

The Islamic University–Gaza
Research and Postgraduate Affairs
Faculty of Commerce
Master of Business Administration



الجامعة الإسلامية - غزة
شئون البحث العلمي والدراسات العليا
كلية التجارة
ماجستير إدارة أعمال

The Role of Risk Management's Techniques in Increasing the Likelihood of Small Businesses Success in the Gaza Strip

دور تقنيات إدارة المخاطر في زيادة احتمالية نجاح المشاريع
الصغيرة في قطاع غزة

Ali Hasan Alnems

Supervised By:

Prof. Dr. Fares Abu Muamer

Professor of Banking and Financing

"A thesis submitted in partial fulfillment of the requirements for the degree of Master
of Business Administration"

August/2016

إقرار

أنا الموقع أدناه مقدم الرسالة التي تحمل العنوان:

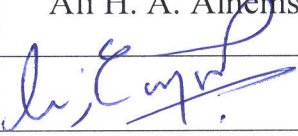
دور تقنيات إدارة المخاطر في زيادة احتمالية نجاح المشاريع الصغيرة في قطاع غزة

The Role of Risk Management's Techniques in Increasing the Likelihood of Small Businesses Success in the Gaza Strip

أقر بأن ما اشتملت عليه هذه الرسالة إنما هو نتاج جهدي الخاص، باستثناء ما تمت الإشارة إليه حيثما ورد، وأن هذه الرسالة ككل أو أي جزء منها لم يقدم من قبل الآخرين لنيل درجة أو لقب علمي أو بحثي لدى أي مؤسسة تعليمية أو بحثية أخرى.

Declaration

I hereby certify that this submission is the result of my own work, except where otherwise acknowledged, and that this thesis (or any part of it) has not been submitted for a higher degree or quantification to any other university or institution.

Student's name:	Ali H. A. Alnems	اسم الطالب:
Signature:		التوقيع:
Date:	05/11/2016	التاريخ:



هاتف داخلي 1150

مكتب نائب الرئيس للبحث العلمي والدراسات العليا

الرقم ج.س.غ/35/..... Ref

2016/11/05

التاريخ..... Date

نتيجة الحكم على أطروحة ماجستير

بناءً على موافقة شئون البحث العلمي والدراسات العليا بالجامعة الإسلامية بغزة على تشكيل لجنة الحكم على أطروحة الباحث/ علي حسن احمد النمس لنيل درجة الماجستير في كلية التجارة/ قسم إدارة الأعمال وموضوعها:

دور تقنيات إدارة المخاطر في زيادة احتمالية نجاح المشاريع الصغيرة في قطاع غزة

The Role of Risk Management's Techniques in increasing the Likelihood of small Businesses Success in the Gaza Strip

وبعد المناقشة التي تمت اليوم السبت 05 صفر 1438 هـ، الموافق 2016/11/05م الساعة الحادية عشر صباحاً في قاعة المؤتمرات بمبنى القدس، اجتمعت لجنة الحكم على الأطروحة والمكونة من:

.....
.....
.....

أ.د. فارس محمود أبو معمر مشرفاً و رئيساً
أ.د. يوسف حسين عاشور مناقشاً داخلياً
أ.د. سامي سليم أبو ناصر مناقشاً خارجياً

وبعد المداولة أوصت اللجنة بمنح الباحث درجة الماجستير في كلية التجارة/ قسم إدارة الأعمال.

واللجنة إذ تمنحه هذه الدرجة فإنها توصيه بتقوى الله ولزوم طاعته وأن يسخر علمه في خدمة دينه ووطنه.

والله ولي التوفيق ،،،

نائب الرئيس لشئون البحث العلمي والدراسات العليا

أ.د. عبدالرزوق علي المناعمة



Abstract

Background:

While small businesses may not generate as much income as large corporations, they are a critical component of and major contributor to the strength of local economies. Small businesses present new employment opportunities and serve as the building blocks of any community. Risk management and risk management techniques have become a vital and core component for business enterprise. The management of risk is an essential part of any organization. This study aimed - for the first time in the Gaza strip -to determine the role of risk management variables (Managerial, financial, procedures, legal, political & economic, capacity building and technological risk) in the likelihood of small businesses success.

Methods:

Descriptive analytical approach was used using a case-control study: Quantitative and qualitative methods to achieve the objective of study. Study population was 881 beneficiaries from INGOs and Incubator' grants for small businesses start up and the sample was 300 beneficiaries with 93.4% response rate (280 out of 300). Questionnaire (Face to face interviews) was done. Multistage sampling methods used in sample selection (stratified & random sample). Five Key Informant Interviews (KII) were done with experts in small businesses sector. SPSS package version 22 was used in data analysis.

Results:

The main results showed that risk management, economic & political risk and technological risk were the determinants of likelihood of small business success after adjustment to confounders, in addition to some of socio-economic & demographic factors (age category, qualification, grant amount and number of courses received. Before adjustment to confounders, capacity building & innovation, consultation visit, business age, and competition had also an important role in business success. Financial risk and business type had an important trend on likelihood of business success in spite of absence of significance.

Conclusion:

Risk management techniques have crucial influence on the likelihood of small business success. Ongoing and periodically monitoring and follow up should be conducted along small business lifespan. Policies should include training courses for small business owners on how to diagnose and manage the risk facing business operations. Finally, the government should establish a shared data base system to link small business owners and enable stakeholders to obtain and update that information

ملخص الدراسة

مقدمة:

بينما لا تعتبر المشاريع الصغيرة مدرة للدخل كالشركات الكبيرة، إلا أنها مكون مهم ومساهم رئيس في تقوية الاقتصاديات المحلية. حيث أن المشاريع الصغيرة تمثل فرصة عمل جديدة وتخدم قطاعات مختلفة من أي مجتمع. من جهة أخرى أصبحت إدارة المخاطر وتقنياتها مكون حيوي وأساسي في تركيبة المشاريع والشركات ومن مكونات أية منظمة. هذه الدراسة هدفت لأول مرة في قطاع غزة إلى تحديد دور متغيرات إدارة المخاطر المتمثلة في (المخاطر الادارية، المالية، المنافسة، القوانين والإجراءات، الوضع السياسي والاقتصادي، بناء القدرات والإبداع وأخيراً المخاطر المتعلقة بالتكنولوجيا) في احتمالية نجاح المشاريع الصغيرة.

المنهجية:

اعتمد الباحث المنهج الوصفي التحليلي باستخدام ادوات البحث الكمي والنوعي لتحقيق الهدف من الدراسة. تكون مجتمع الدراسة من 881 مستفيد من منح المشاريع الصغيرة التي قدمتها المؤسسات الدولية وحاضنة الاعمال، وكانت عينة الدراسة 300 مستفيد بمعدل استجابة 93.4% (280 استجابة من 300). تم استخدام الاستبانة (المقابلات وجه لوجه) مع العينة متعددة القطاعات لتحديد عينة الدراسة (طبقية وعشوائية). كما أجرى الباحث خمسة مقابلات مع خبراء في مجال المشاريع الصغيرة كأداة للدراسة النوعية. وفيما يخص تحليل بيانات الاستبانة استخدم الباحث منهج الاحصاء الوصفي ضمن برنامج الحزم الاحصائية للعلوم الاجتماعية بنسخته رقم 22.

النتائج:

خلصت الرسالة إلى مجموعة من النتائج التي أظهرت أن متغيرات المخاطر الإدارية والمخاطر السياسية والاقتصادية إلى جانب المخاطر التكنولوجية كانت محددات لزيادة احتمالية نجاح المشاريع الصغيرة بعد ربطها مع المتغيرات ذات الدلالة الإحصائية في الدراسة، بالإضافة إلى بعض العناصر المتعلقة بالبعد السكاني والبعد الاقتصادي - الاجتماعي مثل (المجموعة العمرية، المؤهلات، قيمة المنحة، وعدد الدورات التدريبية). وبشكل منفصل دون ربطها بالمتغيرات الأخرى، أظهرت النتائج أن متغيرات مخاطر بناء القدرات والإبداع وعدد الزيارات الاستشارية وعمر المشروع ومخاطر المنافسة أيضا تلعب دوراً مهماً في زيادة احتمالية نجاح المشاريع الصغيرة. أما المخاطر المالية ونوع المشروع فبالرغم من كونها ليست ذات دلالة احصائية إلا أنها كانت تسير باتجاه المساهمة في زيادة احتمالية نجاح المشاريع الصغيرة.

تلخيص:

تقنيات إدارة المخاطر لها تأثير مهم على احتمالية نجاح المشاريع الصغيرة وهي بحاجة إلى متابعة ومراقبة مستمرة ودورية خلال فترة حياة المشروع إلى جانب أهمية وضع سياسات عامة تتعامل مع التدريب كمتطلب أساسي وكجزء مهم لأصحاب المشاريع الصغيرة لمعرفة كيفية التعاطي مع وإدارة المخاطر التي تواجه عمليات مشاريعهم. الاجسام الحكومية ذات العلاقة يجب أن تؤسس قاعدة بيانات لربط المشاريع الصغيرة وتمكين أصحاب العلاقة من الوصول إلى تلك المعلومات وتحديثها.

Epigraph Page

“Never take both hands off the pump. As an entrepreneur, you need to be on constant lookout for opportunity, and that will involve risk. But you minimize those risks by keeping one hand on the pump that is producing for you.”

Kenneth E. Behring

Dedication

To the memory of my beloved Mother...

To the greatest man in my life; my greatest supporter ... my beloved Father

To My wife who supports me in each step of the way for being a great source of motivation... My beloved wife “ Huda ”

To the flowers of my life ... my kids “ Lana – Tala – Leen ”

To all friends who encourage, support, and help me

I dedicate this research

Acknowledgements

First and foremost, enormous gratitude to my supervisor Prof. Dr. Fares Abu Muamer who provided me the support, endless patience, guidance and intellectual stimulation to complete this thesis.

Sincere gratitude is expressed to the discussion board members, Prof. Dr. Yousif Ashour and Prof. Dr. Sami Abu Naser for their comments and discussion of this thesis.

To all my colleagues and friends, who helped me, motivated me by actions and encouragement words, and special thanks to Dr. Mazen Abu Qamar, Eng. Nahla Dewaik and Ms. Ala'a Albadri who provided me with valuable inputs to conduct this research. And Also to Mr. Mohammed Kuhail and Mrs. Fedaa El-Araj for Arabic and English language editing

My warmest thanks to my family: to my father, my brothers and sisters, to my friends. You all, in various ways, contributed to this work. My gratitude to all of you is endless.

Whilst words could not pay their dues, to my wife for her constant love and support, who has encouraged me throughout my academic career.

Finally, my appreciation is presented to all who provided me an advice, support, information, or encouragement in order to complete my master study.

The Researcher

Ali H. Alnems

List of Content

Abstract.....	II
ملخص الدراسة.....	I
Epigraph Page.....	III
Dedication	IV
Acknowledgements.....	V
List of Content.....	VI
List of Tables.....	IX
List of Figures	X
List of Abbreviations	XI
Chapter 1 The Research General Framework	1
Introduction	1
The Research Problem Statement	2
The Research Hypothesis	3
Variables of the study	4
The Research Objectives	5
Research questions	5
The Research Importance	5
Study Limitations.....	6
Chapter 2 Literature Review.....	7
Section (1) – Small Businesses	7
Introduction	7
What is small business definition?.....	9
Small Enterprises (SEs) definition in Palestine	10
Characteristics of Palestinian Small Enterprises	11
Problems encountering Palestinian Small Enterprises	12
What is a business idea?	14
How to evaluate the idea you have for small business?.....	14
What are the Characteristics of Business in General?	15

The obstacles and challenges facing the small businesses in Palestine	20
Section (2) – Risk Management	22
Introduction	22
What is the risk?.....	22
Why Do Projects Fail?	23
What is Risk Management?	24
Why manage risk in projects?	25
How to do Risk Management?.....	27
Creating Risk Categories.....	30
Methods of Risk Analysis	37
Techniques to assist managers with risk management	40
Risks Tools and Techniques on the PMP Certification	43
Risk identification analysis	45
Tips for successful risk management	46
Section (3) – Previous Studies	47
Introduction	47
General commentary on previous studies.....	62
Chapter 3 Materials and Methods	64
Introduction	64
Research Methods	64
Research Methodology	64
Research Procedures.....	65
Sources of Data	66
The Research Population and Sample.....	68
Questionnaire Design.....	69
Questionnaire Procedures	71
Data Measurement	71
Statistical Analysis Tools	72
Validity of the Questionnaire	73
Reliability of the Research.....	73

Chapter 4 Results and Discussion.....	75
Introduction	75
Characteristics of the sample.....	75
Quantitative Data analysis and discussion.....	81
Qualitative data analysis and discussion.....	85
Conclusions and Recommendation	77
Chapter 5 Conclusions and Recommendations	88
Introduction	88
Conclusion.....	88
Recommendations	89
List of References	91
English References	91
المراجع العربية.....	96
Annexes.....	98
Annex (1): List of Referees	98
Annex (2): Questionnaire	99
Annex (3): Questionnaire in Arabic.....	107
Annex (4): List of KII interviewees.....	114
Annex (5): Key Informant Interview Questions	115
Annex (6): Key Informant Interview Questions in Arabic	116

List of Tables

Table (2.1): Personal Entrepreneurial Competencies (PEC) Behaviour Indicators	18
Table (2.2): Common sources of risk.....	29
Table (2.3): Risk Assessment	36
Table (2.4): Various Risk Analysis Techniques.....	38
Table (2.5): Specialist Risk Management Techniques.....	40
Table (2.6): Risk Management Checklist	41
Table (3.1): Study Population according to Governorate and Gender	68
Table (3.2): Sample of study according to Governorate and Gender	69
Table (3.3): Questionnaire's components and their Number of Items.....	70
Table (3.4): Criterion of Determination the Levels of Relative Weight	72
Table (3.5): Cronbach's Alpha for Each Field of the Questionnaire	74
Table (4.1): Socio-economic & demographic variables.....	75
Table (4.2): Logistic Regression– Proximate Factors (Bivariate analysis)	82
Table (4.3): Logistic Regression– Determinant of small Business Success (Multi -variate analysis).....	84

List of Figures

Figure (1.1): Research Variables.....	4
Figure (2.1): SWOT analysis framework.....	15
Figure (2.2): Examples of the Drivers of Key Risks	32
Figure (2.3): The risk management processes described by Standards Australia.	34
Figure (2.4): Risk Management Process.....	35
Figure (2.5): Risk Matrix for Small Business Risk Management	43
Figure (3.1): The Research Methodology.....	66

List of Abbreviations

DEEP	Deprived Families Economic Empowerment Program
ERM	Enterprise Risk Management
GDP	Gross Domestic Product
ILO	International Labour Organization
INGOs	International Non-Governmental Organizations
IPRs	Intellectual Property Rights
ISO	International Organization for Standardization
KII	Key Informant Interview
MAS	the Palestine Economic Policy Research Institute
MSME's	Micro, Small, and Medium Enterprises
NGOs	Non-Governmental Organizations
oPt	Occupied Palestinian Territories
PA	Palestinian Authority
PCBS	Palestinian Central Bureau of Statistics
PECs	Personal Entrepreneurial Competencies
PMP	Project Management Professional Certification
SEs	Small Enterprises
SPSS	Statistical Package for the Social Sciences
SWOT	Strength, Weaknesses, Opportunity and Threats
UN	United Nations
UNIDO	United Nation Industrial Development Organization
U.S SBA	United States Small Business Administration

Chapter 1

The Research General Framework

Chapter 1

The Research General Framework

Introduction

Gaza Strip is the Southern part of the Palestinian territories; it is one of the most densely populated areas in the world. The overall area of the Strip is 365 Km², a place where more than 1.88 million people share the space and the limited resources and livelihood. It was occupied by Israel in 1967. Before that, it was governed by the Egyptian authorities that provided the main services to Palestinians from 1948 (when Al-nakba happened) to 1967 (when Israel took over the full Palestinian lands). This situation of successive control by other political systems and colonial powers resulted in deterioration of humanitarian situation of Palestinians. The overcrowded Strip has been a theatre for three successive aggressive wars (2008-2009, 2012, and 2014) and two uprisings (Intifada) in 1987 and 2000. This unstable situation, in the last three decades, affected the sustainability of sources of income for the population. Moreover, it minimized food security where the living resources and income are at stake. According to the Palestinian Central Bureau of Statistics (PCBS, 2015), the number of the people under poverty line reached unprecedented levels (37.6%). It is also estimated that the unemployment rate in Gaza Strip by using International Labor Organization (ILO) standards, the number of unemployed was 200,400 in the 2nd quarter 2014 while the rate in Gaza Strip increased from 40.8% in the 1st quarter 2014 to 45.1% in the 2nd quarter 2014 and 41% at the end of 2015 according to PCBS report. The unemployment situation that dominates the occupied Palestinian territory affected the various areas of social life of people. It contributed to the disempowerment and fragility caused by the political instability.

As a result of this, many humanitarian organizations provided livelihood, education and health assistance to Palestinians as a response to the emerging needs and population's conditions. This approach of intervention wouldn't have been sustained without the weakness of the public and governmental institution.

As a result of high unemployment rates, many organizations focused on income generating projects through which whole families can benefit from the income provided. Particularly in the last decade, many of these organizations started to support families and communities by providing a source of income through small businesses and projects. This approach was established in the Palestinian territories as to strengthen the community resources instead of long-lasting cash assistances to poor families. Moreover, it aimed at empowering people through engaging them in direct production processes. Despite the generosity of the donors, the experience in this field showed that many of these small businesses failed to continue. It is argued that this failure can be attributed to the economic and political unstable situation. Moreover, the blockade imposed on Gaza threatened the sustainability of these projects. In this context, the use of risk management techniques become of the utmost importance. Risk management techniques were developed for the relatively stable contexts. Thus, the use of these techniques in a quickly changing context becomes vital. From the professional experience of the researcher, many of the owners of the small projects do not have sufficient knowledge in risk management. Thus, the failure of many projects indicated above could be referred to the absence of this knowledge and skills.

The Research Problem Statement

As a result of the tough economic situation of Palestinians who live under Israeli occupation, many organizations operate in Gaza Strip in the field of small business support. This research aims to explore the actual and the potential role of risk management techniques in increasing the likelihood of success of small business projects in the Gaza strip. Furthermore, it aims to explore the nature of different aspects of risk management and their impact on the success and sustainability of the small businesses. This will highlight many points on how risk management contribute to achieve small businesses management success, and the dynamics of risk management tools and practices, their flexibility and their potential role in improving the performance of businesses and the ability to ensure sustainability and growth.

Accordingly, the research main question is **“To what extent do the pillars of risk management play a role in improving the success of small businesses?”**

The Research Hypothesis

The following are the research hypothesis:

- 1- There is no statistically significant relation at ($\alpha=0.05$) between the use of risk management techniques and the small businesses success.
 - There is no statistically significant relation at ($\alpha=0.05$) between the managerial risks and small businesses success.
 - There is no statistically significant relation at ($\alpha=0.05$) between the use of financial resources management techniques and small businesses success.
 - There is no statistically significant relation at ($\alpha=0.05$) between the use of market competition risks and success of small businesses.
 - There is no statistically significant relation at ($\alpha=0.05$) between the limited resources risks and success of small businesses.
 - There is no statistically significant relation at ($\alpha=0.05$) between the use of legal risk techniques and the success of small businesses.
 - There is no statistically significant relation at ($\alpha=0.05$) between capacity building related to risk management and success of small businesses.
 - There is no statistically significant relation at ($\alpha=0.05$) between the use of technological media in risk management and the success of small businesses.
 - There is no statistically significant relation at ($\alpha=0.05$) between the considerations of political and economic and the success of the small businesses.
- 2- There is no statistically significant relation at ($\alpha=0.05$) between the socioeconomic factors and the small businesses success.

Variables of the study

Dependent Variable:

Small businesses success. This variable will be operationally measured by three indicators: development, expansion, and sustainability.

Independent Variables:

Risk management techniques which will include the following variables:

- Managerial risks.
- The financial risks.
- Market competition risks.
- Legal risks.
- Political and economic risks.
- Capacity building and innovation risks.
- Technological risks.

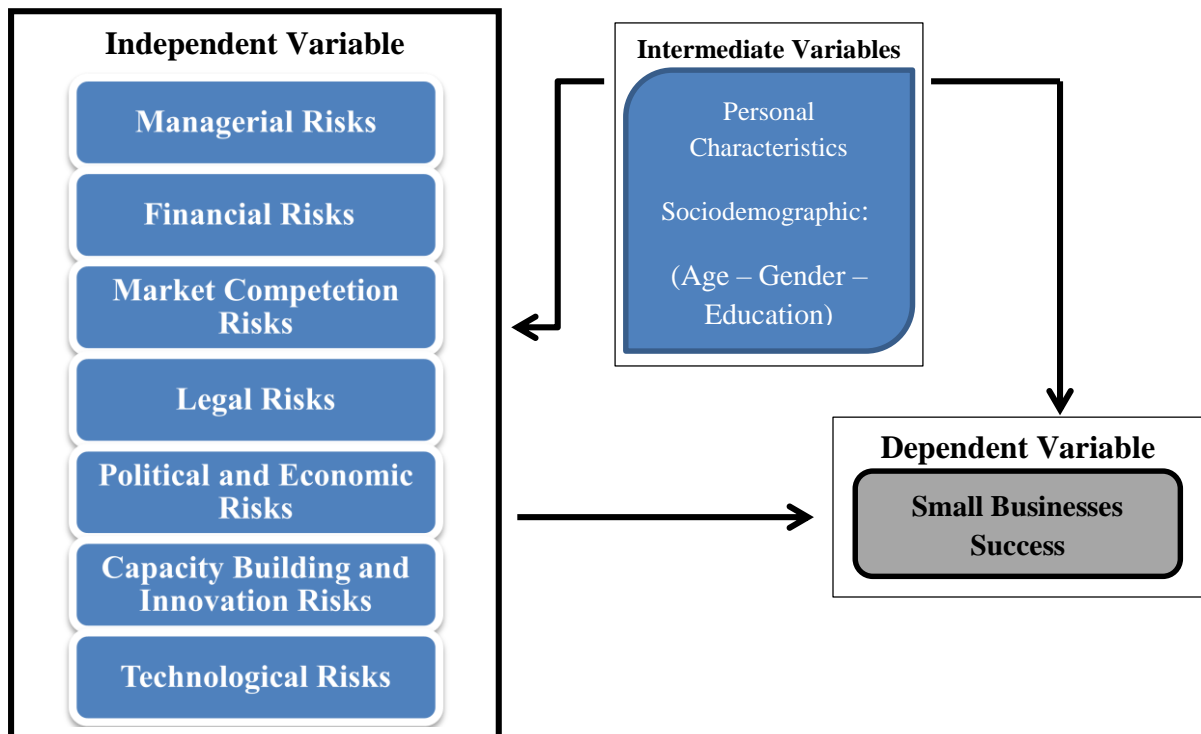


Figure (1.1): Research Variables

The Research Objectives

Main objective

To understand the role of risk management techniques in achieving small businesses success in the Gaza strip.

Specific objectives

- To assess the status of risk management importance and skills.
- To assess the pillars of risk management in improving the success of small businesses.
- To explore the potential role of risk management in improving the general performance and sustainability of small businesses
- To identify strengths and challenges of small businesses facing risks in the Gaza strip.
- To provide a set of recommendations to enhance the existing practices.

Research questions

- To what extent risk management can affect the success of small businesses.
- What are the challenges that hinder the implementation of small businesses?
- What are the strategies and suggestions that can enhance the small business success and overcome the risks?
- What is the existing knowledge and reality of using the risk management techniques by small businesses?
- What is the potential role of risk management in improving the general performance and sustainability of small businesses?

The Research Importance

As a vulnerable area, Gaza strip needs a lot of work to enhance and improve the quality of life of its population, especially with the hardships of economic situation and

the continuous political fluctuations. However, with the new trend of interventions conducted under the projects funded by local and international organizations and the hard efforts of the interested persons in the field of self-employment through small businesses start up, there is a strong potential in improving the livelihood situation of people using creative and innovative methods driven by entrepreneurship. These ideas may not be sustained if proper techniques of risk management are not adopted and carefully applied. This research will highlight the main successes and risks facing the small businesses with youth.

In particular, this study will be significant on three levels.

Community level:

- To give the stakeholders an overall view of the context so as to recognize the importance of risk management knowledge for them too.
- To give clear picture for small businesses owners by comparing tools for the importance of training in the field not only the needs to start businesses.

Organizations' level:

- To determine where there is performance against the expectations and needs of small business owners and community needs compared to their programs planning and implementation.

Researcher level:

- To increase his knowledge in the field of business development and risk management and to develop his career opportunities.

Study Limitations

The study focused on the quantitative data collected from the beneficiaries of the grants without any deep qualitative explanation from the same population category. The study can be enriched by conducting number of focus groups with those beneficiaries to explain the quantitative findings but this will not be practically possible within the suggested timeframe of the study and the available resources.

Chapter 2

Literature Review

Chapter 2

Literature Review

Section (1) – Small Businesses

Introduction

In Palestine, Micro, Small, or Medium Enterprises (MSMEs) dominate the economy with 95% of total Gross Domestic Product (GDP) and comprising 90.8% percent of total establishments, and up to 82 percent of the total employment in the occupied Palestinian territories (oPt) (PCBS, 2012). This high percent of small businesses contributed to different periods of Palestinian economy from the first intifada and after that. It faced times of declined after the establishment of the Palestinian Authority (PA) in 1994, and came back strongly later (Namroti and Saidam, 2012). Employment distribution in Palestine highlights the importance of MSMEs to the perennially struggling economy. Over 90 percent of private enterprises in Palestine are composed of fewer than five employees, whereas only one percent of firms employ more than twenty people. Yet even these numbers underestimate the importance of small businesses as they only count those that are registered or formal. Informal enterprise in Palestine, however, has been increasing dramatically, and estimates now put the number of these businesses at a level more than three times higher than those registered formally by the Palestinian Central Bureau of Statistics Establishment Registrar.

Within the rapidly growing informal small businesses sector, play a vital role in Palestinian employment. However, their dominance is not necessarily indicative of a healthy economy. Most MSMEs, and nearly all those not registered in the formal economy, depend on familial labor. Though this is a benefit to the MSME itself, which is able to adopt the harsh coping mechanisms that a larger firm cannot, the employees do not enjoy the benefits of formal labor, such as job security, social security, steady remuneration, or health insurance.

Also, because the high level of unemployment rate in oPt which arrived at the end of 2015 to 25.9% in Palestine distributed between West Bank 17.3% and Gaza strip 41% compared with 2012 which was 23% in Palestine distributed as 19% in West Bank and 31% in the Gaza strip (PCBS, 2016).

In the past, studies have been conducted in order to assess the advantages of MSMEs compared to large-scale corporate ventures within the Palestinian context. In general, these studies have indicated that MSMEs have a number of specific advantages and, for this reason, should be encouraged through policy initiatives (Sabri, 1998). Previous studies have found that smaller firms have higher average rates of labor productivity and a higher ratio of assets and inventory turnover than large-scale industries, despite the fact that larger firms have greater access to external financing (Nidal, 2010).

The statistics on MSMEs in Palestine have changed very little over the last half decade, indicating that this form of business establishment will continue to dominate the Palestinian economy. However important or indispensable the role of MSMEs, policy makers need to better analyze the dangers that such an imbalance poses to labor rights, sustainability, economic development, and the competitiveness of Palestinian goods in an increasingly globalized marketplace. The creation of special legislation and/or institutions is needed, at both the governmental (PA) and non-governmental levels, in order to maximize the strength of these establishments and minimize their weaknesses. The PA can play a useful role by properly accounting for the sector in its annual consensus, and ushering informal MSMEs into the official establishment's registrar, which would allow for better analysis and a clearer picture of the realities of business in Palestine. Furthermore, the authorities can work to ensure a stable supply of credit to MSMEs by providing loan facilitation services and blanket guarantees for the sector. The non-governmental sector, both locally and internationally, can play an important role as well. NGOs and donors interested in enhancing the effectiveness of small firms can likewise help facilitate access to credit and provide technical expertise in areas such as management, procurement, product marketing, and administration (Devoir, 2009).

What is small business definition?

Different definitions for different countries exist for Small Enterprises (SEs), but most of them are agreed at least on one specific feature, namely, number of employees. To be considered as a SME a firm to meet at least one of the criteria of classification (Number of employees. Capital invested, sales turnover...etc) and also SEs Should not be owned by or a subsidiary of a large company. Here the researcher will present some of the different countries around the world for SEs definitions depending on number of employees as below:

- Japan – less than 300 employees (Industry)
- S. Korea – less than 300employees (Industry)
- France – less than 250 employees.
- Malaysia – less than 150 employees.
- Australia – less than 100 employees.
- European Union– - micro enterprises:
 - 0-9 employees; - small enterprises.
 - 10-99 employees; - medium enterprises.
 - 100-499 employees.
- United Nation Industrial Development Organization (UNIDO):
 - Less than 500 (Developed Countries).
 - Less than 100 (Developing Countries).
- In the United States, the legal definition of a small business is determined by the U.S. Small Business Administration (SBA), which sets the criteria to be used by the SBA in making small business determinations. Criteria by the SBA in determining the definition of a small business includes the number of workers employed or annual receipts. The following criteria are used by the SBA to define a small business:
 - Manufacturing: Maximum number of employees may range from 500 to 1500.

- Wholesaling: Maximum number of employees may range from 100 to 500.
- Services: Annual receipts may not exceed \$2.5 to \$21.5 million.
- Retailing: Annual receipts may not exceed \$5.0 to \$21.0 million.
- General and Heavy Construction: Annual receipts may not exceed \$13.5 to \$17 million.
- Special Trade Construction: Annual receipts may not exceed \$7 million.
- Agriculture: Annual receipts may not exceed \$0.5 to \$9.0 million.
- Arabian Organization for Industrial Development and Mining defines SMEs by number of employees and value of capital invested (excluding land, building and working capital) as follows:
 - Micro – Enterprises employing less than 5 employees with invested capital less than US\$5,000.
 - Small – Enterprises employing 6-15 employees, with invested capital less than US\$15,000.
 - Medium – Enterprises employing 15-25 employees with invested capital between US\$15,000 – US\$25,000.

Small Enterprises (SEs) definition in Palestine

Palestinian Center Bureau of Statistics (PCBS) gives classifications for the purpose of research & studies as below:

- Micro Enterprises – Employ less than 5 employees.
- Small Enterprises – Employ from 5-19 employees.
- Medium – Employ from 20 – 49 employees.
- Large – Employ more than 50 employees.

With that classification and definition related to the number of employees you found that there is no clear definition or classification of SEs, no accurate or reliable statistics about the number of SEs operating in Palestinian economy, neglect of SEs and no care is given

to them either from the side of governmental institutions or private organizations and finally there is a lack of criteria determining the size of SEs.

For this research, the researcher will use the special definition taking in consideration different factors as the ownership, number of employees and start-up capital. The definition will be “Small business is a business with individual ownership and management, with start-up total capital not more than 7000 US Dollar and employs from one to four persons including family members’ workers”.

Types of small and medium-sized economic businesses in Palestine (Alkurd, 2012)

1. Industrial Projects: Small consumer industries and crafts industries.
2. Commercial Businesses: retail and wholesale, agents and brokers.
3. Services Businesses: various services offices and agencies such as: tourism, insurance, hotel services and personal services and others.
4. Small women projects that had an impact on the economic and social development of women and the development of the local economy.
5. Agricultural businesses as well as fishing businesses.
6. Small projects within the framework of non-governmental organizations which need to be developed further within the framework of the Palestinian national development plan.
7. Industries businesses for producing advanced products in various areas like Engineering, Commercial and Industrial.

Characteristics of Palestinian Small Enterprises

The Majority of SEs are Micro enterprises. Over 90 percent of private enterprises in Palestine are composed of fewer than five employees, whereas only one percent of firms employ more than twenty people. Yet even these numbers underestimate the importance of small businesses as they only count those that are registered or formal. SMEs offer employment opportunities for 89.2% of the total labor force. The majority of SMEs is involved in trade and service activities, and constitutes 50% of grand total of SMEs. The remarkably small size of these enterprises reflects the political instability in the country.

High percentage of micro and small enterprises are traditionally family-owned. This lead to passive results:

- Owner-managers lack of the motivation to grow their businesses once they are able to sustain a livelihood for their family members.
- Many of these firms also are unwilling to transform themselves into larger enterprises because that would require entrusting non-family members with the firm's valuable information and resources.
- Family owned businesses have limited experience with financiers.
- Growth is limited by size and skills of family

Advantages of SEs to Palestinian Economy

- Creating new businesses in the market by translating ideas into real projects.
- Creating job opportunities with a relatively small amount of capital.
- Developing a pool of skilled and semi-skilled workers to meet the requirements of future industrial expansion.
- Alleviating poverty and preserving of social stability.
- Contributing to the growth of GDP.
- Increasing competitiveness in the market and reducing the economic gap between urban and rural areas.

Disadvantages of SMEs

- Diseconomies of Scale
- Poor Managerial Skills
- Environment Pollution

Problems encountering Palestinian Small Enterprises

The situation on instability in Palestine caused a lot of problems encountering the small businesses sector as well as the different areas of life, there is one of the classifications of problems as (Sous, 2011) divided them to external and internal factors impact the situation with deep and wide details as presented here:

External Factors:

The absence of political stability is the most important obstacle for economic development of the country and then some of other external factors like:

- Lacking of appropriate laws and legislations necessary to secure the suitable environment essential for the proper growth of these businesses weak infrastructure facilities, and increasing cost of utilities.
- Small domestic market.
- The absence of specialized institutions capable of providing technical and consulting services and information throughout the project life cycle.
- Insufficient specialized training Institutes weakness in supporting services provided to SMEs.
- Severe economic dependency on Israeli economy, and the adaptation of the Palestinian economy to meet the needs of Israeli economy.
- All export and import channels and outlets of Palestinian goods are in the hands of Israel - Lack of legal framework, credit policies and incentive programs for the development of SMEs.
- Lack of an entrepreneurial spirit and skills in the population as one of the weaknesses hindering the country's growth.

Internal Factors:

Moreover, Sous (2011) determine the main factors impact internally for five factors as hereunder:

- Market factors
- Financial Factors
- Human Resources
- Technology Factors
- Productivity & Quality (P&Q)

What is a business idea?

A business idea is any concept that can be used to make money. Usually it is focused on a product or service – the idea of what you want to do or sell. A business idea is abstract, and not all business ideas are really plausible. A promising business idea needs to be relevant to market needs, innovative, unique, and able to make money (Bauer, Finnegan and Haspels, 2004). A successful company always starts with a compelling business idea. It's the first milestone in the process of founding a growth company. The characteristics of a promising business idea are:

- Fulfils a customer need – a problem is solved.
- Innovative.
- Unique.
- Clear focus.
- Profitable in the long term.

Each idea, no matter how brilliant, initially has no commercial value. A plausibility check gives more information about an idea's chances in the marketplace and helps to check its feasibility and innovative content.

How to evaluate the idea you have for small business?

Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis is a tool which is used to help evaluate ideas from the inside and the outside. In order to use it, the participants will have to think both internally (about themselves) and externally (about the world around them), and positively (about strong points) and negatively (about weaknesses and risks). The SWOT analysis is divided into four quadrants which address each of those points, in the following manner:

- Strengths (positive or helpful internal factors)
- Weaknesses (negative or unhelpful internal factors)
- Opportunities (positive or helpful external factors)
- Threats (negative or unhelpful external factors)

<p>Strengths: Internal positives</p> <p>What unique qualities do we have that will help this idea succeed?</p>	<p>Weaknesses: Internal negatives</p> <p>What qualities do we have (or lack) which will hurt this idea or make it hard to succeed?</p>
<p>Opportunities: External positives</p> <p>What external conditions can help this business idea succeed?</p>	<p>Threats: External negatives</p> <p>What external conditions can make it hard for this idea to succeed?</p>

Figure (2.1): SWOT analysis framework

Source: Queensland government. *SWOT Analysis*. Business and Industrial Portal.

What are the Characteristics of Business in General?

The below mentioned characteristics taken from (Singh, 2012) are common to all business enterprises irrespective of their nature, size and form of ownership.

1. Creation of utilities:

Business makes goods more useful to satisfy human wants. It adds time, place, form and possession utilities to various types of goods. In the words of Roger, "a business exists to create and deliver value satisfaction to customers at a profit".

2. Dealings in goods and services:

Every business enterprise produces and/or buys goods and services for selling them to others. Goods may be consumer goods or producer goods.

3. Continuity in dealings:

Dealings in goods and services become business only if undertaken on a regular basis. According to Peterson and Plowman "a single isolated transaction of purchase and sale will not constitute business recurring or repeated transaction of purchase and sale alone mean business."

4. Sale, transfer or exchange:

All business activities involve transfer or exchange of goods and services for some consideration. The consideration called price is usually expressed in terms of money. Business delivers goods and services to those who need them and are able and willing to pay for them.

5. Profit motive:

The primary aim of business is to earn profits. Profits are essential for the survival as well as growth of business. Profits must, however, be earned through legal and fair means. Business should never exploit society to make money.

6. Element of risk:

Profit is the reward for assuming risk. Risk implies the uncertainty of profit or the possibility of loss. Risk is a part and parcel of business. Business enterprises function in uncertain and uncontrollable environment.

Changes in customers' tastes and fashions, demand, competition, Government policies, etc. create risk. Flood, fire, earthquake, strike by employees, theft, etc. also cause loss. A businessman can reduce risks through correct forecasting and insurance. But not all risks can be eliminated.

7. Economic activity:

Business is primarily an economic activity as it involves production and distribution of goods and services for earning money. However, business is also a social institution because it helps to improve the living standards of people through effective utilisation of scarce resources of the society.

Only economic activities are included in business. Non-economic activities do not form a part of business.

8. Art as well as science:

Business is an art because it requires personal skills and experience. It is also a science because it is based on certain principles and laws.

Moreover, Mahroq (2006) consider that the small businesses have avital role in build the national economy, its importance appears through the benefit from using the resources and abilities of local community and developing the experiences and skills as one of the main milestones of development process. These small businesses have special characteristics that make them unique and different from other businesses, the main characteristics are:

- Owner is the manager of business.
- Small amount of capital needed to start up.
- Depending on Internal/ Local resources lessens the production expenses.
- Good source for saving.
- High level of flexibility and ability to expand.
- Ability to spread and cope with different situations.
- The difficulties of distribution and marketing because of the expenses of process.
- No managerial structure.
- Simple legal form or without.

To start your small business, it is not enough for you to have the idea and know the characteristics of small businesses and their role in the economic situation in the country and its participation in the GDP by reducing the level of unemployment. To start your own small business, you need to know the main personal competencies you need to have to be an entrepreneurial person. So I will introduce the main Personal Entrepreneurial Competencies (PECs). Which were first developed by two Harvard professors McClelland and McBer (1987) and since then have been summarized into a list of 10 by the UN's EMPRETEC program for small businesses. Currently, this list is used in many

entrepreneurial development programs around the world. These competencies are evident in entrepreneurs from many cultures and many economic levels, and their presence in entrepreneurs is proven to be connected to business success

Table (2.1): Personal Entrepreneurial Competencies (PEC) Behaviour Indicators

PEC Behavioral Indicators		
ACHIEVEMENT		
1	Opportunity-seeking & Initiative	<ul style="list-style-type: none"> • Do things before being asked or forced to by events. • Take action to extend the business into new areas, products or services. • Seize unusual opportunities to start a new business, obtain financing, equipment, land, work space, or assistance.
2	Persistence	<ul style="list-style-type: none"> • Take action in the face of significant obstacles and challenges. • Take persistent actions, or switch to an alternative strategy to meet a challenge or obstacle. • Take personal responsibility for the performance necessary to achieve goals and objectives.
3	Fulfilling Commitments	<ul style="list-style-type: none"> • Make a personal sacrifice and extraordinary effort to complete a job. • Pitch in with employees, or take their place if needed, to get a job done. • Strive to keep customers satisfied & place long-term goodwill above short-term gain.
4	Demand for Quality and Efficiency	<ul style="list-style-type: none"> • Find ways to do things better, faster, and cheaper. • Act to do things that meet or exceed standards of excellence. • Develop and use procedures to ensure that work is completed on time and that work meets agreed-upon standards of quality.
5	Taking Calculated Risks	<ul style="list-style-type: none"> • Deliberately calculate risks and evaluate alternatives. • Take action to reduce risks and/or control outcomes. • Place themselves in situations involving a challenge or moderate risk.

PEC Behavioral Indicators		
PLANNING		
6	Goal Setting	<ul style="list-style-type: none"> • Set goals and objectives which are personally meaningful and challenging • Articulate clear and specific long-term goals. • Set measurable short-term objectives.
7	Information Seeking	<ul style="list-style-type: none"> • Personally seek information from customers, suppliers and competitors. • Do personal research on how to provide a product or service. • Consult experts for business or technical advice.
8	Systematic Planning and Monitoring	<ul style="list-style-type: none"> • Plan by breaking large tasks down into sub-tasks with clear time-frames. • Revise plans in light of feedback on performance or changing circumstances. • Keep financial records and use them to make decisions.
POWER		
9	Persuasion and Networking	<ul style="list-style-type: none"> • Use deliberate strategies to influence and persuade others. • Use key people as agents to achieve own objectives. • Take action to develop and maintain a network of business contacts.
10	Independence and Self-Confidence	<ul style="list-style-type: none"> • Seek autonomy from the rules and/or control of others. • Attribute the causes of successes and failures to oneself and to one's own conduct. • Express confidence in their ability to complete a difficult task or to face a challenge.

Source: (McClelland and McBer, 1987). *Characteristics of Successful Entrepreneurs*. The Journal of Creative Behavior, 21: 219-233.

The obstacles and challenges facing the small businesses in Palestine

The obstacles facing small businesses are diverse and different from one country to another and from one sector to the other but it depends on the business environment and current situation. The major results of Ashour and Zourob (2015) study indicated that there are many obstacles impeding the progress and development of small enterprises, the main ones being poor planning and organization and many problems in the organizational structure, vocational training, competition, lack of governmental funding sources, weak marketing abilities, developing methods of administrative work and communication system. The study also showed that there are many small businesses that lacked the ability of small enterprises to possess good place, which is a problem to competition. Also the warranties and guarantees required by banks in Gaza Strip are obstacles to the success of small business. Further attention to vocational training helps to improve performance and increase the margin of profit in the project. Additionally, the frequent power cuts' is another impediment to small business. Al Af (2012) classified the obstacles that faced small businesses for economic problems like the high level of competition, financing problems like the difficulties of having loans, marketing problems which also focused on the importance of training to have skills and practices to enhance the level of marketing for small businesses. And managerial problems for day to day activities and financial records which need skills and training that ensured by (Alquqa, 2007) when he explained the relation between small business owner and managerial activities. And he added more problems related to the legalization and laws like taxation and registration process. Mbonyane and Ladzani (2011) added another financing problem about the required guarantees from financing institutions and companies which is difficult to find besides the lack of trust. And added business environment problems which included all external factors affect the small businesses like technology, social, political and economic status. Kassab and Kamal Eldin (2007) considered that the competition problems are one of the riskier problems faced by small business because of its ability to face the high level of competition from big companies and also Israeli companies. Abu Jazar (2006) go deeply in reasons and main problems

that faced the small business which was different from others in the sense that some of them are more related to political situation and legal issues. He considered that the main point is the reliance of Palestinian economy on the Israeli economy as a part of political and economic agreements, the lack of investment encouragement practices and laws, also the weakness of infrastructure and production requirements, the duplication in supervision and coordination between governmental and non-governmental bodies who concerned with small business sector and finally self-employment and entrepreneurship culture is still not spread among the youth whom are still waiting for governmental jobs. Nasr (2009) agrees with others on the whole problems and gave another classification that depends on the source of problem; he classified the problems to external problems which are not controllable by business owner and legal problems due to the lack of laws and legislations to organize the small businesses sector, also infrastructure problems like roads state, electricity and communication, in addition to the internal problems related to owner skills and competencies.

Regarding the obstacles facing small businesses in Palestine we can determine some of the successes and failures of small businesses to use as a guide to evaluate the existing small businesses and to take them in consideration as a baseline for persons who have business ideas and potential to start up new business.

Finally, it is good to spare no efforts in developing and enhancing the small businesses sector from all the players and active actors in the economic scene. Sorani (2005) put some recommendations to develop the role of small businesses and their effectiveness in local economy and total GDP by:

- Establishing a formal center to support small businesses.
- Establishing business incubators.
- Establishing company for credit risk insurance.
- And establishing a marketplace for the marketing of small businesses products.

Section (2) – Risk Management

Introduction

Risk is everywhere. From walking, driving a car to using technology, risk is inherent in the activities we choose.

Risk in itself is not bad; risk is essential to progress, and failure is often a key part of learning. But we must learn to balance the possible negative consequences of risk against the potential benefits of its associated opportunity (Van Scoy, 1992).

For all types of organizations, there is a need to understand the risks being taken when seeking to achieve objectives and attain the desired level of reward. Organizations need to understand the overall level of risk embedded within their processes and activities. It is important for organizations to recognize and prioritize significant risks and identify the weakest critical controls.

Risks and uncertainties characterize all activities in production, services and exchange. They affect all the fundamental variables that determine planning, implementation, monitoring, adjustment, behavior and explain choices, and bring about decisions (Okema, 2001). Any definition of risk is likely to carry an element of subjectivity, depending upon the nature of the risk and to what it is applied.

This part provides an overview of risk and risk management. The terminology used to describe the steps in the risk management process is not consistent and this part has reflected on these difficulties.

What is the risk?

There are many definitions of risk and risk management. The definition set out in ISO Guide 73 is that risk is the “effect of uncertainty on objectives”. In order to assist with the application of this definition, Guide 73 also states that an effect may be positive, negative or a deviation from the expected, and that risk is often described by an event, a change in circumstances or a consequence. This definition links risks to objectives. Therefore, this definition of risk can most easily be applied when the

objectives of the organization are comprehensive and fully stated. Even when fully stated, the objectives themselves need to be challenged and the assumptions on which they are based should be tested, as part of the risk management process. Risk can be defined as the combination of the probability of an event and its consequences (ISO/IEC Guide 73).

In addition, Greene (2001) stated that there is no all-encompassing definition of risk and provided his interpretation of what risk constituents: $\text{Risk} = \text{Hazard} \times \text{Exposure}$. He defined hazard as the way in which an event can cause harm and exposure as the extent to which likely recipient of harm can be influenced by the hazard.

Moreover, Risk is defined as the exposure to loss/gain, or the probability of occurrence of loss/gain multiplied by its respective magnitude. Events are said to be certain if the probability of their occurrence is 100% or totally uncertain if the probability of occurrence is 0%. In between these extremes the uncertainty varies quite widely (Jaafari, 2001). Risk also can be defined as a characteristic of a situation, action, or event in which a number of outcomes are possible, the particular one that will occur is uncertain, and at least one of the possibilities is undesirable (Yoe, 2000). Furthermore, risk defined as the presence of potential or actual constraints that could stand in the way of project performance, causing partial or complete failure either during construction or at time of use (Zayed and Chang, 2002).

Therefore, the risk of a project is the degree of differences in cash flow for the estimated or expected cash flow. The increase of these differences has meant an increase risk, and the risk associated with those positions in which to estimate the probabilistic distribution for particular project (Al-Hinnawi, 2000).

Why Do Projects Fail?

A project fails when the plan is not met. Failure means that a project exceeds the timeline, overspends the budget, or underperforms expectations. There are only two reasons why the plan is not met:

- The plan is too optimistic. Overly optimistic plans are very common. They arise when actions and costs are forced to meet predetermined targets. Underbidding, scale-to-fit, and political spin are also common causes.
- External events have an impact on the plan. Scope creep, insufficient resources, unanticipated work, and extraordinary events are some examples.

The two reasons are not entirely distinct. Indeed, it can be argued that optimistic plans are really the only reason for project failure. After all, external events should be considered in any plan; only optimistic plans ignore them (An Oracle White Paper, 2009, p. 3).

Because of the reasons of businesses fail, the discussion about risk management increased to understand the concepts and to know how to deal with types of risks facing businesses. The concept of a holistic approach of risk management traces its roots to the early 1970s when Gustav Hamilton of Sweden's Stats fore tag proposed the "risk management circle" to describe the interaction of all elements in the risk management process (assessment, control, financing and communication).

In the 20th century, risk managers were primarily responsible for managing "pure" risks through the purchase of insurance, though the concept of risk management soon became associated with financial risk management with the use of derivative financial products. (Enterprise Risk Management, 2015)

What is Risk Management?

Risk management is a central part of any organization's strategic management. It is the process whereby organizations methodically address the risks attaching to their activities with the goal of achieving sustained benefit within each activity and across the portfolio of all activities.

According to the Project Management Body of Knowledge (PMI, 1996), risk management forms one of the so-called nine functions of project management (the other eight being integration, communications, human resources, time, cost, scope, quality and procurement management). The traditional view is that these functions should form the

basis of planning and that each should be the focus of attention in each phase of the project. In the PMBOK, PMI (1996) presents four phases of the risk management process: identification, quantification, responses development and control. Risk Management covers the process of identification, assessment, allocation, and management of all project risks (APM, 2000).

Therefore, Risk management is not new tool and a lot of standards and guidance documents are available (ACT 2004, AZ/NZS 2004, Committee 2004, DGQ 2007, FAA 2007, HB 2004, IEC 2008, ON 2008, Rio Tinto 2007, Treasury Board of Canada 2001). It is an integral component of good management and decision-making at all levels of an organization. All departments in an organization manage risk continuously whether they realize it or not, sometimes more rigorously and systematically, sometimes less. More rigorous risk management occurs most visibly in those departments whose core mandate is to protect the environment and public health and safety. At present, a further generic standard on risk management is in preparation as a common ISO/IEC standard.

Moreover, Risk management refers to the practice of identifying potential risks in advance, analyzing them and taking precautionary steps to reduce/curb the risk. In Additionally, Risk management focuses on identifying and assessing the risks to the project and managing those risks to minimize the impact on the project. There are no risk-free projects because there are an infinite number of events that can have a negative effect on the project. Furthermore, Risk management is not about eliminating risk but about identifying, assessing, and managing risk (PMBOK Guide 273).

Furthermore, Risk management is a series of steps whose objectives are to identify, address, and eliminate software risk items before they become either threats to successful software operation or a major source of expensive rework (Boehm, 1989).

Why manage risk in projects?

Traditionally, risk management was thought of as mostly a matter of getting the right insurance. Insurance coverage usually came in rather standard packages, so people tended to not take risk management seriously. However, this impression of risk

management has changed dramatically. With the recent increase in rules and regulations, employee-related lawsuits and reliance on key resources, risk management is becoming a management practice that is every bit as important as financial or facilities management. There are several basic activities which a nonprofit organization can conduct to dramatically reduce its chances of experiencing a catastrophic event that ruins or severely impairs the organization (Free Management Library).

It is undoubtedly true that projects are risky as a result of their common characteristics, by deliberate design, and because of the external environment within which they are undertaken. It is impossible to imagine a project without risk. Of course some projects will be high-risk, while others have less risk, but all projects are by definition risky to some extent. The ‘zero-risk project’ is an oxymoron and a logical impossibility – it does not and cannot exist. But the link between risk and reward makes it clear that not only is a project without risk impossible, it is also undesirable.

The important thing is not to keep risk out of projects, but to ensure that the inevitable risk associated with every project is at a level which is acceptable to the sponsoring organization, and is effectively managed. Indeed those involved with launching, sponsoring and managing projects in organizations should welcome risk in their projects, since it enables and supports change, innovation and creativity – as long as it is taken sensibly, intelligently and appropriately, and as long as it is managed effectively. It is also important to remember that not all risk is bad, since the concept includes both threats and opportunities, as discussed in the previous chapter. Within the project context, this means that there are uncertainties that matter because if they occurred they would hinder achievement of project objectives (threats), but there are also uncertainties whose occurrence would help to achieve those objectives (opportunities) (Hillson, 2010, p. 17).

There are several checkpoints that have driven the need for enterprise risk management. This includes an increase in ERM (2015):

- Greater transparency
- Financial disclosures with more strict reporting and control requirements

- Security and technology issues
- Business continuity and disaster preparedness in a post 9/11 world
- Focus from rating agencies
- Regulatory compliance
- Globalization in a continuously competitive environment

How to do Risk Management?

First, it is important to look at the various sources of risks. There are many sources and this listing is not meant to be inclusive, but rather, a guide for the initial brainstorming of all risks. These sources of risk relate to project-specific and non-project-specific risks, as both these types of risk need to be considered when identifying the risks in a project or a process. The Institution, assisted by the project team, need to define the boundaries of these sources and to break down these sources into detailed risk elements. This will allow a common understanding amongst those attempting to identify the risks in a project.

The division of risks into source elements can be difficult. It also creates the potential for increased personal subjectivity. It can also lead to the possibility of "double-counting" some risks by attributing the same risk to more than one source. This may, however, be beneficial in understanding the relationships between risk sources and elements (Estate Management Manual, 2001).

Various sources of risk include:

- Project Management (Internal):
 - Top management not recognizing this activity as a project
 - Impossible schedule commitments
 - No one person responsible for the total project
 - Problems with team members.
 - Poor understanding of the project manager's job
 - Unrealistic planning and scheduling

- No project cost accounting ability
- Poorly organized project office
- External:
 - Unpredictable
 - Unforeseen regulatory requirements
 - Natural disasters
 - Vandalism, sabotage or unpredicted side effects
 - Predictable
 - Market or operational risk
 - Social
 - Environmental
 - Inflation
 - Currency rate fluctuations
 - Media
 - Technical
 - Technology changes
 - Risks stemming from design process
 - Legal
 - Violating trademarks and licenses
 - Labor or workplace problem

Table (2.2): Common sources of risk

Source of Risk Example	Source of Risk Example
Political	Political Parliamentary support, community support, government endorsement, policy change.
Economic	Economic growth, exchange rate variation, inflation.
Socio-Cultural	Community expectations, pressure groups.
Technological	Technological change, technology and obsolescence, communications or network failure.
Legal Change	Legal Change in legislation.
Commercial & Strategic	Competition, market demand levels, stakeholder perceptions, market share private sector involvement
Organisational	Industrial relations, resources shortage, management capabilities/structures, operational policies, work practices, personnel skills.
Environmental	Environmental Site availability/zoning, approval processes, endangered species, conservation/heritage, degradation/contamination, visual intrusion, force majeure events, natural events/disasters.
Procurement and Contractual	Contract selection, client commitment, consultant/contractor performance, negligence of parties, damages and claims, errors in documentation, insurance and indemnities.
Construction and Maintenance	Contractor capability, design viability, geotechnical conditions, quality controls, equipment availability and breakdowns, OH&S procedures.

Source: Investment Lifecycle Guidelines, Project Risk Management Guideline page21.

Creating Risk Categories

As risks are identified within the project, they should be categorized. Risk categories should be identified before risk identification begins—and should include common risks that are typical in the industry where the project is occurring. Risk categories help organize, rank, and isolate risks within the project. There are four major categories of risks as of PMP:

- **Technical, quality, or performance risks:** Technical risks are associated with new, unproven, or complex technology being used on the project. Changes to the technology during the project implementation can also be a risk. Quality risks are the levels set for expectations of impractical quality and performance. Changes to industry standards during the project can also be lumped into this category of risks.
- **Project management risks:** These risks deal with faults in the management of the project: unsuccessful allocation of time, resources, and scheduling; unacceptable work results (low-quality work); and lousy project management as a whole.
- **Organizational risks:** The performing organization can contribute to the project's risks through: unreasonable cost, time, and scope expectations; poor project prioritization; inadequate funding or the disruption of funding; the competition with other projects for internal resources.
- **External risks:** These risks are outside of the project but directly affect it: legal issues, labor issues, a shift in project priorities, and weather. “Force majeure” risks can be scary and usually call for disaster recovery rather than project management. These are risks caused by earthquakes, tornados, floods, civil unrest, and other disasters.

The Global Risks (2014) report considers a core set of 31 global risks in five categories: economical, environmental, geopolitical, technological, and societal.

Economical Risks

Risks in the economic category include fiscal and liquidity crises, failure of a major financial mechanism or institution, oil-price shocks, chronic unemployment and failure of physical infrastructure on which economic activity depends.

Environmental Risks

Risks in the environmental category include both natural disasters, such as earthquakes and geomagnetic storms, and man-made risks such as collapsing ecosystems, freshwater shortages, nuclear accidents and failure to mitigate or adapt to climate change.

Geopolitical Risks

The geopolitical category covers the areas of politics, diplomacy, conflict, crime and global governance. These risks range from terrorism, disputes over resources and war to governance being undermined by corruption, organized crime and illicit trade.

Societal Risks

The societal category captures risks related to social stability – such as severe income disparities, food crises and dysfunctional cities – and public health, such as pandemics, antibiotic-resistant bacteria and the rising burden of chronic disease.

Technological Risks

The technological category covers major risks related to the growing centrality of information and communication technologies to individuals, businesses and governments. These include cyber-attacks, infrastructure disruptions and data loss (“Global Risks”, 2014, p. 12).

On the other type of categorization for risks, (Ramadan, 2007) saw the most important risks that may face the types of companies. There are two types of overall risks facing corporate activity as follows:

- 1- Regular risks - the risk cannot be avoided or reduced by diversification and known as the market risks.
- 2- Irregular risks - the risk can avoid or reduced by diversification.

The risks facing an organization and its operations can result from factors both external and internal to the organization. The diagram overleaf summarizes examples of key risks

in these areas and shows that some specific risks can have both external and internal drivers and therefore overlap the two areas.

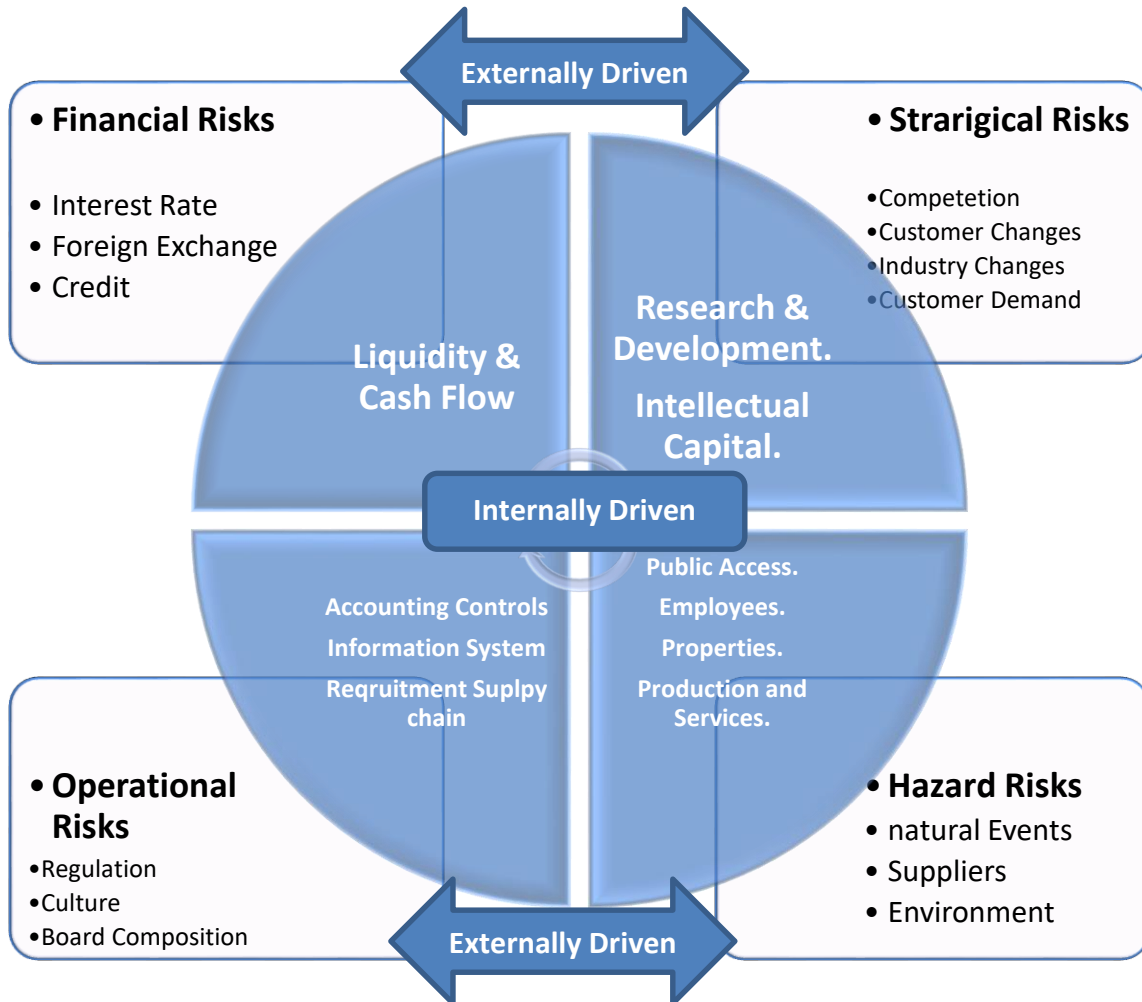


Figure (2.2): Examples of the Drivers of Key Risks

Source: A Risk Management Standard, IRM 2002, Institution of Risk Management.

This of course is why risk management is such an important part of effective project management: since all projects are exposed to risk, successful projects are the ones where that risk is properly managed. In outlining the importance of managing risk in projects, we have used words such as ‘sensible’, ‘intelligent’, ‘appropriate’ and ‘effective’ to describe how risk management should be implemented. The next part describes a risk process that embodies those characteristics (Hillson, 2010, p.18).

Therefore, a number of variations of risk management process have been proposed. Boehm cited in (Raz and Michael, 2001) suggested a process consisting of two main phases: risk assessment, which includes identification, analysis and prioritization, and risk control which includes risk management planning, risk resolution and risk monitoring planning, tracking and corrective action. Al-Bahar cited (in Ahmed, S., Riaz A., Darshi De S., 1999) defined the risk management as a formal orderly process for systematically identifying, analyzing, and responding to risk events throughout the life of a project to obtain the optimum or acceptable degree of risk elimination or control.

Moreover, Risk management process regarding to Framework - ISO31000 can be presented as a list of coordinated activities. There are alternative descriptions of this process, but the components listed below are usually present. This list represents the 7Rs and 4Ts of (hazard) risk management:

- Recognition or identification of risks
- Ranking or evaluation of risks
- Responding to significant risks
- Tolerate
- Treat
- Transfer
- Terminate
- Resourcing controls
- Reaction planning
- Reporting and monitoring risk performance
- Reviewing the risk management

In addition, referring to (Heinz-Peter Berg, 2010) and (Simmons, 1998), Risk management as a shared or centralized activity must accomplish the following tasks in Figure (2.3):

- Identity concerns, risks & risk owners.
- Evaluate the risks as to likelihood and consequences.
- Risk Identification

- Assess the options for accommodating the risks.
- Prioritize the risk management efforts.
- Develop risk management plans.
- Authorize the implementation of the risk management plans.
- Track the risk management efforts and manage accordingly.

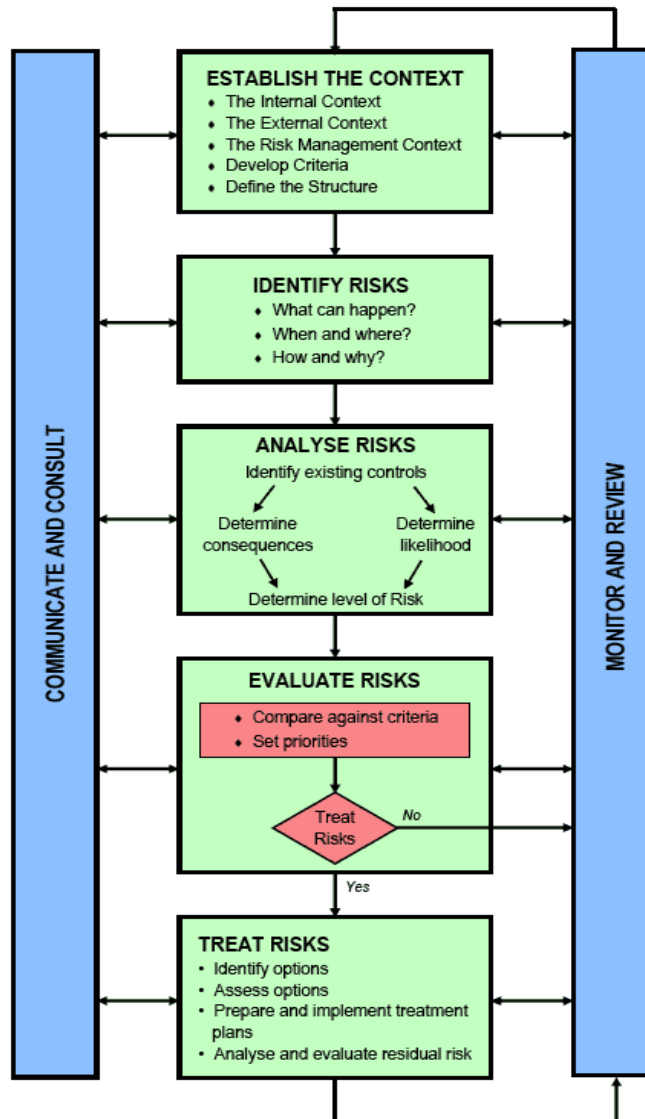


Figure (2.3): The risk management processes described by Standards Australia.

Source: Risk Management Standards Australia, 2004).

As outlined in Figure (2.4), the process of risk management should commence at the strategic planning stage of a proposed project. The steps in the process are:



Figure (2.4): Risk Management Process

Source: Investment Lifecycle Guidelines, **Supplementary Guidance**, Project Risk Management Guideline, Version 1.0, February 2009, Department of Treasury and Finance, Victorian Government.

In COSO’s Enterprise Risk Management—Integrated Framework, published in 2004. Enterprise risk management is defined by COSO as a process designed to:

- 1- Identify potential events that may affect the organization.
- 2- Manage risk to be within the organization’s risk appetite.
- 3- Provide reasonable assurance regarding the achievement of the organization’s objectives.

The COSO definition goes on to outline eight interrelated components of enterprise risk management. These disciplines are derived from the way management runs an enterprise and are integrated with the management process. These components are:

Internal Environment

The internal environment encompasses the tone of an organization, and sets the basis for how risk is viewed and addressed by an organization’s people, including risk management philosophy and risk appetite, integrity and ethical values, and the environment in which they operate.

Objective Setting

Objectives must exist before management can identify potential events affecting their achievement. Enterprise risk management ensures that management has in place a process to set objectives and that the chosen objectives support and align with the organization’s mission and are consistent with its risk appetite.

Event Identification:

Internal and external events affecting achievement of an organization's objectives must be identified, distinguishing between risks and opportunities. Opportunities are channeled back to management's strategy or objective setting processes.

Risk Assessment

As showed in table (2.3). Risks are analyzed, considering likelihood and impact, as a basis for determining how they should be managed. Risks are assessed on an inherent and a residual basis.

Table (2.3): Risk Assessment

Assessment of a risk involves two factors. First is the probability which is the measure of certainty that an event, or risk, will occur. This can be measured in a number of ways, Probability of Occurrences		
Definition	Meaning	Value
<i>Frequent</i>	<ul style="list-style-type: none">• Occurs frequently• Will be continuously experienced unless action is taken to change events	5
<i>Likely</i>	<ul style="list-style-type: none">• Occur less frequently if process is corrected• Issues identified with minimal audit activity• Process performance failures evident to trained auditors or regulators	4
<i>Occasional</i>	<ul style="list-style-type: none">• Occurs sporadically• Potential issues discovered during focused review.	3
<i>Seldom</i>	<ul style="list-style-type: none">• Unlikely to occur• Minimal issue identification during focused review	2
<i>Improbable</i>	<ul style="list-style-type: none">• Highly unlikely to occur	1

Source: Risk Management Plan, page 3-9

Risk Response

Management selects risk responses – avoiding, accepting, reducing or sharing risk – developing a set of actions to align risks with the entity’s risk tolerances and risk appetite. (“PMI”, 1996).

- Avoidance...eliminating a specific threat, usually by eliminating the cause.
- Mitigation...reducing the expected monetary value of a risk event by reducing the probability of occurrence.
- Acceptance...accepting the consequences of the risk. This is often accomplished by developing a contingency plan to execute should the risk event occur.

Control Activities

Policies and procedures are established and implemented to help ensure the risk responses are effectively carried out.

Information and Communication

Relevant information is identified, captured, and communicated in a form and timeframe that enable people to carry out their responsibilities. Effective communication also occurs in a broader sense, flowing down, across, and up the entity.

Monitoring

The entirety of enterprise risk management is monitored and modifications are made as necessary. Monitoring is accomplished through ongoing management activities, separate evaluations, or both.

In practice, enterprise risk management is not strictly a serial process, where one component affects only the next. It is a multidirectional, iterative process in which almost any component can and does influence another (Thomson Reuters, p p. 1-2).

Methods of Risk Analysis

The analysis of risks can be *quantitative* or *qualitative* in nature depending on the amount of information available (“APM”, 2000). Qualitative analysis focuses on identification together with assessment of risk, and quantitative analysis focuses on the evaluation of risk (Chapman, 2001). Indeed, there may be so little information about

certain risks that no analysis is possible. Table (2.4) summarizes the various techniques used for risk analysis.

Table (2.4): Various Risk Analysis Techniques

Risk Analysis	
Qualitative	Quantitative
a. Direct judgment	e. Probability analysis
b. Ranking options	f. Sensitivity analysis
c. Comparing options	g. Scenario analysis
d. Descriptive analysis	h. Simulation analysis

Source: Various risk analysis techniques, adapted from (Ward and Chapman, 1997)

A. Qualitative Risk Analysis

Lowe (2002) introduced a definition for the qualitative assessment of risk involves the identification of a hierarchy of risks, their scope, factors that cause them to occur and potential dependencies. The hierarchy is based on the probability of the event and the impact on the project. In qualitative risk analysis risk management acts as a means to registering the properties of each risk. Qualitative risk analysis assesses the importance of the identified risks and develops prioritized lists of these risks for further analysis or direct mitigation. The management team assesses each identified risk for its probability of occurring and its impact on project objectives. Sometimes experts or functional units assess the risks in their respective fields and share these assessments with the team (“Office of project management process improvement”, 2003).

Components of risk analysis were introduced by Kindinger and Darby (2000):

- List activities, tasks, or elements that make up the project.
- Identify applicable risk factors.
- Develop risk-ranking scale for each risk factor.

- Rank risk for each activity for each risk activity.
- Document the results and identify potential risk-reduction actions.

B. Quantitative Risk Analysis

Quantitative risk analysis is a way of numerically estimating the probability that a project will meet its cost and time objectives. Quantitative analysis is based on a simultaneous evaluation of the impact of all identified and quantified risks. The result is a probability distribution of the project's cost and completion date based on the risks in the project ("Office of Project Management Process Improvement", 2003). The quantitative methods rely on probability distribution of risks and may give more objective results than the qualitative methods, if sufficient current data is available. On the other hand, qualitative methods depend on the personal judgment and past experiences of the analyst and the results may vary from person to person. Hence the quantitative methods are preferred by most analysts (Ahmed et al.; 2001). Quantitative risk analysis considers the range of possible values for key variables, and the probability with which they may occur. Simultaneous and random variation within these ranges leads to a combined probability that the project will be unacceptable (Asian Development Bank, 2002). Quantitative risk analysis involves statistical techniques that are most easily used with specialized software ("Office of Project Management Process Improvement", 2003). Quantitative risk analysis is to assign probabilities or likelihood to the various factors and a value for the impact then identify severity for each factor (Abu Rizk, 2002). When thorough quantitative risk analysis is necessary it can take two alternative approaches (Kuismanen, 2001):

- 1- Risks can be quantified as individual entities while looking at the big picture. This way can include the cumulative effects (to certain accuracy) into each individual risk and thus make more accurate estimations of the net value of the risks.
- 2- Alternatively modeling the mathematical properties of the interrelations from the bottom up can be started and then calculate the net impact of each risk including the effects of interrelations.

Methods of Quantitative Risk Analysis

Any specific risk analysis technique is going to require a strategy. It is best to begin by providing a way of thinking about risk analysis that is applicable to any specific tool might be used.

- Probability Analysis
- Monte Carlo Simulation
- Sensitivity Analysis
- Breakeven.
- Scenario Analysis

Techniques to assist managers with risk management

Many specialized tools have been developed to enhance the role of the manager in risk management. Such techniques provide assistance in analysis and evaluation of tasks – some of which are summarized in Table below.

Table (2.5): Specialist Risk Management Techniques.

Technique	Application
Decision Analysis (1)	Choice amongst uncertain alternatives.
Event Tree Analysis (2)	Identifies the consequences of an initiating event.
Failure Modes, Effects & Criticality Analysis (1)	Analysis of designs and operating plants; may be directed to safety, plant integrity or ensuring production is maintained.
Fault Tree Analysis (2)	Identifies the causal factors that may lead to a risk arising.
Hazard Analysis (1)	HAZOP Safety analysis for operating plant.
Scenario Analysis (3)	Economic appraisals and feasibility studies.
Sensitivity Analysis (3)	Very wide application, from economic appraisal and financial feasibility to operations and maintenance models

Source: (1)Ward, 2007, Advances in Decision Analysis: From Foundations to Applications.

(2) Zio, 2007, Introduction to the Basics of Reliability and Risk Analysis.

(3) Cox, 2006, The Mathematics of Banking and Finance.

A risk management checklist is another simple tool that managers can use to keep track of risks throughout the lifecycle of their project and seek approval that risk processes have been followed before moving onto the next phase. An example checklist for managing risks can be found in table (2.6) ‘Checklist for risk management’ and is a useful starting point for projects to develop their own.

Table (2.6): Risk Management Checklist

Stage	Tasks
Stage 1	Initiation
	<ul style="list-style-type: none"> Assemble Risk Management resources Appoint the team leader and ensure a breadth of skills/experience within the team Assign Risk Management responsibilities appropriate to task
Stage 2	Proposal familiarization
	<ul style="list-style-type: none"> Specify objectives and criteria Familiarize the team with the proposal, assemble documentation and define the key objectives Assess the proposal in relation to the Agency’s objectives and strategies Determine assessment criteria for proposal
	<ul style="list-style-type: none"> Define key elements Define key elements (target 20-50 elements, items or activities) to structure risk analysis
Stage 3	Risk analysis
	<ul style="list-style-type: none"> Identify risks Prepare a comprehensive schedule of risks for each element Describe each risk and list the main assumptions
	<ul style="list-style-type: none"> Assess risk likelihoods, consequences and Impact Assemble data on risk and their consequences
	<ul style="list-style-type: none"> Identify significant risks Rank risks to reflect impacts and likelihoods Where applicable, estimate risk factors Discard/accept minor risks Identify moderate risks for management measures and major risks for detailed risk action planning

Stage	Tasks
Stage 4	Risk response planning
	Identify feasible responses for each moderate and major risk, identify the feasible responses Responses may include: Risk prevention, Impact mitigation, Risk transfer and insurance, Risk acceptance Describe each feasible response and list main assumptions
	Select the best response Evaluate the benefits and costs for each response Select the preferred response
	Develop management measures and action schedules Specify Risk Management measures for moderate risks Develop risk action schedules for major risks • Actions required (what is to be done?) , Resources (what and who?), Responsibilities (who?) • Timing (when?)
Stage 5	Reporting
	For designated proposals, produce the Risk Management Plan For other projects, collate and summarise risk action schedules and measures
Stage 6	Risk Management implementation
	Implement measures and action strategies Monitor the implementation • Assign responsibilities and Timing Undertake periodic review and performance evaluation

Source: *Investment Lifecycle Guidelines, Supplementary Guidance, Project Risk Management Guideline*, Version 1.0, February 2009, Department of Treasury and Finance, Victorian Government.

Finally, the risk matrix is one of the tools used for risk assessment to make a clear picture for project owner or manager to analyze the likely chances of a risk occurring and consequence of the risk to the project. Here is an example of a risk assessment matrix.

Likelihood/ Impact	Nearly No	Minor	Moderate	Major	Disaster
Will Happen	Medium	High	High	Extreme	Extreme
Most likely	Medium	Medium	High	High	Extreme
Possible	Low	Medium	Medium	High	Extreme
Unlikely	Low	Medium	Medium	Medium	High
Rare	Low	Low	Medium	Medium	High

Figure (2.5): Risk Matrix for Small Business Risk Management

Risks Tools and Techniques on the PMP Certification

The main techniques you will use on the PMP Certification Exam are to analyze, compare, and contrast the documentation to identify risks. If you see any inconsistencies, record that as a risk.

For example, if your Assumption Log states that you will have an independent third-party vendor perform product testing but your budget doesn't account for the associated costs; you have inconsistencies among your project documents. This because you either to overrun your budget or perhaps to not have the quality review by a third party that you need to ensure an unbiased assessment of the product. If the plans and documents that you review are incomplete or of poor quality, that's also a risk

A. Gather information

Risk identification is everyone's job. Some easy ways to identify risks include holding a brainstorming session with your project stakeholders. You can also conduct individual and group interviews. A more formal method of gathering information is using the Delphi technique.

B. the Delphi technique

The Delphi technique can be used to identify risks. It is an information-gathering technique used as a way to reach a consensus of experts on a subject. Experts on the subject participate in this technique anonymously. A facilitator uses a questionnaire to solicit ideas about the important project points related to the subject. The responses are summarized and re-circulated to the experts for further comment. Consensus may be reached in a few rounds of this process.

The Delphi technique helps reduce bias in the data and keeps any one person from having undue influence on the outcome. For identifying risks, follow these steps:

- 1- Describe the project or the aspect of the project you want to identify risks for.
- 2- Select a panel of experts, who should remain anonymous throughout the process.
- 3- Send out background information on the project along with a questionnaire to each expert participant.
- 4- The facilitator compiles information returned from the experts, filtering out irrelevant content and content that can lead to loss of anonymity.
- 5- The facilitator sends out the compiled and cleaned responses to the questionnaire for the experts to comment on.

They can comment on individual observations or on the observations of the group as a whole. As a result of the comment process, people may want to modify their input. Several iterations of the analysis, response, and discussion take place until consensus is reached or until there is no more movement on the outcome.

The Delphi technique is useful because the anonymity encourages more honest and creative feedback. Studies have found that groups of individual experts that come to consensus have a strong forecasting ability.

C. Root cause analysis and diagramming techniques

Another information-gathering technique is *root cause analysis*, which seeks to find the underlying source of a problem and then identify preventive actions. A root cause analysis can include diagramming techniques.

Root cause analysis. An analytical technique used to determine the basic underlying reason that causes a variance or a defect or a risk. A root cause may underlie more than one variance, defect, or risk.

Some of the more common diagramming techniques include

- Cause and effect diagrams (also known as fishbone or Ishikawa diagrams)
- Process flow charts or system diagrams
- Influence diagrams that show relationships among variables

Many of the diagramming and analysis techniques are similar to techniques you see in quality management. For quality, you're looking at how to keep defects out of your product and project. This is closely related to risk management, which looks at what could go wrong and how to prevent it.

Risk identification analysis

Various types of analysis are helpful in risk identification:

- **Checklist analysis:** This type uses a risk checklist. The problem with this approach is that after people complete the checklist, they might infer that they're done with risk identification. A checklist should be only a starting point, not an ending point.
- **Assumptions analysis:** This type reviews the documented assumptions for accuracy, stability, consistency, and completeness.
- **SWOT analysis:** (Strengths, Weaknesses, Opportunities, and Threats) analysis comprises

- **Internal organizational analysis** to identify internal strengths and weaknesses that can help or hinder the organization
- **External environment analysis** to identify opportunities and threats in the market or among competitors

Tips for successful risk management

For the risk management process to be successful, it is imperative to address the following issues:

- Know what you want to get out of the process. It may seem obvious but many people start a risk management process without knowing what they want to get out of it.
- Determine ownership. It is imperative for people to be accountable for risks, controls and action plans.
- Undertake cost-benefit analysis. Many treatment plans are not cost-effective and will never get done. There must always be an opportunity to reject recommended treatments, and look for alternative treatments.

Section (3) – Previous Studies

Introduction

Due to the importance of MSMEs in the global economy, there is an increasing interest in various aspects of such firms around the world. MSMEs contribute significantly to gross domestic product (GDP) and also create many employment opportunities. Moreover, MSMEs help to increase the exports of developing countries (Hamed, M., Abu Hantash, I., Khalifa, M. and Salah, O., 2010).

Since the establishment of the Palestinian Authority (PA) there was high level of interest in small and medium enterprises and its role in economic development and job creation and income distribution to include poor families and low-income, MSMEs are attracting growing interest since they constitute 99% of the enterprises operating in Palestine, as well as for their significant role in the local economy (PCBS, 2014). It plays a significant role in boosting GDP and living standards, encouraging domestic investment, recycling national income and decreasing unemployment rates. Moreover, from the perspective of the individual consumer, MSMEs are particularly well suited to providing products and services that are relevant to the domestic context at reasonable prices. The MSMEs allow for a fast turnover cycle lowering inventory costs, thus creating savings that can be passed on to the customer. It is also regularly argued that MSMEs are a viable mechanism of increasing national exports (MAS, 2013). SMEs have a number of unique attributes. MSMEs are smaller and consequently more flexible. This makes it able to adapt their operations to market changes and to respond to new demands with greater ease and innovation (Atyani and Al-Haj Ali, 2010).

Due to the unstable situation in oPt especially in Gaza strip which is always in conflict with occupation and suffered from three attacks in the last six years which added new importance to the use of risk management techniques in small businesses planning and implementation process.

The study investigated current challenges and risks facing small businesses sector, as well as the effects of the Israeli occupation beside the importance of SMEs to minimize the gap of unemployment between youth and vulnerable people, and as a result of the unstable and risky situation MSMEs face challenges and difficulties, such as their limited capacity to meet the requirements of the governmental licensing and inspection agencies, as well as those favored by the consumer to enhance confidence in the products of these enterprises. In addition, SMEs need to enhance their competitive capacity in local market by decreasing production costs and improving the quality of the product, whether it is a commodity, a service or a process.

In this chapter, after deep read and review for the literatures which covered only one of the study variables and talked about the second variable from different perspective, the researcher will present some of previous studies related to small businesses importance and challenges faced it from different points of view without found related studies examine the relation between the study variables together which were the aim of this study.

The role of training in entrepreneurial skills development of youth through polled students in universities Gaza Strip (Abdelmenim, 2015)

The study aimed to highlight the role of training in entrepreneurial skills development of youth through polled students in universities Gaza Strip, through the use of a tool-resolution through four main axes, where the included themes on the creative motivation, leadership skills, increase production efficiency, as well as e-learning. The descriptive analytical method was used. The study population consisted of (45860) university students in the Gaza strip. A random sample 387 student was selected. The study found many results, including: that the training courses ability creative stimulation, and work training courses to increase the skills of leadership as well as to increase the efficiency of production, where you can play an important role in the leadership process among young people. The researcher recommended that the onus is

on universities must contribute to strengthening the role of training courses universities, to contribute to the strengthening of leadership the youth category.

The banking financial credit and the capacity promotion of small and medium enterprises in Palestinian (Abu Jamie, 2015)

The study aims at studying the role of banking sector in funding small and medium enterprises, and to illustrate the importance roll and the efficiency to enhance the effectiveness of small and medium enterprises in Palestine. To achieve the study goals and to prove the hypotheses, the researcher used a descriptive analysis method and an econometric model to analyze the relationship between different variables in the study for the period from 1996 to 2012.

The study concluded that, the banking system do not have interest concerning funding of small enterprises, where, the funding percentage was less than 3% of total financial credit. However, the Palestinian economy depends mainly nowadays on small enterprises which form 89% of total business entities, while, medium enterprises form 9.9%. The study recommends the necessity of applying some policies, which can raise the efficiency and effectiveness of small, and medium enterprises in order to develop the Palestinian economy as a whole, this step can be applied by providing some consulting services, decreasing interest rates and taking a free-tax policy.

Crowdfunding Is it right for your business financing? (Al-Afifi, 2015)

The study aims to explore the importance of crowdfunding as a modern way in Micro and Small Business (MSB) financing that seek to raise its capital, through comparing with the other traditional ways that popular in Palestine. The study depended for the comparative on SWOT analysis, where it was compared between crowdfunding and the other financing methods such as banks' loans, Islamic loans (Murabaha), NGOs' grants and personal finance. In addition, an interviews method for a sample from Gaza

who representative of different financing ways were used to determine the advantages and concentrations of each of them.

The study found that crowdfunding method was one of the most appropriate ways for MSB financing that seeks to raise its capital despite difficulties of implementation because of misunderstanding of the concept of crowdfunding and how to formulate and market ideas the right way. So, it suggested the need to raise awareness with regard to the concept of crowdfunding, and carried out a workshop that describes how to formulate ideas and marketing projects. Also, the need to establish crowdfunding platforms in Palestine that contribute to providing opportunities to finance many of the creative ideas.

Entrepreneurs Awareness of IPRs in Gaza strip (Al Daya, Al Mqadma, and Al Agha, 2015)

This study aimed to measuring the incubated entrepreneurs in Gaza strip awareness of Intellectual Property Rights (IPRs) laws, Identifying the extent to which incubated entrepreneurs think they need the application of IPRs on their projects, Understanding if the local environment spread and support the IPRs concept and Identifying if the incubated entrepreneurs think that IPRs are innovation drivers. To fulfill the aim of the study, the researchers followed the descriptive analytical approach. They used a questionnaire as a data collection tool. The study population was (150) entrepreneurs. (50) questionnaires were recollected out of (150) questionnaires distributed. The collected questionnaires were analyzed by SPSS program for statistical analysis.

The study results revealed that Entrepreneurs do not have the needed knowledge about IPR. In addition, it was found that entrepreneurs think they need to apply the IPR on their projects. Moreover, the legal and economic environment in Gaza strip do not promotes awareness towards understanding IPR. Finally, the Entrepreneurs think that IPRs are innovation drivers.

The study has recommendations for the universities, incubators and the donors of the entrepreneur's program in Gaza strip. The result of this study revealed that incubated entrepreneurs are not aware of the concept or the types of the IPRs in Palestine and the application process. So the study recommendations are as following:

1. Entrepreneurship education and orientation programs in Gaza strip should add modules to make entrepreneurs aware of the concept and the types of IPRs just like most of the entrepreneurial orientation and education programs Chiu (2012) and OECD (2010).
2. Universities should adopt and raise awareness among students about the importance of IPRs via including it within the academic curriculum OECD (2010).
3. Universities should direct researchers to conduct studies and provide policy framework for the authorities about the feasibility of enforcing IPRs in Palestine and adopting TRIPS agreement standards keeping in mind our special circumstances that may make other studies not applicable to our context OECD (2010).

The administrative obstacles encountered by owners of small business enterprises in southern Gaza (Ashour and Zorub, 2015)

This study aimed to identify the administrative obstacles encountered by owners of small business enterprises in southern Gaza. The researcher used questionnaires to collect information.

In this research, the researchers try to answer the problem of the study about the nature of administrative obstacles facing small business owners in the southern Gaza. The descriptive analytical method was used. The population of the study consisted of (4500) owners of small business enterprises in southern Gaza. A random sample of 450

business enterprises was selected where 410 questionnaires were filled out correctly and this is equivalent to 10% of the study population.

Major results of the study indicated that there are many obstacles impeding the progress and development of small enterprises, the main ones being poor planning and organization and many problems in the organizational structure, vocational training, competition, lack of governmental funding sources, weak marketing abilities, developing methods of administrative work and communication system, the study also showed that there are many small business lacked the inability of small enterprises to possess good place, is a problem to competition and also the warrantees and guarantees are required by banks in Gaza Strip as obstacles to the success of small business, further attention to vocational training helps to improve performance and increase the proportion of profitability in the project, and the frequent power cut is another impediment to small business.

The research has a few recommendations: small enterprise owners should attend special professional courses. Pay attention to planning, management, organization, contact system, how to do a feasibility study and pay attention to support and develop local product to be at the level of imported products. A better infrastructure that enhances the competitiveness of small enterprises should be provided and loans procedures should be facilitated in order to encourage investment in these enterprises. The concerned authorities should supervise work progress of small enterprises in the field. A directorate should be established to take care of and follow up small enterprises and to offer support and compensation in case of financial loss. Finally, it is important for enterprise owners to pay attention to marketing and promoting their products in addition to planning well for their projects in advance.

Startups in Gaza: Success and Technology (El-Khazendar, 2015)

Entrepreneurship became an important sector in the Arab world. A lot of young entrepreneurs have ambitious projects and creative ideas, which they hope to get fund and incubation to implement these ideas. The study population covers all the small

businesses in the three incubators in Gaza which provide the required incubation, training and fund from the day one they started till 2014. The study results were that Entrepreneur's personality characters have a big effect on the success of their startup companies; moreover, the startup companies' category plays a big role on the success of their startup companies especially in small markets such as in Gaza. So we have to find a way to discover which is the most successful ideas and under which category can be classified with paying tight attention for the characters of the team members for each idea. And the study recommended that: The incubators should have some traits which qualify this team seems to be successful. Therefore, the incubators will be able to improve the incubation and entrepreneurship sector and increase the number of successful startup companies in Gaza and reduce the wasted fund and time on failed startups.

Grants Vs Loans! What works best for young entrepreneurs? (Guloba, Ahaibuse, Kasirye, and Aliro, 2015)

Generally, synthesis from the studies indicates that in-kind grants perform better than cash grants. Cash grants tend to perform better for business start-ups compared to business expansion. On average, studies indicate that loans generally perform better when combined with training and gains are highest for those with initial credit constraints and few initial assets. Intuitively, micro credit and grants for entrepreneurship development often work if the programs also try to understand who becomes an entrepreneur and why. The study in Uganda showed as a result, provision of credit or grants (in-kind) and (unconditional) to youths who desire to make entrepreneurship an occupation and create employment for others, is justified and often achieves desired labour market outcomes. The study recommended that the implementation of government programs with a microcredit provision component should consider offering in-kind grants to beneficiaries as they are easier to monitor and yield greater impacts. and where in-kind grants are not feasible/ sustainable, the second best alternative is for programs or microcredit financial institutions to offer loans that have a targeted training component for example in financial management attached to them. This

will ease monitoring and evaluation of program implementation to ascertain aspects of success and failure for future programs.

The effectiveness of micro-grants in the empowerment of Palestinian families in Gaza Strip “Deprived Families Economic Empowerment Program (DEEP) as a case study” (Namroti, Habil, and Thalathini, 2015)

The research aimed to identify the effectiveness of micro-grants in the empowerment of Palestinian families in Gaza Strip that suffer from extreme poverty through the transfer of assets to start economic activities to improve their livelihood strategies and provide them with skills and experience to have the ability to Microfinance institutions taking Deprived Families Economic Empowerment Program (DEEP) as a case study. The descriptive analytical method was used. The population of the study consisted of (482) DEEP program beneficiaries. A random sample of 170 was selected and the questionnaire was the main tool of data collection.

Results showed the effectiveness of the program in economic empowerment of these families, projects are the main income source for many benefited families and which has achieved a rise in their income after getting the grant and improved spending on basic necessities and the number of employees increased. They also felt they were more independent after the project, and they can support themselves from their current income. Although these projects have not yet sufficiently developed to be able to dispense relief aid, but they are still able to develop their projects, as the income-generating projects need time to reach stability. The political and economic conditions of the Gaza Strip had a negative effect on the performance of the projects.

The study recommended that decrease the financial procedures and to be more clear and specified in putting standards and estimated costs, in addition to participate as projects in marketing for granted small businesses especially for women businesses. And not be

traditional but to focus on creativity. Finally, to build diversity of training courses with coaching programs for following up.

The extent of youth's using of the social networking site especially Facebook to enhance the leading thinking entrepreneurs at Gaza Strip (Safadi and Abu Sha'aban, 2015)

Recently, the social networking websites that attracted many users especially youth to use it were spread in order to facilitate the communication processes between family members and friends locally and abroad, in addition to the use of employees and entrepreneurs to the different communication tools available at these websites to accelerate implementing the required tasks and works, and improve the creative thinking of the entrepreneurs at Gaza Strip.

This study gives insight on the social networks especially Facebook to display its role in enhancing the leading thinking at Gaza Strip, and measure the extent of youth's usage of the available data to create jobs and develop new projects instead of waiting the job opportunities in the light of the increasing graduates' numbers and the limited employment opportunities. The descriptive analytical method was used. The population of the study was three of business incubators in the Gaza strip. A sample of 34 incubation businesses was selected and the e- questionnaire was the main tool of data collection.

The results of the study obtained that the entrepreneurs have a good knowledge with the importance of Facebook, and the available tools that contributes to improving their creative thinking and entrepreneurship. Moreover, the graduates are interested in the field of entrepreneurship in order to create their job opportunities that the entrepreneurs' ages are generally more than 25 years old.

The study found the role of Facebook in providing technical information and news regarding the modern business world, that many entrepreneurs can get an investment opportunity and improve their knowledge for the purpose of developing their projects.

The researchers recommend the entrepreneurs to the necessity of using Facebook, they also recommend the incubations and the supportive institutions to promote their services through Facebook in order to enhance entrepreneurship concept.

The role of training programs in the development of creative thinking from entrepreneurs (Safadi and Faleet, 2015)

The research aims to identify the role of training programs in the development of creative thinking from entrepreneurs who own small businesses. The research question has been "What is the capacity of training programs which is received by Entrepreneurs to develop his/her idea creativity and his/her project management ways?". The descriptive analytical method was used. The population and sample of the study consisted of (25) entrepreneurs of small businesses who are in the business incubator at the Islamic University in Gaza. The researchers prepared a questionnaire to collect all the data to answer the research question.

The study found several results: 78% of the study sample has a strong desire to get more training courses, also, training courses have a role in increasing the profitability of their projects and entering new markets, helping them to achieve their business goals. The training sessions formed a creative vision and new ideas to the entrepreneurs, which led to the continuous improvement of project management.

The researchers provided several recommendations including: the need to compel entrepreneurs with new ideas to get a different training program. And developed the current training curriculum and made it more comprehensive and also to delivered new topics of training in addition to specialized training courses.

Evaluating the role of the NGOs in the establishment of Small Business in the Gaza Strip from the perspective of the small businesses owners (Bala'awi, 2013)

The study aims to describe and evaluate the role of the NGOs in the establishment of Small Business in the Gaza Strip from the standpoint of the small businesses owners. The study population composed of the small business owners and workers in the Gaza Strip, and the study sample consists of 50 small businesses, which were established between 2008 and 2012. In order to answer the main question of the study which is: What are the contributions and role of NGOs in the creation and development of small businesses and entrepreneurship in the Gaza Strip? The study's questionnaire consists of 4 main parts which are: the establishment of the small business, the current situation of the small business, training and human resources, and finally the future of the small business.

The results of the study showed a concrete role for NGOs in the establishment of small businesses in line with the needs and capabilities of entrepreneurs, also showed a pivotal role of these NGOs in training and capacity building of the human resources for the small business owners.

On the other hand, the study reflected the weakness of the contribution of these businesses in the improvement of the economic situation for their owners; in addition, it shows also absence of future vision and marketing plans for the majority of the small businesses. The study also shows that there are no effects for geographic region, age, and academic level factors on the success or failure of small businesses, but miner effect for the gender factor in determining the success and failure in favor of females.

“Problems of MSMEs in Palestine” Poverty Reduction through Private-Sector Development: Policy Research for MSMEs (MAS) (Atyani and Al-Haj Ali, 2012)

Palestinian MSMEs face numerous obstacles to their development, including: Limited benefits offered by PNA policies to promote investments and support businesses as well as a lack of information regarding MSMEs. Limited availability of financing opportunities for Palestinian MSMEs from both formal credit systems and informal credit systems, which has led to an inefficient allocation of financing opportunities. Limited resources to enlarge enterprises coupled with poor marketing abilities and limited access to international markets. And the lack of expertise among workers thus reducing their competitiveness.

Despite the fact that MSMEs constitute the majority of Palestinian enterprises and employ a large number of workers, data shows that MSMEs do not contribute much with an added value to the Palestinian economy, especially in the case of micro-enterprises with:

- Lower levels of productivity compared to other enterprises.
- Low competitiveness, the closure of thousands of businesses, and downscaling have resulted in the deterioration of the economic situation for a large proportion of the population
- The absence of legal and legislative structures governing the operations of MSMEs, and the absence of a law that recognizes their economic and social importance.
- The lack of infrastructure services such as water, electricity and roads etc.
- A lack of coordination between the proponents of MSMEs and the absence of an official spokesperson for MSMEs.

Recommendations to Support and Promote MSMEs

- To create and provide the necessary legal framework within which MSMEs should operate.
- To create a business incubator, providing suitable conditions that enable MSMEs to increase and develop their operations.
- To increase the quality of their products. In order to enhance the capabilities of MSMEs, it is also important to establish and maintain strong links with research institutes and universities.
- To improve labor productivity and managerial skills.
- Strengthening the legal and regulatory environment to ensure that the laws that relate to MSMEs are upheld.

The relationship between start-ups, market mobility and employment growth: An empirical analysis for Dutch regions (Sierdjan and André van, 2012)

Recent literature suggests two mechanisms through which the start-up of new firm contributes to economic development: the growth of start-ups and competition among incumbent firms induced by the start-ups. While existing studies derive the competition effect indirectly, this paper deploys a direct measure, called market mobility, to approximate the induced competition effect. The empirical results are consistent with the idea that both effects are important in explaining the long-term economic impact of start-ups. First, the most successful start-ups grow to become high-growth firms, and second, the entry of new firms stimulates incumbent firms to perform better.

Recent literature suggests that the effect of start-ups on employment change can be decomposed into an immediate effect and a long-term effect. The immediate employment effect reflects the employees needed in the new firms. The long-term or indirect effect mirrors the growth of successful start-ups and a rearrangement process

among the incumbent firms. Existing firms are challenged by the new firms and those that are able to adjust are assumed to strengthen their position relative to other incumbents. The study also finds empirical indications that this long-term effect consists of two significant parts:

- First, they found that the market mobility rate has a positive effect on employment growth. This suggests that the reshuffling in the population of existing firms has a positive effect on regional employment growth.
- Second, they found that when including the lagged start-up rate and the market mobility rate together, the lagged start-up rate is still significant. This finding suggests that a significant portion of new jobs is created by (possibly only a few very successful) high-growth start-ups that grow to be big firms in the long run.
- Finally, we find significant industry differences in the relationship between start-ups, market mobility and regional employment growth.

Profile of the Young Entrepreneur in the West Bank (Wolz and Taweel, 2011)

This report is to improve employability and entrepreneurship opportunities for young Palestinians by partnering with relevant public, private, and civil society institutions. The researchers used qualitative approach to collect the data. They used a purposive, snow ball sampling method. Based on the approach 39 entrepreneur were interviewed

The following points summarizes the main findings identified in each technical area of the study, and recommendations to develop or adapt program offerings to maximize the effectiveness in developing and supporting young entrepreneurs in the West Bank.

- **Core Business and Complementary Skills-** Personality and behavioral attributes needed to successfully run a business. Interpersonal and communication skills are the most important skills to be successful.

- **Business Mentorship** - Few of the entrepreneurs had participated in formal mentorship programs; informal mentoring networks are the primary source of guidance for young entrepreneurs, who seek the advice of friends, family members, and former colleagues regarding their business activities.
- **Links to Financing**- Young entrepreneurs adopt a piecemeal approach to financing their business activities, often using a combination of financial links including: self-financing; informal loans and grants from family and friends; formal loans and grants through institutions; and favorable payment agreements and partnerships.
- **Business Launch and Follow-up** - Young entrepreneurs face a variety of barriers to entering the Palestinian market, including an unfavorable public perception of their capacity and potential due to their age, risk-averse investors, unsavory business practices, and a lack of intellectual property protection. Marketing is also an ongoing challenge for young entrepreneurs, regardless of the age of their business, and most rely on word-of-mouth advertising and build a customer base through established personal contacts.

General Recommendations:

- Build young entrepreneurs' confidence and skills by offering programs that regard them as capable, innovative, and independent individuals.
- Design trainings that are dynamic and fun, and provide real-world applications of business models rather than theory.
- Design mentorship programs to accommodate a diverse set of needs and expectations among young entrepreneurs.
- Facilitate young entrepreneurs' access to financial products that cater to their unique and diverse circumstances, including streamlining or assisting in the application process.
- Newly-established businesses will require follow-on support for a period of at least two to three years after launch.

The Benefits of Risk Assessment for Projects, Portfolios, and Businesses (An Oracle White Paper, 2009)

In itself, the process of performing a risk assessment can give your project a greater chance of success. Assessments lead to the expression of outcomes as ranges, the development of risk mitigation plans, and the ability to set contingency. Oracle's Primavera Risk Analysis—a full-lifecycle risk analytics solution integrating cost and schedule risk management—is the tool that can deliver these results.

Primavera Risk Analysis provides a comprehensive means of determining confidence levels for project success, together with quick and easy techniques for determining contingency and risk response plans. It provides an objective view of required contingency to account for cost and schedule uncertainty. In addition, it can analyze the cost effectiveness of risk response plans. Combined, these form the basis of a risk-adjusted schedule, which is becoming the norm within the planning and scheduling process. With Primavera Risk Analysis, your projects, portfolio, and business can reap the benefits of risk assessments.

General commentary on previous studies

The deep review of all previous studies has found that all SMEs researchers were more concerned about the issues that enhance the capacity and the skills of the business owners to better manage their work in short terms. No previous studies have given attention to the issues of risk assessment even though Gaza Strip is exposed to recurrent crisis and SMEs is very sensitive to such factors. Additionally, none of the SMEs studies have focused on the issues of planning for the long term for SMEs. All previous studies are more concerned with external constraints imposed from government or MFIs, no one has knocked the door to listen for SMEs owners about the challenges that were imbedded in themselves. Why they are not succeeding in better managing their businesses after crisis. Did any of them build a plan B in case his/her business did not

perform well? Did they include an emergency plan while developing their business plan?

Additionally, all previous studies had encouraged the issue of building the SMEs owners' capacity to better manage their business in the ideal situation, but no previous studies had raised the risks that face SMEs within Gaza Strip or proposed strategies to minimize their impacts or consequences.

So, I believe that my research here will work to highlight this concept for the first time in a different way, and it will propose some strategies or experiences that could reduce the effect of crisis and risks on such vital economic component like SME's.

Chapter 3

Materials and Methods

Chapter 3

Materials and Methods

Introduction

This chapter describes the used methodology to achieve the research's objectives including the information about the research design, research population and sample, questionnaire design, validity and reliability of the questionnaire, and statistical data analysis.

Research Methods

Both of quantitative and qualitative methods were used to answer research questions and to examine the hypothesis. Thus, the mixed research methods were adopted to ensure that questions are addressed precisely and comprehensively. This approach will ensure that data collected from the beneficiaries are validated and triangulated by data collected from key informants at the local and international organizations. Moreover, this ensured that qualitative explanations were provided for the quantitative results. The next section gives some details about the qualitative and quantitative methods.

Research Methodology

The research follows the descriptive analytical approach to describe the basic features of the data in the research. The Analytical descriptive methodology is the best methodology to be used because it is non-experimental in which it deals with the relationships that exist between non-manipulated variables in a natural, rather than artificial setting. Since the events or conditions of the research interest have already existed and practiced, the researcher focuses and selects the relevant variables to analyze the relationships in the hypotheses (Chambers and Skinner, 2003). The developed hypotheses are tested after conducting the planned data collection process. The researcher depends on using the Statistical Package for the Social Sciences (SPSS) to analyze the data collected by a

questionnaire and interviews that are considered the primary source, while secondary sources are books, journal's articles and periodicals, reports, and websites.

Research Procedures

The following are the steps followed by the researcher to conduct and implement the research:

1. The first phase: It includes developing the research proposal that contains identifying and defining the problems and establishing the objective of the research and developing the research plan.
2. The second phase: After receiving the approval on the research proposal, a comprehensive literature review was conducted about Risk Management techniques and Small Businesses sector.
3. The third phase: The researcher started developing a questionnaire and Key Informant Interview (KII) questions including the determined variables to be measured. The questionnaire and KII questions was reviewed and evaluated by referees that included seven academic and professional members.
4. The fourth phase: It is focused on the modification of the questionnaire design, through distributing the questionnaire for pilot study, the purpose of the pilot study was to test and confirm that the questionnaire questions are clear to be answered in a way that help to achieve the target of the research.
5. The fifth phase: It is for distributing the questionnaire and going on with Key Informant Interviews (KII). This questionnaire was used to collect the required data from small businesses owners whom had grants from different institutions or international or local non-governmental organizations upon the sample. And the KII were conducted with 5 experts' persons in small businesses sector.
6. The sixth phase: Data analysis and discussion were conducted. Statistical Package for the Social Sciences, (SPSS) was used to perform the required analysis.
7. The seventh phase: The final phase includes the conclusions and recommendations.

Figure (3.1) shows the methodology flowchart, which leads to achieve the research objective.

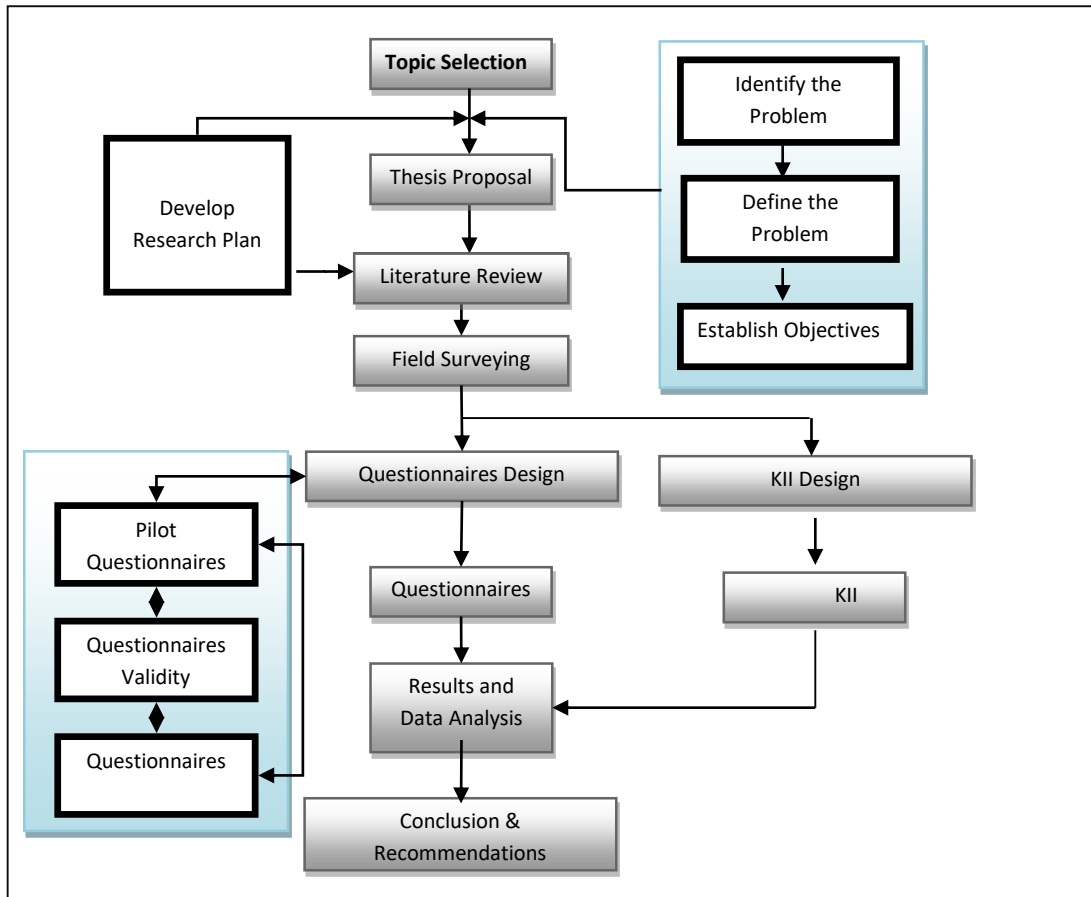


Figure (3.1): The Research Methodology

Source: (Saunders et al., 2011) "Research Methods for Business Students", Pearson Education.

Sources of Data

The researcher used two sources of data that were collected carefully in order to achieve the research objectives:

1. **Secondary Data:** It is obtained from several journals, books and scientific conferences, papers and reports that discussed small businesses sector and risk management were used, in addition to thesis from universities and electronic libraries.

2. **Primary Data:** Both of quantitative and qualitative methods were used to answer research questions and to examine the hypothesis. Thus, the mixed research was adopted to ensure that questions are addressed precisely and comprehensively. This approach ensured that data collected from the beneficiaries were validated and triangulated by data collected from key informants at the local and international organizations. Moreover, this ensured that qualitative explanations were provided for the quantitative results. The next section gives some details about the qualitative and quantitative methods.

Quantitative methods

A quantitative method (Questionnaire) was used to capture an updated picture of the extent and nature of risk management knowledge and used in small businesses field in the Gaza Strip. Moreover, it examined the assumed relation between the use of these techniques and the likelihood of success of small businesses. The main quantitative tool was a questionnaire.

Qualitative methods

The qualitative methods were used to provide in-depth insight about the issues in this research. The data collected complemented the quantitative data collected using the questionnaire. Key Informant Interviews (KII) with experts and workers from the donor's/ funding organizations were arranged. The KII tool has been chosen, among other qualitative tools, because of its suitability to research questions and the population of the study. Face-to-face interviews ensured that deep thoughts were collected and properly reflected in the analysis of the data. The interviewees asked about the relationship between the use of risk management techniques and the likelihood of success of the funded projects. They were asked to give concrete examples from the projects they funded for more details.

The Research Population and Sample

The population of the study includes all of the beneficiaries of the small businesses grants from the international organizations in the Gaza Strip in the determined study period. In particular, the population includes the beneficiaries whose projects lasted more than six months. The list of the participants obtained from funding international organizations and businesses incubator and validated, when possible, by other relevant bodies. The total population number of the studied period is 881 participants from three different international non-governmental organizations (INGOs) and one business incubator at the Gaza strip.

Table (3.1): Study Population according to Governorate and Gender

Governorate	Population	% of total population	Population		Percentage	
			M	F	M	F
North Gaza	199	23%	122	77	61%	39%
Gaza	354	40%	241	113	68%	32%
Middle area	108	12%	66	42	61%	39%
Khanyounis	98	11%	75	23	77%	23%
Rafah	122	14%	80	42	66%	34%
Total	881	100%	584	297	66%	34%

Study Sample

For the quantitative part, the researcher used multi stages sampling method (stratified and random sample). The Gaza strip was divided into 5 strata as follows, North Gaza, Gaza, Middle area, Khanyounis and Rafah. Afterwards, the sample was stratified regarding gender variable (Male, Female). Then, the sample randomly selected. The software sample calculator (<http://www.raosoft.com/samplesize.html>) was used to calculate the sample size. The sample size was 268 participants on confidence interval 95% and marginal error 5%. The researcher added 32 participants

(12%) to compensate any withdrawals and other problems. The response rate was 93.4% (280 out of 300). The sample was proportionally distributed according to the overall number of participants in each governorate and then according to the gender as mentioned in Table (3.2) below:

Table (3.2): Sample of study according to Governorate and Gender

Governorate	Sample	Sample	
		M	F
North Gaza	65	45 (69%)	20 (31%)
Gaza	111	73 (66%)	38 (34%)
Middle area	33	23 (70%)	10 (30%)
Khanyounis	29	21 (72%)	8 (28%)
Rafah	42	29 (69%)	13 (31%)
Total	280	191 (68%)	89 (32%)

Questionnaire Design

The questionnaire was carefully designed in order to facilitate the data collection process, in addition to maximizing the reliability and validity of data gathered from respondents. The questionnaire was prepared in Arabic language (Annex 1), as most of the target population is not familiar with the English language but for the interest of the research the questionnaire was translated into English (Annex 2). To ensure obtaining complete and meaningful response to the questionnaire an interview was conducted with each respondent to explain the objective of the study and to get input for the questionnaire questions. The questionnaire is composed of the following two sections:

- **Section (1):** It included a brief description of the thesis subject and concepts. It focused on the personal and business characteristics of the respondents including (gender, age, educational level, age of business, type of business, grant amount and training and consultancy services.

- **Section (2):** It covered the questionnaire components which contains 48 questions divided into 7 components as followed:
 1. Component (1): 7 questions focused on measuring level of knowledge and practices in Managerial Risks topics.
 2. Component (2): 10 questions focused on measuring financial resources risks as one of risk management variables and its relationship with small businesses success.
 3. Component (3): 8 questions focused on measuring competition risks as one of risk management variables and its relationship with small businesses success.
 4. Component (4): 6 questions focused on measuring legal procedures risks as one of risk management variables and its relationship with small businesses success.
 5. Component (5): 4 questions focused on measuring political and economic risks as one of risk management variables and its relationship with small businesses success.
 6. Component (6): 8 questions focused on measuring capacity building and innovation risks as one of risk management variables and its relationship with small businesses success.
 7. Component (7): 5 questions focused on measuring technological risks as one of risk management variables and its relationship with small businesses success.

Table (3.3): Questionnaire’s components and their Number of Items

No.	Component	Number of items
1.	Managerial Risks	7
2.	Financial Risks	10
3.	Competition Risks	8
4.	Legal Procedures Risks	6
5.	Political and Economic Risks	4
6.	Capacity building and innovation Risks	8
7.	Technological Risks	5
Total		48

Questionnaire Procedures

The researcher utilized the following questionnaire procedures:

1. Upon designing the questionnaire, it was reviewed and modified by the research supervisor.
2. Content validity was conducted by sending the modified copy with covering letter to seven academic experts to evaluate the content validity of questionnaire, to check readability, offensiveness of the language and to add more factors and information if needed (Annex 1).
3. The questionnaire was modified based on the referees' comments and an excluded pilot sample of 30 questionnaires was collected to help test the extent of understanding questions and the accessibility for small businesses owners as well as the validity and reliability of the questionnaire. The pilot sample was 10% Of the study sample and was taken from Gaza governorate as the big area of study population and also because of the diversity of the area where it has refugee camps and city and has refugees as well as non-refugees' residents.
4. Based on the pilot phase findings, it was concluded that the questionnaire is ready to be distributed as a final copy after minor modifications.

Data Measurement

In order to be able to select the appropriate method of analysis, the level of measurement must be understood. For each type of measurement, there are particular appropriate method/s that can be applied rather than any others. In this research. Five level Likert scales were used. Likert scale is a psychometric scale commonly involved in research that employs questionnaires. It is the most widely used approach to scaling responses in survey research. When responding to a Likert questionnaire item, respondents specify their level of agreement or disagreement on a symmetric agree-disagree scale for a series of statements. The researcher has used the following format to measure the response of (Armstrong, 1987):

The format of a typical five-level Likert item, for example, could be:

1. Strongly disagree
2. Disagree
3. Neither agree nor disagree
4. Agree
5. Strongly agree

Table (3.4): Criterion of Determination the Levels of Relative Weight

Scale	Strongly disagree	Disagree	Neither agree nor disagree	Agree	Strongly disagree
Relative Weight	1	2	3	4	5

Statistical Analysis Tools

The researcher analyzed the data by (SPSS) using the following statistical methods

- 1- Frequencies, percentage and relative weight to describe the characteristics of the sample and their responses.
- 2- Cronbach's alpha, formula for measuring the reliability of research tool.
- 3- Pearson's correlation formula to calculate the internal validity of the research tools.
- 4- Descriptive statistics (Frequencies and cross tabulation) were used to describe the main features of the data and to study the firsthand relationship between the variables
- 5- Inferential statistics (chi-square and logistic regression). The relationship between risk factors and success were identified statistically. A significant result means that the *p-value* for the hypothesis tests is less than 0.05. The Confidence Intervals (CI) were reported as 95%.

Validity of the Questionnaire

Validity refers to the degree to which an instrument measures what it is supposed to be measuring (Polit and Hungler, 1985). Validity has a number of different aspects and assessment approaches. To insure the validity of the questionnaire, two statistical tests should be applied. The first test is Criterion-related validity test (Pearson test) which measures the correlation coefficient between each paragraph in one field and the whole field. The second test is structure validity test (Pearson test) that used to test the validity of the questionnaire structure by testing the validity of each field and the validity of the whole questionnaire. It measures the correlation coefficient between one field and all the fields of the questionnaire that have the same level of similar scale.

- In order to assure high level of reliability and validity for the developed tool, the researcher has taken the approval of the supervisor to review the tool on Academic and Professional levels to ensure its relevance and stability.
- Reviewing and assessing of questionnaire with academic persons who have had long-time experience were conducted in order to ensure logic, that included seven of academic staff from Universities reviewed the tool.
- The pilot is essential step to identify any ambiguities in the questions and to identify the potential problems for each question. A pilot sample of the research consisted of 30 beneficiaries (10%) of small businesses owners selected randomly from the population of the research. It provides a trial run for the questionnaire, which involves testing the wording of questions, identifying ambiguous questions, testing the techniques used to collect data, and measuring the effectiveness of standard invitation to respondents.

Reliability of the Research

The reliability of an instrument is the degree of consistency which measures the attribute it is supposed to be measuring (Polit & Hunger, 1985). The less variation an instrument produces in repeated measurements of an attribute, the higher its reliability. Reliability can be equated with the stability, consistency, or dependability of a

measuring tool. The test is repeated to the same sample of people on two occasions and then compares the scores obtained by computing a reliability coefficient. The researcher used one technique to calculate the reliability of the questionnaire:

1. Cronbach's Coefficient Alpha method: It is used to measure the reliability of the questionnaire between each field and the mean of the whole fields of the questionnaire. The normal range of Cronbach's coefficient alpha value between 0.0 and + 1.0, and the higher values reflects a higher degree of internal consistency. The Cronbach's coefficient alpha was calculated for each field of the questionnaire.

Table (3.5): Cronbach's Alpha for Each Field of the Questionnaire

No.	Dimension	Number of items	Cronbach's alpha coefficients
1.	Managerial Risks	7	0.892
2.	Financial Risks	10	0.871
3.	Competition Risks	8	0.716
4.	Legal Procedures Risks	6	0.787
5.	Political and Economic Risks	4	0.705
6.	Capacity building and innovation Risks	8	0.825
7.	Technological Risks	5	0.950
	Total score of the questionnaire	48	0.821

Table (3.5) shows that Cronbach's alpha coefficient for each component and total degree of components high coefficient which indicated that the questionnaire is reliable to apply on the sample of the research.

To enhance the reliability of the questionnaire the researcher deleted some questions that appeared to lower the coefficient; for example, question number 12 and 13 under competition risks component, question number five under legal procedures risks component and question number eight at political and economic risks component.

Thereby, it can be said that the researcher proved that the questionnaire was valid, reliable, and ready for distribution for the population sample as shown on (Annex 3). In addition, to maintain the reliability, the researcher collected the data by himself.

Chapter 4

Results and Discussion

Chapter 4

Results and Discussion

Introduction

This chapter aims to analyze the collected data and to test the research hypothesis in order to achieve the objectives of the study. This chapter describes the main features of the study variables; using case (success) control (failed) study to assesses and examines the association between these variables (dependent and independents).

Characteristics of the sample

The researcher calculated frequencies and percentage of the sample according to the variables of the research as shown in the following table (4.1):

Table (4.1): Socio-economic & demographic variables

Item	Frequency		Total	% of total	Chi-square	P-value
	Case (Success)	Control (Failed)				
Gender						
Male	96 (66.7%)	95 (69.9%)	191	68.2%	0.327	0.567
Female	48 (33.3%)	41 (30.1%)	89	31.8%		
Total	144	136	280	100%		
Age Category						
Less than 30 years	31 (21.5%)	14 (10.3%)	45	16.1%	9.901	0.007*
From 30 to less than	77 (53.5%)	96 (70.6%)	173	61.8%		
More than 40 years	36 (25%)	26 (19.1%)	62	22.1%		
Total	144 (100%)	136 (100%)	280	100%		
Business Location						
North Gaza	35 (24.3%)	30 (22.1%)	65	23.2%	0.302	0.990
Gaza	57 (39.6%)	54 (39.7%)	111	39.6%		
Middle Area	17 (11.8%)	16 (11.8%)	33	11.8%		
Khanyounis	14 (9.7%)	15 (11%)	29	10.4%		
Rafah	21 (14.6%)	21 (15.4%)	42	15%		
Total	144 (100%)	136 (100%)	280	100%		
Marital Status						
Married	106 (73.6%)	115 (84.6%)	221	78.9%	14.124	0.003*
Single	30 (20.8%)	9 (6.6%)	39	13.9%		
Divorced	1 (0.7%)	5 (3.7%)	6	2.2%		
Widowed	7 (4.9%)	7 (5.1%)	14	5%		
Total	144 (100%)	136 (100%)	280	100%		

Item	Frequency		Total	% of total	Chi-square	P-value
	Case (Success)	Control (Failed)				
Qualification						
Less than secondary	29 (20.1%)	13 (9.6%)	42	15%	40.972	0.000*
High School	17 (11.8%)	43 (31.6%)	60	21.4%		
Intermediate Diploma	48 (33.3%)	66 (48.5%)	114	40.7%		
Bachelor	41 (28.5%)	13 (9.6%)	54	19.3%		
High Studies	9 (6.3%)	1 (0.7%)	10	3.6%		
Total	144 (100%)	136 (100%)	280	100%		
Business Type						
Services	91 (63.2%)	96 (70.6%)	187	66.8%	5.499	0.139
Technological	19 (13.2%)	10 (7.4%)	29	10.4%		
Vocational	27 (18.7%)	28 (20.6%)	55	19.6%		
Others	7 (4.9%)	2 (1.4%)	9	3.2%		
Total	144 (100%)	136 (100%)	280	100%		
Business Age						
Less Than one year	25 (17.4%)	31 (22.8%)	56	20%	11.637	0.009*
1 year to less than 3Y	80 (55.5%)	87 (64%)	167	59.6%		
3 years and over	39 (27.1%)	18 (13.2%)	57	20.4%		
Total	144 (100%)	136 (100%)	280	100%		
Grant Amount						
Less than 3000\$	14 (9.7%)	30 (22.1%)	44	15.7%	8.037	0.005*
3000\$ and Over	130 (90.3%)	106 (77.9%)	236	84.3%		
Total	144 (100%)	136 (100%)	280	100%		
Number of Courses						
No courses	29 (20.1%)	11 (8.1%)	40	14.3%	27.717	0.000*
One Course	57 (39.6%)	96 (70.6%)	153	54.6%		
Two Courses	17 (11.8%)	10 (7.4%)	27	9.6%		
Three Courses	26 (18.1%)	12 (8.8%)	38	13.6%		
More than three	15 (10.4%)	7 (5.1%)	22	7.9%		
Total	144 (100%)	136 (100%)	280	100%		
Consultations Visits						
No consultations	19 (13.2%)	25 (18.4%)	44	15.7%	15.745	0.000*
One visit monthly	48 (33.3%)	18 (13.2%)	66	23.6%		
Irregular visits	77 (53.5%)	93 (68.4%)	170	60.7%		
Total	144	136	280	100%		

Gender

The majority of the participants were males with 68.2% who represented more than two thirds of the population divided as 66.7% for case and 69.9% for control. This can be explained due to the fact that the female constitute very small portion of the total small businesses in Palestine in addition to the socioeconomic situation that encourage male to search for a source of income through these types of businesses. The results showed that there was no statistically significant association between gender and likelihood of small businesses success (P -value = 0.567). The result of this field agrees with the studies of (El-khazendar, 2015 and Alsafadi & Abu Sha'aban, 2015) that showed the percentage of males was 65%, almost the twice of the percentage of females while contradicted with (Guloba et al., 2015) that showed the female percentage in small businesses higher than the male.

Age categories

The ages of study population ranged from 20 to 65 years and were segregated into three categories. The highest percentage among study sample was noticed among the age group 30 to less than 40 years with 61.8% of the total sample represented as 53.5% for case and 70.6% of control, followed by the age category of more than 40 years with 22.1% out of the total sample represented as 25% for case and 19.1% for control, The lowest percentage was recorded in the age category less than 30 years with 16.1% divided as 21.5% for case and 10.3% for control. This indicates that most of small business owners are youth who have innovative ideas and enthusiasm to try new things and believe in the energy and role of youth in the Gaza community. The results showed that there was statistically significant association between age categories and likelihood of small businesses success (P -value = 0.007). The results agreed with the results of (El-Daya et al., 2015 and Alsafadi & Abu Sha'aban, 2015) studies that found that most of entrepreneurs are youth as they are willing to have better economic situation.

Business Location

Regarding business location; the highest percentage of the case were from Gaza governorate with 39.6%, followed by North Gaza as 24.3%, Rafah 14.6%, Middle Area 11.8%, and Khanyounis 9.7%. The same percentages for control were also recorded as Gaza governorate with 39.7%, followed by North Gaza as 22.1%, Rafah 15.4%, Middle Area 11.8%, and Khanyounis 11%. The results showed that there was no statistically significant association between business location and likelihood of small businesses success (P -value = 0.990).

Marital status

Regarding the marital status, the married participants were 78.9% out of the total sample 73.6% among cases compared to 84.6% among controls. Followed by single participants with 13.9% from the total 20.8% among case compared with 6.6% among controls and then for widowed participants with 5% from the total 4.9% among case compared with 5.1% among controls and finally for divorced participants with 2.2% from the total 0.7% among case compared with 3.7% among controls. The results showed that there was statistically significant association between marital status and likelihood of small businesses success (P -value = 0.003).

Qualification

Table above table shows that 40.7% of the sample were Intermediate Diploma degree holders, followed by 21.4% were High School, 19.3% were bachelor, and 15% were less than secondary school level while shows also that 3.6% of sample were high studies degree holders. This reflects the diversity of small business owners related to education level and the interest of highly educated persons in this sector in order to benefit from their education in their work. The results showed that there was highly statistically significant association between business owner qualifications and likelihood of small businesses success (P -value = 0.000). This result is inconsistent with recent studies that showed the extent of the high significance of qualifications on business success (El-khezendar, 2015; and Safadi & Abu Sha'aban, 2015).

Business Type

Regarding to business type table above shows that 66.8% of the sample was services businesses, followed by 19.6% were vocational, 10.4% were technological, and 3.2% were other types of business like handcrafts, food processing and agricultural businesses. This reflects the diversity of small business types with high focus on services businesses. The results showed that there was no statistically significant association between business type and likelihood of small businesses success ($P\text{-value} = 0.139$). The result of this field agreed with the many recent studies of (El Daya et al., 2015; El-khazendar, 2015 and Ashour & Zorub, 2015) that showed this is normal due to sample characteristics, as these projects don't need high start-up costs and experience.

Business Age

The age of businesses ranged from less than one year to eight years and allotted into four groups. The highest percentage among study sample was noticed among the business age group from one year to less than three years that represent 59.6% of the total sample followed by the category less than one year with 20% as they don't have enough experiences and skills. And then for the category from three years and over with 20.4%. The results showed that there was highly statistically significant association between business owner qualifications and likelihood of small businesses success ($P\text{-value} = 0.009$). The result of this field agrees with the results from (El Daya et al., 2015) study where found that most of entrepreneurs are youth as they are willing to have better economic situation and still not have enough level of skills, knowledge and experience.

Grant Amount

Regarding Grant amount, the findings revealed that, 84.3% of study sample were in grant amount category from more than 3000 US\$ over while the 15.7% for the grant amount category less than 3000US\$. 90.3% of cases were found in grant amount from 3000 US dollar and over compared to 9.7% of controls. Moreover, there was a statistically significant association between the grant amount and likelihood of small

businesses success (P -value = 0.005). This result is agreed with recent studies that showed the extent of the high significance of grant amount on business success (Al Afifi, 2015 and Namtoto et al., 2015).

Number of Courses related to business type:

Regarding number of courses related to business type, the findings revealed that, 54.6% of study sample had one training course while the 14.3% not participating in any courses. Also 13.6% of sample participated in three training courses, moreover 9.6% had two training courses and finally the lowest percentage was 7.9% for participants who participated in more than five training courses. The findings showed also that 10.4% of cases have more than three training courses compared to 5.1% of controls. And 18.1% of cases have three courses compared with 8.8% of controls. Moreover, there was a highly statistically significant association between the number of courses related to business type and likelihood of small businesses success (P -value = 0.000). This result is inconsistent with most of recent studies that showed the extent of the high significance of number of training courses on business success (Abdelmenim, 2015; Abu Jamie, 2015; Ashour & Zorub, 2015; Namroti et al., 2015; Wolz & Taweel, 2012 and Safadi & Faleet, 2015).

Consultation and following up services:

Regarding consultation and following up services, the findings revealed that, 15.7% of study sample didn't received any type of consultation and following up services 13.2% of them were in case compared with 18.4% of controls while the other 84.3% of the total sample received type of consultation and following up services. As showed in the table 23.6% of study sample received one consultation and following up monthly visit 33.3% of them were in case compared with 13.2% of controls. And 60.7% of the participants benefited from irregular consultation and following up visits 53.5% of case and 68.4% of control. Moreover, there was a highly statistically significant association between the grant amount and likelihood of small businesses success (P -value = 0.000). This result showed the importance of consultation and following up

visits in order to enhance the likelihood of business success and continue which inconsistent with most of recent studies that showed the extent of the high significance of number of training courses on business success (Abu Jamie, 2015; El-Khazendar, 2015; Wolz & Taweel, 2012; and Safadi & Faleet, 2015).

Quantitative Data analysis and discussion

The average of awareness of managerial risks was 74% among case to 51% among control. The most important item of managerial risks domain was monitoring & follow up risks during business lifespan, in which the percentage of the item was 78% among success businesses, while only was 48% among failed small business. For the second domain about the financial risks domain the average of respond were 62% among case to 57% among control. The important item in financial risk domain was separation between business money and business owner money, the results shown the percentage of the item was 83% among success while only was 42% among failed businesses followed by the item of fund value which was 72% for success to 67% for closed businesses. Also for the third domain that covered the competition risks the results revealed that the average was 69% among case to 52% among control. The most important item was the availability of professional market study, in which the percentage of that item was 59% among success businesses and 40% of failed businesses. However, the forth domain that discussed the legal procedures risks it shown the average of this domain was 53% among case to 50% among control. The main item in that domain was the role of governmental bodies in small businesses damage compensation. The respond of disagreed answer was 85% for success among 80% of closed businesses. Moreover, the fifth domain the political and economic risks had the high level of agreed between case and control, the average was 90% among case to 87% among control with 100% agreed of the item of economic blockade followed by the item of high level of poverty and unemployment rates. The sixth domain that covered the capacity building and innovation risks the average were 87% among case to 53% among control with high level of focus on the free non-financial services and coaching with percentage of 87%

for success businesses comparing with 45% of failed businesses followed by the item of considering the small business as temporary self-employment opportunity in which the percentage of the item was 35% among success while 86% among failed businesses. And finally, the average of technological risks were 79% among case to 64% among control and the most important item was the association between technology and power shortage in which the percentage was 79% among success and 70% among failed businesses.

Logistic Regression – Proximate Factors (Bivariate analysis)

Table 4.2 shows all risk management variables in one model without adjustment for confounders to assess their association with case and control (success and failure) of small businesses in the Gaza Strip.

Table (4.2): Logistic Regression– Proximate Factors (Bivariate analysis)

Variables	No. of Ques.	Mean		%		Wald	P-value
		Success	Failed	Success	Failed		
Managerial Risks	7	20.7	14.3	74	51	29.403	0.000*
Financial Risks	10	24.8	22.8	62	57	1.966	0.091
Competition Risks	8	22.1	16.6	69	52	8.424	0.004*
Legal Procedures Risks	6	12.7	12	53	50	0.516	0.473
Political and Economic	4	14.4	13.9	90	87	13.371	0.000*
Capacity building and innovation Risks	8	34.8	21.2	87	53	16.010	0.000*
Technological Risks	5	15.8	12.8	79	64	3.958	0.047*

P-value: *P*-value of logistic regression, *P*-value > 0.05: Statistically insignificant, *: *P*-value < 0.05 (Statistically significant).

When these variables were tested without adjustment to confounders as shown in tables 4.2, there were a statistically significance association of managerial risks, competition risks, political and economic risks, capacity building and innovation risks and finally technological risks variables with likelihood of small businesses success (*P*-value = 0.000, 0.004, 0.000, 0.000, and 0.047, respectively). However, the significance

associations of financial risks and legal procedures risks variables with small businesses success were absent (P -value = 0.091, and 0.473, respectively).

This result is inconsistent with many recent studies that showed the extent of the high significance of risk management variables on likelihood of small business success. These studies agreed with the significant of competition risks variable on likelihood of business success (Ashour & Zorub, 2015; Namroti et al., 2015; and Sierdja & Andre van, 2012). While the studies that agreed with the significant of political and economic risks variable on business success (Ashour & Zorub, 2015 and Namroti et al., 2015). For the capacity building and innovation risks variable on business success most of recent studies showed the extent of significance with likelihood of business success (Abdelmenim, 2015; El-Khazendar, 2015; Wolz & Taweel, 2012; Atyani & Al haj Ali, 2012; Ashour & Zorub, 2015; Namroti et al., 2015; and Safadi & Abu Sha'aban, 2015). And finally the results technological risks variable agreed with results of (Abu Jamie, 2015; Ashour & Zorub, 2015; El-Khazendar, 2015; and Safadi & Abu Sha'aban, 2015). But the study results related to insignificance of financial risks and legal procedures risks were contradicted with (Abu Jamie, 2015; Al Afifi, 2015; Ashour & Zorub, 2015; Guloba et al., 2015; and Namroti et al., 2015) studies when it showed the high significant and importance for financial issues like finance access, saving, and consider the small business as main source of income on small businesses success. While the legal procedures risks considered as significant association on small businesses success in Atyani & Al Haj Ali (2015) study results.

Logistic Regression – Determinant of small Business Success (Multi-variate analysis)

As showed in the table 4.3 after adjustment to other variables (confounders), most of significant variables changed to be insignificant within the model. The analysis showed that the correlation between socio-economic variables and risk management variables.

Table (4.3): Logistic Regression– Determinant of small Business Success (Multi-variate analysis)

Variables	Wald	<i>P</i> - value	<i>P</i> - value*
No. of Courses	27.717	0.000*	0.006*
Age category	9.901	0.007*	0.032*
Marital Status	14.124	0.003*	0.274
Qualification	40.972	0.000*	0.003*
Business Age	11.637	0.009*	0.191
Grant Amount	8.037	0.005*	0.008*
Consultation Visits	15.745	0.000*	0.921
Managerial Risks	29.403	0.000*	0.000*
Competition Risks	8.424	0.004*	0.920
Political and Economic Risks	13.371	0.000*	0.001*
Capacity building and innovation Risks	16.010	0.000*	0.919
Technological Risks	3.958	0.047*	0.000*

P-value*: *P*-value of logistic regression, *P*-value* > 0.05: Statistically insignificant, *: *P*-value* < 0.05 (Statistically significant).

Table 4.3 pointed out to the two models logistic regression (for binary outcome) were used to assess the statistical association between risk management variables and likelihood of small businesses success (first one tested each variable separately with outcome without adjustment the confounding factors as expressed in *P*- value, the second model examined each variable with the effect of other significant variables *P*- value*). When each variable examined separately, most of risk management variables were highly associated with success as shown the table 4.2, in addition to other variables such as No. of courses, age, marital status, qualification, business age, grant amount and consultation (*P* = 0.006, 0.032, 0.003, 0.008, 0.000, 0.001 and 0.000, respectively. However, the significance of associations of marital status, business age, consultations and following up services, competition risks and capacity building and innovation risks variables with small businesses success were absent after being examined together with

other variables in the second model ($P = 0.274, 0.191, 0.921, 0.920$ and 0.919 respectively).

That showed that all the variables are important separately but after adjustment to confounders, the significance associations of marital status, business age, consultations and following up services, competition risks and capacity building and innovation risks variables with small businesses success were absent after examined together with other variables in the second model ($P = 0.274, 0.191, 0.921, 0.920$ and 0.919 respectively).

The absence of significance for some variables was due to the correlation between independent variables. They were good correlation between competition risk and managerial risk, creativity and financial risk, respectively ($r = 0.58, 0.42, 0.34$). There was also a good correlation between capacity building and managerial risk, competition, technological, and financial risk, respectively ($r = 0.59, 0.42, 0.47, 0.31$). On the other hand the results showed strong relation between types of training received and type of business related to the impact of financial risks, that found the business owners have financial training and they have services businesses which not need to high level of financial management and systems. Also for legal risks, in general the small businesses sector in the Gaza strip not considered the legal procedures as important issue because the most of businesses were granted from INGOs as support to vulnerable families with high dependency on aids.

Qualitative data analysis and discussion

In addition to the quantitative tool used in this study, the Key Informant Interview (KII) tool has been used, because of its appropriateness to research questions and the population of the study. KII were done with five of the expertise and high level workers in small businesses field in the Gaza strip as showed in Annex 4. The interviewees asked about the relationship between the use of risk management techniques and the likelihood of success of the funded projects. They asked the

following questions to give concrete examples from the projects they funded and follow up for more details.

- In your opinion, what are the most factors that led to the success of small businesses that got grants?
- What is the role and effect of capacity building and follow up programs offered for small business owners in the success of projects?
- To what extent has the social, economic and demographic factors affected the success of small businesses?
- In your opinion, what are the most important challenges that face the small business owners and affect its success?
- In your opinion, what are the procedures that will enhance the possibility of success of the funding activities that could be implemented in the future if they were taken into consideration by the organizations who offer grants and the small business owner?

The interviewees responded to the above questions with high level of agreement between them as follows:

The information got from the experts was in line with quantitative findings when they pointed out the most important factors of business success. They agreed that risk management variables have important role in small businesses lifespan, the managerial risks, political and technological are the most important factors, but four of them pointed out to the magnitude and importance of financial resources that was not a significant determinant of success. They assured the crucial influences of number and types of training courses that needed to build owners capacity and make them up to date with rapid changes in small business development sector. They ensure the importance of monitoring and follow up services on the small business success that agreed with these study findings which found the significance of consultations and follow up visits.

The experts classified the demographic factors which were insignificant in this study as a small part of external environment factors which have small impact on the

small businesses success that because Gaza strip is small and homogenous area that faces the same political and economic situation.

They pointed out that lack of business counselors, low motivation; creativity and scarcity of financial resources are the most challenges to the likelihood of success. They also added line with the study findings on the importance of separating the business money from the family and personal money. These challenges are supported with this study even if the financial risks as overall were insignificant.

On the other hand, the experts raised that some pre standards and procedures need to be taken by grants organizations that support small businesses field. They mentioned that a clear selection criterion for the potential candidates to have grants is the main step of the process, and then preparing strong and practical training sessions for selected people to generate strong and applicable business plan. Also they mentioned that during the small businesses start-up and operations there was a huge need to give coaching services not less than 6 months from the start day of work. In addition, there is high need to invest in building the capacity of available counselors and train new ones. This is consistent with the current quantitative findings related to the importance of non-financial services as well as the financial support

Chapter 5

Conclusions and Recommendation

Chapter 5

Conclusions and Recommendations

Introduction

This chapter concluded a number of recommendations for policy decision makers, small business owners and future researches.

Conclusion

The researcher aimed to assess and examine the role of risk management techniques in enhancing the small businesses success in the Gaza strip. This was raised from the researcher experience in the small businesses field as grants. There is high importance of small businesses in Gaza strip economic with this high level of unemployment and poverty rate. The research results appeared the following main important results:

- The risk management techniques had an important role on the likelihood of small business success in the Gaza Strip.
- Part of socio-economic position (qualification, age, grant amount) had an crucial impact on the relationship between risk management techniques and business success. So the selection criteria for beneficiaries should be developed according the main results (determinants of success).
- Risk management techniques are high importance for small businesses and need developing and practicing as a part of comprehensive capacity building programs as well as proposals designs.
- The organizations need to develop strong coaching and following up programs for all ongoing small businesses grants and new targets in future projects.

- The type of businesses should be taken in consideration to build on the economic needs and the capacity of beneficiaries as well as the diversity of businesses.
- Access to finance and participatory approach in businesses grants is important to minimize the risk of failure by risk sharing.

Recommendations

Based on the research's findings, a number of recommendations are formulated into three levels:

For Organizations level:

Decision makers should seek to tackle inequalities and disparities among eligible person that policies and interventions can be targeted of the Micro level of individual interaction, at Meso level of community conditions, or at public policies level. To be successfully all three of these options would require actions on likelihood of small businesses success. The suggestion actions are:

- Decreasing challenges to success.
- Intro-sectoral action through collaboration relevant sector offers distinctive opportunities for action, because structural determinants of business failure can only be addressed by policies that reach beyond the one sector (INGO's, NGO's, Governmental bodies and private sector).
- Improve the general quality of small businesses enterprises by developing human resources. Policies should include training courses for small businesses owners on how diagnose and manage high risks for their businesses.
- Invest in build available counselors capacities and train new ones to enter the consultation services sector with updated techniques and methods.
- Finally, the government should incrementally establish a linked data base system. They should communicate all stakeholders to maintain and update the

system on an ongoing basis. They have to begin with a core set of data could include vital records.

For small businesses owner's levels:

- Invest in your personality and build your capacity by taking related courses and administrative courses as benefit as you can.
- Consider your business as your dream that will help you to overcome the unemployment and poverty.
- Look for all other available sources of financing and benefit from the high level of competition between INGO's and private sectors.
- Non-financial services are good opportunity to you to benefit from others experience and your creativity.
- Be creative, open minded, patient, challenger and hard worker.

For future researches:

Future studies should first focus on monitoring further the determination of likelihood of small businesses success. Future research on small business is needed not only in Gaza strip, but also in West Bank to enable us to generalize the findings for all Palestine. It would also be interesting to conduct a detailed comparison study between the providers for grants in order to know which system has the proper influence of small businesses.

References

List of References

English References

- Abdelkarim, N. (2012). *Medium and Small Enterprise in Palestine*. Ramallah, Palestine: the Palestine Economic Policy Research Institute (MAS).
- Al-Afifi, Ahmed. (2015). *Crowdfunding...Is it right for your business financing?* Paper presented at Entrepreneurship and Innovation in Businesses Development conference. Palestine: the Islamic University of Gaza.
- Ahmed, S., Riaz A., Darshi De S. (1999). Risk management trends in the Hong Kong construction industry: a comparison of contractors and owners perceptions. *Engineering, Construction and Architectural Management*, 6 (3), 225 - 234.
- An Oracle White Paper. (2009). *The Benefits of Risk Assessment for Projects, Portfolios, and Businesses*. U.S.A: Oracle White.
- Armstrong, R. (1987). The midpoint on a Five-Point Likert-Type Scale. *Perceptual and Motor Skills*, 64 (2), 359-362.
- Atyani, N. & Al-Haj Ali, S. (2012). Problems of MSMEs in Palestine In MAS (ed.). *Poverty Reduction through Private-Sector Development: Policy Research for MSMEs*. Ramallah, Palestine: The Palestine Economic Policy Research Center (MAS).
- Bauer, S.; Finnegan, G.; & Haspels, N. (2004). *Gender and Entrepreneurship Together: GET Ahead for Women in Enterprise, Training Package and Resource Kit*. Bangkok, Berlin, Geneva: International Labor Office.
- Boehm, B. (1989). *Software Risk Management*. Washington, DC: IEEE Computer Society Press.
- Burns, A. and Burns, R. (2008). *Basic Marketing Research* (Second ed.). New Jersey: Pearson Education.
- Chambers, R. L., & Skinner, C. J. (2003). *Analysis of survey data*. U.S: John Wiley & Sons.
- Chapman C. & Ward S., (1997). *Project Risk Management: Processes, Techniques and Insights*. U.S: John Wiley.

- Department of Treasury and Finance. (2009). *Investment Lifecycle Guidelines, Supplementary Guidance, Project Risk Management Guideline*. (Version 1.0), U.S: Victorian Government.
- Daya, W., Al Mqadma, A. and Al Agha, H. (2015). *Entrepreneurs Awareness of IPRs in Gaza strip*. Research presented at Entrepreneurship and Innovation in Businesses Development conference. Palestine: the Islamic University of Gaza.
- Ebert/Griffin. *Entrepreneurship, New Ventures, and Business Ownership*, Business Essentials, (7th ed.). U.S. Pearson Education Inc.
- Enterprise Risk Management (ERM). (2015). *Risk Management Fact Sheet*. Actuaries and CERA. Retrieved March, 24th. 2016 from: www.soa.org.
- Free management Library. *Risk Management, Disaster Planning and Protecting Against Crime*. Authenticity Consulting LLC, Retrieved January 12th, 2016. From: <http://managementhelp.org/riskmanagement/index.htm>.
- Greene, A. (2001). *Process approach to project risk management*. UK: Department of Civil and Building Engineering. Loughborough University.
- Guloba, M., Ahaibuse, G., Kasirye, I. and Aliro, E. (2015). *Grants Vs Loans! What works best for young entrepreneurs?*. Uganda: Economic Policy and Research Center.
- Hamed, M., Abu Hantash, I., Khalifa, M. and Salah, O. (2012). International Experiences in Supporting MSMEs: Lessons for Palestine. In MAS (ed.). *Poverty Reduction through Private-Sector Development: Policy Research for MSMEs*. Ramallah, Palestine: The Palestine Economic Policy Research Center (MAS).
- Heinz-Peter B. (2010). Risk Management: Procedures, Methods and Experiences. *RT&A journal*, 17 (1), 79-95.
- Hillson, D. (2010). *Managing Risk in Projects, risk and projects*. UK: Gower Publishing Limited.
- Institute of Risk Management (IRM) (2010). A structured approach to Enterprise risk management (ERM) and the requirements of ISO31000. London: AIRMIC, Alarm.
- Jaafari A. (2001). Management of risks, uncertainties and opportunities on projects: time for a fundamental shift, *International Journal of Project Management*, 19 (2), 89-101.
- Joseph D. (2009). MSMEs: The Backbone of an Occupied Economy. *Palestine this week magazine*. 133. Palestine.

- Khazendar, Teejan. (2015). *Startups in Gaza: Success and Technology*. Paper presented at Entrepreneurship and Innovation in Businesses Development conference. Palestine: the Islamic University of Gaza.
- Makridakis, S. and Wheelright, S. (1987). *Interactive Forecasting: Univariate and Multivariate Methods*. (2nd ed.) U.S.A.: Holden-Day, Incorporated.
- Mbonyane, B. & Ladzani, W. (2011). Factors that hinder the growth of small businesses in South African townships. *European Business Review*, 23 (6), 550 – 560.
- McClelland, D. and McBer (1987). Characteristics of Successful Entrepreneurs. *The Journal of Creative Behavior*, 21, 219-233.
- Michal S. (2016). *Risk Management...the What, Why, and How*. Business Improvement Architects. Retrieved Jan 26, 2016 from: <https://bia.ca/risk-management-the-what-why-and-how/>
- Mbonyane, B. and Ladzani, W. (2011). Factors that hinder the growth of small businesses in South African townships. *European Business Review*, 23 (6), 550 – 560.
- Okema, J. (2001). Risk and uncertainty management of projects: challenges of construction industry. Uganda: Department of Architecture, Makerere University.
- Palestinian Central Bureau of Statistics (2012). *Establishment Census 2012*. Table no.5. Palestine: PCBS.
- Palestinian Central Bureau of Statistics (2016). *Palestine in Figures 2015*. Palestine: PCBS.
- PMP. *Introducing Project Risk Management*”, Chapter 11: Introducing Project Risk Management. (5th ed.).U.S.A: Project Management Institute, Inc.
- Poilt, D., and Hungler, B. (1985). *Essentials of nursing research; Methods and applications*. Philadelphia: J. B. Lippincott company.
- Project Management Institute Inc. (2008). *A Guide to the Project Management Body of Knowledge (PMBOK Guide)*. (4th ed.) U.S.A. Newtown Square, PA: Project Management Institute, Inc.
- Queensland Government. *SWOT Analysis*. Business and Industrial Portal. Retrieved May 6, 2016 from: <https://www.business.qld.gov.au/business/starting/market-customer-research/swot-analysis>
- Quqa, I. (2007). *The impact of training on small and micro businesses performance in the Gaza strip (Case study)*. (Unpublished Master Thesis). the Islamic University of Gaza. Palestine.

- Ramadan, Z. (2007). *The principles of financial and real investment*. Amman, Jordan: Dar Wael for Publication.
- Raz, T. and Michael, E. (2001). Use and benefits of tools for project risk management. *International Journal of Project Management* 19 (1), 1-70.
- Report Partners (2014). *Global Risks*. (9th ed.). Geneva: the World Economic Forum.
- Risk management essentials (2014). *Melanie Herman Enterprise Risk Management: The Final Frontier*, 23 (2), Nonprofit Risk Management Center.
- Risk Management Standard. (2004). Risk management processes as described by the Risk Management Standards Australia (AS/NZS 4360:2004). Australian/New Zealand.
- Sabri, N. (1998). Financial Analysis of the Palestinian Industry. *Small Business Economics* 11, 293-301. Netherland: Kluwer Academic Publisher.
- Sabri, N. (2010). MSMEs and the Palestinian Economy. In MAS (ed.) *MSMEs in Palestine; Challenges and Potential*. Ramallah, Palestine: the Palestine Economic Policy Research Institute (MAS).
- Saunders, M., Lewis, P., & Thornhill, A. (2011). *Research methods for business students*. (5th ed.) India: Pearson Education.
- Sierdjan, K. and André van, S. (2012). The relationship between start-ups, market mobility and employment growth: An empirical analysis for Dutch regions. *Small Business Economics*, 39 (3), 575-585.
- Simmons C. (2002). *Risk management (Managing standards)*. Ken Rigby. Retrieved April 25,2016. From: www.airtime.co.uk
- Singh, S. (2012). *List of business characteristics*. In What Are the Characteristics of Business. Retrieved April 22, 2016. From: www.preservearticles.com/2012022323593/what-are-the-characteristics-of-business.html
- Small Businesses Development. (2002). *Development Bridge periodical*, 9 (1), Kuwait: Arabic Institute for Planning.
- Sous, S. (2011). *Small and Medium-sized Enterprises (SMEs) and their Role in Economic Development of Palestine*. West Bank, Palestine: Ministry of National Economy.
- Stackpole, C. (2013). *Identify Risks Tools and Techniques on the PMP Certification Exam* from PMP Certification All-in-One For Dummies. (2nd ed.)

- Studies and Researches Center. (2014). *Medium and Small Businesses in Palestine*. Palestine: Palestinian Business Forum.
- Thomson Reuters. *Practical Guidance: Seven Steps for Effective Enterprise Risk Management*.
- Tummala V., & Burchett J. (1999). Applying a risk management process (RPM) to manage cost risk for an EHV transmission line project. *International Journal of Project Management* 17. 223-235.
- UNCTAD. *Empretec Program: The Entrepreneur's Guide*. Retrieved February 22, 2016. From: unctad.org/en/Docs/diaeed20093_en.pdf
- Van Scoy, R. *Software Development Risk: Opportunity, Not Problem*. Pittsburgh, PA: Software Engineering Institute.
- Ward, E. (2007). *Advances in Decision Analysis: From Foundations to Applications*. (1st ed.). U.S.A.: Cambridge University Press.
- Wolz, J and Taweel, Wa'ad. (2011). *Profile of the Young Entrepreneur in the West Bank*. Palestine: Youth Entrepreneurship Development Program. USAID funded.
- Won Kim, J. & Rowley, C. (2001). Managerial problems in Korea - Evidence from the nationalized industries. *International Journal of Public Sector Management*, 14 (2), 129 – 149.
- Yoe, C. (2000). *Risk Analysis Frame Work for Cost Estimation, in association with Planning and Management Consultants for U.S. Army Corps of Engineers*. U.S.A.: Institute of Water Resources.
- Zayed T. and Chang L. (2002). Prototype model for build-operate-transfer risk assessment. *Journal of Management in Engineering* 18, 7-16.
- Zio, E (2007). *Introduction to the Basics of Reliability and Risk Analysis*. Australia: Department of treasury and Finance.

المراجع العربية

- البلعوي، إياد. (2013م). تقييم تجربة المؤسسات الأهلية في إنشاء وتطوير المشاريع الصغيرة والريادية في قطاع غزة من وجهة نظر أصحاب المشاريع. (دراسة غير منشورة). فلسطين: مركز دراسات المجتمع المدني.
- أبو جزر، فوزي. (15-13 فبراير 2006م). المشاريع الصغيرة والمتوسطة وأهميتها في الحد من مشكلة البطالة في فلسطين. ورقة مقدمة إلى مؤتمر تنمية وتطوير قطاع غزة بعد الانسحاب الإسرائيلي. فلسطين: كلية التجارة. الجامعة الإسلامية، غزة.
- أبو جامع، نسيم. (2015م). الائتمان المصرفي وتعزيز قدرة المشاريع الصغيرة والمتوسطة الفلسطينية. دراسة مقدمة إلى مؤتمر الريادة والإبداع في تطوير الأعمال الصغيرة. فلسطين: الجامعة الإسلامية، غزة.
- الحناوي، محمد. (2011م). الإدارة المالية والتمويل. ط1. الاسكندرية، مصر: الدار الجامعية للطباعة والنشر والتوزيع.
- خربوش، حسني؛ وجودة، محفوظ؛ وارشيد، عبدالمعطي. (2012م). الاستثمار والتمويل بين النظرية والتطبيق. ط5. عمان، الاردن: دار زهران للنشر والتوزيع.
- الصفدي، سماح، و أبو شعبان، دينا. (2015م). مدى توظيف الشباب لموقع التواصل الاجتماعي (فيسبوك) في تنمية الفكر الإبداعي والريادية. بحث مقدم إلى مؤتمر الريادة والإبداع في تطوير الأعمال الصغيرة. فلسطين: الجامعة الإسلامية، غزة.
- الصفدي، سماح، والفليت، خلود. (2015م). دور البرامج التدريبية في تنمية الإبداع لدى أصحاب المشاريع الصغيرة والرياديين. دراسة تطبيقية على حاضنة الأعمال والتكنولوجيا في الجامعة الإسلامية في غزة. بحث مقدم إلى مؤتمر الريادة والإبداع في تطوير الأعمال الصغيرة. فلسطين: الجامعة الإسلامية، غزة.
- الصوراني، غازي. (2006م). واقع الصناعة في الضفة الغربية وقطاع غزة. موقع الحوارالمتمدن. تاريخ الاطلاع 12 نوفمبر 2015. موقع الالكتروني: www.ahewar.org/debat/files/87010.doc.
- عاشور، يوسف، و زعرب، زكريا. (2015م). المعوقات الإدارية التي تواجه أصحاب المشاريع التجارية الصغيرة في جنوب قطاع غزة. بحث مقدم إلى مؤتمر الريادة والإبداع في تطوير الأعمال الصغيرة. غزة، فلسطين: الجامعة الإسلامية-غزة.
- عبدالمنعم، سامية. (2015م). دور الدورات التدريبية في تنمية مهارات الريادية لدى الشباب. ورقة مقدمة إلى مؤتمر الريادة والإبداع في تطوير الأعمال الصغيرة. فلسطين: الجامعة الإسلامية، غزة.

- العف، محمد. (2012م). مدى توفر مقومات تطبيق المعيار الدولي لإعداد التقارير المالية : دراسة حالة المنشآت الصغيرة ومتوسطة الحجم في قطاع غزة. (رسالة ماجستير غير منشورة). الجامعة الإسلامية، غزة.
- الكردي، ابراهيم. (2012م). المشاريع الصغيرة الشبابية في قطاع غزة - مشاكل وحلول. بحث مقدم إلى مؤتمر الشباب والتنمية في فلسطين مشكلات وحلول. فلسطين: الجامعة الإسلامية، غزة.
- كساب، سيد، و كمال الدين، جمال. (2007م). المشاريع الصغيرة - الفرص والتحديات. ط1. مركز تطوير الدراسات العليا والبحوث. مصر: جامعة القاهرة.
- المحروق، ماهر. (2006م). المشروعات الصغيرة والمتوسطة أهميتها ومعوقاتهما. مركز المشروعات الصغيرة والمتوسطة. الأردن: الأكاديمية العربية للعلوم المصرفية.
- النمروطي، خليل؛ والهابل، وسيم؛ والثلاثيني، دعاء. (2014م). فاعلية برامج المنح الصغيرة في التمكين الاقتصادي للأسر الفقيرة - دراسة تطبيقية على برنامج التمكين الاقتصادي (ديب). مجلة الجامعة الإسلامية للدراسات الاقتصادية والإدارية، 21 (1). 257-293.
- النمروطي، خليل، و صيدم، أحمد. (2012م). بطلالة الخريجين ودور المشاريع الصغيرة في علاجها. بحث مقدم إلى مؤتمر الشباب والتنمية في فلسطين. فلسطين: الجامعة الإسلامية، غزة.

Annexes

Annexes

Annex (1): List of Referees

No.	Referee Name	Job Place
1.	Dr. Mazen Abu Qamar	Al Quds University
2.	Dr. Mazen Ruhmi	Palestine University – Gaza
3.	Dr. Mohammed S. Eila	Development & Capacity Building Expert
4.	Dr. Wael Thabet	Al Azhar University – Gaza
5.	Dr. Waleed Mousa	Program Manager – Save the Children
6.	Dr. Wasim Al Habil	Islamic University of Gaza
7.	Dr. Yasser Al Shurafa	Islamic University of Gaza

Annex (2): Questionnaire

The Islamic University–Gaza

Research and Postgraduate Affairs

Faculty of Commerce

Master of Business Administration



Questionnaire for small businesses owners in the Gaza Strip

Dear small business owner

I extend to you my sincere gratitude and appreciation for taking the time to help by answering this questionnaire, and I would like to draw your attention to the following notes:

- This questionnaire is part of a study entitled "The role of risk management's techniques in increasing the likelihood of small businesses success in the Gaza Strip"
- This questionnaire is one of the supplementary research tools for a master's degree in business administration from the Islamic University of Gaza and the researcher hopes that it may contribute in the development of the tools and concepts of risk management for small businesses and institutions engaged in funding the owners.
- The information that you will give are for the purpose of scientific research and are considered confidential.

The Researcher hopes that the information as accurate and correct as possible in order to reach the results which would reflect the actual reality of the subject of the study.

Yours sincerely

Researcher

Ali Hasan Alnems

Section one:

Personal Data

Please tick (✓) in the box that applies to you:

1	Gender	<input type="checkbox"/> Male	<input type="checkbox"/> Female	
2	Age (in Years)			
3	Business Address (Governorate)			
4	Marital status	<input type="checkbox"/> Married	<input type="checkbox"/> Single	<input type="checkbox"/> Divorced <input type="checkbox"/> Widowed
5	Qualifications	<input type="checkbox"/> Less than secondary education	<input type="checkbox"/> High School	<input type="checkbox"/> Intermediate diploma
		<input type="checkbox"/> Bachelor	<input type="checkbox"/> High Diploma	<input type="checkbox"/> High studies
6	Business type	<input type="checkbox"/> Services	<input type="checkbox"/> Industrial	<input type="checkbox"/> Agricultural
		<input type="checkbox"/> Technological	<input type="checkbox"/> Vocational	<input type="checkbox"/> Others. please specify)?
7	Business lifespan			
8	The grant value	<input type="checkbox"/> Less than 3000\$	<input type="checkbox"/> 3000\$ to 7000\$	<input type="checkbox"/> More than 7000\$

Training and Consulting services

9	Number of courses you participated in that are related to your business	<input type="checkbox"/> No participation	<input type="checkbox"/> One course	<input type="checkbox"/> Two courses
		<input type="checkbox"/> Three courses	<input type="checkbox"/> Four courses	<input type="checkbox"/> More than four
10	The courses topics	<input type="checkbox"/> No courses	<input type="checkbox"/> Administrative skills	<input type="checkbox"/> Marketing
		<input type="checkbox"/> Accounting	<input type="checkbox"/> Finance	<input type="checkbox"/> Others
11	Consulting and follow up services	<input type="checkbox"/> None	<input type="checkbox"/> One visit monthly	
		<input type="checkbox"/> Others		

Section Two						
Following is a group of statements with a five scale answers option. Kindly select the option that best matches your opinion.		Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
First: Managerial Risks						
1	You have a strategy or action plan for your small business.					
2	You can recognize the types and sources of risks that face your business.					
3	You identify the stakeholders of your business and how to deal with them.					
4	You use clear and effective indicators to measure the risks that face your business.					
5	You develop steady and permanent mechanisms of monitoring and follow-up of the risks during all the stages of your business currently and in the future.					
6	You use SWOT analysis technique (Strength, Weaknesses, Opportunities and Threats)					
7	Your response to the risks depends on decisions based on clear and specific data.					
Second part: Financial resources risks						
1	You conduct financial needs assessment according to systematic and renewable financial plan.					
2	You have sufficient knowledge of the institutions and organizations that provide financial support for small businesses.					

Following is a group of statements with a five scale answers option. Kindly select the option that best matches your opinion.		Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
3	You try your best to get the fund for your business from the banks and lending institutions.					
4	You are participating in saving groups to depend on them as funding resource for your business.					
5	The value of the fund is considered as an obstacle that prevents the expansion and the success of the business.					
6	You set up a list of cash flow (income and expenses) on a regular basis.					
7	The amount of the sales of your business is considered as a positive indicator to the success of this business.					
8	The increase in debt sales is considered to be an indicator of financial risks that may face the business					
9	You have accounting programs to record the inputs and outputs of your business.					
10	You separate your own money from that of your business.					

Following is a group of statements with a five scale answers option. Kindly select the option that best matches your opinion.		Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
Third part: Competition risks.						
1	The increase in the number of competitors is an obstacle to the continuity of your business.					
2	The imported foreign products are obstacles that face your business's products.					
3	You have market study that contains clear indicators to measure to what extent the competition affects your business.					
4	You know the products which are needed to both the market and the consumer round the year.					
5	You use various methods of marketing for your business products.					
6	You are on good terms with your customers to protect your business from competitors.					
7	You measure the results of the marketing campaigns and their effect on the competitive performance of your business.					
8	You launch new and distinctive products to maintain your market share and develop it to be able to face the foreign and local competitors.					

Following is a group of statements with a five scale answers option. Kindly select the option that best matches your opinion.		Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
Fourth part: Risks of legal procedures for small business.						
1	You possess the needed knowledge of the legal procedures to start the business and those responsible for organizing the small business sector.					
2	You have the licenses and legal documents for your business.					
3	The governmental bodies facilitate and encourage the procedures and the requirements to create small businesses in Gaza Strip.					
4	The governmental bodies do the needed procedures to protect the small businesses' owners against the external competition risks.					
5	The governmental bodies compensate small businesses when they face loss or weakness.					
6	The governmental bodies have periodical follow up to make sure that the products are valid and autotyped.					
Fifth part: Political and Economic Risks						
1	You have enough knowledge of the political and economic status and its effect on the performance of your business.					

Following is a group of statements with a five scale answers option. Kindly select the option that best matches your opinion.		Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
2	The economic blockade on Gaza Strip increases the risks which face your business.					
3	Power failure is considered as an obstacle that threatens the growth of the small business.					
4	High poverty and unemployment rates increase the risks that face the small businesses in Gaza Strip.					
Sixth part: Creativity and Capacity Building Risks.						
1	Non-financial services such as training, follow up and consultation are essential for developing your business.					
2	You have enough knowledge of the institutions that offer free non-financial services for small businesses.					
3	You have the basic management skills to manage your business (planning, networking, negotiation, financial management, daily tasks management).					
4	You have an access to everything new in the field of your business in order to develop it.					
5	You get any of the free non-financial services which are provided by the various parties to support the small businesses.					

Following is a group of statements with a five scale answers option. Kindly select the option that best matches your opinion.		Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree
6	You need periodical follow up by specialized parties to provide coaching and contribute in solving the problems that face your business.					
7	You devote full time to manage your business.					
8	You deal with your business only as temporary self-working opportunity until you get long term job in public or private sector.					
Seventh part: Technological Risks.						
1	You have enough knowledge of the technological tools that are needed for your business work and development.					
2	You have the needed skills to deal with the modern technology related to your business.					
3	You deal with social media (Facebook, Tweeter, Instagram, etc...) as one of the tools that help to contact with your customers.					
4	The association between technology and power sources is considered as one of the risks which face the benefits of the new technology usage in your business.					
5	The rapid technological growth is one of the risks of the costs rise that face your business.					

Annex (3): Questionnaire in Arabic



الجامعة الإسلامية - غزة

شئون البحث العلمي والدراسات العليا

كلية التجارة

ماجستير إدارة أعمال

استبانة لأصحاب المشاريع الصغيرة في قطاع غزة

السلام عليكم ورحمة الله وبركاته ...

أقدم لك بخالص الشكر والتقدير على إتاحتك جزءاً من وقتك للمساهمة في الإجابة على أسئلة الاستبانة، وأود أن ألفت انتباهك إلى الملاحظات التالية:

- هذه الاستبانة جزء من دراسة بعنوان "دور تقنيات إدارة المخاطر في زيادة احتمالية نجاح المشاريع الصغيرة في قطاع غزة".
- الاستبانة هي إحدى أدوات البحث التكميلي لنيل درجة الماجستير في إدارة الأعمال من الجامعة الإسلامية في غزة والتي يأمل الباحث أن تسهم في تطوير الأدوات والمفاهيم الخاصة بإدارة المخاطر لدى أصحاب المشاريع الصغيرة والمؤسسات العاملة في تمويلها.
- المعلومات التي ستساهم بها هي لغرض البحث العلمي وتعتبر سرية وغير قابلة للتداول لغير هذا الغرض. يرجى الباحث أن تكون المعلومات دقيقة وصحيحة للوصول إلى نتائج تعكس الواقع الفعلي لموضوع الدراسة.

وتفضلوا بقبول فائق الإحترام

الباحث/

علي حسن النميس

القسم الأول : البيانات الشخصية

يرجى وضع إشارة (✓) في الخانة التي تنطبق عليك :

1	الجنس	<input type="checkbox"/> ذكر	<input type="checkbox"/> انثى
2	العمر بالسنوات		
3	منطقة المشروع (المحافظة)		
4	الحالة الاجتماعية	<input type="checkbox"/> متزوج/ة	<input type="checkbox"/> أعزب/أنسة
		<input type="checkbox"/> مطلق/ة	<input type="checkbox"/> أرمل/ة
5	المؤهل العلمي	<input type="checkbox"/> أقل من ثانوية	<input type="checkbox"/> ثانوية عامة
		<input type="checkbox"/> بكالوريوس	<input type="checkbox"/> دبلوم عالي
		<input type="checkbox"/> دراسات عليا	<input type="checkbox"/> دبلوم متوسط
6	نوع المشروع	<input type="checkbox"/> خدماتي	<input type="checkbox"/> صناعي
		<input type="checkbox"/> زراعي	<input type="checkbox"/> غير ذلك (حدد/ي)
		<input type="checkbox"/> تكنولوجي	<input type="checkbox"/> مهني
7	عمر المشروع		
8	قيمة المنحة	<input type="checkbox"/> أقل من \$3000	<input type="checkbox"/> من \$3000 إلى \$7000
		<input type="checkbox"/> أكثر من \$7000	<input type="checkbox"/>

- التدريب والخدمات الاستشارية

9	عدد الدورات التي شاركت فيها في مجال المشروع	<input type="checkbox"/> لم أشارك في أي برامج تدريبية	<input type="checkbox"/> دورة	<input type="checkbox"/> دورتان
		<input type="checkbox"/> ثلاث دورات	<input type="checkbox"/> أربع دورات	<input type="checkbox"/> أكثر من أربعة
10	مجال الدورات التي تلقيتها	<input type="checkbox"/> لم أتلَقَ أي دورة	<input type="checkbox"/> مهارات إدارية	<input type="checkbox"/> تسويق
		<input type="checkbox"/> مالية	<input type="checkbox"/> محاسبة	<input type="checkbox"/> غير ذلك (حدد/ي) _____
11	خدمات الاستشارات والمتابعة	<input type="checkbox"/> لم أستفد من أي برامج استشارية	<input type="checkbox"/> زيارة واحدة في الشهر	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> غير ذلك (حدد/ي)

القسم الثاني: فقرات الاستبانة					
غير موافق بشدة	غير موافق	إلى حد ما	موافق	موافق بشدة	فيما يلي مجموعة من الفقرات وأمام كل فقرة خمسة درجات للإجابة يرجى وضع إشارة (√) أمام درجة الإجابة التي تتوافق مع رأيك
أولاً: المخاطر الادارية					
					1- يوجد لديك خطة عمل أو سيناريو استراتيجي للمشروع الصغير .
					2- تستطيع التعرف على أنواع ومصادر المخاطر التي تواجه المشروع.
					3- تعمل على تحديد أصحاب المصلحة في مشروعك وكيفية التعامل معهم.
					4- تستخدم مؤشرات واضحة وفعالة لقياس المخاطر التي تواجه مشروعك.
					5- تعمل على تطوير آليات المتابعة والمراقبة للمخاطر بشكل مستمر ومنتظم خلال كافة مراحل المشروع الحالية والمستقبلية.
					6- تقوم باستخدام تقنية التحليل الرباعي للمخاطر (تحليل نقاط القوة والضعف والفرص والتهديدات).
					7- تقوم باتخاذ قراراتك للاستجابة للمخاطر بناءً على معلومات واضحة ومحددة.
ثانياً: المخاطر المرتبطة بالموارد المالية					
					1- تقوم بتحديد احتياجات التمويل بناءً على خطة مالية مدروسة وممتدة.
					2- تتوفر لديك المعرفة الكافية بالمؤسسات والجهات التي تقدم الخدمات المالية لدعم المشاريع الصغيرة.

غير موافق بشدة	غير موافق	إلى حد ما	موافق	موافق بشدة	فيما يلي مجموعة من الفقرات وأمام كل فقرة خمسة درجات للإجابة يرجى وضع إشارة (√) أمام درجة الإجابة التي تتوافق مع رأيك
					3- تسعى للحصول على التمويل اللازم لمشروعك من البنوك ومؤسسات الإقراض.
					4- تشارك في تشكيل مجموعات الادخار للاعتماد عليها كمصدر لتمويل مشروعك.
					5- تعتبر قيمة المنحة المالية عقبة في طريق نجاح المشروع الصغير وتوسيع أنشطته ومنتجاته.
					6- تقوم بإعداد قائمة التدفق النقدي (الإيرادات والمصروفات) بشكل دوري.
					7- يعتبر حجم المبيعات المتحقق في المشروع مؤشر ايجابي لنجاح المشروع الصغير.
					8- تعتبر زيادة حجم البيع بالدين من مؤشرات المخاطر المالية التي يتعرض لها المشروع.
					9- تقوم باستخدام برامج محاسبية لتسجيل إيرادات ومصروفات المشروع.
					10- تعمل على فصل أموال المشروع عن أموالك الخاصة.
ثالثاً: مخاطر المنافسة					
					1- تعتبر زيادة عدد المنافسين عقبة أمام استمرارية مشروعك.
					2- تشكل المنتجات الأجنبية المستوردة عقبة أمام منتجات مشروعك المحلية.

غير موافق بشدة	غير موافق	إلى حد ما	موافق	موافق بشدة	فيما يلي مجموعة من الفقرات وأمام كل فقرة خمسة درجات للإجابة يرجى وضع إشارة (√) أمام درجة الإجابة التي تتوافق مع رأيك
					3- يوجد لديك دراسة للسوق تحتوي على مؤشرات واضحة لقياس مدى تأثير المنافسة على نجاح المشروع.
					4- تعرف حاجة السوق ورغبات المستهلكين من المنتجات المطلوبة طوال السنة.
					5- تقوم باستخدام أساليب متنوعة في عملية التسويق للمنتجات الخاصة بمشروعك.
					6- تحرص على بناء علاقات طيبة مع الزبائن لحماية مشروعك من المنافسين.
					7- تقوم بقياس نتائج حملات التسويق وأثرها على أداء مشروعك في مواجهة المنافسين.
					8- تقوم بابتكار منتجات جديدة ومميزة للحفاظ على حصتك السوقية وتطويرها لمواجهة المنافسة الأجنبية والمحلية.
رابعاً: مخاطر الإجراءات القانونية الخاصة بالمشاريع الصغيرة					
					1- تمتلك المعرفة اللازمة بالإجراءات القانونية لبدء مشروعك والجهات المسؤولة عن تنظيم قطاع المشاريع الصغيرة.
					2- تتوفر لديك التراخيص والوثائق القانونية لعمل مشروعك.
					3- تقوم الجهات الحكومية بتسهيل الإجراءات والمتطلبات الخاصة لدعم وتشجيع إقامة المشاريع الصغيرة في قطاع غزة.
					4- تقوم الجهات الحكومية بإجراءات لحماية أصحاب المشاريع الصغيرة من مخاطر المنافسة الخارجية.

غير موافق بشدة	غير موافق	إلى حد ما	موافق	موافق بشدة	فيما يلي مجموعة من الفقرات وأمام كل فقرة خمسة درجات للإجابة يرجى وضع إشارة (√) أمام درجة الإجابة التي تتوافق مع رأيك
					5- تقوم الجهات الحكومية بتعويض المشاريع الصغيرة عندما تتعرض للخسارة أو الضعف.
					6- تقوم الجهات الحكومية بمتابعة المشاريع الصغيرة بشكل دوري للتأكد من سلامة المنتجات ومطابقتها للمواصفات الفلسطينية.
خامساً: مخاطر الوضع السياسي والاقتصادي					
					1- يوجد لديك معرفة كافية حول الوضع السياسي والاقتصادي في المنطقة وأثره على أداء مشروعك.
					2- يؤدي استمرار الحصار الاقتصادي على قطاع غزة إلى زيادة المخاطر التي يواجهها مشروعك.
					3- يعتبر انقطاع التيار الكهربائي باستمرار عائق أمام المشاريع الصغيرة للمنافسة والنمو.
					4- يؤدي ارتفاع معدلات الفقر والبطالة إلى زيادة المخاطر التي تواجه المشاريع الصغيرة في قطاع غزة.
سادساً: بناء القدرات والابداع					
					1- تعتبر الخدمات غير المالية كالتدريب والاستشارات والمتابعة مهمة لتطوير مشروعك.
					2- تتوفر لديك المعرفة الكافية بالمؤسسات والجهات التي تقدم الخدمات غير المالية المجانية للمشاريع الصغيرة.
					3- تمتلك المهارات الإدارية الأساسية لإدارة مشروعك (وضع الخطة - التشبيك - التفاوض - إدارة المال - إدارة المهام اليومية)

غير موافق بشدة	غير موافق	إلى حد ما	موافق	موافق بشدة	فيما يلي مجموعة من الفقرات وأمام كل فقرة خمسة درجات للإجابة يرجى وضع إشارة (√) أمام درجة الإجابة التي تتوافق مع رأيك
					4- تقوم بالاطلاع على كل ما هو جديد في مجال عمل مشروعك من أجل تطويره.
					5- تحصل على أي من الخدمات غير المالية المجانية التي تقدمها الجهات المختلفة لدعم أصحاب المشاريع الصغيرة.
					6- تحتاج إلى متابعة دورية من جهات متخصصة لتقديم الإرشاد أثناء العمل والمساهمة في حل المشكلات التي تواجه المشروع.
					7- تتفرغ بشكل كامل لإدارة ومتابعة مشروعك.
					8- تتعامل مع مشروعك كفرصة تشغيل ذاتي مؤقتة فقط لحين حصولك على وظيفة طويلة الأمد في القطاع الحكومي أو الخاص.
سابعاً: المخاطر المرتبطة بالتكنولوجيا					
					1- تتوفر لديك المعرفة الكافية بالأدوات التكنولوجية اللازمة لعمل مشروعك وتطويره.
					2- تمتلك المهارات اللازمة للتعامل مع التكنولوجيا الحديثة ذات العلاقة بمشروعك.
					3- تتعامل مع وسائل الإعلام الاجتماعي (الفيسبوك، التويتر، الانستغرام.. الخ) كواحدة من الأدوات المستخدمة في الوصول إلى الزبائن.
					4- يعتبر ارتباط التكنولوجيا بالحاجة إلى مصدر مستمر للطاقة أحد المخاطر التي تواجه جدوى استخدام التكنولوجيا الحديثة في مشروعك.
					5- تعتبر سرعة التطور التكنولوجي أحد مخاطر زيادة التكاليف التي تواجه مشروعك.

Annex (4): List of KII interviewees

No.	Name	Title
1	Nahla Al Dewaik	Gaza Office Manager, Small Enterprise Center
2	Salah Tayeh	Program Manager – Islamic Relief – Palestine Office
3	Samah El Safadi	Businesses Development Consultant
4	Yaser El Alem	Businesses Development Consultant
5	Yousif Al Hallaq	Business Development Officer, Business and Technology Incubator, the Islamic University of Gaza

Annex (5): Key Informant Interview Questions

- In your opinion, what are the most factors that led to the success of small businesses that got grants?
- What is the role and effect of capacity building and follow up programs offered for small business owners in the success of projects?
- To what extent has the social, economic and demographic factors affected the success of small businesses?
- In your opinion, what are the most important challenges that face the small business owners and affect its success?
- In your opinion, what are the procedures that will enhance the possibility of success of the funding activities that could be implemented in the future if they were taken into consideration by the organizations who offer grants and the small business owner?

Annex (6): Key Informant Interview Questions in Arabic

- برأيك ... ما هي أكثر العوامل التي أدت إلى نجاح المشروعات الصغيرة التي حصلت على منح ؟
- ما هو دور وفاعلية البرامج التدريبية وبرامج المتابعة التي قدمت لأصحاب المشاريع الصغيرة في نجاح المشاريع؟
- الى أي مدى يعتبر العامل الاجتماعي والاقتصادي والسكاني مؤثر في نجاح المشاريع الصغيرة؟
- برأيك ما هي أهم التحديات التي تواجه أصحاب المشاريع الصغيرة وتؤثر في نجاحها؟
- برأيك ما هي الاجراءات التي ستعزز من احتمالية نجاح أنشطة التمويل التي يمكن تنفيذها مستقبلا لو تم أخذها بعين الاعتبار من قبل المؤسسات التي تقدم المنح وصاحب المشروع الصغير ؟