

## Study on SME Financing and Their Impact on The Firms Financial Performance in Oman

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### Abstract

Oman has grappled with economic turbulence, thrusting the financial struggles of small businesses into the forefront of governmental concerns. In response, the Omani government has introduced several policies aimed at bolstering Small and Medium-sized Enterprises (SMEs) to ensure their sustained contribution to economic growth. Despite endeavors to fortify SMEs, they continue to confront formidable challenges, resulting in a notable rate of failures. A significant number still find themselves in need of crucial financial support to navigate the increasingly competitive global market. Securing these funds, however, presents a formidable obstacle, as the processes involved are beset by numerous hurdles. This study sought to comprehensively investigate the financial challenges encountered by SMEs in Oman and scrutinize the impediments inherent in prevailing policies and procedures. Data was gathered through research questionnaires distributed to 326 SMEs in Oman. Employing Likert scale questionnaires for the quantitative aspect and open-ended questions for the qualitative component, the collected data underwent rigorous analysis using statistical tools. The findings underscored the multifaceted challenges facing SMEs in Oman, encompassing both external and internal factors. Specific challenges identified included the indifference of commercial banks, exorbitant borrowing costs, inadequate financial collateral support demanded by financial institutions, a dearth of modern accounting systems, and limited awareness about the intricacies of accessing financial assistance. The exacerbated financial challenges experienced by SME owners were found to moderately impact overall SME performance, potentially stemming from economic downturns, limited job opportunities, and delayed international market entry. Addressing these challenges necessitates the formulation of specific operational strategies by SMEs, coupled with robust support at the national level. It is imperative for commercial banks and financial institutions to accord special attention to SMEs, recognizing their pivotal role in the economic landscape. Through collaborative efforts, SMEs can overcome these obstacles and thrive in a dynamic business environment.

**Keywords:** SME, Financial Operation, Borrowing Cost, Financial Collateral Support

**Introduction**

Small and medium-sized enterprises (SMEs) play an important role in a country's economic development and are pioneers in creative entrepreneurship which can better adapt to the changing market demands more than larger businesses (Hossain et al., 2023a; Hossain et al., 2023b). SMEs make up a large percentage of the total number of businesses across many countries and plays an important role in the economy of a country, they are the engine of economic development and growth by providing various goods and services, developing regional economies and communities, helping the competition in the market and offering innovation. They are also responsible for large contributions to value-added and employment opportunities. Small and Medium Enterprises (SMEs) play a major role in the world economy with 95% of enterprises globally are SMEs businesses (Hossain et al., 2022a). It contributes towards economic growth and development, innovation, employment, and entrepreneurship (Hossain et al., 2022b; Hossain et al., 2022c).

It was found that SMEs is generating 60% - 70% employment opportunity in middle- and low-income countries. In Oman, SMEs attracted government attention and plays a major role in Oman vision strategies 2020 and 2040 (Alqassabi, 2020). The strategies focused on developing SMEs sectors to become major player in diversifying the national economy. Omani government promotes the role of SMEs in the economy through launching many initiatives such as providing lots of support, guidance, and training to SME owners to remain competitive and sustain their businesses. However, during the pandemic of COVID '19, 63% of full-time enterprises in Oman which hold Riyada business cards was completely closed during the lockdown period as well as 73% of SMEs got affected by the decision of shutting down the businesses. In most of the developing economies SMEs contributes significantly to local capital formulation and achieving high levels of capability and productivity. Growth and sustainability have been considered as prerequisite to achieve competitive advantages. However, SMEs have not played a crucial and significant role they are expected to play in Oman's development, economic growth, and industrialization due to many challenges and obstacles that hinder their growth and performance to achieve sustainable development. This research aims to identify services provided Omani governments that support SMEs growth and sustainability in Oman, as well as evaluate challenges faced by Omani entrepreneurs of SMEs. In addition to that, to find how SMEs will improve by applying innovative strategies such as the application of Artificial Intelligence (AI) that contributes to SMEs growth and sustainability.

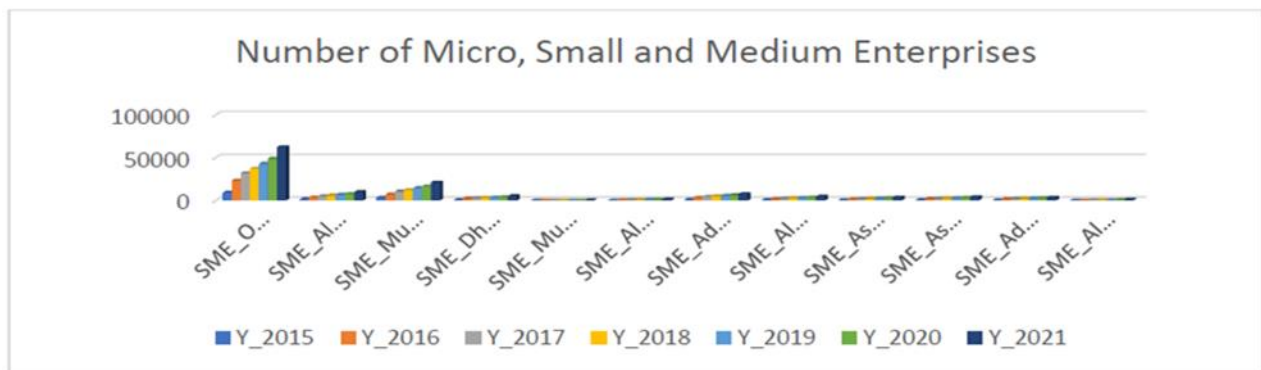
Small businesses not only contribute to the national economy, ultimately encourage local economies by bringing innovation to the community in which the business is established (Hossain et al., 2022d). Small businesses also help stimulate economic growth by providing creative businessman fame among competitive countries' opportunities to first-mover advantages etc. (Hossain et al., 2020; World Economic Forum, 2009). Although, SMEs occupy an important and strategic place in the economies of all countries as they contribute significantly to wealth and employment, however, there is a challenging outlook, primarily financial in nature, for SMEs to thrive in many countries. One such country on the radar of the researcher is Oman.

SMEs face more impediments that affect their survival than larger businesses (Civelek et. al., 2021). The SME sector in Oman faces several challenges that can hinder the government's ambitious plans for it to thrive. Many internal factors can be identified in Omani SMEs which play a crucial role in impeding them and forcing them backwards, eventually towards closure. (Ramachandran and Yahmadi, 2019) highlight that some internal challenges facing SMEs are

related to the capabilities of entrepreneurs and the society they live in, such as a lack of managerial skills, human resource management skills, marketing strategies, and the inadequacy of operation management.

### Problem statement

Small and medium scale industries have significant importance in developing the economies of various countries. In recent years the small and medium enterprise has played a domino role in increasing GNP in Oman. As we know that banks loan is the main source for financing those activities but yet very challenging. The primary effects on Omani commercial banks have been the most effective in supporting and encouraging this enterprise (Khan & Al Mamari, 2019).



Source: National Centre for Statistics and Information, Sultanate of Oman: accessed on 27/01/2022)

**FIGURE 1**  
**TRENDS IN MICRO, SMALL, AND MEDIUM ENTERPRISES**

### Limitations

The study on SME financing and its impact on the financial performance of firms in Oman offers valuable insights but is not without limitations. One primary limitation lies in the scope of the research. The study may focus on a specific industry or region within Oman, potentially limiting the generalizability of the findings to the entire SME landscape in the country. A broader and more diverse sample could provide a more comprehensive understanding of the relationship between financing and financial performance. Additionally, the study faced challenges related to data availability and reliability. The accuracy of the results depends on the quality of data collected, and limitations in access to financial records or the reliability of self-reported data from SMEs may compromise the study's robustness. Researchers should transparently address any data limitations and uncertainties to enhance the study's credibility.

Furthermore, the temporal aspect of the study may be a constraint. Economic conditions, regulatory environments, and financial landscapes evolve over time. A snapshot of SME financing and financial performance at a specific period may not capture the dynamic nature of these variables. Longitudinal studies or sensitivity analyses considering different time frames could provide a more nuanced understanding of the relationship.

While the study on SME financing and its impact on the financial performance of firms in Oman contributes valuable insights, it is essential to recognize and communicate its limitations. A more extensive scope, rigorous data collection, consideration of temporal dynamics, and addressing methodological biases would enhance the study's applicability and

reliability, providing a more solid foundation for policymakers, practitioners, and future researchers in the field.

### **Literature Review**

Around the world, SMEs have the highest percentage of businesses. The role that they are playing is significant such as revenue and employment generation across the world has been recognized. Countries such as United States of America, Canada, United Kingdom, Japan, Australia and other developed nations recognized the necessary role of SMEs and have taken various initiatives and applied policies that aimed to facilitate the progress and sustainability of economy. According to Organization for Economic Cooperation and Development (OECD) SMEs are contributing tremendous growth by creating employment opportunities, market development and creation, higher standards of living as well as massive contribution in the Gross Domestic Products (GDP) of almost every country (OECD, 2004).

In addition, SMEs are contributing substantially towards high productivity, increased level of competitiveness, immense growth of economies etc. For instance, SMEs are playing a major role in the economy of New Zealand, where SMEs account 99 percent of all businesses and creating about 60 percent of local employment (Lawson, Stratton, & Hatch, 2003). Employment generation is more from firms with less than 500 employees (Baldwin, Jarmin, & Tang, 2002); similarly, is the UK SMEs condition, which represents stable situation about 60 percent of the workforce (White, 2015). Likewise, most of the EU member states proclaimed that SMEs make up over 99 percent of businesses, 67 percent of the job market and more than 50 percent of the GDP contribution (OECD, 2017).

Small and Medium-sized Enterprises (SMEs) in Oman has undergone significant expansion, specifically focusing on the intricate relationship between SME financing and financial performance. While these studies offer valuable insights, it is imperative to critically examine their limitations to enhance the robustness and applicability of their findings.

One recurring limitation is the narrow scope often adopted by researchers. Many studies tend to concentrate on specific industries or regions within Oman, potentially limiting the generalizability of their findings. For instance, Al-Hadi et al. (2021) conducted an insightful investigation into the manufacturing sector, shedding light on the impact of financing sources on the financial performance of Omani manufacturing SMEs. However, this narrow focus may not capture the broader dynamics of SMEs across different sectors, highlighting the need for more comprehensive studies encompassing diverse industries.

Data availability and reliability emerge as critical challenges. Al-Abri and Al-Mughairi (2020) highlighted the difficulties researchers face in accessing comprehensive financial records from SMEs due to confidentiality concerns and the absence of standardized reporting practices. This limitation may compromise the accuracy of financial indicators and hinder the identification of precise relationships between financing strategies and financial performance. Researchers must transparently address these challenges and explore alternative data sources to mitigate potential biases.

Temporal limitations represent another critical aspect. Economic conditions, regulatory frameworks, and financial environments are dynamic and subject to change. Al-Kindi et al. (2022) emphasized the importance of considering temporal dynamics in the study of SME financing and financial performance. A static analysis at a specific point in time may not capture the evolving nature of these variables, urging researchers to conduct longitudinal studies or sensitivity analyses covering different time frames.

Methodological considerations also introduce challenges. Surveys and interviews are commonly employed to gather data, but they may introduce biases, such as response biases or social desirability biases. Al-Jabri and Al-Ajmi (2021) discussed the challenge of SMEs providing accurate self-reported financial data, as they may be inclined to present a more favorable picture. Researchers need to adopt robust methodologies, employ statistical techniques to address biases, and incorporate multiple data sources for validation to enhance the reliability of their findings.

Despite these limitations, recent studies have made significant contributions to understanding SME financing and financial performance in Oman. Al-Mamari and Al-Khabori (2020) conducted a study that acknowledged data limitations but provided valuable insights into the financing preferences of Omani SMEs. This calls for future research to build upon these foundations by adopting more diverse samples, transparently addressing data challenges, considering temporal dynamics, and refining methodologies to overcome existing limitations.

In conclusion, the burgeoning literature on SME financing in Oman has made notable strides in unravelling the complexities of this relationship. However, the identified limitations, including narrow scope, data challenges, temporal constraints, and methodological issues, underscore the need for a nuanced and cautious interpretation of findings. Researchers and policymakers should collaboratively address these limitations to ensure the relevance and reliability of research outcomes, ultimately fostering a more robust understanding of SME financing dynamics in Oman.

Additionally, noticeable advantages of SMEs within developed economies can be seen, in contrast to the developing countries where there are substantial differences due to lack of infrastructure, cultural, social and bureaucracy issues, resources and innovation (Kapurubandara & Lawson, 2006). Meanwhile, it is obvious that SMEs in developing countries should focus on innovativeness and it would have positive effect on organizational performance as is the case of New Zealand, where they are spending 10 percent of GDP on adopting new technologies and thus making it top standing nation in the world (Hudson et al., 2001; Clarke, 2004; Clark, 2010). SMEs are strategically important also in many developing countries, mainly those located in the Asian and Middle East and North African countries (MENA). In many countries, SMEs represent a high percentage of businesses and contribute substantially to the nations' GDPs and sustaining economies.

Similarly in South Africa, Asia and Middle East Countries, SMEs contribute greatly towards economic growth and development. In India, SMEs contribute 30 percent to GDP considerably low and could be improved as compared to Nepal, where SMEs represents almost 98 percent of businesses and 63 percent contribute to the value-added section and Bangladesh SMEs contribute 50 percent to Industrial GDP and employ 82 percent of Industrial sector employees. In Pakistan economically active SMEs are approximately 3.2 million which contribute almost 80 percent non-agricultural employment and 30 percent to GDP, which could be improved (Hussain et al., 2010).

Flexible and dynamic SMEs are playing their important role in reducing unemployment, producing foreign exchange, upgrading work force knowledge profile, enhancing, and developing management skills of business, and diffusing technological learning all over Sultanate of Oman. Furthermore, SMEs are effectively and constructively mobilizing the domestic resources which otherwise could have been idle and useless. The new challenges to the economy of Oman can be handled by SMEs development in proper way (Agoracom, 2015).



In an official press release by the CEO Omran, Engineer Ali Al-Rasbi emphasized the need “to increase inbound investments in tourism and SME sector, which are vital for a sustainable future for the nation” (Al Rasbi, 2015).

Altogether, SMEs have a significant role in terms of their economic share in developed and developing economies and gained importance in the developing economies. They are vital actors for job creation, enhancing innovation, competitiveness, entrepreneurship, and the establishment of an effective innovation system for countries. Oman manufacturing SMEs can be vital in improving the investment climate and strengthening their capacities to respond to trade and investment opportunities, and this in turn could have positive impact on growth and employment creation.

SMEG was also linked to many factors, e.g. human capital, social capital, firm’s strategy, firm characteristics (Rafiki, 2020). Nonetheless, that growth remained hampered by the appearance of financial and institutional constraints (Bartlett and Bukvič, 2001). They have acknowledged the difficulty and incapacity to access financial resources (Beck and Demirguc-Kunt, 2006; Chowdhury, Alam and Arif, 2013; Wang, 2016; Rafiki, 2020), particularly those elements related to the influence of financing patterns (Kachlami and Yazdanfar, 2016). Thus, SMEs should exploit all possible resources and components that foster their evolution and growth opportunities by limiting restrictions relevant to the financing.

The availability of financial resources (FRs) stands for business accessibility to the traditional external finance sources, a vitally important factor in initiating distinct enterprises and driving their profitably and success (Jasra et al., 2011). It was admitted as a barrier that delimits investment and productivity (Igwe et al., 2018), especially the growth of SMEs (Wang, 2016). SMEs face financial constraints due to their lack of a competitive business environment, including information technology, inadequate managerial skills, and financial records (Ferdousi, Sarker and Ashiqur Rahman, 2014), explaining the lack of SMEs’ contribution to growth (Beck and Demirguc-Kunt, 2006).

### **Research Objective**

To study the factors influencing different of financial resources for SMEs in Oman.

### **Research Question**

What are the factors influencing different of financial resources for SMEs in Oman?

### **Research Methodology**

The study aims to investigate the experiences, challenges, and strategies employed by entrepreneurial leaders in Oman to adapt and thrive in the evolving business landscape. The quantitative research approach is selected to provide a deeper understanding of the intricacies of entrepreneurial leadership in this unique context.

Research Design:

Quantitative Approach: This study employs a quantitative research design, as it allows for an in-depth study of the experiences and perspectives of entrepreneurial leaders. Data was collected through survey questionnaire through google using a 5-point likert scale based closed ended questions.

Close-ended online questionnaire allowed the participants to provide in-depth regarding their experiences, challenges, and strategies as entrepreneurial leaders. Quantitative methods are well-suited for understanding the complexities of entrepreneurial leadership in thriving financial challenges for SMEs.

Explanatory Research: Given the evolving nature of the SME's financial challenges, this research follows an explanatory approach to study and gain insights into entrepreneurial leadership within this context.

#### *Data Collection*

Un-structured survey: In-depth, un-structured survey were used collecting the primary data. These surveys were conducted with SME leaders from various regions and sectors in Oman to capture an overall viewpoint.

Sampling: Stratified sampling was used to select a cluster group of participants with varying experiences, representing different geographical areas and sectors.

Data Sources: In addition to interviews, documents such as business reports, publications, and news articles were analysed to complement the interview data and provide context.

#### *Data Analysis*

The collected data was analysed through statistical analysis. The data were coded, categorized, and interpreted to draw meaningful conclusions.

#### *Ethical Considerations*

Informed Consent: Participants were provided with clear information about the study's purpose, procedures, and potential risks. Informed consent was obtained before data collection.

Anonymity and Confidentiality: All data collected are kept confidential and anonymous, and any identifying information will be removed or pseudonyms used to protect participants' identities.

Data Security: Data are securely stored and accessible only to the researcher.

### **Data Analysis Plan**

#### *Data Collection Overview*

The study involved un-structured survey with SME leaders from diverse geographic regions and sectors. In addition to surveys, relevant documents such as business reports and publications were analysed.

### **Data Analysis and Findings**

With the help of quantitative analysis, it becomes possible for the researcher to generalize the findings from the data analysed and thus provide a comprehensive conclusion. Data analysis formulates one of the most significant aspects of any research method.

The data analysis is done of the information collected from the questionnaire. As evident from the questionnaire it has been divided into multiple sections like demographic details, business details which was further segregated into three different categories and finally the opinion of SMEs was undertaken. Considering that wide variety of questions were put forward to the respondents, the analysis also required multiple tools that can be used to analyse the information effectively. Thus, different analytical tools like descriptive analysis, frequency analysis and inferential analysis were undertaken depending upon the research question to be answered.

While conducting quantitative data analysis, one of the most significant challenges is to ensure that all the information is appropriately analysed, interpreted and communicated in

the right manner. Thus, the researcher is subjected to the challenge of pursuing an intricate task of analysing information using statistical tools and at the same time present it in the simplest way possible. The questionnaire has been designed to cover all the aspects of the study in hand and thus resolve the research objectives. This makes it complex which in turn makes data analysis complex. However, dedicated efforts have been made to ensure that right message is conveyed without complicating things. Considering all these factors, a simple questionnaire has been designed. Along with resorting to statistical principles a practical approach is being adopted to analyse and interpret data.

For ensuring that these principles are met, SPSS has been used for data analysis and interpretations. It is a comprehensive software that supports data analysis in an effective and efficient manner as well as assists researchers in keeping things simple. Owing to the accuracy of analysis that can be undertaken using this software, it is one of the most widely used software for data analysis. Following is the analysis of demographic details using simple statistical tools frequency analysis. This frequency analysis is also used to analyse the general questions related to business. The study then progresses towards inferential analysis where it seeks to prove the hypothesis and derive results thereby proving the hypothesis. In inferential analysis statistical tools like correlation, regression and ANOVA are being used.

Cronbach alpha Test Result Table

<b>Variables</b>	<b>N</b>	<b>Cronbach's Alpha</b>
High cost of borrowing	4	<b>0.832</b>
Lack of capital and credit	3	<b>0.727</b>
Access to finance	3	<b>0.873</b>
Duration of loan approval	3	<b>0.742</b>
Financial institution structure	3	<b>0.873</b>
Public finance policies	3	<b>0.879</b>
Overall SME performance	5	<b>0.908</b>

(N= Number of Questionnaire Items)

The table above shows the Cronbach coefficient results. The more the result close to 1, the more the data is reliable. 0.7 to 0.8 consider a very ideal result for Cronbach coefficient. However, in the case of '*Duration of loan approval*' initial items were 4 and Cronbach's Alpha shows 0.672. After deleting 1 item Cronbach's Alpha value improved to 0.742 (Items 3). Thus, the researcher had gone through thoroughly the questionnaire, and re-checked the questions been asked and deleted the item from the final questionnaire.

There are several different reliability coefficients. One of the most commonly used ones is Cronbach's alpha, which is based on the average correlation of items within the test if the items are standardized. If the items are not standardized, it is based on the average covariance coefficient and it ranges from 0 to 1.

The target population for this study is SME's owners. Out of this population, all the leaders were contacted and all were returned. Some respondents demonstrated interest in the study by returning the survey early, whereas other respondents were followed up with a series of friendly reminders. In this study, reminders played an important role in cumulating participations as most of the representatives indicated their willingness to respond to the survey. As such, the overall response rate was 81.5%. Based on Babbie's (1990) recommendation, this quantity is adequate for multivariate analyses and reporting as they



advocate for a minimum of 50% response rate. The summary of response rate is described in table 1.

Table 1

*Response rate*

Target Population	Distributed	Received	Rejected	Usable	Responded rate (%)
380	400	326	0	326	81.5%

A normality test was conducted for each variable under investigation. Table 2 presents the outcomes of Skewness and Kurtosis measurements, which are widely recognized as significant indicators of normal distribution. As seen by the findings presented in Table 2, which pertain to the total variables of the study (i.e., constructs that are derived by aggregating their constituent items), it is apparent that a significant majority of the variables exhibit skewness. In this study, both values of skewness and kurtosis swing between -1.96 and +1.96, and most of the values are close to zero; consequently, normal distribution may be assumed and parametric tests can be performed to examine the data.

Table 2

*Normality of data distribution*

Variable	Skewness	Std. Error	Kurtosis	Std. Error
High cost of borrowings	-.041	.135	-.181	.269
Lack of capital and credit	-.053	.135	-.038	.269
Access to finance	-.109	.135	-.346	.269
Duration of loan approval	-.133	.135	-.427	.269
Financial institution structure	-.163	.135	-.323	.269
Public finance policies	-.127	.135	-.390	.269
SME performance	-.079	.135	-.336	.269

In this study, graphical method was also adopted to confirm the normality of the data collected (Tabachnick & Fidell, 2007). Thus, this study invoked the suggestions of Field (2009) which stated that when there is a relatively large sample size above 200, it is important to observe the graphical distribution of the measures rather than the value of skewness and kurtosis statistics. Furthermore, there is a possibility of reduced standard errors in large sample size, which may likely inflate the values in the skewness and kurtosis statistics. Thus, it is more justified to illustrate normality distribution graphically rather than the customary statistical methods. This study presents histogram plots (Figure 1 to 7) to establish the fact that normality assumptions have not been violated in this study. Although, the data, as shown

in the histogram, has scores that are a little bit skewed, this does not necessarily indicate that there is a problem with the measuring scale.

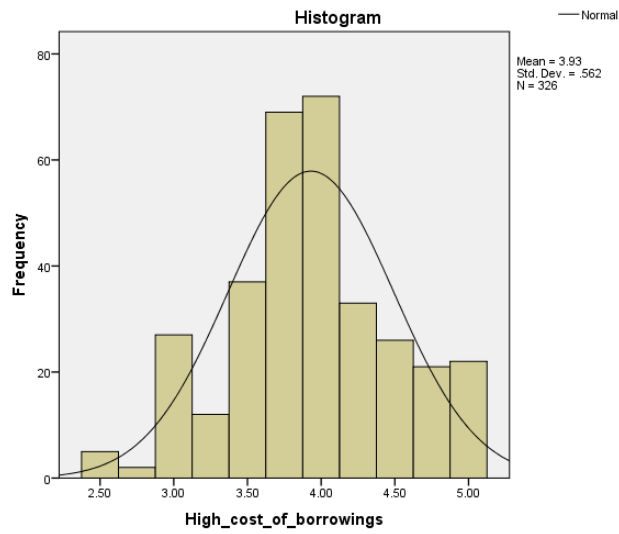


Figure 1: High Cost of Borrowings

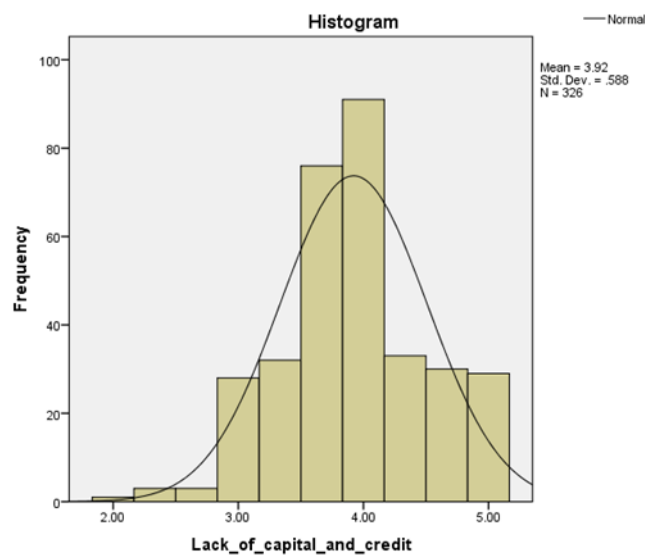


Figure 2: Lack of Capital and Credit

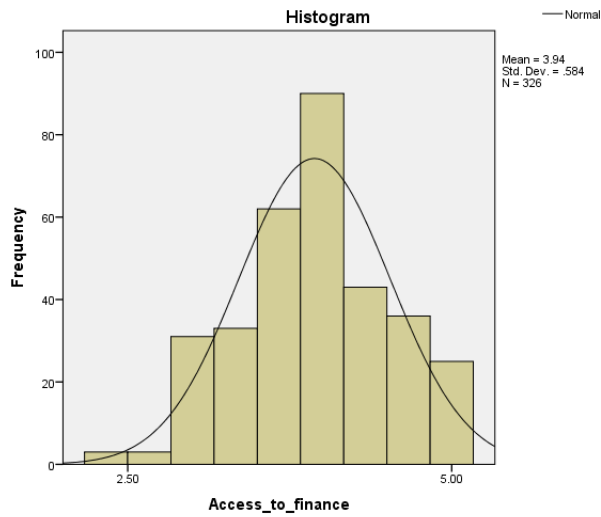


Figure 3: Access to Finance

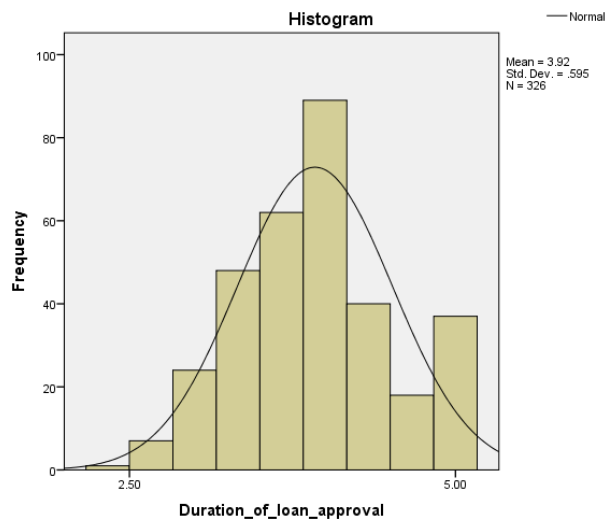


Figure 4: Duration of Loan Approval

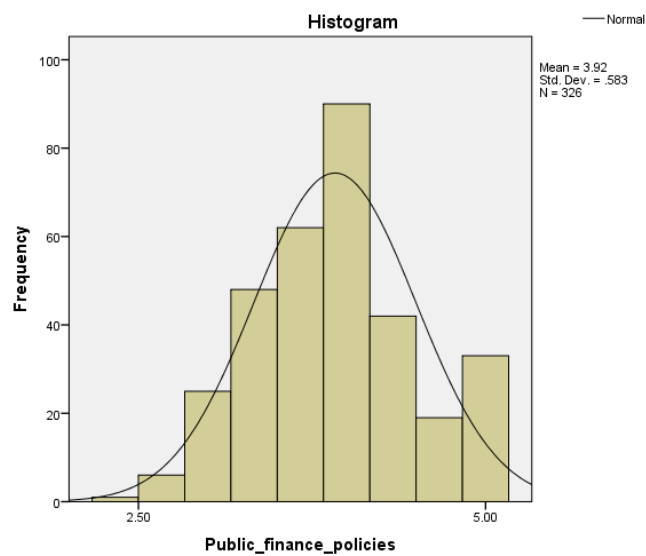


Figure 5: Financial Institutions Structure

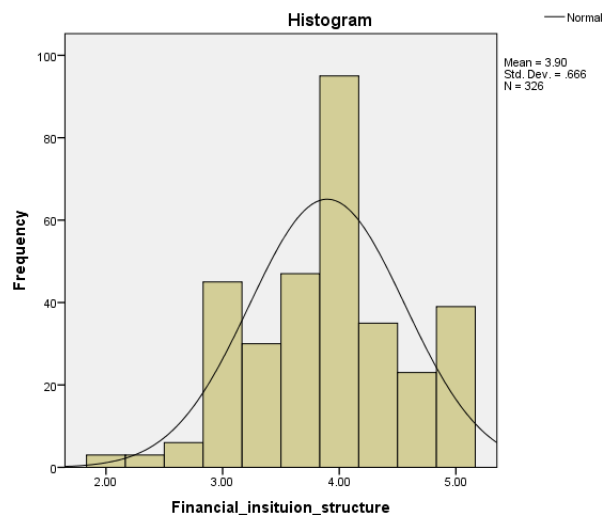


Figure 6: Public Finance Policies

**Demographic Profile Analysis**

**Gender Variations**

**Table 3**

*Gender distribution of the SME Owners*

Gender	Frequency	Percent (%)
Male	224	68.7
Female	102	31.3
Total	326	100.0

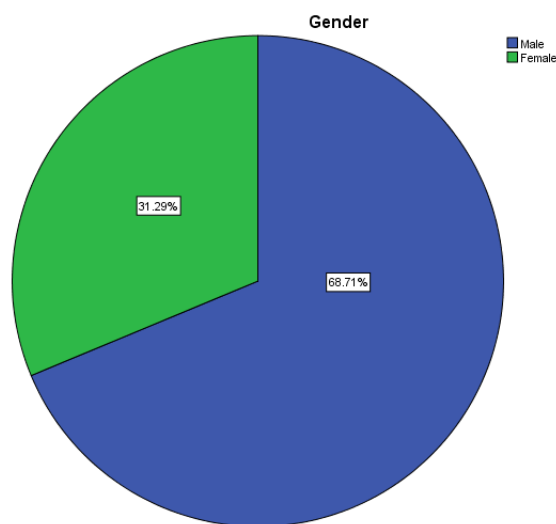


Figure 8: Gender distribution of the SME Owners

This current research on SME challenges and performance covered 326 Small Medium size Enterprise’s owners who having their business functioning in Oman. The above table figures out the allotment of the sample population by means of SME owner’s gender. From 326 respondents had been sampled, the vast majority – 68.7% (224 respondents) of the SME owners were male and the remaining 31.3% (102 respondents) were female. Hence, it can be said that in Oman, SME ownership comparatively vastly occupied by mannish category than

womanly segment. The number of women owned SME could be much smaller than male owned SMEs in Oman and also it was observed that certain number of male owned business are registered in their wife’s name as well as few females owned SME are tun by expatriates (Gender entrepreneurship markets, IFC, Oman, 2005).

**Age Variations**

Table 4

Age wise distribution of the SME Owners

Age	Frequency	Percent (%)
<b>Below 25 years</b>	<b>16</b>	<b>4.9</b>
<b>Between 26 -35 years</b>	<b>110</b>	<b>33.7</b>
<b>Between 36 - 45 years</b>	<b>166</b>	<b>50.9</b>
<b>Between 46-55 years</b>	<b>30</b>	<b>9.2</b>
<b>56 or above years</b>	<b>4</b>	<b>1.2</b>
<b>Total</b>	<b>326</b>	<b>100.0</b>

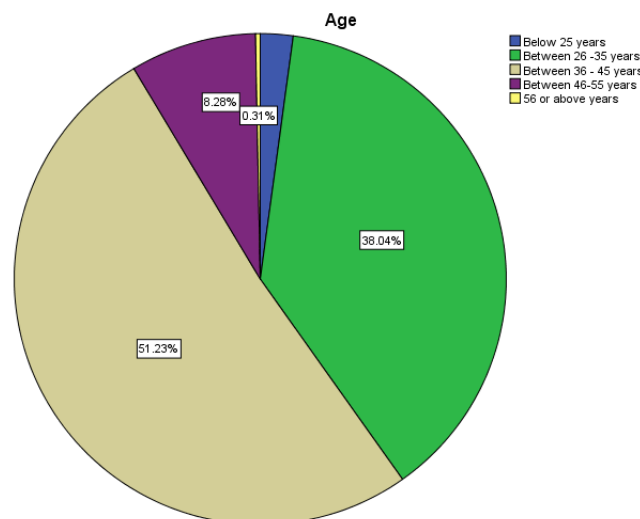


Figure 9: Age wise distribution of the SME Owners

The above table represents the SME owner’s categorization on the basis of their current age. Out of 326 sample of responses were received from the owners of SME, 50.9% (166) of the respondents are 36-45 years, followed by 33.7% (110) of them are under the age category of 26-35 years, next to the above mentioned two highest, SME owners nearly 9.2% (30) of them are fall in the age group of 46 -55 years. The last two age categories are below 25 years and the above 56 years which were responded by 4.9% (16) and 1.2% (4) of the respondents of this study respectively. Hence, it can be assumed that two age groups SME owners namely Gen X (who fall 36-45 years) and Gen Y (Who fall in the age category 26 to 35 years) were the vast preponderance involved in Small medium enterprise business in Oman than other age groups –Gen Z (below25 years), Baby boomers (Who fall in the old age category). Thus, we could say that well occupied age categories in Oman SME are Millennial age group like super most countries such as USA, Europe and etc.



**Educational Variation**

Table 5

*Educational Background of the SME Owners*

Educational Qualification	Frequency	Percent (%)
Below diploma	23	7.1
Diploma	88	27.0
Degree	142	43.6
Masters	63	19.3
PhD	10	3.1
<b>Total</b>	<b>326</b>	<b>100.0</b>

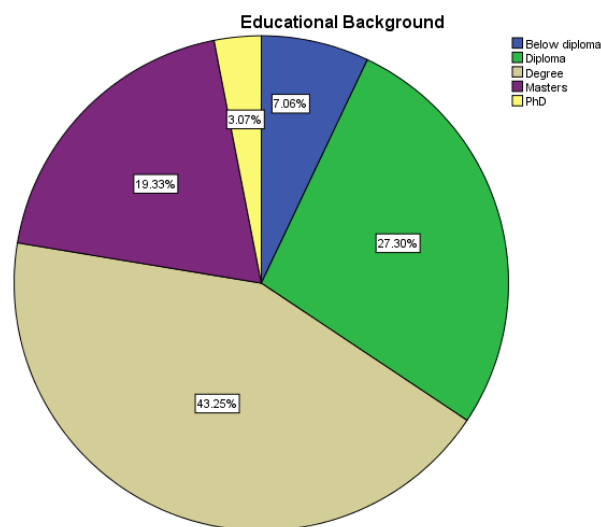


Figure 10: Educational Background of the SME Owners

The above table reveals the education details of the respondents who are involved in this research survey. Out of 326 SME owners responded for this research with their opinion, 43.6% (142) of the respondents expressed their edification as degree holders, followed by 27% (88) of the respondents were technical qualified diploma holders, 19.3% (63) of them were completed their Master degree and 7,1% (23) of the SME owners said that they were qualified below diploma category and very meager (3.1%,10) of the respondents were doctoral degree qualified.

**Marital Status**

Table 6

*Marital Status of the SME Owners*

Marital Status	Frequency	Percent (%)
Single	47	14.4
Married	271	83.1
Others	8	2.5
<b>Total</b>	<b>326</b>	<b>100.0</b>

Figure 11: Marital Status of the SME Owners

The above Table depicts the detailed statistics on marital status of SME owners who are operating their business in Oman. out of three options given by the researcher - Unmarried or single, Married and others, The majority-83.1% (271) of the respondents are married, followed by unmarried called as still single are around 14.4% (47) and least 8(2.5%) of them are comes under the other segment.

**Identify the kind of SME nature**

**Types of Ownership**

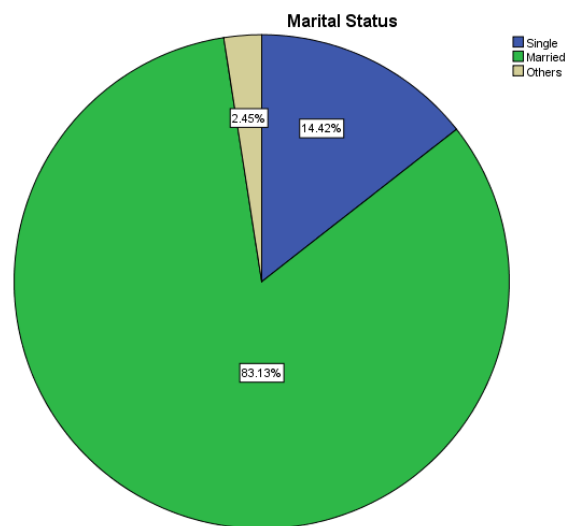


Table 7

*Ownership types*

Types of ownership	Frequency	Percent (%)
Proprietorship	45	13.8
Limited Liability	79	24.2
Partnership	163	50.0
Shareholding company	26	8.0
Others	13	4.0
Total	326	100.0

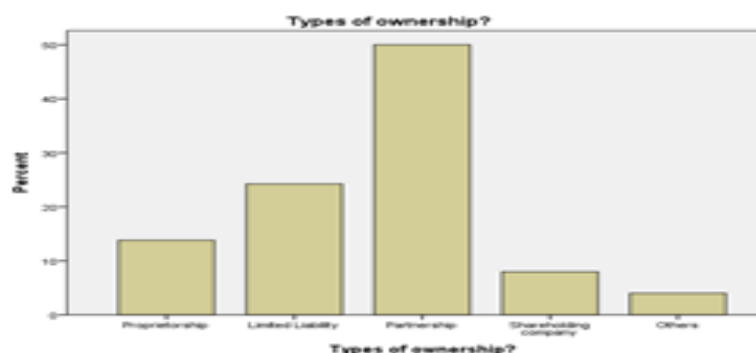


Figure 12: Ownership types

The above figure 12 described detailed view of kind of SME’s owned by the Omani entrepreneurs in their homeland. Doing business in Oman need any kind of perfect optimum

SME structure such as different cluster of partnership or Limited liability companies or Own proprietorship or shareholding company and others etc. Here our current research brings out the following findings. Of the 326 sample of respondent’s response, it was observed that 50% (163) of them goes to partnership companies whereas limited liability Small medium enterprises are also existing as second majority which was accounted by 24.2% (79) of the SME owners, next to that, third majority are having their own proprietorship which was responded by 13.8% (45) of the SME’s owners. Meanwhile, there are reasonable number of SME owners doing their business under the category of Shareholding companies (8%,26 respondents’) and least case SME are others (4%, 13).

**Categories of SMEs**

Table 8

*Categories of SMEs*

Categories of firm	Frequency	Percent (%)
<b>Manufacturing</b>	<b>163</b>	<b>50.0</b>
<b>Services</b>	<b>50</b>	<b>15.3</b>
<b>Trading</b>	<b>113</b>	<b>34.7</b>
<b>Total</b>	<b>326</b>	<b>100.0</b>

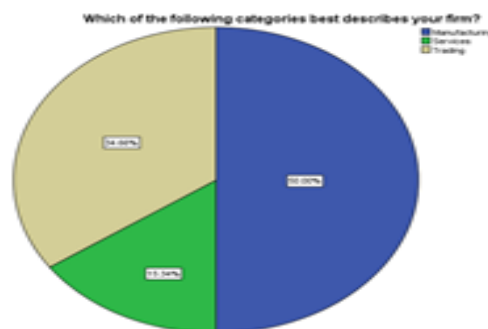


Figure 13: Categories of SMEs

The above figure describes the SME owners’ responses about their current operating sector or in which sector they come under. Out of 326 samples collected, it was coming to understand that 50 % (163) of the respondents SMEs are operating under the Manufacturing and services sector, followed by commercial trading sector SMEs are 34.7% (113) and 15.3% (50) of the SME’s comes under the Retailing and wholesaling sectors.

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