

FACTORS DETERMINE SMALL BUSINESSES (SBS) SUCCESS IN KUWAIT



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ABSTRACT

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The current study is set out to identify factors that determine Small Businesses (SBs) success in Kuwait. SBs success reduces the risk of failure and ensures SBs role in creating job opportunities and achieving sustainable economic development. The article used a questionnaire survey to identify the factors affecting SBs success in Kuwait. Questionnaires were distributed to 300 small businesses in services, industry, retail, and other industries. Owners, managers, managers' owners and others within the small businesses were requested to express their opinion on a set of internal and external factors expected to determine SBs success in Kuwait. 240 took part in the survey, resulting in 80% usable response rate. Descriptive statistics were used to identify the most important internal and external factors that determine SBs success. Kruskal Wallis test was performed to detect possible variations in the participants' opinions regarding the importance of the factors due to their characteristics. The results of the analysis revealed that internal factors such as entrepreneur's experience, marketing factors as sales promotion, quality of the product/ service offered by SBs, financial incentives offered by the organization to its personnel and hard work are the most important factors that determine SBs success in Kuwait. The participants further indicated that the academic qualifications of the entrepreneur and academic qualifications of the SBs personnel are the least important factors that impact SBs success. As for the external factors, the participants pointed to business location, attractive legal and regulatory framework and availability of trained employees as the most important external factors to the success of SBs in Kuwait.

Contribution/ Originality: The study provides empirical testing to factors underpinning small businesses success in a new environmental context of country, time and industry. This is expected to enhance our understanding and adds a new dimension to the current body of the literature.

1. INTRODUCTION

Small Businesses (SBs) represent a relevant field of empirical investigations in business literature because of their significant role as a main pillar of economic growth in terms of employment generation. The central issue in this literature is to examine the factors affecting SBs success. The success or otherwise of a small business is more likely to be affected by various factors. These factors can be classified into internal and external to the organization.

Internal factors are those of the organization itself and its personnel including: the entrepreneur's character, academic qualifications of the owner(s), the entrepreneur's experience, academic qualifications of the organization's personnel, quality of training offered by the organization, working according to plan, the time of starting-up the business, association with winners, marketing factors as sales promotion, quality of the product, price of the product or service, hard work, keeping good records of sales and expenses and financial incentives offered by the organization to its personnel. External factors are those outside the organization including: government support, easy access to financial resources, support from relatives and friends, the location of the organization, availability of trained labor force, the weakness of competitive product/ service and attractive legal and regulatory framework.

Empirical studies on the factors leading to SBs success have pointed to several items such as the characteristic of entrepreneur (Arslan and Kivrak, 2008; Islam *et al.*, 2011; Abdulwahab and Al-Damen, 2015; Bouazza *et al.*, 2015; Okręglicka, 2015; Trang, 2016) training in marketing (Alasadi and Abdelrahim, 2007) government support (Chittithaworn *et al.*, 2010; Uddin and Bose, 2013; Garg and Makukule, 2015) experience of entrepreneur (Chowdhury *et al.*, 2013) location of firm (Ganyaupfu, 2013).

These findings, however, seems to be questionable in the GCC business environment where governments have significant fiscal surplus, large dominant government sector, rapidly growing economic activities and considerable reliance on expatriate labor¹.

Understanding the factors behind SBs success is of interest for both practitioners and academicians. For the former, it provides small business owners with the information they need to develop successful recruitment and retention programs. Such study will present a clear picture of the factors behind SBs success. For the academicians, it would add new knowledge and extends the growing body of literature in the field of entrepreneurship and creates a common language for discussing and studying the important factors underpinning SBs success.

The remainder of this study is organized as follows. Brief review of related literature and previous studies are presented in the next section. The third section includes explains data collection and study methodology. While the findings and analysis are discussed in section four, the conclusion is offered in the final section.

2. PREVIOUS RELATED LITERATURE

There are many definitions to SBs success. Traditionally, it is defined as the degree to which SBs goals and expectations are met (Arslan and Kivrak, 2008). It refers to the achievement of goals and objectives (Chowdhury *et al.*, 2013). According to Islam *et al.* (2011) the success of small businesses depends partially on management know-how, use of modern technology and government policy and support. Organizational success is measured by the ability of the organization to establish its share in the market, to make profit and grow overtime. As mentioned earlier, SBs success is affected by number of internal and external factors. Internal factors include characteristics of entrepreneurs and external factors such as access to external financing (Bouazza *et al.*, 2015).

Several studies have been conducted to examine factors contribute to SBs success in various countries see for example, **Turkey:** (Yuzbasioglu, 2000; Arslan and Kivrak, 2008). **Greece:** (Voulgaris *et al.*, 2003; Anastasia *et al.*, 2014). **Syria:** (Alasadi and Abdelrahim, 2007). **Iran:** (Sanayei and Rajabion, 2009; Valmohammadi, 2010; Arasti, 2011). **Jordan:** (Al-Smairat, 2009; Al-Mahrouq, 2010; Abdulwahab and Al-Damen, 2015). **Thailand:** (Chittithaworn *et al.*, 2010; Ha *et al.*, 2014). **Bangladesh:** (Islam *et al.*, 2011; Chowdhury *et al.*, 2013; Uddin and Bose, 2013). **Pakistan:** (Mirani and Shah, 2012; Qureshi *et al.*, 2012; Jan *et al.*, 2013). **Malaysia:** (Salwa *et al.*, 2013; AbdulWahab and Rafiki, 2014; Omar and Azmi, 2015). **Venezuela:** (Zimmerman and Chu, 2013). **South Africa:** (Ganyaupfu, 2013; Lekhanya and Mason, 2014; Garg and Makukule, 2015). **Libya:** (Abdesamed and Wahab, 2014). **Algeria:** (Bouazza *et al.*, 2015). **Poland:** (Okręglicka, 2015). **Mexico:** (Guzmán and Lussier, 2015). **Vietnam:** (Trang, 2016). These studies are briefly reviewed in the following section.

¹GCC established in May 25 1981 and consists of six countries namely Bahrain, Kuwait, Saudi Arabia, Qatar, Oman, and United Arab of Emirates.

Yuzbasioglu (2000) examined environmental factors that affect the success or otherwise of small and medium sized tourism enterprises in Turkey. He found competition to be a problem for SBs managers and owner-managers have to learn how to put up with changing consumers' behavior, service quality, flexible product design and coping with environmental changes. He further found owner-manager to be in a position to determine missions and objectives and then generate options to select a strategy. Yuzbasioglu advised SBs owner-managers to follow rational strategic model in order to understand both their businesses and their environment. Arslan and Kivrak (2008) examined critical factors leading to SBs success. They identified business management, financial conditions and owner-manager characteristics as being the most important factors to success.

Voulgaris *et al.* (2003) examined factors mostly affect rapid sales growth in Greek small and medium manufacturing Enterprises (SMEs). They believe that policies such as low cost financing, low tax burdens, incentives for investments in new technology, continuous personnel training, promotion of ecommerce and cooperation with foreign firms induce fast growth in Greek SMEs. Anastasia *et al.* (2014) examined factors influencing successful entrepreneurship immigrants. They found that the intrinsic motivations of immigrant entrepreneurs are those that ensure the success.

Alasadi and Abdelrahim (2007) examined factors that affect small business performance in Syria. They found training in marketing and new venture preparations have positive impact on business performance when sales are used as a business performance measure. They also found successful firms were those that employed more than 14 employees, which tended to be managed by young owner/managers.

Sanayei and Rajabion (2009) explored factors determine e-commerce success in Iran. They found government support plays significant role in determining the success of e-commerce in Iran. An additional study had been undertaken in Iran by Valmohammadi (2010) to explore critical factors to SBs success. He found leadership, top management support and organizational culture to be the most important factors, whereas rewarding, motivating and benchmarking factors are the least.

In a different approach to the previous studies, Arasti (2011) identified the main causes of business failure. He observed that the main causes of business failure are the lack of good management, no support from banks and financial institutions, inadequate economic sphere, and insufficient government policies.

Al-Smairat (2009) attempted to identify problems facing small enterprises in the southern governorates of Jordan. He noticed lack of capital and insurance loans to be the major concern to the owners, whereas lack of administrative experiences, marketing and finance were the main reasons behind business failure. He recommended increasing training and rehabilitating the owners of these businesses. Al-Mahrouq (2010) examined the main factors that mostly used to reflect the success on Jordanian SMEs. He pointed to five factors that have positive and significant impact on the success of the sampled firms. The factors are technical procedures and technology, structure of the firm, financial structure, marketing and productivity and human resources structure. Al-Mahrouq concluded that strengthening SMEs comes mainly from their characteristics, which would encourage new entrepreneurs, government and financial institutions. Abdulwahab and Al-Damen (2015) examined the impact of the entrepreneurs' characteristics on SBs success. They observed positive impact of entrepreneurs' characteristics on small business success of the Medical Instruments Supplies Organizations in Jordan.

Chittithaworn *et al.* (2010) examined eight factors that influence business success of SMEs in Thailand. They found the most significant factors are customer and market, the way doing business, resources and finance. The researchers concluded SMEs should ensure they have built a strong social network and good government relationship in order to ensure their business success. In a different line of research, Ha *et al.* (2014) examined factors affecting SB success according to economic sectors. They found SMEs entrepreneurs in the service sector enjoy a higher level of overall success than their counterparts in the brand manufacturing and design manufacturing. They also found trading sector earns competitive advantages due to low cost of raw materials and low cost of skilled labors.

Islam *et al.* (2011) examined the impact of entrepreneur and firm characteristics on the business success of SMEs in Bangladesh. They found the characteristics of entrepreneur are significant factors to SMEs success. They, however, found firm characteristics are insignificant in SMEs success. Uddin and Bose (2013) conducted further research in Bangladesh and examined factors affecting the success of SMEs. They identified business plan, channel of distribution, management skills and government support as being statistically significant in determining SMEs success. Chowdhury *et al.* (2013) examined factors that affect the success of entrepreneurs of small and medium sized enterprises in Bangladesh. They found positive relationship between business success and both experience and education and negative relationship with age. Chowdhury *et al.* also found that lack of infrastructure and sound political environment are the major factors that positively hindered the success of the entrepreneurs.

Mirani and Shah (2012) used semi-structured interviews to detect factors responsible for doing successful business in Pakistan. They found the factors responsible of doing business in Pakistan are the business motivation, good relations with suppliers in retail trade and with customers in services, persistence in business to overcome seasonal effects and understanding business environment as important factors. Qureshi *et al.* (2012) looked into factors that influence small business performance among males and females in Pakistan. They observed female owned businesses are less successful than male owned businesses. They also noticed that the culture of the society restricts opportunities for female entrepreneurs to grow and outperform male owned businesses. An additional study undertaken in Pakistan by Jan *et al.* (2013) who attempted to identify entrepreneurs' success factors, noticed that opportunity, risk taking and resources play vital role in the success of entrepreneurship business. They also found entrepreneurship businesses are not monitored properly and government has little support regarding provision of training and new ideas.

Salwa *et al.* (2013) explored the profile of successful microcredit entrepreneurs and examined the key factors contributing to their success in Malaysia. They found finance, government support, education, and experience to be significant contributors to success.

They also found significant and positive impact of training on the success of microcredit entrepreneurs. Salwa *et al.* advised all entrepreneurs to grab opportunities and attend training programs. AbdulWahab and Rafiki (2014) tested performance measures of Muslimpreneuers' al-falah in Malaysia.

They found excellence of Islamic business concept over the conventional concept through its positive results on business operations which merely aim to seek happiness in the world and the thereafter. Omar and Azmi (2015) attempted to identify factors that influence success of Bumiputera entrepreneurs in SMEs. They found the key factors that influence entrepreneurs' success or otherwise in SMEs include weaknesses in management, failures in marketing, and difficulties in obtaining financial assistance.

Zimmerman and Chu (2013) used a questionnaire survey to examine the motivations of entrepreneurs in Venezuela, and success factors. They found Venezuelan entrepreneurs are motivated by being their own bosses and increasing their personal income. They further found good general management skills, appropriate training, accurate record keeping, and political involvement to be important success factors.

Ganyaupfu (2013) attempted to analyze the effects of entrepreneur and firm characteristics on the success of SMEs in South Africa. He found managerial competence and education have the highest statistically significant positive effects on SMEs success; followed by experience, period of enterprise in business, location of firm, size of the firm and the sector; respectively.

Ganyaupfu recommended improvements in working experience by entrepreneurs as a necessary ingredient to enhance their enterprises success. Lekhanya and Mason (2014) examined factors that influence the success of SMEs in rural areas in South Africa.

They found limited access to funding and securing bank funding are factors that significantly differentiated between successful and unsuccessful businesses. Garg and Makukule (2015) examined factors that affect business growth by shebeens and taverns owners in Soshanguve Township. They observed a weak but positive relationship

between capital, managerial skills, government support, legislation, regulations and the growth of the business, while entrepreneurial capabilities showed a strong and positive relationship with growth. They also found that awareness of business risk; its management and willingness to take risk are the key factors to growth.

Abdesamed and Wahab (2014) identified factors that determine SMEs who apply for bank loans. They found business experience of a firm's owner does not have significant relation with the firm's tendency to apply for a bank loan. They found a positive relationship between firm's applying to bank loan and the firm's business plans and start-up relationship with bankers.

Abdesamed and Wahab also observed a negative relationship between firm's applying to bank loans and the educational background of the firm's owner, the firm's size and collaterals.

Bouazza *et al.* (2015) examined factors influencing the growth rate of SMEs in Algeria. They found growth rate of SMEs is subject of environmental factors such as unfair competition from the informal sector, regulations, lack of access to external financing, and low human resources capacities.

They also found growth rate of SMEs depends upon internal factors such as entrepreneurial characteristics, low managerial capacities, lack of marketing skills, and low technological capacities. Bouazza *et al.* concluded that the government should make a greater effort to create a meaningful policy to improve the country's business climate.

Okřęglicka (2015) reviewed the literature behind factors of small business success. He found the success factors are classified into internal and external. The internal determinants result from the personality of the entrepreneur being a driving force of small enterprise and the characteristics of the unit. External factors are due to environmental influences, both competitive environment and macro-environment.

However, Okřęglicka reported that it is difficult to find a comprehensive study, classifying the determinants of success according to certain criteria.

Guzmán and Lussier (2015) used personal interviews to analyze SBs success versus failure variables in Mexico. They found successful SBs use professional advice, successfully attract and retain employees and those businesses with partners. In a recent study, Trang (2016) examined the success factors of SMEs entrepreneurs in Vietnam. He found the key success factors include managerial knowledge such as knowledge of business and management and management skills such as planning, organizing and controlling. Trang also explored personal characteristics such as flexibility, adventurous and punctilious spirit and experience of the entrepreneurs.

As far as the Gulf Co-operation Council (GCC) region is concerned, few studies have been undertaken to examine the key factors behind small business success (see for example, Saudi Arabia: (Bageis *et al.*, 2005; Sadi and Iftikhar, 2011; Ikediashi *et al.*, 2014; Alturaigi and Altameem, 2015). UAE: (Kargwell and Inguva, 2012; Yaseen, 2014). Bahrain: (Kukreja and Alshirawi, 2014). A brief review of each of these studies is the subject of the succeeding section.

Bageis *et al.* (2005) explored factors that assist new and existing SMEs to be successful in Saudi Arabia. They found intra-organization success factors such as appropriate organization structure and good time management play significant role in the success of SMEs. They also found inter-organisations success factors and change management skills lead to the success of SMEs.

Sadi and Iftikhar (2011) examined factors critical to the success of small-medium sized business marketing. They found marketing planning to be an important factor of success while internet use and personal/social networks have little or no impact. Ikediashi *et al.* (2014) investigated project failures in Saudi Arabia. They found poor risk management; budget overruns and poor communication are the most critical failure factors for infrastructure projects.

They concluded project risk management frameworks should be re-designed to reduce a project's unexpected exposure to risk. Alturaigi and Altameem (2015) looked into critical success factors of implementing mobile

commerce (m-commerce) in Saudi Arabia. They found m-commerce allow users to securely manage their businesses online, from any location and at any time.

Kargwell and Inguva (2012) examined the key factors of success, the areas of focus and the new business ideas for entrepreneurs graduated from UAE universities.

They noticed that entrepreneurs believe education is a critical success factor. They also noticed that recognition and rewards from the local up to the national level will energize and encourage new entrepreneurs. Yaseen (2014) used semi-structured interview to explore the unanticipated challenges facing small-business owners. He identified three factors challenged small-business owners losing business to competitors, implicit overhead expenses and high employee turnover rate.

Kukreja and Alshirawi (2014) examined factors affecting business environment in the Kingdom of Bahrain. They found the cost of doing business is reasonable and the economic environment has positive impact on business environment and investment opportunities in Bahrain.

It is evident from the above brief literature review that limited research has been conducted in the GCC countries on factors influencing SBs success. This emphasizes the need for empirical testing in different environmental contexts of country, time and industry to enhance our understanding. Hence, adding new evidence behind SBs success from the State of Kuwait will enhance the current body of the literature.

3. DATA COLLECTION AND STUDY METHODOLOGY

During the period between July and September 2016, 300 questionnaires were distributed to small businesses in services, industry, retail, and other sectors in Kuwait. Small businesses were requested to complete a questionnaire that contained two sections.

The first section comprised general and background information about the participant. The second section contained possible internal and external factors expected to contribute to SBs success. The choice of the factors included in the questionnaire was based on the grounds that they have been heavily documents in previous research. 240 out of the 300 questionnaires returned completed resulting in 80% usable response rate.

The questionnaires were then entered in an SPSS file for analysis. Descriptive statistics has been employed to shed some light on the participants. Descriptive statistics has been also used to identify internal and external factors that influence the success of small businesses in Kuwait.

To identify statistically significant differences between two or more groups of the independent variables, Kruskal-Wallis has been employed. Kruskal-Wallis test is an alternative to the parametric one-way ANOVA, and an extension to the Mann-Whitney U test that permits comparison between only two independent groups.

To measure the internal consistency (reliability) of the collected data, Cronbach's Alpha (α) using SPSS Statistics was performed.

Cronbach's Alpha (α) computed for the internal factors, external factors and all factors expected to affect SBs success in Kuwait and listed in the questionnaire. This resulted in 0.794, 0.810, and 0.872 respectively. In general, a commonly acceptable Cronbach's Alpha (α) is ≥ 0.70 .

4. FINDINGS

4.1. Participants Background

Table (1) summarizes the main characteristics of the participants in the questionnaire. It can be observed in the table that 52.5% of the participants are Kuwaitis and 75% are males. The fact that the vast majority of participants are males reflects the nature of the Kuwaiti conservative society where women's participation in the economic activities is limited to certain sectors.

The table further revealed that the vast majority of the participants are married and aged between 30-40 years. What attracted one's attention in Table (1) is more than one third the participants only have high school or less. The competitiveness of the Kuwaiti market and availability of too many highly educated citizens makes it difficult for the less educated to find job opportunities.

In addition, since Kuwait is a rich country, many of its citizens are not prepared to accept certain jobs undertaken by unskilled expatriate workers. Government assists Kuwaitis with high school or less qualification in setting their own businesses. Hence, it's not surprising to have many small businesses in Kuwait owned and run by less educated citizens. Most of the participants in the survey are either owners or managers and a significant proportion of the participants indicated that their businesses ages are 7 years or more.

Table-1. Participants' background

Participant		Frequency	Percent
Nationality	Kuwaiti	126	52.5
	Non-Kuwaiti	114	47.5
	Total	240	100.0
Gender	Male	180	75.0
	Female	60	25.0
	Total	240	100.0
Marital Status	Single	67	27.9
	Married	173	72.1
	Total	240	100.0
Age	less than 30 years old	58	24.2
	from 30-40 years old	116	48.3
	from 40-50 years old	46	19.2
	More than 50 years old	20	8.3
	Total	240	100.0
level of Education	less than high school	21	8.8
	high school	65	27.1
	Diploma	47	19.6
	Bachelor	81	33.8
	Master level	21	8.8
	Ph.D.	5	2.1
	Total	240	100.0
Occupation	Owner	28	11.7
	Manager	62	25.8
	Owner and manager	71	29.6
	Other	79	32.9
	Total	240	100.0
Project Age	less than 3 years	34	14.2
	from 3-7 years	91	37.9
	from 7 to 10 years	60	25.0
	More than 10 years	55	22.9
	Total	240	100.0
Project Sector	Service	80	33.3
	Industry	28	11.7
	Retails	34	14.2
	Other	98	40.8
	Total	240	100.0
Capital At the start of the project	less than 3 KD thousand	22	9.2
	from 3- 10 KD thousand	63	26.3
	from 10-20 KD thousand	41	17.1
	More than 20 KD thousand	114	47.5
	Total	240	100.0

Source:: The table is a summary of the participants response to the distributed questionnaire

Finally, the table indicated that the participants represent different sectors of the economy and the starting-up capital ranged between \$10,000 and \$70,000, with the vast majority starting capital was between \$35,000 and \$70,000. The diversity of the participants in the survey in terms of their backgrounds, age of their businesses, the sector within which they operate and the starting-up capital gives credibility to the outcome of the study and provides strong ground for generalization.

4.2. Internal Factors Expected to Influence SBs Success

Table (2) summarizes participants' opinions about the most important internal factors influencing SB success in Kuwait.

Table-2. Participants' opinions about the most important internal factors influencing SB success in Kuwait

Internal Factors	Mean	Median	Std. Deviation	Min.	Max.	Rank on the basis of the mean
The entrepreneur's character	4.325	5.000	1.3044	1.0	5.0	8
Academic qualifications of the owner(s)	3.417	4.000	1.3039	1.0	5.0	14
The entrepreneur's experience	4.558	5.000	.8802	1.0	5.0	1
Academic qualifications of the organization's personnel	3.433	4.000	1.2048	1.0	5.0	13
Quality of training offered by the organization	4.233	5.000	1.2221	1.0	5.0	11
Working according to plan	4.301	5.000	1.2541	1.0	5.0	10
The time of starting-up the business	4.104	5.000	1.2449	1.0	5.0	12
Association with winners	4.313	5.000	1.2024	1.0	5.0	9
Marketing factors as sales promotion	4.467	5.000	.9847	1.0	5.0	2
Quality of the product	4.438	5.000	1.1224	1.0	5.0	3
Price of the product or service	4.396	5.000	1.0418	1.0	5.0	7
Hard work	4.429	5.000	1.1729	1.0	5.0	5
Keeping good records of sales and expenses	4.408	5.000	1.1166	1.0	5.0	6
Financial incentives offered by the organization to its personnel	4.433	5.000	1.0568	1.0	5.0	4

Source: Statistics appear in this table are the outcome of the questionnaire analysis.

It is evident from the table that the participants either agreed or strongly agreed with almost all factors listed in the questionnaire as reflected by the mean and the median except for the academic qualifications of the owner. This implies that almost all factors listed in the questionnaire are crucial to SB success in Kuwait. However, entrepreneur's experience, marketing factors as sales promotion, quality of the product/ service offered by the SB, financial incentives offered by the organization to its personnel and hard work appeared to be the most important factors to SBs success in Kuwait.

The participants further indicated that the academic qualifications of entrepreneur and academic staff of SB personnel are the least important factors that affect SBs success in Kuwait. In other words, entrepreneur's experience, rewarded staff through generous financial incentives will result in hard work. This should be supported by the quality of the product/ service on offer and good marketing campaigns are behind the success of SBs in Kuwait. The findings are partially in line with previous research. Chowdhury *et al.* (2013) and Ganyaupfu (2013) reported entrepreneur's experience as an important factor in the success of SBs.

The findings also in support of Alasadi and Abdelrahim (2007); Al-Smaidat (2009); Chittithaworn *et al.* (2010); Sadi and Ifikhar (2011); Salwa *et al.* (2013); Omar and Azmi (2015) and Bouazza *et al.* (2015) who found marketing to have positive impact on SBs success. The findings are further consistent with Yuzbasioglu (2000) who found product/ service quality to be crucial to SBs success.

However, another part of the current study findings is different from that reported in previous research. Kargwell and Inguva (2012); Chowdhury *et al.* (2013); Salwa *et al.* (2013) and Ganyaupfu (2013) found entrepreneur and organization's staff education to be crucial to SBs success.

While in this study, staff training and keeping good records of sales and expenses factors appeared to be not the most important factors that affect SBs success in Kuwait, this was not the case in a study undertaken by Zimmerman and Chu (2013). Unlike previous research, the academic qualifications of the entrepreneur appeared to be not important to SBs success in Kuwait.

This can be explained on the grounds that more than 55% of the participants hold low academic qualifications. In addition, 30% of the participants are owners' managers. This means that they rely on highly educated managers to run their businesses. The fact that Kuwait has highly trained expatriate workers makes their level of education and training offered by the organization irrelevant.

Needless to say, the nature of many of the small businesses in Kuwait does not require high or sophisticated training. The timing to start-up a small business in Kuwait appeared to be not important to success since these businesses are not seasonal and they are created after studying market's needs. Given the simple features of SBs in Kuwait and the limited number of personal, it is expected to have simple planning and controlling systems. Working according to plan is not a difficult task to achieve. Hence, this would not be an important factor in the success of SBs in Kuwait.

To detect differences among the participants in the importance they attach to internal factors impact SBs success in Kuwait, Kruskal Wallis test was performed and the results are reported in table (3).

Table-3. Kruskal Wallis test of differences among the participants importance they attach to internal factors impact SBs success in Kuwait

	Nationality		Gender		Marital status		Age		level of education		Occupation		Project Age		Project Sector	
	X ²	Sig.	X ²	Sig.	X ²	Sig.	X ²	Sig.	X ²	Sig.	X ²	Sig.	X ²	Sig.	X ²	Sig.
The entrepreneur's character	4.86	0.03	3.51	0.06	4.19	0.04	20.53	0.00	35.08	0.00	13.62	0.00	18.32	0.00	15.04	0.00
Academic qualifications of the owner(s)	0.97	0.33	0.23	0.63	2.13	0.14	0.27	0.97	2.53	0.64	1.60	0.66	2.66	0.45	12.16	0.01
The entrepreneur's experience	7.57	0.01	6.78	0.01	7.11	0.01	15.72	0.00	30.43	0.00	5.75	0.13	16.32	0.00	12.55	0.01
Academic qualifications of the organization's personnel	0.39	0.53	2.53	0.11	0.18	0.67	0.41	0.94	0.42	0.98	2.83	0.42	6.24	0.10	5.04	0.17
Quality of training offered by the organization	3.56	0.06	4.59	0.03	8.48	0.00	10.62	0.01	25.27	0.00	6.34	0.10	28.92	0.00	19.38	0.00
Work according to plan	2.70	0.10	1.84	0.18	1.00	0.32	12.86	0.01	15.39	0.00	2.33	0.51	17.08	0.00	35.76	0.00
The time of start-up the business	0.13	0.72	0.92	0.34	3.76	0.05	7.46	0.06	7.53	0.11	1.30	0.73	10.55	0.01	14.96	0.00
Association with winners	7.51	0.01	0.69	0.41	0.61	0.43	5.38	0.15	17.56	0.00	5.74	0.13	22.56	0.00	21.31	0.00
Marketing factors as sales promotion	4.14	0.04	9.66	0.00	3.84	0.05	6.91	0.08	30.39	0.00	5.12	0.16	27.69	0.00	27.81	0.00
Quality of the product	6.81	0.01	0.38	0.54	2.53	0.11	21.42	0.00	31.82	0.00	11.53	0.01	16.67	0.00	23.99	0.00
Price of the product or service	6.98	0.01	4.83	0.03	5.74	0.02	6.39	0.09	27.89	0.00	7.42	0.06	17.24	0.00	18.55	0.00
Hard work	2.10	0.15	0.75	0.39	7.74	0.01	16.43	0.00	19.86	0.00	8.53	0.04	21.33	0.00	12.05	0.01
Keeping good records of sales and expenses	2.60	0.11	7.31	0.01	3.83	0.05	3.09	0.38	21.21	0.00	4.27	0.23	24.25	0.00	14.38	0.00
Financial incentives offered by the organization to its personnel	8.15	0.00	2.75	0.10	1.45	0.23	1.57	0.67	19.61	0.00	7.49	0.06	23.34	0.00	8.36	0.04

Source:: Statistics appear in this table are the outcome of the questionnaire analysis.

The table pointed to several significant differences among the participants. However, significant differences might be due to differences between those who agreed or strongly agreed to the importance of each of the listed factors. Yet, the table emphasized the fact that the success factors vary according to the participant characteristics. More importantly, the table revealed that it is difficult to have universal factors that underline SBs business success.

4.3. External Factors Expected to Influence SBs Success

Table (4) summarizes participants' view of external factors that influence SBs success in Kuwait.

Table-4. Participants' view of external factors that influence SBs success in Kuwait

External Factors	Mean	Median	Std. Deviation	Min.	Max.	Rank on the basis of the mean
Government Support	3.858	5.000	1.4936	1.0	5.0	7
Easy access to financial resources	4.225	5.000	1.2574	1.0	5.0	4
Support from relatives and friends	4.175	5.000	1.2980	1.0	5.0	5
The location of the organization	4.396	5.000	1.1042	1.0	5.0	1
Availability of trained labor force	4.279	5.000	1.2514	1.0	5.0	3
The weakness of competitive product/ service	3.921	5.000	1.3986	1.0	5.0	6
Attractive Legal and Regulatory Framework	4.321	5.000	1.1897	1.0	5.0	2

Source: Statistics appear in this table are the outcome of the questionnaire analysis.

The table demonstrates that the participants either agreed or strongly agreed with all factors included in the questionnaire as being important factors in determining SBs success in Kuwait except for government support and the weakness of competitive products/ service.

Yet, the participants indicated that business location, attractive legal and regulatory framework and availability of trained employees are the most important external factors that determine SB success in Kuwait. The result is not surprising in a rich country like Kuwait where everyone has a car and prefers a business location with car park. Small business legal and regulatory system makes it easy for every Kuwaiti to start her/ his own business.

Highly trained expatriate workers ensure speedy start of the small business and ensure its continuity. Availability of high liquidity in a rich country like Kuwait gives easy access to financial resources to entrepreneurs and this contributes to their success. Furthermore, government direct and indirect support of its citizens assists them in relying on their own income to start their own businesses.

They, therefore, do not need any financial support from relatives and friends or from government. The participants believe that their success does not result from the weakness of their competitors. It is dependent on their strong marketing and promotion campaigns.

The results of the analysis are partially consistent with previous research. [Ganyaupfu \(2013\)](#) noticed that the location of the business is an important factor to SBs success in South Africa. However, the outcome of the current study is inconsistent with results reported by [Sanayei and Rajabion \(2009\)](#); [Islam et al. \(2011\)](#); [Jan et al. \(2013\)](#); [Salwa et al. \(2013\)](#); [Zimmerman and Chu \(2013\)](#) and [Garg and Makukule \(2015\)](#) who showed government support to be an important factor to SBs success.

This result is not surprising since Kuwait is a rich country and its per capita income is one of the highest in the world. Kuwaiti citizens receive direct and indirect financial support from government. Hence, Kuwaitis have enough earnings to start their own businesses without direct government support. Furthermore, government provides advanced business environment, infrastructure and subsidizes electricity and other utilities that increase SBs expenses in other countries.

To identify possible differences among the participants about external factors expected to impact SB success in Kuwait, Kruskal Wallis test was performed and the outcome of the test is summarized in Table 5.

Table-5. Kruskal Wallis test of differences among the participants importance they attach to external factors impact SBs success in Kuwait

	Nationality		Gender		Marital status		Age		level of education		Occupation		Project Age		Project Sector	
	X ²	Sig.	X ²	Sig.	X ²	Sig.	X ²	Sig.	X ²	Sig.	X ²	Sig.	X ²	Sig.	X ²	Sig.
Government Support	.094	.759	4.901	.027	1.073	.300	10.609	.014	31.067	.000	1.041	.791	11.598	.009	35.162	.000
Easy access to financial resources	.532	.466	2.573	.109	5.537	.019	11.952	.008	27.726	.000	2.796	.424	19.930	.000	14.717	.002
Support from relatives and friends	2.017	.156	2.085	.149	2.051	.152	15.159	.002	47.748	.000	4.265	.234	25.448	.000	24.141	.000
The location of the organization	2.169	.141	6.079	.014	8.157	.004	17.692	.001	31.868	.000	7.169	.067	26.826	.000	16.447	.001
Availability of trained labor force	5.514	.019	.749	.387	17.844	.000	18.345	.000	38.292	.000	7.924	.048	27.638	.000	26.987	.000
The weakness of competitive product	1.865	.172	9.768	.002	3.537	.060	8.862	.031	39.647	.000	2.070	.558	12.697	.005	29.944	.000
Attractive Legal and Regulatory Framework	.023	.880	1.790	.181	4.736	.030	9.484	.024	33.260	.000	3.134	.371	14.210	.003	19.137	.000

Source: Statistics appear in this table are the outcome of the questionnaire analysis.

The table pointed to several significant differences among the participants about the importance they attach to external factors expected to affect SBs success in Kuwait. Once again, this gives clear indication that it is difficult to find universal external factors that affect SBs success.

5. CONCLUSION

In this study, the attempt was made to explore internal and external factors that determine SBs success in Kuwait. To achieve this objective, during July- September 2016, 300 questionnaires were distributed to Kuwaiti SBs owners, managers, owner managers and others in different sectors of the economy including services, industry, retails and others. 240 questionnaires returned completed resulting in 80% usable response rate.

The questionnaire was divided into two parts. The first part requested background information about the participants and their businesses. The second part comprised a list of internal and external factors documented in previous research and the participants were asked to express the level of their agreement with each factor. The result of analyzing the internal factors pointed to the entrepreneur's experience, marketing factors as sales promotion, quality of the product/ service, financial incentives offered by the organization and hard work as the most important factors.

On the other hand, academic qualifications of the owner(s) and academic qualification of the organization's personnel appeared to be the least important factors of SBs success in Kuwait. As for the external factors that would affect SBs success in Kuwait, the location of the organization together with attractive legal and regulatory framework and availability of trained labor force appeared to be the most important factors. However, unlike many results reported in previous research, government support appeared to be the least important external factor to SBs success in Kuwait.

This result is not surprising since most of the participants in the questionnaire hold low academic degrees. In addition, many entrepreneurs rely on highly educated managers. Hence, the level of entrepreneur's education will not be a crucial factor to SBs success in Kuwait. Given Kuwait hosts highly trained immigrant workers, their level of education would not be an issue.

Yet, the success of the SBs in Kuwait is influenced by financial incentive offered by the organization to its personnel together with marketing factors as sales promotion. This implies that SBs in Kuwait cares about their staff and their customers. The fact that the success of SBs in Kuwait is not influenced by government support

reflects the level of income in Kuwait as it is one of the highest per capita in the world. Yet, government assist in providing infrastructure, business environment and offers attractive legal and regulatory framework to SBs

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