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PRIVATE SMALL BUSINESSES AND ENTREPRENEURSHIP SUCCESS, GROWTH AND CONTINUITY IN ISRAEL: A PHENOMENOLOGICAL STUDY OF WHY SMALL BUSINESS OWNERS STARTED A BUSINESS AND HOW THEY DEFINE, MEASURE AND SEEK SUCCESS, GROWTH AND SUCCESSION

Suha Jaber Razouk[i]
Girne American University (GAU),
Northern Cyprus

Abstract:
This phenomenological study explores the subjective lived experiences of Arab and Jerusalemite small business owners operating within a highly volatile and intersectionally marginalized geopolitical ecosystem. While traditional entrepreneurship literature relies heavily on objective financial metrics and exhibits a pronounced "pro-growth bias," this research addresses a significant methodological gap by investigating how systemic barriers shape minority founders' internal meaning-making processes. Utilizing a qualitative, hermeneutic phenomenological research design, data were collected through in-depth life story interviews with 30 entrepreneurs across diverse sectors, including high-tech, education, and traditional commerce. The thematic analysis reveals that for these founders, entrepreneurship transcends pure economic necessity. The findings highlight five core themes: (1) entrepreneurial motivation as an "intellectual rebellion" to shatter systemic glass ceilings and restore personal dignity; (2) the redefinition of success from rapid financial scaling to business resilience and community impact; (3) the adoption of qualitative growth, bootstrapping, and "Blue Ocean" strategies to navigate severe credit gaps and institutional neglect; (4) a progressive shift toward a merit-based "succession of vision" over blind family inheritance; and (5) the strategic transformation of geopolitical constraints into community-oriented empowerment. Synthesizing these narratives, the study introduces the "Disruption and Succession of Vision Theory" (DSVT), framing minority entrepreneurship not merely as a commercial pursuit, but as an existential act of Sumoud (steadfastness). The research provides critical insights for policymakers, urging a shift away from generic technical interventions toward culturally aware support systems that address structural credit gaps and foster long-term societal impact.

JEL: L26; M13; D91; O17; Z13; J15; P48

[i] Correspondence: email Razouk_SJ@gmail.com

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1. Introduction

Entrepreneurship is globally recognized as a primary engine for economic growth, job creation, and poverty reduction (Gherghina *et al.*, 2020). Classic economic frameworks often emphasize "creative destruction" and innovation-driven market disruption (Mehmood *et al.*, 2019). Consequently, traditional academic literature frequently evaluates entrepreneurial success utilizing objective, quantitative performance indicators such as profitability, sales revenue, and employee headcount (Argaw & Liu, 2024; Wach *et al.*, 2018). However, this conventional "pro-growth" paradigm assumes a stable ecosystem with equal access to resources. This assumption falls short when applied to minority groups operating within volatile geopolitical environments, where non-pecuniary goals and socio-emotional wealth are frequently prioritized over rapid financial scaling (Clennon, 2022; Wach *et al.*, 2018).

The entrepreneurial landscape for the Arab minority in Israel and specifically within the uniquely complex institutional context of Jerusalem contrasts sharply with the globally celebrated Israeli "Start-Up Nation" narrative (Bar-El *et al.*, 2019). While Small and Medium Enterprises (SMEs) constitute approximately 99.5% of all Israeli businesses, Arab-owned enterprises, which make up about 10% of the country's firms, face severe structural and intersectional marginalization (Injaz, 2020; Ministry of Economy and Industry, 2023). Economically, these entrepreneurs endure a persistent "credit gap"; despite generating 37% of national business output, they receive only 14% of total business credit, forcing a massive reliance on personal or family savings due to high bank rejection rates (Knesset Research and Information Center, 2025). In East Jerusalem, these economic barriers are further compounded by restrictive land-use laws, spatial segregation, and distinct administrative constraints (Diab, 2025; Injaz, 2020).

Despite the harsh realities of this environment, existing literature on Israeli entrepreneurship remains overwhelmingly dominated by quantitative, macroeconomic, and policy-oriented analyses that exhibit a pronounced "pro-growth bias" (Monteiro, 2019; Prince *et al.*, 2021). Consequently, there is a profound methodological gap regarding the subjective "lived experiences" of traditional micro and small business owners from marginalized sectors (Mirvis, 2024; Wach *et al.*, 2018). Traditional research relies heavily on objective metrics to classify success and failure, failing to capture the internal "meaning-making" processes of these entrepreneurs and omitting how intersectional marginalization shapes their personal definitions of achievement (Dirik & Özdogan, 2025; Mirvis, 2024).

The primary purpose of this phenomenological study is to bridge these academic gaps by establishing a comprehensive theoretical and empirical foundation for investigating the lived experiences of private small business owners (Mirvis, 2024). By utilizing life story interviews, this research captures the "essence" of the entrepreneurial phenomenon, exploring how Arab and Jerusalemite founders narrate their initial motivations, how these drivers shape their subjective definitions of "lived success," and how these definitions subsequently dictate their strategic posture toward growth and long-term continuity (Wach *et al.*, 2018).

This study makes significant theoretical and practical contributions. Theoretically, it challenges deterministic life-cycle models and the "pro-growth bias" (Mosca *et al.*, 2021; Salder *et al.*, 2020). It refines the concept of "subjective achieved success" by highlighting non-pecuniary metrics and contextualizes "growth aversion" as a deliberate strategic choice to preserve autonomy rather than a business failure (Hernández von Wobeser, 2016). Practically, the findings offer an empirical foundation for policymakers and support institutions to design tailored, culturally aware interventions that go beyond generic technical training, aiming instead to address the systemic credit and bureaucratic hurdles uniquely faced by minority entrepreneurs (Axelrad *et al.*, 2021; Ministry of Economy and Industry, 2023).

2. Literature Review

2.1 Contextualizing Minority Entrepreneurship

Small and Medium Enterprises (SMEs) are globally recognized as primary engines of economic growth and job creation (Gherghina *et al.*, 2020). Classic theories, such as Schumpeter's "creative destruction," frame entrepreneurship through an innovation-driven lens focused on rapid market disruption (Mehmood *et al.*, 2019). However, this conventional "pro-growth" paradigm assumes equal access to resources, an assumption that falls short for minority groups in volatile environments who prioritize non-pecuniary goals and autonomy alongside survival (Clennon, 2022; Wach *et al.*, 2018). In Israel, the Arab minority's landscape contrasts sharply with the globally celebrated "Start-Up Nation" narrative (Bar-El *et al.*, 2019; Injaz, 2020). Despite generating 37% of national output, Arab-owned enterprises face severe intersectional marginalization, receiving only 14% of total business credit (Injaz, 2020; Knesset Research and Information Center, 2025; Ministry of Economy and Industry, 2023). Compounded by spatial segregation and bureaucratic hurdles (Injaz, 2020), nearly 50% of Arab startups rely entirely on personal savings due to high bank rejection rates (Knesset Research and Information Center, 2025). This reliance on macroeconomic data leaves a profound methodological gap regarding these founders' subjective "lived experiences" (Mirvis, 2024; Wach *et al.*, 2018).

2.2 Entrepreneurial Motivation: From Necessity to Intellectual Rebellion

Traditional exploration of entrepreneurial motivation is anchored in the dichotomy of "push" (necessity) and "pull" (opportunity) factors (Caliendo *et al.*, 2023; Giacomin *et al.*, 2023; Martínez-Cañas *et al.*, 2023). However, recent scholarship argues this is oversimplified for minority entrepreneurs, who exhibit a "blended logic" heavily driven by identity centrality and the search for work meaningfulness (Dirik & Özdogan, 2025; Giacomin *et al.*, 2023; Wang *et al.*, 2022). In marginalized Israeli contexts, motivation often manifests as a "Call-to-Action" (Mirvis, 2024) and an "intellectual rebellion" against systemic glass ceilings (Diab, 2025; Li & Setiawan Sanusi, 2023). For these founders, launching a venture serves as a powerful psychological tool for self-actualization, allowing them to restore personal dignity and escape societal stigma (Shava & Chinyamurindi, 2019; Wach *et al.*, 2018).

2.3 Redefining Entrepreneurial Success

The conceptualization of entrepreneurial success is highly contested (Argaw & Liu, 2024). Objective metrics often misrepresent the holistic health of marginalized SMEs due to a pervasive "pro-growth" bias (Sevilla-Bernardo *et al.*, 2022; Wach *et al.*, 2018). Contemporary frameworks utilize the Subjective Entrepreneurial Success-Achievement Scale (SES-AS) to argue that "achieved success" relies on the owner's internal evaluation (Chaves-Maza & Fedriani, 2022; Wach *et al.*, 2018). For small business owners in volatile environments, success is fundamentally redefined as "Business Resilience", the ability to survive recurrent crises without accumulating impossible debt (Fatoki, 2018; Salder *et al.*, 2020). Furthermore, in collectivist Arab communities, socio-emotional achievements, such as preserving cultural identity, gaining social recognition, and providing local employment, frequently outweigh rapid financial scaling or a lucrative exit (Injaz, 2020; Opper, 2025). Relying solely on financial data leads to an incomplete portrayal of such firms (Kusa *et al.*, 2024; Wach *et al.*, 2018).

2.4 Growth Trajectories and Strategic Flexibility

Growth in small business literature has evolved into a multidimensional concept (Salder *et al.*, 2020). Unlike traditional Organizational Life Cycle (OLC) models that suggest linear progression (Ford, 2016; Mosca *et al.*, 2021), growth in volatile ecosystems is frequently non-linear and stochastic (Jirásek & Bílek, 2018; Salder *et al.*, 2020). It encompasses both quantitative expansion (Adomako & Mole, 2018; Zhou & Gumbo, 2021) and qualitative improvement, such as professionalization and cultivating "strategic flexibility" (Brozović *et al.*, 2025; Teixeira *et al.*, 2021). The literature identifies a critical contradiction between the "pro-growth bias" (Monteiro, 2019) and the reality of "growth aversion" or intentional non-growth (Hernández von Wobeser, 2016). Owners often choose to remain small to preserve autonomy (Dirik & Özdogan, 2025; Salder *et al.*, 2020) and prevent unsustainable resource exhaustion or "entrepreneurial entropy" (Gali *et al.*, 2024). Facing severe digital divides and taxation in East Jerusalem (Axelrad *et al.*, 2021; Injaz, 2020), owners navigate fierce inequalities by bootstrapping and deliberately seeking uncrowded "Blue Ocean" market spaces devoid of direct competitors (Farja *et al.*, 2016; Teixeira *et al.*, 2021).

2.5 Continuity, Succession, and Socio-Emotional Wealth

The terminal stages of the organizational life cycle are fraught with psychological complexities (Fatoki, 2018; Mosca *et al.*, 2021), contributing to a global "succession crisis" where only 30% of family businesses survive into the second generation (Clennon, 2022; Do Paço *et al.*, 2021). In family businesses, succession is primarily driven by the desire to preserve "Socio-Emotional Wealth" (SEW) and a transgenerational legacy (Bozer *et al.*, 2017; Clennon, 2022; Liu, 2018). However, this deep attachment often creates the "incumbent's shadow," stifling the successor's autonomy and organizational renewal (Bozer *et al.*, 2017; Istipliler *et al.*, 2023). True long-term sustainability requires decoupling the business's fate from the founder's tenure (Bozer *et al.*, 2017; Djakasaputra *et al.*, 2026) through the transmission of a "Transgenerational Entrepreneurial Orientation" (TEO) (Djakasaputra *et al.*, 2026). Consequently, progressive founders increasingly shift toward a "succession of vision," passing the institutional ethos to competent professionals who share their core values rather than relying on strict family inheritance (Duetsch & Oestreich, 2025; Renuka & Marath, 2023).

2.6 The Methodological Gap: The Need for Phenomenological Inquiry

Despite abundant quantitative data on the Israeli economy, there is a profound lack of qualitative research exploring how minority small business owners narrate their journeys (Mirvis, 2024; Prince *et al.*, 2021). Predictive success models often fail to capture nuanced, subjective narratives of survival (Mirvis, 2024; Wach *et al.*, 2018). Phenomenology addresses this limitation by prioritizing the "lived experience" (Dirik & Özdogan, 2025; Prince *et al.*, 2021). It provides a necessary framework to explore how initial motivations shape definitions of "lived success," dictate growth tolerance, and influence succession readiness (Mirvis, 2024; Wach *et al.*, 2018), ultimately proving that minority entrepreneurship is an ongoing act of resilience and community empowerment (Diab, 2025; Opper, 2025).

3. Material and Methods

This study utilizes a qualitative, interpretive (hermeneutic) phenomenological research design (Mirvis, 2024). Traditional variable-centric models often exhibit a "pro-growth bias," failing to capture the subjective "lived experiences" and internal "meaning-making" processes of marginalized business owners (Monteiro, 2019; Prince *et al.*, 2021; Wach *et al.*, 2018). Phenomenology was explicitly chosen as the most appropriate methodology because it prioritizes human consciousness, allowing the researcher to explore how founders personally construct, perceive, and narrate their entrepreneurial journeys within a highly complex geopolitical ecosystem (Dirik & Özdogan, 2025; Opper, 2025).

The target population comprises private small business owners from the Arab minority in Israel, with a highly specific focus on the unique micro-ecosystem of Jerusalem (Diab, 2025; Hadad-Haj-Yahia *et al.*, 2021). Employing a purposive sampling strategy to capture rich, in-depth narratives, the study included 30 founders, CEOs, and institutional experts (Cao *et al.*, 2022). To ensure a holistic view of the marginalized market dynamics, the sample was deliberately diversified across multiple industrial sectors, including High-Tech and Artificial Intelligence, Education, Arts and Fashion, and Traditional Commerce.

Data was primarily collected through semi-structured, "life story" interviews lasting one to three hours, conducted in Arabic to preserve cultural nuance and emotional accuracy (Mirvis, 2024; Wach *et al.*, 2018). The interview protocol was meticulously aligned with a Four Dimensions Conceptual Framework (Salder *et al.*, 2020), probing: (1) identity-driven entrepreneurial motivation and systemic rebellion (Martínez-Cañas *et al.*, 2023; Mirvis, 2024); (2) subjective definitions of lived success and social impact (Dirik & Özdogan, 2025; Wach *et al.*, 2018); (3) non-linear growth trajectories, bootstrapping, and systemic resilience (Hernández von Wobeser, 2016; Injaz, 2020; Knesset Research and Information Center, 2025); and (4) terminal horizons regarding continuity and succession (Bozer *et al.*, 2017; Clennon, 2022). All interviews were transcribed verbatim and subjected to rigorous thematic analysis to map how foundational motivations cognitively dictate growth and succession strategies (Farja *et al.*, 2016; Teixeira *et al.*, 2021). Strict ethical standards, including explicit consent and confidentiality, were maintained to ensure a secure environment for participants (Diab, 2025; Opper, 2025).

4. Results

The findings of this research provide an extensive and complex understanding of the experiences, motivations, and survival strategies of Arab and Jerusalemite small business owners. In-depth qualitative life story interviews with founders and managers in this ecosystem were conducted. The participants revealed that entrepreneurship is viewed not merely as a commercial pursuit, but as both a psychological rebellion and an organizational tool for community empowerment. Five distinct themes emerged that represent the respondents' interviews in relation to their entrepreneurial journeys: (1) entrepreneurial motivation as an intellectual rebellion, (2) redefining success through resilience, (3) unique survival strategies like bootstrapping, (4) the succession of vision, and (5) navigating intersectional marginalization. The ways these entrepreneurs express their lived experiences demonstrate that their journey transcends pure economic necessity.

Theme 1: Entrepreneurial Motivation (Between Intellectual Rebellion and the Search for Dignity)

Participants employed in the Jerusalemite and Arab business sector defined their initial motivation not only as an economic necessity, but as a complex blend of intellectual rebellion against systemic marginalization and a pursuit of self-actualization.

A number talked about the importance of rejecting discriminatory employment systems and restoring personal dignity.

One entrepreneur indicated, *"I was reading an article in a newspaper stating that the percentage of Arab CEOs in the Israeli high-tech sector is less than 1%... That was the pivotal moment of asking 'why?'... I said I must start a company to be part of the solution"*.

Another participant stated, *"My revolution started with the desire to do something where I renounce this state and make them run after me"*.

For female entrepreneurs, this motivation was intensely linked to self-worth. One of them expressed, *"I am 50 years old; I celebrated my birthday, put a zero candle, and said I am born today... I don't want to beg from you; I just want you to help me start a project so I can live from my own sweat and hard work"*.

These comments clearly refute the traditional dichotomy of "push" (necessity) and "pull" (opportunity) motivations (Martínez-Cañas *et al.*, 2023). Instead, they align with Mirvis (2024) and Dirik and Özdogan (2025), who confirm that in marginalized contexts, identity-driven motivation and a crisis-induced "Call-to-Action" are the primary drivers for venture creation.

Theme 2: Redefining Success (Resilience and Societal Impact vs. Rapid Expansion)

The founders in the study consistently rejected the idea of rapid financial growth and scaling as the sole criteria for success. Instead, they defined success primarily through business resilience and positive community impact.

One manager said, *"Who is the skilled driver? The one who drives without letting anyone crash into him from behind, nor crashing into the one in front... Knowing exactly when to hit the brakes, this is life... Stability in business is the most important thing"*. Similarly, another participant noted, "*As long as I open it and am able to cover its expenses without coming out in debt at the end of the month, I consider myself successful*". Furthermore, participants connected success heavily to societal change. One founder stated that his concept of success shifted from exiting a company to caring about serving the community and helping people find jobs. Another one added, "*You see it in the spark in the eyes of the boys and girls working with us... It is a massive change in society"*. These results explicitly refute the "pro-growth bias" in economic literature, which measures success by sales volume or rapid acquisition deals (Monteiro, 2019). Alternatively, these views support Wach *et al.* (2018) and Fatoki (2018), confirming that subjective entrepreneurial success and resilience are the primary metrics during crises, reflecting deep collectivist cultural norms.

Theme 3: Survival Strategies (Bootstrapping, Blue Ocean, and Institutional Phobia)

Due to severe systemic barriers and a lack of government support, participants noted several alternative approaches to survival and growth, specifically relying on "Bootstrapping" and "Blue Ocean" strategies. One entrepreneur explained his market approach: *"The Blue Ocean means entering a market with absolutely no sharks... I entered this market three years ago, and there is no one else like me"*. Regarding financial constraints, another entrepreneur highlighted his extreme reliance on self-funding due to institutional rejection, stating, *"Up until today, for 28 years of running the company, I operate on self-funding and have never been in the minus... The banks told me, 'Get lost, unfortunately, if you don't bring us collateral'"*. Another one supported this reality, mentioning that it was all personal funding and he spent his job's salary on his second project. These survival mechanisms align strongly with findings by the Knesset Research and Information Center (2025), which indicate a severe credit gap forcing Arab startups to rely on personal savings. Furthermore, the strategic flexibility to seek uncontested markets supports Salder *et al.* (2020), who noted that owners adopt qualitative growth to compensate for resource scarcity.

Theme 4: Continuity and Succession (Succession of Vision vs. Biological Inheritance)
Participants indicated highly progressive viewpoints regarding the terminal horizons of their ventures, rejecting the traditional desire to keep the business blindly within the family name. One founder expressed, *"Spark School, we are going to pass it to a new CEO, a new team... Some people succeed and their impact shows while they are alive... but true impact shows when they leave this life, and other people take over"*. Another participant emphasized the project's survival over family involvement, saying, *"The project must succeed, it must remain... The family will fail in this matter because it has nothing to do with the work"*. Alternatively, another entrepreneur pragmatically accepted the venture's end: *"The banner ends with retirement... One should reap the fruits of his labor and continue his life"*.

These comments explicitly refute the Socio-Emotional Wealth (SEW) theory, which assumes owners will fiercely keep administrative control for their biological heirs (Bozer *et al.*, 2017; Clennon, 2022). Instead, they firmly support the Transgenerational Entrepreneurial Orientation (TEO) model, emphasizing a "succession of vision" to competent external professionals (Djakasaputra *et al.*, 2026).

Theme 5: Intersectional Marginalization and Geopolitical Challenges in Jerusalem
Cultural, social, and geopolitical constraints emerged as a significant influence in shaping the continuous survival of these ventures. Participants shared intense narratives of identity-based discrimination, institutional phobia, and political restrictions. One of them experienced direct political censorship: *"Last year we did something called 'Threads of a Homeland.' From the name alone, the French Center asked to cancel it... so there wouldn't be friction between the French Center and the Israeli government"*. Another entrepreneur explained his experience with professional identity discrimination, noting that clients respectfully withdrew as soon as they realized he was Arab. Furthermore, another participant shared instances of administrative harassment and punitive tax environments during crises. The findings of these participants strongly support Diab (2025) and Opper (2025), confirming the concept of "intersectional marginalization" and demonstrating that the celebrated "Start-Up Nation" narrative (Bar-El *et al.*, 2019) is geographically and

culturally limited. Consequently, maintaining business continuity transforms into an ongoing state of *Sumoud* (steadfastness).

5. Discussion

The findings from this study illustrate the complicated and interdependent relationships that minority entrepreneurship has with geopolitical constraints, identity-driven motivations, and cultural norms in the Arab and Jerusalemite sectors. Collecting rich data through life story interviews with founders across a wide range of sectors highlights how entrepreneurship in this context cannot be reduced to a purely economic endeavor or a "pro-growth" psychological state. Instead, it must be seen as a relational and multifaceted process shaped by systemic marginalization, intellectual rebellion, and strategic resilience. The emergent themes provide critical insights into how these entrepreneurs navigate their unique ecosystem, challenging several traditional academic paradigms and offering a new theoretical lens for minority business survival.

An important finding of the study was that founders conceptualized their initial motivation not only through the traditional "push-pull" dichotomy (Martínez-Cañas *et al.*, 2023), but as an intellectual rebellion and a quest for dignity. While classic literature assumes necessity-driven entrepreneurs only seek financial survival, the participants in this study utilized venture creation as a "Call-to-Action" to shatter systemic glass ceilings. For instance, the drive to establish high-tech initiatives was fueled by a conscious desire to rectify the severe underrepresentation of Arabs in the sector, while for traditional female founders, entrepreneurship acted as a profound "rebirth" to restore personal independence and avoid reliance on social welfare. These findings are highly consistent with Mirvis (2024) and Dirik and Özdogan (2025), who argue that in marginalized contexts, identity-driven motivation and the pursuit of work meaningfulness serve as the primary psychological fuel for venture creation.

Furthermore, management and founders in the study conceptualized "success" not as a means for rapid financial scaling or a lucrative corporate exit, but as a mechanism for long-term community empowerment and business resilience. They reliably rejected the academic "pro-growth bias" (Monteiro, 2019), defining success subjectively through their ability to survive recurrent crises without accumulating crippling debt—a concept metaphorically described by participants as being a "skilled driver" who knows when to hit the brakes. This mirrors Fatoki's (2018) assertion that entrepreneurial resilience is the ultimate marker of success during periods of crisis. Reflecting deep collectivist cultural norms (Opper, 2025), participants also measured achievements by their ability to prevent local "brain drain" and spark critical thinking among the youth. This validates the Subjective Entrepreneurial Success-Achievement Scale (SES-AS), confirming that socio-emotional achievements frequently outweigh quantitative valuation in marginalized communities (Wach *et al.*, 2018).

If we dive deeper into the strategic growth trajectories practiced in this hostile ecosystem, the data revealed a pragmatic reliance on bootstrapping and "Blue Ocean" innovations. The participants consistently highlighted extreme difficulties in securing institutional funding, which aligns with the systemic "credit gap" identified by the Knesset Research and Information Center (2025), where minority SMEs face disproportionately high bank rejection rates. To navigate these structural constraints, founders intentionally pursued "qualitative growth" rather than aggressive market competition, actively seeking uncontested niches—such as merging academic fine arts with fashion design. This behavior strongly supports the premise that "intentional non-growth" or qualitative refinement is not a business failure, but a deliberate, intelligent strategy to preserve autonomy and ensure survival (Hernández von Wobeser, 2016; Salder *et al.*, 2020).

Although survival strategies were robust, the study highlighted a progressive and disruptive shift regarding the terminal horizons of these ventures: continuity and succession. Traditional literature posits that family-owned small businesses are heavily driven by the desire to preserve "Socio-Emotional Wealth" (SEW) through blind biological inheritance, a practice that often triggers the "incumbent's shadow" and stifles innovation (Bozer *et al.*, 2017; Clennon, 2022). The findings explicitly refute this model. The entrepreneurs demonstrated a highly progressive mindset, labeling blind family inheritance as ineffective if it lacks genuine societal impact. Instead, they championed a "succession of vision," actively decoupling their personal egos from the business to prepare competent external management teams. This reflects a high level of Transgenerational Entrepreneurial Orientation (TEO), ensuring that the venture's societal impact outlives the original founder's tenure (Djakasaputra *et al.*, 2026).

The study also revealed the profound significance of intersectional marginalization in shaping the daily realities of these businesses. Founders shared intense narratives of political censorship, professional identity discrimination, and administrative harassment. These experiences empirically validate the "intersectional marginalization" framework (Diab, 2025), demonstrating a stark dichotomy where the globally celebrated Israeli "Start-Up Nation" narrative is geographically and culturally limited, leaving Jerusalemite projects behind a wall of institutional phobia (Bar-El *et al.*, 2019). Consequently, maintaining business continuity in this context transforms into an ongoing state of steadfastness (*Sumoud*).

Finally, by synthesizing these complex lived experiences, a primary theoretical contribution of this study emerges: **The Disruption and Succession of Vision Theory (DSVT)**. Unlike deterministic life cycle models, which assume the ultimate goal of a venture is accumulating generational wealth (Mosca *et al.*, 2021), the DSVT posits three core tenets for marginalized founders.

First, motivation is fundamentally an intellectual rebellion and a tool for systemic disruption.

Second, success is measured by the creation of a "living legacy" and community resilience.

Third, continuity is achieved through the intellectual succession of ethos to competent professionals, purposefully eradicating the incumbent's shadow.

Ultimately, the DSVT reframes the minority entrepreneur not as a traditional empire-builder seeking to hoard wealth, but as an ecosystem-builder who creates a vehicle for social change, hands the keys to like-minded leaders, and moves forward to innovate again.

Table 1: Paradigm Shift: Traditional vs. Lived Experience

	Traditional Pro-Growth Paradigm	**Phenomenological Reality**
Motivation	Push/Pull (Economic Necessity vs. Opportunity)	Intellectual rebellion and restoration of dignity
Definition of Success	Rapid financial scaling, ROI, Lucrative exits.	Business resilience, stability, and societal impact.
Growth Strategy	Linear expansion, aggressive market competition.	Bootstrapping, “Blue Ocean” niches, qualitative growth
Continuity	Socio-Emotional Wealth (SEW), blind biological inheritance.	Transgenerational Entrepreneurial Orientation (TEO), succession of vision to competent professionals.

Table 1: Synthesis of Themes, Theoretical Frameworks, Literature, and Implications

Themes	**Supporting Theory & Concepts**	**Supporting Literature**	**Implications (Theoretical & Practical)**
Theme 1: Entrepreneurial Motivation (Intellectual Rebellion & Dignity)	• Identity-Driven Motivation. • "Call-to-Action" during crises. • Critique of the traditional "Push-Pull" dichotomy.	(Dirik & Özdogan, 2025; Martínez-Cañas *et al.*, 2023; Mirvis, 2024; Shava & Chinyamurindi, 2019; Wang *et al.*, 2022)	**Theoretical:** Proves that minority motivation transcends mere financial necessity; it is a systemic intellectual rebellion and a psychological drive to restore human dignity. **Practical:** Interventions should prioritize psychological empowerment and agency, avoiding generic necessity-based financial aid.
Theme 2: Redefining Entrepreneurial Success (Resilience & Societal Impact)	• Subjective Entrepreneurial Success-Achievement Scale (SES-AS). • Business Resilience. • Critique of the "Pro-Growth Bias".	(Fatoki, 2018; Monteiro, 2019; Opper, 2025; Sevilla-Bernardo *et al.*, 2022; Wach *et al.*, 2018)	**Theoretical:** Challenges capitalist pro-growth models by validating socio-emotional achievements and resilience as core success metrics in volatile ecosystems. **Practical:** Policymakers should measure SME success based on stability, survival during crises, and local job creation (preventing brain drain) rather than rapid ROI.

Theme 3: Survival Strategies (Bootstrapping & Blue Ocean)	• Qualitative Growth & Intentional Non-Growth (Growth Aversion). • Blue Ocean Strategy. • The systemic "Credit Gap".	(Gali *et al.*, 2024; Hernández von Wobeser, 2016; Knesset Research and Information Center, 2025; Salder *et al.*, 2020)	**Theoretical:** Frames "remaining small" as a deliberate, intelligent strategy to avoid "entrepreneurial entropy" (resource exhaustion), rather than a business failure. **Practical:** Support programs must address institutional credit gaps and bank rejection rates instead of pushing generic tech accelerators that force unsustainable scaling.
Theme 4: Continuity and Succession (Succession of Vision)	• Transgenerational Entrepreneurial Orientation (TEO). • Decoupling owner ego from the business entity. • Disruption and Succession of Vision Theory (DSVT). • Critique of Socio-Emotional Wealth (SEW).	(Bozer *et al.*, 2017; Clennon, 2022; Djakasaputra *et al.*, 2026; Shahzad *et al.*, 2025)	**Theoretical:** Refutes the traditional SEW model and biological "primogeniture bias," introducing DSVT, which focuses on a "living legacy". **Practical:** Encourages founders to transfer their institutional ethos to competent external professionals, eradicating the "incumbent's shadow" to ensure long-term societal impact.
Theme 5: Intersectional Marginalization & Geopolitical Challenges	• Intersectional Marginalization. • The "Start-Up Nation" Dichotomy. • Sumoud (Steadfastness) and Community Empowerment.	(Axelrad *et al.*, 2021; Bar-El *et al.*, 2019; Diab, 2025; Injaz, 2020; Opper, 2025)	**Theoretical:** Validates that minority entrepreneurship in conflict zones is not merely a commercial pursuit, but an ongoing act of steadfastness (Sumoud). **Practical:** Highlights the critical need for culturally aware policies to dismantle bureaucratic barriers, political censorship, and spatial segregation.

6. Conclusion

This phenomenological study set out to transcend the traditional, variable-centric economic paradigms that evaluate small businesses solely through quantitative metrics such as profitability and rapid scaling. By prioritizing the lived experiences of Arab and Jerusalemite founders, the research reveals that entrepreneurship within a highly volatile and marginalized ecosystem cannot be accurately understood through a purely capitalist lens. Instead, launching and sustaining a venture in this context is fundamentally an existential journey—a powerful mechanism for self-actualization, cultural preservation, and strategic resistance against intersectional marginalization.

The study highlights several critically important results that challenge existing literature. The findings demonstrate that entrepreneurial motivation in this context operates as an "intellectual rebellion" and a "Call-to-Action" to restore human dignity, explicitly refuting the traditional push-pull dichotomy. Furthermore, the participants subjectively redefined success as "business resilience" and community empowerment, navigating severe institutional credit gaps through bootstrapping and "Blue Ocean" innovations. A paramount theoretical contribution of this research is the introduction of the Disruption and Succession of Vision Theory (DSVT). This framework proves that rather than hoarding Socio-Emotional Wealth (SEW) through blind biological inheritance, progressive minority founders actively decouple their personal egos from the business, transferring their institutional ethos to competent professionals to ensure long-term societal impact.

Despite these significant contributions, this study is not without limitations. First, the research utilizes a purposive sample of 30 entrepreneurs confined to the unique, highly complex geopolitical ecosystem of East Jerusalem and the Arab minority in Israel. Consequently, the transferability of these qualitative findings to minority entrepreneurs operating in fundamentally different political or stable economic climates may be limited. Second, the retrospective nature of qualitative life story interviews inherently relies on the participants' subjective recall, which can sometimes be influenced by present-day cognitive reframing.

These limitations pave the way for several vital future research directions. Future scholars should consider conducting longitudinal studies to track how the "succession of vision" practically materializes over time as leadership transitions to external management. Additionally, comparative qualitative studies examining minority entrepreneurs in different global contexts could help refine and expand the DSVT framework. Finally, future research should explore how emerging digital transformations and globalized gig economies might empower these marginalized founders to digitally bypass local bureaucratic barriers.

Ultimately, this study reframes the minority founder not as a traditional capitalist empire-builder, but as a resilient ecosystem-builder, proving that in the face of systemic adversity, entrepreneurship transforms into an enduring act of *Sumoud* (steadfastness) that continually uplifts the community from the ground up.

Conflict of Interest Statement

The author declares no conflicts of interest.

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