Identifying Small and Medium Enterprises (SMEs) Challenges in Kuwait (Evidence from Owners Perception)

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ABSTRACT

In Kuwait, small and medium-sized businesses (SMEs) are widely acknowledged as important drivers of economic expansion and job creation. This study aims to look into the barriers that SMEs' owners in Kuwait believe are preventing them from growing. The methodology employed in this research involves a combination of qualitative and quantitative approaches, including surveys and interviews with SME owners. The data collected will be analyzed using thematic analysis and statistical techniques to gain a comprehensive understanding of the challenges faced by SMEs in Kuwait. The results highlight the distinctive difficulties faced by Kuwaiti SMEs and provide insightful information for policymakers, stakeholders, and SME proprietors, assisting in the formulation of targeted strategies to promote the growth of SMEs in Kuwait and strengthen their contribution to the nation's economic environment.

Keywords: Financial Challenges, Market Challenges, Regulatory Challenges, Investment Environment Challenges, Management Skills Challenges, Growth of SMEs, Kuwait.

INTRODUCTION

Increasing SMEs boosts economic growth. Demographic and technological changes are transforming the global economy, creating new opportunities and hazards for businesses. To reduce these pressures, commercial and public organisations and governments should value SMEs (Doran et al., 2018). Schumpeterian doctrine says SMEs innovate and employ. Numerous studies show that governments are providing SMEs with productivity-boosting amenities (Marcotte, 2013). Governments and other stakeholders consistently identify lucrative and unproductive sites that may boost SMEs' earnings.

New SMBs boost structural change, productivity, competition, job creation, and innovation. Autio (2014) warns that economies may stagnate without new SMEs. New businesses boost innovation and growth.

Thus, developed and developing countries need SMEs to generate employment and grow the economy. They think small and medium companies can boost self-sufficiency, job creation, foreign product and service substitution, and more (Bilal & Al Mqbali, 2015). Several scholars say SMEs may enhance economic growth, poverty reduction, employment, community welfare, productivity and capacity, innovation, and trade balance.

In any economy, SMEs seek new products and markets to grow. Improving new business efforts, supporting systems, and advantageous conditions for SMEs are essential (Doran et al., 2016; Miniaoui & Schilirò, 2016; Audretsch et al., 2015; Banerjee, 2011). Economics professionals want to comprehend SMEs' activities and concerns.

This academic research identifies Kuwaiti SMEs' main challenges that hamper growth and drive many out of the market to aid policymakers.

Kuwait has significant youth unemployment, competitiveness, fiscal deficits, and dependency on oil and gas exports and revenue (Isik, 2018). According to Miniaoui and Schilirò (2016), Kuwait need economic diversification. Through technology, innovation, and creativity, SMEs create jobs, market competition.

Research Objectives

The research seeks to uncover Kuwaiti SMEs' main market exit factors. Countries study SME concerns intensively. Its findings cannot be extrapolated to all countries studying Kuwait, they say. Thus, this research will reveal Kuwaiti SMEs' difficulties. Additionally, this poll will assess owners' priorities. Data from global and local organisations, earlier research, books, and a structured survey will be retrieved to achieve the following goals:

• Determine significant Kuwaiti SME concerns.

· Determine how Kuwait National Assembly policies can aid SMEs.

Research Questions

This study solves these questions to achieve research goals

What limits and difficulties do Kuwaiti SMEs face?

• What are Kuwait's primary SME challenges?

Research Methodology:

This study included qualitative and quantitative approaches, including SME owner surveys and interviews. Theme analysis and statistical tools will be used to understand Kuwaiti SMEs' problems.

The design's benefits include flexibility, faster response times, data input and handling automation, minimal costs, and quick data collecting (McCusker & Gunaydin, 2015). Startup and SME owners were targeted. With 384 samples and 420000 people, the confidence level is 95% and the interval is 5.   Sampled randomly. Using an online survey form, real-time results were gathered. Narrative-Textual Case Study employed secondary data. The author addressed research concerns using educational resources, data, and information from e-libraries, online databases, the WWW, internet, and intranet. Data was analysed in SPSS and presented in charts and graphs to illustrate findings. Patten and Newhart (2017) say SPSS is the most used quantitative statistical approach. Effective data management organises output. Kuwaiti ethics were followed. The supervisor and MSM management approved the survey. Maintaining participant confidentiality is also assured.

LITERATURE REVIEW

As this research is on the growth of SMEs in Kuwait and their challenges, some background on Kuwait is required. Kuwait's top Arabian Gulf position matters. Kuwait is an important Middle East-Asian commerce hub due to its location. Kuwait joins GCC with five others. Kuwait is small, with 18,000 square metres of land (Central Statistical Bureau, 2020). Kuwait's population is estimated at 5 million (PACI, 2020).

Iraq invaded Kuwait in 1990, devastating it. Over 33 nations helped Kuwait gain independence on February 26, 1991. The invasion ruined Kuwait's economy. Strong development followed independence. Kuwait's assets and finances fuelled growth. Oil prices soared. Oil money drove Kuwait's growth (CIA, 2018). Kuwait, an OPEC member and oil reserve leader, also influences. Kuwait is investing in numerous industries and helping SMEs via the Kuwaiti Fund for Small and Medium Businesses

to diversify its revenue and reduce its oil dependency (Central Intelligence Agency, 2018).

SMEs DEFINITION AND IMPORTANCE:

SMEs have changed marketplaces and revolutionised many conventional economies, defying the idea that major firms control markets and that high barriers of entry prohibit entrants. One-third of UK private sector businesses had fewer than 20 employees in 1994 (Bacon et al., 1996). Nearly 48% of UK private sector employment was in businesses under 50 in 1999 (Ried et al., 2000). In 1990, small businesses employed over half of the US workforce (Deshpande & Golhar, 1994), and in 1995, 78% of American firms had less than 10 employees (Heneman et al., 2000). moderate. Medium-sized enterprises employ 50–200 people and sell $5–10 million (AbuZaineh & Ruel, 2008: 127). Since this research is about Kuwait, the final word will be used.

Kuwaiti SMEs:

Many economies depend on SMEs. SME growth has surged in GCC. SMEs generate 30% of UAE GDP and 86% of employment. SMEs contribute 28% to Saudi Arabia's GDP (Rampurwala & Marafi, 2011). SMEs boost GDP and jobs. GCC development depends on SMEs. UAE SMEs provide 30% of GDP and 86% of jobs. In KSA, SMEs make about 28% of GDP.

Kuwait has undeveloped and underused SMEs. Kuwait has 85% public sector employment. Nationals like public sector jobs. Only so many public sector posts are available. Thus, Kuwait needs new employment and funding. Over 51% of Kuwait's population is under 21, therefore employment will rise in the next years. This would need rapid legislation to help Kuwaiti SMEs start up and create new jobs for youth.

GDP growth in Kuwait is slower than other GCC nations. Figure 2.1 shows Kuwait's 0.7 percent Real GDP growth is below average. Kuwait must build new industries other than the state sector, and SMEs are the best and most reliable option (Rampurwala & Marafi, 2011).

**Figure 2.1: Real GDP growth in GCC**
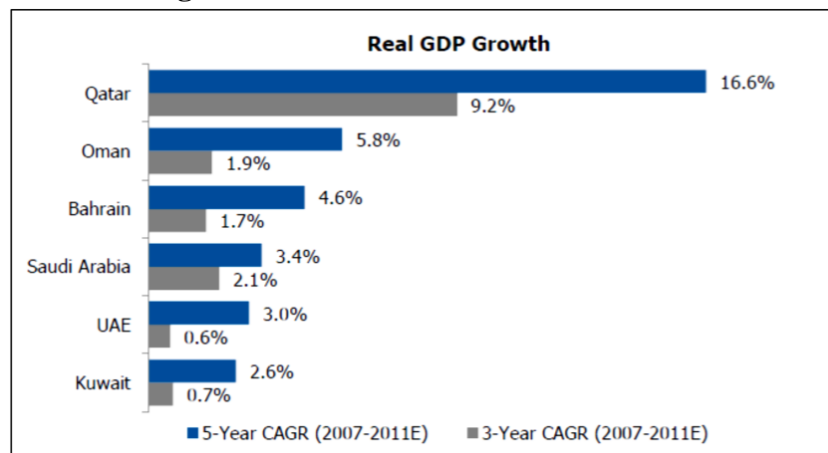
Source: Rampurwala & Marafi (2011)

Kuwait Parliament suggested an independent SME organisation in 2010. Kuwait was expected to have 400 SMEs in four years. Rampurwala & Marafi (2011) predict that "SMEs are likely to become the linchpins of Kuwait's growth in the coming years" (p. 333). AlShall Consulting reported in 2012 that the Kuwait government is establishing 2 billion Kuwaiti Dinar to support small projects. The authority seeks revenue diversification and employment creation. Authority creation was approved. In four years, the authority hopes to create 400 SMEs. SMEs contribute to local employment and GDP (Figures 2.2 and 2.3).

Figure 2.2: SMEs' contribution to employment
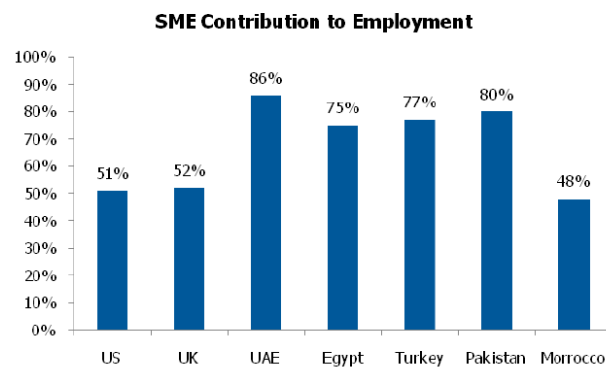
Source: Rampurwala & Marafi (2011)

Kuwait grasped the significance of these firms late, and 85% of its workforce is government-employed (Ali & Nawaf, 2011). The Kuwaiti private sector and SMEs employ less than 15% of the workforce due to oil reliance. The private sector has historically underemployed the country. The Kuwaiti government is progressively recognising the significance of SMEs and establishing policies to promote and assist their creation (Ali & Nawaf, 2011). Kuwait's SMEs are expected to flourish and create jobs (Ali & Nawaf, 2011).

Figure 2.3: SME contribution to GDP
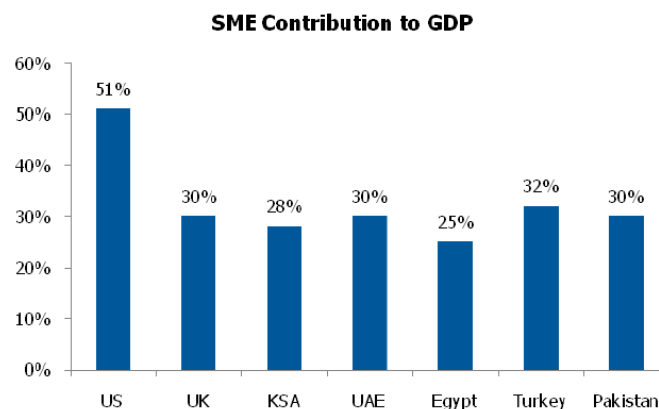
Source: Rampurwala & Marafi (2011)

SMEs will provide employment and experiences, boosting Kuwait's human capital (Rampurwala & Marafi, 2011). Kuwait Small Projects Development Company was created in 1996 with 100 million KD government money. By purchasing equity shares, it offers venture capital to SMEs. The company targets SMEs under 500,000 K.D. The Kuwait Chamber of Commerce, Industrial Bank of Kuwait, and Retaj Company promote SMEs (Hertog, 2010). Kuwait's recent use of e-government is expected to make starting new SMEs simpler by decreasing bureaucracy and offering investors equal chance (Hertog, 2010). Kuwaiti SMEs will benefit from these government-private collaborations.

MARKET CHALLENGES
Overcoming market difficulties takes leadership. Dolnicar and Lazarevski (2009) examined UK, US, and Australian non-profit marketing. The most important marketing tactic was promotions. Herstein and Jaffe (2013) examined Nigerian agricultural enterprises' marketing issues. This survey included 30 top managers from these firms. Management knows marketing. Their expertise wasn't applicable to Nigeria. Zehir et al. (2006) claimed various variables affect SME development. Consider marketing, management, and IT. Market rivalry also helps SMEs grow (Gill & Biger, 2012).

2.3 Rules
Government reduces corporate barriers to encourage entrepreneurship (Gill & Biger, 2012). SMEs development policy goals differ per industry's transition economy, but government-controllable structures and skills are necessary (Wang et al., 2000). Bilal & Al Mqbali (2015) advise local governments network and oversee small and medium companies. To help SMEs grow, local government SME development and planning should build long-term stakeholder relationships. Mambula (2002) claims weak restrictions stifle SME development. Municipalities should promote public expenditure, legislation, and services to boost business. Abor & Quartey (2010) noted that regulatory barriers may raise start-up expenses including licencing and registration fees, impeding SME growth. Berger and Udell (2002) showed regulatory concerns affected bank lending in numerous nations. Regulations will impede SME expansion (Abor & Quartey, 2010). I suggest hypothesis 2

INVESTMENT ENVIRONMENT CHALLENGES
Small enterprises struggle with income and risk (Katchova, 2009). Small company entrepreneurs seldom have enough capital to run a successful firm, thus they require internal and external finance. Investments, loans, and family and friend money are accessible (Leavell and Maniam, 2009). Low investment damages SMEs (Pansiri and Temtime, 2010). Small firms need additional money and have limited personal resources, therefore the owner's investment choices may affect their long-term survival (Leavell and Maniam, 2009). Limited investment capacity hinders SME growth (Schilirò, 2015). Investment possibilities limit SME growth (Abor & Quartey, 2010). Bilal & Al Mqbali (2015) considered investment environment difficulties the biggest SME development hurdles. Low investment hinders SME growth (Naidu &

Chand, 2012). Investment concerns affect SMEs (Pansiri and Temtime, 2010). Hypothesis: H3: Investment circumstances limit Kuwaiti SMEs' expansion.

2.4 Money Problems

SME startups need funding (Abu Baker et al., 2017). To succeed, SMEs needed resources before exploring new business prospects. SMEs should seek different finance, argue Badal & Ott (2015). Small businesses don't borrow since they have plenty. Abu Baker et al. (2017) said rich SMEs start more. Urban (2012) believes personal money is worth more than borrowed money, thus borrowing may be better. Lingelbach et al. (2005) advise SME owners to borrow. Government or private aid depends on startup and entrepreneur circumstances. Blackwood and Mowl (2000) say effective firms manage money and operations. Lack of bank finance hurts entrepreneurs (Bilal & Al Mqbali, 2015). Government neglect impacts SMEs (Gill & Biger, 2012). In Azerbaijan, SME bank loans are rare. Short-term bank fees were substantial. EBRD (2014) says 45% of Azerbaijani firms fear bank loans. A 2013 World Bank study found SME finance issues. Finance is hardest when spending heavily and recruiting partners, argues Kuriakose (2013). Lownes-Jackson et al. (2003) list 11 financial problems for African American SME owners. Lack of capital, high operating costs, poor money management, and outside financing issues. Experts have studied how capital limitations inhibit SME growth (Pettit and Singer, 1985). Financial limitations limit SME growth (Gill & Biger, 2012; Bilal & Al Mqbali, 2015). Study hypothesis

2.5 Management Issues

Lynch (2000) stressed organisational abilities. Effective managers need specific talents (Al-Madhoun and Analoui, 2003). Running a business requires management. Socialisation and education may teach management. Pansiri and Temtime (2008) argue general education and fundamental management abilities of SME owners affect performance. Skilled managers operate the firm, say the writers. SME entrepreneurs may overcome challenges with good management (Pansiri and Temtime, 2008). Management skills affect SME success, according to Bilal & Al Mqbali (2015). Skills are needed to manage limited resources and succeed in SMEs. Management could help SMEs expand, say Bouazza et al. (2015). Gill & Biger (2012) said SMEs lack managerial skills. The authors noted many SMEs establish businesses without knowing how to run them. Management skills may hinder SME development (Bouazza et al., 2015; Gill & Biger, 2012; Bilal & Al Mqbali, 2015).

Work-family conflicts

Work-family conflict is well-known (French et al., 2011; Smith, 2018; Leung, 2020). Work and family issues preclude finishing both (Gill & Biger, 2008). Younis, Zulfiqar, Arshad, and Imran (2011) argue family and business merge. Most company owners struggle with work-family balance. Conflict between job and family arises (Cegarra-Navarro et al., 2016). Balancing job and family causes tension (Leung et al., 2020). SMEs' work-family conflict is entrepreneurs' caregiving burdens. When family ignores company changes (Smith et al., 2018). Gill et al. (2010) found work-family conflict impacts SME growth. Hypothesis:

H6:   Work-Family Conflict Challenges are negatively related to (SMEs) growth in Kuwait.

LACK OF EXPERIENCE CHALLENGES

Business success requires experience (Gill et al., 2010). Company or job failure is certain without experience. However, experiential definition was disputed. Sari & Susanto (2018) define experience as execution. Experience and talent are linked. Years of experience have been studied by numerous academics (Coulombe et al., 2014; Waller, 2014). Experience is post-high school employment years (Waller et al., 2014).

Lack of Experience was operationalized as firm owners' understanding of business information sources and market trends in SMEs' development (Gill et al., 2010). Fielden and Dawe (2004) suggest the lack of experience hinders female SME entrepreneurs. Inexperience slowed SME development (Gill and Biger, 2008). Proposed hypothesis:

Inexperience inhibits Kuwaiti SMEs' development.

RESEARCH DESIGN AND METHODOLOGY

Use a research strategy to gather data for analysis. This chapter covers research methods. Start with the research question. Repetition of chapter one study goals and questions. To choose the right study design, this section discusses techniques, goals, methodology, and timeframe. Literature stimulates research theories. Tools for data analysis are shown. Determine the target population and debate research assumptions.

3.2 Issue

Kuwaiti SMB owners from many industries face obstacles. Many difficulties might force businesses out of the market, some told Kuwait National Assembly policymakers. A National Assembly member said many required market retention help. They acknowledge 2016 SME market departures. The report reveals SMEs are undersupported.

Research Theoretical Approach

Methods for studying. Research might be top-down or bottom-up. Research uses deductive and inductive methodologies. Deduct top-down. After a phenomena, researchers analyse literature. Many literary notions explain it. Researchers use conceptual models from similar studies to their work. Hypotheses are tested to confirm or refute theories (Bell et al., 2018).

Low induction. Haze first. Professionals contribute data after the researcher examines literature. Next, the researcher constructs themes around hot topics utilising data. Researchers develop new ideas using these patterns (Bell et al., 2018). This study is deductive.

DATA ANALYSIS METHOD

Data collection:

Survey: A structured questionnaire will be developed based on the identified challenges and literature review. The survey will be administered to a sample of SME owners in Kuwait.

Interviews: In-depth interviews will be conducted with a subset of SME owners to gather detailed insights into their perceptions of challenges.

Data analysis: A questionnaire was prepared to collect data. The questionnaire is structured and closed-ended. Age, education, gender, experience, and occupation are also asked. You must choose one. The questionnaire will start with the research aim and information. Variables quantify factors with varied quantities of statements.

Gill & Biger (2012) measure challenges. Financial issues include "I do not have enough money to run my business." One Management Skills Challenge is "I have no prior experience in small business management." Market issues include "There is a lot of competition in markets."

Kuwaiti firm owners may not know English, thus the questionnaire was translated into Arabic. Back-to-back translations verified the questionnaire. The first part of this questionnaire is based on gathering data in which the

respondents select the best answer that fits them according to multiple-choice selection. The second part, however, has data that was gathered using statements that are measured using a five-point Likert-type scale where: 1= Strongly Disagree, 2= Disagree, 3 = Neutral, 4= Agree, 5 = Strongly Agree.

2.1   TARGET POPULATION

The targeted population included owners of start-ups and SMEs. The sample size is 384, while the population size is 420000, Confidence Level is 95%, and Confidence Interval is 5.   Participants selected through the random sampling technique. The online survey questionnaire was sent to the respondents, and this method helped to get real-time results. Secondary data was utilized based on Narrative-Textual Case Study (NTCS) method. The approach allowed the author to employ educational materials intensively, data and information obtained from information and communication technology facilities such as e-libraries, online databases, World Wide Web, internet and intranet to get answers to the research questions.

DATA ANALYSIS, FINDINGS, AND DISCUSSION

The analyzation of gender shows that 45% of the participants in this study are males, while females represent 55% of the respondents. In Kuwait, there is an opportunity to start their own business from home, which has more interest from females than males. The analyzation of the age distribution shows that 48% of the participants are between 29-39 years old, while 34% are between 40-50 years old. In addition, respondents that are between 18-28 years old represent 14% and those above 50 years old are only 4%. The majority of the respondents fall between 29 to 50 years old (82%). These ages are critical as studies show that majority of business owners for start-ups are in the range from 20 to 50 years old.

The analyzation of the education distribution shows that 62% of the respondents have a college degree, while those with diplomas represent 36%. It is interesting to find that 2% of participants have only a high school certificate.

The analyzation of Experience level shows that 67% of the participants have more than three years of experience. Moreover, those that have between 2 to 3 years are 20% of the respondents. It is also seen that 11% of respondents have between 1 to 2 years. Those with less than one years' experience are only 2%, which demonstrates the importance of having work experience when starting a new business.

The analyzation of Occupation distribution demonstrates that 58% of the participants are working in the public sector. In addition, 25% of the participants work in the private sector. Self-employed represent 11% of the participants. Retired are unemployed represent very small percentages only.

Table 4.1: Summary of the Demographics

Demographic Variable	Category	Frequency	Percentage
Age	18-28 years	57	14%
	29-39 years	202	49%
	40-50 years	140	34%
	Above 50 years	17	4%
Education	High School	10	2%
	Diploma	150	36%
	College Degree or above	256	62%
Gender	Male	187	45%
	Female	229	55%
Experience Level	Less than 1 year	10	2%
	Between 1 and 2 years	45	11%
	Between 2 and 3 years	83	20%
	Above 3 years	278	67%
Occupation	Public Sector	242	58%
	Private Sector	103	25%
	Self-Employed	44	11%
	Unemployed	10	2%
	Retired	17	4%

4.1 Factor loading and KMO values

Factor loading is a way of identifying the variables into different components where a set of variables in a component is grouped according to their correlation (Pallant, 2010). The studies indicate that a value of less than 0.3 should be excluded due to its low correlation value.

Table 4.2: Factor loading, KMO values, and Explained Variance

Dimension name	Factor Loading	KMO	Explained Variance	Dimension name	Factor Loading	KMO	Explained Variance
Financial Challenges				**Work-Family Conflict Challenge**			
FIC1	.613	0.688	54.5%	FBC1	.857	0.571	65.9%
FIC2	.833			FBC2	.910		

FIC3	.823			FBC3	.644		
FIC4	.659						
Lack of Experience Challenges				**Regulatory Challenges**			
LEC1	.927			REC1	.843		
LEC2	.943	0.725	84.2%	REC2	.787	0.687	68.4%
LEC3	.883			REC3	.851		
Management Skills Challenges				**Investment Environment Challenges**			
MSC1	.811			IEC1	.865		
MSC2	.910			IEC2	.865		
MSC3	.913	0.801	74.4%	IEC3	.520	0.795	56.6%
MSC4	.812			IEC4	.754		
				IEC5	.703		
Market Challenges				**SME Growth**			
MAC1	.873			SMG1	.668		
MAC2	.874	0.616	65.7%	SMG2	.863	0.615	63.0%
MAC3	.666			SMG3	.837		

The Kaiser-Meyer-Olkin (KMO) measures the sampling adequacy based on predicting whether a set of data should be grouped together or not. A value of 0.5 or higher is regarded as an appropriate threshold for factor analysis. Table 4.2 shows the factor loadings for all the variables, which are all above 0.3, and the KMO values meet the threshold requirement of 0.5 or higher.

4.2 Reliability test

Reliability analysis is a statistical test that is used to examine the internal consistency between measures of a certain variable (Pallant, 2010). A good and acceptable CronBach value should be at least 0.7. Table 4.3 presents the CronBach values of the variables. In addition, the table shows that all the variables are reliable and can be used for further analysis.

Table 4.3: Cronbach's Alpha Reliability Test

Dimension name	No. of measures	Cronbach's Alpha
Financial Challenges	4	0.701
Lack of Experience Challenges	3	0.906
Management Skills Challenges	4	0.884
Market Challenges	3	0.719
Work-Family Conflict Challenges	3	0.722
Regulatory Challenges	3	0.767
Investment Environment Challenges	5	0.789
SME Growth	3	0.701

4.3 Descriptive Analysis of main study variables

Table 4.4 demonstrates the descriptive statistics of the research variables. It shows that all the variables, except for SME Growth, have a mean value that is higher than 3.

The table also shows that the minimum and maximum values for the majority of the variables lie between 1 and 5. With respect to standard deviation, Investment Environment Challenges had the lowest standard deviation. This means that majority of the response around the mean value of this variable.

Table 4.4: Descriptive analysis of the research variables

Variable			Mean	Std. Deviation	N
Financial Challenges	416	1.25	5.00	3.7584	.63549
Lack of Experience Challenges	416	1.00	5.00	3.2163	.93522
Management Skills Challenges	416	1.00	5.00	3.2013	.94592
Market Challenges	416	1.67	5.00	3.7612	.70503
Work-Family Conflict Challenges	416	1.00	5.00	3.1835	.77389
Regulatory Challenges	416	1.33	5.00	3.8205	.75506
Investment Environment Challenges	416	1.80	5.00	3.9779	.53096
SME Growth	416	1.00	5.00	2.8838	.64844

4.4 Pearson Correlation analysis

Correlation analysis is a useful tool to establish an association between two variables (Pallent, 2010). Table 4.5 presents the results of the correlation analysis. It shows that all variables have a significant negative correlation with SME Growth. However, all have weak correlations with SME Growth except for Work-Family Conflict Challenges, which had a medium strength correlation (-0.368).

Table 4.5: Pearson Correlation analysis of the model's variables

Variables	Financial Challenges	Lack of Experience Challenges	Management Skills Challenges	Market Challenges	Work-Family Conflict Challenges	Regulatory Challenges	Investment Environment Challenges	SMG_MEAN
Financial Challenges	1							
Lack of Experience Challenges	.447**	1						
Management Skills Challenges	.322**	.661**	1					
Market Challenges	.150**	.324**	.263**	1				
Work-Family Conflict Challenges	.305**	.404**	.425**	.240**	1			
Regulatory Challenges	.240**	.133**	.108*	.149**	.201**	1		

Investment Challenges	Environment	.316**	.164**	.104*	.164**	.209**	.354**	1	
SME Growth		-.284**	-.237**	-.257**	-.121*	-.368**	-.215**	-.211**	1

**. Correlation is significant at the 0.01 level (2-tailed).
*. Correlation is significant at the 0.05 level (2-tailed).

4.5 Regression Analysis

Regression analysis is used to examine the research hypotheses. This subsection examines the impact of the independent variables on the dependent variables (Pallent, 2010). Table 4.6 presents the regression analysis of factors influencing SME Growth.

Table 4.6: Regression analysis for factors influencing SME Growth

Factors	SME Growth		
	Beta	T value	P-Value
Market Challenges	.009	.185	.853
Regulatory Challenges	-.098	-2.020	.044
Investment Environment Challenges	-.074	-1.488	.137
Financial Challenges	-.134	-2.553	.011
Management Skills Challenges	-.096	-1.572	.117
Work-Family Conflict Challenges	-.258	-5.006	.000
Lack of Experience Challenges	.013	.195	.846
F	13.695		
dfs	7,408		
R2	0.190		

H1:   Market challenges are negatively related to (SMEs) growth in Kuwait.
Results in Table 4.6 shows that the influence of Market Challenges on SMEs Growth is .009. This result is not significant since the p-value is 0.853. This indicates that turbulences or changes in the market surrounding the SME business are not one of the important factors that lead to its growth. Hence, Hypothesis **H1 is not supported**.
H2:   Regulatory challenges are negatively related to (SMEs) growth in Kuwait.
The analysis of the data in Table 4.6 indicates that there is a negative influence of Regulatory Challenges on SMEs Growth in Kuwait (β=-0.098, p value=0.044). This shows that when the rules and regulations for establishing a new business get tough, there will be a decrease in the SMEs Growth. Hence, Hypothesis **H2 is supported**.
H3:   Investment environment challenges are negatively related to (SMEs) growth in Kuwait.
Table 4.6 shows that the influence of Investment Environment Challenges on SMEs Growth is -0.074. This indicates that for every one-point change in Investment Environment Challenges., there is -0.074 change in SMEs Growth. However, this influence is not significant since the p-value = 0.137. This implies that whether it is hard or difficult to find investment opportunities for the new business, there will not

be a significant impact on SMEs Growth. Therefore, Hypothesis **H3 is not supported**.

H4:   Financing challenges are negatively related to (SMEs) growth in Kuwait.

One of the important aspects of starting a new business is securing financing. The analysis has revealed that Financial Challenges have a negative influence on SMEs Growth (β=-0.134, p value=0.011). This implies that difficulties in acquiring loans to start the business or develop it have a downward effect on the SMEs Growth in Kuwait. Hence, Hypothesis **H4 is supported**.

H5:   Management skills challenges are negatively related to (SMEs) growth in Kuwait.

Results have shown that Management Skills Challenges have a negative influence on SMEs Growth, where the β = -0.096. However, this influence is not significant since the p-value = 0.117. This indicates that whether having the right set of skills to run the business or not, the success and growth of the business will not be affected. Therefore, Hypothesis **H5 is not supported.**

H6:   Work-Family Conflict Challenges are negatively related to (SMEs) growth in Kuwait.

Results have shown that the factor that had the most influence on SMEs Growth in Kuwait is Work-Family Conflict Challenges. Table 4.6 demonstrates that the β = -0.258 where the p-value = 0.000. This shows the importance of balancing between work and family in order to have the business succeed. Hence, Hypothesis **H6 is supported**.

H7:   Lack of Experience Challenges are negatively related to (SMEs) growth in Kuwait.

The final independent factor influencing SMEs Growth was Lack of Experience Challenges. Results in Table 4.6 demonstrates that the influence is very minimal (β = 0.013, p-value 0.846). This implies that acquiring the previous experience does not matter to SMEs Growth. Therefore, Hypothesis **H7 is not supported**.

4.6 Independent Sample T-Test

Table 4.7 presents the differences in means between males and females with respect to SMEs Growth. The table shows that males have a mean value of 2.89, while females have a mean value of 2.87. In terms of significance, results demonstrate that the difference is not significant, where the p-value is 0.716. Hence, males and females have similar perceptions.

Table 4.7: Differences in means for Gender

Variables	Male mean (& SD)	Female Mean (& SD)	t value	df	Significance
SMEs Growth	2.89 (0.641)	2.87 (0.655)	0.363	414	0.716

4.7 One Way ANOVA

Table 4.8 demonstrates the results of One Way ANOVA test for age with respect to SMEs Growth. Results indicate that there are significant differences between the various educational levels. Hence, participants who fall into different educational level categories had different perceptions of SMEs Growth. In order to find out which educational level differs from the others, a Tukey test is performed.

Table 4.8: One Way ANOVA for Education

Factor		Sum of Squares	df	Mean Square	F	Sig.
SMEs Growth	Between Groups	4.505	2	2.253	5.473	.005
	Within Groups	169.990	413	.412		
	Total	174.495	415			

Table 4.9 presents the Tukey test results in order to find out where are the differences exist. It shows that those respondents that have a college degree or above have higher perceptions with respect to SMEs Growth than those with a diploma (p-value = 0.003). This indicates that holding higher education makes the individual more aware of   what   makes   them   successful   in   their   business.

Table 4.9: Tukey Test for Education

(I) Education	(J) Education	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval Lower Bound	Upper Bound
High School	Diploma	.12000	.20953	.835	-.3729	.6129
	College Degree or above	-.09818	.20680	.883	-.5846	.3883
Diploma	High School	-.12000	.20953	.835	-.6129	.3729
	College Degree or above	**-.21818***	**.06597**	**.003**	**-.3733**	**-.0630**
College Degree or above	High School	.09818	.20680	.883	-.3883	.5846
	Diploma	**.21818***	**.06597**	**.003**	**.0630**	**.3733**

With respect to Age, as seen in Table 4.10, it demonstrates that there are significant differences between respondents when it comes to perceptions of SMEs Growth. This shows   the   importance   of   this   factor   as   the   p-value   was   0.004.

Table 4.10: One Way ANOVA for Age

Factor		Sum of Squares	df	Mean Square	F	Sig.
SMEs Growth	Between Groups	5.500	3	1.833	4.469	.004
	Within Groups	168.996	412	.410		
	Total	174.495	415			

Then, a Tukey test was conducted, which is found in Table 4.11. It shows that respondents that are between 40-50 and those above 50 years old have higher perceptions about SMEs Growth than respondents between 18-28 years old. This implies that older individuals consider the growth of their business more seriously than   younger   individuals.

Table 4.11: Tukey Test for Age

(I) Age	(J) Age	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval Lower Bound	Upper Bound
18-28 years	29-39 years	-.23942	.09606	.063	-.4872	.0084
	40-50 years	**-.26170***	**.10063**	**.047**	**-.5213**	**-.0021**
	Above 50	**-.59993***	**.17699**	**.004**	**-1.0565**	**-.1434**
29-39 years	18-28 years	.23942	.09606	.063	-.0084	.4872
	40-50 years	-.02228	.07043	.989	-.2040	.1594
	Above 50	-.36051	.16174	.117	-.7777	.0567
40-50 years	**18-28 years**	**.26170***	**.10063**	**.047**	**.0021**	**.5213**
	29-39 years	.02228	.07043	.989	-.1594	.2040
	Above 50	-.33824	.16449	.169	-.7626	.0861
Above 50	**18-28 years**	**.59993***	**.17699**	**.004**	**.1434**	**1.0565**
	29-39 years	.36051	.16174	.117	-.0567	.7777
	40-50 years	.33824	.16449	.169	-.0861	.7626

Table 4.12 demonstrates the results of One Way ANOVA test for experience level. It shows that the experience level is a significant factor for respondents when considering   perceptions   of   SMEs   Growth.

Table 4.12: One Way ANOVA for Experience Level

Factor		Sum of Squares	df	Mean Square	F	Sig.
SMEs Growth	Between Groups	20.049	3	6.683	17.828	.000

Within Groups	154.446	412	.375	
Total	174.495	415		

Table 4.13 presents the Tukey test analysis for Experience Level. It shows that the highest difference in mean was between those that have above three years of experience with the rest. It shows that the difference is the highest between those that have above three years with those with less than one year.

Table 4.13: Tukey Test for the experience level

(I) Experience level	(J) Experience level	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval Lower Bound	Upper Bound
Less than 1 year	Between 1 and 2 years	-.25926	.21405	.620	-.8114	.2929
	Between 2 and 3 years	**-.73012***	**.20495**	**.002**	**-1.2588**	**-.2014**
	Above 3 years	**-.86307***	**.19707**	**.000**	**-1.3714**	**-.3547**
Between 1 and 2 years	Less than 1 year	.25926	.21405	.620	-.2929	.8114
	Between 2 and 3 years	**-.47086***	**.11334**	**.000**	**-.7632**	**-.1785**
	Above 3 years	**-.60381***	**.09838**	**.000**	**-.8576**	**-.3500**
Between 2 and 3 years	**Less than 1 year**	**.73012***	**.20495**	**.002**	**.2014**	**1.2588**
	Between 1 and 2 years	**.47086***	**.11334**	**.000**	**.1785**	**.7632**
	Above 3 years	-.13295	.07658	.306	-.3305	.0646
Above 3 years	**Less than 1 year**	**.86307***	**.19707**	**.000**	**.3547**	**1.3714**
	Between 1 and 2 years	**.60381***	**.09838**	**.000**	**.3500**	**.8576**
	Between 2 and 3 years	.13295	.07658	.306	-.0646	.3305

Table 4.14 demonstrates the results of One Way ANOVA test for occupation. It shows that the difference is significant with respect to perceptions about SMEs Growth (since the p-value = 0.000).

Table 4.14: One Way ANOVA for Occupation

Factor		Sum of Squares	df	Mean Square	F	Sig.
SMEs Growth	Between Groups	11.925	4	2.981	7.537	.000
	Within Groups	162.570	411	.396		
	Total	174.495	415			

Table 4.15 demonstrates the Tukey test results of the Occupation. It shows that self-employed and retired individuals have higher perceptions regarding SMEs Growth than those working in the public sector. This can be explained by the fact that those self-employed or retired might have this business that they established as the sole source of income, while those employed in the public sector have a secure job and it is not important for them achieving success. It also shows that self-employed have higher perceptions about SMEs Growth than those that are unemployed.

Table 4.15: Tukey Test for occupation

(I) Occupation	(J) Occupation	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
Public Sector	Private Sector	-.08418	.07399	.786	-.2869	.1185
	Self-Employed	**-.39118***	**.10307**	**.002**	**-.6736**	**-.1088**
	Unemployed	.33912	.20295	.453	-.2170	.8952
	Retired	**-.58637***	**.15780**	**.002**	**-1.0187**	**-.1540**
Private Sector	Public Sector	.08418	.07399	.786	-.1185	.2869
	Self-Employed	-.30700	.11327	.054	-.6174	.0033
	Unemployed	.42330	.20831	.253	-.1475	.9941
	Retired	**-.50219***	**.16464**	**.020**	**-.9533**	**-.0511**
Self-Employed	**Public Sector**	**.39118***	**.10307**	**.002**	**.1088**	**.6736**
	Private Sector	.30700	.11327	.054	-.0033	.6174
	Unemployed	**.73030***	**.22033**	**.009**	**.1266**	**1.3340**
	Retired	-.19519	.17960	.813	-.6873	.2969
Unemployed	Public Sector	-.33912	.20295	.453	-.8952	.2170
	Private Sector	-.42330	.20831	.253	-.9941	.1475
	Self-Employed	**-.73030***	**.22033**	**.009**	**-1.3340**	**-.1266**
	Retired	**-.92549***	**.25064**	**.002**	**-1.6122**	**-.2387**
Retired	**Public Sector**	**.58637***	**.15780**	**.002**	**.1540**	**1.0187**
	Private Sector	**.50219***	**.16464**	**.020**	**.0511**	**.9533**
	Self-Employed	.19519	.17960	.813	-.2969	.6873
	Unemployed	**.92549***	**.25064**	**.002**	**.2387**	**1.6122**

4.8 Discussion

Research shows numerous variables affect SME growth. The biggest issue was work-family conflict. Should work-family conflict arise, company owners may feel pressurised and their SME may not expand. It will be hard to balance job and family. Work-family conflict hurts SMEs, according Smith et al. (2018) and Gill et al. (2010).

The second most important factor was Financial Challenges (β = -0.134). Protecting corporate money helps it grow and prosper. SMEs and growth will suffer from banks that made loans difficult to acquire. Financial issues impede SME growth, Gill & Biger (2012) and Bilal & Al Mqbali (2015) found.

The third most significant factor was regulatory barriers (β = -0.098). Corporate limitations may slow growth. Kuwaiti restrictions hamper company startup. Lack of online form submission and long approval process are impediments. Tougher restrictions hurt small enterprises. Abor & Quartey (2010) and Gill & Biger (2012) found a strong negative correlation between regulatory barriers and SME development.

Minor business issues were the least significant. Kuwait's market is well-structured and demand for new business premises is high, enabling growth. In contrast, Gill & Biger (2012) revealed Market Challenges hurt SME growth.

Minimal inexperience issues. This means the Kuwait Fund's SME assistance helps them expand. Inexperience negatively affects SME development, according to Gill and Biger (2008) and Gill et al. (2010).

For Investment Environment Challenges, this was irrelevant. This suggests Kuwait Fund for Small and Medium Company financing may be adequate to start the business. For expansion, people or organisations may invest in SMEs. In contrast, Bilal & Al Mqbali (2015) and Pansiri and Temtime (2010) found

Investment Environment Challenges impede SMEs.

CHAPTER FIVE: CONCLUSIONS, RECOMMENDATIONS, AND FUTURE RESEARCH

5.1 Introduction

Chapter five concludes the thesis. It starts by giving a brief conclusion of the topic. Next, it moved into answering the research questions, which were developed earlier in the study. Then, it provides recommendations to officials in order to enhance and develop the SMEs Growth in Kuwait. After that, it shed some light on the contribution of this study to the literature. Finally, it concludes by suggesting a few future research recommendations.

5.1   CONCLUSIONS

Interest in starting a company is changing. These enterprises are called SMEs. People with good ideas establish businesses. Being your own boss is becoming more likely. However, several factors may derail this path. Additionally, some SMEs struggle to expand. Doran et al. (2018) suggested private and governmental sectors promote SMEs jointly. The government should see aiding SMEs as an opportunity to generate jobs, which indirectly reduces unemployment (Marcotte, 2013). SMEs also boost productivity, sustainability, and innovation (Bilal & Al Mqbali, 2015; Banerjee & Duflo, 2011). However, SMEs still encounter hurdles while growing. Thus, this research examines these difficulties and their effects on SMEs' development. The next part   answers   research   questions.

Answers to the research questions

In this section, the research questions will be answered. an attempt will be made to answer the research questions. The answers will help steer the recommendations for decision-makers in order to help in SMEs' growth.

- What are the constraints and the challenges that face (SMEs) activities in Kuwait?

- What are the most significant challenges that face (SMEs) activities in Kuwait?

  The main issue impacting SME development was work-family conflict. The effect of this component was β=-0.258. This means Kuwaiti SMEs struggle to balance work and family. Managing work and family is hard. They found that work-family conflict hinders SME development by comparing their results to Smith et al. (2018) and Gill et al. (2010). We found modest impacts, unlike prior research that indicated a big impact. Financial problems were the second most important issue (β=-0.134).

The findings demonstrate that financial assistance would help SMEs develop and profit. Most banks require collateral for growth loans, making them difficult for developing businesses to obtain. Financial issues hampered SME growth, according to Gill & Biger (2012) and Bilal & Al Mqbali (2015). They highlighted how hard firm growth is when financial help is scarce.

Regulatory Challenges (β = -0.098) also had a major role. Government assistance for startups is crucial. This illustrates how rules power startups. Incomplete or poorly written restrictions hurt firms and limit growth. Starting a Kuwaiti company takes time. Small and Medium Business Kuwaiti Fund is there. This fundraising function will end when the firm starts. Abor & Quartey (2010) and Gill & Biger (2012) found regulatory barriers assist SMEs grow. Many literary studies emphasised this element.

- **RECOMMENDATIONS:** We advised Kuwaiti decision-makers on SME growth based on this study. The following are suggestions:
- • Work-Family Conflict Challenges: The major issue impacting SME development was this. A good work-family balance is essential. To aid SMEs, the government should provide them with the tools and infrastructure to operate remotely. This might simplify government communication and SME management. SMEs should also restrict their work hours and separate work from home. To spend meaningful time together, they may set aside particular hours and turn off their gadgets. Although some may not believe this has a usual affect, it will help SMEs relax and concentrate at work.

• **Regulatory Challenges:** These constituted yet another noteworthy and consequential element. Clear, simple rules are needed. Thus, the government should review the current guidelines and simplify the process. Automating all government processes, especially those affecting SMEs, is advised. Some operations are automated, some are not. The criteria may be hard to get, deterring SMEs. The government should also provide all process paperwork to SMEs. This will help anticipate and prepare for duties.

5.2   CONTRIBUTION TO THE LITERATURE
This study was amongst a rare number of studies that examined SMEs' growth in Kuwait. The conceptual model of this study was developed after considering several studies conducted in various countries around the world. In addition, the questionnaire was developed with the aid of the literature and validated for the context of Kuwait. Moreover, this study was able to demonstrate that the Work-Family Conflict was one of the most important factors. This factor was not even considered in some of the reviewed studies. Moreover, this study was able to establish that some of the factors, such as market and management skills, are not important in the context of Kuwait. In addition, this study was able to establish the importance and significance of demographics such as education, age, experience and occupation. Previous studies did not consider the demographics. This study proved that these factors are important in establishing perceptions of SMEs' growth.

5.3   FUTURE RESEARCH SUGGESTIONS
The following future research recommendations are made since there were some limitations to this study:

- Conduct a qualitative study and conduct a series of interviews with top management in the Kuwaiti Fund. This will help in shedding light on the role of the government in helping and supporting the SMEs. In addition, these interviews might help in the creation of themes, which could be used to create a robust framework.
- To conduct a study and include all GCC countries. Since GCC countries share similar cultures and sometimes work environment, it might be useful to conduct such a study and compare the most significant factors between these countries.

- To conduct a study to examine the success factors of SMEs Growth. This study focused on negative factors. However, focusing on the positive factors of success might be helping in coming up with a different set of factors that influence SMEs' growth. This will help future researchers in knowing what areas of SMEs growth to examine.

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