a behaviour should lead to an outcome. However, for an intention to lead to a behaviour it should be under volitional control, meaning a person is free to decide if they will or will not perform a behaviour. At the same time, the performance of behaviour depends to a degree on non-motivational factors, such as the availability of requisite opportunities, required resources such as money and time, personal skills, and the ability to cooperate with others (Ajzen, 1991).

Entrepreneurial intention refers to *"self-acknowledged conviction by a person that they intend to set up a new business venture and consciously plan to do so at some point in the future"* (Thompson et al., 2009, p. 676). Reynolds, (1992), stated that characteristics of individuals may affect their business start-up, pointing out that not all individuals under the same situations may become entrepreneurs. The psychological attributes of an individual also constitute an important part in business start-up process (Johnson, 1990; Stewart Jr et al., 1999). Entrepreneurship requires both a supportive and productive business climate, and an environment in which creativity and innovation can flourish (Fillis and Rentschler, 2010; Lee et al., 2004). Situational factors such as time constraints, task difficulty, and societal or family pressure also influence entrepreneurial intention to start-up a business (Krueger and Carsrud, 1993; Lee and Wong, 2004).

Several theoretical models have been proposed to explain entrepreneurial intentions: Entrepreneurial Event (Shapero and Sokol, 1982), Implementing Entrepreneurial Ideas

(Bird, 1988), Maximization of Expected Utility (Douglas and Shepherd, 2000), and Theory of Planned Behaviour (TPB) (Krueger et al., 2000; Liñán and Chen, 2009; Moriano et al., 2012; Van Gelderen et al., 2015). Of these the most influential is TPB, which has been regarded as the 'reference' theory by (Krueger and Carsrud, 1993). Unlike other theoretical models, TPB is a coherent and generally applicable theoretical framework which associates social and personal factors to understand and predict entrepreneurial intentions (Krueger et al., 2000). The usefulness and applicability of TPB plays a large role in expanding the research on entrepreneurial intention, focusing on different nuances (Fayolle and Liñán, 2014). TPB enables prediction and understanding of entrepreneurial intention by considering not only personal factors but also social ones (Rueda et al., 2015).

2.6 Theory of Planned Behaviour (TPB)

Theory of Planned Behaviour (TPB) is a model that originated in social psychological research to predict and explain human social behaviour (Krueger et al., 2000; Tornikoski and Maalaoui, 2019). TPB is guided by three beliefs: behavioural—beliefs regarding the likely consequence of a behaviour; normative—beliefs about normative expectations of other people; and control—beliefs about the presence of factors that may advance or reduce performance of the behaviour. Behavioural beliefs refer to Attitude Toward the Behaviour (ATB), normative beliefs refer to perceived social expectations or Subjective Norm (SN), and control beliefs refer to Perceived Behavioural Control (PBC). Combining ATB, SN and PBC produces behavioural intention, the immediate antecedents to a behaviour. As shown in Figure 1, intention mediates the relationship between these three antecedents (ATB, SN, PBC) and the actual behaviour (Ajzen, 2002). With sufficient control over a behaviour, individuals are expected to carry out their intention when an opportunity arises.

The main assumption underlying TPB is that the more positive an individual's ATB, the more favourable the SN and the greater the PBC, the stronger one's intention to engage in a given behaviour, and, therefore, the greater the probability of performing that behaviour within a time period (Ajzen, 1991). Based on TPB's main assumptions, an individual considers that their engagement in entrepreneurial activities will be rewarded with monetary benefits and emotional state. The three antecedents may vary in their importance to predict the intention. Sometimes only ATB has significant impact on intention, but both

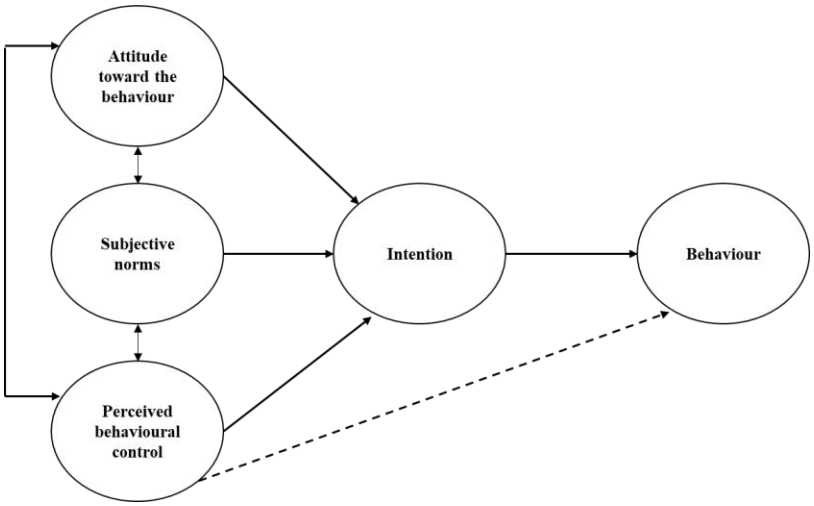
ATB and PBC can do so too; in some cases, all three antecedents may contribute independently (Ajzen, 2011).

TPB is mainly applied for quantitative studies (Ajzen, 2004). Methods developed for data collection and analysis with the TPB model are mostly quantitative (Renzi and Klobas, 2008). TPB is accompanied by a well-established set of methodological tools that can be used to obtain reliable and valid methods of its theoretical constructs. Over years of adopting TPB in quantitative studies, customary methods of data collection (e.g. questionnaires and surveys) have been developed to draw reliable measures of TPB constructs.

The choice to adopt TPB in qualitative research is a difficult decision for researchers since it requires more effort and time to construct semi-structured interview questions which is a qualitative data collection strategy, in order to demonstrate the quality of the required results. Also, some researchers do not agree on recording the interviews (e.g. Lincoln and Guba, 1985; Patton, 2002). Therefore, the use of the TPB is not common with qualitative research methods (Renzi and Klobas, 2008). However, in some cases, TPB is used with qualitative research methods depending on the kind of the technique used such as semi-structured interviews, or by the number of cases available which does not allow statistical techniques to be used.

Compared to other intention models, TPB has been applied extensively to investigate business start-up behaviour (Kautonen et al., 2010; Krueger et al., 2000; Yeh et al., 2020). Starting a business involves considerable planning and high levels of cognitive processing (Baron and Ensley, 2006). The decision to become an entrepreneur is conscious and deliberate (Krueger et al., 2000). Therefore, the choice to become an entrepreneur is regarded as a type of planned behaviour for which intention models are ideally suited (Bird, 1988). Intentions are a decisive factor in performing entrepreneurial behaviour (Kolvereid and Isaksen, 2006).

Figure 1: Theory of Planned Behaviour



Source: (Ajzen, 1991, p. 182)

2.6.1 Attitude toward the behaviour (ATB)

ATB is defined as *"the degree to which a person has a favourable or unfavourable evaluation or appraisal of the behaviour in question"* (Ajzen, 1991, p. 188). Attitudes involve an individuals' assessment to business start-up attractiveness and associated options, and how close these are to their decisions (Krueger et al., 2000; Wiklund et al., 2003).

It is unclear how an individual engages in a certain behaviour at any point in time. A behaviour is based on the beliefs, values, and desirability of results (Fayolle et al., 2014; Kolvereid and Isaksen, 2006; Krueger et al., 2000; Wiklund et al., 2019). Attitudes are often based on the experiences of individuals and are formed through interactions with their environment (Galloway and Kelly, 2009; Littunen, 2000; Wiklund et al., 2003). Attitudes can be influenced by many exogenous factors, including strong ties (e.g. parents, friends, teachers) that individuals have with the important agents of influence within their environment (Carr and Sequeira, 2007). Engle et al., (2010) found that higher levels of entrepreneurial intention in students are determined by their favourable SN and not their positive ATB, in contrast to Moriano et al., (2012), who found a positive relationship between ATB and intention but no significant relationship between SN and ATB.

Nabi and Liñán, (2013) reported the perception of risk (as opportunity or threat) was related to entrepreneurial attitude. The more risk was perceived as an opportunity, the stronger the salient beliefs corresponded to a higher positive evaluation of entrepreneurship. However, while more risk was perceived to be a threat, the stronger the salient beliefs corresponded to a negative evaluation of entrepreneurship. Schlaegel and Koenig, (2014) conducted a meta-analysis which revealed strong support for attitude as an intention antecedent. Other empirical studies have found similar results on attitudes to self-employment. For example, Kolvereid and Isaksen, (2006, p. 871) found *"autonomy, authority, self-realisation and economic opportunity"* most strongly associated with attitudes towards pursuit of self-employment. A Peruvian study, Cubillas et al., (2018), found the attitude toward informality, reflecting a belief of informality's benefits, was the strongest factor shaping the intention of informal entrepreneurs to start or even continue running a business informally.

2.6.2 Subjective norms (SN)

SN is *"the perceived social pressure to perform or not to perform the behaviour"* (Ajzen, 1991, p. 188). It consists of normative beliefs, and the motivation to comply with them (Fayolle and Liñán, 2014). Situational and socio-cultural factors influence an individual's behaviour. Situational factors represent the environment surrounding an individual, such as family, work, school, and society. Socio-cultural factors are customs, values, and beliefs that characterise a society (Elfving et al., 2009). Therefore, SN are context specific and based on perceptions, cultural norms, and reference groups.

Family influences are crucial for the development of an individual's occupational intentions (Jodl et al., 2001), with research suggesting that parents' entrepreneurial status triggers their entrepreneurial intentions (Matthews and Moser, 1996; Scherer et al., 1989). For example, some researchers argue that exposure to a family business can influence entrepreneurial intentions by increasing perceptions that self-employment is a feasible career option (Krueger et al., 2000; Sørensen, 2007). Moreover, evidence suggests that to some extent, entrepreneurial intentions can be inherited due to a genetic disposition for entrepreneurship (Nicolaou and Shane, 2010).

Studies exploring the strength of motivation to reach goals discovered that normative beliefs created by exposure to role models enhanced the strength of motivation (Krueger, 2003; Krueger et al., 2000; Taylor, 1996). Liñán et al., (2013) reported SN contributed social values (i.e. wider cultural values) and environmental evaluation (i.e. social capital) which differed across contexts. They concluded that to explore behavioural intentions, it was important to consider the individual and environmental factors.

SN has been considered to have weak predictive power (Krueger et al., 2000). For example, Liñán, (2008) excluded the relationship between SN and intention from their TPB model and limited their evidence to relationships between ATB and PBC. Other researchers suggest that SN is a pre-antecedent or mediator of ATB and PBC (Liñán et al., 2013; Tsai et al., 2016). Some research conducted on Western and non-Western countries, has demonstrated that SN has a significant impact on forming intentions, or engaging in business creation behaviour (Schlaegel and Koenig, 2014; Wang et al., 2012; Yang, 2013). Mawson and Kasem, (2019) found that Syrian refugees were encouraged by their families and friends to pursue self-employment and business creation, indicating culture had a significant impact on SN in shaping attitudes towards entrepreneurial activity. Social support from family members is critical to the start-up persistence of entrepreneurs (Kim et al., 2013).

2.6.3 Perceived behavioural control (PBC)

PBC refers to *"the perceived ease or difficulty of performing the behaviour and it is assumed to reflect past experience as well as anticipated impediments and obstacles"* (Ajzen, 1991, p. 188). The concept of perceived self-efficacy is related to PBC. While many studies on entrepreneurial intentions have used self-efficacy instead of PBC (e.g. Kolvereid and Isaksen, 2006; Krueger et al., 2000; Moriano et al., 2012; van Gelderen et al., 2018), Ajzen, (2002) argued that self-efficacy was simply a component of PBC. Armitage and Conner, (2001, p. 479) differentiated PBC from self-efficacy, defining the former as *"the perceived ease or difficulty of performing behaviour,"* measured with questions regarding the perceived ease or difficulty related to performing such behaviour, and defining the latter as *"confidence in one's own ability to carry out a particular behaviour,"* measured with statements such as *"I believe I have the ability to do the behaviour."*. While self-efficacy concerns cognitive perceptions of an individual to control

their internal factors (Bandura, 1997), PBC contains an additional element of perceived 'control.' PBC includes the feeling of being able, and the cognitive perception about controllability of the behaviour (Liñán and Chen, 2009). Ajzen, (2002, p.665) considered that PBC in the TPB should be read as *"perceived control over the performance of a behaviour."*

Research on entrepreneurial self-efficacy indicates that individuals who believe in their ability to start a business successfully will have an intention to do so (Zhao et al., 2005). Henley, (2005) also emphasised the importance of self-confidence and self-reliance in starting a business. However, more recently, under certain situations, self-efficacy may not be as significant as previously considered; for example, Von Graevenitz et al., (2010) demonstrated student self-efficacy increased but their intention to start a business decreased after taking an entrepreneurship course. Entrepreneurial intention depends mainly on an individual's perception as to whether they are or are not suitable to become entrepreneurs, even if they believe that they have the requisite skills and ability to start a business. In summary, an individual's perception to fit with entrepreneurship plays an important role on whether self-efficacy leads to entrepreneurial intention (Hsu et al., 2018).

2.6.4 Criticisms of Theory of Planned Behaviour

The ability of TPB to predict an individual's behaviour has been challenged. Brannback et al., (2007) maintained that the intention to perform a goal-directed behaviour was completely different to the intention to perform a single act, in which case individuals with goal-directed behaviour often passed through several stages before initiating a behaviour, which is the case for business start-ups (Bagozzi, 1992; Gollwitzer, 1993). Additionally, how antecedents of intention are formed is incompletely understood (Gotlieb et al., 1994). TPB does not describe the motivational process and how these predictors act in the formation of antecedents of intention (Bagozzi, 1992). Armitage and Conner, (2001) found that TPB antecedents contributed only 20% towards performing a behaviour, which led to numerous additional antecedents being proposed.

Ajzen, (2011, p. 1123) remarked on some issues related to TPB that:

> *"The theory points to a host of possible background factors that may influence the beliefs people hold—factors of a personal nature such as personality and broad life*

values; demographic variables such as education, age, gender and income; and exposure to media and other sources of information. Factors of this kind are expected to influence intentions and behaviour indirectly by their effects on the theory's more proximal determinants."

Most studies have used samples comprising students, undermining their generalisability and validity (e.g. Liñán and Chen, 2009; Van Gelderen et al., 2018). McGee et al., (2009, p. 971) pointed out that *"students simply don't have the experience and resources to judge whether they can be successful entrepreneurs."* Future research should include individuals who are actively engaged in business start-up behaviour (Fayolle and Liñán, 2014; Schlaegel and Koenig, 2014). Liñán and Fayolle, (2015) also noted most research using TPB was based on positivist methodologies, but humanistic approaches could also provide insightful alternative ways to perform research on entrepreneurial intention. Improving the balance between positivism and humanism is important to advance research in the field of entrepreneurial intention.

Another criticism of TPB is that SN has been reported to be statistically insignificant for predicting business start-up behaviour (e.g. Krueger et al., 2000; Miralles et al., 2012; Nishimura and Tristán, 2011). This may be explained by TPB antecedents changing as individuals change (Gielnik et al., 2014; Levesque et al., 2002). *"As entrepreneurs take each step forward, their intent may easily change [...] entrepreneurial decision making is often far from linear"* (Krueger, 2009, p. 58).

Individuals may change their priorities about business start-up and operation over time, meaning that TPB has a predictive theoretical significance for a limited period only (Cassar, 2007). Longitudinal studies on entrepreneurial behaviour toward business start-up are required (Fayolle et al., 2014). Sheeran and Webb, (2016) assert that TPB overstates the cognitive control of behaviour, individuals may have clear intentions but do not necessarily perform the related behaviour. For example, of 33 individuals who showed an intention to become self-employed, only six did so, but of 2218 individuals with no intention to become self-employed, 26% became self-employed (Katz, 1990). Therefore, TPB may miss significant points on business start-up behaviour, indicating a substantial entrepreneurial intention–action gap.

2.7 Intention–action gap

Although intention models are considered to be powerful predictors of intention, their ability to predict the behaviour is insufficient. Meta-analyses applied to study human behaviours (e.g. exercise and diet) report intentions were capable of predicting only 28% of the variance in subsequent behaviour (Sheeran, 2002). A meta-analysis by Armitage and Conner, (2001) determined intention was capable of predicting only 20% of variance in subsequent behaviour. Krueger et al., (2000) reported entrepreneurial intention was capable of predicting 30% of variance in subsequent behaviour. More recently, several researchers report entrepreneurial intention was capable of explaining about 30% or less of the variance in subsequent behaviour.(Kautonen et al., 2015; Shirokova et al., 2016; Van Gelderen et al., 2015). This view is also supported by Ilouga et al., (2014) who claimed that intention alone was insufficient to cause action, mainly in long-term behaviours such as entrepreneurship. Therefore, a substantial entrepreneurial intention–action gap exists.

Since knowledge regarding the translation of entrepreneurial intention into action is limited, several scholars have called for an urgent empirical and theoretical investigation of the intention–action gap (Fayolle and Liñán, 2014; Schlaegel and Koenig, 2014; Kautonen et al., 2015). A better understanding of the relationship between intention and action would improve programmes to promote and support the development of entrepreneurship (Laguna, 2013). Given the limited explanatory power of intention, other variables likely explain or contribute to entrepreneurial action (Yeh et al., 2020). Nevertheless, limited research has investigated the entrepreneurial intention-action gap from a different TPB perspective, such as the theory of action phase (Adam and Fayolle, 2016; Hikkerova et al., 2016; Van Gelderen et al., 2018), mindset theory (Delanoë-Gueguen and Fayolle, 2018), action regulation theory (Gielnik et al., 2014), and Theory of Trying (Brannback et al., 2007).

Bogatyreva et al., (2019) explored the role of national culture as a moderator in the translation of entrepreneurial intention into action using Hofstede's cultural dimensions framework. They found that the relationship between entrepreneurial intentions and action was, to a large extent, context dependent. While two waves[5] of a Global University

[5] Within the context of survey research, a wave refers to each separate survey in a series of related surveys. It is when a survey is conducted two or more times. These waves may represent a panel survey in which the same respondents are tracked over time (Lavrakas, 2008).

Entrepreneurial Spirit Students' Survey (GUESSS) (from 2011 and 2013/2014) were used, the survey was not longitudinal by design, meaning each time students were invited to participate, the overlap between research cohorts was predictably minimal, with students who filled in both questionnaires representing only 1.3% of participants. The authors themselves acknowledged this limitation and suggested further replication of the study using different samples.

Few studies on the entrepreneurial intention–action gap have used the TPB model. The meta-analysis of Schlaegel and Koenig, (2014) found only three published entrepreneurship studies (Goethner et al., 2012; Kautonen et al., 2013; Kolvereid and Isaksen, 2006) had applied the full TPB model and focused on the intention–action relationship. No meta-analysis studies on the entrepreneurial intention-action gap since this publication are known. Of these studies, sample size was limited for Kautonen et al., (2013) and Kolvereid and Isaksen, (2006). Goethner et al., (2012) analysed data for a niche population (academic scientists) and suffered from non-random sample attrition. The existence of an intention–action gap reveals the importance of focusing on studying additional factors that translate intentions into action, rather than concentrating solely on intention. Studies focussing on entrepreneurial motivations and their potential influence on the intention–action gap are needed (Fayolle et al., 2014; Renko et al., 2012; Stephan et al., 2015).

Kautonen et al., (2015) tested the full TPB model, concentrating on business start-up, including the intention–action relationship. Using longitudinal survey data (n = 969) from 2011 and 2012 (Austrian and Finnish populations), they tried to overcome weaknesses in prior studies that had used limited and/or student samples. They demonstrated the robustness of TPB for predicting business start-up intention and subsequent action, and for ATB, SN, and PBC to jointly explain 59% of the variation in intention—greater than the 30%–45% of previous studies (e.g. Liñán and Chen, 2009). Also, intention and PBC explained 31% of the variation in subsequent behaviour—a result comparable to other meta-analyses (e.g. Van Gelderen et al., 2018). The limited scope of samples used in most prior studies, and the scarcity of investigations on the translation of entrepreneurial intention into action, were addressed.

Moghavvemi et al., (2015) investigated the translation of Malaysian entrepreneurial intention into action using IT innovation (not on studying establishing a business). Four situational conditions for precipitating events[6] were identified—changes in: a) an entrepreneur's work situation, b) an entrepreneur's work environment, c) an entrepreneur's work situation due to recent and/or lack of opportunity, and d) technology in an entrepreneur's work environment (e.g. availability of IT innovation, new technology in accounting practice, or availability of an online system). In the first of two survey stages, respondents were asked to indicate their intention prior to using the IT innovation. After 8 months, participants were then asked about events that may happen after the intention was formed and their use of IT innovation. Precipitating events moderated the relationship between intention and behaviour, with entrepreneurs who experienced low levels more likely to use IT innovation, while those who experienced high levels less likely use IT innovation.

Shirokova et al., (2016) examined contextual factors, i.e., individual (family entrepreneurial background, age, gender) and environmental characteristics (university environment, uncertainty avoidance) that may affect the translation of entrepreneurial intention into action. Using GUESSS data from 2013/2014, they demonstrated these factors may weaken or reinforce effective translation of entrepreneurial intention into action. In particular, family entrepreneurial background, age, gender (link for males was stronger), and university entrepreneurial environment, reinforced the intention–action relationship, while the general country uncertainty avoidance[7] weakened the intention–action relationship. Research by Shirokova et al., (2016) used a cross-sectional design to detect the short-term associations between intention and action; their design did not include the temporal effects of intention–action translation, and used, a university student sample, thereby limiting the generalisability of research findings.

Delanoë-Gueguen and Liñán, (2018) used TPB in addition to other theories to investigate the relationships between career motivations on entrepreneurial intention and subsequent action. A large sample of university students was used, who were tracked 5 years on after

[6] Defined as *"certain exogenous variables that facilitate or 'precipitate' the realisation of intention into behaviour, includes the perceptions of resource availability, or the removal of inhibiting factors, being offered a big contract, a new opportunity"* (Moghavvemi et al., 2015, p.1173).

[7] *"The extent to which the members of a culture feel threatened by uncertain or unknown situations"* (Hofstede, 1980, p. 113).

being employed. Motivations such as autonomy, economic reward, and managing the whole process, played important roles in the formation of entrepreneurial intention and subsequent action. Avoiding job responsibility and seeking job security were of utmost importance when choosing between entrepreneurial and employee career. In other words, entrepreneurs (in particular) had motivations of autonomy and an ability to manage the whole process. As Delanoë-Gueguen and Liñán, (2018) also used university students, findings should be implied with caution; this study also used only ATB as antecedents of intention, rather than adopting the full TPB model.

While TPB is widely accepted, researchers recommend further work to better reflect the complexity of personal factors underlying intention, how these vary between groups, and how they may evolve over time (Liñán and Fayolle, 2015). Relevant applications of TPB to formalisation of informal entrepreneurs are scarce. Cubillas et al., (2018) researched the antecedents of intention in a segment of Lima's informal economy involving the refilling of domestic gas cylinders. Their research aim was to identify factors that were significant in forming the intention of entrepreneurs to start their informal business, and whether or not they wanted to continue operating it informally; they also used a cross-sectional research design, and interviewed informal entrepreneurs one time to answer a questionnaire consisting of seven-point Likert scales, rather than track their intention longitudinally, leaving formalisation to other researchers to investigate. When tracking the intention of informal entrepreneurs, it is important to understand their behaviour, for which reason it is important to track the intention of informal Kuwaiti HBB owners to understand the formalisation process. The process of HBB formalisation may take several months or even years, over which time the intention of these informal Kuwaiti HBB owners may change.

A further criticism of the TPB model is that most research on entrepreneurial intention has focused on a positivist approach, which draws on large-scale quantitative data, with little consideration given to individuals and their stories (Mawson and Kasem, 2019). Scholars have called for more 'humanistic' approaches to *"attain a better understanding of the complex psychological mechanisms leading to intention formation"* (Liñán and Fayolle, 2015, p. 925). In view of what has been mentioned so far, there is a scarcity of qualitative longitudinal studies focussing on translating entrepreneurial intention into action using the full TPB model. In this respect, this research uses the TPB as a framework. It does not

attempt to test the TPB model empirically, but rather to provide insights into the HBB formalisation process. Moreover, it uses constructivist grounded theory methods and a qualitative longitudinal approach (refer to Chapter 3) to understand how informal Kuwaiti HBB owner intentions are formed, and what factors might facilitate or impede the formalisation process of HBB in Kuwait.

The decision to start a business is influenced by a complex interplay of factors, including personal characteristics or attributes of individuals, and the influence of social, cultural, political, and economic factors (Kouriloff, 2000; Mazzarol et al., 1999). One stream of research is based on the idea that entrepreneurs exhibit characteristics that contribute to their preparedness to start a business and influence its success (Kennedy et al., 2003; Pinho and de Sá, 2014; Veciana et al., 2005). Another stream of research is based on the principles of effectuation (Sarasvathy, 2001). While causation suggests that entrepreneurs focus on a predefined goal and then try to find the means to reach this goal. Effectuation suggests that entrepreneurs focus on the available means and try to materialise it into one or more goals that were not necessarily predefined.

According to Sarasvathy, (2001, p. 259), *"Effectuation begins with a given set of causes, consisting of (mostly) unalterable characteristics and circumstances of the decision maker, and the focus is on choosing among alternative (desirable) effects that can be produced with a given set of means, thereby eliminating the assumption of pre-existence goals."* Effectuation thinking considers affordable loss rather than expected returns. Also, the control of an unpredictable future rather than prediction of an uncertain one. Effectuation logic frames the problems as one of pursuing adequately satisfactory opportunities without investing more resources (Dew et al. 2009).

Since formalisation of HBBs in Kuwait (starting a formal business) may carry a situation of uncertainty and goal ambiguity as well as it may concern with some losses such as monetary, social, etc. Therefore, the theory of effectuation for Sarasvathy, (2001) may be helpful in explaining the intention-action gap in relation to the changes in the behaviour of some informal Kuwaiti HBB owners towards formalisation of their HBB.

Many studies have sought to identify the main characteristics of entrepreneurs when starting a business (Di Zhang and Bruning, 2011). Mazzarol et al., (2009) found that personal visions of a business owner correlate with a high level of sales turnover. The

cognitive ability of a business owner adds value to their behaviour (Panagiotou, 2006). Fillis and Rentschler, (2010, p. 7) assert *"self-confidence, perseverance, high energy levels, calculated risk taking and the need to achieve are seen as the top five characteristics of the relatively more entrepreneurial individual."* Kazumi, (1995) reported entrepreneurs to be characterised by a combination of abilities and personal characteristics. Other studies found that self-confidence, persistence, previous experience, inter alia, values, and personal objectives are also important factors for entrepreneurial success (Gorman et al., 1997; Kourilsky, 1980).

2.7.1 Entrepreneurial self- confidence

Self-confidence has received little attention in the entrepreneurship domain and few researchers have studied the effect of self-confidence on entrepreneurship (Kirkwood, 2009; Koellinger et al., 2007). Several scholars have mixed concepts of 'self-confidence' and 'self-efficacy,' resulting in confusion between the two terms (e.g. Kirkwood, 2009; Ng and Jenkins, 2018). Bandura (1997) considered self-confidence differed from self-efficacy in terms of definition, broadness, predictive power, and practical application. Self-efficacy refers to an individual's belief to achieve a positive outcome when engaged in a particular behaviour. This means that self-efficacy is limited to a specific task or domain. Self-confidence refers to a broad factor that includes different tasks or domains (Kleitman and Moscrop, 2010).

To date most research has framed the concept of 'self-confidence' within 'self-efficacy.' This is because the term 'confidence' is used to measure both self-efficacy and self-confidence (Wilson et al., 2007). The correlation between self-efficacy and an online measure of confidence was 0.54 (Morony et al., 2013). Additionally, self-confidence tends to have much higher predictive power than self-efficacy, suggesting differences between the two constructs are significant.

Studies have found perceived self-efficacy (self-confidence) related to a variety of individual differences, including awareness, openness to experience and emotional stability as well as learning goal orientation, need for achievement, and locus of control (Phillips and Gully, 1997). Regarding locus of control, it is considered as a personality trait associated with general expectations of a person whether someone will be able to control events in life or not (Asante and Affum-Osei, 2019; Leone and Burns, 2001). An individual

with an external locus of control believes that circumstances are beyond their control such as luck, fate, and others affect their performance in various activities. An individual with an internal locus of control believes that they personally control the events and consequences in their lives (Hansemark, 1998). Locus of control can distinguish between successful and unsuccessful business owners (Engle et al., 1997)

Two main types of assessment have been used to investigate individual differences in confidence: personality-like—self-report questionnaires to assess an individual's belief in their ability to accomplish different tasks; and judgments of accuracy and success—following completion of a target task (Stankov et al., 2014). Confidence assessments include two classes of measurement: that which involves general self-perception measures assessing one's view of the habitual tendencies or dispositions for doing something in a specified field, and that related to a particular cognitive or behavioural act. For measuring a behavioural act, participant behaviour can be examined compared to a common act. For measuring a cognitive act, online performance-based measures such as tests and scales can be used (Koriat, 2000; Moore and Healy, 2008).

Confidence measurement classes were developed independently, and empirical studies have found it difficult to relate them directly (Stankov et al., 2014). According to Stankov et al., (2012), both personality-like and motivation confidence assessments represent cognitive aspects. For cognitive aspects, the probability of being correct is higher if the person has a high ability or the test is easy. Personality-like is about self-perception or self-belief related to an individual's performance on cognitive tests and the degree an individual is open to experience. Motivation concerns the intention to make precise self-appraisals in a given situation. Wilson et al., (2007) noted self-confidence to be based on perceptions of skills and abilities rather than objective abilities. Efklides, (2011) found that confidence was sometimes considered a task-specific metacognitive experience.

Research on confidence within entrepreneurship has determined that *"one's own entrepreneurial skills emerge as a major driver in the decision to start a business"* (Koellinger et al., 2007, p. 504). Self-confidence is *"the belief in one's capability to perform a given task, influences the development of both entrepreneurial intentions and actions or behaviours"* (Minniti, 2009, p. 47). Self-confidence in entrepreneurial abilities was related to an individual's level of interest in an entrepreneurial career (Wilson et al.,

2007). Several researchers have found that self-efficacy was a helpful explanatory model to predict entrepreneurial intentions (Chen et al., 1998; Krueger Jr and Brazeal, 1994). Entrepreneur beliefs about their abilities were closely related to entrepreneurial intention (Langowitz et al., 2005). Searle, (2001) pointed out that the sense of an individual's own ability formed the background of their action. Without a perception of ability to engage in a specific action, an individual would not undertake an action. Likewise, entrepreneurs who intend to start a business would properly engage in start-up actions if they believed in their abilities to act entrepreneurially (Townsend et al., 2010).

Entrepreneurs tend to have higher levels of self-confidence than the general population (Koellinger et al., 2007). The Global Entrepreneurship Monitor (GEM) found that self-confidence levels differ between entrepreneurs and non-entrepreneurs (Langowitz et al., 2005). In a study conducted by Chen et al., (1998), entrepreneurs were asked to rate their confidence in handling different types of tasks with running a business. They found that there are variations in self-confidence levels between different types of entrepreneurs. Entrepreneurs who had established their own business were more confident than those who had not (Forbes, 2005). Henley (2005) emphasised the importance of self-confidence and self-reliance in starting a business. However, business owners who had been involved in the entrepreneurial process for some time were less confident in their own skills compared to nascent entrepreneurs (Koellinger et al., 2007). Confidence levels are influenced by entrepreneur age, business decision comprehensiveness[8], and the degree of external funding (Forbes, 2005).

Brockhaus, (1982) assumed that an entrepreneur's effort influenced the success or failure of a venture. In other words, self-confidence was related to the degree of an individual's perceptions about success and failure, which was dependent on personal initiatives. Therefore, self-confidence was related to locus of control (Bonnett and Furnham, 1991). Krueger Jr and Dickson, (1994) reported self-confidence to influence the perception of likelihood of success or failure, which in turn influenced the propensity of risk-taking. Interestingly, Townsend et al., (2010) found some entrepreneurs had high levels of self-confidence even with no previous experience. Vorley and Rodgers, (2014) found that self-

[8] The construct of decision comprehensiveness reflects the extensiveness with which organisations search, analyse and plan in confronting decision situations (Dean and Sharfman, 1993).

confidence did not necessarily correlate with an entrepreneur's experience to start a business. An informal entrepreneur's personal traits (aspirations, self-confidence, and attitude toward risk) played an important role in the formalisation decision-making process (Sinclair-Desgagné, 2013).

2.7.2 Entrepreneurial persistence

Persistence is an innate skill that influences people in their actions (Eisenberger and Leonard, 1980). It is the level of effort that an individual allocates to their endeavours, and the level of their tolerance in face of reversals and failures (Markman et al., 2005). Persistence influences how much people can withstand stress due to reversals, and the level of performance they ultimately achieve (Bandura, 1997). Persistent people find new ways to circumvent constraints or modify them through their actions, while people with less persistence are more easily discouraged by impediments and unexpected difficulties (Bandura, 1997; Eisenberger et al., 1992). Kanfer, (1990) defined persistence as a behaviour in a specific direction over time. Markman et al., (2005) defined it as a tendency to endure in the face of adversity. Persistence is generally considered one of the most important attributes of successful entrepreneurs (Kuratko and Hodgetts, 2007). Entrepreneurs make the decision to start a business a single time, but they must make the decision to persist with it many times (Holland and Garrett, 2015).

Establishing a venture is full of uncertainty and an entrepreneur should be willing to accept psychological, personal, and social risks (Burke and Miller, 1999; Lumpkin and Dess, 1996). The start-up process is influenced by various setbacks where an entrepreneur is uncertain about the market demand, their acceptance of their products/services, and whether they can obtain the required finance (Conger and Kanungo, 1988). Therefore, an entrepreneur needs to persist in their efforts, especially when faced with challenges and uncertainty in the start-up process (Hatch and Zweig, 2000). Entrepreneurial persistence was considered a trait where an individual's characteristics increased their motivation, and hence business growth (Baum and Locke, 2004). Persistence has also been considered a perception of control over adversity, and that entrepreneurs are characterised by having a higher perception of control than others (Markman et al., 2005).

Gimeno et al., (1997) defined entrepreneurial persistence as a decision to continue with a business even when faced with difficulties or enticing alternatives that might stimulate an exit. Gatewood et al., (1995) considered that cognitive orientation (way of thinking) of a potential entrepreneur would influence their willingness to persist at an entrepreneurial activity when faced with difficulties. An entrepreneur who believes in their ability to control an environment is more persistent when faced with challenges in the start-up process (Brockhaus and Horowitz, 1986). In a longitudinal study of a nascent entrepreneur, Wu et al., (2007) found the need for achievement was positively related to entrepreneurial persistence.

The success of an entrepreneurial activity requires persistence (Van Gelderen, 2012), whereas the lack of persistence leads to a high rate of failure (Bird, 1988; McDaniel and Sharpe, 2002). Persistence may result in a desired success and achievement of an entrepreneur, but it may get expensive if the outcome involves allocation of resources to an unpromising venture when those resources could have been more effectively used elsewhere (McGrath, 1999). The probability of success with persistence is affected by factors such as self-efficacy regarding personal skills, the required knowledge to overcome barriers, previous experience with success or failure in similar activities (Holland and Shepherd, 2011), beliefs in accessibility of resources, and perceptions of competition (Bandura, 1997; Feather, 1992). Persistence can increase if individuals believe their actions will result in a desired outcome, with the desirability of the outcome being positively related to successful persistence (Holland and Shepherd, 2011).

2.7.3 Previous experience in business

Empirical evidence reveals that previous experience is related to greater performance of a task and better forecasting ability (Clement, 1999; Mikhail et al., 1997). However, opinions differ as to the benefit of previous experience in decision making and forecasting ability, with task heterogeneity restricting transfer of experience (Bonner and Lewis, 1990; Clement et al., 2007; Jacob et al., 1999). New business exploiting an entrepreneurial opportunity can generate significant knowledge specific to that business and its environment (Cassar, 2009). However, when starting a new business with a less-experienced task, applying knowledge of previous experience is less beneficial, due to the uniqueness of each new business (Clement et al., 2007). Previous forecasting experience

with a particular task may not be useful for forecasting new tasks unless both are sufficiently similar (Gruber et al., 2008).

Throughout an individual's career, three kinds of experience are gained which can help them operate a business efficiently: managerial, industry-specific, and previous self-employment. Managerial experience refers to a skill set essential for making daily decisions about business operations, and to set a long-term business strategy (Shane and Khurana, 2003). Industry-specific experience refers to those gained working in a specific sector, resulting in the ability to identify business opportunities, and expand the network of suppliers and clients. Previous experience assists in selection of better workers, knowledge on how to obtain external funding, and enhanced reputation in the market (Kim et al., 2006). Previous self-employment experience increases self-confidence, which can help an individual explore their abilities and seize opportunities (Shane and Khurana, 2003).

Entrepreneurs can obtain knowledge about business start-up by learning through experimentation (Ardichvili et al., 2003; Delmar and Shane, 2006; Jovanovic, 1982). Experience obtained from previous entrepreneurial activities enables entrepreneurs to develop a strong cognitive framework, which helps in the selection of better opportunities and formulation of advanced decisions (Baron and Ensley, 2006; Gruber et al., 2008). Shane, (2009) explained that prior knowledge was an essential element for success of a business start-up. Mason et al., (2011) noted that individuals with previous HBB experience were more likely to form businesses at home again.

Entrepreneurs can improve their future forecasting competence by reflecting on their previous experience and learning from their mistakes (Haleblian et al., 2006; Jacob et al., 1999). Individuals can amend their beliefs about their abilities to evaluate new business opportunities through past experiences and business activities (Parker, 2006; Shane, 2000). Entrepreneurs form experience through trial and error, and increase awareness of risks associated with new business creation regarding success and failure (Bar-Hillel, 1983; Hayward et al., 2006). Ishengoma, (2018) reported entrepreneurs with prior business experience and higher levels of education were more likely to formalise their business because they were more educated, had greater business confidence, and understood the business registration process and requirements.

Previous experience with starting a business is important to accelerate its growth, as an entrepreneur has experience solving emerging problems (Beckman et al., 2007; Chandler et al., 2005). In a study of 48 new Korean start-ups, Jo and Lee, (1996) found that individuals with previous experience in related fields made more business profit. Using data from a Panel Study of Entrepreneurial Dynamics, Oe and Mitsuhashi, (2013) found that for individuals who had previous experience in the same industry, their start-ups reached break-even point faster. Coad et al., (2014) studied the effect of prior entrepreneurial experience on business start-up size and found that prior personal business experiences lead to an increase in expected start-up size of about 50%. Moreover, entrepreneurs with previous experience had stronger networks to access knowledge and information, enabling them to acquire more resources at the start-up stage.

A model of choice was developed by Lazear, (2005) to compare paid employment with self-employment. Individuals switching to self-employment positively depends on their diversity of experiences. Diverse experience is important to efficiently perform varied tasks as a self-employed person, whereas in paid employment, specialisation is more important and rewarded (Wagner, 2006).

Conversely, entrepreneurs worry about the accuracy of their predictions, so they need time to observe the outcomes of their prediction and new business opportunities (Camerer and Lovallo, 1999). The start-up experience from one new business can lead to one outcome of prediction, and to one evaluation of an entrepreneurial opportunity. Therefore, entrepreneurial experience, even with sufficient time and accurate feedback, does not obviously enable effective learning in prediction. Individuals with more experience usually have jobs with higher positions, which helps them in to accumulate more job-specific experience. These advantages provide them with monetary and non-monetary return, which will be lost if they switch to self-employment (Georgellis et al., 2005). Industry experience leads to more accurate entrepreneurial forecasting, while no clear evidence was found that start-up experience improved entrepreneurial forecasting (Cassar, 2014).

2.7.4 Entrepreneurs with future vision

The starting point of a long, evolving transformational process is called vision. It is derived from personal aspirations and ideals and is a result of ideas obtained from knowledge and

experience (Bennis and Nanus, 1985; Nanus, 1992; Yukl, 1989). Creativity and imagination play important roles in creating vision. A combination of aspiration, knowledge, and experience are basic components in formulating vision (Levin, 2000). Vision building is designed to produce a fundamental, ambitious sense of purpose to be pursued over many years (Hallinger and Heck, 2002). Building a vision implies creating a power, not a place—an influence, not a destination (Wheatley, 1999).

For almost 30 years, researchers argued that vision was essential to organisational change, leadership, business strategy, and entrepreneurship (Kantabutra and Avery, 2010). Despite its significance, vision is still not defined in a generally agreed upon manner (Kantabutra, 2008; Kantabutra and Avery, 2010). Nanus, (1992) believed that vision was more than an idea or image of the desired future, but that the right vision could effectively jump-start the future by mobilising individuals to take action towards achieving it. Generally, researchers have agreed that vision concerns the future, encourages individuals to behave towards a common goal, provides a sense of direction, and is essential for strategy and planning (Kantabutra, 2008). Consequently, vision facilitates decision-making (Yukl, 1989).

Misconceptions about what constitutes a vision have resulted in confusion between the terms vision, mission, goals, strategy, and organisational philosophy (Baetz and Bart, 1996; Kantabutra, 2008; Levin, 2000). These terms are strongly linked; to speak of one requires involving them all (Raynor, 1998). Some researchers refer to mission as a part of business vision (Kantabutra and Avery, 2010). An organisation's mission is actually a vision shared by the members of that organisation (Hallinger and Heck, 2002); when a critical mass of people within a community have coherent personal visions, the vision is a purpose. Levin, (2000) proposed that the mission presented a statement of purpose of an organisation's existence, whereas a vision is a statement of direction, an organisation's road map. Lipton, (1996) explained a vision as being a combination of mission, strategy, and culture, where the mission was the purpose of an organisation, strategy was the fundamental approach to achieve the mission, and culture represented the values of an organisation that supported objective and strategy.

'Core identity' and 'envisioned future' are two components of vision (Collins and Porras, 1994). The 'core identity' does not change and describes *"what we stand for and why we*

exist." 'Envisioned future' requires a substantial change and progress to attain and regards *"what we aspire to become, to achieve, to create."* Therefore, a vision indicates both purpose and direction (Kantabutra, 2008, p. 129). Others have adopted different views about vision, noting that it is needed first to subsequently drive development of mission and strategy (Hay and Williamson, 1997; Parikh and Neubauer, 1993; Zaccaro and Banks, 2004). Thus, vision, mission, and strategy are separate entities.

Other researchers have viewed vision as a form of leadership in which a visionary leader transforms an organisational culture to encourage members of the organisation to comprehend, accept and implement organisational strategy (Hunt, 1991; Sashkin, 1988). Vision is a duty of top managers (Pearson, 1989), an indication of leadership competency (Sashkin, 1992), and is defined by each leader to guide their decisions and behaviours (Baum et al., 1998). Leaders must understand that their vision must percolate through an organisation to impact the behaviour of all stakeholders (Kantabutra, 2008). Vision is eventually a cognitive construction or specifically a mental model, a conceptual representation used to understand system operations and to guide actions within it (Strange and Mumford, 2005).

Literature on vision content is sparse, with few studies investigating the positive effects of having a vision on organisational performance (Freeman and Siegfried Jr, 2015; Kantabutra and Avery, 2010). Vision had a positive impact on the organisational performance and attitudes of employees (Kirkpatrick, and Locke, 1996). Organisations with a vision can positively influence organisation-level performance, measured by growth in sales, employment level, profits, and net worth (Baum et al., 1998). Research on motivation has demonstrated that the purpose of a vision is often stronger than money for promoting high performance among employees, who are most likely the drivers of a new company's growth, creative problem solvers, and knowledge workers (Pink, 2009). The vision of an entrepreneurial leader must articulate a purpose that gives potential employees the feeling of being part of something significant. A vision that generally indicates something better can eventually provide the basis for a financially viable business with sufficient margins and cash flow to sustain ongoing activity, but it will do little to promote significant business growth (Freeman and Siegfried Jr, 2015).

Successful visions need not be brilliantly innovative; some of the best are not (Kotter, 1995). Effective business visions often consist of basic ideas that are well known. This is explained by a vision being a guide for organisational members, so it is important to include all organisational interests (Kantabutra and Avery, 2010). Many visions do not properly involve employees in company organisations (Daft and Lane, 2005). The more specific, distinctive, and innovative a vision statement, the less likely it will attract a wide range of organisational interests and stakeholders (Kantabutra and Avery, 2010). Entrepreneurial leaders who succeed in developing a vision that conveys a unique value and a compelling business purpose clearly are considered an oracle. It is essential to understand obstacles, which may reappear over time and increase with business development. Business success tends to attract competition, so entrepreneurial leaders need to constantly rethink their value proposition to stay competitive (Freeman and Siegfried Jr, 2015).

2.7.5 Seeking independence and personal autonomy

Seeking independence is sometimes referred to as seeking autonomy, freedom, flexibility, or control. It is defined as the ability to control the timing, location, and nature of one's work (Douglas and Shepherd, 2000). The *"decision rights over what work is done, when it is done, and how it is done"* (Van Gelderen, 2016, p. 3). It is widely assumed that individuals who want greater autonomy in their lives and work, start-up a business with the specific aim of achieving that goal (Kelley et al., 2015, 2016; Reynolds et al., 2002). Individuals who seek freedom, start-up their business to free themselves from the constraints of organisational employment (Van Gelderen, 2016). Entrepreneurs have higher levels of job satisfaction than individuals in paid employment (Benz and Frey, 2008a), attributed to their higher level of autonomy (Benz and Frey, 2008b).

Despite the centrality of seeking independence and personal autonomy as a motivator to business start-up, very little research has been conducted to examine how it is experienced or perceived by entrepreneurs (Van Gelderen, 2016; Van Gelderen and Jansen, 2006). This is partly due to the fact that research on decision-making freedoms traditionally has been carried out with employees, rather than entrepreneurs (e.g. Bakker and Demerouti, 2007; Humphrey et al., 2007; Langfred, 2004), and partly due to the assumption that the owner of independent business has autonomy automatically (Lumpkin et al., 2009).

The desire for independence is a primary driver for individuals to start-up their business (Foley et al., 2018). Autonomy has mostly been investigated as a fixed trait, need, or motive. Van Gelderen, (2016) found that seeking autonomy was the perception of decision-making that entrepreneurs have at work, rather than as a fixed trait need or motive. The experience of autonomy can vary over time. Seeking independence and personal autonomy are not only a dominant entrepreneurial motivation, but also a dominant source of entrepreneurial satisfaction. For example, several studies have found that entrepreneurs have higher levels of satisfaction in their work than individuals in paid employment, which has been attributed to high level of autonomy in entrepreneurship (Benz and Frey, 2008a; Benz and Frey, 2008b).

Within the taxonomy of push/pull factors, independence is generally classified as a pull motive (Orhan, 2005; Shane et al., 2003). Some research has found that women-entrepreneurs with children often cite seeking independence as a pull factor towards business start-up (e.g. Dawson and Henley, 2012; Hughes, 2006, 2003). However, Foley et al., (2018) found that the pursuit of independence was not viewed by women-entrepreneurs as a pull factor, but rather as a push factor, to the extent that women-entrepreneurs saw their employment options as being restricted by the temporal, practical and perceived moral obligations of motherhood. Their pursuit of independence emerged out of necessity and not out of opportunity. As explained by the authors, there is a significant difference between wanting to control one's time to follow a more independent lifestyle or needing to control one's time to accommodate one's family responsibilities.

2.7.6 Friends and family support and encouragement

One area that has received little attention in the literature on entrepreneurship is the role that family and friends have played in business start-up (Manolova et al., 2014). This is surprisingly, given that families are essential sources of support during the early stages business start-up, whether in decision-making, providing the start-up funding (Bygrave et al., 2003), information and contacts (Steier, 2009), mentoring (Sullivan, 2000), moral support (Renzulli et al., 2000) and often performing essential incubation functions in the process of new venture creation (Rodriguez et al., 2009; Steier et al., 2009). Research on family embeddedness lacks attention due to academic institutional arrangements, with the ‘family’ and ‘business’ studied in different colleges (Aldrich and Cliff, 2003). From the perspective of family embeddedness, an entrepreneur’s businesses and families are

intertwined, rather than being separate entities, as is often treated in literature regarding entrepreneurship (Jennings and McDougald, 2007).

Families provide tangible and intangible resources to support business start-up, particularly for young, resource constrained entrepreneurs (Manolova et al., 2014). Through relationships, entrepreneurs can gain access to information and resources (Newbert et al., 2013). Strong relationships tend to be based on frequent contacts, such as those between family members, friends, or close ties (Coleman, 1988). Families often assist family members by using their own connections, and introducing family members to other social networks. This in turn facilitates mobilisation of resources and the implementation of founding activities needed for a successful business start-up (Edelman et al., 2016).

Research also indicates that entrepreneurs would look for individuals with whom they have a strong emotional attachment during the new venture creation process. Morrison, (2000) emphasised the role of family in enabling access to funds and markets to support entrepreneurs in the development of their business.

As Edelman et al., (2016, p. 431) stated *"financial capital is the lifeblood of a new venture."* Access to financial resources enables individuals to simultaneously pursue several start-up activities. Financial capital provides entrepreneurs with the flexibility to engage in a wider range of start-up activities (Pena, 2002). Several studies have noted that individuals in the early stage of their business start-up usually acquire early stage funding from their friends and family (Bird, 1989; Blechman and Levinson, 1991; Fenn, 1999; Winborg and Landström, 2001). Family participation has a positive influence on new venture debt financing (Chua et al., 2011). Families are significant sources of early-stage funding (Bygrave, et al., 2003), and they influence the decisions of entrepreneurs, particularly in business ownership and transition (Brannon et al., 2013).

Some family members and friends believe that they have the right to access private information about a new venture because they participated in venture funding (Parker et al., 2011), particularly those with information about the founder and their business. This intervention affects the value of the start-up for those entrepreneurs (Conti et al., 2013). Although family investments are often described as "love money" (Bygrave et al., 2003), this is not always the case. Au and Kwan, (2009), conducted a study based in China on 202 new ventures started by 130 Hong Kongese entrepreneurs. They found that these

entrepreneurs sought initial funding from their family rather than from outsiders, conditioned by lower transaction costs and less family interference. Edelman et al., (2016) found that family financial support was negatively associated with start-up activities, that research participants who were supported financially by family were slower to produce a formal business plan, and their need to generate profits was less. Thus, they concluded *"the higher the extent of family financial support, the fewer the activities associated with cash generation and/or mobilisation and a higher level of family financial support may stunt the scope of start-up activity"* (p. 444).

2.7.7 Key circumstances, trigger points, or events

Triggering events create sudden changes in a person's life and work conditions by changing one's needs (Krueger Jr and Brazeal, 1994). Few authors have raised the issue of "organisational triggers," believing that they are events that compel firms to respond to internal or external stimuli (e.g. Brown and Mawson, 2013; Walsh and Ungson, 1991). Others have shown how organisational triggers may push firms to look for external sources of knowledge with implications for their "absorptive capacity" (e.g. Zahra and George, 2002). The role of internal or external stimuli (trigger points) in organisational change has been recognised, however, the effect of these trigger points on firm performance and growth has not been clarified. *"Trigger points do not follow any particular temporal order [...]. While all firms are likely to encounter trigger points at some point in their lives, not all will capitalise on these events successfully"* (Brown and Mawson, 2013, p. 283). Three main types of growth trigger points have been identified: (1) endogenous; (2) exogenous; and (3) co-determined.

Some trigger points arise from chance events (e.g. regulatory change). Endogenous trigger points are generated within a firm and are identified as *"changes that occur as a direct consequence of actions undertaken by a firm itself"* (Brown and Mawson, 2013, p. 285). An example would be when a firm develops new products/services for their customers. Exogenous trigger points are generated externally by the wider business environment, such as technological development, government regulatory issues, and changes to public policy and identified *"... changes to a business that are fundamentally determined by factors outwith [sic.] a company's direct control"* (Brown and Mawson, 2013, p. 286). An

example of this would be changing market tastes and European directives on waste recycling (Mason and Brown, 2013).

The "co-determined" trigger points are the results of the combined action of internal and external trigger points, such as, for example, entry into a joint venture with another firm and the receipt of a major new contract. However, trigger points have not been addressed in the literature regarding HBBs, the entrepreneurial intention, the intention–action gap, or formalisation of informal entrepreneurship. Because an HBB is informal and the formalisation of HBB represents a formal business start-up, it is important to consider trigger points when studying the HBB formalisation process.

2.8 Conceptualisation of business formalisation

Business formalisation entails shifting business activities from the informal to formal sector through registration with government authorities, by obtaining a business license (Agbim, 2018; Cling et al., 2012; Nelson and De Bruijn, 2005). The formalisation process occurs between two parties, the informal entrepreneur and the government authority. By formalising a business, an informal entrepreneur gains property rights protection and market recognition, while the government benefits from tax payments, and more jobs for its citizens (Klapper et al., 2007; Nelson and De Bruijn, 2005). Business formalisation can be voluntary or involuntary depending on a country's rules and regulations.

Voluntary business formalisation means shifting from an informal to a formal sector without pressure from any government enforcement agency (Agbim, 2018). An informal entrepreneur is free to decide whether to formalise their business or stay in the informal sector (Ishengoma, 2018). This decision is structured by an entrepreneur's experience, beliefs, culture, and perceptions (North, 1997; Williams and Shahid, 2016). Involuntary business formalisation means complying with the rules and regulations governing the formal position as a result of pressure or coercion by government agencies (e.g. UK) (Agbim, 2018). In Kuwait, the transitioning of HBBs from the informal to formal sector is entirely voluntary.

Williams and Nadin (2012) classified informal entrepreneurs into four groups depending on whether they traded wholly (group 1) or partially (2) in the informal economy, or whether they were to pursue business formalisation (3) or not (4). 'Permanent wholly

informal entrepreneurs' ran a wholly unregistered business in the informal economy and had no intention to formalise it. 'Temporarily wholly informal entrepreneurs' ran a business unregistered in the informal economy but did intend to formalise it. 'Permanent partially informal entrepreneurs' had registered their business and paid taxes, but they did not declare their proportion of income, and had no intention to declare the increase in their share (profits). 'Temporarily partially informal entrepreneurs' had registered their business, but they did not declare their proportion of income and they were in transition to business formalisation. Williams, (2009) reported that while only 20% of entrepreneurs surveyed operated wholly in the informal economy in England, more than 51% did so in Russia and 96% did so in the Ukraine, indicating that the vast majority of entrepreneurs were not even on the state's radar. Williams and Round, (2008) reported for 60 informal English ventures that 23 were gradually legitimising their business, as were 50% in Russia and 66% in the Ukraine.

Business formalisation is an important issue in development of economics research and policy (Ishengoma, 2018). Formalising informal businesses can lead to an increase in government revenue, resulting in better public services, an improved business environment, and better jobs (ILO, 2017; Ishengoma and Kappel, 2006; Williams, 2014). As business formalisation contributes to job creation it contributes to decreasing unemployment (Nelson and De Bruijn, 2005). However, creating more start-up businesses does not necessarily mean a country's economic wealth will flourish and more jobs will be created (Shane, 2009). Entrepreneurs should be encouraged to produce high-quality business to secure more business opportunities. Policy makers should focus on businesses that have a potential to succeed rather than formation of typical start-ups[9].

Sometimes, for new start-up operations, authorities are reluctant and allow time for informal entrepreneurs to initiate the process of formalisation (Williams, 2005). Most entrepreneurs operating in the informal sector are aware of the consequences of their actions, for which reason they reconsider the status of their venture before formalising their business (European Commission, 2003). ILO, (2002, p.54) states that the informal economy acts as an *"incubator and transitional base for graduation to the formal*

[9] Typical start-ups tend to be a shoestring operation, do not have a fully developed business model, with initial funding from the founders or their friends and families (Grant, 2020).

economy." Feige, (1990) reported that a business operating in the informal sector will at some point seek to formalise and expand its operations to avoid trouble with country's regulations, or those of other state institutions.

Few studies have examined the intentions of HBB owners to expand their business beyond their home. Mason, (2010) believed most HBBs would not move from the home into commercial premises. Walker, (2003) reported HBB owners with little or no intention to grow remained small, with no need to move from the home. Such businesses are operated on a part-time basis, or as a secondary household income. Female HBB owners preferred operating from home, considering it a permanent base from which business could be conducted (Wynarczyk and Graham, 2013). Several researchers found that HBBs act as business incubators for new and young business owners (Mason et al., 2011; Mason and Reuschke, 2015) but for many others, the home was considered a permanent business location; only 3% of HBB owners had any intention to move from home as a result of future growth (Carter et al., 2006).While, Clark and Douglas, (2010) reported that more than 90% of HBB owners intended to expand their HBB within 2 years. Working in the informal sector provides training for inexperienced entrepreneurs to practice their managerial skills and to gain confidence, which in turn facilitates the formalisation process (Desgagne, 2013).

2.8.1 Barriers and facilitators to business formalisation

Governments can encourage business formalisation in many ways, such as through simplifying the administrative process for business start-up, and providing easier registration procedures (ILO, 2014). The administrative procedures in some countries are often more burdensome than paying taxes. Legal and administrative requirements such as registration and business licensing can hinder formalisation of small businesses. Complying with business regulations consumes time, effort and money, particularly when procedures are complicated and ambiguous (ILO, 2014). While a one-stop service would eliminate any need to visit multiple government departments, increasing formalisation of informal businesses (Williams and Renooy, 2013), simplifying registration does not always lead to business formalisation (Bruhn and McKenzie, 2014). An enhanced regulatory environment would significantly increase the number of registered businesses (Klapper et al., 2007).

Governments can encourage business formalisation by improving their perspectives about entrepreneurship through the media (Verheul et al., 2006). Many entrepreneurs do not realise the requirements of formalisation. A lack of awareness of regulations increases informality, as does a lack of knowledge and false interpretation of tax law (Hasseldine and Li, 1999; Saad, 2014). Informal businesses require help and support on issues like tax payment, insurance, loans, credit, marketing, and regulations. In Bolivia, McKenzie and Sakho, (2010) found that about two-thirds of unregistered enterprises did not know where to find the tax office, and only 10% had heard of the commerce registry. Similarly, in Sri Lanka, De Mel et al., (2013) reported just 17% of informal entrepreneurs understood the registration process, believing it took a month to register a business, while in practice it took at most a week. Therefore, increasing awareness of registration requirements has been suggested as a way forward (Williams, 2006). A government can establish associations for business advice and support networks to facilitate business formalisation. The Prince's Trust in the UK has been developed to assist business start-ups, which have had a direct effect on business longevity and success (Westall et al., 2000).

Governments can encourage business formalisation by marketing the advantages of legal registration, such as access to commercial buyers in the formal economy, legal protection, favourable credit markets, and social security (Auriol, 2014). As some entrepreneurs lack management skills, governments can provide them with skills development programs. Training programs must be tailored to the needs and education levels of informal entrepreneurs. Skills improvement is important to enhance informal business formalisation and facilitate entrepreneur access to the formal economy (ILO, 2014). Training programs are essential for small informal businesses intent on increasing business efficiency or seeking growth opportunities. By improving informal entrepreneurial skills, individuals can formalise their business and access services provided by government or private professional associations (Sleuwaegen and Goedhuys, 2002).

The decision to formalise a business depends on its cost and benefits (De Mel et al., 2013). Licensing a business can increase operational costs (Verheul et al., 2006), which take various forms, such as those associated with starting the business, registering property, hiring workers, obtaining credit, protecting investors, enforcing contracts, and paying taxes (The World Bank, 2006). In some countries, the costs of business registration are high compared to their benefits. Desgagne, (2013) recommended governments to reduce the

cost of formalising a new business and offer benefits and incentives in return for paying taxes. While reducing the costs of formalising a business in Uganda (Sander, 2003) and Bolivia (Garcia-Bolivar, 2006) resulted in a 43% and 20% (respectively) increase in the number of businesses registered, reducing registration costs did not increase the number of formalised businesses elsewhere (e.g. Pakistan and Mexico), possibly because some entrepreneurs distrusted their government and others lacked ambition to formalise their business or feared high ongoing formalisation costs (Maloney, 2004; McKenzie and Sakho, 2007).

A common argument is that higher tax rates lead to greater levels of informality. Entrepreneurs require an assurance from their government to maintain their share in tax rates, provision of benefits, and for obtaining legal protection (Kenyon, 2007). However, a recent cross-national comparative study in advanced economies found no significant association between tax rates and levels of informality (Williams and Shahid, 2016). A lack of trust in government can significantly discourage formalisation (Jaramillo Baanante, 2009).

Although high tax rates have no impact in countries where trust in government is high, in countries such as Pakistan where trust in government is low, higher tax rates do lead to increased informality (Packard et al., 2012). To resolve this, formal institutions[10] must consider fairness and justice when dealing with entrepreneurs to ensure they get appropriate services for the taxes they pay (Wenzel, 2004). Moreover, formal institutions must provide incentives to informal entrepreneurs in case they want to formalise their business (Autio and Fu, 2015; Dau and Cuervo-Cazurra, 2014; Klapper et al., 2007; Thai and Turkina, 2014). Lower levels of tax morality—the intrinsic motivation to pay taxes—are associated with greater informality. Low levels of tax morality display the incongruence between formal institutions (laws, codes, and regulations) and informal institutions[11] (values, beliefs, and norms) (Williams and Martinez-Perez, 2014).

Access to venture capital is essential for entrepreneurs as it lays the foundation for their business (Cressy, 2006; Gorji and Rahimian, 2011). Accessing capital is, however, a major

[10] *"Formal institutions are a set of political, economic and contractual rules that regulate individual behaviour and shape human interaction"* (Li and Zahra, 2012, p. 96).
[11] *"Informal institutions are conventions, codes of conduct, and norms of behaviour that come from socially transmitted information and as such are part of a country's cultural heritage"* (Li and Zahra, 2012, p.96).

problem for entrepreneurs who often lack equity to finance it, and find acquiring external equity challenging (Hughes and Storey, 1994). New business start-ups lack requisite information on track-venture profitability, rendering financial institutions wary of lending money during the early stages of a business (Cressy, 2006). Entrepreneurs who lack access to financial capital and cannot grow or expand their business would continue to operate it informally (Williams, 2015). Informal entrepreneurs lack the legal status of formal entrepreneurs, leaving them dependent on informal lending options at higher interest rates (Baydas et al., 1995; Guirkinger, 2008), sometimes to 500% annually (Hemmer and Mannel, 1989). To overcome this barrier, governments should facilitate entrepreneurship by providing alternative financial sources (Yunus and Jolis, 1999). Loans, in the form of microlending, have provided economic opportunities for many entrepreneurs and households to start-up their business (Drori et al., 2018).

2.9 Conclusion

No single definition of an HBB exists. This chapter reviewed the HBB phenomenon in the informal economy. Regulation and taxation systems regarding HBBs differ between countries, with the HBB in some countries regarded as an informal business activity, while in others, a formal business activity.

Motivations behind entrepreneurial intention, with an emphasis on the TPB model and its three antecedents of intention, are discussed, as well as the importance of entrepreneurial personal characteristics (self-confidence, previous business experience, persistence, and future vision) on business start-up. Literature on business formalisation to identify barriers and facilitators is reviewed. The next chapter will provide an overview of the HBB in Kuwait, focusing on rules and regulations regarding business start-up in Kuwait.

CHAPTER THREE: THE HOME-BASED BUSINESS, AND STARTING A FORMAL BUSINESS IN KUWAIT CONTEXT

3.1 Introduction

As this research explores the formalisation process of HBBs in a Kuwait context, it must be mentioned that HBB activities in Kuwait are informal and permissible business activities that lack government rules and regulations. To formalise an informal HBB, informal Kuwaiti HBB owners should comply with country rules and regulations and register with government authorities to obtain a business license, which shifts their activities from the informal to formal sectors. This chapter reviews rules and regulations for starting a business, along with brief discussion about HBBs in Kuwait.

3.2 Unemployment in Kuwait

Kuwait is an oil-rich country located in the Middle East, bordering the Persian Gulf, and is one of the Gulf Cooperation Council (GCC) countries. Since oil was discovered in 1938, it became the main economic source of the country's wealth. Today this wealth depends solely on continued oil production (Central Intelligence Agency, 2019); oil exports represent 60% of Kuwait's GDP and approximately 90% of its exports. Other sectors such as banking, finance, investment, industry, services, real estate, and the Kuwait Stock Exchange, play a reduced role in the country's GDP (Abu-Aisheh, 2018).

Falling oil prices have led to budget deficits in Kuwait, forcing the government to cut expenditure, and as a consequence, reduce employment (Kuwait New Agency, 2018). However, according to the Kuwaiti constitution (1962), part 3 article 41 (the 'right and duty to work'), the government is obliged to provide employment to all Kuwaiti citizens:

> *Every Kuwaiti shall have the right to work and to choose the nature of work occupation. Work is a duty of every citizen. Dignity requires it and the public welfare ordains. The State shall make work available to citizens and shall see to the equity of its conditions* (Diwan of His Highness The Prime Minister, 2019, p. 8).

The Kuwaiti population is relatively young, and the number of young people seeking employment is high (Ministry of State for Youth Affairs, 2019). Arab Times, (2017)

reported 17,000 citizens as unemployed—a number aggravated by 30,000 new graduates annually. While these graduates compete for limited job opportunities in the labour market, the private sector employs highly experienced workers or expatriates, but at a reduced salary. This has pushed unemployed Kuwaiti citizens to seek alternative source of employment, aware that the government can no longer offer the same employment opportunities. The reduced government employment, coupled with more youth, has increased pressure on the Kuwait government to create jobs for its citizens (Arab Times, 2017).

The Kuwaiti government understands that new forms of wealth must be generated, such as through entrepreneurship (Bakhsh, 2015). For this reason, it encourages its citizens to become more entrepreneurial, and assists them to secure finance for new ventures, promote them, provide training and consultation for new entrepreneurs, establish business incubators, and to facilitate business licensing (Abu-Aisheh, 2018; Kuwait Business Center, 2019).

3.3 Entrepreneurship in Kuwait

As part of Kuwait's plan to diversify its oil-dependent economy, the Kuwait government is focusing on the entrepreneurial system to increase economic growth and create new jobs for its citizens. In April 2013 the Kuwait government enacted law No. (98), establishing the National Fund for development of SME to support Kuwaiti youth, reduce unemployment, and boost GDP growth by encouraging Kuwaitis to start-up their own business (The National Fund for Small and Medium Enterprise Development, 2019). The funding is available to 1.3 million Kuwaiti nationals, but not to 2.9 million expatriates who also live in Kuwait (Bakhsh, 2015). This fund finances Kuwaitis up to 80% of the capital required to develop (feasible) small and medium projects.

The Emir of Kuwait, Sabah Al-Ahmad Al-Jaber Al-Sabah, envisaged making Kuwait a regional financial and trading hub (Bakhsh, 2015). In 2003 more that 90% of Kuwaitis worked for the government (Central Statistical Bureau, 2019). Kuwaitis seek long-term and sustainable employment, especially following increased wages in the public sector (Koch, 2011). By 2018, government efforts to encourage Kuwaiti entrepreneurs to start-

up their own business had reduced the percentage of Kuwaitis working in the government sector to 73% (Central Statistical Bureau, 2019).

In 2017, the Emir of Kuwait announced the country's vision 2035, under the slogan ‘New Kuwait.’ This vision was intended to transform Kuwait into an attractive financial and trading centre for investors, in which the private sector led the economy, encouraging competition, and fostering production efficiency (New Kuwait website/Mahdi, 2018).

3.4 Home-based businesses in Kuwait

Kuwaitis have an established reputation for being enterprising, being merchants by nature (Ahmed and Al-Owaihan, 2015). Running a business from home and working for oneself are deeply rooted in Kuwaiti culture. Small businesses, such as local seamstresses, neighbourhood baqalas (mini markets), and roaming street vendors abound (Etheridge, 2014). The relatively cheap workforce and tax-free economy have inspired Kuwaiti youth to develop new ideas, opportunities, and innovative business models to start their own ventures (Al-Wugayan and Alshimmiri, 2010). No local law sanctions people for conducting a business from their homes (Fattahova, 2014), however, customers cannot claim for fake or damaged products or services.

Social media has created many opportunities for Kuwaitis to start their own business from home (Etheridge, 2014). In Kuwait, social media platforms, particularly Instagram, are being used as online store fronts (Yarow, 2013). HBB owners use Instagram accounts to market their home products/services because business premise rent and other costs of formalisation, such as the requirement to deposit a substantial sum of money in a bank account, are unaffordable (Alwazir, 2014; Koch, 2011).

3.5 Business licensing rules and regulations in Kuwait

To encourage Kuwaiti entrepreneurs to start-up a business, and to facilitate the process of obtaining a business license, the Ministry of Commerce and Industry in 2012, under Decree law No. 25, introduced a new entity called the ‘one-person company.’ Such a company ‘owns its own capital in full, with one person legally liable for all money obligations allocated to the company, being the owner of the company’ (Kuwait Business Center, 2019). This decree specified no minimum required capital to establish the company,

leaving this matter to other executive regulations. In 2016, the Ministry of Commerce and Industry improved Decree law No. 25, introducing executive regulation No. 287, article 13, requiring the minimum capital to be 1000 KD (about £2400) (Kuwait Business Center, 2019). To encourage more Kuwaiti's to develop their own business, the government in 2016 also introduced Decree No. 39, providing 3 years full-time special work leave for government employees seeking to establish to establish their own business, concomitantly giving them the option of re-joining their previous jobs if they wanted to (The National Fund for Small and Medium Enterprise Development, 2019).

In 2017 the Ministry of Commerce and Industry issued ministerial Decree No. 330, enabling 19 micro-business activities (e.g. fashion design, jewellery making, shoe design, interior design, painters, translators, photographers, web and application developers, gardeners) to be undertaken by their owners at/from home, with no need for a commercial shop (Kuwait Business Center, 2019). Eligibility for a micro-business license required the licensee to: 1) be older than 21 years, unless authorised to engage in trade; and 2) to not deal with substances regarded as harmful to public health and safety, and specified by decisions issued by the competent authorities (Kuwait Business Center, 2019). Food businesses were excluded from these 19 business activities.

To facilitate establishment of more business license activities, the Ministry of Commerce and Industry introduced Decree No. 258 in 2018, lowering a Kuwaiti entrepreneur's minimum start-up capital to 100 KD (~ £260 as of 16-4-2020, floating exchange rate), amending ministerial Decree No. 287 of 2016 on issuance of the executive regulations of the companies' law No. 1/2016, and law No. 15/2017 (Kuwait Business Center, 2019). Lowering this minimum start-up capital encouraged more entrepreneurs to establish their own business, improving the economic environment (Alanbaa Newspaper, 2018).

Despite government efforts to improve the business environment in Kuwait, the contribution of SME to Kuwait's GDP is only about 3%, compared to a global average of 40%–50% (Abu-Aisheh, 2018). Although Kuwait SME provides capital for entrepreneurs to develop businesses, this is considered to be a debt and is to be repaid (Abu-Aisheh, 2018). Government bureaucracy (getting a business license) also makes it difficult for entrepreneurs to establish their companies, for they must deal with 11 government institutions to finalise a business license in a process that takes about 6 months—an average

of 62 days to start a business, 49 days to register a property, and 64 days to secure electricity for the property (Abu-Aisheh, 2018). Additionally, as no culture of angel investors or venture capitalists exists in Kuwait, entrepreneurs must take a bank loan to run a business, typically from the Industrial Bank of Kuwait, or the SME Fund.

Although Kuwaiti entrepreneurs are well-educated and creative, they faced many challenges when establishing their business (Abu-Aisheh, 2018). While several entrepreneurial associations (e.g. Nui, Sirdab-lab) that provide offices and spaces for entrepreneurs have recently emerged, these associations do not yet provide training for entrepreneurs. Moreover, competition, and a monopoly of well-connected companies manipulating the environment to increase their revenue, contribute to high shop-rental costs. This behaviour has hampered many entrepreneurs from entering the market, reducing market productivity (Abu-Aisheh, 2018).

3.6 Conclusion

This chapter has addressed the increase in unemployment in Kuwait and the measures taken by the Kuwait government to mitigate this growing problem. It also provided an overview of entrepreneurship and HBBs focusing on the business start-up rules and regulations in Kuwait. The next chapter covers the research design, paradigm, and methodology focusing on data collection and analysis for this thesis.

CHAPTER FOUR: RESEARCH DESIGN AND METHOD

4.1 Introduction

This chapter introduces philosophical assumptions underlying the paradigm and justifies the rationale for using the constructivist paradigm as the most suitable philosophical foundation for this research. The importance of using a qualitative longitudinal approach to answer research questions is discussed. The chapter also discusses data collection methods and data analysis throughout three research phases. The application of the literature review as an orienting framework is illustrated. Finally, negative cases and the criteria for judging the credibility of the constructivist grounded theory methods are presented.

4.2 Research paradigm

A research paradigm represents *"a shared way of thinking in respect of how we view the world and [...] knowledge"* (Birks, 2015, p. 18) Research paradigms inherently *"reflect our beliefs about the world we live in and want to live in"* (Lather, 1986, p. 259). The choice of a paradigm matters as it is used as a philosophical conceptual framework or tool that enables, within a single community, a shared understanding of nature and events observed and analysed by scholars (Kuhn, 1970). A paradigm acts as a net to guide a researcher's reflections and actions (Guba, 1990). Many authors emphasise the importance of questioning their research paradigm as it influences how they understand social phenomena (Creswell, 2009; Neuman, 2013; Saunders et al., 2016).

A research paradigm relies on four philosophical dimensions: *ontology*—the 'what is out there to know about'; *epistemology*—the 'what and how can we know about it'; *methodology*—the 'how can we go about acquiring that knowledge'; and *axiology*—the 'role of values in research and the researcher's stance'(Denzin and Lincoln, 2002; Grix, 2002; Saunders et al., 2016).

There are many established research paradigms, but the dominant ones are positivism (also referred to as 'naïve realism'), post-positivism (also referred to as 'critical realism'), constructivism (also referred to as 'interpretivism'), and pragmatism (Hallebone and Priest, 2008; Lincoln and Guba, 1985). In view of these varieties, researchers identify a specific research paradigm based on their understanding of the philosophical foundations

underpinning them. In other words, how different ontologies and epistemologies reflect a researcher's own personal beliefs about how the world works (Wahyuni, 2012).

4.2.1 Constructivist research paradigm

Constructivism is the subscribed paradigm in this research. It asserts that *"social phenomena and their meanings are continually being accomplished by social actors. It implies that social phenomena and categories are not only produced through social interaction but that they are in a constant state of revision"* (Bryman, 2016, pp. 16–18). Constructivism embraces a relativist ontology and argues that multiple realities exist through the knowledge and meanings that individuals experientially create to interpret the world in which they live (Burrell and Morgan, 1979). Constructivism views realities holistically, integrated and dependent on other systems, e.g. discourses or institutional structures (Lincoln and Guba, 1985). Reality is seen as a social construction that is the result of actors' intertwined interpretations (Berger and Luckmann, 1967). Constructivism research analyses what events and objects mean to people, how they perceive everything that happens to them, around them, and how they adapt their behaviours (Rubin and Rubin, 2011). Constructivism emphasises the importance of the interaction between the knowing subject and the observed object in knowledge construction and hence, denies the existence of one single reality (Crotty, 1998).

Constructivism has a subjective epistemology[12], where the researcher and participants co-create new knowledge and understanding (Denzin and Lincoln, 2005). The object of research and researchers—including what they already know—are linked together and cannot be separated, as the researcher remains open-minded to new knowledge throughout the study (Charmaz, 2014). Therefore, knowledge is socially constructed rather than objectively determined because there is no objective knowledge that is independent from thinking and reasoning humans (Gephart, 2004). Knowledge inevitably influences a researcher's earlier experiences and presuppositions (Reason and Marshall, 1987).

[12] Subjectivism is the belief that knowledge *is "always filtered through the lenses of language, gender, social class, race, and ethnicity"* (Denzin and Lincoln, 2005, p. 21). A subjective epistemology recognises that researchers are a part of what is researched. Universal knowledge of an external reality is not possible beyond individual reflections and interpretations (Saunders et al., 2016).

The purpose of constructivist research is to create a new and rich understanding of the social worlds and their contexts (Saunders et al., 2016). A constructivist paradigm deals with the understanding of the world based on an individual's experiences, which are historically or socially conditioned. This incorporates questions about how a researcher deals with personal values throughout the research process if results are to be viewed as credible (Saunders et al., 2016). Therefore, researchers must demonstrate their axiological skills by articulating their values, and acknowledging and declaring their biases in research analysis (Wahyuni, 2012).

A constructivist paradigm relies heavily on naturalistic methods that are commonly implemented as part of a qualitative approach (Nind and Todd, 2011; Silverman, 2000; Willis et al., 2007). A qualitative methodology remains the most relevant way to describe phenomena in their context, providing a better interpretation of what a researcher observes (Rubin and Rubin, 2011). In qualitative inquiry, phenomena in their natural settings are studied and interpreted in terms of the shared understanding with the community (Denzin and Lincoln, 2005). Reality is analysed through the construction of meaning among actors, while also considering the interactions between people, time, and cultural contexts (Creswell, 2009).

Constructivist grounded theory methods are appropriate when a need exists to understand the process by which the key research actors are constructing their meanings and intersubjective experiences (Suddaby, 2006). Thus, this methodological approach befits the constructivism paradigm, which acknowledges that each individual has their own reality, multiple realities, that have been influenced by their society and life experiences (Charmaz, 2008; Mills et al., 2006). The subjectivist epistemology of the constructivist grounded theory acknowledges the role of researchers in interpreting the data and constructing the theory, but researchers possess innate biases which cannot be separated from research analysis and can influence the results.

Subjectivity is inseparable from social existence. *"A constructivist approach theorises the interpretive work that research participants do, but also acknowledges that the resulting theory is an interpretation theory depends on the researcher's view, it does not and cannot stand outside of it"* Charmaz (2014, p. 239). So, grounded theorists are part of their constructed theory, and are therefore obliged to include reflexivity in their research design

(Charmaz, 2014). In this research, reflexivity has been applied throughout the research process to minimise any bias in data interpretation (see page 92, section 4.7 Meeting quality criteria for a constructivist-grounded theory).

A grounded theory approach is particularly useful and consistent with organisation studies and its associated processes (Locke, 2000). Such an approach captures the complexity of a context in which action happens and creates a good link between the theorisation and practice (Martin and Turner, 1986). In this research, constructivist grounded theory methods were used because it was the most appropriate in the absence of any existing hypothesis or explanation for a phenomenon (Martin and Turner, 1986). Studying the phenomenon of HBBs and their formalisation in the unique legal and regulatory context of Kuwait is novel. By using constructivist grounded theory methods (Table 1), the researcher can explain the formalisation process of HBBs and to uncover the complexity of the research questions.

Table 1: The research paradigm underlying this thesis

Fundamental beliefs	Research paradigm
Ontology	Relative, multiple
Epistemology	Subjective
Axiology	Researcher is a part of what is researched; researcher interpretations are key to contribution and the researcher is reflexive
Methodology	Qualitative and longitudinal

4.3 Qualitative longitudinal research

A longitudinal study is a research design that collects information and observations from the same research components (participants) over a period of time. Panel and cohort studies are two types of longitudinal research designs (Saunders et al., 2016). A panel study is characterised by studying and collecting data from the same unit (e.g. individuals, organisations) over an extended period of time. Cohort study is characterised by using a sample of a group of people who share certain characteristics, such as date of birth, graduation, or that are unemployed (Bryman and Bell, 2015).

Longitudinal research often contrasts with cross-sectional research, where researchers collect data at a time with no information regarding the influence of time on the variables

being measured (Caruana et al., 2015). Thus, cross-sectional research cannot demonstrate cause and effect of variables, but it can provide a snapshot of correlations at a given time. Longitudinal research can provide data on processes and changes in organisations over time. Such a design can be applied to study phenomena at vertical and horizontal levels, including their connections through time (Pettigrew, 1990).

Longitudinal studies in business and management disciplines are *"relatively rare, owing to the difficulty of maintaining contact with members of the cohort/panel from year to year"*(Saunders et al., 2007, p. 252). This problem may lead to sample attrition, affecting sample size, and consequently affecting data collection and analysis. Sample attrition might occur for many reasons, such as withdrawal of participants during research period, or closure of the companies (Saunders et al., 2016). It is less likely for respondents in cross-sectional studies to leave research before data are fully collected (since all data are collected at one time).

To overcome the problem of sample attrition in longitudinal research, Bryman and Bell, (2015) suggested keeping the duration between research phases short. However, doing so may increase the risk of methodological or observational biases (Ployhart and Vandenberg, 2010; Reah, 1982) and loss of important information (Riggio and Mumford, 2011). Other problems associated with longitudinal studies include their tendency to require more time to obtain results, their resource requirements, and their typically greater expense than cross-sectional studies. Consequently, this research approach is seldom used (Bryman and Bell, 2015).

Qualitative longitudinal research in business and management studies can provide a deep epistemological understanding of a phenomenon, which may be difficult to obtain using other quantitative approaches (McLeod and Thomson, 2009). Qualitative methods offer *"experiential understanding"* (Stake, 1995, p. 40) , giving those being studied a *"voice,"* while quantitative studies do not (Bluhm et al., 2011). Qualitative research attempts to understand the meaning of human life and experience (Eisenhardt and Graebner, 2007), whereas quantitative research is concerned with discovering facts regarding a social phenomenon. Therefore, to understand business start-up intention, scholars have emphasised the importance of conducting qualitative research on individuals in context to study behaviour in real life (Fayolle et al., 2014; Krueger et al., 2009), because *"using*

quantitative studies in business research do not seem to add up" (Gartner and Birley, 2002, p. 338).

Whilst most research has used a quantitative approach to study entrepreneurial intention (e.g. Carter et al., 2003; Krueger et al., 2000; Lee et al., 2011), several studies have examined entrepreneurial intention longitudinally (e.g. Audet, 2004; Kautonen et al., 2011; Kolvereid and Isaksen, 2006) (two of these studies were entirely quantitative, and one was mixed method). Therefore, there is a need to use different methodologies, other than quantitative, that concentrate on human beings and their actions (Lévesque and Stephan, 2019; Liñán and Fayolle, 2015). Since entrepreneurship is dynamic in nature, more attention must be paid to temporal evolution of beliefs, perceptions, and intention (Krueger, 2009). Incorporating time in entrepreneurship research is consistent with methodological advances (e.g. using longitudinal research) to refine our understanding of how causal processes unfold (Dormann and Griffin, 2015; McCormick et al., 2020).

"It may be a relatively long or short time after intention develops before a new venture opportunity is even identified" (Shook et al., 2003, p. 383). A need exists to perform longitudinal studies that take the effects of different variables in the transformation of intention into action (Fayolle et al., 2014; Krueger et al., 2000; Liñán et al., 2011; Segal et al., 2005). Nathan et al., (2019) emphasised the importance of longitudinal research in the study of HBBs. Loscocco and Smith-Hunter, (2004) recommend more studies using a longitudinal approach to follow HBBs over time, and to identify why some HBB owners moved out of home while others remained there. Accordingly, this research seeks to understand how time influences the intention of informal Kuwaiti HBB owners to formalise (or not) their HBB, and considers the experiences and events which may have contributed through time to this decision. Thus, access to this complex information renders the researcher to engage with the research participants on a deep person-to-person level longitudinally, as recommended by (Fayolle et al., 2014; Kautonen et al., 2015).

4.4 Data collection

4.4.1 Sample selection and criteria

Sampling is an essential step in data collection, defined as the process of taking a subset of data from a larger population (Raj, 1972). Researchers should consider that a selected

sample enables them to answer research questions and achieve research objectives (Saunders et al., 2016). Because HBBs are hidden business activities, accessing a representative sample is difficult (Dwelly et al., 2005; Mason et al., 2011). In such a sampling situation, Saunders et al., (2016) recommended purposive and snowball sampling techniques, consistent with qualitative and grounded theory methods (Charmaz, 2014; Morse, 2007).

This research explores the HBB formalisation process in Kuwait, where rules and regulations for obtaining a business license for Kuwaitis and non-Kuwaitis differ (non-Kuwaitis cannot formally start a business without a Kuwaiti partner who holds a majority interest (Kuwait Business Center, 2019). Thus, exploring the formalisation process of HBBs for non-Kuwaitis would take a different path not relevant to the aim of this research.

Because HBBs in Kuwait are informal and permissible (if not dealing with anything illegal) activities, individuals can combine their fixed (full time) job with a part-time HBB activity, and may operate an HBB on a part and/or full-time basis. As a sampling technique, purposive samples were drawn from the Legalize KW Website (http://www.legalizekw.com/), a campaign by young Kuwaiti activists to legalise HBBs in Kuwait. Snowball samples were collected via friends and family members, in addition to names and contact details obtained from informal Kuwaiti HBB owners provided by interviewed participants. Searching for informal Kuwaiti HBB owners via purpose and snowball sampling techniques took 4 months.

While it is unlikely that qualitative researchers agree on exact sample sizes, they generally agree on factors that affect sample size (Mason, 2010; Saunders et al., 2016), such as: the quality of interviews, number of interviews per participant, researcher experience, and sampling procedures. In most qualitative studies, sample size should follow a concept of saturation, where new data bring no additional insights to the research (Glaser and Strauss, 1967). Therefore, sample size may or may not be fixed before data collection (Patton, 2002).

Other researchers have suggested guidelines for sample size to be 25 participants for small projects (Charmaz, 2006), less than 50 participants (Ritchie et al., 2003), and 20–35 for grounded theory research (Saunders, 2012). For grounded theory research, Strauss and

Corbin, (1998) recommend using detailed coding in at least 10 interviews; Sengstock, (2014) carried out a grounded theory research with a sample size of 39 participants, but clarified that 29 would have been sufficient to reach theoretical saturation; minimums of 20, 30, or 40 separate interviews have also been recommended (Saldaña, 2016).

As sample size in longitudinal research is affected by attrition rate, a sample of 50 informal Kuwaiti HBB owners was assigned to minimise this risk. Of seven informal Kuwaiti HBB owners identified on the Legalize Kw website, two agreed to be interviewed. From snowball sampling technique, 144 informal Kuwaiti HBB owners were identified, of which 48 agreed to be interviewed. Of a total 158 Kuwaiti informal HBB owners identified, 50 (31.6% response rate) agreed to be interviewed in this research. In phase 1, all 50 participants were interviewed. In phase 2, 36 of the original 50 participants agreed to be re-interviewed—a panel attrition rate of 28%. In phase 3, only 26 of the previous 36 participants from phase 2 agreed to be re-interviewed—a panel attrition rate also of 28%.

4.4.2 Research ethics: Informed consent

Ethics are the behaviour standards that guide researchers to protect the rights of research subjects or those affected by it (Saunders et al., 2016). Ethics committees require researchers to explain the exact procedure of their research before providing ethics approval to ensure the protection of participant rights (Ballinger and Wiles, 2006). Upon fulfilling the requirements of the ethics board in this research, participants were provided with full information about the purpose of this research and their voluntary role in it. In April 2017, prior to conducting data collection, full ethics clearance was obtained from the General University Ethics Panel (GUEP).

Before interviews, participants were provided with a detailed interview information sheet and were required to sign a consent form; see Appendix 1 for the participant consent form for the three phases. Participants were notified of data protection procedures, assured that collected information would be represented in anonymised form, and that their identities would be confidential in this thesis and any publication resulting from it (for which participant permission was also sought). During interviews sessions, the researcher followed the recommended ethical best practice as per the Economic and Social Research Council (ESRC) guidelines and the University's own ethical procedures. To protect the

confidentiality of research informants, password-protected data were stored on the researcher's personal laptop, and, as a backup, in a password-protected University of Stirling BOX folder. Data will be stored until the end of the research project, including its dissemination.

4.4.3 Literature review as an orienting framework

There has been considerable debate regarding the role of the literature review in grounded theory research (Bryant and Charmaz, 2007; Giles et al., 2013; Kelle, 2007). Glaser and Strauss, (1967), the founders of classical grounded theory, stressed the importance of not performing the literature review by researchers at the beginning of research so as to remain open-minded to what actually exists in the field of research, and to not contaminate the research findings (El Hussein et al., 2017). Such an issue raised continuous debate over the use of the literature review in the grounded theory research setting (Bryant and Charmaz, 2007; Kelle, 2007). However, for a PhD, a researcher must have a sound knowledge of the subject under study, and well-defined aims (Sudabby, 2006). Blindly embarking on a new research programme might produce considerable data of limited value (Coase, 1988).

Strauss and Corbin, (1990) in their book '*Basics of Qualitative Research',* acknowledge that researchers enter the field with previous life experiences, and a literature review in their field of study. They stress that these experiences and knowledge enable them to stimulate the research questions and direct theoretical sampling. In editions 2 (1998) and 3 (2008) of their book, they added that a literature review can represent the starting point for formulation of research questions (Strauss and Corbin, 2008), elaborating that a literature review during data analysis can enhance questions like "what is going on" with the data. Bryant and Charmaz, (2007) recommend a balance between literature review (which provides a framework for study) and the level of understanding of the research essence; such a balance can improve the structure of research (Giles et al., 2013).

The timing of a literature review is often shaped by a researcher's epistemological perspective, previous knowledge and experience in the study area (McGhee et al., 2007). Early literature reviews can help researchers identify research gaps and develop interview guides (Saunders et al., 2016). Constructivist grounded theorists can develop data-driven theories with an understanding of previous work, bearing in mind that this knowledge does

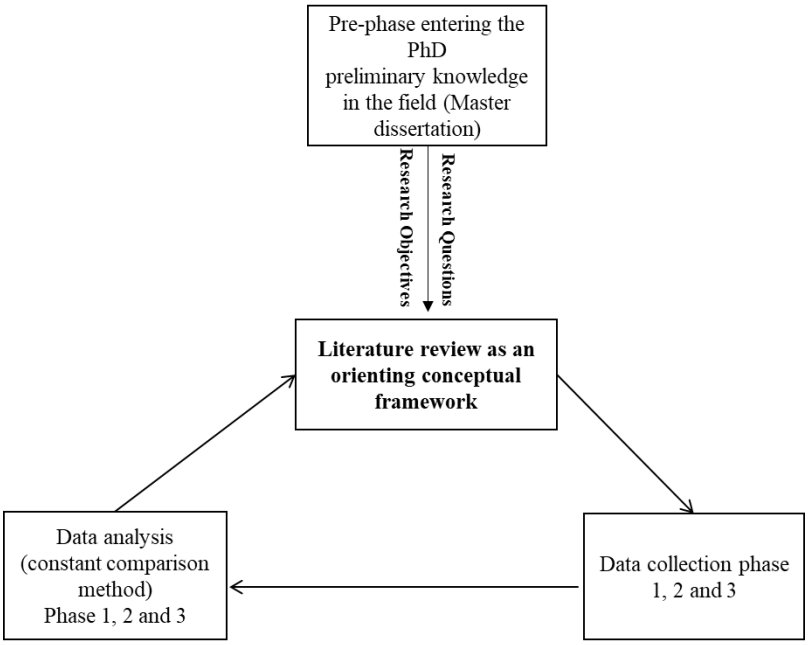
not influence the inductive nature of grounded theory methods (Charmaz, 2017b; El Hussein et al., 2017). The use of the literature in qualitative research varies considerably. It can be used as an orienting framework, where the literature does not guide and direct the research but rather used as an aid in data collection and analysis and to build bridges between related topics (Creswell and Creswell, 2017).

In this research, prior to formulating the research questions and aims, the researcher performed a literature review. As shown in Figure 2, she entered the PhD field with prior knowledge of the HBB phenomenon gained from a master's degree. This knowledge enabled her to obtain a reasonable understanding of HBBs and to establish the main research question. Since the research question lean towards temporality (process of formalisation), a longitudinal approach was applied for data collection. Thereafter, the researcher continuously reviewed the literature, traversing topics from HBBs, business start-up, motivation and entrepreneurship, entrepreneurial intention, formalisation of informal entrepreneurs, and the informal sector. This process assisted the researcher to construct an interview guide for each of three research phases.

The literature review enabled orientation for data collection and analysis. Prior to starting phase one, the literature review was used as a guide to construct the interview questions. In phase one, a constant comparison method[13] was used to find similarities and differences within the interview transcripts, codes, and memos and to construct the interview questions for phase 2 (refer to section 4.5.4 Phase one: Application of constant comparison method and categorisation, p. 81). In phase two, a constant comparison method was also used to compare between published research findings and data collected in this research, to refine the emerging categories and to construct the interview questions for phase three. In phase three, constantly comparing between published research findings and data analysed in this research, helped in saturation of the emerging categories to reach theoretical explanation. This helped to shape and refine the analyses in each phase.

[13] *"Process of constantly comparing data to analytical categories and vice versa, as well as comparing data and each category within other categories, to develop higher level categories and further your analysis towards the emergence of a grounded theory"* (Saunders et al., 2016, p., 713).

Figure 2: The role of literature reviews in the research process



Source: Author

Collecting rich, detailed, and focused data provides researchers with a solid foundation for significant analysis. Data should reflect participant views, beliefs, and feelings towards the phenomenon under study (Charmaz, 2014). In grounded theory research, data can be sourced from field notes, participant personal diaries, relevant documents, and/or participant interviews. Grounded theorists depend mainly on interviews and observations to collect data (Charmaz, 2014). However, knowledge obtained from interviews is not an actual reality, but a recognition of it from a participant's perception (Saunders et al., 2016). Researchers must recognise that construction of knowledge is a contribution between participants and researchers, consistent with the subjective epistemology of constructivist grounded theory (Charmaz, 2014).

4.4.4 Phase one: Constructing interview questions

The most common forms of interviews in grounded theory methods are unstructured, semi-structured, open-ended, and in-depth. In-depth interviewing is widely used for data collection to enable researchers to explore a topic deeply and interpret participant responses (Bryman, 2016). When data collection is about personal histories, experiences, beliefs, and views, in-depth interviewing is most suitable (Saunders et al., 2016).

Accordingly, in this research, in-depth semi-structured interviews were identified as the most-appropriate tool to explore the motivations and life experiences of informal Kuwaiti HBB owners.

In *'constructing grounded theory'*, Charmaz, (2014, pp. 66, 67) provided guidance on how researchers could construct open-ended interview questions, and samples of interview questions. Accordingly, the interview questions for phase one were derived from Charmaz (ibid.) combined with other literature on HBBs, entrepreneurial intention, and formalisation of informal entrepreneurship (e.g. Enterprise Nation, 2014; Mason et al., 2011; Kautonen et al., 2015; William and Nadin, 2012). Regarding the third interview question, '*tell me the story behind your business?*' and *'what influenced you to start your home-based business?*', these interview questions were formulated by combining several questions appeared in these studies (e.g. Enterprise Nation, 2014; Charmaz, 2014; Smit and Donaldson, 2011; Mason et al. 2011) and modified it accordingly. For example, *'tell me how you go about ……'* (Charmaz, 2014) was combined with the questions *'why did you start a home business?'* (Enterprise Nation, 2014); *'what are the characteristics of home-based businesses?'* and '*what are the reasons for trading informally/ what are your motives for operating in the informal economy'* (Williams and Nadin, 2012). Please refer to Appendix 2 for the full interview guide for phase one, in April 2017.

Pretesting group

Pretesting is a research tool used to evaluate interview questions or questionnaires, with experts reviewing initial questions and providing feedback (Rothgeb et al., 2007). Pretesting has the advantage of providing a researcher with an early warning of a potential threat or setback, which may delay the research process (Saunders et al., 2016). Pretesting can ensure that a data collection method is appropriate, if interview questions are too long or hard to understand, and if mistakes related to cross-cultural language or word ambiguity exist, to ensure participants do not get confused with questions (Castillo-Montoya, 2016).

For this research, participants for pretesting were selected from a list provided by an entrepreneurial association (e.g. Nui and Sirdab-lab) upon request. This pre-test group comprised four entrepreneurs with experience and knowledge of HBBs and business start-ups in Kuwait. The researcher met with each of them on 21 April 2017 to review the interview questions and provide any needed clarification. Following discussions, the

interview questions were slightly modified. As an example, an initial question *"Tell me the story behind your business?"* was probed "*What influenced you to start your business?"* Other questions such as "*Comparing the time and the efforts you spend in your Home-Based Business with the profits you gain, do you think it's worth it to continue? If yes, explain, if no, then why are you continuing your Home-Based Business activity?"* were added. Panel feedback helped to assure that key themes were valid, and that the interview questions were understandable and clear.

Interview protocol

The final stage of the interview process is data transcription and interpretation (Turner, 2010). Transcription is an important part of data analysis, as by listening and re-listening to a recorded interview, researchers can delve deep into a participant's thoughts and ideas (Charmaz, 2006). Also, a researcher can identify silence and repetition of words used by participants.

Before each interview, participants were given a copy of the informed consent to read and sign, and a verbal summary of the purpose of the interview and its contribution to the research. Thereafter, the 50 participants were interviewed face-to-face between April and July 2017, during this time four to five interviews were conducted per week. Interviews were conducted in a Kuwaiti dialect, lasted 30–40 minutes, and were recorded with a digital voice recorder device (CVJP-B46, 8GB). After each interview, the audio recording was transcribed in a process taking 3–4 hours each. The 50 transcribed interviews generated 164 pages of text (54,824 words).

4.4.5 Phase two: Constructing interview questions

As mentioned in chapter 2, intention models have been shown to be strong predictors of intentions, yet their ability to predict behaviours remains doubtful (Kautonen et al., 2015; Yeh et al., 2020). Research has conceptualised entrepreneurial action as a goal-oriented behaviour, motivated mainly by intention. Yet the translation of entrepreneurial intention into actual behaviour remains the least studied link (the 'intention–action' gap) (Bogatyreva et al., 2019). To explore factors that explain the intention–action gap, phase two interview questions were constructed to determine why some participants had

translated their intention into actual action, and why some may have changed their intention to formalise their HBB. Interview questions were based on phase one findings.

While phase 2 interview questions were being developed, the government of Kuwait announced the existence of a 'one-man company' by ministerial Decree No. 258 to motivate entrepreneurs to start-up their business (Chapter 3, section 3.4). This Decree may have influenced the intention of some participants to formalise their HBB. Therefore, the interview questions were constructed for two groups of participants (A and B) who had and had not an intention to formalise their HBB. The researcher in doing so was aiming to determine if there is a fluctuation in the intention of some participants in both groups. This resulted in splitting the two groups into many subgroups. Appendix 3 presents the interview guide for phase two in November 2018.

Pretesting group

In phase 2, the meeting of the pretesting group encompassed the same panel of four experienced entrepreneurs who participated in phase one pretesting session. The meeting was held on 13 November 2018. Prior to the meeting, each panel member was emailed a copy of phase two interview guide. During the meeting, the panel members discussed the interview questions among each other and with the researcher. Their feedback assured that key themes were valid, and that the interview questions were clear and understandable, with minor modification. As an example, for group C (representing formalised participants), a question *"Do you think that you have the ability to continue running your business successfully? Why? How?"* was replaced with *"Although you faced difficulties during formalising your business, but you have succeeded in attaining the business license. Can you explain for me what kind of problems you have been through and how did you solve these problems?"*

Interview protocols

For phase 2, the researcher emailed and texted (mobile) all 50 former (phase one) participants. Of these original 50, 36 agreed to participate in phase two (some participants did not reply, others declined for various reasons). Interviews were held from November 2018 to January 2019, either face-to-face or via mobile applications (e.g. WhatsApp, Viber, Skype). Before each interview, participants were given a verbal summary of the

purpose of the interview and its contribution to research, and their permissions was sought to record interviews, and obtained. Interviews were conducted in the Kuwaiti dialect and lasted 30–45 minutes each.

Following the completion of each interview, the audio recording was repeatedly listened to. Transcription of the audio was written and then revised. Some memos[14] were written on completion of interviews, and some during the transcription phase. The 36 interviews produced 144 pages of text (50,347 words). A sample of a full verbatim interview is presented in Appendix 4.

4.4.6 Phase three: Constructing interview questions

Charmaz (2014, p. 192) stated *"for robust categories that stand firm, not shaky, ground, researchers need to gather more data that focus on the category and its properties through using theoretical sampling."* Theoretical sampling is an important element in grounded theory methods to refine data, rather than increasing sample size. Participants being chosen purposively to define the properties of categories by seeking out more relevant data until no new properties emerge (Charmaz, 2014).

In phase 3, the researcher's aims were to elaborate the five emerging categories in phase 2 from the formalised participants' perspective (self-confidence, persistence, previous experience in business, have a future vision and continuous thinking about the business), to determine if any relationship exists between them, and inquire whether the reasons behind their HBB formalisation resemble or contradict those of two participants (negative cases, see section 4.6). Theoretical sampling was used to fulfil these aims, through interviewing formalised participants. Interview questions were developed after comparing these five categories with literature regarding entrepreneurial business start-ups. Appendix 5 presents the interview guide for phase three in April 2019.

Pretesting group

In phase 3, a panel of four entrepreneurs were advanced-emailed the interview guide for pretesting, and a meeting was held on 28 March 2019. After some discussion, the

[14] *"Key element used in grounded theory method during the collection, analysis and interpretation of data, which helps to facilitate and link these stages of research and aid the development of a grounded theory"* (Saunders et al., 2016, p.720).

researcher was assured that key themes remained valid, and that, with minor modification, interview questions were clear and understandable.

Interview protocols

For phase 3, the researcher contacted formalised participants in group C, of which 8 of 10 participants agreed to participate. She then interviewed these participants in April 2019 via the WhatsApp voice call mobile application. Before each interview, participants were given a verbal summary explaining the purpose of the interview and its contribution to the research, and their permission to record the interview was obtained. During each interview, the researcher explained the five emerging categories, asked them to provide feedback on each (resonance), and to comment on the applicability of these categories to other HBB owners who intended to formalise their HBB (usefulness). Interviews were conducted in the Kuwaiti dialect and lasted for 30–40 minutes. For audio transcription, the researcher focussed on participant conversation, producing 21 pages of transcript (9243 words). Participants in group A (n = 12) and B (n = 6) were also contacted via WhatsApp message to continue tracking their intention status.

4.5 Data analysis methods

In grounded theory methods, data analysis and data collection occur concurrently (Glaser and Strauss, 1967). Coding—the essential link between data collection and emergence of theory (Charmaz, 2014)—is the first step, whereby data are broken into smaller components (Charmaz, 2006).

Researchers analyse and codify data using a constant comparative method, an essential analytical tool that allows for emergence of theoretical categories. This method compares case with case, data with data, code with code, and memos with memos, etc., to establish an analytical distinction, to make comparisons at each level of analysis (Charmaz, 2014). Eventually, codes are combined and related to each other and become more abstract. Abstracted codes are referred to as categories. Charmaz's method follows that of Glaser in capturing actions and processes; they both use gerunds (verbs that function as nouns and end with 'ing') as code. Charmaz, (2014) recommends coding everything in early

analytical stages to help identify focused codes; coding and analysis comprise the stages of 'initial' and 'focused' coding[15], both using constant comparison.

4.5.1 Phase one: Initial coding

In grounded theory methods, initial coding is the first step in data analysis, disaggregating data into units (Charmaz, 2014). Codes should stick closely to data, while at the same time researchers should remain open to exploring whatever theoretical possibilities can be discerned from the data. Initial coding enables researchers to inform their later decisions about identifying core conceptual categories. Grounded theorists question their data (e.g. what is this person doing right now?) and by breaking it into segments (codes) and applying labels, can consider what these sections of data mean, within and across codes. According to Charmaz, (2014), coding for actions (gerunds) reduces tendencies to code for types of people because coding people this way leads to a focus on individuals rather than a focus on what is happening in the data. Initial codes are provisional, comparative, and grounded in data; they are provisional in the sense that researchers may re-word them to improve their fit with data.

Within the context of phase 1, the researcher analysed the interview transcripts after the first few interviews and looked at data using line-by-line coding as recommended by Charmaz, (2014) to define implicit meanings and actions. Line-by-line coding identifies directions for exploration and stimulates a deeper thinking about the data. In vivo codes (gerunds) were used to reflect language and meanings of the participants' views and experiences. Consequently, many initial codes were extracted (Table 2), which the researcher tried to keep simple, direct, and spontaneous. As data collection progressed, more initial codes were extracted and continuously compared with other codes and data, necessitating re-coding of some data to the extent that many initial codes were gradually replaced by others, some were modified, and others were substituted with more abstracted codes.

[15] *"Analysis or re-analysis of data to identify which of the initial codes may be used as higher-level codes to categorise larger units of data to further analysis towards the emergence of a grounded theory"* (Saunders et al., 2016, p.716).

Table 2: Examples of some initial codes/phase one

Interview excerpt	Initial code
My partner and I plan on quitting our fixed job	Planning on quitting fixed job
I do not like the routine in my fixed job	Disliking the fixed job routine
My job is not enough for me	Dislike the working environment
My job in the government sector does not provide me with the satisfaction I am looking for	Fixed job is not providing satisfaction
I am working to get my business licensed, find soon a shop in a place I prefer	Hoping and working on formalisation process
Yes, formalising my business, and hopefully soon	Certainty seeking a shop
Yes, I hope to formalize in 2018	Formalising soon
Yes, of course I will open my own shop	

4.5.2 Phase one: Focused coding

Engaging in focused coding is the second major step in the coding process. Focused coding involves using the most frequent, or significant initial codes to sort, synthesize, integrate, and organise a large amount of data (Charmaz, 2014). Progressing from initial coding to focused coding is not a simple process. Choosing which initial codes are best as focused codes leads researchers to re-code data and develop new sets of codes. Focused codes are used to pinpoint the most salient codes, and to compare them with data. Theoretical integration starts with focused coding and continues through subsequent analytical steps.

After completion of initial coding, the researcher moved forward to focused coding. Initial codes were re-coded to a smaller number of more focused codes, producing fewer abstracted codes. The process of selecting focused codes involved comparing abstracted codes with initial codes to distinguish those with greater analytical power. As presented in Table 3, the focused code ‘dissatisfied with fixed job’ increases importance in shaping subsequent analysis. ‘Dissatisfied with a fixed job’ was explicit in data for some participants.

Table 3: Examples of focused code derived from initial codes/phase one

Initial code	Focused code
Planning on quitting fixed job Disliking the fixed job routine Fixed job is not providing joy Not happy with fixed job	*Dissatisfied with fixed job*
Hoping and working on formalisation process Certainty seeking a shop Believing in my abilities	*Having self-confidence*

4.5.3 Phase one: Memo writing

Memo writing is an important analytical tool in grounded theory methods. Memos catch thoughts, capture comparisons and connections within and between codes, and prompt researchers to analyse data and codes early through the research process and direct them to what to pursue (Charmaz, 2014). Writing memos is a learned, simple skill, but it is dependent on a researcher's self-confidence. Writing memos enabled researchers to pinpoint incomplete categories and gaps in the analysis (Charmaz, 2014).

Throughout the research phases, many memos containing the researcher's impressions about the participant's experiences, feelings, views, and beliefs were written. She wrote memos during the analysis that reflect what she was looking for in the data. By reviewing these memos and comparing them with the initial and focused codes, the researcher extracted more codes. A typical memo, below, for 'reflections on an interview with a participant (phase one)' follows:

Memo No. 5, phase 1 *'Father's love'*

I was touched by the answer of a female participant who said:

> *"I went to buy pastries for my father, but I felt unhappy that the pastries will reach him cold, I love my dad, and I want him to enjoy the fresh hot pastries, [...]. Then an idea popped in my mind. That is, instead of bringing the pastries from the bakery shop to my father, why not make them in front of him? So, he will enjoy the freshness*

of the pastries. I decided to draw the pastry station and that is my home business now."

I thought long and hard how-to best frame this. I thought about many things during coding it, such as 'how nice it is that she thought of starting a home-based business just to see her father enjoying the freshness of pastries; love can do that and more.' I guess I was trying to label this paragraph with tentative codes based on my understanding of the data and constructivist grounded theory methods. Sometimes I struggled to record my understanding of each interview. This participant particularly froze my mind, I was not sure how best word to describe this paragraph, is it love of venture or love of parent that pushed this home-based business owner and brought this idea in her mind, or is it about passion or both, or maybe she was thinking to return some favour to her father for all the love and kindness that he surrounded her with over the years. Analysing this paragraph was difficult. I rewrote my thoughts several times, before polishing my writings. Analysis of this memo revealed more codes (e.g. love, passion, emotions, and favour). Then, these codes were compared with previously coded data and the final codes combined love of venture and family encouragement.

4.5.4 Phase one: Application of constant comparison method and categorisation

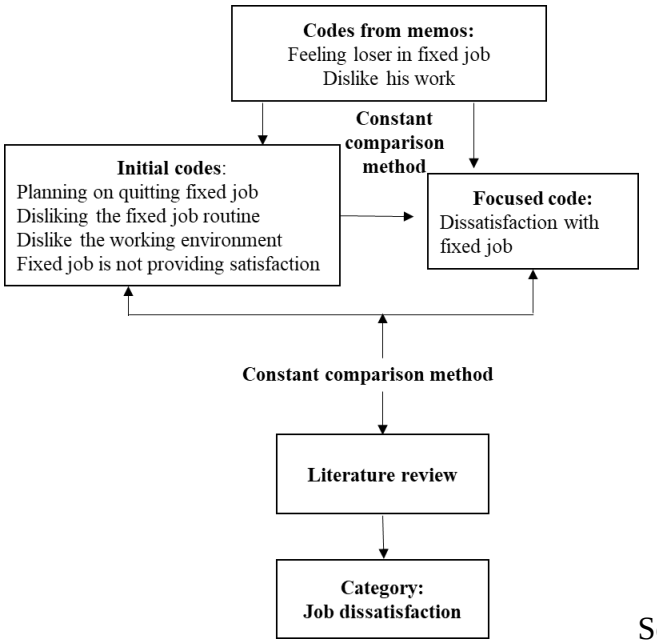
Constant comparison method is an analytical tool that involves constantly comparing data with data, codes with codes, categories with categories, and memos with memos to identify similarities and differences between them and to develop higher level categories (Bryant and Charmaz, 2007; Charmaz, 2014; Strauss and Corbin, 1990). Constant comparison method is an important feature in grounded theory because it reduces researchers bias in data interpretation and analysis (Fernández, 2004). The important aspect in constant comparison method is that researchers are constantly asking "what is this data doing in relation to this inquiry?" This method allows researchers to simultaneously collect and analyse data to identify contrasts that may appear within emerging concepts and categories (Charmaz, 2014; Corbin and Strauss, 2015).

In phase one, the constant comparison method was used to identify similarities and differences within interview transcripts, codes, memos, and categories, which led to development of a more abstract analysis. This method comprised approximately 10 steps, namely comparison:

1. within interview transcripts,
2. within initial codes,
3. within focused codes,
4. between initial and focused codes,
5. within memos,
6. between initial codes, focused codes, and memos,
7. within emerged categories in group A,
8. within emerged categories in group B,
9. between emerged categories in group A and B; and
10. between emerged categories in group A and B with literature.

Several comparisons were made between codes with codes, codes with memos, etc., resulting in emergence of new categories. As shown in Figure 3, the category 'job dissatisfaction' emerged through continuous use of the constant comparison method. This category clarified ideas, events, and processes in the data.

Figure 3: Application of constant comparison/phase one for the category job dissatisfaction



Source: Author

Table 4: Examples of push/pull motivations from interview transcripts/phase one

Interview excerpt	Emerged category
"Before I talk about my business, I need to say something about myself, as a human being. I am not rich, nor was I born in a rich family. Money is not an important part of my life but proving myself is. Ever since I was a kid, I looked-for ways to challenge myself. I loved when someone doubted me, and I would do my best to prove him/her wrong."	Self-challenge
"I always loved to have my car clean and would clean it more frequently than anyone. I would get into car washing stations and look at what they do, and how they clean cars" "I have always loved art and painting" "I like Japanese food, and I make sure to go to a Japanese restaurant at least twice a week, and you know these places are expensive. When I was pregnant, I was always craving Japanese food" "I have always loved cooking and would go on youtube.com to watch tutorial videos. I like to make sweets the most and started to attend a course to learn the tricks of the trade. I went to Belgium, France, and other places to learn how to make chocolate and other kinds of sweets"	Love and/or passion of venture

After comparing the emerging categories with several literature on entrepreneurial motivations, it became clear that the revealed categories such as job dissatisfaction, self-challenge, and a love/passion for a venture can represent some factors in the push/pull theory of entrepreneurial supply (Gilad and Levine, 1986). As shown in Table 4, two examples illustrate how some emerging categories were derived from interview transcripts and were considered push/pull factors.

After phase one of data analysis, more research was reviewed in relation to entrepreneurial intention literature. Kruger and Carsurd, (1993) stated that by understanding the link between intentions and actions, researchers can understand the entrepreneurial process. As

this thesis is exploring the formalisation process of HBBs, which is an action that follows intention, the most suitable approach to better understand and interpret the collected data which can help in explaining the formalisation process of HBB in Kuwait is using TPB as an orienting theoretical framework. Accordingly, TPB was used as an orienting theoretical framework after phase one data collection and analysis.

Using TPB as an orienting theoretical framework helped in making connections between the revealed push and pull factors and the antecedents of intention (ATB, SN and PBC). By examining the definitions of those antecedents, it was found that the revealed push and pull factors can be aligned within the antecedents of intention and positioned in the TPB (for more details, refer to chapter 6, section 6.3). This process uncovered the reasons behind the formation of the intentions to formalise HBB for some participants.

4.5.5 Phase two: Initial and focused coding

For this phase, the same sequence of data analysis used in phase one was followed, starting with initial coding, followed by more analysis, until focused codes were reached. Many focused codes were extracted in this phase, although only two here are illustrated. As presented in Table 5, initial codes of (friends pushing forward, friends encouraging, husband encouraging, family motivating, family supporting, and cousin helping) were re-coded into one focused code: friends and family support and motivation. Also, the initial codes of (always thinking, keeping the business updated, and changing business plan) were re-coded into one focused code: thinking and re-thinking about the business.

Table 5: Examples of initial and focused codes/phase two

Interview excerpt	Initial code	Focused code
"My friends had a big role in pushing me forward [...]Whenever I had questions, I refer to them for guidance" "My husband helped me in getting my business license. Also, my cousin helped with his experience in his home-based business and how he got the license"	Friends pushing forward Friends encouraging Husband encouraging Family motivating Family supporting Cousin helping	Friends and family support and motivation

"I would not be exaggerating if I said that I am always thinking about new product ideas, and how to keep my business updated"	Always thinking Keeping the business updated Changing business plan	Thinking and re-thinking about the business

4.5.6 Phase two: Memo writing, application of constant comparison method, and categorisation

As the number of interviews increased, more memos were written about participants. These memos reflected the researcher's beliefs in participant characteristics in groups A and C (Table 6). Participants in group C differed in attributes from those in A, even though differences were noted during the interview sessions. Note that the researcher used a pseudonym for each participant to protect their privacy.

Table 6: Comparisons of memos written for groups C and A/phase two

Group C: Formalised participants	Group A: Participants with intention to formalise their HBB in the short, medium, or long term
Abdullah is an honest sincere man who is willing to work 24 hours a day. He likes challenging himself and is proud of his business. He is tender and patient. **Nuha** is a very quiet person and takes her time in answering the interview questions. She is careful in making decisions and weighing the pros and cons. She is persistent in continuing her business despite some decline in profits that occurs from time to time. She keeps attracting her customers by offering vouchers and promoting free food.	**Shaima** has some fears but she is good at making decisions. She wishes to make extra income to lead a luxurious life with enough money. She is too proud to ask her husband for extra money. She is the source of energy for her business and partner. **Amal** has plenty of energy that she does not know how to plan or invest in. She wants to do different jobs at the same time. She does not concentrate on one thing. Her dream is to get a business license, but needs help in business, time management, organisation and putting priorities in order.

Ahmed is a social person with a strong, tender personality. He likes educating himself in the things he does. He is creative, proud of his capabilities and has dreams to accomplish internationally.	**Amna** is a shy and quiet person who spends her free time by herself. She loves learning things but lacks self-confidence. She despises changes in her life like changing jobs or social status.

From Table 6 it appears that participants in group C share personal attributes such as patience, hard-working (working 24 hours), care in making decisions, creativity, and belief in their capabilities. These personal attributes were not observed in group A participants. Consequently, more memos were written about participants and upon reviewing and comparing them with other coding (Table 7), more categories appeared. These categories were only apparent among formalised participants. Using constant comparison method, five 'personal characteristic' categories were observed: *previous experience in business*, *continuous thinking about the business*, *having a future vision*, *persistence*, and *self-confidence*. As shown in Table 7, these personal characteristics appeared frequently in the coding process, and represent signs of excellence in formalised participants.

Table 7: Coding process for five emerging categories/phase two

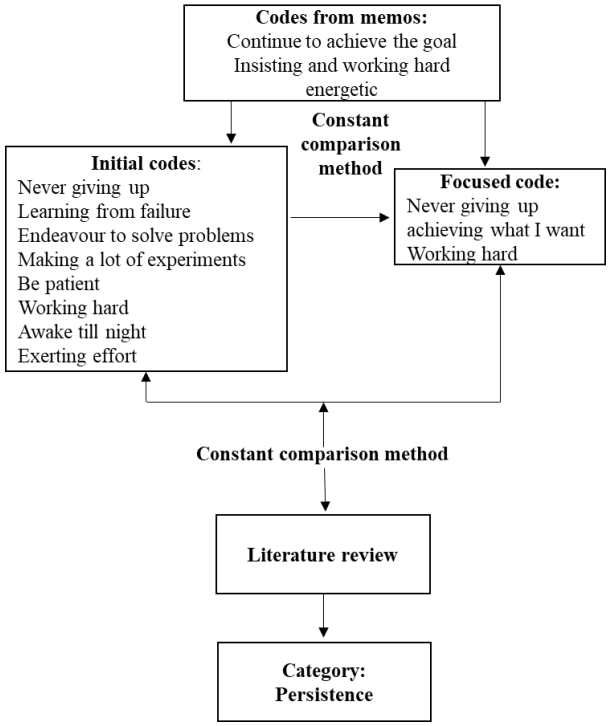
Initial codes	Focused codes	Emerged categories
Never giving up. Learning from failure. Endeavour to solve problems Making a lot of experiments. Be patient. Working hard. Awake till night. Exerting effort	Never giving up achieving what I want Working hard	Persistence
Having the ability to run the business Feeling smarter than others. Moving beyond the market offer. Capable of succeeding. Knowing the market needs	Have the ability to run the business successfully	Self-confidence
Thinking day and night. Thinking and rethinking. Changing the way of thinking. Offer new things. Staying updated all the time. Staying innovative	Thinking and finding new ways to develop the business	Continuous thinking about the business

Step by step. The next step is. Reaching worldwide. Having future plans. Having a vision. Having an alternative business plan	Planning and visualising the business	Having a future vision
Knowing how to do business. Experience. Knowing the basics of doing business. Learning from mistakes. Benefiting from experience Using his/her experience	Have a good experience in running a business	Previous experience in business

The constant comparison method was used to make comparisons at each level of analytic work. First, the researcher started comparing data with data to find similarities and differences. For example, she compared interview statements and incidents within the same interview for the same participant (e.g. I drove my car every night searching around for a proper location) with (everything would be closed at night-time) with (I searched for a long time) and then, compared the interview statements and incidents with different interviews for different participants (e.g. I have to be strict with my decision) with (I have to be patient and work hard).

After this step, the researcher assigned labels —initial codes (e.g. be patient, working hard, searching for long time) to represent statements. After defining the initial codes, the researcher compared each of them and chose codes that mostly fit with the interview statements. Next, the researcher moved to focused coding and re-coded the initial codes into fewer and more-focused codes (Figure 4). At this stage of analysis, focused codes identified process, action, and belief about what participants hold about themselves. Thereafter, the researcher compared focused codes with relevant literature, exploring the category of persistence.

Figure 4: Application of constant comparison method/phase two



Source: Author

Table 8: Examples of how five categories were derived from interview transcripts/phase two

Interview excerpts	Emerged categories
"Today if you search for prayer set you won't find many at our level [...], people will try to copy what I do, but they just do not deliver at the same level I do [...]. I have complete trust in my abilities, and I know I can reach my customers and satisfy them with my services."	Self confidence
"Due to my daily duties, I drove my car every night searching around for a proper location for my business. Everything would be closed at night-time, and I need to talk to doormen to get owners information [...]. I searched for a long period of time until I managed to find the suitable location, with a price I can pay."	Persistence

"I would not be exaggerating if I said that I am always thinking about new product ideas, and how to keep my business updated. I even travel to Greece every now and then to see what is new in their market, and to get inspired by their innovation. I change my menu all the time, very recently we introduced a new sandwich, the Halloumi Sandwich."	Continuous thinking about the business
"Most of my customers are those born in the mid-90s. These are people who like to be different and are always looking for something premium. I understand that these people will soon be having kids, and they will be the ones shopping for them. I, thus, plan to continue investing in this age group and have them continue buying my products."	Having a future vision
"I am an engineer and I love my fixed job, especially those related to concrete. I learned about it in college, and I am now experiencing it in the field of my work. I gathered and utilised my academic knowledge and my field experience in growing my businesses and reached a point where I can shape concrete in any shape or form, I desire."	Previous experience in business

While these five categories (personal characteristics) were observed in phase 2 data analysis, they were still not clearly defined from the perspective of formalised participants. To do so, it was necessary to gather more data that focus on these five categories using theoretical sampling. Theoretical sampling enables collection of more data to elaborate and refine categories, and thus their saturation[16]. Furthermore, it distinguishes grounded theory methods from other types of qualitative inquiry (Charmaz, 2014). Therefore, in phase 3, the researcher will focus on determining how these five personal characteristics (from the perspective of formalised participants) explain the intention–action gap.

Using the conceptual elements of TPB in phase 2 was helpful in conceptualising intention in the context of HBB formalisation. In other words, exploring the reasons behind the formalisation of HBBs which were used to fill some of the knowledge gap in the TPB framework (intention-action gap). By making connections between some of the revealed

[16] *"Theoretical saturation is a procedure used in grounded theory method, when data collection ceases to reveal new data that are relevant to a category, where categories have become well developed and understood and relationships between categories have been verified"* (Saunders et al., 2016, p.729).

push and pull factors of the formalised participants, the role of the personal characteristics, and key circumstances of those participants. This process uncovered the reasons behind the formalisation of HBBs.

4.5.7 Phase three: Theoretical sampling and saturation

Five personal characteristics distinguished formalised participants (group C) from non-formalised participants (group A). These categories required further data (through follow-up interviews) with formalised participants to refine them. Charmaz (2014, p. 192) stated that *"for robust categories [...], the researcher needs to gather more data and focus on the categories and its properties."* The purpose of theoretical sampling is to obtain data to assist researchers to explain categories, and ensure the category is full saturated. Therefore, using this kind of analysis means the process of data collection and analysis is more focused, leading to context-based theoretical explanation (Bryant and Charmaz, 2007).

Drawing on the constructivist grounded theory methods, using theoretical sampling, follow-up interviews with eight formalised participants were held to refine these five emerging categories to determine how well they explained the intention–action gap. Theoretical sampling assisted the researcher to understand the properties of each category and make connections between them (Table 9). Many memos were written in this phase, which helped to understand the emerging categories, as did constantly comparing relationships between codes and categories.

Table 9: Examples of elaborating emergent personal characteristics/phase three

Categories	Initial code	Focused code
Self-confidence and persistence (the ability to):	Work under pressure Think under pressure Having no fear Make plans for the business and achieve target goals Develop personal abilities Be creative and think out of the box Seize market opportunity Take quick and decisive decisions Continue business even when frustrated Continue solving business problems Work hard towards achieving business plans	Work and think under pressure

Previous business experience	Learn from mistakes Experimenting the market Previous experience provides ability to control product price Previous experience solving business problems Previous experience developing business skills Previous experience reduced risk of business failure	Previous experience enabled problem solving and business development

Theoretical saturation is achieved when a category is judged relevant and robust enough to test theoretical ideas, and when additional data are no longer needed to enlighten the category (Charmaz, 2014). A consequence of theoretical sampling is theoretical saturation, as Strauss and Corbin, (1990, p. 176) allege *"sampling is done on the basis of concepts that have proven theoretical relevance to the evolving theory."* Charmaz, (2003) maintains that theoretical saturation is involved to fit new data into categories that have already been devised. Furthermore, it is advisable to return to the key participants and interview them repeatedly to address gaps in emerging categories (Charmaz, 2014). Accordingly, the interview questions in phase 3 were structured to target the same key participants (formalised participants in group C) to address gaps in categories, and to elaborate upon them.

4.6 Negative cases

Qualitative researchers look for 'negative cases' to support their arguments (Charmaz, 2014). Negative cases refer to data that demonstrate sharp contrast with other major data patterns and do not support emergent explanation, but sometimes help to direct the selection of further cases to collect data (Saunder et al., 2016). A 'negative case' is one in which respondents' experiences or viewpoints differ from the main body of evidence. Contradictions in the data can give rise to unexpected findings, which ultimately strengthen explanation. Sources of negative cases and how a researcher uses them shape their relative fit with grounded theory methods. Researchers should continuously ask themselves "did I find negative cases?" (Charmaz, 2014). Whether or not sampling negative cases complements or contradicts grounded theory depends on the research situation.

In this research two negative cases were reported for two participants ('Altaf' and 'Zahra'). Altaf mentioned having formalised her HBB because she was afraid of losing her unique

business idea, especially given someone had copied her business name from her social media accounts and stolen her designs. She believed formalising her HBB as soon as possible would preserve her business-ownership rights. Zahra formalised her HBB because she did not like the idea of running a business from home. She believed that an HBB is not legitimate, and thus harms small businesses and the country's economy. She noted that the economy of any country flourishes with SMEs, where a rental cost exists, and wages are paid for workers.

Upon analysing Altaf and Zahra interviews, two extra interview questions (phases 3) were added to the interview guide to find out if other participants shared their motivations for HBB formalisation. Other formalised participants reported that they did not share these motivations. Therefore, Altaf and Zahra represented negative cases that contradicted the research findings.

4.7 Meeting quality criteria for a constructivist-grounded theory

While several standards and criteria for qualitative research exist, this research is guided by constructivist grounded theory methods following criteria outlined by (Charmaz, 2014). For the constructivism approach, *"the purpose of the final write-up does not seek to discover "truth" and does not provide a generalisation either"* (Guba and Lincoln, 1989, p. 180). In constructivist grounded theory, a researcher's subjectivity is not meant to be eliminated from a developed theory, but the aim is to prioritise data over previous knowledge, including reviewed literature (Charmaz, 2014). Grounded theorists are part of their constructed theory, which means that they are obliged to include reflexivity in their research design to ensure quality. Cutcliffe, (2000) emphasised the need for researchers using grounded theory methods to recognise their prior knowledge and experiences, to present this knowledge openly, and to discuss the influence of it in theory development. These procedures ensure methodological strength, which improve the quality of findings.

Reflexivity is an important process in grounded theory research methods. It allows the theory to emerge rather than to be forced by a researcher's preconceived knowledge (McGhee et al., 2007). Engaging in reflexivity enables researchers to develop deeper insights into their research (Saunder et al., 2016). Grounded theory processes acknowledge researcher bias, which may appear in the selection of data collection sites, data collection process, process of coding and analysis, and grouping of results (Jones and Alony, 2011).

Interviewing is a strong analytical tool that can assist with data collection and can help to practice reflexivity (Mruck and Mey, 2007). To achieve reflexivity in this research, participants were interviewed longitudinally (three phases), meaning that ample data were collected to reduce biases in data collection and analysis. Moreover, constant comparison method and memo writing are also considered strong analytic tools to practice reflexivity, both of which applied throughout this research.

Four criteria can evaluate constructivist grounded theory research (Charmaz, 2014, p.337): credibility, originality, resonance, and usefulness. Credibility refers to the rigour in which categories and analyses are supported by empirical data. In this research, the range of data types are a rich source of information to answer the research questions. Sufficient data were collected, which were systematically analysed by constant comparison method to ensure that developed categories covered the suite of observations. Interviews with participants enabled a deeper understanding of their concerns. The researcher's observations have provided further data for analysis. Careful listening of interview conversations and reading and re-reading transcribed texts have enabled the researcher to get close to the data and have confidence in its credibility. Ongoing field notes and memos also facilitated dependability and reliability.

Originality*:* refers to the extent to which research findings are fresh and offer new insights (Charmaz, 2014). The current research adds novel and valuable information to existing literature on HBBs, entrepreneurial intention, the entrepreneurial intention–action gap, and formalisation of informal entrepreneurship. The categories that developed have elements of originality and offer new insights into the processes of HBB formalisation in Kuwait. The analysis of interviews and memo-writing, results in a new conceptual understanding to explain the formalisation process of HBBs. The originality of this research is a consequence of combining four literature domains that have generally remained separate: HBBs, entrepreneurial intention, intention–action gap and the formalisation of informal entrepreneurs in the informal economy. Combining these domains has built a new understanding of the formalisation process of HBBs in Kuwait. These novel findings can be used to understand the complexities of the formalisation process of HBBs in Kuwait.

Resonance*:* refers to the extent to which findings make sense to participants. Participants should understand the categories that result from analysis (Charmaz, 2014). In this

research, the five personal characteristics (previous experience in business, continuous thinking about the business, have a future vision, persistence, and self-confidence) of Group C portraying experiences of the formalised participants, were presented to them to explain their perspective about how knowledge echoes their experiences. Participants were also asked in phase 3 if these personal characteristics may apply to other formalised HBB owners that they were aware of.

Usefulness: *"refers to whether the analysis of the data can offer interpretations that people can use in their everyday worlds […] answers how the categories and theory emerged from the data should be relevant to inform actual practices and should contribute to existing knowledge"* (Charmaz, 2006, p. 183). Analysis of data in this research can be useful to informal Kuwaiti HBB owners who intend to formalise their HBB. It also provides suggestions for further studies in relation to the formalisation process of HBBs in Kuwait. Using TPB as an orienting theoretical framework and constructivist grounded theory methods, this research contributes valuable knowledge to literature on HBBs, entrepreneurial intention, the intention–action gap and formalisation of informal entrepreneurship.

4.8 Conclusion

Drawing on constructivist grounded theory methods, this chapter has addressed the philosophical position of constructivism paradigm underlying this research. It has also discussed in detail the methodology, including qualitative longitudinal research design. To explore HBB owner motivations and life experiences influencing their decision to formalise their HBBs (or not), data were collected throughout three phases by in-depth semi-structured interviews. This chapter has also illustrated the constructivist grounded theory methods used to analyse data throughout the three phases. Theoretical sampling was used in phase 3 to elaborate and saturate the five personal characteristics (previous experience in business, continuous thinking about the business, have a future vision, persistence, and self-confidence) in explaining the intention–action gap. In conclusion, this chapter evaluates the criteria to judge the quality of this research. The next chapter will cover the qualitative longitudinal findings for the three phases in this research.

CHAPTER FIVE: QUALITATIVE LONGITUDINAL FINDINGS

5.1 Introduction

This chapter reports the findings of the three research phases. Phase 1 sought to address the first sub question underlying this research: *What are the reasons behind the formation of intention of some informal Kuwaiti home-based owners to formalise their HBB?* Findings from phase 1 report participants' characteristics, their HBB activities, and the classification of the participants into two groups (A and B) based on their intention to formalise their HBB. This phase presents the role of push and pull factors in forming the antecedents of intention to formalise an HBB.

Phase 2 sought to address the second and third research sub questions *(i) why do some informal Kuwaiti home-based business owners, who intend to formalise their HBB, complete the formalisation process?* And *(ii) why do some informal Kuwaiti home-based business owners with the intention to formalise their HBB not formalise it?* Findings from phase 2 report changes in participants' socio-demographic characteristics, their effect on intention status, and explore the role of motivations and key circumstances in translating the participants' intention into action (formalisation).

Phase 3 sought to answer the main research question: *Why do some informal Kuwaiti home-based business owners formalise their home-based business, whilst others do not?* Phase 3 findings, through application of theoretical sampling, address the role of personal characteristics in translating participants' intention into action.

5.2 Phase one: Exploring intention to formalise home-based businesses

This phase aimed to explore how the intention to formalise HBBs was formed, and sought to address the first sub question underlying this research, *'what are the reasons behind the formation of intention of some informal Kuwaiti home-based owners to formalise their HBB?'*

5.2.1 Sample characteristics

The sample comprised 50 informal Kuwaiti HBB owners, mainly (82%) women (Table 10), mostly between 25 and 34 years of age, married, educated (with a bachelor's degree), and earning 1000–3000 KWD per month (~ £2710–8130 per month). Food production and

catering services (44%) was the most common business sector, followed by the creative sector (34%), including fashion design, interior design, and customised consumer products. The service sector (22%) was the third most common, including services such as floristry, photography, and personal-care services. Most participants began trading between 2012 and 2017 (90%). All participants also used Instagram accounts as a primary social media platform

Table 10: Details the socio-demographic characteristics and business activities of participants/phase one (n = 50)

Pseudonym	Gender	Age	Marital status	Monthly income (KD)	Educational level	Business sector	Business founded	Active social media channel
Shima	F	29	Ma	1000–3000	Bachelor's	Food production, catering services/pastry and dessert	2016	Instagram
Abdullah	M	31	S	1000–3000	Bachelor's	Food production, catering services/ethnic	2012	Instagram
Sondos	F	41	Ma	1000–3000	Bachelor's	Food production, catering services/dessert	2016	Instagram, YouTube
Ahmed	M	34	S	1000–3000	Bachelor's	Food production, catering services/dessert	2014	Instagram
Anwar	F	32	Ma	1000–3000	Bachelor's	Food production, catering service/ethnics	2016	Instagram
Hesa	F	33	S	1000–3000	Postgraduate	Food production, catering services/beverages	2014	Instagram
Eman	F	28	S	1000–3000	Bachelor's	Food production, catering services/dessert	2012	Instagram
Nona	F	40	Ma	1000–3000	Bachelor's	Food production, catering services/dessert	2012	Instagram
Hanan	F	42	Ma	> 3000	Bachelor's	Food production, catering services, provision of cooking courses	2013	Instagram
Suleil	F	35	S	1000–3000	Bachelor's	Food production, catering services/dessert	2017	Instagram
Naema	F	41	Ma	1000–3000	Diploma	Food production, catering services/salad	2014	Instagram
Noor	F	40	Ma	1000–3000	Bachelor's	Food production, catering services/ethnic	2015	Instagram

Enas	F	40	Ma	< 1000	Diploma	Food production, catering services/pasta	2017	Instagram
Mariam	F	25	S	1000–3000	Bachelor's	Food production, catering services/dessert	2015	Instagram
Samar	F	36	S	1000–3000	Bachelor's	Food production, catering services	2010	Instagram
Khadeja	F	25	Ma	< 1000	Bachelor's	Food production, catering services/dessert	2015	Instagram
Shaha	F	41	Ma	1000–3000	Bachelor's	Food production, catering services/ethnic	2012	Instagram
Nuha	F	42	Ma	> 3000	Postgraduate	Food production, catering services/dessert	2005	Instagram
Zakiya	F	42	Ma	1000–3000	Postgraduate	Food production, catering services	2013	Instagram
Anfal	F	26	Ma	1000–3000	Bachelor's	Food production, catering services	2016	Instagram
Sadeqa	F	49	Ma	1000–3000	Bachelor's	Food production, catering services/dessert	2017	Instagram
Ansam	F	43	Ma	< 1000	Diploma	Food production, catering services/dessert	2012	Instagram
Yousef	M	28	S	1000–3000	Postgraduate	Creative/ customised cartoon T-shirts	2017	Instagram
Suliaman	M	32	Ma	1000–3000	Bachelor's	Creative/jewellery design	2014	Instagram
Bashayer	F	46	Ma	> 3000	Postgraduate	Creative/homeware accessories	2012	Instagram
Sara	F	30	S	1000–3000	Bachelor's degree	Creative/fashion design	2017	Instagram
Shams	F	28	S	< 1000	Bachelor's	Creative/fashion design	2014	Instagram
Alaa	F	27	Ma	< 1000	Postgraduate	Creative/fashion design	2017	Instagram
Ebtesam	F	45	Ma	1000–3000	Diploma	Creative/customised organic perfumes	2012	Instagram
Amna	F	33	Ma	1000–3000	Bachelor's	Creative/art design	2011	Instagram
Farah	F	32	Ma	1000–3000	Bachelor's degree	Creative/fashion design	2015	Instagram
Nayef	M	33	Ma	< 1000	Diploma	Creative/homeware accessories	2013	Instagram
Ayah	F	29	S	1000–3000	Bachelor's	Creative/jewellery design	2016	Instagram
Mona	F	34	Ma	1000–3000	Bachelor's	Creative/fashion design	2015	Instagram

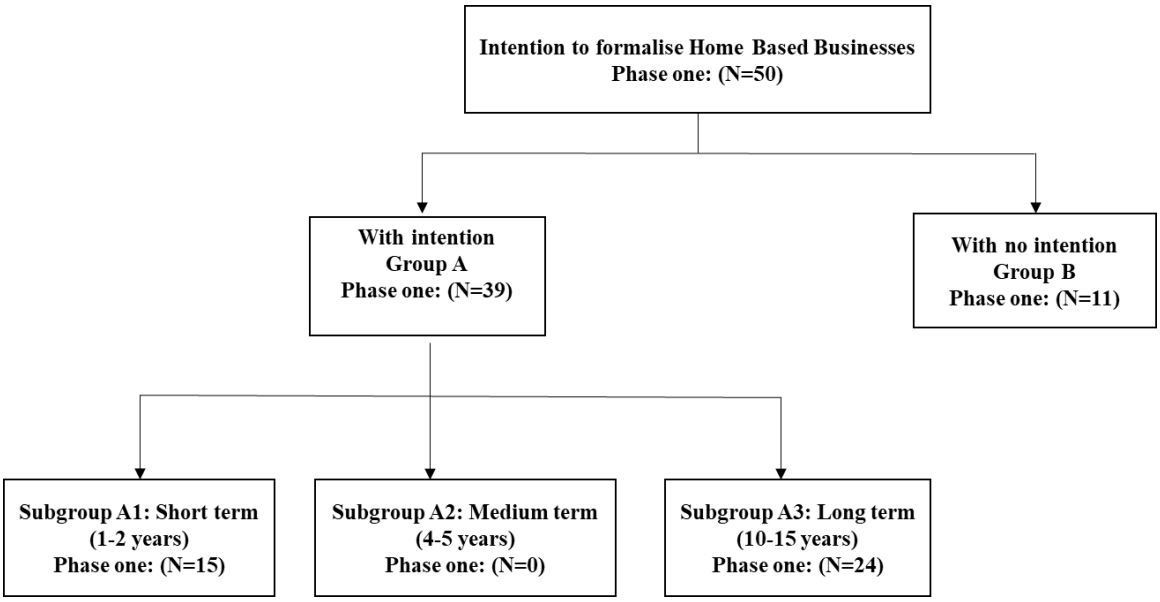
Fatma	F	26	S	1000–3000	Bachelor's	Creative/homeware design	2013	Instagram, Facebook
Lyla	F	29	Ma	< 1000	Diploma	Creative/fashion design	2017	Instagram
Yaser	M	46	D	> 3000	Postgraduate	Creative/homeware design	2015	Instagram
Rula	F	48	Ma	1000–3000	Bachelor's	Creative/fashion design	2001	Instagram
Zahra	F	35	Ma	1000–3000	Bachelor's	Creative/ fashion design	2016	Instagram
Khaled	M	31	Ma	1000–3000	Bachelor's	Service/flowers	2014	Instagram
Alhareth	M	31	S	1000–3000	Bachelor's	Service/car washing	2012	Instagram
Altaf	F	28	S	1000–3000	Bachelor's	Service/flower	2016	Instagram
Noura	F	35	S	< 1000	Bachelor's	Service/flower	2016	Instagram
Abrar	F	34	S	1000–3000	Bachelor's	Service/party organiser	2015	Instagram
Rasha	F	43	D	1000–3000	Bachelor's	Service/home spa salon	2017	Instagram
Muneera	F	31	Ma	1000–3000	Bachelor's	Service/party organiser	2016	Instagram
Zainab	F	35	D	> 3000	Bachelor's	Service/photographer	2015	Instagram
Hamad	M	32	D	1000–3000	Bachelor's	Service/ photographer	2011	Instagram
Abeer	F	32	S	< 1000	Postgraduate	Service/flower	2015	Instagram
Amal	F	43	Ma	< 1000	Diploma	Service/flower	2017	Instagram

F = female, M = male, Ma = married, S = single, D = divorced

5.2.2 Participant intention status

With regard to one interview question "do you have the intention to formalise your HBB? If so, when and why? If no, why?" most participants answered, although some were unsure when they will formalise their HBB, particularly for those who had recently begun operating it. Thus, based on participant answers, the 50 informal Kuwaiti HBB owners were divided into two main groups (herein referred to as A and B). Group A included 39 participants who intended to formalise their HBB, and group B included 11 participants with no intention to do so. Group A was further divided into two subgroups according to participant intention status (Figure 5). Subgroup A1, included 15 participants who intended to formalise their HBB within 1 or 2 years (short-term intention), and subgroup A3, included 24 participants who intended to formalise their HBB within 10–15 years (long-term intention). In this phase, no participant indicated an intention to formalise their HBB within 5–10 years (medium-term). Appendix 6 presents participants' intentions to formalise their HBB on an anonymised case-by-case for phase one.

Figure 5: Participant intention status/phase one (n = 50)



Note: The numbers in this Figure are only to demonstrate for the readers how many participants are in each group in terms of sample size Source: Author

5.2.3 Group A: Participants who intend to formalise their home-based business

This group included 39 participants, subdivided into subgroups A1–3, including participants who intended to formalise their HBB in the: A1, short term (1–2 years); A2, medium-term (4–5 years); and A3, long-term (10–15 years). It should be noted that throughout this research, some participant names appear more frequently than others, since their cases are more indicative, and better explain stories.

5.2.3.1 Subgroup A1: Home-based business owners who intend to formalise their home-based business in the short-term

When the participants in this subgroup were asked to report the reasons behind their short-term intention, nine responses were prevalent: 1) friends and family support and encouragement, 2) love and/or passion of venture, 3) exploiting a market opportunity, 4) self-confidence, 5) job dissatisfaction, 6) insufficient salary, 7) seeking independence and personal autonomy, 8) self-challenge, and 9) a lifelong ambition to start a business.

As mentioned in chapter 2, section 2.4, individuals can be pulled into entrepreneurial activities by positive forces and pushed into them by negative ones. Pull factors are *"concerned with the expectation of being better off as an entrepreneur,"*, while push factors *"take into account the conflict between one's current and one's desired state"* (Freytag and Thurik, 2007, p. 3). On this basis, these nine reasons could be considered

push and pull factors. The decision to designate each of them as push or pull is a complex process, as it is not clear if certain motivating factors are to be framed as push or pull for a given participant, and *"there is no theoretical or empirical framework that identifies all the push/pull factors clearly"* (Giacomin et al., 2011, p. 11). Therefore, designating these nine factors as either push or pull can be derived either using guidance of earlier research or from the researcher's view, or from the participants' perspective to justify them within its context.

Pull factors

Short-term pull factors (motivations) behind the formation of participants' intention to formalise their HBB included: friends and family support and encouragement, exploitation of a market opportunity; love and/or passion of a venture; self-confidence; seeking independence and personal autonomy and lifelong ambition to start a business (Table 11). Of these, a dominant motivation reported by most participants was '*friends and family support and encouragement*,' indicating that they were socially (financially or by provision of information) so supported. This pull motive formed the antecedent of intention to formalise their HBB. Some participants indicated having received financial support from family in the form of cash or 0% interest loans to continue with their HBB and improve the quality of their products and services. For example, Suliel loves making dessert, especially chocolate. Her father was willing that she would open her own chocolate shop. Therefore, he encouraged her to join some training courses outside Kuwait to improve her knowledge and skills and he funded those courses). Suliel explained:

> *"My parents are supporting me to grow my business […] when my father heard how people are praising the chocolate I make, he insists on me to take more training courses outside Kuwait [...] he paid for it just to improve my skills in making and designing the chocolate."*

Regarding support in the form of information, most participants indicated that their family and friends had helped them with product testing and early stage sales. This support benefited them with their HBB development. Another participant Nuha loves food and started her food business 13 years ago before social media platforms ever existed, indicated:

"I remember when my friend told me that your food is tasty, but your packaging is simple and not as good as your food quality [...] you should pay more attention to the packaging design."

Other forms of support involved seeking advice from friends and family, as articulated by Ahmad who thoughts of making cookies. He searched YouTube for recipes and started experimenting. His audience were his nephews, nieces, and friends. He kept experimenting for six months until he got the recipe he wanted. He explained:

"I have a friend who I always seek his advice on business related matters. For example, when I decided to price my products, I called him to take his opinions regarding the suitability of the price in the market, and he in turn helped me with the pricing strategy."

Or discussing ideas and finding solutions for business problems with family members and friends, as articulated by Eman. She started her project in 2012 after her mother's retirement. She was supported financially and emotionally by her family, explained:

"This business is a family business, my mother, sister and me, we work as a group encouraging and helping each other [...] everyone introduces her idea, and we discuss it together to develop our business continuously."

Other participants indicated that friends and family provided them with new ideas. For example, Yaser an engineer who worked in concrete mixing, indicated his daughter was his inspiration to start an HBB. He benefited from his fixed job experience and created a new concrete formula for making indoor decoration and homeware, stating:

"In the beginning there was no story, or an intention. My daughter came to me and suggested that I make modern vases [...] being an engineer who works with concrete, she noticed that the market is moving toward using concrete as a decoration element."

A second motivating factor, *'exploiting market opportunities,'* was previously considered a pull factor (Dawson and Henley, 2012; Humbert and Drew, 2010). Some participants found a market gap for a specific product or service, which they exploited. For example, Yousef who has a master's degree in management and marketing. He along with his

partners surveyed the market and found a niche; Yousef's idea was to start an HBB targeting young people, gamers, and pop culture, by printing well-known characters on T-shirts and mobile accessories, believing a demand existed. Yousef explained:

> *"In our economy, there is a market niche that no one is serving [...], there is a huge demand that is not met, and we look forward to meeting it. It is the gamers and pop culture enthusiast market; they are our focus and audience [...]. And I feel there is a huge opportunity in the market, and we try to take advantage of it."*

A third motivating factor, '*love and/or passion of venture,'* was identified by some participants, each of whom was passionate about their business activity. For example, Alhareth loved his car being neat and clean, and visited many car washes stations to wash his car frequently. Through these visits, he learnt about car cleaning products and how to select the suitable workers in this field. Then, he decided to fulfil his passion and started his HBB focusing on high quality car wash products/services. He maintained:

> *"I always loved to have my car clean and would clean it more frequently than anyone else. I would get into car washing stations and look at what they do, and how they clean cars [...] that I started my own car wash home business considering the level of involvement and love I have with this business."*

A fourth motivating factor, *'self-confidence'* was previously considered as a pull factor (Dawson and Henley, 2012); the researcher considers self-confidence to be a pull factor also. Self-confidence appeared in the interview transcripts of six participants. Phrases such as 'I believe in the quality of my products,' 'the services I provide are different from others,' and 'I will expand my business outside Kuwait,' can indicate participant's self-confidence. Other phrases in the researcher's memos also reflect the term self-confidence, such as 'she believes in herself she will open her own shop,' and 'she is proud of her achievement.' These participants believed in their abilities to formalise their HBB. For example, Nuha loves making desserts and started her HBB in the food sector 13 years ago where she learned to target people with high disposable income. Accordingly, she developed her food according to her well-planned criteria for starting her own restaurant. Nuha learned from her mistakes, which built her self-confidence, explaining:

"Of course, running my HBB for more than 13 years helped me to believe in my abilities and develop a strong self-confidence [...] considering the number of customers and orders I receive, I have a big number of returning customers, people like what I offer, it is worth continuing with the formalisation process."

Another example demonstrating self-confidence as a pull factor comes from Rula. She has HBB experience for more than 11 years. Through this time, she travelled to different countries and visited fabric factories there. Her visits aimed to choose the most suitable factory so that she can later sign a contract with them to provide her with their products. Rula articulating:

"I aspire to be global, it is true that there are many companies that imitate my products but I am not sad about it, all these companies could not achieve accuracy and quality in their products as accuracy and quality of my products [...] I also provide a variety in the selection of products."

The fifth motivating factor, '*seeking independence and personal autonomy,'* was previously considered a pull factor (Dawson and Henley, 2012; Humbert and Drew; 2010; Tlaiss, 2015). Few participants wanted to be their own boss, schedule their own working hours, and choose the people they work with. As an example, Abdullah travelled to Greece with a friend on vacation and was pleased with the way they cooked and served the food in front of the customers. Being fond of Greek food and willing to be his one boss, he decided to start an HBB specialising in cooking food in front of the customers. Abdullah also believed in the statement, as he mentioned "choose a job you love, and you will never have to work again in your life," explaining:

"I always wanted to have my own business, to be my own boss, and to be me. I wanted to be in charge of how much money I make, and not leave it to someone else [...], I don't want people giving me money on pay day [...], I want to be in charge of my own future. Independence is important to me, and to be the owner of the business I work in, and to self-manage myself."

The last motivating factor, *'lifelong ambition to start a business,'* was previously considered a pull factor by (Humbert and Drew, 2010). The intentions of few participants

were drawn towards formalising their HBB in the short-term because they had always dreamed of having their own business. According to Khaled:

> *"First, I wanted to get into business and to establish my own business in selling flowers [...]. So, I started to look at other businesses and what they offer. After that I started to get to know the suppliers and started my own home business."*

Table 11: Participants reporting pull factors in the short-term intention/phase one

Pull factor	Pseudonym
Friends and family support and encouragement	Abdullah, Yaser, Rula, Khadeja, Ahmad, Eman, Zahra, Yousef, Alhareth, Suliel, Mona, Khaled, Nuha, Altaf
Exploiting market opportunities	Yaser, Rula, Abdullah, Ahmad, Zahra, Yousef, Hamad, Mona
Love and/or passion of venture	Nuha, Khadeja, Altaf, Eman, Alhareth, Suliel, Yousef
Self-confidence	Nuha, Rula, Khaled, Alhareth, Yaser, Ahmad
Seeking independence and personal autonomy	Yousef, Khaled, Ahmad, Khadeja
Lifelong ambition to start a business	Abdullah, Hamad, Khaled, Khadeja

As reported in Table 11, all participants had more than one pull factor. Some participants had two pull factors (Eman, Hamad, Mona, Suliel, Altaf, Zahra), others had three (Alhareth, Yaser, Rula, Abdullah, Nuha), and some others had four (Ahmad, Khadeja, Khaled, Yousef). The most common observed combination was '*friends and family support and encouragement'* with *'exploiting market opportunities.'* This may have provided participants with important information regarding market opportunities. As an example, Ahmad's close friend is a business consultant, who counselled him regarding business matters. His friend provided him with the information about market opportunities which helped Ahmad seize an opportunity. These pull factors formed Ahmad's antecedents of intention to formalise his HBB in the short-term.

Push factors

Short-term push factors (motivations) behind the formation of participants' intention to formalise their HBB included: job dissatisfaction, insufficient salary, and self-challenge (Table 12). Of these, 'job dissatisfaction' was prevalent, which was regarded as a push factor following (Dawson and Henley, 2012; Humbert and Drew, 2010; Tlaiss, 2015). The intentions of some participants were pushed towards formalising their HBB because they were disappointed with their fixed job routine, thought that they were in the wrong place, and that their job provided them with no sense of achievement (their fixed job was unsatisfying to them, they considered they were wasting time and effort, and losing themselves should they continue). According to Khaled who has a fixed job besides his HBB. He was not satisfied with his job and felt like he wanted to improve himself and his life. He did not fit in with his so-called average colleagues, explaining:

> *"What has been driving me all this time was my desire to succeed and be satisfied with what I have done with my career and life. I was not satisfied with who I was when I was working in my job, I felt like a loser, and deep inside I know this is not me [...]. This feeling was continuously pushing me toward becoming something more [...] and working for myself. [...] I feel that this day job is the wrong place for me. That is not my place, I had to be more, and do more."*

Khadeja stayed at home with no job for a year after her graduation. She needed to make money and since she had always enjoyed making sweets, she started her HBB making sweets. When she was recruited in the government sector, she was not satisfied with her job, maintaining:

> *"I have been waiting for almost a year to get a job [...] unfortunately, after I was recruited in the government sector, I was not satisfied with my job routine."*

The second short-term push motivation was *'insufficient salary.'* The intentions of few participants were pushed towards formalising an HBB because their salary did not cover their financial needs. While Kuwait may be the fourth richest country in the world, with a per capita GDP (a measure of a country's standard of living) of £53,332 (World Bank, 2018), participants, especially those married with children, considered the income from their jobs was inadequate to cover costs (rent, car loans, school tuition fees, and other

expenses). They believed that if they worked for themselves that they could make more money. For example, Zahra earns from 1000-3000 KD per month. But she needed to earn more money, so that she can have her own house. Zahra articulated:

> *"I want to have more money available [...]. I know that a fixed job would not provide me with that, which encouraged me to push forward. I do not have any financial obligations, but my husband does. We have two kids, and even though we are living in my husband's parents' house, we still have more expenses than we can afford."*

The final push factor was *'self-challenge,'* with few participants feeling pushed towards formalising their HBB given negative circumstances. Self-challenge arises when one's ability to successfully run an HBB is questioned. It stems from an individual's personality and/or from context which influences behavioural outcomes relating to HBB formalisation. As an example, Ahmed, a teacher, did not like his job. His main reason for starting an HBB was to have his own company. One day when he was in a diwaniya (a traditional cultural place in Kuwait for gatherings, especially for men) with his friends, he announced wanting to start a company to conquer the dessert market. His friends mocked him, thinking him an unsuccessful man, in an incident that made him seriously consider this business, and to challenge himself to prove that his friends were wrong. Ahmad said:

> *"Before I talk about my business, I need to say something about myself, as a human being. I am not rich, nor was I born in a rich family. [...] When someone doubted my abilities and let me down, I would do my best to prove them wrong."*

Table 12: Participants reporting push factors for short-term intention/phase one

Push factor	Pseudonym
Job dissatisfaction	Ahmad, Mona, Yousef, Khadeja, Khaled
Insufficient salary	Khaled, Yousef, Alhareth, Zahra
Self-challenge	Khaled, Yaser, Ahmad

Overall, some participants reported a single push factor (Alhareth, Mona, Khadeja, Yaser and Zahra), others (Ahmad, Yousef) reported two push factors, and (Khaled) reported all three push factors (Table 12). Some participants in the short-term intention sub-group, reported the pull factor *'seeking independence and personal autonomy'* with the push

factor *'job dissatisfaction'* (Ahmad, Yousef, Khadeja, Khaled) (Table 13). According to these participants, formalising an HBB represented a way to escape the constraints of salaried work and a day-job routine. At the same time, for them, formalising an HBB represented an opportunity to prove themselves capable of being their own boss and making their own fortune. Therefore, a fixed job pushed these participants to search for an alternative, at the same time they were being pulled by a desire to be their own boss and make their own decisions. To them, formalising an HBB was an option to fulfil a need for independence. For example, Yousef who has a master's degree in management and marketing. He along with his partners surveyed the market and found a niche for their idea. They were dissatisfied with their fixed job routine, explained:

> *"I realised that the future is not in my day job [...] I realised that working for others, means that you are losing your time and money [...] I realised that I need to create a business that generates profits, and how I'm going to make a living. I want to expand in this business, open other businesses, and become my own boss. Businesses, if they operate properly, can make a fortune, unlike fixed jobs."*

Table 13: Some participants report a combination of push and pull factors for short term-intention/phase one

Pseudonym	Pull factor	Push factor
Ahmad	Friends and family support and encouragement Exploiting market opportunities Self-confidence Seeking independence and personal autonomy	Job dissatisfaction Self-challenge
Alhareth	Friends and family support and encouragement Love and/or passion of venture Self-confidence	Insufficient salary
Khaled	Friends and family support and encouragement Self-confidence Seeking independence and personal autonomy Lifelong ambition to start a business	Job dissatisfaction Insufficient salary Self-challenge
Khadeja	Friends and family support and encouragement Love and/or passion of venture Seeking independence and personal autonomy Lifelong ambition to start a business	Job dissatisfaction
Mona	Friends and family support and encouragement Exploiting market opportunities	Job dissatisfaction

Yaser	Friends and family support and encouragement Exploiting market opportunities Self-confidence	Insufficient salary Self-challenge
Yousef	Friends and family support and encouragement Exploiting market opportunities Love and/or passion of venture Seeking independence and personal autonomy	Job dissatisfaction Insufficient salary
Zahra	Friends and family support and encouragement Exploiting market opportunities	Insufficient salary

In summary, six pull factors positively motivated a participant's intention to formalise an HBB in the short-term: friends and family support and encouragement, exploiting market opportunities, love and/or passion of venture, self-confidence, seeking independence and personal autonomy, and lifelong ambition to start a business. Three push factors negatively motivated a participant's intention to formalise their HBB in the short-term: job dissatisfaction, insufficient salary, and self-challenge. No participant reported having only a single pull factor, but rather a combination of either pull factors and/or push factors. Pull factors were more frequently reported by participants as motivations to form an intention to formalise an HBB in the short-term.

5.2.3.2 Subgroup A2: Home-based business owners who intend to formalise their home-based business in the medium-term

No participant indicated an intention to formalise their HBB in the medium-term (4–5 years). To understand why, the participants who intended to formalise their HBB in the long term (10–15 years) were asked why they sought to delay formalisation. Of them, some mentioned a lack of capital to formalise an HBB, and their preference to work longer to save money for start-up capital to do so.

Participants indicated a hesitance to obtain loans from the two funding sources for business start-ups in Kuwait (Industrial Bank and SMEs), due to the bureaucracy and chaotic procedure of getting a loan. They believed their best option was to wait several years to save the start-up capital. For instance, Noor's HBB was in the food production and catering services sector; she preferred to save money to formalise her HBB rather than obtain a loan, stating:

"Yes, I plan to open my own restaurant, but money is the only obstacle, I don't want to take loans from SMEs organisations or Industrial Bank because of their bureaucracy [...] I am waiting to gain more money from my home business [...] and I'm trying to get more exposure before formalising it."

Another reason was reported by some participants, who required more time to develop their ability in running a business, especially if they had recently started operating it (e.g. within 2 years). Sondos started her HBB in 2016. She joined some training courses and found that these courses elevated her knowledge and skills. She believed that she in need for more training courses, commented:

"I started my home business in 2016 on a part time basis, I am thinking to formalise my home business, but I am in shortage of some important points in running my business, such as how to price my products with less margin of profits to attract my customers [...] moreover, I found difficulties in finding enough time to market my products."

Shiama started her HBB in 2016 selling fresh handmade pastries through an interactive food station[17]. She wanted to increase variety at her stations, so she joined several cooking courses to develop her skills and business experience. She explained:

"We are planning on getting the business officially licensed in the future, we haven't done it yet because we are not yet ready to take the next step and open a restaurant. We are busy with our egg station and taking courses on egg preparation such that we do not have time for that [...], we are waiting to see how demand changes throughout the year. If summer is going to be slower due to the heat causing people to go outdoors less often. We are always thinking of new things, such as ice cream for the summer to cool the heat down."

A third reason was reported by few participants, who indicated a need to grow a bigger customer base. According to Rasha who has a home service salon with few numbers of customers. She was planning to add more services to her HBB salon (e.g. hair stylist), so that she can grow her customer base, stated:

[17] Having a chef standing behind preparing food for the guests, and the guest can customise food to their taste.

"Profits are still not significant, but I am thinking about the long term [...] when we add hair services, and become known to more customers, profits would start to increase and therefore, I can formalise the home business by time."

A fourth reason was reported by few participants who preferred to formalise their HBB after retirement, believing that they were presently secure in their fixed job and did not want to lose the salary. Being in no hurry to formalise their HBB they preferred to do so in the long-term. As an example, Hanan loves cooking and started her HBB by posting recipes on Instagram. While she intended to open her own restaurant, she would only do so after retiring from her government job; she said:

"Yes, the intention is there. I have plans to expand the business, offer more products, [...] However, I would not leave my job to focus on the business [...]. Formalisation is a big step, and I may leave it for after retirement."

The final reason was reported by few participants, who were unsure when to formalise their HBB, particularly for those just starting them. They believed that business formalisation was a difficult procedure requiring many years. Shams commented:

"I started my home business just six months ago. I am new in the market. When I received some orders, I became nervous that I may not satisfy my customers and fulfil their requirements [...] therefore, I need more time to make the decision to formalise my home business."

In summary, subgroup A2 had zero participants for five reasons: 1) a lack of required start-up capital to formalise a HBB; 2) a need for more time to improve business abilities and skills; 3) a need to grow a bigger customer base; 4) waiting for retirement; and 5) uncertainly estimating the amount of time needed to formalise a HBB.

5.2.3.3 Subgroup A3: Home-based business owners who intend to formalise their home-based business in the long-term

Participants in subgroup A3 (intention to formalise their HBB in the long-term, 10–15 years) exhibited only pull factors. Based on interviews, in order of importance, four pull factors positively motivated the intentions of these 24 participants: 1) love and/or passion of venture, 2) friends and family support and encouragement, 3) exploiting market opportunities, and 4) maximising income generation.

'Love and/or passion of venture' was reported by most participants as influencing their long-term intention to formalise an HBB (e.g. passion for making handmade products, cooking, and fashion design). As an example, Sondos has loved art since she was a child. During a visit to the USA, she explored different techniques in designing and decorating special cakes and took training courses. She commented:

> *"I love to paint and colour [...] when I travelled to the USA, I found varieties of cake tools and designs [...] I love the technique they used in designing and decorating special event cakes [...] I joined a special cake making course [...] So, I asked myself why not to combine my talent in painting to decorate cakes [...] that's why I started my home business hoping to formalise it eventually."*

Another example of love and/or passion for a venture is that of Farah, loves fashion and designs since she was a kid, stating:

> *"I have loved fashion since I was a kid [...] Every time, I go to the shopping mall to buy a dress or skirt, by the time, I changed the design of that dress or skirt [...] This encouraged me to open my own home business to attract customers who like to customise their own clothes."*

A second motivating pull factor, '*friends and family support and encouragement*,' was identified by most participants. Support came in the form of praise for products/services, encouraging others to buy from them, and feedback on a product/service to develop their HBB. As an example, Anwar loved Japanese food, so she started watching Japanese food cooking videos on YouTube. She invited friends to try her Japanese cooking, and they were amazed, thinking she had ordered it from a Japanese restaurant. After praising her cooking, they spread news of it. Anwar did not have an HBB at the time, but because of her friends' encouragement, she started marketing one on her Instagram account. She maintained:

> *"Once I invited my friends to a Japanese food at my home [...] my friend's reaction surprised me, they did not believe that I was really the one who cooked this food. Thereby, I started my home business. Also, I found a lot of support and encouragement from my family and husband which made me consider formalising my business once I gain more experience in the Japanese cuisine."*

Another example of support from friends was mentioned by Bashayer, who designs homeware accessories. One day she invited friends to her house. They were amazed by her handmade designs and ordered some from her and talked to their families and friends about her products. Bashayer commented:

> *"I love handmade products and admire people who can work with their hands [...] I can transfer an old jar into a new one by painting on it [...] My friends did not believe that these products were painted by me [...] they encouraged me to start teaching people my art through training courses [...] Once I have more experience in training courses, I will consider formalising my business eventually."*

A third pull factor was the motivation of *'exploiting market opportunities,'* which few participants identified as having had influenced them to formalise their HBB, with a view their unique idea had potential for business success. As an example, Shaima conceived her HBB idea when buying fresh pastries for her father. She wanted to keep them warm and fresh until she returned home. Unfortunately, the pastry had cooled before she could, so she started to think of making a pastry station (interactive food station). Shiama explained:

> *"I was thinking that this new idea had not been applied previously in Kuwait, I continued thinking about new ways of making pastry stations [...] I was very excited and consulted my friend and she also welcomed this idea. So, I designed the pastry station and started a home business with my friend [...] I found that people loved this idea and I hope to formalise my home business after having more experience."*

Another example regarding exploitation of a market opportunity was mentioned by Shaha who found that dessert market in Kuwait does not well represent the traditional Kuwaiti sweets. So, she decided to start her HBB focusing on presenting Kuwaiti sweet in a contemporary way, stating:

> *"I love Kuwaiti "Ghraiba"* [a type of cookie] *[...], but I feel it isn't presented properly in the market. I wanted to make Ghraiba in a different way that attracts the new generation and present it in a modern way to keep up with the development of the dessert business in Kuwait. The younger generation are not familiar with traditional Kuwaiti desserts, and I intend to change that through the innovation and development of our traditional dessert [...] I hope to formalise my business gradually."*

A fourth pull factor, *'maximise income generation,'* was identified by few participants who believed their HBB profits could improve their standard of living, despite their fixed job being highly paid and satisfying (both held high positions). Neither wanted to lose the advantages of their fixed job and did not consider formalising HBB to be urgent, possibly explaining the lack of the push factor 'insufficient salary' in this subgroup. Sara explained:

> *"I want an additional income [...] I have a steady income but it does not give me prosperity in my life, I want to live a better life, I want to have my own home in and outside Kuwait [...] my fixed income does not allow me to buy luxurious products."*

Table 14: Participants reporting pull factors for long-term intention/phase one

Pull factor	Pseudonym
Love and/or passion of venture	Abeer, Anwar, Bashayer, Sara, Shaha, Samar, Farah, Sondos, Enas, Amna, Shams, Hanan, Maryam, Fatma, Rasha, Ebtesam, Nona, Noor, Amal.
Friends and family support and encouragement	Anwar, Bashayer, Shams, Hanan, Maryam, Nona, Shima, Amna, Alaa, Anfal, Ansam, Naema, Sara.
Exploiting market opportunities	Shima, Anwar, Shaha, Amal
Maximise income generation	Sara, Sondos

Overall, half participants reported a single pre-eminent motivation (Table 14), some reported two pull factors, and some others reported three. The most common combination shared by some participants was *'love and/or passion of venture'* with *'friends and family support and encouragement.'* Since these participants love their HBB, and their families or friends have noticed this passion, they were supported and encouraged to formalise their HBB.

5.2.4 Group B: Home-based business owners with no intention to formalise their home-based business

Group B included 11 participants who had no intention to formalise their HBB. When asked why, all maintained it was not a priority. Most participants were satisfied with their fixed job, which provided a steady income. For example, Suliman designs jewellery from home, at the same time, he was satisfied with his fixed job routine which provided security for him and his family, for which reason he did not want to formalise his HBB, stating:

"I am not planning to formalise my business, and to me it's not a goal [...]. My fixed job is a priority, and to me formalising the business means to leave my fixed job."

Zainab works as a nurse in a hospital and has a photography studio at home, was similarly satisfied with her job. Work demands (long working hours) conflicted with her hobby, so she preferred reduced photographic customer commitment, taking orders only whenever she was able to. Zainab maintained:

"My job requires me to work in the mornings and sometimes at night [...] I prefer to take babies photos in the morning, because the light is better, and that conflicts with my day job. The way I deal with this problem is to schedule most people on weekends because I cannot skip my duties."

Another example in which current job satisfaction was a reason for a lack of intention to formalise an HBB was mentioned by Sadeqa who likes her fixed job routine and prefers to spare her free time to relax, stating:

"I like my work and dislike the idea of waking up in the morning every day before going to work just to prepare customers' orders [...] I have priorities in my life, I have my own job which is what I want to have."

Some participants explained starting an HBB to pursue their hobby and to use free time to fulfil it. They sought not to formalise their HBB, considering it more a hobby than a necessary source of income, believing that practicing their hobby was a temporary situation that they could pause at any time (not a "real" business). Hesa believed that her business is seasonal because demand lessens in the Summer, explained:

"My sales are mostly through friends and family [...]. In terms of profits, I still have not made a lot of money. Also, the hot beverages are more popular in the winter, so I think I need a bigger crowd to sell to. Overall, it's not my priority to formalise my home business."

A further example is provided by Ayah who likes to design jewellery in her spare time, maintaining:

"I'm not trying to make money through this business, rather I treat it as a hobby. I have fun doing that, and that is what makes me continue."

A third reason reported by Abrar who planned to continue her education and prioritised this over HBB formalisation, commented:

> *"I have no intention to formalise my business in the meantime, because to me, continuing my higher education is my priority. However, I would keep the home business going."*

Some participants reported two possibly related reasons for lacking an intention to formalise their HBB: '*job satisfaction and security'* and *'utilising free time to practice a hobby'* (Table 15). Participants like their fixed job and would prefer to continue working in it because it provided them a secure income (i.e., job satisfaction, security). On occasion they could use their spare time to practice hobbies and sell products/services, so they treated their HBB as a secondary business activity.

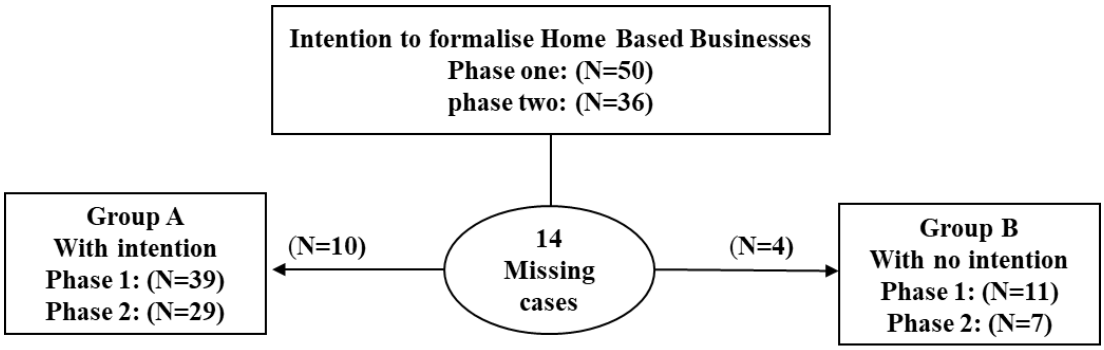
Table 15: Reasons participants reported for lacking intention to formalise their HBB/phase one

Reason	Pseudonym
Job satisfaction and security	Sadeqa, Zainab, Nayef, Ayah, Lyla, Noura, Hesa, Suliman, Zakiya
Using free time to practice a hobby	Ayah, Hesa, Suliaman, Muneera, Nayef, Zainab, Noura
Planning for higher education	Abrar

5.3 Phase two: Fluctuating intentions to formalise a home-based business

This phase aimed to explore the intention-action gap within the TPB theoretical framework, and barriers and facilitators to the HBB formalisation process. The 50 participants were followed up 1.5 years after phase one data collection. Of the 50 participants, 36 agreed to be re-interviewed; the panel attrition rate was 28% (Figure 6). Interviews were conducted from November 2018 to January 2019. The socio-demographic characteristics and business activities of these 36 participants are detailed in Appendix 7.

Figure 6: Number of missing cases in each group/phase two (n = 36)



Note: The numbers in this Figure are only to demonstrate for the readers how many participants are in each group in terms of sample size Source: Author

Interview questions focused on building a deeper understanding of what motivated participants to formalise their HBB or led to any change in intention. Group A included participants who had intended to formalise their HBB at some time (short, medium, or long term); some participants had expedited their intention to formalise their HBB from the long to medium term, and thus were moved to subgroup A2 (medium-term) (which had no participants in phase one); one participant expedited her intention to formalise her HBB from the long to short term, and was moved to subgroup A1 (short-term).

Group B represents participants with no intention to formalise their HBB. None changed their intention status. Additionally, some participants (Samar, Maryam, Abeer, and Rasha) changed their intention from long-term (phase one) to having no intention to formalise their HBB (phase two), and moved from group A to group B. One participant (Yousef) also changed his short-term intention to formalise his HBB to having no intention to do so (phase two), and moved from group A to group B. Consequently, some other participants were added to group B in phase two. A new group (C) was created to accommodate some participants from subgroup A1 who had completed formalisation by phase two. Appendix 8 details fluctuation in intentions of 36 participants from phase one to phase two in November 2018.

5.3.1 Group A: Participants who intend to formalise their home-based business

This group with 14 participants was further classified into three subgroups: A1 (one participant who intended to formalise her HBB in the short-term), A2 (13 participants who intended to formalise their HBB in the medium-term), and A3 (no participants who intended to formalise their HBB in the long-term).

5.3.1.1 Subgroup A1: Home-based business owners who intend to formalise their home-based business in the short-term

This group included one participant Fatma who had moved from subgroup A2 (long-term). When asked why she had changed her intention, she mentioned getting married to a man who specialised in business and management who had suggested new ideas to improve her business, and that she was changing her business plan and wanted to open an online instead of a physical store. She maintained:

> *"I have been married for one year, my husband specialises in business studies [...] I am consulting him for my home business and he in turn inspired me with new ideas to continue with my home business and encouraged me to formalise my business soon."*

5.3.1.2 Subgroup A2: Home-based business owners who intend to formalise their business in the medium-term

Phase two interviews were held shortly after introduction of Ministerial Decree No. 258[18]. While there were no participants in this subgroup in phase one, many participants had shifted from subgroup A3 (long-term) to this subgroup by phase two. When these participants were asked to report the reasons behind changing their intention status, they acknowledged this Decree as a being main determinant. According to Sara:

> *"A lot of people who have home businesses on Instagram formalised their businesses after a couple of years [...] what we thought was so hard to achieve, became an easy task. The government is very supportive, and the procedure to get a commercial license has become simpler than ever after introducing the new Decree. If you are serious, and willing to work for it, then you should be able to do it."*

A change in business plan was also cited as a reason. Participants who had planned to open a restaurant, after surveying the market, had changed their mind to opening a small kitchen. According to these participants, getting a business licence for a central kitchen in Kuwait is easier than getting a license for a restaurant, also the start-up and running costs of a small

[18] Decree No. (258) in 2018 allowed Kuwaitis to start-up a business without a business partner (one-man company), with a minimum start-up capital of 100 KD.

kitchen were less than those of a restaurant. Few participants reported having changed their business plan. For example, Shiama explained:

> *"The new decree changed my intention to formalise my business. I thought I needed around 10 years to start a restaurant, or a café. But I realised I do not want to open a café; I would rather open a central kitchen and expand my on-going pastries and pizza catering business. The procedure of formalising a catering business with a central kitchen is easier with less headache. [...] I already have all the catering business equipment [...] Now, I think I need around 4–5 years to establish the business's foundation and open a central kitchen."*

Few participants also modified their business plan from designing homewares to designing and providing training courses for others to design their own homeware. For example, Amna started her HBB in 2011. She used to sell her drawing to customers but after gaining some experience, she added training courses and taught her art to people, relayed:

> *"I like art, especially drawing on glass, silk, etc. [...] I started my home business by drawing on mugs and plates [...] Customers loved my art, and I received many customised orders from them [...]. By time I got more experienced, and upon my customer request, I added training courses and taught my art to my customers [...] I realised that the change I made in my plan helped me to gain more money at the same time, I knew that getting a business licence for micro business activities would be easier and available in Kuwait [...] This pushed me to really think about formalising my home business within 4–5 years."*

Barriers to home-based business formalisation

Despite the government efforts to facilitate business licence rules and regulations in Kuwait, some participants had concerns about formalising their HBB. When participants in subgroup A2 (medium-term) were asked what their concerns were, several identified hindrances to formalising their HBB. All were concerned about the availability and cost of suitable premises, because a good and affordable location that meets the needs of a business and its customers is a challenging undertaking. Shiama explained:

> *"Rents of shops are too high in Kuwait [...] and it is difficult to find a good location [...] and I am worried about the day where I do not reach my break-even point and have to pay from previous profits. The summer season in Kuwait is slow, and to adopt such expensive obligations is something that worries me."*

Some participants had concerns related to stability of customer demand, explaining that customer taste in products/services may change over time, or some may look for lower priced products/services and others for better product/service quality. This may influence the business in several ways: it may lower the sales, or increase inventory and lower profitability, thus hindering HBB formalisation. For example, Shaha is unsure about the stability of customers' demand particularly in food sector, since she believed that the Kuwaiti market is currently full of restaurants, maintained:

> *"I am afraid of formalising my business [...] many businesses and restaurants opened, stayed in the market for a while, and then had to close. My husband, who is my business partner, is not very optimistic about the idea of formalising but I do [...] even though we have enough money to formalise the business, yet we have concerns about this issue."*

Enas who started her HBB in 2017, specialising in making homemade pasta relayed her concerns regarding stability in customer demand, stating:

> *"I started my home business specialising in pasta stations [...] In the beginning I was receiving many orders from customers, however, I realised that by the time there was a decline in the customers' orders [...] I tried to improve and add new lines and*

taste to my food, however, I have concerns that I will reach a point where there will be less customer demand."

5.3.1.3 Subgroup A3: Home-based business owners who intend to formalise their home-based business in the long-term

This subgroup in phase two included no participants as such: some participants represent missing cases; other left this subgroup to other subgroups. Some of those participants who left this subgroup expedited their intention to formalise their HBB to the medium-term, moving to subgroup A2 (for reasons explained in section 5.3.1.2 Subgroup A2: Home-based business owners who intend to formalise their business in the medium-term, page, 117). One participant from subgroup A3 expedited her intention to formalise her HBB to the short term and moved to subgroup A1 (for reasons explained in section 5.3.1.1 Subgroup A1: Home-based business owners who intend to formalise their home-based business in the short-term, page, 117). Few participants abandoned their intention to formalise their HBB (for reasoned explained in section 5.3.2 Group B: Home-based business owners with no intention to formalise their home-based business, page, 120).

5.3.2 Group B: Home-based business owners with no intention to formalise their home-based business

Most participants in this group did not change their intention in phase two, with few participants represent missing cases. Participants who did not change their intention to not formalise their HBB were asked to explain the reasons behind not changing their intention, most participants reported the same reasons as mentioned in phase one which includes: job satisfaction and security; utilising free time to practice a hobby and planning for higher education. However, few participants added new reasons. For example, Zakiya prepares buffets claimed that the increased market competition and market saturation were the reason behind not changing her intention status, explaining:

"I noticed that in the last two years, the number of restaurants in Kuwait had increased significantly [...] I believe that some restaurants will be closed because of the severe market competition and saturation."

Noura designs flower bouquets, added another reason as the extra cost incurred from renting a shop and/or hiring and paying for workers, stating:

"Well, I think the idea of having a home business is better than the idea of paying extra costs for having a shop [...] I cannot imagine how flower shops can make profits. Finding a flower supplier with good quality and low price is a challenge in Kuwait [...] actually I am selling my flower bouquet with reasonable prices and profits [...] If I open a shop, I need to raise the price of my flower bouquets to cover my expenses, then I will lose my customers."

Few other participants were added to this group from other subgroups because they abandoned their intentions to formalise their HBB. When asked why they had changed their intention, several reasons were articulated. As an example, Maryam who once intended to formalise her HBB in the long-term (phase one), had by phase two received an education scholarship. She stated:

"I applied for a scholarship to continue my education [...] I was so happy when I received the news about accepting me into a prestigious university [...] since my study will take many years, I changed my mind about formalising my home business."

Samar believed her market was saturated and highly competitive, especially after her sister closed her shop and had to continue paying loans. She claimed her HBB no longer provided her with sufficient profit, so she abandoned her intention to formalise her HBB, stated:

"Honestly, if you compare the market in Kuwait five years ago with nowadays, you will see that so many well-known shops and restaurants closed [...] when I started my home business a long time ago, I was receiving many orders from customers, but I think that the market now is saturated and highly competitive [...] My sister closed her salon and is still paying her loan [...] That's why I prefer to continue my home business without formalising."

Abeer also abandoned her intention to formalise her HBB, because her husband preferred a stable family life, therefore she preferred not to formalise her HBB, articulated:

"After my marriage, I decided to share all my decisions with my husband [...] my husband did not like the idea of having a business that may keep me away from my home and family [...] therefore I disregarded my intention to formalise."

Yousef and his partners had intended to formalise their HBB in the short-term, but due to difficulties he experience maintaining a good relationship with his business partners, he felt compelled to abandon his intention to formalise his HBB, commenting:

> *"I need my partners to help me, especially that we worked together in a booth in some expo [...] but unfortunately, one of them had problems in his personal life, and the other started to get lazy [...] With my partners, I started to lose motivation, and changed my intention of formalising the business."*

Rasha had also intended to formalise her HBB in the long-term, but due to difficulties in maintaining a good relationship with her business-partners (family members), she abandoned her intention to formalise her HBB, stated:

> *"My company consists of my nieces and me. After a while, we had conflicts, and we could not resolve it. Being the aunt, I decided to leave the business for them to avoid any further conflicts within the family. For you to start a business with partners, you need to have a high level of acceptance of the others and a high level of professionalism."*

To summarise, it appears that there is a clear fluctuation in the intention status of some participants from phase one to phase two. External circumstances and other factors influenced participant's intention over time which reflected on participants' decision to take action.

5.3.3 Group C: Formalised participants (from intention to action)

Most research on entrepreneurial intention assumes that intention leads to action. However, available evidence indicates that not all entrepreneurial intention is translated into action, revealing the phenomenon of the 'intention–action gap' (Kautonen et al., 2013). Given the focus of this research on the formalisation process in a dynamic condition, a longitudinal approach was used to understand why some participants did not formalise their HBB while others did? Of 11 participants who had intended to formalise their HBB in the short-term (phase one), 10 had done so by phase two (group C).

All participants who had intended to formalise their HBB in the short-term had identified more than two pull factors, while some of them had identified a combination of push and

pull factors as a motivation to do so. It is not clear if only push and pull factors led these participants to formalise their HBB, or it were there other reasons that need to be considered. When these participants were asked why they had acted, they reported the same push and pull factors that were reported in phase one (see section 5.2.3.1 Subgroup A1: Home-based business owners who intend to formalise their home-based business in the short-term, page, 99):

1. Friends and family support and encouragement
2. Love and/or passion of venture
3. Exploiting market opportunities
4. Self-confidence
5. Job dissatisfaction
6. Insufficient salary
7. Seeking independence and personal autonomy
8. Self-challenge
9. Lifelong ambition to start a business

Regarding the pull factor 'friends and family support and encouragement,' this motivation was reported by most participants with a short-term intention to formalise their HBB in phase one. For example, Suliel, explained that her parents had supported her financially to improve her business skills by attending training courses that they paid for:

> *"My parents are supporting me to grow my business [...] when my father heard how people are praising the chocolate I make, he insisted on me to take more training courses outside Kuwait [...] he paid for it just to improve my skills in making and designing the chocolate [...]their support motivated me to think of opening my shop soon."* (Phase one)

In phase two, most participants again reported 'friends and family support and encouragement' as motivation. Rula explained how her husband supported her financially to formalise her HBB:

> *"I do have to say that my husband did help me a lot by loaning me some money when the business is in need, but I always pay back [...] I never went to a bank for a loan, my husband was the one financing me [...] his financial support helped me to make the down payment for my shop [...] and I am really thankful to have such a supportive man in my life."* (Phase two)

The role of 'friends and family support and encouragement' with regards to financial support differed between phases. According to Suliel, phase one parental financial support helped her improve her business skills, encouraging her to (at least intend to) formalise her HBB in the short-term. In Rula's case, in phase two, the financial support of her husband enabled her to formalise her HBB and to open her own shop.

The role of 'friends and family support and encouragement' in providing information regarding market opportunities, and advice for HBB development, also differed between phases.

> *"I have a friend who I always seek his advice on business related matters. For example, when I decided to price my products, I called him to take his opinions regarding the suitability of the price in the market, and he in turn helped me with the pricing strategy."* (Phase one, Ahmad)

> *"My cousin has just started his formal business; he is helping me to formalise my home business in many ways. For example, he encourages me to start the licensing procedures and what are the starting points to get the business licensed. Also, he gave me his friends' contacts and asked them to find a small shop with a reasonable price."* (Phase two, Khadeja)

Support and encouragement of friends and family was also identified in helping participants find a suitable shop with reasonable rent, as Khaled explained:

> *"I have a good relationship with my friends [...] as soon as I received an offer from the company to sign a contract with them, my friend came to my aid and searched for a suitable location for my shop."* (Phase two)

The role of 'friends and family support and encouragement' regarding information differed between phases. According to Ahmad in phase one, information support helped him understand pricing strategy and how to market his products, encouraging him to (intend to) formalise his HBB in the short-term. While in phase two, this motivation played another role, strengthening intention to formalise an HBB that led to action (formalisation). For example, in Khaldeja's case, her cousin guided her in the formalisation process, enabling

her to formalise her HBB. With regards to Khaled, his social network helped him find a reasonably priced shop, which enabled him to formalise his HBB.

'Seeking independence and personal autonomy' was reported by few participants only in phase one as a motivation to formalise their HBB in the short term. However, in phase two, most participants reported this as a motivation. As an example, Abdullah explained he intended to formalise his HBB as he aspired to become an entrepreneur:

> *"I always wanted to have my own business, to be my own boss, and to be me. I wanted to be in charge of how much money I make, and not leave it to someone else [...], I do not want people giving me money on pay day [...], I want to be in charge of my own future. Independence is important to me, and to be the owner of the business I work in, and to self-manage myself."* (Phase one)

> *"My business is my baby, I want to grow it in front of my eyes [...] I want to be my own boss, being responsible for my own money and independence [...] and that's why I quit my day job and formalised my business."* (Phase two)

'Seeking independence and personal autonomy' as a motivating factor in phase one formed the antecedents of intention to formalise HBB. As Abdullah looked forward to being independent, working for himself and having his own shop, this ambition inspired him to (intend to) formalise his HBB in the short-term, while, in phase two, this same motivation played a different role. Abdullah acted and quit his fixed job to fulfil his ambition by formalising his HBB and being his own boss.

During interviews, probing questions were used to understand a participant's life circumstances. Interview transcripts revealed other new factors, herein referred to as 'key circumstances,' that strengthened the participants' intention to formalise their HBB: *a change in licensing rules and regulations* and *receiving an offer to sign a contract with a company.'* With regards to the former, most participants mentioned new changes in business licensing rules and regulations had triggered them to formalise their HBB. Eman stated:

> *"I wanted to have a business licence four years ago, however, I could not complete the formalisation process due to some error in the formalisation procedures [...]*

although we tried to deal with a delegate man but unfortunately he complicated the clearance procedures [...] When I heard about one man company, I told myself that this is a good opportunity for our company to be established formally [...] the instructions in getting the business license were easier than before [...] I got the business license in two weeks."

Few participants mentioned receiving an offer to sign a contract with a company[19], triggering them to formalise their HBB. Khadeja maintained:

"I could not tell you how happy I was when I received an offer from a well-known food application to add me to their list. Through this food application, I can sell my food products quickly and easily [...] without having a business licence, I could not join that food application."

Table 16: Motivations and key circumstances for formalised participants/phase two

Motivation and key circumstances	Participant
Seeking independence and personal autonomy	Ahmad, Khaled, Khadeja, Zahra, Yaser, Eman, Nuha, Rula, Abdullah, Altaf
Friends and family support and encouragement	Ahmad, Khaled, Khadeja, Zahra, Yaser, Eman, Nuha, Rula, Abdullah, Altaf
A change in licensing rules and regulations	Khadeja, Zahra, Yaser, Eman, Nuha, Rula, Altaf
Received an offer to sign a contract with a company	Khaled, Yaser, Khadeja

All participants reported motivations and key circumstances as having triggered them to formalise their HBB (Table 16). However, no one motivation or key circumstance was prioritised over another. Motivations from *'seeking independence and personal autonomy'* and *'friends and family support and encouragement'* were prevalent. Generally, no single reason (push or pull), or key circumstance, encouraged a participant to formalise their HBB, but the interaction of several of them did contribute towards the formalisation

[19] To sign a business contract and work with a formal company, an informal Kuwaiti HBB owner must attain a business license to operate formally.

process. Given the complex nature of push and pull factors, it is difficult to establish a pattern in the sequence of reasons, whether a push or a pull factor tended to occur first. Instead, explaining how these motivations interact with each other, and with key circumstances, can provide an insight to understand the process of HBB formalisation.

A deeper explanation of how the formalisation process was completed is presented for two participants Khaled and Rula.

Khaled alleged he was dissatisfied with his fixed job, could not fit in with his colleagues and work environment, and that he preferred to work for himself instead. Therefore, he began thinking about his own business as a means to seek independence:

> *"What has been driving me all this time was my desire to succeed and be satisfied with what I have done with my career and life. I was not satisfied with who I was when I was working in my job, I felt like a loser, and deep inside I know this is not me [...]. This feeling was continuously pushing me toward becoming something more [...] and working for myself. [...] I feel that this day job is the wrong place for me. That is not my place, I had to be more, and do more."*

At that time, Khaled's wife and her friend were operating their own HBB organising events, but they faced a problem with finding a reasonably priced flower supplier. They searched in vain. Khaled was working as a freelancer, and he had good experience in negotiating and making deals with companies. His wife encouraged him to join their home business and help as a negotiator to find suppliers and make deals. He agreed to do so and found a suitable flower supplier. Soon Khaled began visiting companies and offering to organise their events for them, which he marketed using photographs posted on their business Instagram account. His friends supported him and helped him, mentioning his business to companies and organisations. A friend also helped him find a good, reasonably priced shop. Khaled then received an offer from a flower supplier (company). He studied market demand and seized this opportunity, formalising his HBB, signing the contract and resigning from his fixed job. He explained:

> *"My wife and her friend at that time had their own home business in organising events [...] she encouraged me to join them and help to find a flower supplier [...] I have a good talent in business negotiating and know how to finalise deals [...] I got*

a good offer to sign a contract with a company [...] At that time, I realised that I need to have a business license."

Rula began her HBB in 2001 after thinking of an idea for Girqean, a religious ceremony, for her children. Her family and children at school loved her new idea, which grew, and others began ordering Girqean from her. After gaining many customers she created a website with a new concept displaying all Gierqean designs in 2006. She said:

"I started my home business in 2001, by a simple idea that were not available in the market at that time, I created a new concept for celebrating Girqean occasion, including new costumes for girls and boys with keeping the traditional style [...] people like my work and asked me to make for them."

As demand for her Girqean costumes increased she became overwhelmed and designed a new framework to handle more clientele. She stopped taking orders for a year to develop this new framework and returned to her business with new ideas and products previously unavailable in local markets, such as prayer gowns and mats in gift packages. In 2013, her business success made her consider formalising her HBB, and opening a shop for customers to visit. By 2018, she had formalised her HBB, obtained a business license (benefiting from changed business licensing rules and regulations), and had opened her own shop without need for a partner. She maintained:

"I benefited from this Decree a lot, because I started what they call "One Person Company." This kind of company only has one owner who owns 100% of the company, so any signature or formal paper, me is the only one who can sign papers. In other companies, if you want to do something in the bank, or government paperwork, you will need to get all partners to sign, and that's a headache [...] I would imagine sometimes if my husband was a partner in the company, I can only imagine the amount of work that would be postponed due to conflicts in our schedule."

Rula's shop is in one of Kuwait's fanciest malls and represents the image she wanted for years. She is proud of herself, having achieved what she sought for years, being her own boss:

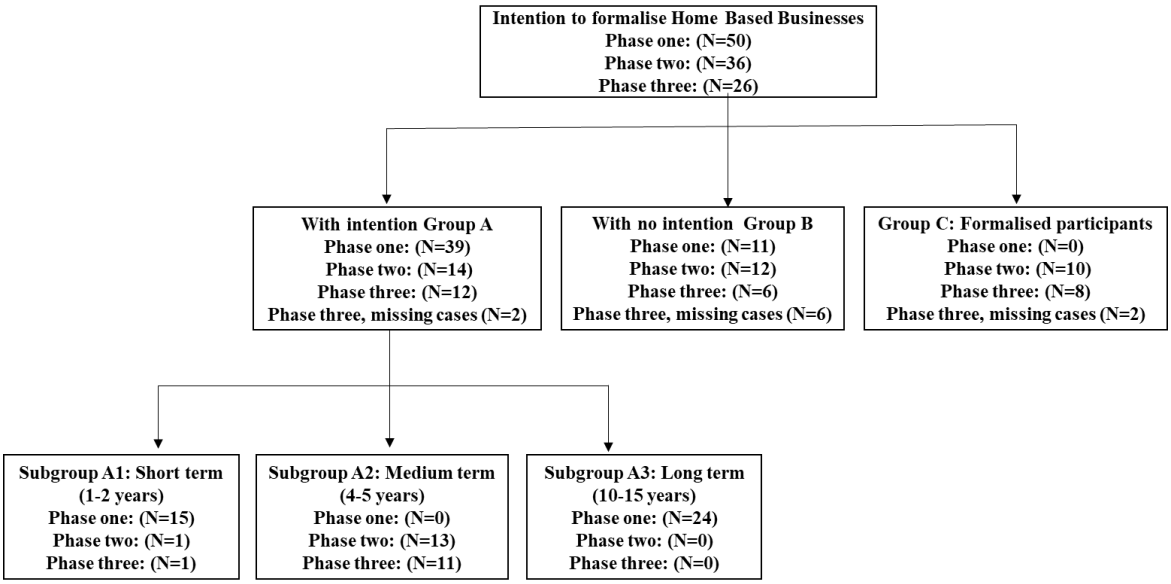
"I'm really proud, honoured, and happy with where I am currently in and the whole journey that got me here. I feel that I am a successful woman who depends on herself and becomes independent."

5.4 Phase three: Exploring fluctuating intentions to formalise a home-based business

Drawing on the rationale of using a constructivist grounded theory methods, this phase aimed to elaborate on the role of five personal characteristics identified from phase two as motivating the formalisation process, and to determine if participants in group A (with prior intention) and group B (with no prior intention) to formalise their HBB had changed. Five months after phase two data collection, the same 36 participants were approached to contribute to phase three. Of them, 26 agreed to be re-interviewed (10 missing cases), so the panel attrition rate was again 28% (Figure 7).

Within group A (participants intending to formalise their HBB in the short, medium, or long term), 12 of 14 participants responded and indicated no change in their intention. Within group B (participants that expressed no intention to formalise their HBB), six of the original 12 responded and indicated no change in their intention. For group C (formalised participants), eight of the original 10 responded and were re-interviewed regarding the five personal characteristics identified in phase two.

Figure 7: Participant intentions status/phase three (n = 26)



Note: The numbers in this Figure are only to demonstrate for the readers how many participants are in each group in terms of sample size Source: Author

5.5 Phase three: The role of personal characteristics in the intention–action gap

From phase two, the five personal characteristics (self-confidence, persistence, previous experience, future vision, and continuous thinking about the business) emerged as affecting the formalisation process. These attributes distinguished formalised participants (group C) from non-formalised participants (group A). Given the nature of theoretical sampling in grounded theory methods, more data were collected in phase three by re-interviewing formalised participants to reach theoretical saturation. During the interview, formalised participants were asked to review the questions and think if they presented with these personal characteristics. Most participants reported that they did; few took some time to answer questions, believing it was inconvenient and reflected psychological issues.

All formalised participants considered it important for a business owner who intends to formalise a business to be self-confident, persistent, and to have previous experience, while future vision and continuous thinking about the businesses, played an important role in sustaining and growing a business.

All participants agreed that self-confidence was an essential starting point for any business owner who eventually sought to formalise it, and that it was the foundation of the four other personal characteristics.

> *"Self-confidence is very important for any business; without self-confidence you cannot take a step forward. In every step I take in my business, I do it because of believing in myself."* (Eman)

> *"Self-confidence, of course, is essential to start any business, how do you start a business without believing that you are capable of doing a certain task."* (Yaser)

Khaled maintained that without self-confidence he could not decide on when to formalise his HBB. Self-confidence to him represented an owner's ability to control fear when faced with adversity, and the ability to maintain self-control when under pressure. He maintained:

> *"I can assure you that my business can succeed and that I can continue to step from one achievement to another. Main reason behind my confidence in my business is that I am a confident person in general, and my market knowledge puts me a step*

ahead of my competitors, you know, I signed a big contract with a company just after formalising my business."

With regards to persistence, all formalised participants defined it as the ability to continue with a business even when frustrated by the behaviour of some people. According to Eman:

"When you start your business, you will find yourself frustrated by some people's behaviour in some ways, as you will hear some of them saying why do you need to open your own shop? Others say that people nowadays prefer shopping online [...] why would you quit your steady job which provides you with a steady income?[...] So, without self-confidence and persistence you wouldn't be strong enough to develop your business and set up your goals."

All formalised participants explained that being persistent was an ability to continue solving business problems and reach suitable solutions. According to Nuha:

"I faced problems getting the health licenses for my workers. I was assigned a violation for failure of attaining a health license even though I had received the license a week before the violation. I have to be patient and work hard to keep my restaurant open. I had to go to their main office and look for the person responsible. It took me ten days to get an appointment with that person, he was either out of office, absent, or in a meeting. [...] and that cost me ten days of continuous visits until they dropped the violation."

All participants mentioned that if they had lacked self-confidence, they would have had problems making decisions in difficult situations, and that if they lacked persistence, it would have been difficult for them to find a reasonably priced suitable location for their business. Therefore, self-confidence and persistence were integral to HBB formalisation. Rula commented:

"Without having self-confidence, I could not find proper solutions for the problems I faced during my business. For example, I encountered a problem after designing a set for prayer, but the factory failed to follow my design. Being a persistent person, I added some additives to the products and the customers loved it."

From interviews, it became apparent that the relationship between self-confidence and persistence was complex. When a person was determined to achieve a goal, this was proof of their self-confidence to achieve that goal. Thus, a person's self-confidence would generate persistence. As Altaf' explained:

> *"Sometimes I feel that self-confidence and persistence are the same, but, I would like to explain that in my case, without self-confidence I could not persist to formalise my home business [...] I believe that self-confidence generates persistence [...] I had to achieve certain goals in my business within a certain time, because I am a persistent person, who has self-confidence, I fulfilled some of those goals."*

When formalised participants were asked to report the role of previous business experience on the formalisation process, all mentioned that previous experience enabled them to formalise their HBB with reduced potential risk. According to Yaser, without previous experience in a business, it was impossible to start a business. Business owners should have (at least) a basic business knowledge to run it. To him, his previous HBB and work experience enabled him to learn from previous mistakes and formalise his HBB without increased risk. He stated:

> *"I am an engineer and I love my fixed job [...] I learned about it in college, and now I am experiencing it in my business field [...] I use my experience and utilised my academic knowledge in growing my business and reached a point where I can shape concrete in any shape or form, I desire."*

According to Altaf, her previous experience with running her HBB increased her self-confidence in many ways, such as improving customer communication, how to approach business activities and events, and how to make appropriate decisions. She stated:

> *"My previous home business was importing and selling clothes through my Instagram account [...] from this home business, I got the knowledge about how to deal with the customer, how to run the business [...] this experience raised my self-confidence [...] when I switched my business to flower arrangement, my previous experience helped me to formalise my business."*

Previous business experience enabled Eman to formalise her HBB and avoid risks of business failure. To her, running an HBB was about experimenting in the market and understanding customers' needs. She maintained:

> *"My previous experience in home business provided me with self-confidence to open my own shop with lower risks and to make the required business decisions."*

Rula gained previous experience in running an HBB for 16 years before formalising it. Without previous experience she felt it would be difficult to meet market needs and understand people's tastes. Rula believed her previous experience enabled her to excel among competitors, build a strong customer base, and reduce risk of business failure. She explained:

> *"I started from nothing and started to grow slowly over time. I established my name and know how to do business by continuously working with customers and ensuring the highest level of services. Another thing that made this step easier is our strong customer base that I built over time. People already know who we are, what we do, and the level of services we provide. [...], but I feel if you establish your customer base and form a good experience over time, you can reduce your risk."*

Previous experience in running an HBB enabled participants to build a good customer base, experience, and skills. According to Nuha:

> *"Finally, the time to fulfil my dream arrived [...] I have had passion since 2003 when I started my home business [...] I built a good experience in my business also, I built a good customer base [...] now I know how to develop my business plans through organising the financial budgets, salaries, renting [...] I think it was the right time when I formalised my business."*

Regarding future vision and continuous thinking about the business on HBB formalisation, all formalised participants mentioned both played important roles in sustaining and growing a business. For the sake of conciseness, the researcher does not explore HBB growth, but rather focuses on the formalisation process of HBBs. In this respect, future vision and continuous thinking about the business are not considered personal characteristics contributing to HBB formalisation but are related to business growth

instead. As for future vision, all formalised participants mentioned having set plans on where their business was heading, but these plans were flexible, possibly changing with market need. Without a future vision, it is difficult for a business to progress and thrive. According to Khaled:

> *"My future vision is flexible depending on the changes that occurred in the market [...] Sometimes I focus on B2B business [...] However, most of my customers are those born in the mid-90s [...] I understand that these people will soon be having kids, and they will be the ones shopping for them. I, thus, plan to continue investing in this age group and have them continue buying my products."*

According to Rula, no business was sustainable or could grow without a future vision, and that every business owner should have one that they wanted to achieve. Rula had plans to grow her business and reviewed both semi-annual and annual plans every three months. She explained:

> *"If I tell you what my 5 years plan is you would be surprised. I plan on expanding my reach and getting to place no Kuwaiti brands have reached before. I want to expand in the region of course, but eventually I want to have a shop in London Heathrow Airport, having my name on it. I can see how it looks, and I think there is a demand for it."*

All formalised participants mentioned continuous thinking about the business helped them develop their products/services and kept them informed about peoples' tastes and needs in the market. According to Khadeja, continuous thinking about a business was the most important factor in the growth of any business as without it a business owner would find themselves behind the market and unable to compete. The market is very competitive, and if a business owner fails to adapt their business, they would find themselves out of business before they realised it. Khadeja alleged:

> *"I am not exaggerating to tell you that even after formalising my home business and till yesterday I was thinking about how I can develop my product, I am telling myself, for example if I add drinks or add a new flavour would my customers like it? I am thinking and thinking, sometimes I also search the Internet for new ideas."*

5.6 Summary

Drawing on a qualitative longitudinal approach, a sample of 50 informal Kuwaiti HBB owners were followed in a three-phases for 2-year period and yielded several results.

Phase one explored the role of push and pull factors in forming the antecedents of intention to formalise an HBB and classified participants into two groups based on their intention to formalise their HBB. Also, it was found that participants who intended to formalise their HBB in the short-term had multiple motivations, either a combination of push and pull factors, or a combination of two or more pull factors. Whereas participants who intended to formalise their HBB in the long-term reported only pull factors, and for most of them, a single pull factor only.

Phase two explored the effect of time on participants' intention. It was found that some participants had expedited their intention to formalise their HBB (facilitators to HBB formalisation), which includes introducing the Ministerial Decree No. 258 and change in business plan. Other participants disregarded their intention to formalise their HBB (barriers to HBB formalisation), which includes (1) high rental cost of premises; (2) lack of start-up capital; (3) lack skills and experience; (4) fear of failure due to market competition and saturation; (5) partner conflict and (6) getting married. Moreover, this phase explored the role of motivations and key circumstances (a change in licensing rules and regulations and received an offer to sign a contract with a company) in translating the participants' intention into action (formalisation). These key circumstances triggered some participants to take immediate action and formalise their HBB. By introducing the Ministerial Decree No. 258, Kuwaiti entrepreneurs could start-up their one-person company, with a minimum start-up capital requirement of 100 KD. Also, some participants were triggered by receipt of a special offer to sign a contract with a company, leading them to immediately formalise their HBB, which they did so as not to lose an opportunity.

Phase 3 explored the role of personal characteristics (self-confidence, persistence, previous experience in running a business, future vision, and continuous thinking about the businesses) in translating participants' intention into action. It was found that self-confidence, persistence, and previous experience in running a business are important in translating the participants' intention into action (formalisation). However, according to

participants view, future vision and continuous thinking about the businesses, may play an important role in sustaining and growing a business.

5.7 Conclusion

This chapter has presented and discussed the findings for three phases of this research. The intention to formalise an HBB in the short-term is a strong predictor of HBB formalisation. This chapter has also illustrated the roles of push/pull factors on forming the antecedents of intention to formalise an HBB, and highlighted the motivating roles of 'friends and family support and encouragement' and 'seeking independence and personal autonomy' in explaining the intention–action gap. A combination of push and pull factors and/or more than two pull factors strengthen the intention of the participants to formalise their HBB.

In the main, this chapter has outlined the motivations and key circumstances explaining the intention–action gap and explored the three personal characteristics contributing to HBB formalisation. Finally, it answered the research questions and added new knowledge on literature on HBBs, entrepreneurial intention, the intention–action gap, and formalisation of informal entrepreneurship.

CHAPTER SIX: DISCUSSION

6.1 Introduction

This chapter begins with a brief discussion about the key findings of chapter 5. It begins by discussing HBB formalisation process in Kuwait, the roles of push and pull factors on the formation of antecedents of intention to formalise an HBB, and positioning these factors within the antecedents of intention in the TPB theoretical framework. Thus, it contributes to entrepreneurial intention literature by adding new knowledge regarding intention formation. The chapter then focuses on the role of motivations, key circumstances, and personal characteristics that translate informal Kuwaiti HBB owners' intention into action (formalisation), and thus contributes to literature on the entrepreneurial intention–action gap. This is followed by a discussion of barriers and facilitators affecting participants' intention to formalise their HBB. Finally, a brief conclusion answering the main research question underlying this research is provided.

6.2 Formalisation of home-based businesses in Kuwait

'I intend to start my HBB' is different from saying *'I intend to formalise my HBB'* in a Kuwaiti context. Although both statements are related to intention to perform a business activity, they differ legally, meaning each statement leads to a different pathway. An HBB in Kuwait is an informal and permissible business activity. Individuals can easily start an HBB at any time as there are no government rules and regulations preventing them from doing so.

There are no taxes on business activities run by Kuwaitis in Kuwait, except for companies already registered on the Kuwait Stock Exchange, for which the tax rate is between 2% and 4%. Due to the promising business environment and the absence of government rules and regulations, many Kuwaitis are encouraged to start-up their own informal HBB. This raises a question: why do some informal Kuwaiti HBB owners formalise their HBB, even though formalisation is optional, and at the same time raises the costs of running a business? The purpose of this research was to explore why some informal Kuwaiti HBB owners formalised their HBB whilst others did not.

There is considerable literature on entrepreneurship, but literature on HBB activities either formal or informal is limited, despite the importance of HBB as entrepreneurial activity.

Most research investigating HBBs is based in developed countries, or occasionally, developing countries (Loscocco and Smith-Hunter, 2004; Clark and Douglas, 2014; Mason and Reuschke; 2015). With regard to GCC countries, few studies have been conducted in the UAE (Erogul and McCrohan, 2008; Wally and Koshy, 2014) or Saudi Arabia (AlGhamdi and Reilly, 2013). To the best of the researcher's knowledge, no literature regarding the formalisation process has been undertaken on HBBs in Kuwait. Therefore, a significant knowledge gap existed, particularly for Kuwait.

Since the process of formalisation is a behaviour that follows an intention, it is important to understand the reasons behind formation of intention and how these might lead to HBB formalisation. Data were collected in three phases, starting in 2017 and ending in 2019, using qualitative, in-depth, semi-structured interviews. Constructivist grounded theory methods were used to analyse data and determine reasons behind intention formation. A longitudinal approach was used to follow participants' intention to formalise (or not) their HBB, and to explore barriers and facilitators to the HBB formalisation process.

Informal Kuwaiti HBB owners were classified into two groups based on their intention to formalise (or not) their HBB. Group A included participants who intended to formalise their HBB, while group B included participants who had no intention of formalising their HBB. Group A participants were further classified according to degree of intention: A1) short term (1–2 years), A2) medium term (4–5 years), and A3) long term (10–15 years). Over the research period (2017–2019) some participants in subgroup A1 formalised their HBB, while those in subgroups A2 and A3 did not. In this chapter, the research attempts to answer the main research question underlying this thesis *'why do some informal Kuwaiti home-based business owners formalise their home-based business, whilst others do not?'*

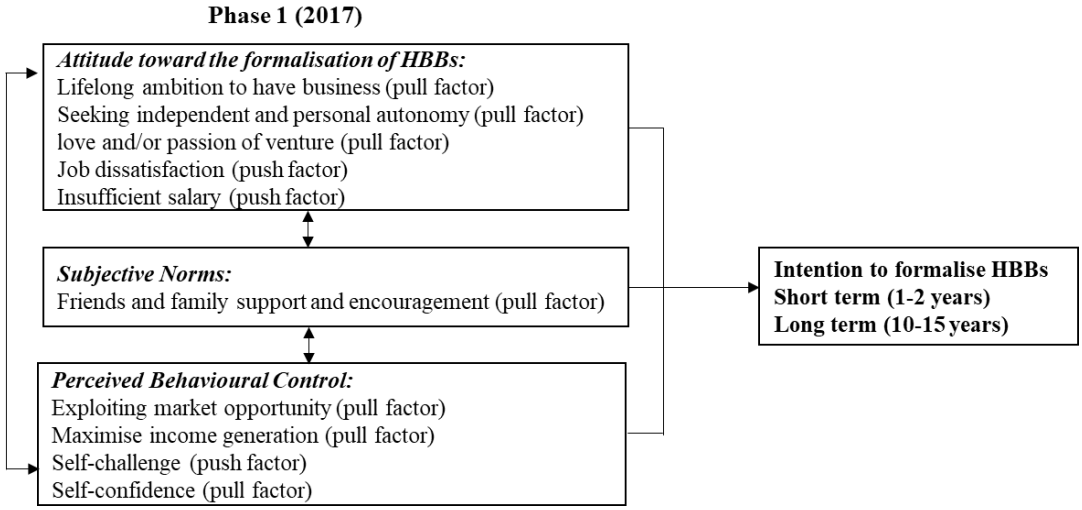
6.3 Motivations behind formation of intention to formalise a home-based business

Intention is often considered a direct antecedent and strong predictor of behaviour. The presence of intention is an integral part of the TPB model (Ajzen, 1991). However, where does the intention to formalise an HBB come from? Despite a body of literature regarding entrepreneurial intentions on business start-up, there has been limited discussion on the motivations behind formation of intention in the context of entrepreneurship. The inability of the TPB model to explain how behavioural intentions are formed (Gotlieb et al., 1994),

describe the motivational process, and how predictors act in the formation of intention (Bagozzi, 1992), have been rarely discussed.

As mentioned in chapter 2, the rationale for engaging in business creation differs between individuals, and results from a complex interplay of 'push' and 'pull' factors/theories of entrepreneurial motivation (Gilad and Levine, 1986). Necessity (push) and opportunity (pull) motivations must be considered as triggers of entrepreneurial intention (Buenstorf, 2007). This research revealed several push/pull motivational factors behind formation of intention for some participants who intended to formalise their HBB. (TPB was used as an orienting theoretical framework to provide insights into the HBB formalisation process, but not attempt to test the TPB model empirically is made herein.) Next, the researcher positions these push/pull factors in the TPB theoretical framework, within the antecedents of intention to formalise an HBB (Figure 8).

Figure 8: Motivational factors as antecedents of intention to formalise a home-based business



Source: Author

6.3.1 Attitude towards formalisation of home-based business (ATB)

ATB is *"the degree to which a person has a favourable or unfavourable evaluation or appraisal of the behaviour in question"* (Ajzen, 1991, p. 188). Motivational factors forming ATB include lifelong ambition to start a business, seeking independent and personal autonomy, love and/or passion of venture, insufficient salary, and job dissatisfaction.

Regarding ‘lifelong ambition to start a business, findings herein demonstrate that the intention of some participants to formalise their HBB was motivated by their dream of owning a business. To the best of the researcher’s knowledge, no literature has included ‘lifelong ambition to start a business’ within the term ATB. Therefore, positioning of this motivational factor was based on the definition of ATB. A lifelong ambition to start a business can be an indicator of attitude toward forming the intention to formalise an HBB.

Concerning ‘seeking independence and personal autonomy,’ findings demonstrate that the intention of some participants to formalise their HBB was motivated by a pursuit of independence. In line with predominant conceptualisations of independence, these participants sought control over generating their money rather than working for someone else. To them, independence and personal autonomy represented a desire to be one’s own boss, to be free from organisational regulations, and to not be monitored by managers. They preferred to set their work pace and schedule to fit their lifestyle and habits. Individuals with strong autonomy and/or independence motivation are likely to have higher levels of entrepreneurial intention (Delanoë-Gueguen and Liñán, 2018; Henley and Dawson, 2012; Lee and Wong, 2002). Accordingly, seeking independence and personal autonomy are positioned within the attitude toward forming the intention to formalise an HBB.

Regarding ‘love and/or passion of venture,’ findings herein demonstrate that the intention of some participants to formalise their HBB was motivated by their passion for their domain of business activity (e.g. hobby). Such products/services produce enthusiasm, which forms the intention of these participants to formalise their HBB. To the best of the researcher’s knowledge, only Biraglia and Kadile, (2017) have reported that individuals who are passionate about their business activities are more likely to intend to start a business. Thus, love and/or passion of a venture can indicate an attitude towards forming the intention to formalise an HBB.

Concerning ‘insufficient salary,’ findings demonstrate that the intention of some participants to formalise their HBB was motivated by a belief that their fixed salary was insufficient to cover their financial needs, despite Kuwaiti people being relatively privileged, with a high GDP per capita.

The process of purchasing a home in Kuwait differs from that in many other countries. Married citizens can obtain a house from the government by paying a small amount of money, or directly from the market through brokers, housing companies, etc. While it can take years to obtain a government house, purchasing one from the market is expensive due to established monopolies. These participants also identified a need to cover other financial expenses, such as buying a house, furnishing it, buying a car, or paying rent for those who live in rented apartments. Literature has not previously addressed 'insufficient salary' within the TPB antecedents of intention, so placing this motivational factor here was based on the definition of ATB. Therefore, 'insufficient salary' can represent an indication of attitude toward forming the intention to formalise an HBB.

With regard to 'job dissatisfaction,' findings herein demonstrate that some participants were dissatisfied with their fixed job and were disappointed with their work routine. Participants explained their sense of being in the wrong place, that their work provided them no sense of achievement, that it was unsatisfying, that they were wasting time and energy, and that they could produce more (extra) money if they formalised their HBB. Several studies have examined the relationship between job dissatisfaction and self-employment. It has been shown that individuals who are dissatisfied with their current job are more likely to consider entrepreneurship as an alternative, and that this contributes to their entrepreneurial intention (Brockhaus, 1980; Cromie and Hayes, 1991; Henley, 2007; Lee and Wong, 2002). To the best of the researcher's knowledge, no study has positioned job dissatisfaction within the term ATB. Therefore, positioning this motivational factor was based on the definition of ATB. Job dissatisfaction can represent an indication of attitude toward forming the intention to formalise an HBB.

6.3.2 Subjective norms (SN)

As discussed in Chapter 2 and according to TPB, SN refers to a perceived social pressure to perform (or not) intentional behaviours (Fayolle and Liñán, 2014). Knowing other entrepreneurs among family and friends can be an indicator of SN (Kolvereid, 2016). On this basis, 'friends and family support and encouragement' can be considered within the term SN. The surrounding environment (e.g. family, friends, work, and society) can influence an individual to start-up a business. Most participants in this research were strongly motivated by the support and encouragement that they received from their friends

and family, confirming SN can significantly impact an individual's intention to formalise an HBB (Schlaegel and Koenig, 2014; Wang et al., 2012; Yang, 2013). Networks of family and friends can provide financial capital, information about a business, access to clients and customers, and emotional support and encouragement (Edelman et al., 2016). This research demonstrated two forms of support: financial (e.g. zero interest loans) and/or information (e.g. praising products/services, encouraging others to buy products/services, providing feedback on a product/service to develop it).

6.3.3 Perceived behavioural control (PBC)

As discussed in Chapter 2, PBC is *"the perceived ease or difficulty of performing behaviour"* (Armitage and Conner, 2001, p. 479). Confidence in skills can be an indicator of PBC (Kolvereid, 2016). Recognising market opportunity and exploiting it depends mainly on an entrepreneur's cognitive skills and ability (Erdelyi, 2010). Thus, the suggested motivational factors forming PBC include exploiting market opportunity, maximising income generation, self-challenge, and self-confidence.

Regarding self-confidence, findings demonstrate herein that some participants believed in their abilities (e.g. had skills and knowledge) to formalise their HBB. Self-confidence represented the ability of a business owner to maintain self-control when placed under pressure, and to be decisive (hopefully make the right decisions) in difficult situations. Consistent with earlier research, entrepreneurial belief about an ability was closely related to entrepreneurial intention—individuals who believed in their ability to successfully start-up a business would intend to do so (Langowitz et al., 2005; Mawson and Kasem, 2019; McGee et al., 2009; Zhao et al., 2005).

With regards to 'exploiting market opportunity,' findings demonstrate herein that some participants were able to recognise new products/services that were unavailable in the market, motivating their intention to formalise their HBB. The ability to recognise market opportunity encouraged the intention of individuals to start a new venture (Jarvis, 2016; Souitaris et al., 2007; Zhang et al., 2015). Ability, motivation, and market opportunity positively impact business achievements, which directly leads entrepreneurs to a positive intention to start-up a venture.

With respect to ‘maximise income generation,’ findings demonstrate herein that some participants believed they could earn more money if they formalised their HBB, boosting their standard of living. This finding is consistent with Gicomin et al., (2007) who found ‘earn as much money as you can’ (among other factors) motivated the intention of some individuals to start-up a business.

With regard to ‘self-challenge,’ findings demonstrate herein that some participants liked to challenge themselves, especially when encountering circumstances that frustrated them. Self-challenge arises when people question the ability of these participants to continue or succeed in their HBB. Self-challenge may stem from an individuals’ personality and/or from context, influencing behavioural outcomes relating to HBB formalisation. To the best of the researcher’s knowledge, self-challenge has not been previously positioned within the term PBC. Positioning this motivational factor was based on the definition of PBC.

6.3.4 Motivational factors for short- and long-term intentions

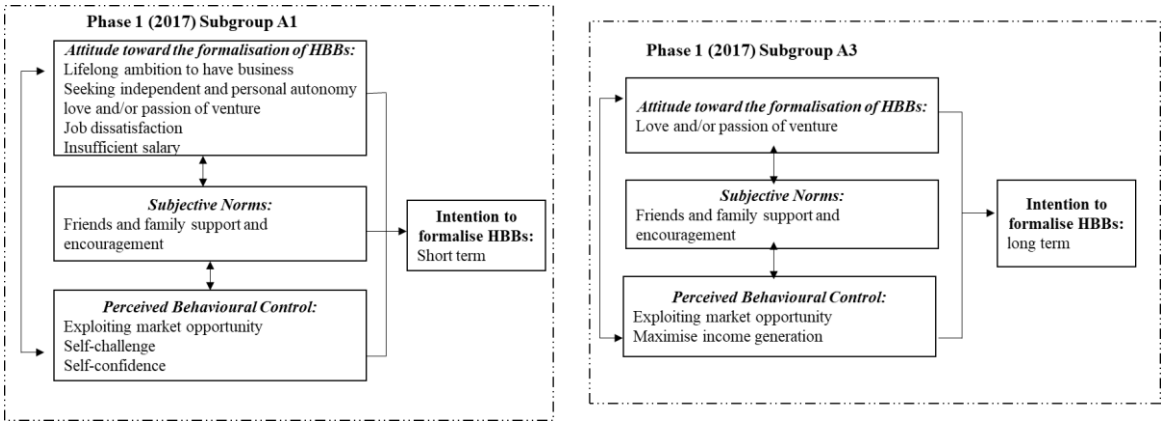
Despite the centrality of motivations (push/pull factors) as a construct in entrepreneurship, limited research has explored how these motivations link to entrepreneurial intention, and no research has addressed whether a combination of push and/or pull factors influences the degree of entrepreneurial intention. Icek Ajzen, in an interview with Tornikoski and Maalaoui, stated that intention in the short-term, such as ‘*I intend to create a new business in six months,*’ tends to be of a more practical nature, while intention in the long period (e.g. starting a business after graduating from college) tends to be broad and abstract (Tornikoski and Maalaoui 2019, p. 6). In this respect, phase one of this research aimed to explore the reasons behind formation of intention to formalise an HBB.

Data in phase one revealed that participants who intended to formalise their HBB in the short-term had multiple motivations, either a combination of push and pull factors, or a combination of two or more pull factors. Participants who intended to formalise their HBB in the long-term reported only pull factors, and for most of them, a single pull factor only. Thus, participants who exhibited a combination of push and pull factors, or more than two pull factors, formed stronger intentions to formalise their HBB in the short-term, and many did so during this research period. No participant who exhibited a single pull factor formalised their HBB during this research period. This suggests that a combination of push and pull factors forms a stronger intention to formalise an HBB in the short-term. Whether

a combination of push and/or pull factors can influence the degrees of intention has not been previously explored.

Research demonstrated that pull factors dominated over push factors. Individuals were more likely to be pulled rather than pushed into entrepreneurship (Dawson and Henley, 2012; van der Zwan et al., 2016). There were more short-term pull and push factors (nine) than there were long-term pull factors (four) (Figure 9)—another novel finding of this research.

Figure 9: A comparison of motivational factors in short- and long-term intentions, phase one



Source: Author

6.4 The role of motivations and key circumstances in the intention–action gap

Intention does not always lead to action, creating an intention–action gap (Bogatyreva et al., 2019; Fayolle and Liñán, 2014; Hsu et al., 2018). Starting a business is a dynamic process that likely involves a combination of motivational factors at different stages. However, few studies have focussed on the effect of motivational factors on the entrepreneurial process (Hechavarria et al., 2012).

In this research, no change in push or pull factors was apparent among formalised participants (group C) between phase 1 and 2, although the motivation ‘seeking independence and personal autonomy’ did increase in importance in phase 2. Within the context of phase 2, the motivations of ‘seeking independence and personal autonomy’ and ‘friends and family support and encouragement’ were dominant among participants. Therefore, the researcher focused on explaining the role of these two motivations in translating participants intention into action.

It is important to note that throughout this research no single factor or reason has explained the formalisation process of HBBs in Kuwait. It is also important to mention that no 'one size fits all' approach in the formalisation process for all participants, but that a combination of various motivations related to time, personal characteristics of the participants, and the surrounding environment. Other factors not covered in this research might also affect the formalisation process.

To address the second sub-question underlying this research, **'**why do some informal Kuwaiti home-based business owners, who intend to formalise their HBB, complete the formalisation process?, the following sections explain the roles of 'friends and family support and encouragement,' 'seeking independence and personal autonomy,' and 'key circumstances' in the translation of participant intention into action.

6.4.1 Friends and family support and encouragement

Young entrepreneurs do not start a business alone, because they are embedded in a network of relationships, including family and friends (Edelman et al., 2016). Having a supportive family (particularly financial support) alleviates the need to generate sales revenue fast, reducing pressure on a business owner. Further, family financial support also reduces the need to look for external sources of funding (Edelman et al., 2016). Research presented herein demonstrates that all participants were supported by their family and friends in some way (financial or with information). Family and friends assisted participants to overcome barriers in business formalisation, leading them to formalise their HBB. Support was shown in: 'thought of first business ideas,' 'identified market opportunity and pricing strategy,' 'worked on product development,' 'discussed with potential customers,' 'searching for a shop,' 'promote their products/service,' 'provide information about the required resources,' 'interest free loans,' and 'guidance to formalisation process.'

Kuwaitis are emotionally and financially attached to their families, with the will of the individual subordinate to the will of the family, with decisions mostly based on group consensus. An individual's identity and leadership are highly influenced by one's context, such as family and close social groups (Kabasakal and Dastmalchian, 2001). Younger generations of men have become more supportive of their wives in making decisions regarding their business (Wheeler, 2001), with Kuwaiti women entrepreneurs increasingly being morally and emotionally supported by their husbands (Alghaith, 2016). The findings

of this research also determined that some female participants were supported financially by their husbands and parents, leading to formalisation of their HBB. Another example of support and encouragement was reported by participants in the form of information from their family and friends, who searched and found reasonably priced suitable shops or guided them, easing the formalisation process, and culminating in their formalising their HBB.

Families and friends may also negatively affect a business start-up (Dyer et al., 2014), with some entrepreneurs even slowing down business activities to avoid conflict (Krueger et al., 2013). In this research, three such cases occurred, where negative effects of family or friends led participants to abandon their intention to formalise their HBB (see section 5.3.2 Group B: Home-based business owners with no intention to formalise their home-based business, page, 120).

6.4.2 Seeking independence and personal autonomy

Despite the centrality of seeking independence and personal autonomy as a motivator to business start-up, little research has been conducted on how it is experienced or perceived by entrepreneurs (Van Gelderen, 2016; Van Gelderen and Jansen, 2006). The motivation of seeking independence and personal autonomy contains elements such as: wanting to control one's lifestyle, choosing one's own projects, and needing flexibility of work and to be free from working with an inflexible boss (Foley et al., 2018). Entrepreneurs seeking independence and personal autonomy over their lives start their business with a specific aim of achieving this goal (Kelley et al., 2011; Reynolds et al., 2003).

All formalised participants in this research were strongly motivated by the pursuit of independence. This finding is promising as it suggests that formalised participants who were seeking independence and personal autonomy achieved their expectations as business owners. This finding is consistent with other research which found that individuals were motivated to become business owners because they wanted personal freedom and independence (Benzing et al., 2009; Dawson and Henley, 2012; Van Gelderen and Jansen, 2006).

6.4.3 Key circumstances (trigger points)

Motivations interact with 'key circumstances' which triggered some participants to take immediate action and formalise their HBB. To understand how the formalisation process of formalised participants was completed, it is necessary to consider both previously mentioned motivational factors, and key circumstances (trigger points). Longitudinal data revealed two key circumstances: changes in licensing rules and regulations, and receiving an offer to sign a contract with a company.

All formalised participants experienced triggers, but not all of them experienced the same trigger points. Based on Brown and Mason, (2013, p. 285), trigger points were classified into exogenous or co-determined. Exogenous trigger points are "changes to a business that are fundamentally determined by factors out with a company's direct control and originating externally." The ultimate stimuli for co-determined trigger points are "are neither purely internal nor external to the firm but are a result of the actions of both parties."

The two key circumstances occurred after the formation of intention and before the actual formalisation. Across the majority of participants, the change in licensing rules and regulations (an exogenous trigger point) was the most frequently mentioned key circumstance. These participants were ready to formalise their HBB, but after business rules and regulations changed, they took immediate action and formalised their HBB. It is presumed that governments can encourage business formalisation by simplifying the administrative process in business (ILO, 2014). This could be in line with the effectuation theory (Sarasvathy, 2001), which views entrepreneurs as flexible individuals that aim to respond rapidly to exogenous changing conditions rather than to transform or create endogenous opportunities (Daniel et al., 2015). Formalised participants responded rapidly to exogenous changes (trigger points) and formalised their HBB during the research period. Taking into consideration that those formalised participants were having short-term intention to formalise their HBB, but the new rules and regulations changed their thinking in an effectual manner and triggered them to formalise their HBB.

The Ministry of Commerce and Industry in 2018 took a remarkable step to facilitate the business licensing requirements in Kuwait (chapter 3). By introducing the Ministerial Decree No. 258, Kuwaiti entrepreneurs could start-up their one-person company, with a minimum start-up capital requirement of 100 KD. An enhanced regulatory environment

significantly increased the number of registered businesses (Klapper et al., 2007). Tlasiss, (2015) also reported that Emirati women entrepreneurs were encouraged to start-up a business due to government efforts and support that sought to empower them to establish their own business.

Some participants were triggered by receipt of a special offer to sign a contract with a company (co-determined triggers points), leading them to immediately formalise their HBB (which they had planned to do, albeit in a while), which they did so as not to lose an opportunity. This finding is consistent with nascent research examining the role of signing a contract to fulfil the needs for special services as a joint venture with another company (e.g. Moghavvemi et al., 2015). The receipt of a new contract was recognised as a trigger point to start-up a business by (Stephan et al., 2015).

6.5 The role of personal characteristics in explaining the intention–action gap

The decision to start a business is influenced by the complex interplay of many factors, including personal characteristics or attributes of individuals, and the influence of social, cultural, political, and economic contextual factors (Mazzaro et al., 1999; Kouriloff, 2000). As noted in chapter 2, several researchers have suggested the need to include variables other than intention to explain the entrepreneurial intention–action gap (e.g. Shirokova et al., 2016; Yeh et al., 2020). Despite the importance of personal characteristics in business start-ups, few studies have reported their effects on business start-ups (Dobbs and Hamilton, 2007; Macpherson and Holt, 2007; Shook et al., 2003). To the best of the researcher's knowledge, no prior research has explored the role of personal characteristics on business formalisation. The three main personal characteristics observed over the three phases of this research were: 1) previous experience in business, 2) self-confidence, and 3) persistence.

6.5.1 Previous experience in business

As mentioned in chapter 2, entrepreneurial learning is based on previous experiences rather than knowledge that is acquired immediately before start-up. Prior business experience positively influences an entrepreneur's decision to start a business (Ardichvili et al., 2003; Delmar and Shane, 2006; Jovanovic, 1982). The longitudinal data demonstrated that previous experience in business led to HBB formalisation. Participants gained experience either from a fixed job and/or from working as an HBB owner. Participants were more

likely to formalise their HBB, as previous experience gave them confidence to avoid risk, having learned from previous mistakes. This finding is similar to that of Desgagne, (2013), who reported working in the informal sector provided training for inexperienced entrepreneurs to practice their managerial skills and gain confidence to enter the formal sector. Entrepreneurs form experiences through trial and error and become more aware of risks associated with new business creation (Bar-Hillel, 1983; Hayward et al., 2006). Increased experience in performing a task leads participants to become more confident in their judgment (Pincus, 1991; Zhao et al., 2005).

The longitudinal findings of research reported herein also reveal that previous experience helped the formalised participants to build a stronger business network and larger customer base. The network of participants allowed them to acquire information about better quality resources with reasonable prices. Entrepreneurs with previous experience had stronger networks and could access knowledge and information, enabling them to obtain more resources at the start-up stage (Coad et al., 2014). The longitudinal data also revealed that participants with previous experience were more able to understand a customers' needs and wants, and thus increased their managerial and social skills—an observation consistent with Harrison and Leitch, (2005), who reported entrepreneurial learning to have the five dimensions of learning about: oneself, the business, the environment and networks, the nature and management of relationships, and finally, that the ability to extend personal relationships by bridging new networks is a crucial entrepreneurial skill (Larson and Starr, 1993). Running an HBB enables participants to learn more about their surrounding environment and networks, and to gain the skills to bridge new networks, including their customers.

6.5.2 Home-based business owner self-confidence

As discussed in chapter 2, few studies have examined the effect of self-confidence on entrepreneurship, and the concepts of 'self-confidence' and 'self-efficacy' have been mixed (Kirkwood, 2009; Koellinger et al., 2007). The longitudinal data reported herein reveal that self-confident participants in phase one had formalised their HBB by phase two. These formalised participants considered they had the requisite abilities and skills to run a successful business, with self-confidence leading to HBB formalisation. Self-confident participants were decisive in difficult situations and maintained self-control under

pressure. This finding is consistent with research addressing entrepreneurial traits and behaviours in business start-ups (Villasana et al., 2016). For example, Baum et al., (2011) found that individuals with skills to start a business were more likely to engage in entrepreneurial activity; not surprisingly, Hatala, (2005) reported a lack of self-confidence and skills to be an impediment to starting-up a business. Conversely, Koellinger et al., (2007) reported that business owners who had been involved in the entrepreneurial process for some time were less self-confident than nascent entrepreneurs.

6.5.3 Persistence

The longitudinal findings reported herein demonstrate that participants who believed in their abilities and skills and were able to work under pressure in difficult situations, formalised their HBB. Formalised participants explained that being persistent even when frustrated enabled them to continue with business formalisation. Because people have different tastes in purchasing products/services, participants were sometimes upset after receiving negative feedback. Being persistent and believing in their abilities, these participants convinced themselves that satisfying everyone cannot be achieved. Their persistence encouraged them to formalise their HBB even when some people were unsatisfied with their products/services. The start-up process can be influenced by setbacks, where entrepreneurs are uncertain about their product/service acceptance and/or market demand (Conger and Kanungo, 1988; Hatch and Zweig, 2000).

Establishing a new venture is full of uncertainty and an entrepreneur should assume that psychological, personal, and social risks exist (Burke and Miller, 1999; Lumpkin and Dess, 1996). The longitudinal findings reported herein reveal that participants with previous experience were able to solve business problems appropriately, and even in the face of adversity, their persistence enabled them to formalise their HBB. Entrepreneurs with persistence could continue with a business even when faced with difficulties or enticing alternatives that might stimulate an exit (Gimeno et al., 1997; Markman et al., 2005). Formalised participants faced some difficulties when formalising their HBB. These difficulties included monetary, social, time and resigning from their fixed job. Being risk takers and persistent at the same time, formalised participants limited their risk by understanding what they can afford to lose (affordable loss) by formalisation, instead of

waiting for other opportunities. They choose goals and actions where there is upside even if the downside ends up happening (Sarasvathy, 2001).

6.6 Intention fluctuation

Literature is unclear about how an individuals' intentions to start a business evolve, change and/or differ over time (Krueger, 2009). Few studies have examined temporal progression of intention—the extent to which intention is temporally stable (e.g. Audet, 2004; Kautonen et al., 2011; Kolvereid and Isaksen, 2006). Longitudinal research on entrepreneurial intention is scarce (Liñán and Fayolle, 2015; Liñán and Rodríguez-Cohard, 2015). To fill this void, longitudinal research reported herein explored the effects of time on intention status. Data revealed that some participants changed their intention to formalise their HBB during the research period (2017–2019) for positive reasons (facilitator), and for negative (barrier) reasons.

Research on entrepreneurial intentions addressing barriers and facilitators is limited (Krueger, 2009). Research on the effects of change in regulations and legal policies on entrepreneurial intention also warrants further study (Engle et al., 2010; Fayolle and Liñán, 2014). Findings reported herein therefore contributes to what little is known on how facilitators and barriers influence the intention of participants to formalise their HBB. This evaluation could strengthen the link between entrepreneurship research and public policy (Zahra and Wright, 2011). These research findings also help to fill some of the knowledge gaps in the current entrepreneurial intention literature.

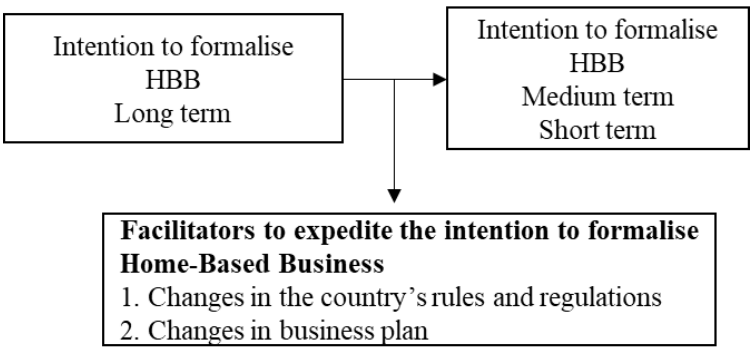
6.6.1 Facilitators that expedite the intention to formalise a home-based business

As noted in chapter 3, the government of Kuwait encourages entrepreneurship, and has facilitated business start-ups since amending legislation by Ministerial Decree No. 258 in 2018. From the longitudinal data, it is clear that changes in rules and regulations have played a significant role in expediting the intention of some participants to formalise their HBB. Changes in business plans also expedited the intention of some participants to formalise their HBB (Figure 10).

Some participants had planned to open a physical business premise, but after surveying the market, they found a better alternative to operationalise their business idea. For example, some participants who initially had intended to open a restaurant deemed it better to open

a kitchen, and to receive and deliver orders from it. In Kuwait, opening a restaurant requires considerable effort and substantial start-up funds (a reasonably priced, good location), and has high operational costs, whereas opening a small kitchen saves money and effort, and food can be delivered via mobile food applications; this alternative also has lower risk of failure, and is easier to license in Kuwait[20]. Small business owners should be prepared to adjust their business plan according to market conditions to be adaptable, and to ensure sustainability (Ensign, 2008; McDowell et al., 2016).

Figure 10: Facilitators to home-based business formalisation



Source: Author

6.6.2 Barriers to home-based business formalisation

As mentioned in chapter 1, this research also sought to address why do some informal Kuwaiti home-based business owners with the intention to formalise their HBB not formalise it? To answer this, the reasons hindering the formalisation process (barriers) must be better understood. The decision of a business to become formal depends on the costs and benefits of formality (De Mel et al., 2013). The longitudinal findings reported herein reveal that the high cost of entry, particularly renting a physical premise, and difficulties in finding a good business location, were dominant barriers hindering formalisation of an HBB (Figure 11). It is presumed that business location can significantly impact business success in terms of revenue and cost (Tushabomwe-Kazooba, 2006). Competition and the monopoly of well-connected companies in Kuwait who manipulate the market to increase revenue, cause high shop rental costs (Abu-Aisheh, 2018), which

[20] It requires less time, effort and start-up capital to get a small kitchen business license than a restaurant (Ministry of Commerce and Industry, 2019)

prevents the market entry for many entrepreneurs, reducing market productivity. Some participants also claimed that monopolistic traders in Kuwait obstructed their market entry.

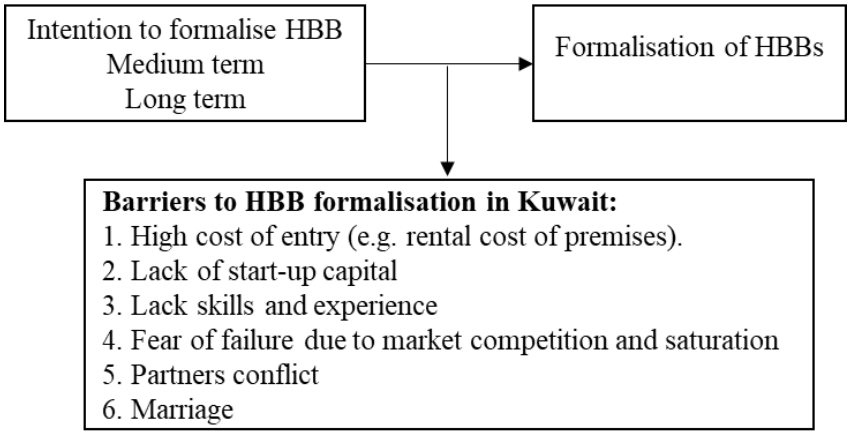
As discussed in chapter 5, the lack of start-up capital hindered some participants from formalising their HBB. Despite considerable literature discussing how access to finance represented a barrier to small business start-up (Bernard and Paul, 2008; Gill and Biger, 2012), there has been limited research regarding access to finance affecting formalisation of informal entrepreneurship. Research reported herein reveal that some participants lacked start-up capital and reported having unsuccessfully tried to secure loans from the Industrial Bank and SME. Abu-Aisha, (2018) also reported difficulties in accessing finance and loans for business start-ups in Kuwait.

Individuals may intend to start a business, but they may not take action because they lack skills (Krueger, 2009). Research presented herein demonstrated that some participants deliberately postponed HBB formalisation until they had requisite managerial skills and experience (e.g. planning, financial, marketing, and operation management). They believed that these skills, experience, and market knowledge would ease formalisation of their HBB. Modarresi et al., (2016) concluded much the same, reporting individuals in Iran that lacked business skills, especially in marketing and advertising fields, were hindered in growth of their HBB. Most business failures could be avoided if business owners were better prepared and more knowledgeable (Murphy et al., 2019; Williams Jr et al., 2018).

Starting a new venture is a complex process that involves not just a desire to start a business, but challenge and uncertainty associated with such a decision (Laguna, 2013). Risk in business (in terms of potential failure, and the related financial and social costs) reduces the probability of starting a business (Arenius and Minniti, 2005; Ucbasaran et al., 2013). Fear of failure decreases entrepreneurial intention by influencing an individual's risk attitudes towards entrepreneurship (Minniti and Nardone, 2007; Wyrwich et al., 2016). The longitudinal data also identify fear, with some participants afraid of entering a market or afraid of failure due to market saturation and competition, that their products/services might not be accepted by customers, or that other businesses might provide similar products of better quality at a lower price. This could result in lower sales, higher inventory, and lower profitability (Van Gelderen et al., 2015; Zhao, 2013).

Business partners spend time together, support each other, and discuss business plans and decisions to avoid failure. Sometimes, however, problems arise with partners, especially when they are family members or friends. Conflict may occur in choosing a manager, or in dividing roles (Ford et al., 2007). Longitudinal data reported herein demonstrate that one participant had a partnership with her family members, and another was in a partnership with his friends. Both had intended to formalise their HBBs, but both found themselves compelled to abandon their intentions to preserve relationships with partners. Krueger et al., (2013) also reported that entrepreneurs reduced their business activities to avoid family conflict. Longitudinal data reported herein also found that one participant abandoned her intention to formalise her HBB for personal reasons, to preserve her marriage. For her, formalising an HBB would have meant less time with her family. This finding is consistent with other studies wherein personal commitments (family, marriage, having children) have all hindered business start-ups (Gorji and Rahimian, 2011; Hatala, 2005).

Figure 11: Barriers to home-based business formalisation in Kuwait



Source: Author

6.7 Conclusion

This chapter has discussed longitudinal findings presented in chapters 5. Using TPB as an orienting theoretical framework, this research has provided a deeper understanding of the HBB formalisation process and issues associated with it in Kuwait. As formalisation is not a simple linear process, but a complex and dynamic process that involves many interrelated factors, it was found that HBB formalisation starts with the formation of an intention and

extends through to completion of formalisation, with a number of facilitators and barriers affecting the intention to formalise HBB.

This chapter has identified the roles of push and pull factors in formation the antecedents of intention and suggests the existence of degrees of intention (short, medium, and long term). The intention–action gap is explored in relation to HBB formalisation in Kuwait. The following and final chapter will review the main research question and address a number of implications for theory, methodology, practice and policy makers, followed by a brief critique of research limitations and recommendations for future research.

CHAPTER SEVEN: CONCLUSION

7.1 Introduction

This chapter reviews the main research question underlying this thesis. It concludes the reasons behind the formalisation process of HBBs in Kuwait using TPB as an orienting theoretical framework. The role of push and pull factors in forming the antecedents of intention were the reasons behind the formation of intention in informal Kuwaiti HBB owners to formalise their HBB. The intention–action gap was explored in relation to HBB formalisation in Kuwait, where the role of motivations, key circumstances (trigger points), personal characteristics were found to significantly affect HBB formalisation in Kuwait. Barriers and facilitators to the HBB formalisation process were explored. The implications of this research extend to TPB, policy makers, practice (informal Kuwaiti HBB owners), and methodology (qualitative longitudinal research design and constructivist grounded theory methods). Limitations and opportunities for future research to advance knowledge of HBB formalisation are presented at the end of this chapter.

7.2 Home-based business formalisation in Kuwait

As noted throughout this thesis, Kuwaitis can easily start an HBB at any time, unhindered by government rules and regulations; they also pay no taxes. Since an HBB is an informal and permissible business activity, then, why do some informal Kuwaiti home-based business owners formalise their home-based business, whilst others do not? This research is rooted in the view that the formalisation process of an HBB in Kuwait is optional, driven by cognitive mechanisms of owners and explained by the TPB. Therefore, the starting point of the formalisation process is the formation of HBB owner intention. To gain an understanding of the formalisation process, it was not enough to consider only those participants who had an intention to formalise their HBB, neglecting those who do not. Accordingly, a sample including participants with and without any intention to formalise their HBB in Kuwait was included in this research.

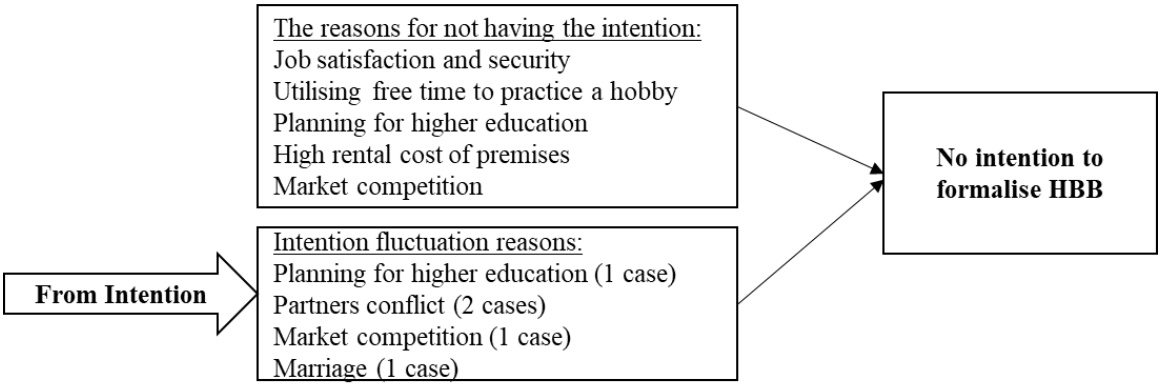
7.2.1 Participants with no intention to formalise their home-based business

Research presented herein revealed that some participants had no intention to formalise their HBB. As shown in Figure 12, some of them were satisfied with their fixed job, happy to practice their hobbies in an HBB, considering it a temporary situation that they could

pause at any time. Others preferred to continue their higher education. A few participants lacked any intention to formalise their HBB because of market competition or saturation and high premises rental cost.

By following participants over time, the intention of some participants to formalise their HBB (short-term and long-term) changed; some participants abandoned their intention as they planned for higher education, had conflicts with partners, the market was saturated, because of competition, and for personal matters (marriage). These participants did not formalise their HBB.

Figure 12: Rationale behind a lack of intention to formalise a home-based business



Source: Author

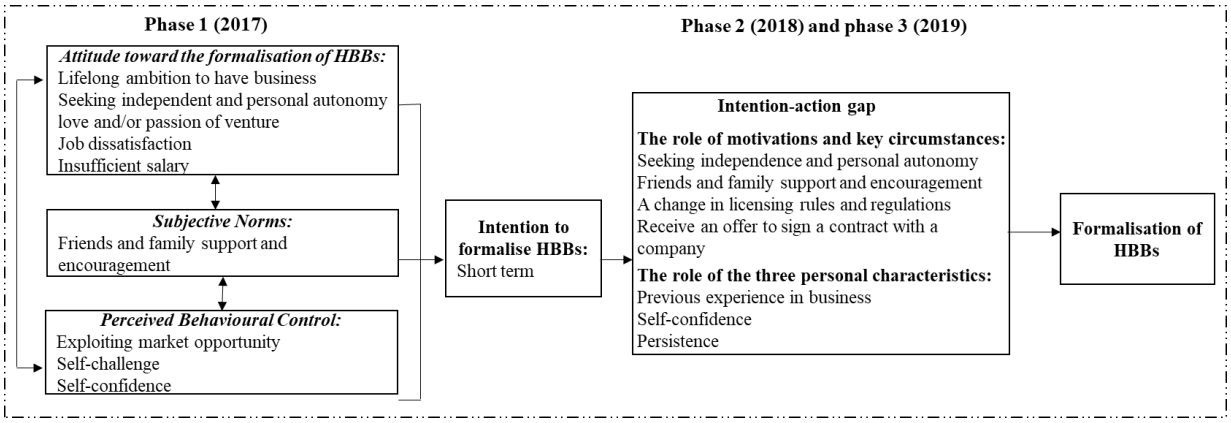
7.2.2 Participants who intend to formalise their home-based business

Some participants intended to formalise their HBB, but they had different degrees of intention, whether in the short, medium, or long-term. Data demonstrate that participants who intended to formalise their HBB in the short-term were motivated by a combination of push and pull factors, or more than two pull factors, and that they had a stronger intention to formalise their HBB.

Regarding the first sub-question underlying this thesis— what are the reasons behind the formation of intention of some informal Kuwaiti home-based owners to formalise their HBB—as mentioned in chapter 6, using the TPB as an orienting theoretical framework, nine push/pull factors were positioned within the three antecedents of intention to formalise HBB (Figures 13 in phase 1). The support and encouragement of friends and family was the dominant motivational (pull) factor mentioned by participants who intended to formalise their HBB in the short-term. Two forms of support were indicated, financial and/or informational. Job dissatisfaction was the dominant motivational (push) factor.

Participants believed that they were in the wrong place, and that their fixed job did not provide them with a sense of achievement. Therefore, push/pull factors are behind the formation of intention of some informal Kuwaiti HBB owners to formalise their HBB.

Figure 13: The formalisation process of home-based business in Kuwait framed within the TPB



Source: Author

With regards to the second sub-question— why do some informal Kuwaiti home-based business owners, who intend to formalise their HBB, complete the formalisation process— as was discussed in chapter 6, several interrelated factors led to the formalisation process (intention–action gap). These factors differed among participants who intended to formalise their HBB in the short-term (Figures 13). Reasons leading to HBB formalisation for participants included: 1) push and pull factors, particularly the roles of seeking independence and personal autonomy, and the support and encouragement of family and friends; 2) personal characteristics, mainly self-confidence, persistence, and previous experience; and 3) key circumstances (trigger points), mainly changed business licensing rules and regulations in Kuwait, and the receipt of a special offer to sign a contract with a company. Therefore, linkages between participant motivations, key circumstances, and personal characteristics explains why some participants formalised their HBB, and others did not.

With regard to the motivation of 'seeking independence and personal autonomy,' all formalised participants wanted to be their own boss, were able to design their own working strategy by formalising their HBB, and achieved their goals. Concerning 'friends and family support and encouragement,' some participants received financial support from their families to support their formalisation and open their own shop, restaurant, etc., some

received support (information) and advice regarding business rules and regulations to start a business in Kuwait, and some received valuable information about the resources required for formalising their HBB.

With respect to personal characteristics, formalised participants reported their previous business experience, either from their fixed job and/or from running an HBB over time, interrelated with other factors, led them to formalise their HBB. Previous experience in an HBB provided participants with self-confidence, and an ability to avoid or reduce future risks by having learned from previous mistakes. Formalised participants with self-confidence, who believed in their ability and skill to run a business successfully, reported self-confidence, interrelated with other factors, led them to formalise their HBB. Self-confidence enabled participants to be decisive in difficult situations, maintain self-control under pressure, and to persist to continue success.

Regarding key circumstances (trigger points), most formalised participants mentioned that the changes in business licensing rules and regulations in Kuwait, interrelated with other factors, led them to formalise their HBB. They explained that the introduction of a new 'one-man company' enabled them to attain a business license more easily, with less start-up capital. Another trigger point for some participants was the receipt of a special offer to sign a contract with a company, which for them was an opportunity to be seized, which accelerated the process of their getting a business license and formalising their HBB.

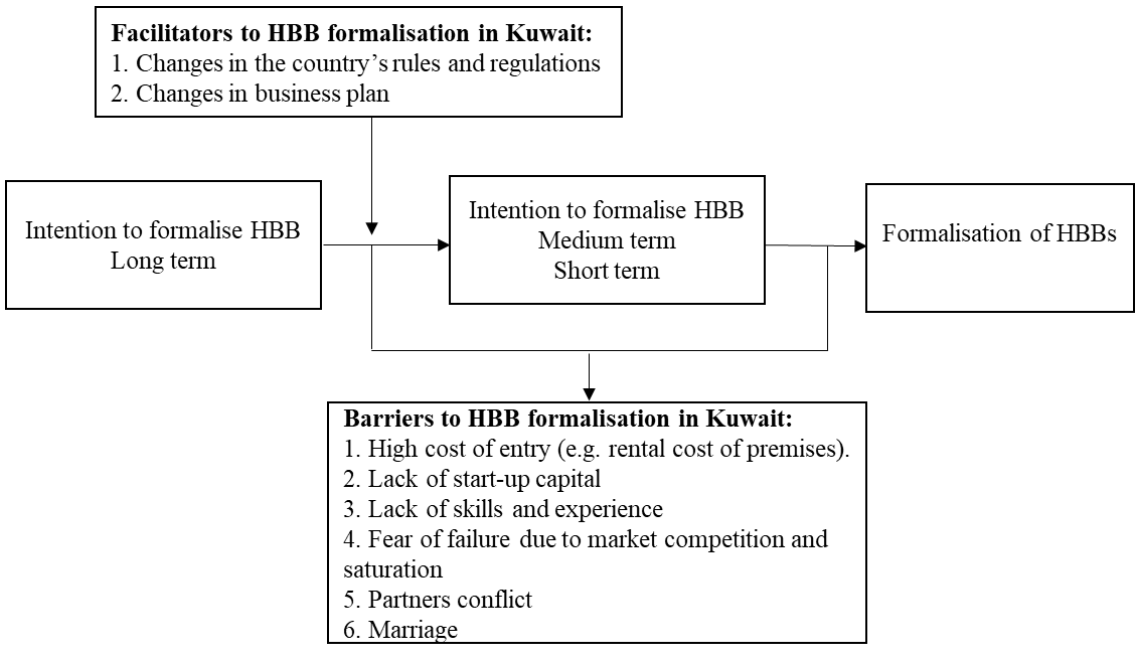
Research findings presented herein also demonstrate that most participants who intended to formalise their HBB in the long-term reported only pull factors with no push factors, as motivations. Most of them had one pull factor. Four pull factors were identified: 1) love and/or passion of venture, 2) friends and family support and encouragement, 3) exploiting a market opportunity, and 4) maximise income generation. Love and/or passion of venture (e.g. passion for making handmade products, cooking, and fashion design) was the dominant motivational factor mentioned by participants who intended to formalise their HBB in the long-term.

Intention fluctuation

It is worth reiterating that between phases one and two, the Ministry of Commerce and Industry introduced Ministerial Decree No. 258 to facilitate business start-up. Upon

introduction of this Decree, most participants who had intended to formalise their HBB in the long-term changed their intention to formalising it in the medium-term (Figure 14). Some participants had, after surveying the market, also altered their business plan. By way of example, instead of opening a restaurant, they planned to open a small kitchen to deliver the food to the customers instead, considering this an easier option to obtain a business licence, which also required less start-up capital. One participant also changed her intention to formalise her HBB from the long- to the short term; getting married to an experienced businessman, in addition to altering her business plan (from opening a shop to planning an online business) expedited her intention to formalise her HBB to the short-term. Since this participant changed her intention after phase two (2018), and given the time interval between phases 2 and 3 (2019) was only 5 months (and data collection ended at phase three), it was not possible to track her progression further.

Figure 14: Barriers and facilitators to home-based business formalisation



Source: Author

Despite government efforts to facilitate business start-ups, participants who expedited their intention from long- to medium term still reported barriers hindering HBB formalisation. Regarding the third sub-question underlying this thesis— why do some informal Kuwaiti home-based business owners with the intention to formalise their HBB not formalise it? Findings reported herein reveal seven such barriers (Figure 14), of which the most obvious

was the high cost of entry, particularly rental costs of physical premises, followed by a lack of start-up capital. These participants had to wait several years to save enough start-up capital, or for their families to fund them.

As discussed in chapter 5, some participants deliberately postponed HBB formalisation to improve their management skills, or to gain more experience in running their business (e.g. planning, financial, marketing, and operation management). Also, fear of failure due to market competition and saturation was a barrier to HBB formalisation. Some participants claimed that trading monopolies in the Kuwait market obstructed their market entry. Partner conflict and family situations (marriage) also acted as barriers to HBB formalisation. All the aforementioned reasons explain why some informal Kuwaiti HBB owners with the intention to formalise their HBB did not formalise it during this research period (2017–2019).

7.3 Implications for theory

Theoretical implications of this research related to the ability of using TPB in qualitative research which is not common. Several researchers report entrepreneurial intention was capable of explaining about 30% or less of the variance in subsequent behaviour (Kautonen et al., 2015; Shirokova et al., 2016; Van Gelderen et al., 2015). Therefore, a substantial knowledge gap exists in translation of entrepreneurial intention into action. However, using the TPB as an orienting theoretical framework was helpful to better understand the origin of motivations that formed the intentions of HBB and to understand the translation of their intention into action (formalisation). TPB was used effectively to explain the formalisation process of HBBs in Kuwait.

This research offers a fresh perspective in entrepreneurial intention by exploring the role of push and pull factors (motivations) (Gilad and Levine, 1986) on the formation of HBB owner intentions to formalise their HBB. The inclusion of push and pull factors in exploring the antecedents of intention (ATB, SN, and PBC) is essential if accurate interpretations of the influence of these factors on formation of informal Kuwaiti HBB owner intentions are to be made.

This research also demonstrates that multiple push and pull factors affect the formation of informal Kuwaiti HBB owner intentions. Participants who reported a combination of push

and pull factors, or more than two pull factors, had a stronger intention to formalise their HBB in the short-term, while those participants who identified a single pull factor and no push factors had weaker intentions to formalise their HBB in the long-term. This research also found evidence that short-term intention had many motivations, including: lifelong ambition to start a business, seeking independence and personal autonomy, love and/or passion of venture, friends and family support and encouragement, exploiting market opportunity, self-confidence, job dissatisfaction, insufficient salary, and self-challenge. Long-term intention had only pull factors: love and/or passion of venture, friends and family support and encouragement, exploiting market opportunity, and maximising income generation.

Regarding the intention–action gap, this research provides new insights into the factors that explain why some informal Kuwaiti HBB owner intentions are translated into formalisation. The roles of support and encouragement of family and friends, seeking independence and personal autonomy, are important motivations in explaining the intention–action gap, as are the roles of key circumstances (trigger points), such as changes in business licensing rules and regulation, and receiving an offer of a contract, interrelated with personal characteristics (previous business experience, self-confidence and persistence).

7.4 Implications for policy makers

Several policy implications emerged from the results of this research.

Research herein can notify the Kuwait government and development organisations about the nature of HBB activities. Kuwait now suffers from a high unemployment rate, so encouraging formalisation of HBBs may be an important means to create more employment options for Kuwaitis. The Kuwait government also needs to concentrate on encouraging informal Kuwaiti HBB owners to formalise their HBB, as this is a vital contributor to the country's national economy, and a major force of creating jobs for its citizens.

A Kuwaiti vision for 2035 involves moving towards a privatised economy. Therefore, encouraging formalisation will provide opportunities for many Kuwaitis to start formal businesses and become self-sufficient, reducing pressure on the country's financial budget. The Kuwait government has already taken an important step to simplify business licensing

requirements by introducing a new company entity, the ‘one-man company,’ and reducing the start-up capital. Research presented herein indicates that these changes have facilitated the formalisation process. However, high rental costs of premises continue to hinder some participants from formalising their HBB.

It's important to curtail monopolistic traders from controlling the market to provide opportunities for small businesses to enter the market, to provide premises at reasonable rent, and to establish a pop-up business incubator for informal Kuwaiti HBB owners to obtain incubation services at subsidised rates (without intervention from monopolistic traders). Perhaps Kuwait could benefit from the experience of countries like the UK, which developed a world-first pop-up business incubator in the heart of London’s Tech City. These incubators encourage entrepreneurs by providing a full range of business support at no cost, and offer on-site mentors with extensive business experience in a co-working space (BBC, 2010).

Availability of start-up capital from financial institutions and the capital market might stimulate the formalisation process in Kuwait. However, obtaining funding from the Industrial Bank and SME, the two main sources of funding for business start-ups in Kuwait, is difficult given bureaucracy. Policy makers should consider restructuring these funding sources, along with reducing bureaucracy. Improvement of managerial skills (e.g. planning, financial, marketing and operation management) for informal Kuwaiti HBB owners would also be valuable, as some participants postponed HBB formalisation due to a lack of management skills. Policy interventions could focus on informal Kuwaiti HBB owners using planned training courses to improve their business skills and knowledge. Professional advisors should be clear about the objectives set to support informal Kuwaiti HBB owners with the formalisation of their HBB.

7.5 Practical implications

The HBB formation in Kuwait is growing at a dramatic rate and is projected to continue doing so because of widespread internet use, social media platforms, and the consequent opportunities Kuwaitis have to combine their fixed jobs with informal HBBs.

Results of research presented herein, if appropriately disseminated to the target audience, will be useful for informal Kuwaiti HBB owners who intend to formalise their HBB, in that it will encourage them to understand their abilities and to develop the personal

characteristics (e.g. previous experience in business, self-confidence and persistence) needed to increase the likelihood of formalisation. The data may also help them in the design of programmes to acquire specific personal characteristics associated with formalising their HBB.

7.6 Methodological implications

An important feature of this research is the use of a qualitative longitudinal research design within a TPB theoretical framework to study entrepreneurial intention. Most research uses a quantitative approach to study entrepreneurial intention (e.g. Carter et al., 2003; Krueger et al., 2000; Lee et al., 2011), with few longitudinal studies have been performed (e.g. Audet 2004; Kautonen et al., 2011; Kolvereid and Isaksen, 2006). This approach enabled the researcher to explore the temporal effects of intention fluctuation by tracking participant intention, to identify barriers and facilitators to HBB formalisation, and to understand the effects of time on degrees of intention. Earlier research on entrepreneurial motivations is devoid of studies examining the longitudinal nature of the entrepreneurial journey, acknowledging the importance of time in the entrepreneurial process (Carsrud and Brännback, 2011; Carter et al., 2003). Different motivations influence stages of the entrepreneurial process (Shane et al., 2003), so the effect of time on the entrepreneurial process needs further investigation (Stephan et al., 2015). Using the longitudinal approach enabled tracking of changes in motivational (push and pull) factors over three phases of research.

Most research on entrepreneurial intention has adopted a positivist stance, with little consideration given to individuals and their different stories (Fayolle and Liñán, 2014; Mawson and Kasem, 2019). Scholars have called for more 'humanistic' approaches to *"attain a better understanding of the complex psychological mechanisms leading to intention formation"* (Liñán and Fayolle, 2015, p. 925). The inability of TPB to explain how the antecedents of intention are formed was discussed by (Gotlieb et al., 1994) and (Fayolle and Liñán, 2014). Using the constructivist grounded theory methods within a TPB theoretical framework, research presented herein unpacks and enables an improved understanding of the motivational factors (push and pull) underlying the antecedents of intention (ATB, SN, and PBC) to formalise an HBB. By using the constructivist grounded methods, this research was also able to explore other factors that influence HBB

formalisation, such as key circumstances and the importance of previous experience in business, self-confidence, and persistence (personal characteristic), in the translation of informal Kuwaiti HBB owner intentions into formalisation.

7.7 Research limitations

Whilst every effort was made to minimise limitations, they exist, and they are mainly related to methodology, particularly the use of a qualitative longitudinal design, and constructivist grounded theory methods.

Because this research was conducted on informal Kuwaiti HBB owners whose participation was voluntary (business owners valued their time and according to them, their participation was time consuming), some participants were unable to continue interviews through all research phases, contributing to a moderate attrition rate of 28% between phases one and two, and two and three. Attrition causes data loss. For example, withdrawal of participants in subgroup A3 who had intended to formalise their HBB in the long-term influenced data analysis, especially because this subgroup ended up with no participants in phase two.

Combining a qualitative longitudinal design with constructivist grounded theory methods was challenging and time consuming, particularly during construction of interview questions for each phase. Constantly comparing between data and the literature throughout the three phases was time consuming, as was constantly comparing data within and between phases. Although applying constructivist grounded theory methods enabled the researcher to collect a tremendous amount of data, which improved the understanding of HBB formalisation throughout the research process, applying this method fully and correctly during the research was difficult. Also, in the constructivist paradigm, the researcher's personal worldview and biases may have influenced the study. To eliminate these biases, the researcher applied reflexivity throughout the research. The researcher's subjectivity is not meant to be eliminated from developed categories, and thus, generalisability may not be applicable to anything other than HBB formalisation in Kuwait.

A further limitation of this research is its focus on one country (Kuwait), with a sample composed of 82% females. It therefore has (unintentional) sample bias. Although this research succeeded in explaining the formalisation process of HBBs in Kuwait, there were

worries that the scheduled time may not have been long enough to explain the formalisation process, in the event no participant formalised their HBB, which may have resulted in incomplete answers to research questions.

7.8 Avenues for future research

This research demonstrated that TPB has significant explanatory power when applied to a novel sample of informal Kuwaiti HBB owners who intended to formalise their HBB in Kuwait. However, more research is required to understand the extent to which the results of this research can be generalised to other settings. Given the scarcity of research on HBBs within GCC countries, further work exploring this context is needed. This will improve our understanding of HBB owner experiences and key challenges influencing the formalisation process. Studies that attempt to explore the role of local context and its constituent factors, such as the political climate and culture of the HBB formalisation process in GCC countries, are also important.

Given the limitations of existing research on push and pull factors, more research on positioning push and pull factors within the antecedents of intention in the TPB theoretical framework (ATB, SN, and PBC) would be valuable. No study has compared how and why motivations can form the intentions to varying degrees within a TPB theoretical framework. Literature on the role of push and pull factors in shaping the intention of entrepreneurs is limited. More research might unravel the link between motivations (push and pull factors) and the degrees of intention (short, medium, and long term).

As reported in this research, the role of support and encouragement from family and friends was obvious in Kuwait, so it would also be interesting to replicate this research elsewhere in different cultures. More importantly, research on the role of support and encouragement of family on boosting self-confidence of HBB owners and its influence on the formalisation process would be valuable.

It would be interesting to see further studies exploring cultural values using new typologies and different motivation frameworks other than push and pull factors on the HBB formalisation process. Additionally, future studies could reflect on how new rules and regulations and other trigger points can change individuals thinking rapidly towards business start-up by drawing on the principles of effectuation for (Sarasvathy, 2001). There

remains significant scope for further research on the effect of affordable loss on formalisation decision of informal business activities. It would be also interesting to conduct more research combining the TPB model with effectuation theory to fill the knowledge gap in translation entrepreneurial intention into action.

It might be tempting to combine TPB with Myer Briggs personality test to examine differences between the personalities of HBB owners who have an intention to formalise their HBB with others who have no intention to do so. It is suggested that future research uses theories other than TPB to explore relationships between motivations (push and pull factors) and the degree of intention, in addition to the HBB formalisation process.

Finally, it would be extremely valuable to conduct new research on the effect of the 2020 global coronavirus pandemic on the number and the nature of HBBs established in Kuwait, as a consequence of a global recession and associated increase in unemployment.

7.9 Conclusion

This chapter has answered the main research question underlying this thesis as well as the three-sub questions. It has discussed the importance of this research and its impact on theory, policy, practice, and methodology. Research limitations were presented as well as suggestions for future research.

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Appendix 1: Participant consent form (phases 1–3)

Research Title: Towards an explanation of the formalisation process of Home-Based Businesses in Kuwait.

Researcher Name: Sawsan Malik

Email: (s.h.malik1@stir.ac.uk)

- ☐ I confirm that I understand the information provided about the research project. I have had the opportunity to consider the information, ask questions and have had these answered satisfactorily.
- ☐ I understand that my participation is voluntary and that I am free to withdraw at any time without giving any reason.
- ☐ I understand that interviews will be recorded and will not contain my name or any other identifiable information. I give permission for interviews to be recorded.
- ☐ I understand that my data will be kept confidential and stored securely under password, not disclosed to third parties without my prior consent and used exclusively for the purposes of this project.
- ☐ I understand that some statements I give may be included in a report on the study and publications originating from it, but I will have the opportunity to see drafts of these.
- ☐ I agree to take part in the above study.

Signatures

_____	_____	_____
Participant's Name	Participant's signature	Date of participation
_____	_____	_____
Name of the researcher	Signature of the researcher	Date of the interview

Appendix 2: Interview guide for phase one data collection/April 2017

Thank you for agreeing to participate in this research. I would like to take your personal approval to record this interview. You can stop the recording anytime you want.

Interview questions	References
1.Tell me about your background? (Gender, age, marital status, number of children, educational level, monthly income)	(Ali, 2011; Enterprise Nation, 2014; Mason and Reuschke, 2015; Mason et al. 2015; Smit and Donaldson, 2011; Williams and Nadin, 2012; Vorley and Rodgers, 2014).
2.Do you have a fixed job beside your home-based business?	(Enterprise Nation, 2014; Mason and Reuschke, 2015; Williams and Nadin, 2010).
3.Tell me the story behind your business? Probe: What influenced you to start your home-based business?	(Enterprise Nation, 2014; Charmaz, 2014; Mason et al. 2011; Williams and Nadin, 2012).
4.Do you have intention to formalise your home-based business? If yes, When and Why? If no, Why?	(Carter et al., 2006; Mason and Reuschke, 2015; Kautonen et al. 2015; Williams and Nadin, 2012).
5.Comparing the time and the efforts you spend in your home-based business with the profits you gain, do you think it is worth it to continue? If yes explain, if no, then why are you continuing your home-based business activity?	(Sinclair-Desgagné, 2013; Shaver et al., 2001; Webb et al. 2013).
6.Can you tell me about your business plans? And what are your ambitions?	(Enterprise Nation, 2014; Mason and Reuschke, 2015; Williams and Nadin, 2010).

Appendix 3: Interview guide for phase two data collection/November 2018

Before the interview sessions:

Thank you for agreeing to continue to participate in this research. In this phase of data collection, you are free to decide whether you prefer to be interviewed through face to face or via mobile applications such as WhatsApp, Skype, or Viber. I would like to explain for you the overall purposes of this phase two interviews. This phase aims to track the changes of participants' intentions from phase one to phase two; To explore when and why the participants translated their intentions into actions (i.e. attained the business license according to rules and regulation in Kuwait), whilst other don't not; To find out when and why some of the participants failed to convert their intentions into action and to find out factors that may contribute in explaining the formalisation process.

Before proceeding with phase two interviews, I would like to recall the informed consent signed by you and remind you that this interview is voluntary, and you can withdraw at any time you wish. Also, I would like to remind you that your personal information will remain completely anonymous, confidential, and no one except me (the researcher) has access to the information provided during the interviews. Finally, I would like to take your personal approval to audio record the whole interview.

During the interview sessions:

As noted, in phase one, the researcher had classified the (N = 50) participants into two different groups, depending on their intention status to formalise their HBB.

Group A had encompassed participants (N = 39) with *intention to formalise their HBB:*

- Subgroup A1: Participants (N = 15) with intention to formalise their HBB in the *short term* (1 or 2 years).
- Subgroup A3: Participants (N = 24) with intention to formalise their HBB in the *long term* (10–15 years).

Group B: Participants (N = 11) with *no intention to formalise their HBB.*

It should be noted that the interview questions were tailored specifically for each group which is based on the intention status.

- **Subgroup A1 (N = 15) participants with *intention to formalise their HBB in the short term***

Subgroup A1 interview questions might take 30–45 minutes depending on how much the participants take time in answering the questions. The researcher constructed the interview questions based on the probability of the intention status. Hence, five groups were suggested:

1. Group C: Participants who had completed the formalisation process and attained the business license.
2. Subgroup A1: Participants who still hold the intention to formalise their HBB in the short term.
3. Subgroup A2: Participants who changed their intention from formalising their HBB in the short term to formalising their HBB in the medium term.
4. Subgroup A3: Participants who changed their intention from formalising their HBB in the short term to formalising their HBB in the long term.
5. Group B: Participants who had disregarded their intention to formalise their HBB i.e. no intention.

1. Group C: Participants who had completed the formalisation process and attained the business license.

Interview questions	Some of the phase one findings	Constant comparison with the literature review
Recalling your socio-demographic status from phase one data collection, could you tell me about any changes that happened to your: Marital status, educational level, and/or your monthly income. <u>In case of yes:</u> 1. Do you think that such changes in your socio demographic status influenced your intention to formalise your HBB? Why? How?	-To be explored in this phase	**Examples of HBB literatures:** -Being able to balance between work and family needs -The desire to spend more time with family -Family situation such as: Divorce, married, presence of children.
		References: (Enterprise Nation, 2014; Lynn and Earles, 2006; Walker, 2002; Wynarczyk and Graham, 2013)
In phase one interview you had mentioned that you have the intention to formalise your HBB and you have formalised, when did you formalise your HBB?	-Insufficient salary -Job dissatisfaction	**Examples of some Entrepreneurial motivation literatures:** <u>Experience from</u>: -Former job

2. Can you tell me what motivated you to formalise your HBB? Why? How? Prob1: Why did you decide to formalise your HBB? Prob2: What encouraged you to open your own shop or get a business license?	-Lifelong ambition to start a business. -Personal autonomy and -Seeking independence -Self-challenge -Self-confidence -Love/passion of venture -Exploiting market opportunities -Maximise income generation	-Prior experience in home business. -Or both -Family social and emotional support -Seeking independence -Wanting to be one's own boss -Extra source of income -Financial motives Or others, please explain:
		References: (Dawson and Henley, 2012; Segal et al., 2005; Shane et al., 2003)
3. Did your family or friends help or encourage you to formalise? How? Why? Prob: Did your family/friends support you to formalise? How?	-Friends and family support and encouragement -Financial support and advice	-Family social and emotional support -Friends/family experience and advice.
		Reference: (Casar, 2004; Edelman et al., 2016; Kellermanns et al., 2008).
4. Although you faced difficulties during formalising your HBB, you have succeeded in attaining the business license. Can you explain for me what kind of problems you have been through and how did you solve these problems? Prob: Could you give me an example of a problem or problems you faced during formalising your HBB? 5 What other major problems do you expect in the future?	-Self confidence -Other factors will be explored in this phase	**Examples of some literatures on self-confidence, barriers to business formalisation and business start-up:** -Self-efficacy and self-esteem -Financial and cognitive skills -Self-confidence in one's own ability -Difficulty with the official procedures -Licensing -The registration fees -The complexity and the length of the procedure - Others, please explain
		References: (Auriol, 2014; Baron and Markman, 2003; Laguna, 2013; ILO, 2014; Verheul et al., 2007).
6. Do you think that you can continue running your business successfully? Why? How?	-To be explored in this phase	

7. Have you heard about the new Ministerial Decree No. (258), which was introduced in April 2018? If yes, how did this Decree affect your decision to formalise your HBB?	-To be explored in this phase	

2. Subgroup A1: Participants who still have the intention to formalise their HBB in the short term.

Interview questions	Some of the phase one findings	Constant comparison with the literature review
Recalling your socio-demographic status from phase one data collection, could you tell me about any changes that happened to your: Marital status, educational level, and/or your monthly income <u>In case of yes:</u> 1. Do you think that such changes in your socio demographic status will affect your intention to formalise your HBB? Why? How?	-To be explored in this phase	**Examples of HBB literatures:** -Being able to balance between work and family needs -The desire to spend more time with family -Family situation such as: Divorce, married, presence of children.
		References: (Lynn and Earles, 2006; Enterprise Nation, 2014; Walker, 2002; Wynarczyk and Graham, 2013)
In phase one interview you had mentioned that you have the intention to formalise your HBB but still you did not. 2. When do you think that you can formalise your HBB? Within one year or more? Why? Probe: Can you tell me the reasons behind delaying the formalisation process of your HBB? 3. If you are currently in the process of formalisation, can you give me an example of a problem or problems you are facing during this process? Probe: What other problems do you expect that will hinder the formalisation of your HBB?	-Lack start-up capital -The need for more time to develop business abilities and skills -The need to grow a bigger customer base	**Examples of some literatures on barriers to business formalisation and business start-up:** -Difficulty with the official procedures -Licensing -The registration fees -The complexity and the length of the procedure -Lack of financing support -lack of management skills -Lack of starting capital -Others, please explain
		References: (Auriol, 2014; ILO, 2014; Lee et al., 2011; Okpara and Wynn, 2007)
4. Have you heard about the new Ministerial Decree No. (258), which was introduced in April 2018? Can this Decree affect your decision to formalise your HBB? If yes, how and why?	-To be explored in this phase	

5. Are your family or friends encouraging you to formalise your business? How? Why?	-Friends and family support and encouragement -Financial support and advice	-Family social and emotional support -Friends/family experience and advice. Reference: (Casar, 2004; Edelman et al., 2016; Kellermanns et al., 2008).
6. Do you think that you can formalise your business? Why? How?	-Self confidence	**Examples of some literatures on self-confidence**: -Self-efficacy and self-esteem -Financial and cognitive skills -Self-confidence in one's own ability References: (Baron and Markman, 2003; Laguna, 2013)

3. **Subgroup A2: Participants who changed their intention from formalising their HBB in the short term to formalising their HBB in the medium term.**
4. **Subgroup A3: Participants who changed their intention from formalising their HBB in the short term to formalising their HBB in the long term.**

Interview questions	Some of the phase one findings	Constant comparison with the literature review
Recalling your socio-demographic status from phase one data collection, could you tell me about any changes that happened to your: Marital status, educational level, and/or your monthly income <u>In case of yes:</u> 1. Do you think that such changes in your socio demographic status will affect your intention to formalise your HBB? Why? How?	-To be explored in this phase	**Examples of HBB literatures:** -Being able to balance between work and family needs -The desire to spend more time with family -Family situation such as: Divorce, married, presence of children. References: (Lynn and Earles, 2006; Enterprise Nation, 2014; Walker, 2002; Wynarczyk and Graham, 2013)
In phase one interview you had mentioned that you have the intention to formalise your business in the short term, but you have changed your intention and decided to formalise your HBB in the medium term (A2); long term (A3)	-Lack start-up capital -The need for more time to develop business abilities and skills	**Examples of some literatures on barriers to business formalisation and business start-up:** -Difficulty with the official procedures -Licensing

2. Can you tell me the reasons behind changing your intention to formalise your HBB? Why? How? Probe1: Why did you decide to formalise your HBB in the medium term (A2); long term (A3) Probe2: Could you give me an example of a problem or problems you are currently facing that changed your intention to formalise your HBB?	-The need to grow a bigger customer base	-The registration fees -The complexity and the length of the procedure -Lack of financing support -lack of management skills -Lack of starting capital -Others, please explain
		References: (Auriol, 2014; ILO, 2014; Lee et al., 2011; Okpara and Wynn, 2007)
3. Have you heard about the new Ministerial Decree No. (258), which was introduced in April 2018? Can this Decree affect your decision to formalise your HBB? If yes, how and why?	-To be explored in this phase	
4. Do you think that your family or friends have a significant role in changing your intention to formalise your HBB? How? Why?	-Friends and family support and encouragement -Financial support and advice	-Family social and emotional support -Friends/family experience and advice.
		Reference: (Casar, 2004; Edelman et al., 2016; Kellermanns et al., 2008).
5. Do you think that you can formalise your HBB? Why? How?	-Self confidence	**Examples of some literatures on self-confidence:** -Self-efficacy and self-esteem -Financial and cognitive skills -Self-confidence in one's own ability
		References: (Baron and Markman, 2003; Laguna, 2013)

5. Group B: Participants who had disregarded their intention to formalise their HBB i.e. no intention.

Interview questions	Some of the phase one findings	Constant comparison with the literature review
Recalling your socio-demographic status from phase one data collection, could you tell me about any changes that happened to your: Marital status, educational level, and/or your monthly income <u>In case of yes:</u>	-To be explored in this phase	**Examples of HBB literatures:** -Being able to balance between work and family needs -The desire to spend more time with family -Family situation such as:

1. Do you think that such changes in your socio demographic status influenced your intention to formalise your HBB? Why? How?		Divorce, married, presence of children. References: (Lynn and Earles, 2006; Enterprise Nation, 2014; Walker, 2002; Wynarczyk and Graham, 2013)
In phase one interview you had mentioned that you have the intention to formalise your HBB, but you disregarded your intention of formalisation. 2. Can you tell me the reasons behind disregarding your intention to formalise your HBB? Why? How? Prob1: Could you give me an example of a problem you are currently facing that disregarded your intention to formalise your HBB?	-Job satisfaction and security -Utilising free time to practice a hobby -Planning for higher education -Lack start-up capital -The need for more time to develop business abilities and skills -The need to grow a bigger customer base	**Examples of some literatures on barriers to business formalisation and business start-up:** -Difficulty with the official procedures -Licensing -The registration fees -The complexity and the length of the procedure -Lack of financing support -Lack of management skills -Lack of starting capital -Others, please explain References: (Auriol, 2014; ILO, 2014; Lee et al., 2011; Okpara and Wynn, 2007)
3. Do you think that your family or friends have a significant role in abandoning your intention to formalise your HBB? How? Why?	-To be explored in this phase	**Example of some literatures on HBB and entrepreneurial intention:** -The presence of children -Marriage Reference : (Krueger et al., 2000 ; Verheul et al., 2007)

- **Subgroup A3 (N = 24) participants with *intention to formalise their HBB in the long term***

Group A3 interview questions might take 30–45 minutes depending on how much the participants take time in answering the questions. The researcher constructed the interview questions on the probability of the intention status. Hence, four potential groups were suggested:

1. Subgroup A3: Participants who still have the intention to formalise their HBB in the long term.
2. Subgroup A2: Participants who expedited their intention to formalise their HBB in the medium term.

3. Subgroup A1: Participants who expedited their intention to formalise their HBB in the short term.
4. Group B: Participants who disregarded their intention to formalise their HBB from long term to no intention

1. Subgroup A3: Participants who still have the intention to formalise their HBB in the long term.

Interview questions	Some of the phase one findings	Constant comparison with the literature review
Recalling your socio-demographic status from phase one data collection, could you tell me about any changes that happened to your: Marital status, educational level, and/or your monthly income <u>In case of yes:</u> 1. Do you think that such changes in your socio demographic status will affect your intention to formalise your HBB? Why? How?	-To be explored in this phase	**Examples of HBB literatures:** -Being able to balance between work and family needs -The desire to spend more time with family -Family situation such as: Divorce, married, presence of children.
		References: (Enterprise Nation, 2014; Lynn and Earles, 2006; Walker, 2002; Wynarczyk and Graham, 2013)
In phase one interview you had mentioned that you have the intention to formalise your business in the long term, why are you still holding the same intention status? Probe1: What are the reasons behind keeping the intention to formalise your business in the long term? Probe 2: Why did you decide to formalise your business in the long term?	-Lack start-up capital -The need for more time to develop business abilities and skills -The need to grow a bigger customer base	**Examples of some literatures on barriers to business formalisation and business start-up:** -Difficulty with the official procedures -Licensing -The registration fees -The complexity and the length of the procedure -Lack of financing support -Lack of management skills -Lack of starting capital -Others, please explain
		References: (Auriol, 2014; ILO, 2014; Lee et al., 2011; Okpara and Wynn, 2007)
3 Have you heard about the new Ministerial Decree No. (258), which was introduced in April 2018? Can this	-To be explored in this phase	

Decree affect your decision to formalise your HBB? If yes, how and why?		
4. Do you think that your family or friends have a significant role in keeping your intention to formalise your HBB in the long term? How? Why?	-Friends and family support and encouragement -Financial support and advice	-Family social and emotional support -Friends/family experience and advice. Reference: (Casar, 2004; Edelman et al., 2016; Kellermanns et al., 2008).

2. **Subgroup A2: Participants who expedited their intention to formalise their HBB in the medium term.**

3. **Subgroup A1: Participants who expedited their intention to formalise their HBB in the short term.**

Interview questions	Some of the phase one findings	Constant comparison with the literature review
Recalling your socio-demographic status from phase one data collection, could you tell me about any changes that happened to your: Marital status, educational level, and/or your monthly income <u>In case of yes:</u> 1. Do you think that such changes in your socio demographic status influenced your intention to formalise your HBB? Why? How?	-To be explored in this phase	**Examples of HBB literatures:** -Being able to balance between work and family needs -The desire to spend more time with family -Family situation such as: Divorce, married, presence of children. References: (Enterprise Nation, 2014; Lynn and Earles, 2006; Walker, 2002; Wynarczyk and Graham, 2013)
In phase one interview you had mentioned that you have the intention to formalise your HBB in the long term, but you have expedited your intention to formalise your HBB in the medium term (A2); short term (A1), can you tell me the reasons behind changing your intention status? Prob1: Why did you decide to formalise your HBB in the short term; medium term? Prob2: Do you think that you are ready to formalise your HBB in the short term; medium term? Why? How?	-Insufficient salary -Job dissatisfaction -Lifelong ambition to start a business. -Personal autonomy and Seeking independence -Self-challenge -Self-confidence -Love/passion of venture -Exploiting market opportunities	**Examples of some Entrepreneurial motivation literatures:** <u>Experience from</u>: -Former job -Prior experience in home business. -Or both -Family social and emotional support -Seeking independence -Wanting to be one's own boss -Extra source of income

	-Maximise income generation	-Financial motives Or others, please explain: References: (Dawson and Henley, 2012; Segal et al., 2005; Shane et al., 2003).
3 Have you heard about the new Ministerial Decree No. (258), which was introduced in April 2018? Can this Decree affect your decision to formalise your HBB? If yes, how and why?	-To be explored in this phase	
4. Do you think that your family or friends have a significant role in changing your intention status? How? Why?	-Friends and family support and encouragement -Financial support and advice	-Family social and emotional support -Friends/family experience and advice. Reference: (Casar, 2004; Edelman et al., 2016; Kellermanns et al., 2008).

4. Group B: Participants who disregarded their intention to formalise their HBB from long term to no intention

Interview questions	Some of the phase one findings	Constant comparison with the literature review
Recalling your socio-demographic status from phase one data collection, could you tell me about any changes that happened to your: Marital status, number of children, educational level, or income per month. <u>In case of yes:</u> 1. Do you think that such changes in your socio demographic status affected your intention to formalise your HBB? Why? How?	-To be explored in this phase	**Examples of HBB literatures:** -Being able to balance between work and family needs -The desire to spend more time with family -Family situation such as: Divorce, married, presence of children. References: (Enterprise Nation, 2014; Lynn and Earles, 2006; Walker, 2002; Wynarczyk and Graham, 2013)
In phase one interview you had mentioned that you have the intention to formalise your HBB, but you disregarded your intention to formalise, can you tell me what are the reasons behind disregarding your intention to formalise your HBB?	-Lack start-up capital -The need for more time to develop business abilities and skills -The need to grow a bigger customer base	**Examples of some literatures on barriers to business formalisation and business start-up** -Difficulty with the official procedures -Licensing -The registration fees

Prob1: Could you give me an example of a problem you are currently facing that disregarded your intention to formalise your HBB?		-The complexity and the length of the procedure -Lack of financing support -Lack of management skills -Lack of starting capital -Others, please explain
		References: (Auriol, 2014; ILO, 2014; Lee et al., 2011; Okpara and Wynn, 2007)
3. Do you think that your family or friends have a significant role in abandoning your intention to formalise your HBB? How? Why?	-To be explored in this phase	**Example of some literatures on HBB and entrepreneurial intention:** -The presence of children -Marriage
		Reference : (Krueger et al., 2000; Verheul et al., 2007)

- **Group B (N = 11) Participants with no *intention* to formalise their HBB.**

The interview questions might take 30–45 minutes depending on how much the participants take time in answering the questions. The researcher constructed the interview questions on the probability of the intention status. Hence, four potential groups were suggested:

1. Group B: Participants who still have no intention to formalise their HBB.
2. Subgroup A3: Participants who changed their intention and want to formalise their HBB in the long term
3. Subgroup A2: Participants who changed their intention and want to formalise their HBB in the medium term
4. Subgroup A1: Participants who changed their intention and want to formalise their HBB in the short term.

1. Group B: Participants who still have no intention to formalise their HBB

Interview questions	Some of the phase one findings	Constant comparison with the literature review
Recalling your socio-demographic status from phase one data collection, could you tell me about any changes that happened to your: Marital status, educational level, and/or your monthly income <u>In case of yes:</u>	-To be explored in this phase	**Examples of HBB literatures:** -Being able to balance between work and family needs -The desire to spend more time with family -Family situation such as:

1. Do you think that such changes in your socio demographic status will affect your intention to formalise your HBBs? Why? How?		Divorce, married, presence of children. References: (Enterprise Nation, 2014; Lynn and Earles, 2006; Walker, 2002; Wynarczyk and Graham, 2013)
In phase one interview you had mentioned that you don't have the intention to formalise your HBB, are you still holding the same intention status? Why? Prob1: What are the reasons behind not changing your intention to formalise your HBB?	-Job satisfaction and security -Utilising free time to practice a hobby -Planning for higher education	**Literatures on HBB:** -Business as a hobby References: (Enterprise Nation, 2014)
3. Do you think your family or friends have a significant role in influencing your intention? How? Why?	-To be explored in this phase	

2. **Subgroup A3: Participants who changed their intention and want to formalise their HBB in the long term**
3. **Subgroup A2: Participants who changed their intention and want to formalise their HBB in the medium term**
4. **Subgroup A1: Participants who changed their intention and want to formalise their HBB in the short term**

Interview questions	Some of the phase one findings	Constant comparison with the literature review
Recalling your socio-demographic status from phase one data collection, could you tell me about any changes that happened to your: Marital status, educational level, and/or your monthly income <u>In case of yes:</u> 1. Do you think that such changes in your socio demographic status influenced your intention to formalise your HBB? Why? How?	-To be explored in this phase	**Examples of HBB literatures:** -Being able to balance between work and family needs -The desire to spend more time with family -Family situation such as: Divorce, married, presence of children. References: (Enterprise Nation, 2014; Lynn and Earles, 2006; Walker, 2002; Wynarczyk and Graham, 2013)
In phase one interview you had mentioned that you do not have the intention to formalise your HBB, can you tell me what are the reasons behind changing your intention status?	-Insufficient salary -Job dissatisfaction	-Lifelong ambition to have business. -Spotted an opportunity in the market -Hobby

Prob1: Why did you decide to formalise your HBB in the (A1 short term); (A2 medium term); (A3 long term)? Prob2: Do you think that you are ready to formalise your HBB in the (short term A1); (A2 medium term); (long term A3)? Why? How?	-Lifelong ambition to start a business. -Personal autonomy and Seeking independence -Self-challenge -Self-confidence -Love/passion of venture -Exploiting market opportunities -maximise income generation	-Skills, self-confidence, experience -Seeking independence -Wanting to be one's own boss -Extra source of income -Financial motives References: (Enterprise Nation, 2014; Galanakis and Giourka, 2017; Vorley and Rodgers, 2014; Walker, 2003)
3 Have you heard about the new Ministerial Decree No. (258), which was introduced in April 2018? Can this Decree affect your decision to formalise your HBB? If yes, how and why?	-To be explored in this phase	
4. Do you think that your family or friends have a significant role in changing your intention? How? Why?	-Insufficient salary -Job dissatisfaction -Lifelong ambition to start a business. -Personal autonomy and -Seeking independence -Self-challenge -Self-confidence -Love/passion of venture -Exploiting market opportunities -Maximise income generation	**Examples of some Entrepreneurial motivation literatures:** <u>Experience from</u>: -Former job -Prior experience in home business. -Or both -Family social and emotional support -Seeking independence -Wanting to be one's own boss -Extra source of income -Financial motives <u>Or others, please explain:</u> References: (Dawson and Henley, 2012; Segal et al., 2005; Shane et al., 2003)

Appendix 4: Example verbatim interview transcripts/ phase two

Group C: Formalised participants

Pseudonym: (Rula)

1. Recalling your socio-demographic status from phase one data collection, could you tell me about any changes that happened to your: Marital status, educational level, and/or your monthly income.

Well, mmm nothing has been changed

2. In phase one interview you had mentioned that you have the intention to formalise your HBB and you have formalised, when did you formalise your HBB? Can you tell me what motivated you to formalise your HBB? Why? How?

We started to grow, and I may even say that we outgrew the home business concept. We started to receive larger orders, and some people would specifically ask for a sample to identify the material and see how it feels. People sometimes would ask for a sample to try on, and I think that is totally their right. When someone approaches me for a product, and they are willing to pay my prices, I feel it's their right to ask for all that. I want to eliminate all their concerns by giving them the full experience, so when it's time for them to take the decision there won't be any ambiguity.

Mmmm another thing that made this step easier is our strong base that we built over time. People already know who we are, mmmm what we do, and the level of services we provide. We aren't trying to convince people to try us, but we are here to provide them with better service than what they used to receive. I can understand other businesses hesitating with formalisation since obligations grow dramatically with that step, but I feel if you establish your customer base over a longer period, you can reduce your risk. We started even before social media, and through word of mouth grew little by little. Social media came out and we capitalised on it and tried to expand our reach and get more exposure. We started to even grow sales on social media, and I'm very specific when I say we didn't outgrow social media, but the process of selling over Instagram was no longer enough.

Today if you search for a prayer set you won't find many at our level. Mmmm the main two sources in the world are in the far east, specifically Indonesia, and in the Middle East, in Turkey. They are the only ones that make this kind of product and produce it at a commercial rate. We are not only known in Kuwait, or Gulf Countries, we are now known worldwide. I'm not saying we are known around the world, but I'm saying for those who know our business, they do know us no matter where they're located. Another aspect where we outshine competitions is design and quality. The market does not offer high quality prayer sets, and the variety is not there. We offer premium quality, with variable models, and limited quantities. Sometimes I offer to make different models, but for a limited time. Over time I realised it to be a strong point. If you like a piece we have, then you're better off buying it now, because this may be the last time we have it. It started to create a sense of urgency, and people reacted to urgency. I do track my competition and look at what they bring to the marketplace. Mmmm people would try to copy what I do, but they just do not deliver at the same level I do. They would buy the fabric locally and get a tailor to do it for them. However, a major issue they face is when the fabric is no longer available in the market, and they would have to change models. This creates an inconsistency that makes you look like an amateur to the customer. On the other hand, we have our own channels and supply chain. We start with fabrics, choose the models, mmmm gets it tailored, and ship it to Kuwait. This ensures the consistency of our quality, models, and the fabrics. Today we offer over six models. We have the skirt model, the full gown, and others. Today in the market we have no competition, meaning actual competition, but I act as if everyone is trying to do what I do. I do not compare myself to the marketplace, I compare myself to what I can do. I stay updated all the time, and it takes so much out of my life. I always think about my business, how to update it. To me, the business is not just to sell, but more than that. I try to stay innovative, stay ahead of the curve, and think of things before the customer's think of them. I feel the day the customer is ahead of me and starts to ask us why we aren't doing this or that, then we fall behind. The customer is very smart, and once they attain something, they look for the next one. I have to keep that in mind and communicate that to my partners. I have partners in the Far East, I have to communicate the trends in Kuwait, what people are thinking, and how we can deliver. I won't be exaggerating if I told you that sometimes no matter how many emails, I read there are still more. It is 24 hours a day job, and I do it all by myself. I do not assign people to do these tasks for me, and some people think it is wrong. My view is I want to have control over all

aspects, so I can detect any defects when it first forms. I am afraid that with delegation some tasks get pushed over, and we start falling behind schedule. To me, business is a marathon, and the one who keeps going for longer times is the one who will survive. I have observed people popping in my business, staying there for a while, then disappearing. Some people want to capitalise on a season, which of course every business does, but for them it's not what they think it would be. If you are trying to buy a gift for Ramadan would you go to someone who started a week ago, or someone who has been here for years? Mmmm it is a no brainer, and people who think they can easily get a market share by doing the work for one month are purely wrong. We think for a season for a couple months, prepare for another couple of months. We think about Ramadan designs 6 months before Ramadan, we know this is a big season for us, and if we come unprepared then we cannot blame ourselves for our shortcomings.

We started from nothing and started to grow slowly. We established our name by continuously working with customers and ensuring the highest level of services. When I was looking for a place to formalise my business, I wanted a top tier place. I wanted a place that reflects us as a brand. We are not some cheap brand looking to sell as much as possible. We are here for the profits of course, but we are also here to make a name for ourselves. When I think of my brand, I think of the known brands in the world, and think what kind of ideas are associated with them, that is the ideas I want associated with me. When I saw (name removed for ethical issues) in Kuwait City, I thought to myself this is the place. I honestly do not know where else would I open if not in (name removed for ethical issues). The energy you get when entering (name removed for ethical issues) is elegance and class, exactly what I want my brand to feel like. If I tell you what my five years plan is, you would be surprised. I plan on expanding my reach and getting to place no Kuwaiti brands have reached before. I want to expand in the region of course, but eventually I want to have a shop in Heathrow Airport, having my name on it. Mmmm I can see how it looks, and I think there is a demand for it. Honestly, this industry has been begging for someone to come in and renovate. Nothing has been updated for decades, and people think this is the norm. The Muslim woman is one of the most stylish and reluctant women when it comes to style. People may have the misconception that since they are wearing Hijab that it is not a big deal for them, but it's quite the opposite. They take care of every small detail, even when it comes to their prayer set. The prayer set is only worn for a short amount of time,

but since sometimes you would have to wear it in public, it would be nice to have a special piece to reflect your attention to details.

In order to maintain my market share, I told you, I have to stay updated. Today I have models for little girls, something that touches them, and would make them happy to put it on. We have something for older women who are trying to look elegant in their own way. We keep things changing all the time, even if we are selling just fine. Because we order larger amounts, and with larger quantities, comes larger risks. I may have sold off a model hundred last year, but would it be the same this year. Our manufacturing channels ask us to make larger orders, around 100 and above, and we are not calculated when placing orders, our losses can be huge. I now know the colours that sell, navy for example is my best seller. Right after that is the grey, and then other colours. When making an ordering plan I need to keep these in minds and think of how many pieces of each model. For example, mmmm I told you about our preparations for Ramadan, and this year we are coming with something new, we are introducing the Moroccan style. People love things with similar patterns, but we want to make sure to do it the right way. We want people to know this is Moroccan without telling them. Thus, we need to pay attention to the smallest details when it comes to patterns, and colours. I have been studying the colours used in Moroccan styles, and what are the ones that work with my business. For example, if Moroccans are known for using red, and I generally do not sell red very well, then it will not be a smart move to capitalise on red sets. I would need to combine the idea with the reality to get something that sells.

Another example would be our travelling set. We have a travelling set that comes with its own bag. It is very convenient, and reliable. I personally love, and people buy it all the time. No matter how much I order, I still manage to sell them all. But as I told you, I do not compare myself to my competition, or my numbers, I compare myself to my potential. I now stopped it, and we are reinventing the travel set. People sometimes complain about stopping some items, but I try to clarify that what we are doing is costing us, and making us lose business, but it’s only because we respect every person who sets foot in our store. If I have been selling a piece for a couple years, and made a good amount of money on it, I feel I am responsible for R&D.

I know we are not a technological firm, but you won't believe how much time I spend on R&D, and product development. Everything that we came up with was the product of hours of product development. We are not copying anyone, and that is the challenge, and authenticity at the same time. We are not trying to be this brand, or that brand. We are alone in the market, and that is good and bad at the same time. You set the trend, and you are the one responsible for changing it. There is no other brand to count on changing, and you go out and copy, so it is always on you to bring change.

I now introduced the incense holding, mmmm which we call in Kuwait "Mubkhar". It is a holding tool where you place a small coal on it and place the incense on it. It can be bought in sets with the prayer set, and we can also add a Quran to it. The collection of these three items give a good feeling when giving or receiving a gift. You feel you gave a full gift with all its components. Some people would bring flowers that die in a day, or two, and some would bring chocolate, and almost no one eats it. But when you are spending your money with us, it is a lasting item that would always remind you of the occasion you received it on.

3. Did your family or friends help or encourage you to formalise? How? Why?

This may be a difficult question to answer, not because I do not know the answer, but because I do not want to sound selfish. I did receive a lot of help, support, and encouragement from family and friends. However, I can also say that I did everything by myself, so I have to say yes and for some cases no. For example, all the paperwork was done by me. I was the one going to government agencies, I was the one getting the workers papers and doing the medical work for new employees. I do have to say that my husband did help me a lot by loaning me some money when the business is in need, but I always pay back. I like to separate our relationship from the business's money. I never went to a bank for a loan, my husband was the one financing me, his financial support helped me to make the down payment for my shop and I'm really thankful to have such a supportive man in my life. On the other hand, I feel when I say that a lot of help was received this may deceive the audience into thinking that you need a whole team behind you to start your business, and I'm here to tell you that this isn't true. You can do everything by yourself, and that is exactly what happened with me. I do appreciate the encouragement I get every now and then, and of course I do appreciate my husband's financial support in

the form of loans, but the point I'm trying to make here is if that wasn't available it won't be the end of the world. You can do everything by yourself. If my husband did not have the money, I would have gone to a bank. If my friends did not encourage me to formalise my home business, maybe my customers would. The world is full of support and help that takes all shapes and forms, and eventually you will find it if you set your mind to the matter and consistently put in the work.

To say I am proud would be an understatement. I am really proud, honoured, and happy with where I'm currently and the whole journey that got me here. I feel that I am a successful woman who depends on herself and becomes independent. mmmm before opening the store, I was solely focused on providing high quality products, and satisfied every single customer. And then to see my customers giving really good reviews about my work and complimenting how I design and manufacture the products is one of the best feelings I experienced in my life. For example, this interview, and the comments I got from you, these make me feel that what I made is worth the work. You may compliment me out of courtesy, but the 10th and 100th customer will not do that. The marketplace is the truth. It reflects who you are, it is a very sincere mirror.

4. Although you faced difficulties during formalising your HBB, you have succeeded in attaining the business license. Can you explain for me what kind of problems you have been through and how did you solve these problems?

Ah! Problems... where do I start! Honestly, I have been thrown many challenges. If I were to complain about something, it would be the customs, it is my nightmare. In addition to what they charge (3%–5%) on your shipment, you also have to go through all the headache to get your shipment out. Imagine going on midnight sometimes to their storage to get your shipment out. Sometimes I wonder why it is so hard to do these routines?! If the business owner is not there, I can assure you the shipment is going nowhere. I would go to their storages at different times, and spend hours trying to clear all the work and leave. They work from 9–12 and for a couple hours in the afternoon. You cannot count on meeting them on these times, and it is one of the most troubling aspects of the business. Sometimes I would be thankful that I am not in the food and beverages business. Imagine having your shipment arrived, sitting in the storage, and you cannot get it out because it is a holiday, or for any different reason. Imagine if one of the fridges stopped working, and now all the

food inside is wastage, and hope it does not affect the rest. It is a disaster to any business, and I think it is a bottleneck for any supply chain. It is an aspect that needs improvement, and I hope it does.

Another thing that benefited me is me being a woman in a world where most of the work is done by men. Most companies are either run by men or have men to do this kind of work for them. When you are adding a new employee, doing a period medical check-up, or any formal paperwork, the one who does it is the man. Sometimes you would hire someone to do most of the work for you, and you will only go there for the final signature. I, being a woman, when going to the government places, people would let me finish my work faster and get ahead. People, out of courtesy, would not mind giving up their spots so I can finish faster. Sometimes the places are too crowded and busy, mmmm and they feel for me and give me a chance to get my work done faster. I really appreciate this gesture, and it is working to my benefit.

Another headache that is not worth pursuing, my opinion based on my experience, is the Kuwait Fund. They claim to give loans to small and medium businesses, but the reality is a nightmare. After spending months trying to finish all the paperwork, they requested, and following up with them tremendous times. I could not take it anymore, I reached a point where they told me to continue pursuing it because they thought I would get the funding, but I decided to stop. They are not organised, not knowing what they are doing, and wasting my time and people's time. The application is open to everybody, and everybody is applying. This causes a lot of people to apply and causes more applications than they are capable of handling. You walk there and it is a mess, people having so much work, and do not know how to deal with it. They reached a point where they asked for help from banks to help them in the process of evaluating business and deciding if the feasibility study is realistic and could be applied. The banks provide K-Fund with a summary of their opinion on the work provided by the entrepreneur, and K-Fund trusts that summary. Sometimes after you submit everything and they accept it, they would call you to redo all your work and fix your numbers. I have to wait a month or two for you to realise I need to fix my numbers? Why would you accept my work in the first place? Ahhhhn..

The process is supposed to take between 40–50 days, but in reality, it takes way more than that. You go and ask about your file, and its status, and they would not have an answer. I

would go to their main office in Mansouria, and they would tell me to go to their other office in Hitteen. I go to Hitteen, and they send me to their valuation consultant, Global Company. Global would resend me somewhere else. I then received a call for a meeting, and more work to be redone. The process is a mess, they are not sure what they want, and that is reflected on you as if it was our fault, not theirs.

I got a call for an interview with Gulf Bank, one of the banks they work with, and told me to bring all my numbers. This is where it gets funny, they asked me with the growth expected to be made based on the funding received, what is your forecast for sales and revenue. I did not want to exaggerate, so I gave them the numbers we are doing now, which is way less considering we have not received the funding yet. Their answer is what shocked me, they said it was too inflated and not realistic. How is that not realistic? They then asked me for the contact information of my suppliers because they wanted to make sure they are stable companies. Ahhh Imagine. How would I trust you with this information? It took me years to build these relationships, and these are the keys that differentiate me from others. Would you expect me to just give this information away? Ahhh. Again, they are not sure what they are doing, they use the same form for all businesses. For example, we are focused on sales, and the orders we make from our suppliers depend on the forecast for future sales. They would ask something like "What is the production capacity of your business?" Well, we have no production capacity, and if I add the production capacity of all the suppliers, I deal with the number would not be huge, and would not add any information to the feasibility study. They use the same form for someone who is starting a factory as to someone who is selling cupcakes, nonsense. Hahaha..

Imagine this, they have experts to look into people's work and decide whether the papers have all the information needed, some kind of a filter in the process. The whole process is supposed to take 40–50 days as I mentioned before, and that is according to the official announcement. The first filter in the process took two months, because they are only two people doing all this work. Now you received a call after two months thinking it is the time to get the funding, to be surprised by them asking for a rework. You ask them what you were doing all these months, and there will not be an answer. One of the experts is called (name is removed for ethical issues) she is smart and knowledgeable. I do not blame her; I blame the shortage of manpower compared to the load received. And to make everything harder, these experts work in two different locations, so in the morning they would be in

Hitteen for two hours, and another two hours in the head office in Mansouria, and that is it. Why would you cut a workday in half, and waste a couple hours in traffic when you are already in a shortage? Sorry, but I cannot figure that out. Ahhh.

At the end after all the rework and the wait we had a meeting. The amount of funding we requested was cut in half, and we accepted that. They told us something we mentioned is not going to be covered in the funding and we accepted that as well. However, the last part that I could not accept is when they said they were not sure if we wanted the funding to expand existing stores or open a new one. The first thing I did in the rework was to mention that I no longer want to start a new store, and all the funding would go to improvements in existing outlets and improving my supply chain. They ended up concluding that my study was weak and needed more work.

They are always requesting rework, and told me it is almost done, but that is the point I decided to stop. I was not happy at first, but after hearing stories about people who got accepted, and then got stuck, I felt it was for the better that I did not follow through. Imagining, people would get half the amount, and started working, and the second half will not be released. Imagine starting construction and interior design, and then having no money for your equipment, pure disaster. Imagine. Ahhhh god.

5. What other major problems do you expect in the future?

I am not really sure what kind of problems to expect to be honest, but I'm sure there are tons of them coming. What I learned from the time I worked in this business is that problems never stop; On the contrary, they get bigger with your business's growth. Small businesses have small problems, and bigger ones have bigger problems. It is a part of life, and to deny it would not be intelligent. I may take a leap and not call them problems, just to sound positive and look at the bright side of things. When you are dealing with a supplier, there will be problems, sometimes weather conditions force manufacturing to stop, and you can do nothing about that. Sometimes you are short on cash and you have a payment coming, mmmm and you need to work that out somehow. Would I call these problems? Maybe, but life is not always a smooth ride, and businesses are no exception. In contrast, businesses may be the best reflection of life, because to me my business is

where I am the most involved in life and people. This involvement taught me lots of things about myself, people, and life.

6. Do you think that you can continue running your business successfully? Why? How?

Yes, of course. This is something that I am way beyond, and not to be arrogant, but I need to have enough confidence in my abilities. I have complete trust in my abilities, and I know I can reach my customers and satisfy them with my service. I believe to have confidence and belief is a very important aspect, and a strong place to start from. If I have been doing this for a long time, growing steadily, and having satisfied customers, then there is no reason for me to think that I will not be able to continue.

7. Have you heard about the new Ministerial Decree No. (258), which was introduced in April 2018? If yes, how did this Decree affect your decision to formalise your HBB?

Yes, I heard about it, it became easier for entrepreneurs to start up their businesses. I benefited from this Decree a lot, because I started what they call "One Person Company." This kind of company only has one owner who owns 100% of the company, so any signature or formal paper, me is the only one who can sign papers. In other companies, if you want to do something in the bank, or government paperwork, you will need to get all partners to sign, and that is a headache I could not afford. Mmmm people have all kinds of schedules, and differences that prevent them from going the same day. This could have made the company's move very slow and heave. I would imagine sometimes if my husband was a partner in the company, I can only imagine the amount of work that would be postponed due to conflicts in our schedules.

Appendix 5: Interview guide for phase three data collection/April 2019

Group C: Participants who had completed the formalisation process (N = 10).

Thank you again for your continuous participation in this research. The researcher values your feedback, which can help her to elaborate the five emerged categories. Before proceeding with this interview, I would like to recall the informed consent that was signed by you and remind you that this interview is voluntary, and you can withdraw at any time for any reason. Also, I would like to remind you that your personal information will remain completely anonymous, confidential, and no one except me has access to the information provided during the interviews. Finally, I would like to take your personal approval to audio record the interviews and inform you that this interview will take approx. 30-45 minutes.

1. Did you formalise your HBB because you were afraid that someone would steal your business idea? If yes, please explain
2. Did you formalise your HBB because you believe that HBB is not legitimate and can harm the country's national economy? If yes, please explain
3. I observed through the previous interviews that you are thinking continuously about your business. For example, you think about how to develop your products/services to keep your business updated. Also, you are continuously thinking to solve the business problems you have faced while running your business. As an HBB owner who had formalised his/her HBB, do you believe that continuously thinking about your business helped you in formalising your HBB? Can you explain the role of continuous thinking on your HBB formalisation?
4. Also, I observed that you believe in your abilities and skills. As an HBB owner who had formalised your HBB, do you think that self-confidence helped you in formalising your HBB? Can you explain the role of self-confidence on your HBB formalisation?
5. Moreover, I observed that you set plans for your business in advance. As an HBB owner who had formalised your HBB, do you think that your future plans helped you in formalising your HBB? Can you explain the role of having future vision on your HBB formalisation? Do you have fixed plans, or have you changed your plans since you started your HBB till now?

6. Also, I observed that you have persistence in achieving your goals particularly when you encounter problems. As an HBB owner who had formalised your HBB, do you think that your persistence helped you in formalising your HBB? Can you explain the role of persistence on your HBB formalisation?
7. Also, I observed that you have previous experience in your HBB. Whether you gained this experience from your previous work (fixed job) or from your experience in running your HBB over time. As an HBB owner who had formalised your HBB, do you think that your previous experience helped you in formalising your HBB? Can you explain the role of previous experience on your HBB formalisation?
8. Can you explain if other formalised HBB owners also exhibit these personal characteristics? (The purpose of this question is for evaluating the constructivist grounded theory quality criteria, mainly for resonance and usefulness).

Subgroup A1&A2 (N = 14): Participants with intention to formalise their HBBs in the short and medium terms. And group B (N = 12) Participants who have the intention to formalise their HBBs

The researcher sent a WhatsApp message to group B (N = 12) and subgroups A1&A2 (N = 14) to track their intention status from phase two.

<u>The WhatsApp message content was:</u>

Thank you again for your continuous participation in this research. The researcher would like to know if you have changed your intention status from the previous interview which was held in November 2018 till January 2019.

If there is any change in your intention to formalise your home-based business, please reply with yes, so that we can arrange the suitable date and time to conduct the interview session?

Looking forward to hearing from you.

Many thanks

Best Regards

Sawsan Malik

Appendix 6: Participant intentions to formalise HBB, case by case (phase one)

Pseudonym	Gender	Business sector	Intention status to formalise HBB
Shima	F	Food/outside catering	Long term
Khaled	M	Service/flower	Short term
Abdullah	M	Food/ethnic	Short term
Alhareth	M	Service/car washing	Short term
Sondos	F	Food/sweet	Long term
Ahmed	M	Food/sweet	Short term
Anwar	F	Food/ethnic	Long term
Hesa	F	Food/hot drinks	No intention
Yousef	M	Creativity/customised gifts and t-shirts	Short term
Eman	F	Food/sweet	Short term
Altaf	F	Service/flower	Short term
Suliaman	M	Creativity/jewellery design	No intention
Noura	F	Service/flower	No intention
Ebtesam	F	Creativity/organic perfumes	Long term
Nona	F	Food/sweet	Long term
Bashayer	F	Creativity/handmade art and craft	Long term
Hanan	F	Food/outside catering and training courses	Long term
Abrar	F	Service/picnic and party organiser	No intention
Sara	F	Creativity/fashion designer	Long term
Rasha	F	Service/home salon	Long term
Suleil	F	Food/sweet	Short term
Shams	F	Creativity/fashion designer	Long term
Alaa	F	Creativity/fashion designer	Long term
Muneera	F	Service/ party organiser	No intention
Zainab	F	Service/photographer new-born	No intention
Amna	F	Creativity/art and craft	Long term
Naema	F	Food/salad	Long term
Farah	F	Creativity/fashion designer	Long term
Noor	F	Food/ethnic	Long term

Nayef	M	Food/sweet and gifts	No intention
Enas	F	Food/pasta	Long term
Ayah	F	Creativity/jewellery design	No intention
Maryam	F	Food/sweet	Long term
Mona	F	Creativity/fashion designer for kids	Short term
Samar	F	Food/outside catering	Long term
Fatma	F	Creativity/home décor designer	Long term
Khadeja	F	Food/sweet	Short term
Lyla	F	Creativity/fashion designer handmade accessories	No intention
Shaha	F	Food/ethnic	Long term
Nuha	F	Food/sweet	Short term
Hamad	M	Service/photographer	Short term
Yaser	M	Creativity/home décor designer	Short term
Zakiya	F	Food/outside catering	No intention
Abeer	F	Service/flower	Long term
Anfal	F	Food/outside catering	Long term
Sadeqa	F	Food/sweet	No intention
Rula	F	Creativity/fashion and home décor designer	Short term
Zahra	F	Service/fashion	Short term
Ansam	F	Food/sweet	Long term
Amal	F	Service/flower	Long term

F = female, M = male

Appendix 7: Summary of participant (N = 36) socio-demographic characteristics, phase two, (November 2018 to January 2019)

Pseudonym	Gender	Age	Marital status	Monthly income (KD)	Educational level
Shima	F	33	Ma	1000–3000	Bachelor's
Abdullah	M	35	S	1000–3000	Bachelor's
Sondos	F	43	Ma	1000–3000	Bachelor's
Ahmed	M	36	S	1000–3000	Bachelor's
Anwar	F	34	Ma	1000–3000	Bachelor's
Hesa	F	35	S	1000–3000	Postgraduate
Eman	F	30	S	1000–3000	Bachelor's
Hanan	F	44	Ma	> 3000	Bachelor's
Enas	F	42	Ma	< 1000	Diploma
Mariam	F	27	S	1000–3000	Bachelor's
Samar	F	38	S	1000–3000	Bachelor's
Khadeja	F	26	Ma	< 1000	Bachelor's
Shaha	F	43	Ma	1000–3000	Bachelor's
Nuha	F	44	Ma	> 3000	Postgraduate
Zakiya	F	44	Ma	1000–3000	Postgraduate
Sadeqa	F	51	Ma	1000–3000	Bachelor's
Ansam	F	45	Ma	1000–3000	Diploma
Yousef	M	30	S	< 1000	Postgraduate
Suliaman	M	34	Ma	1000–3000	Bachelor's
Bashayer	F	48	Ma	< 1000	Postgraduate
Sara	F	32	S	1000–3000	Bachelor's
Shams	F	30	S	1000–3000	Bachelor's
Amna	F	35	Ma	1000–3000	Bachelor's
Farah	F	34	Ma	1000–3000	Bachelor's
Fatma	F	28	Ma	1000–3000	Bachelor's
Yaser	M	47	D	> 3000	Postgraduate

Rula	F	50	Ma	1000–3000	Bachelor’s
Zahra	F	37	Ma	1000–3000	Bachelor’s
Khaled	M	33	Ma	1000–3000	Bachelor’s
Altaf	F	30	S	1000–3000	Bachelor’s
Noura	F	37	S	< 1000	Bachelor’s
Abrar	F	36	S	1000–3000	Postgraduate
Rasha	F	43	D	1000–3000	Bachelor’s
Zainab	F	37	D	Over 3000 KD	Bachelor’s
Abeer	F	34	Ma	1000–3000	Postgraduate
Amal	F	45	Ma	1000–3000	Diploma

F = female, M = male, Ma = married, S = single, D = divorced

Appendix 8: Intention fluctuation case by case, phase one to phase two

Pseudonym	Gender	Business sector	Intention status to formalise HBB/phase one	Intention status to formalise HBB/phase two
Shima	F	Food/outside catering	Long term	Medium term
Khaled	M	Service/flower	Short term	Formalised
Abdullah	M	Food/ethnic	Short term	Formalised
Sondos	F	Food/sweet	Long term	Medium term
Ahmed	M	Food/sweet	Short term	Formalised
Anwar	F	Food/ethnic	Long term	Medium term
Hesa	F	Food/hot drinks	No intention	No intention
Yousef	M	Creativity/customised gifts and t-shirts	Short term	No intention
Eman	F	Food/sweet	Short term	Formalised
Altaf	F	Service/flower	Short term	Formalised
Suliaman	M	Creativity/jewellery design	No intention	No intention
Noura	F	Service/flower	No intention	No intention
Bashayer	F	Creativity/handmade art and craft	Long term	Medium term
Hanan	F	Food/outside catering and training courses	Long term	Medium term
Abrar	F	Service/picnic and party organiser	No intention	No intention
Sara	F	Creativity/fashion designer	Long term	Medium term
Rasha	F	Service/home salon	Long term	No intention
Shams	F	Creativity/ fashion designer	Long term	Medium term
Zainab	F	Service/photographer new-born	No intention	No intention
Amna	F	Creativity/art and craft	Long term	Medium term
Farah	F	Creativity/ fashion designer	Long term	Medium term
Enas	F	Food/pasta	Long term	Medium term
Maryam	F	Food/sweet	Long term	No intention
Samar	F	Food/outside catering	Long term	No intention

Fatma	F	Creativity/home décor designer	Long term	Short term
Khadeja	F	Food/sweet	Short term	Formalised
Shaha	F	Food/ethnic	Long term	Medium term
Nuha	F	Food/sweet	Short term	Formalised
Yaser	M	Creativity/home décor designer	Short term	Formalised
Zakiya	F	Food/outside catering	No intention	No intention
Abeer	F	Service/flower	Long term	No intention
Sadeqa	F	Food/sweet	No intention	No intention
Rula	F	Creativity/Fashion and home décor designer	Short term	Formalised
Zahra	F	Service/fashion	Short term	Formalised
Ansam	F	Food/sweet	Long term	Medium term
Amal	F	Service/flower	Long term	Medium term

F = female, M = male