

Received on (09-05-2018) Accepted on (05-11-2018)

Risk Management's Techniques in Gaza Strip Small Businesses

Main Researcher

Prof. Fares Mahmoud abu

Second Researcher

Mr. Ali Hasan Alnems

1 Faculty of Commerce -Islamic University of Gaza

* Corresponding author:

E-mail address:

fmouamer@iugaza.edu.p

Abstract

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 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.

Design/methodology/approach: Descriptive analytical approach was used using a case-control 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). SPSS package version 22 was used in data analysis.

Findings: 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 despite absence of significance.

Practical implications: 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. Finally, the government should establish a shared data base system to link small business owners and enable stakeholders to obtain and update that information.

Keywords: Small Business, Risk Management, Techniques, Success, Palestine, Gaza Strip

تقنيات إدارة مخاطر المشاريع الصغيرة في قطاع غزة

المخلص:

مقدمة: تعتبر المشاريع الصغيرة مكون مهم ومساهم رئيس في تقوية الاقتصاديات المحلية. حيث أن المشاريع الصغيرة تمثل فرصة عمل جديدة وتخدم قطاعات مختلفة. وأصبحت إدارة المخاطر وتقنياتها مكون حيوي وأساسي في تركيبة المشاريع والشركات. وهدفت هذه الدراسة تحديد دور متغيرات إدارة المخاطر متمثلة في (المخاطر الإدارية، المالية، المنافسة، القوانين والإجراءات، الوضع السياسي والاقتصادي، بناء القدرات والإبداع وأخيراً المخاطر المتعلقة بالتكنولوجيا) في احتمالية نجاح المشاريع الصغيرة.

المنهجية: اعتمد البحث المنهج الوصفي التحليلي لتحقيق الهدف من الدراسة. حيث تكون مجتمع الدراسة من 881 مستفيد من منح المشاريع الصغيرة التي قدمت من المؤسسات الدولية وحاضنة الاعمال، وكانت عينة الدراسة 300 مستفيد بمعدل استجابة 93.4%. وفيما يخص تحليل بيانات الاستبانة تم استخدام الحزم الإحصائية 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 والبعث 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 إحصائية 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..

كلمات مفتاحية: المشاريع الصغيرة، اساليب ادارة المخاطر، قطاع غزة، فلسطين.

Introduction

The obstacles facing small businesses are diverse and different from one country to another and from one sector to another but it depends on the business environment and current situation .Such obstacles are poor planning, vocational training, competition, lack of governmental funding sources, weak marketing abilities, developing methods of administrative work and communication system. Adding to that, the warrantees and guarantees required by banks in Gaza Strip are obstacles to the success of small business (Ashour and Zourob2015). Financing problems like the difficulties of having loans, and training to have skills and practices for small businesses may considered as another problems for small business(Al Aff 2012). Managerial problems for day to day activities and financial records which need skills and training that ensured by (Alquqa, 2007). Mbonyane and Ladzani(2011) adding another financing problem about the required guarantees from financing institutions and companies which is difficult to find besides the lack of trust. Also business environment problems which included all external factors affect the small businesses like technology, social, political and economic status.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. 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 mainly Israelis companies. Abu Jazar (2006) 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.

(Abdelkarim, 2012) classified the problems as external and legal problems due to the lack of laws and legislations, and infrastructure problems like roads state, electricity and communication which are not controllable by business owner. In this context, the use of risk management techniques become of the most important. Risk management techniques were developed for the relatively stable situations. Thus, the use of these techniques in a quickly changing context becomes vital. From the professional experience of the researchers, many owners of the small projects do not have sufficient knowledge in risk management.

Risk in itself is not bad; it 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 (Van1992).The process of performing risk assessment can give the project a greater chance of success (An Oracle White Paper, 2009).Therefore all types of organizations,

should 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.

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 (Wolz and Taweel, 2011).

The Research Problem Statement

All previous studies of SMEs researchers were more concerned about the capacity and the skills of the business owners. 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. Adding to that, 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. Additionally, no previous studies had raised the risks that face SMEs within Gaza Strip or proposed strategies to minimize their impacts or consequences.

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, and 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, 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 significant relationship between the use of risk management techniques and the small businesses success.

2- There is no significant relationship between the socioeconomic factors and the small businesses success.

Objectives of study:

- Understanding the role of risk management techniques in the Gaza strip small businesses success.
- Assessing the pillars of risk management in improving the success of small businesses.
- Exploring the potential role of risk management in improving the general performance and sustainability of small businesses
- Identifying strengths and challenges of small businesses facing risks in the Gaza strip.

Variables of the study:

Dependent Variable:

Small businesses success. This variable will be measured by the following three indicators: Development, expansion and sustainability.

Independent Variables:

Risk management techniques will include the following variables:

Managerial risks, financial risks, market competition risks, legal risks, political and economic risks, capacity building and innovation risks, and technological risks.

PREVIOUS STUDIES

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 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, 2016).

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. 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. 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 by providing some consulting services, decreasing interest rates and taking a free-tax policy.

Crowd funding Is it right for your business financing? (Al-Affi, 2015)

The study aims to explore the importance of crowd funding 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 found that crowd funding method was one of the most appropriate ways for MSB financing. So, it suggested the need to raise awareness regarding the concept of crowd funding, and carried out a workshop that describes how to formulate ideas and marketing projects. Also, the need to establish crowd funding platforms in Palestine that contribute to providing opportunities to finance many of the creative ideas.

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. 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 labor market outcomes. and 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.

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

This paper deploys a direct measure, called market mobility, to approximate the induced competition effect. The study 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. And 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.

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 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.

"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. 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 lower levels of productivity, low competitiveness, the closure of thousands of businesses, the absence of legal and legislative structures, the lack of infrastructure services and the lack of coordination between the proponents of MSMEs.

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. 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.

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 main findings identified in each technical area of the study like: Core Business and Complementary Skills, Business Mentorship, Links to Financing, Business Launch and Follow-up and recommendations to develop or adapt program offerings to maximize the effectiveness in developing and supporting young entrepreneurs in the West Bank.

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

In it-self, 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.

Research Methodology:

The research follows the descriptive analytical approach to describe the basic features of the data in the research. The developed hypotheses are tested after conducting the planned data collection process. To analyze the data collected by a questionnaire. In this research Five level Likert scale was used. The researcher depends on using the Statistical Package for the Social Sciences (SPSS).

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, as most of the target population is not familiar with the English language. 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.

Table (1): questionnaire Component

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

The study Population:

The population of the study includes all the beneficiaries of the small businesses grants from the international organizations in the Gaza Strip in the determined study period (INGOs: UNDP-DEEP project, World Vision, and Save the Children and one business incubator providing grants funded by Cooperative association). The list of the participants obtained from funding international organizations and businesses incubator and validated. 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 (2): 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) below:

Table (3): 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%)

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%.

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):

Table (4): 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 40 years	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%		
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%		

Item	Frequency		Total	% of total	Chi-square	P-value
	Case (Success)	Control (Failed)				
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%		

The majority of the participants were males with 68.2. 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%. 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%. Regarding the marital status, the married participants were 78.9%. 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. 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. Regarding to business type, 66.8% of the sample was services businesses, followed by 19.6% were vocational. This reflects the diversity of small business types with high focus on services businesses. 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. 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 3000 US\$. 90.3% of cases were found in grant amount from 3000 US dollars and over compared to 9.7% of controls.

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.

In addition to that, consultation and following up services 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.

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 was 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 was 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)

Logistic regression examines the effectiveness of the explanatory variables on the response variable and the functional relationship between the response variable and the explanatory variables allows us to estimate the response for given values of the explanatory variables. Adding to that, Logistic regression predicting the future. Assuming that there is some stability over time, we can use such a model for making prediction of future values of the response variable Abraham, & Ledolter (2006)..

The research findings refused the hypothesis: "There is no statistically significant relation between the use of risk management techniques and the small businesses success". Table (5) 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 (5): 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 Risk	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*

Sig >= 0.05: Statistically insignificant, *Sig* <= 0.05: Statistically significant

When these variables were tested without adjustment to confounders as shown in (table 5), 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. However, the significance associations of financial risks and legal procedures risks variables with small businesses success were absent.

This result is consistent with many recent studies that showed the extent of the high significance of risk management variables on likelihood of small business success.

In specific, these studies agreed with the significant of competition risks on business success Ashour & Zorub, 2015; Namrotiet al., 2015; and Sierdja& Andre van, 2012. While the studies of

Ashour & Zorub, 2015 and Namrotiet al., 2015 agreed with the significant of political and economic risks on business success. For the capacity building and innovation risks, most of recent studies showed the extent of significance relationship with 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. Added to that, technological risks showed a significance relationship with business success. This result is agreed with results of Abu Jamie, 2015; Ashour & Zorub, 2015; El-Khazendar, 2015; and Safadi & Al Faleet, 2015. On the other side, the findings of the study showed insignificant relationship between financial risks and business success. this result is contradicting with the studies of Abu Jamie, 2015; Al Afifi, 2015; Ashour & Zorub, 2015; Guloba et al., 2015; and Namrotiet al., 2015. that showed the high significant relationship between financial risks and business success especially in issues like the lack of access to financing, saving, and considering the small business like a main source of income for the business owner. While the legal procedures risks considered as significant association on small businesses success in Atyani & Al Haj Ali (2012) study.

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

The research findings accepted the hypothesis: “There is no statistically significant relation between the socioeconomic factors and the small businesses success”.

As showed in the table 6 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 (6): Logistic Regression– Determinant of small Business Success (Multi-variate analysis)

Variables	Wald	P- value	P- 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*

Sig >= 0.05: Statistically insignificant, Sig =< 0.05: Statistically significant

Table 6 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 another significant variables P -value*). When each variable examined separately, most of risk management variables were highly associated with success as shown the table (5). 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. The findings 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.

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 the findings 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. Added to that, findings ensured the importance of monitoring and follow up services on the small business success that agreed with this study findings related to the significance of consultations and follow up visits.

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.

Conclusion

The research 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 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 findings:

- 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 a 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, 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 Macro 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 should 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

- Abraham, C. & Ledolter J. (2006). *Introduction to Regression Modeling*. Thomson.
- Abdelkarim, N. (2012). *Medium and Small Enterprise in Palestine*. Ramallah, Palestine: the Palestine Economic Policy Research Institute (MAS).
- Abdelkarim, N. (2012). *Medium and Small Enterprise in Palestine*. Ramallah, Palestine:the Palestine Economic Policy Research Institute (MAS).
- Abdelmeneim, Samiah. (2015). *The Role of Training Courses in Developing the Entrepreneurship Skills for Youth*. Paper presented at Entrepreneurship and Innovation in Businesses Development conference. Palestine: the Islamic University of Gaza.
- Al Aff, Mohammed. (2012). *The Extent of International Standards Implications in Financial Reports Editing. Case Study on Small and Medium Enterprises in the Gaza Strip*. (Unpublished Master Thesis). the Islamic University of Gaza.
- 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.
- An Oracle White Paper. (2009). *The Benefits of Risk Assessment for Projects, Portfolios, and Businesses*.U.S.A:Oracle White.
- Ashour, Yousif and Zoroub, Zakaria. (2015). *The Administrative Obstacles Facing Small Businesses Owners in Southern Gaza Strip*. Paper presented at Entrepreneurship and Innovation in Businesses Development conference. Palestine: the Islamic University of Gaza.
- 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).
- 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).
- Jazar, Fawzi. (2006).*Small Businesses and its Importance in Unemployment Reduction in Palestine*. Paper presented at Gaza Strip Development after Israeli Withdrawal conference. Palestine: the Islamic University of Gaza.
- Jamie, Naseem. (2015). *Bank Credits and Enhancing the Palestinian Small and Medium Businesses Capacities*. Paper presented at Entrepreneurship and Innovation in Businesses Development conference. Palestine: the Islamic University of Gaza.
- Kassab, Said. And Jamal, KamalEldeen. (2007). *Small Businesses – Opportunities and Challenges*.(1st ed.) Egypt: Studies and Research Development Center - Cairo University.
- 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.
- Mbonyane, B. &Ladzani, W. (2011). Factors that hinder the growth of small businesses in South African townships.*European Business Review*, 23(6), 550 – 560.
- Namrouti, Khalil; Habel, Waseem and Thalathini, Doa'a. (2015). The Effectiveness of Small Grants Programs in Economic Empowerment for Poor Families. Implication Study on DEEP program. IUG Journal of Economics and Business Studies, 21 (1). pp. 257 – 293.
- Palestinian Central Bureau of Statistics (2016). *Palestine in Figures 2015*.Palestine: PCBS.
- 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.

- Safadi, Samah and Al Faleet, Kholuod. (2015). *The Role of Training Programs in developing the Innovation for Small Businesses Owners and Entrepreneurs*. Paper presented at Entrepreneurship and Innovation in Businesses Development conference. Palestine: the Islamic University of Gaza.
- Safadi, Samah and Abu Sha'aban, Dina. (2015). *Extent of using Facebook by Youth in Developing the Innovation and Entrepreneurship*. Paper presented at Entrepreneurship and Innovation in Businesses Development conference. Palestine: the Islamic University of Gaza.
- 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.
- Van,Scoy R. *Software Development Risk: Opportunity, Not Problem*.Pittsburgh, PA: Software Engineering Institute.
- Wolz, J and Taweel, Wa'ad. (2011). *Profile of the Young Entrepreneur in the West Bank*.Palestine:Youth Entrepreneurship Development Program. USAID funded.