

**CAUSES OF SMALL BUSINESSES' FAILURE: AN EXPLORATORY STUDY  
WITHIN JEDDAH'S GOVERNORATE IN SAUDI ARABIA**

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**ABSTRACT:** *This study aims to highlight some of the reasons for the failure of small businesses, such as unemployment among Saudi nationals, reliance on expatriate labor, the absence of a regulatory framework, and difficulties in the funding of some financial institutions. Thus, the objectives of the study are: to highlight the important role that small businesses represent in the Saudi economy, to find appropriate solutions for the failure of small business, to create a framework to support the small business, and find financing mechanisms for small business. To achieve the overall objective of the study, a field study was conducted with owners of small businesses within Jeddah's governorate in the Kingdom of Saudi Arabia. A purpose-designed questionnaire was prepared and sent to participating businessmen. The data gathered from those questionnaires was compiled and statistically analyzed using IBM SPSS Statistics® software package. After pilot testing, a questionnaire was sent to 130 businessmen with 100 completed questionnaires returned (approximately 77%). Data was analyzed by the researcher using frequencies, percentages and Chi-square calculations. The results of the study indicated that poor management, a lack of bank loans and workers training were the most important reasons for failure. The study contains five sections, section I: Introduction to the study and previous studies. Section II: The importance of small projects and the most important contemporary problems and challenges. Section III: Analysis of results of the study. Section V: Conclusions and recommendations. In light of the results of this study, the researcher provided recommendations in order to highlight the factors that lead to, either the failure or success of small businesses.*

**KEYWORDS:** Small Businesses, Jeddah, Failure Causes, Financing, SMEs

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## **INTRODUCTION**

Despite the fact that numerous developmental efforts are currently been undertaken by many developing countries, small businesses still suffer from certain economic problems, namely: low average per capita income and lower standards of living, all of which collectively have led to increased rates of unemployment and economic deficits (Alattar, Kouhy and Innes, 2009; Al Khatib, 1994; Al Smayrat, 2009; Amman Industrial Chamber, 2007; Chen, 2006; Dawabah, 2006; Omar, 2004; Satta, 2006; Shahatah, 2004; Tanash, 2003). However, the complexity and exacerbation of these problems have raised a growing sense of having an economical self-reliance, mobilizing local resources, and allowing the private sector a greater role in the development processes (Al-Mubaireek, and Al-Shammari, 2006; Al Rae, 2008; Greenbanl, 2000).

As such, the importance of small businesses and the role they can play as they are characterized by proliferation, constituting 90% of all facilities in the world and employing 50%- 60% of the world's labor force cannot be overstated (Al-Mahrouk & Mukabulah, 2006; Gallina, 2001). Thus, small businesses increase employment opportunities, help resolve unemployment

problems, increase exports, and reduce the balance of payments deficit (Abu Al Fahm, 2009; Al Hawat, 2007; Al Othaim, 2007; Lavanya Latha & Murthy, 2009). Small businesses are considered the backbone of the national economy (Afana & Abu Eid, 2004; Al Wadi, 2005). They can also help to increase the gross national product (GNP) and enhance countries' economic growth, as most individuals in developing countries largely depend on their personal jobs or small businesses as a source of income (Prasad & Tata, 2009). For these reasons, the matter of small businesses is important for decision makers in developed and developing countries as well (Kelliher, 2009; Lybaert, 1998). Some successful economic development experiments have shown that small businesses are the main focus in expanding the production base, in increasing exports, and in creating new jobs, especially in the world's rural and remote areas, in order to achieve a fair distribution of the national income (Lavanya Latha & Murthy, 2009). Nevertheless, a study by O'Dwyer & Ryan (2000) report that new businesses suffer from lack of adequate funding as well as producing products that do not meet the needs of the markets as well as foreign imported products do.

### **Statement of Problem**

To address the reasons and factors of the success or failure of small businesses, the research study seeks to answer the following research questions:

- What are the most important factors that lead to the failure and discontinuity of these small businesses?
- What are the impacts of small businesses' failure on all economic aspects?

### **Objectives of the Study**

Based on the previous description of the problem, the objectives of the study can be identified as follows;

- Highlighting the important role that small businesses represent in the Saudi economy
- Stating and listing reasons of small business' failure in order to find suitable solutions and monitor shortcomings in general.
- Being benefited from the European, Asian and American experience.

### **Significance of the Study**

The significance of this study lies in determining factors that directly and indirectly cause the failure of small businesses such as economic, political and social factors, in addition to management and financial capabilities. Furthermore, it is one of few studies conducted in the Kingdom of Saudi Arabia, which describes reasons of small businesses' failure as an integrated framework.

It is worth mentioning here that the study of factors which lead to the failure of small businesses is crucial since these small businesses create job opportunities, provide taxes and improve the trade balance. The study of these small businesses constituted a significant portion of all scientific research in universities and institutions, due to their importance and multiplicity.

## **Variables of the Study**

This study considers two types of variables; the dependent variable, which is the level of performance of managers and owners, and the independent variables, which are the reasons for small businesses' failure.

## **Hypotheses of the Study**

The study deals with various hypotheses. Thus, in this section, the study mainly focuses on validating the following hypotheses:

1. There is a direct relationship between the management abilities and the success or failure of small businesses.
2. There is a direct relationship between available financial capabilities and discontinuity of small businesses.
3. There is a direct relationship between external factors related to small businesses and their failure.
4. There is a direct relationship between obstacles that women face in the entrepreneurship world and the failure of small businesses.
5. There is a direct statistical relationship between cultural concepts of modern generations and the discontinuity of small businesses in Jeddah.
6. There is a direct statistical relationship between the culture of easy money and the failure of small businesses.

## **Theoretical Background**

Pioneers of trade and finance confirm the import role of small businesses in enhancing economic development, and they also state that small businesses are the at the core of most large enterprises (Al Farajat, 2009). Small enterprises have significant importance in increasing foreign investments, in creating job opportunities for some community groups, especially women and youth, and in fulfilling the market requirement of goods and specialized services related to customers' preferences (Abboud, 2007). Small businesses also contribute to the gross of national product (GNP). All of these factors necessitate more support and protection for this sector by raising awareness of the importance of small businesses, and the coordination of governmental authorities to unite efforts in facilitating financing, and establishing a clear working mechanism for small business (Haileselasie, 2009; Jawad, 1994). Efforts must also be unified to increase the competitive and export marketing ability, and to process and provide information for small businesses (Al Najjar, 1999; Jawad, 1994).

Nevertheless, although most intellectuals and researchers agree on the importance of small enterprises, they differ regarding their definition, and this will be discussed next.

## **Definition of Small Businesses**

There is no single definition for small enterprises. The reason for this dilemma is their vast scope; for example, there are small enterprises working in the field of jewelry manufacturing, which require large capital but minimal workforce. However, other small enterprises in the

field of public services require a large workforce but minimal capital investment, such as small enterprises working in the food processing industry that require a large number of workers during the harvest seasons, but in most cases don't require large capital.

For the purposes of this paper, small enterprises are defined as “individually owned institutions where the decision-making process lies with the manager, who is in most cases the founder of the enterprise, and which possess a small market share. Employees in these small enterprises are less than fifty and the capital does not exceed ten million Saudi riyals or its equivalent (\$2,500,000)” (Al-Ghamri, 2002).

## REVIEW OF LITERATURE

To achieve the objectives of the study, a number of sources were examined, such as prior small enterprises, and a large amount of information was also obtained from printed publications, published research and electronic abstracts accessed via the Internet. Reviewing previous studies gives useful information that helps researchers to complete the missing gaps in prior studies in the same field. One of the most prominent previous studies in this subject is Al-Sulai's (2001) article regarding small-scale enterprises in the Kingdom of Saudi Arabia. The purpose of that study was to investigate the present and past history of small enterprises and to track their growth. The study concluded the following;

1. Unavailability of skilled, trained and experienced labor which led to a reduction in productivity and quality.
2. Difficulty of financing, as owners of small enterprises find difficulty in procuring bank loans due to high risk elements in such businesses.
3. The increase in the market of importation, which made it difficult for small businesses to compete. (Al-Suali, 2001).

The study of "Small enterprise; the main motivator for desirable economic growth" which the chamber of commerce and industry in Riyadh, 2003 carried out, aimed at reaching a realistic definition for small enterprises and their importance and contribution to the economy. The study affirmed that small enterprises create innovation, increase foreign investment, fulfill the growing market demand, and improve living standards, especially as they are characterized by low capital investment and low self-ability of expansion. The study was conducted with one hundred enterprises spread all over the major cities of Saudi, namely Jeddah, Riyadh and Dammam. The study recommended building a mechanism to develop small enterprises by establishing a supreme authority for supporting small enterprises, as in foreign countries, as well as the establishment of a financing fund for these small enterprises. The study also recommended providing financial and moral support for these small enterprises, establishing a marketing company for their products, studying foreign markets and finally, training national cadres. (Research Centre, 2003).

A detailed study by Al-Nassour (2008) entitled, "Measuring government funding directed efficiently toward small enterprises development in Jordan", aimed at estimating the productivity indicators for small enterprises funded by government institutions in Jordan, through the application of standard economic models, in order to test hypotheses of the study. Results of the study revealed that some small funded enterprises are more labor intensive, while

other small funded enterprises are more capital intensive. The researcher recommended establishing a supreme authority for developing small funded enterprises in Jordan and integrating all government funding institutions into a single institution. The findings are echoed in previous as well as subsequent studies (Al Khatib, 2009; Al Zaradi & Al Rashdan, 2005; Entrepreneurship, Development & employment Fund, 2006; Jaradat, 2004; Ministry Planning & International Corporation, 2005; Naboulsi & Al Shalabi, 2009; Qandah, 2009).

Another study, by Gordon Dickinson (2000), entitled, "Transforming Economies of Eastern Europe: an Evaluation of the Role and Contribution of the Small Scale Private Sector" examined the role and contribution of small enterprises in the private sector in achieving economic growth in Poland. It highlighted their importance in the restructuring programs and the need to consolidate their role in economic growth, through applying appropriate legislation and the appropriate framework. The researcher recommended an urgent requirement to provide adequate managerial skills and the need to take risks along with providing the appropriate economic climate in Poland, compared to other Eastern Europe countries.

In the study of Wu, Song, & Zeng (2008) entitled, "An empirical evidence of small business financing in China" the researchers conducted an exploratory quantitative research which related to the financing of small and medium enterprises, with reference to the funding problems faced by these enterprises in order to develop their business. At the end of the study, the researchers concluded that the needs and funding options for these enterprises vary according to their size and their stage of the business cycle, because funding at the beginning of the project is a private fund, but at a later stage the need for bank loans increase.

The study of Singh, Garg, & Deshmuck (2009), entitled, "Competitive small and medium enterprises in the globalized economy" aimed at analyzing the challenges facing small and medium-sized enterprises in both India and China after globalization. Through the exploration of these enterprises, and the government's policies and strategies for developing competitiveness. The study concluded that both India and China had developed a number of incentive programs in this regard, but the study recommended developing management skills in order to reduce the costs. The study also recommended improving quality, which is strongly connected to improving competitiveness."

An earlier study conducted by Islam (2009) entitled "Start-up and growth constraints on small-scale trading in Bangladesh" where he investigated reasons for new small businesses experiencing difficulties at the time of, and after starting a business. Results of the study revealed that the fear of unemployment, family traditions, previous experience in the same field and the lack of Higher Education were the main reasons for starting such projects. A shortage of fixed and working capital, the lack of training and business skills, the lack of collateral free institutional support and the lack of experienced and reliable employees, are the common factors that inhibit entrepreneurs from starting and running their business smoothly. At the end of his studies the researcher recommended that the government should educate individuals regarding available economic opportunities. He also recommended the need to provide low-interest corporate finance, in order to encourage labor in these projects through financial incentives and governmental guarantees for small business loans.

A study about the reality of small and medium enterprises in Iraq and their impact on employment (Al-Naseh, 2008) was conducted on a group of small-scale enterprises in Iraq. The purpose of the study was to identify the reality and size of small enterprises in Iraq, to understand the obstacles they face as a result of the decline of their role in the past and to

propose new methods in order to reduce these obstacles. Results of the study revealed the following:

- Low number of enterprises and the number of employees.
- Attention must be paid to the funding of small business.
- The necessity to develop supportive and protective laws for their products, which will ensure their development.

Salman (2009) in a Masters dissertation entitled “The developmental impact of small projects funded under the Developmental Strategy (an applied study on enterprises funded by the Employment Enterprises Development Authority in the Syrian Arab Republic)”, aimed at categorizing the impediments facing small enterprises into economic, marketing, technical and administrative obstacles. The researcher concluded the following;

- The novelty of governmental interest in small business and lack of academic interest in studying them.
- There is no final and specific definition for small enterprises.
- Small enterprises are definitely able to provide permanent job opportunities.
- It is difficult to provide banking financial security for small businesses.

The study of "Small Enterprises in an Islamic Economy" (Qasem, 2009) was conducted in Egypt and aimed at listing all small enterprises in an Islamic economy. The study was conducted using a descriptive comparative method between contemporary and Islamic economic theory, in order to present a full comparison between what Islam, modern economy and new trends in small business require. The researcher drew some important conclusions which emphasized the importance of developing special legislation, in order to simplify both the existing legislation and procedures, by emphasizing the pivotal role that small enterprises play in most of the developed and developing countries alike, as an effective tool to reduce unemployment. The study also concluded that there must a clear organizational framework that combines small, medium and large enterprises in order to be integrated with each other. The researcher summed up by saying that only one authority in each country should prepare feasibility studies and provide all the necessary services and facilities to small enterprises and businesses. These conclusions and recommendations were also echoed in similar studies (Jibril, 2002; Kenjou, 2007; Omar, 2004).

Mukheir and Abd El- Fattah (2010) in their study entitled, "The role of small and medium enterprises in treating unemployment problem among young people in the Arab countries", studied labor and the demography of Arab countries and aimed at finding solutions for unemployment among youth in Arab communities. Results of the study revealed the following:

- Youth unemployment has become a global phenomenon that affects entire nations especially after the Gulf War, and its subsequent impact on lower recruitment rates.
- Growth in population rates and poor level of educational and training systems in most Arab countries.

The study also recommended the need to give importance to small enterprises to create new job opportunities, develop talents and creativity and to enhance the saving level by those small enterprises. In addition, the study recommended that small enterprises should foster a sense of commercial imitative. Therefore, a legal insurance cover should be provided for them with a focus on youth training and preparing feasibility studies (Al Hawat, 2007; Robertson, 2003).

Through a review of relevant literature which investigated the concept and importance of small enterprises as an effective remedy for the increasing rates of unemployment inside and outside the Arab world (Al Baltaji, 2005), the researcher observed that these studies attempted to find the legal and financial support elements for establishing small enterprises. The studies examined the effect of these enterprises in creating job opportunities in the Kingdom of Saudi Arabia, but, surprisingly, even though small enterprises are common in the Saudi commercial community, no study investigates the reasons for the failure of such institutions and that fact gave the researcher the stimulus to conduct the present study.

## **METHODOLOGY**

### **Introduction**

The purpose of the present study is to diagnose the different reasons that lead to the failure of small businesses in Jeddah as a model for small enterprises in the whole Kingdom of Saudi Arabia. The researcher diagnosed different economic, administrative, cultural and social reasons for this failure, in addition to the non-proliferation of creativity and innovation among the owners of these small businesses. Before analyzing reasons for this failure, the researcher, in this section, deals with the methodology and procedures of the present study, which includes instruments and methods used to achieve the purpose of the study. Methodology and procedures are as follows:

### **Methodology Used**

Research methodologies and instruments vary according to the phenomenon studied. As the researcher chose to study the phenomenon through primary data collection from stakeholders, a descriptive and inferential inductive statistical approach was the most appropriate approach for this study. The descriptive approach is one of the commonly used methodologies for social sciences, where the inductive approach is related to validating and verifying hypotheses.

### **Population and Sample**

The population of the present study includes all small business' owners in the city of Jeddah, from which a random sample (n =100) was chosen.

### **Designing and Preparing the Instrument of the Study**

To collect raw S4`EDSX data, which achieves the purpose of the study, the researcher prepared a questionnaire that included the six main categories of the study, related to reasons for the discontinuity of small business in Jeddah as follows:

1. Reasons related to the management abilities, which include eleven items.
2. Reasons related to the available financial capabilities, which include six items.

3. Reasons related to the external factors surrounding small business, which include thirteen items.
4. Reasons related to the obstacles facing women in the business world, which include six items.
5. Reasons related to cultural concepts of modern generations, which include five items.
6. Reasons related to the culture of easy money and the lack of creativity and innovation, which include three items.

The instrument of the study includes 44 five-point Likert scale items, in addition to an open-ended question about participants' points of view regarding obstacles that face family businesses. The questionnaire also included demographic and personality variables related to the study sample (gender, years of work experience, age, educational qualification).

### Validity of the Study Instrument

After the first draft of the questionnaire was completed, the researcher presented it to a group of experienced associate professors in the field of instrument design in scientific research. Those professors gave their professional recommendations regarding the survey instrument in various ways (e.g. modifying, revising and deleting some items).

### Internal Consistency

The researcher used the test-retest method to validate the internal consistency of the questionnaire, and to verify the suitability of items to data collection techniques, in order to achieve the objectives of the study. The researcher conducted a pilot study where he administered the questionnaire to a random sample (n=30). Alpha Cronbach's coefficient ( $\alpha$ ) was calculated and found to be 0.825 in the first administration of the questionnaire and 0.864 in the second administration of the instrument. Thus, the data collection instrument proved a high degree of reliability even beyond the standard instrument degree of reliability. The following table shows the reliability indicators.

Number of Items	Test	Retest
	Value of Cronbach's Alpha coefficient ( $\alpha$ )	Value of Cronbach's Alpha coefficient ( $\alpha$ )
44	0.825	0.864

**Table 1 shows the values of Alpha Cronbach's coefficient ( $\alpha$ ) Prepared by the researcher, pilot study, 2014.**

The reliability of the instrument, its stability and its suitability to data collection techniques were validated through using the split half method by calculating the value of Alpha Cronbach's coefficient ( $\alpha$ ) as in the following table:



**Table 2 shows the values of Cronbach's Alpha coefficient ( $\alpha$ ) Prepared by the researcher, pilot study, 2014.**

Number of Items in each half	First half	Second half
	Value of Cronbach's Alpha coefficient ( $\alpha$ )	Value of Cronbach's Alpha coefficient ( $\alpha$ )
22	0.704	0.777

The values of Cronbach's Alpha coefficient ( $\alpha$ ) shown in the above tables, confirm that the instrument reliability (0.70) is high, even beyond the standard reliability of instruments. Consequently, the procedures of building the instrument are correct and thus the results achieved are reliable.

The researcher also validated the instrument by calculating Pearson correlation between each category of the study and the total score of the instrument, as shown in table 3:

**Table 3 shows Pearson correlation between each category and the total score of the instrument.**

Category	Pearson Correlation (r)
Management abilities	0.740**
Available financial capabilities	0.611**
External surrounding factors	0.692**
The obstacles facing women in the business world	0.632**
Cultural concepts of modern generations	0.571**
The culture of easy money and the lack of creativity and innovation	0.514**

\*\*Correlation is significant at the (0.05) level (2-tailed).

Indicators in the above table show that all the questionnaire categories are highly correlated to the total score of the questionnaire instrument. The (r) value ranged between (0.514) and (0.740), and as a result, one can conclude that all the questionnaire categories are highly correlated with the total score of the questionnaire as an instrument for raw data collection, and thus all categories achieve the desired measurement purposes.

### Data Analysis and Interpretation

To analyze raw data and validate the study hypotheses, the researcher used the following statistical methods:

1. Frequencies and percentages to characterize the sample.
2. Means and standard deviations to measure participants' responses regarding categories of the study.
3. Chi-square test to validate the study hypotheses.
4. Alpha Cronbach's coefficient ( $\alpha$ ) to validate the internal consistency of the study instrument.
5. Split half method to check reliability of the study instrument.

6. Pearson correlation coefficient ( $r$ ) to ensure the degree of correlation between the study categories and the total score of the questionnaire.

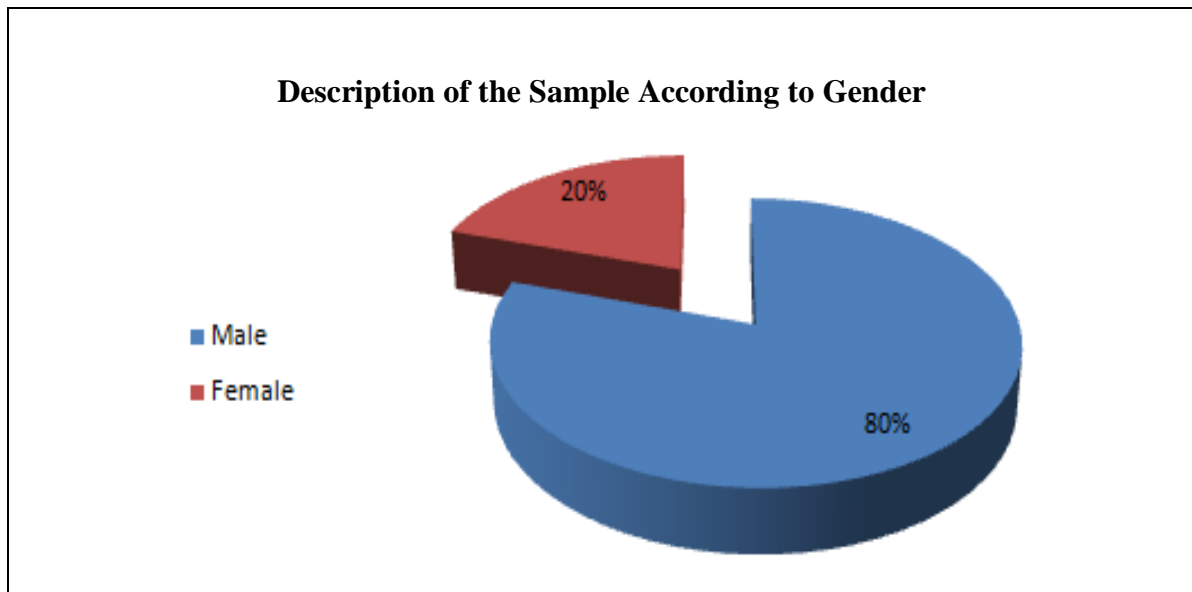
## **DATA ANALYSIS AND INTERPRETATION**

The Statistical Package for Social Sciences IBM (SPSS) version (20)<sup>®</sup> was used to analyze raw data, to test the study hypotheses and to extract statistical tables. In this section, the researcher aims at diagnosing different reasons for the failure of small business in Jeddah. The researcher also aims at validating the study hypotheses in order to reveal the relationship between these reasons and the discontinuity of small business in Jeddah. Consequently, in this section, the researcher aims to validate the following hypotheses:

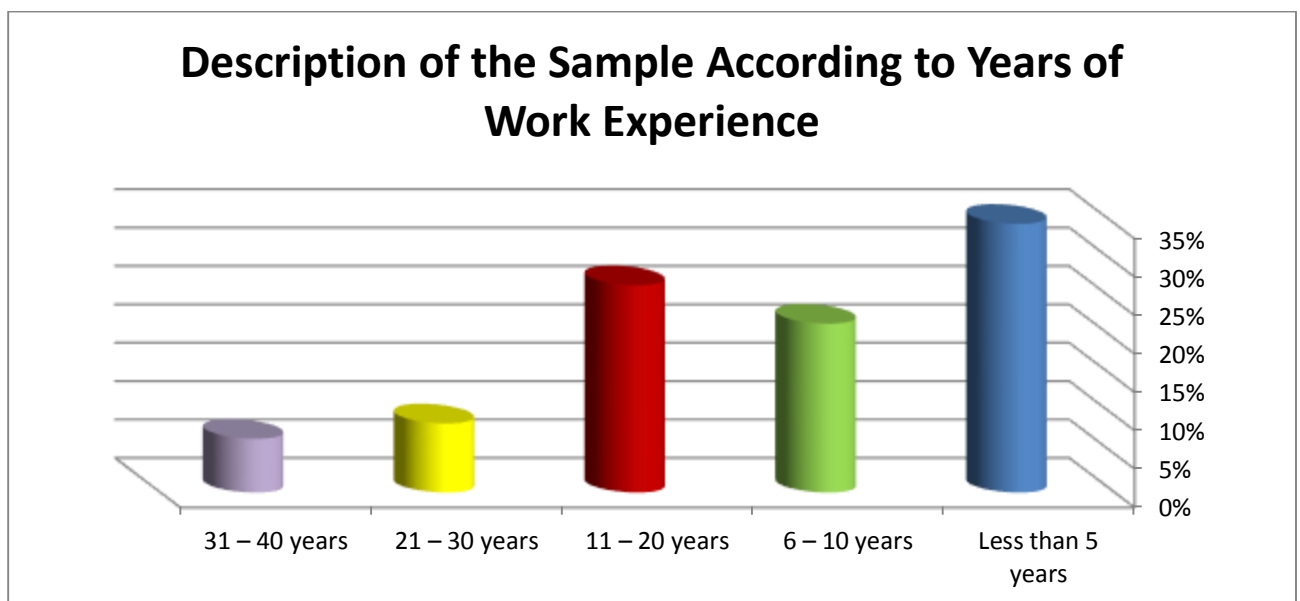
1. There is a direct relationship between management abilities and the success or failure of small businesses.
2. There is a direct relationship between available financial capabilities and the discontinuity of small businesses.
3. There is a direct relationship between external factors related to small business and their failure.
4. There is a direct relationship between obstacles that face women in the entrepreneurship world and the success or failure of small businesses.
5. There is a statistical direct relationship between cultural concepts of modern generations and the discontinuity of small businesses in Jeddah.
6. There is a statistical direct relationship between the culture of easy money and the failure of small businesses.

Based on the above- mentioned, the data analysis will be structured as follows;

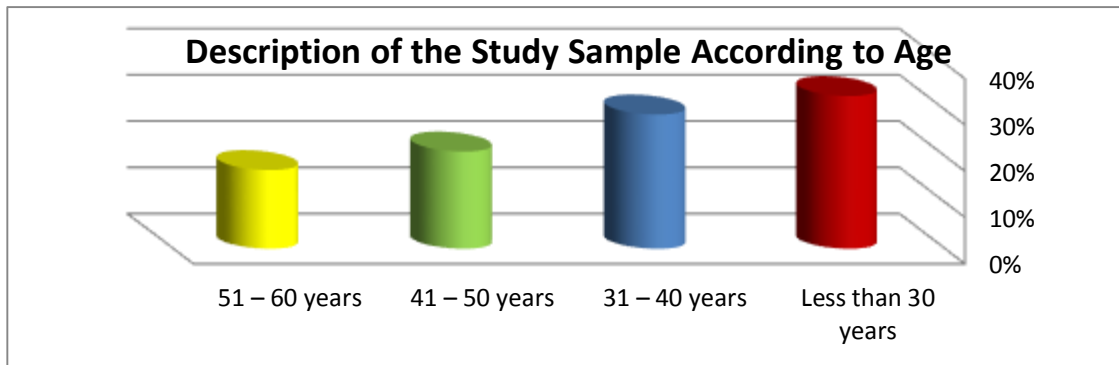
1. Demographic characteristics analysis of study sample.
2. Validating the study hypotheses.
3. Detecting whether statistically significant differences between the sample answers are due to the different demographic characteristics of the study sample.
4. Stating results.

**First: the demographic characteristics of the study sample****Figure 1: Description of the sample according to gender**

The above figure shows that the percentage of male participants' (n=80) outnumbered female participants' (n=20), with percentages of 80% and 20% respectively. This is normal in such studies in KSA, as it is difficult to get responses from female participants in survey studies.

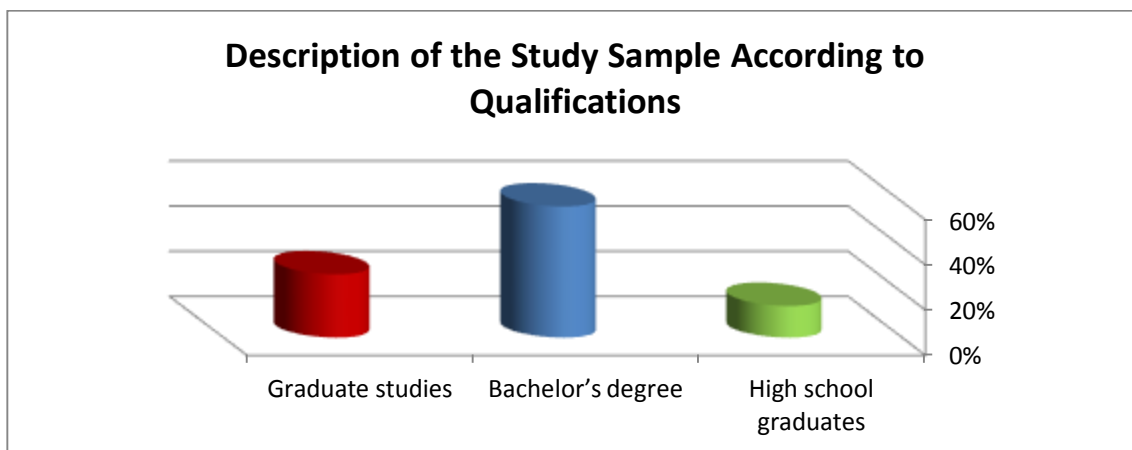
**Figure 2: description of the study sample according to years of work experience.**

The above figure shows the description of the study sample according to years of work experience. The table shows that 35.0% of participants have less than 5 years' work experience, 22.0% have 6-10 years' work experience, 20% have 11– 20 years' work experience, 9% have 21 - 30 years work experience and finally, 7% of participants have 31-40 years' work experience.



**Figure 3: Description of the study sample according to age**

The above figure shows that 33% of participants are less than 30 years old, 29% are aged between 31 and 40 years, 21% are aged between 41 and 50 years, and finally, 17% of participants are aged between 51 and 60 years. Consequently, we can conclude that most of the study participants (62.0%) are less than 40 years old, which may indicate that the majority of the study participants are energetic and productive youth.



**Figure 4: Description of the study sample according to their qualifications**

The above figure shows that the majority of the study sample participants have bachelor's degrees (university graduates) at 58% while 28% have graduate studies and 14% of the study sample have high school qualifications. Consequently, it is obvious that the majority of the participants have bachelor's degree while participants having graduate studies come second which may have a significant impact on diagnosing the reasons behind the discontinuity of small enterprises in Jeddah.

### Testing the Hypotheses

#### The First Hypothesis

- **There is a direct relationship between management abilities and the success or failure of small businesses in the city of Jeddah.**

To test this hypothesis, the researcher measured the participants' responses regarding the management abilities of those who work on managing the small family enterprises in Jeddah, as shown in the following table;

**Table 4: Results of testing the first hypothesis on the management abilities and the discontinuity of small business in Jeddah**

Items of the first category: the management abilities			Approval Options					Mean	Approval Percentage %	Rank	$\chi^2$
			Totally agree	Agree	Neutral	Do not agree	Strongly disagree				
1	Lack of sons' wholehearted seriousness towards work in the family enterprise	t	28	50	10	11	1	3.93	64.3%	1	75.3**
		n%	28.0	50.0	10.0	11.0	1.0				
2	Parents' interest in educating their sons to the highest possible educational level leads to them being unable to manage the business after the fathers' death	t	22	45	12	19	2	3.66	55.3%	6	50.9**
		n%	22.0	45.0	12.0	19.0	1.0				
3	Sudden changes in administrative leadership styles	t	20	48	17	11	3	3.72	57.3%	5	58.7**
		n%	20.0	48.0	17.0	11.0	3.0				
4	Unwillingness of the owner to recruit employees with a higher education level than himself/herself.	t	20	30	25	24	1	3.44	48.0%	10	25.1**
		n%	20.0	30.0	25.0	24.0	1.0				
5	Lack of the idea of division of labor	t	16	52	14	13	5	3.61	53.7%	7	67.5**
		n%	16.0	52.0	14.0	13.0	5.0				
6	Lack of insurance on enterprise assets	t	18	35	23	16	8	3.39	46.3%	11	19.9**
		n%	18.0	35.0	23.0	16.0	8.0				
7	Lack of an integrated accounting system	t	28	36	21	12	3	3.74	58.0%	4	** 33.7
		n%	28.0	36.0	21.0	12.0	3.0				
8	Theft of the project by sons or employees	t	23	32	20	19	6	3.47	49.0%	9	17.5**
		n%	23.0	32.0	20.0	19.0	6.0				
9	Lack of trust between inheritors force them to withdraw their financial shares, and consequently the enterprise collapses	t	32	27	28	10	3	3.75	58.3%	3	32.3**

		n%	32.0	27.0	28.0	10.0	3.0				
10	Expansion without planning	t	26	44	16	13	1	3.81	60.3%	2	51.9**
		n%	26.0	44.0	16.0	13.0	1.0				
44	Unwillingness to improve expansion by being agents or keeping up with economic and technical changes	t	14	45	24	16	1	3.55	51.7%	8	52.7**
		n%	14.0	45.0	24.0	16.0	1.0				
The arithmetic weighted mean								<b>3.64</b>	<b>54.7%</b>		
$\chi^2 = 0.207, Df= 4, p= 0.05$											

Source: prepared by the researcher, the pilot study, 2014

Table 4 shows that the weighted mean is 3.64, which indicates that more than half of the study sample participants believe that lack of management abilities in the family business is one of the reasons behind the discontinuity of these small enterprises. The table also shows that the percentage of participants who agree with this is 54.7%. The value of Chi-squared  $\chi^2$  indicates that there is a statistical significance at the level of 0.05 between all items of “the management abilities” and with discontinuity of small enterprises as a result, the first hypothesis is validated, and thus there is a statistical significance between the lack of management abilities and discontinuity of small business. Results also showed that the main obstacles related to management abilities which had a significantly large effect on the discontinuity of small enterprises are:

- Lack of sons’ wholehearted seriousness towards work studious interest in for the family enterprise Expansion without planning
- Lack of trust between inheritors which force them to withdraw their financial shares and consequently the enterprise collapses.
- Lack of an integrated accounting system
- Sudden changes in administrative leadership styles.

### The Second Hypothesis

- **The second hypothesis states that there is a direct relationship between the available financial capabilities and discontinuity of small businesses in the city of Jeddah.**

**Table 5 shows test results for the a direct relationship between the available financial capabilities and discontinuity of small businesses in Jeddah.**

Items of the second category: the available financial capacity		Approval Options					Mean	Approval Percentage %	Rank	$\chi^2$	
		Totally agree	Agree	Neutral	Do not agree	Strongly disagree					
11	As a result of small enterprises' limited financial capabilities, they may employ unskilled labor in unsuitable work conditions	T	15	57	18	8	2	3.75	58.3%	5	93.3**
		n%	15.0	57.0	18.0	8.0	2.0				
12	Limited financial capabilities of these small enterprises leads to lower productivity levels and to incapability of survival or expansion	T	21	55	11	11	2	3.82	60.7%	4	85.6**
		n%	21.0	55.0	11.0	11.0	2.0				
13	The limited financial capacity of these enterprises could lead to a lack of a financial incentive system, promotion system, or job stability	T	24	53	15	5	3	3.90	63.3%	2	82.2**
		n%	24.0	53.0	15.0	5.0	3.0				
14	The difficulty of collecting money, in case of sale or credit sale, especially near the end of an expiry date for food and medicinal products.	T	29	44	17	8	2	3.90	63.3%	3	56.7**
		n%	29.0	44.0	17.0	8.0	2.0				
15	The lack of a financial system that determines a specified monthly salary for the owner and withdrawing large amounts in some cases	T	37	33	18	9	3	3.92	64.0%	1	43.6**
		n%	37.0	33.0	18.0	9.0	3.0				

16	High salaries, such as doctors and engineers' salaries, may erode the financial capabilities of the project	T	16	36	23	21	4	3.39	46.3%	6	49.6**
		n%	16.0	36.0	23.0	21.0	4.0				
The arithmetic weighted mean								<b>3.78</b>	<b>59.3%</b>		
<b>Table <math>\chi^2</math> when P=0.05 and Df = 4 is 0.207</b>											

Source: prepared by the researcher, the pilot study, 2014

Table 5 shows that the weighted mean is 3.78, which indicates that the sample shows a statistically significant relationship between the available financial capabilities and discontinuity of small businesses. Thus, the available financial capabilities are in effect reasons for the success or failure of small enterprises. To sum up, the continuity of small enterprises to achieve their purposes depends on their available financial capabilities as agreed on by 59.3% of the study sample.

$\chi^2$  value indicates that there is a statistical significant between all reasons related to the available financial capabilities and the discontinuity of small family enterprises in Jeddah, and thus the second hypothesis is validated.

Table 5 shows that the most important reasons related to financial capabilities which hinder small enterprises are

- The lack of a financial system that determines a specified monthly salary for the owner, and withdrawing large amounts in some cases.
- The limited financial capacity of these enterprises could lead to the lack of a financial incentive system, promotion system, or job stability
- The difficulty of collecting money in case of sale or credit sale, especially near the end of the expiry date for food and medicinal products.
- Limited financial capabilities of these small enterprises lead to lower productive levels and the incapability of survival or expansion.

### The Third Hypothesis

- **The third hypothesis stated that there is a direct relationship between external factors and the success or failure of small business in the city of Jeddah.**



**Table 6 shows results of testing the relationship between external factors and the success or failure of small business in Jeddah.**

Items of the third category: surrounding external factors.			Approval Options					Mean	Approval Percentage %	Rank	$\chi^2$
			Totally agree	Agree	Neutral	Do not agree	Strongly disagree				
17	High rents of exhibitions and warehouses	T	30	42	18	10	0	3.92	64.0%	2	23.5**
		n%	30.0	42.0	18.0	10.0	0.0				
18	Fire, rain and natural disasters	T	15	28	36	15	6	3.31	43.7%	13	28.3**
		n%	15.0	28.0	36.0	15.0	6.0				
19	Economic factors such as inflation and economic stagnation	T	15	51	22	8	4	3.65	55.0%	9	69.5**
		n%	15.0	51.0	22.0	8.0	4.0				
20	Changes in technology and infrastructure	T	18	48	24	6	4	3.70	56.7%	8	62.8**
		n%	18.0	48.0	24.0	6.0	4.0				
21	Availability of appropriate incentives, stable governmental job opportunities have forced the children not to work for the enterprise.	T	15	40	26	15	4	3.47	49.0%	11	37.1**
		n%	15.0	40.0	26.0	15.0	4.0				
22	Disappearance of traditional occupations and the emergence of new professions that require skills not embedded in the education curriculum.	T	18	43	31	7	1	3.70	56.7%	7	59.2**
		n%	18.0	43.0	31.0	7.0	1.0				

23	Demographic factors such as numerous family members and their financial dependence on the father.	T	26	51	14	7	2	3.92	64.0%	3	76.3**
		n%	26.0	51.0	14.0	7.0	2.0				
24	Religious factors such as avoiding borrowing transactions which include bank interests	T	29	34	22	10	5	3.72	57.3%	6	30.3**
		n%	29.0	34.0	22.0	10.0	5.0				
25	Health, social and family problems such as divorce, death of a family member or polygamy	T	18	39	29	13	1	3.60	53.3%	10	42.8**
		n%	18.0	39.0	29.0	13.0	1.0				
26	Overloading markets with cheap Chinese products	T	38	34	15	11	2	3.95	65.0%	1	47.5**
		n%	38.0	34.0	15.0	11.0	2.0				
27	The low social status of the family enterprises' owners	T	18	29	30	18	5	3.37	45.7%	12	20.7**
		n%	18.0	29.0	30.0	18.0	5.0				
28	The upbringing of children, which states that the eldest son is responsible for the management of the family enterprise, may be the spark that leads to conflict between him and his brothers	T	28	43	13	13	3	3.80	60.0%	5	59.0**
		n%	28.0	43.0	13.0	13.0	3.0				
29	Competition of national and foreign companies	T	24	45	23	7	1	3.84	61.3%	4	59.0**
		n%	24.0	45.0	23.0	7.0	1.0				
The arithmetic weighted mean								<b>3.69</b>	<b>56.3%</b>		
<b>Table <math>\chi^2</math> when P0.05 and Df = 4 is 0.207</b>											

Source: prepared by the researcher, the pilot study, 2014

Table 6 shows that the weighted mean for the external factors related to small businesses is 3.69, which indicates that the majority of the study sample (56.3%) shows that the external factors significantly affect the discontinuity of small family enterprises.

$\chi^2$  value shows that there is a statistically significant relationship between the external factors and the discontinuity of small family business, and results also showed that the most important obstacles that significantly affect the continuity of small enterprises in Jeddah are:

- Overloading markets with cheap Chinese products.
- High rents of exhibitions and warehouses.
- Demographic factors such as numerous family members and the financial dependence on the father.
- Competition of national and foreign companies.
- The upbringing of children, which states that the eldest son is responsible for the management of the family enterprise, may be the spark that leads to conflict between him and his brothers.

#### The Fourth Hypothesis

- **The fourth hypothesis states that there is a direct relationship between obstacles that face women in the business world and the success or failure of small businesses in city of Jeddah.**

**Table 7 shows results for the fourth hypothesis related to the obstacles that face women in the business world and the success or failure of small businesses in Jeddah.**

Items of the fourth category: obstacles that face Saudi women in the business world			Approval Options					Mean	Approval Percentage %	Rank	$\chi^2$
			Totally agree	Agree	Neutral	Do not agree	Strongly disagree				
30	Limited private business opportunities for women, such as textile workshops.	T	31	30	16	20	3	3.66	55.3%	2	26.3**
		n%	31.0	30.0	16.0	20.0	3.0				

31	The father buys real estate, in the case of having a daughter and not a son.as due to cultural constraints in KSA she cannot manage the business after his death.	T	14	29	40	12	5	3.35	45.0%	5	40.3**
		n%	14.0	29.0	40.0	12.0	5.0				
32	The interference of daughters' husbands in the small enterprise, as the business community sees women as unable to manage the enterprise after the father's death.	T	20	36	30	10	4	3.58	52.7%	4	35.6**
		n%	20.0	36.0	30.0	10.0	4.0				
33	Sons steal the enterprise after their father's death and daughters cannot claim their rights, in order to uphold the reputation of the family name.	T	24	37	28	7	4	3.70	56.7%	1	39.7**
		n%	24.0	37.0	28.0	7.0	4.0				
34	Difficulty for businesswomen to borrow from banks	T	14	27	38	21	0	3.34	44.7%	6	12.4**
		n%	14.0	27.0	38.0	21.0	0.0				
35	Restriction in women's movement as there are no available means of transportation that will ease the burden of the driver and facilitate their movements.	T	24	35	24	10	7	3.59	53.0%	3	26.3**
		n%	24.0	35.0	24.0	10.0	7.0				
The arithmetic weighted mean								<b>3.54</b>	<b>51.3%</b>		
<b>Table <math>\chi^2</math> when P=0.05 and Df = 4 is 0.207</b>											

\*\* indicate that there is a statistical significance at 0.05 level

Source: prepared by the researcher, the pilot study, 2014

Indicators in table 7 show that the weighted mean for the participants' responses regarding the relation between obstacles faced by women in the business world and the discontinuity of small enterprises is 3.45. Results also show that the study sample (55.3%) indicates there is a statistically significant relationship between obstacles that Saudi women face in the business world and the success or failure of the small businesses.

$\chi^2$  value shows that there is a statistically significant relationship between obstacles that Saudi women face in the business world and the discontinuity of the small businesses that Saudi women invest in.

Results showed that the biggest obstacles that Saudi women face are as follows:

- Sons steal the enterprise after their father's death and daughters cannot claim their rights, in order to uphold the reputation of the family name.
- Limited private business for women such as texture workshops.
- Restriction in women's movement, as there are no available means of transportation that will ease the burden of the driver and facilitate their movements.

These results were supported by the study sample means which ranged between 3.59 – 3.70.

#### **The Fifth Hypothesis**

- **The fifth hypothesis states that there is a direct relationship between the cultural concepts of the modern generation and the success or failure of small enterprises in city of Jeddah.**

**Table 8 shows results for the fifth hypothesis related to the direct relationship between the cultural concepts of the modern generation and the success or failure of small enterprises in Jeddah.**

38	Youth's love for a luxury office business	T	35	39	15	10	1	3.97	65.7%	1	53.6**
		n%	35.0	39.0	15.0	10.0	1.0				
39	Behaviors of the owner's sons such as customer degradation	T	23	33	32	9	3	3.64	54.7%	5	36.6**
		n%	23.0	33.0	32.0	9.0	3.0				
40	Children's lack of seriousness and unwillingness to fully supervise the enterprise and visit warehouses; instead they prefer to stay in the office	T	37	37	14	8	4	3.95	65.0%	2	50.7**
		n%	37.0	37.0	14.0	8.0	4.0				
The arithmetic weighted mean								<b>3.84</b>	<b>61.3%</b>		
<b>Table <math>\chi^2</math> when <math>P_{0.05}</math> and <math>Df_4</math> is 0.207</b>											

Items of the fifth category: cultural concepts of modern generations.			Approval Options					Mean	Approval Percentage %	Rank	$\chi^2$
			Totally agree	Agree	Neutral	Do not agree	Strongly disagree				
36	Change in generations' culture, such as the youth's desire to join external scholarship programs, which may lead to them leaving management of the business to employees and not helping their fathers in the family business	T	28	38	19	10	5	3.74	58.0%	4	35.7**
		n%	28.0	38.0	19.0	10.0	5.0				
37	Previous and present scholarship programs focus on academic aspects and not professional ones	T	36	29	25	7	3	3.88	62.7%	3	41.0**
		n%	36.0	29.0	25.0	7.0	3.0				

\*\* indicates that there is a statistical significance at 0.05 level

Source: prepared by the researcher, the pilot study, 2014

Indicators in table 8 show that the weighted mean for the participants' responses regarding the relationship between the cultural concepts of modern generations and the discontinuity of small business is 3.84, which indicates that the majority of the study sample (61.3%) shows there is a relationship between the cultural concepts of modern generations and the success or failure of small business.

$\chi^2$  value shows that there is a statistically significant relationship between the cultural concepts of modern generations and the discontinuity of the small business, whether they own it or it is owned by their fathers.

Results in table 8 indicate that the most prominent reasons related to the cultural concept of modern generations, which limit the ability of small enterprises to continue and may cause their failure at the beginning are:

- Youth's love for a luxury office business.
- Children's lack of seriousness and unwillingness to fully supervise the enterprise and visit warehouses; instead they prefer to stay in the office
- Previous and present scholarship programs focus on academic aspects and not professional ones

### The Sixth Hypothesis

- **The sixth hypothesis states that there is a direct relationship between the culture of easy money, a lack of creativity, innovation and the success or failure of small businesses in city of Jeddah.**

**Table 9 shows results for the sixth hypothesis of the relationship between the culture of easy money, a lack of creativity, innovation and the success or failure of small businesses in Jeddah.**

Items of the sixth category: the culture of easy money and lack of creativity and innovation.			Approval Options					Mean	Approval Percentage %	Rank	$\chi^2$
			Totally agree	Agree	Neutral	Do not agree	Strongly disagree				
41	Investing in stocks and real estate and avoiding businesses that require continuous work or risk	T	23	50	20	4	3	3.86	62.0%	1	** 72.7
		n%	23.0	50.0	20.0	4.0	3.0				
42	Most businesses are concentrated on trade and real estate, and not on industry, workshops or services	T	20	39	35	5	1	3.72	57.3%	2	** 58.6
		n%	20.0	39.0	35.0	5.0	1.0				
43	Culture of getting rich via administrative corruption instead of continuous work	T	30	30	24	9	7	3.67	55.7%	3	** 25.3
		n%	30.0	30.0	24.0	9.0	7.0				
The arithmetic weighted mean							<b>3.75</b>	<b>58.3%</b>			
<b>Table <math>\chi^2</math> when P=0.05 and Df = 4 is 0.207</b>											

\*\* indicates that there is a statistical significance at 0.05 level

Source: prepared by the researcher, the pilot study, 2014



Indicators in table 9 show the weighted mean for participants' responses regarding the relationship between the culture of easy money, the lack of creativity and innovation and success or failure of small enterprises is 3.75, which indicates that the majority of the study sample (58.3%) shows that there is a relationship between the culture of easy money, the lack of creativity and innovation and the failure of small enterprises.

$\chi^2$  value shows that there is a statistically significant relationship between the prevalence of an easy money culture between the owners of small businesses and the failure of these enterprises as all  $\chi^2$  values are significant at 0.05.

Results in table 9 indicate that the most important reasons related to the prevalence of the easy money culture, and negatively affect the continuity of these small enterprises, are:

- Investing in stocks and real estates and avoiding businesses that require continuous work or risk
- Most businesses are concentrated on trade and real estates and not on industry, workshops or services
- A culture of getting rich via administrative corruption, rather than through continuous work.

#### **Test results for the significance of differences:**

The researcher, in this part of the study, tackles the test results to ascertain whether there were statistically significant differences between the participants' responses regarding the reasons behind the failure and discontinuity of small enterprises, due to different demographic and personal characteristics such as: years of work experience, age, qualification and gender. To test these differences the researcher used both the "one way analysis of variance" ANOVA to examine the significance of differences due to years of work experience, age and qualification and a T-test to investigate the significance of differences related to gender. The following are the results of these tests.

**Table 10: ANOVA analysis of the significance of differences between the participants' responses regarding the reasons for discontinuity and failure of small enterprises and years of work experience**

Categories	Mean					F	Level of significance (P)
	Less than 5years	6-10years	11-20years	21-30years	31-40years		
Management abilities	3.69	3.60	3.49	3.73	3.99	1.255	0.324
The available financial capabilities	3.76	4.02	3.77	3.87	3.74	0.555	0.293
external surrounding factors	3.60	3.79	3.70	3.56	3.92	1.232	0.696
The obstacles facing women in the business world	3.39	3.62	3.62	3.50	3.74	0.803	0.526
Cultural concepts of modern generations	3.75	4.02	3.79	3.71	4.06	0.859	0.492
The culture of easy money and the lack of creativity and innovation	3.75	3.73	3.78	3.70	3.76	0.025	0.99
Tabulated F Value at significance level 0.05 and degrees of freedom 4, 95, is 2.45							

Results in table 10 show that there are no statistical differences between participants' responses regarding the discontinuity and failure of small enterprises due to differences in years of work experience, as the significance for all calculated F values is greater than 0.05.

Consequently, we can conclude that the difference in years of work experience is not considered a factor that leads to differences between participants regarding the reasons for the discontinuity or failure of small enterprises. Thus, this shows that these reasons are essential and significantly contribute to the failure of small business.

**Table 11: ANOVA analysis of the significance of differences between the participants' responses regarding the reasons for the discontinuity and failure of small enterprises and age**

Categories	Mean				F	Level of significance (P)
	Less than 30	30-40years	41-50years	51-60years		
Management abilities	3.57	3.69	3.69	3.62	0.261	0.853
The available financial capabilities	3.77	3.86	3.88	3.82	0.115	0.951
external surrounding factors	3.59	3.78	3.70	3.72	0.881	0.454
The obstacles facing women in the business world	3.52	3.43	3.67	3.58	0.590	0.623
Cultural concepts of modern generations	3.87	3.75	3.79	3.96	0.420	0.739
The culture of easy money and the lack of creativity and innovation	3.75	3.72	3.76	3.78	0.027	0.994
Tabulated F Value at significance level 0.05 and degrees of freedom 3, 96, is 3.68						

Results in table 11 show that there is no statistical differences between participants' responses regarding the discontinuity and failure of small enterprises due to differences in age, as the significance for all calculated F values is greater than 0.05.

Consequently, difference in age is not considered a factor that leads to differences between participants regarding the reasons for discontinuity or failure of small enterprises.

**Table 12: ANOVA analysis of the significance of differences between the participants' responses regarding the reasons for discontinuity and failure of small enterprises and qualifications**

Categories	Mean			F	Level of significance (P)
	graduate studies or Master degree	Bachelor degree	high school graduates		
Management abilities	3.44	3.71	3.60	1.360	0.262
The available financial capabilities	3.87	3.86	3.75	0.229	0.795
external surrounding factors	3.64	3.66	3.76	0.511	0.602
The obstacles facing women in the business world	3.69	3.56	3.40	1.011	0.368
Cultural concepts of modern generations	3.67	3.91	3.76	0.939	0.395
The culture of easy money and the lack of creativity and innovation	3.76	3.80	3.63	0.563	0.572
Tabulated F Value at significance level 0.05 and degrees of freedom 2, 97, is 3.07					

Results in table 12 show that there is no statistical differences between participants' responses regarding the discontinuity and failure of small enterprises due to qualifications, as the significance for all calculated F values is greater than 0.05.

Consequently, we can conclude that difference qualification is not considered a factor that leads to differences between participants concerning the reasons for the discontinuity or failure of small enterprises. Thus, this shows that these reasons are essential and significantly contribute to the failure of small business with no regard to the level of qualification.

**Table 13: T-test results of the significance of differences between the participants' responses sample answers concerning the reasons for the discontinuity and failure of small enterprises and gender**

Categories	Mean		T	level of significance
	Male	female		
Management abilities	3.55	3.98	** 3.01-	0.003
The available financial capabilities	3.72	4.28	** 3.26-	0.002
external surrounding factors	3.64	3.90	* 2.29-	0.024
The obstacles facing women in the business world	3.46	3.83	* 2.33-	0.022
Cultural concepts of modern generations	3.83	3.85	0.104-	0.917
The culture of easy money and the lack of creativity and innovation	3.77	3.68	0.468	0.641
Tabulated T Value at significance level 0.05 and degrees of freedom 98, is 1.645				

Results in table 13 show that there are statistical differences between participants' responses regarding the discontinuity and failure of small enterprises due to differences in gender related to the management abilities, the available financial capacity, external factors and obstacles facing women in the business world.

As the differences are in favor of female participants, this means that the female participants emphatically believe that these reasons are essential and significantly affect the discontinuity of small business.

Results also reveal that there are no statistically significant differences between male and female participants concerning cultural concepts of modern generations and the culture of easy money and the lack of creativity and innovation, which lead to the failure of small enterprises in Jeddah.

## DISCUSSION AND CONCLUSION

In light of the pilot study and the interpretation of its results, the present study reached the following results;

1. The study showed that poor management of small family enterprises is one of the factors that contributes to the discontinuity of small projects as agreed upon by 54.7% of participants. The study also revealed that there is a statistically significant correlation at the level of 0.05 between all the items of management abilities and the discontinuity of small enterprises.
2. Results also revealed that the most important reasons related to the management abilities that significantly affect the discontinuity of small business are, lack of sons' serious interest towards the family enterprise, expansion without planning, lack of trust between inheritors force them to withdraw their financial shares and consequently the enterprise collapses, lack of an integrated accounting system, in addition to sudden changes in administrative leadership styles.
3. The study showed that there is a relationship between the available financial capacities and the success or failure of small enterprises, thus the continuity of these enterprises in achieving their objectives depend on available financial capabilities and 59.3% of participants agree with this result.
4. Results also showed that the most important reasons related to the available financial capacities that limit the ability of small businesses in performing their activities are, the lack of a financial system that determines a specified monthly salary for the owner and withdrawing large amounts in some cases, the limited financial capacity of these enterprises could lead to the lack of a financial incentive system, promotion system or job stability, the difficulty of collecting money in case of sale or credit sale especially near the end of the expiry date for food and medicinal products, and the limited financial capabilities of these small enterprises lead to lower productive levels and incapability of survival or expansion.
5. The study revealed that there is a statistical correlation between the external surrounding factors and the discontinuity of small family businesses. Results showed that the most important external factors that significantly affect the discontinuity of small business in Jeddah are;
  - Overloading markets with cheap Chinese products.
  - High rents of exhibitions and warehouses.
  - Demographic factors such as numerous family members and their financial dependence on the father.
  - Competition of national and foreign companies.
  - The upbringing of children, which states that the eldest son is responsible for the management of the family enterprise, may be the spark that leads to conflict between him and his brothers.
6. The study showed that there is a statistically significant correlation between the obstacles that face Saudi women in the business world and they are;

- Sons steal the enterprise after their father's death and daughters cannot claim their rights, in order to uphold the reputation of the family name.
  - Limited private business for women such as texture workshops.
  - Restriction in women's movement, as there are no available means of transportation that contribute to easing the burden of the driver and facilitate their movements.
7. The study revealed that there is a statistical correlation between the cultural concepts of modern generations and the discontinuity of their small business or their fathers' business. Results in table 3.9 indicate that the most prominent reasons related to the cultural concept of modern generations, which limit the ability of small enterprises to continue and may cause their failure at the beginning, are
- Youth's love for a luxury office business.
  - Children's lack of seriousness and unwillingness to fully supervise the enterprise and visit warehouses; instead they prefer to stay in the office
  - Previous and present scholarship programs focus on academic aspects and not professional ones.
8. The study showed that there is a statistically significant correlation between the culture of easy money and the discontinuity and failure of small business. Results indicate that the most important reasons related to the prevalence of an easy money culture, and negatively affect the continuity of these small enterprises are,
- Investing in stocks and real estates and avoiding businesses that require continuous work or risk
  - Most businesses are concentrated on trade and real estate and not on industry, workshops or services
  - A culture of getting rich via administrative corruption rather than continuous decent work.
9. The difference in years of work experiences, age, and qualifications is not a significant factor that leads to differences in participants' responses regarding the discontinuity/failure of small business, and thus these reasons are significantly affecting the failure of small enterprises.
10. Results showed that there is a statistically significant difference between the participants' responses according to their gender related to management abilities, the available financial capacities, external surrounding factors, and the obstacles that face Saudi women in the business world. These differences are in favor of female participants, which mean that female participants emphatically believe that these reasons are essential and significantly affect the discontinuity and failure of small business.

## RECOMMENDATIONS

One of the most important aspects of helping small businesses is to establish a specialized authority which will provide information and data related to marketing, financial, administrative and advisory focal points, in order to provide the most appropriate labor and fight commercial fraud.

The industry must provide the best suppliers of raw materials and identify their sources. In addition, industry should provide technical expertise and areas to set up warehouses and factories, and this can be summarized in several points;

- Offering low interest bank loans with large facilities.
- Establishing a specialized authority for all occupations and industries to study their conditions and problems.
- Establishing a network of commercial and industrial sharing between large and small enterprises, so that small enterprises manufacture materials are used in large industries and aggregated industries.
- Linking universities to small enterprises so that universities become more realistic in setting the curriculum that focuses on the requirements of small enterprises and companies, and also focus on the market requirements and Applied Studies.
- Technical institutes should focus on factories and workshop requirements in order to graduate young people ready to work in these factories, because businessmen don't prefer to train fresh graduates in their organization or factory, fearing that these trainees may leave the enterprise.
- Changing the cultural concepts of modern generations in order to make them more realistic and predispose the youth to work in private business, whether as employees or owners of private enterprises in terms of educational competencies, endurance and patience, by utilizing the media and seizing business opportunities in building and construction, tourism and hotels, restaurants, car services and funded industry for large enterprises.
- Because some people in society such as the handicapped find it difficult to acquire jobs, the private business is their only resort and thus, those people must be encouraged to raise their spirit and their motivation.
- Establishing institutions and universities for businessmen such as in Japan. It is preferred that small business fall under the auspices of specific authorities and organizations that conduct studies and researches, along with field experts, with a focus on using appropriate technology for industry.
- Establishing enterprises in different areas to achieve the principle of development balance.
- Establishing a special bank to finance small enterprises.



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