



Family Business in Bethlehem, Palestine: An Exploratory Study

¹Dr. Samir Ahmad Abu Znaid

*Associate Professor of
Management and Marketing*

²Johny Anastas

Bethlehem University

ABSTRACT:

This study is aimed at exploring the issue of family business. The main objectives of this study are first to probe and analyze the unique characteristics of family businesses in Bethlehem governorate. Second, to analyze the macro and micro environment in which businesses operate. Third, to identify major problems and challenges facing family businesses in Palestine with particular focus on the Bethlehem region. The study will contribute to the understanding of Palestinian family businesses operating in Bethlehem, an environment that is characterized by uncertainty, lack of stability and political unrest. It will contribute to the literature on the subject since this is the first study of its kind, to the researchers' knowledge, that investigates family business in Bethlehem. The research will develop recommendations for improvement, thereby providing valuable insights that will have practical implications for business entrepreneurs, policy makers and consultants. To achieve these objectives, a questionnaire was developed and used. The questionnaire was distributed to 100 business managers and or owners of small businesses in different sectors in Bethlehem Governorate. The businesses were randomly selected. The findings revealed an absence of female entrepreneurs, lack of business plans, lack of IT awareness among entrepreneurs and inefficiency in utilizing resources. The findings also indicated that some family members are employees within their business, others responsible shareholders. The results have also shown great commitment on the part of managers and or owners to business continuity and sustainability. Palestinian entrepreneurs are motivated to achieve economic success and growth. They believe that the success of the business reflects well on the whole family and the failure will tarnish family name and image in society. For startups, the results indicate that personal savings are the primary sources of start-up capital. Based on the findings it

is recommended that Palestinian family businesses adopt the option business “management” first not family “ownership” first. Palestinian entrepreneurs need to pay more attention to visionary leadership and concentrate more on the development of business through the development of business plans, strategic plans, operation plans and marketing plans. Working in unstable environment, as it is in Palestine , requires Palestinian entrepreneurs to take risk, be proactive, have a vision of the future and be innovative. Theoretical and practical implications are discussed.

Keywords: Family business, Small business, Entrepreneurship, Management, Bethlehem, Palestine

المخلص:

لا زالت الدراسات السابقة حول المشاريع العائلية في فلسطين محدودة وغير كافية، يعرف المشروع العائلي على انه المشروع الذي يحكم ويدار من خلال تحالف يسيطر عليه أعضاء من نفس العائلة او عدد قليل من العائلات بطريقة تضمن الاستدامة للمشروع عبر الأجيال .

تتناول هذه الدراسة ظاهرة الشركات العائلية وهي دراسة وصفية هدفت من خلال الاستبانة التي صممت إلى معرفة وتحليل خصائص المشاريع العائلية في محافظة بيت لحم، وتحليل بيئة الاعمال التي تعمل فيها هذه المشاريع بالإضافة الى تحديد التحديات التي تواجهها، تم توزيع 100 استبانة على 100 مؤسسة عائلية، تسهم هذه الدراسة في إعطاء فهم أوضح للمشاريع العائلية في محافظة بيت لحم حيث يتواجد أكبر مجتمع مسيحي على مستوى الوطن، تعمل المشاريع في بيئة معروفة بحالة من عدم الاستقرار وعدم التأكد ومخاطر سياسية، أظهرت نتائج الدراسة غياب واضح للمرأة في إدارة المشاريع العائلية في منطقة بيت لحم، غياب التخطيط للأعمال، غياب الإدراك لأهمية التكنولوجيا في الأعمال، وعدم الكفاية في إدارة واستغلال الموارد واعتماد أصحاب المشاريع العائلية على التوفير الذاتي ورأس المال الفردي في تأسيس مشاريعهم، كما وبينت النتائج أن مدراء المشاريع العائلية في منطقة بيت لحم محفزين للعمل بغرض تحقيق رغبات العائلة المتمثلة في الأمان، يعتبر التدخل العائلي والشراكة العائلية عنصر في غاية الأولوية بالنسبة للمشاريع العائلية لدرجة أن رواد المشاريع يعتقدون أن نجاح المشروع ينعكس ايجابا على العائلة برمتها كما وان فشل المشروع ينعكس سلبا على العائلة وبالتالي تشويه سمعتها، من المتوقع أن تسهم نتائج هذه الدراسة في توفير فهم أوضح للمشاريع العائلية في فلسطين وبالتحديد محافظة بيت لحم، كما وستسهم في الاضافة الى الادبيات حول الموضوع، كما وستقدم الدراسة بعض التوصيات والتي سيكون لها قيمة وأهمية عملية للمدراء واصحاب المشاريع وواضعي السياسات والمستشارين

الكلمات المفتاحية : المشاريع العائلية، المشاريع الصغيرة، الريادية، إدارة، بيت لحم، فلسطين.

THEORETICAL FRAMEWORK

Family business has undergone significant changes over the past several decades that now point to its legitimacy as an independent academic field of study (Evert, R. Martin, J. et al., 2016). A family business is a business that is owned and managed by one or more family members who are actively engaged in the operations of the business on a day to day basis (Abuznaid, 2014) (Hashash, 2010). It is a business in which two or more members of the same family share ownership or work together in its operation (Longenecker, Moore and Petty, 2003). A typical family business is defined as a business that is owned by a family, built to survive for more than one generation, and has a high involvement for the business (Chua, Chrisman, and Sharma, 1999. Kellermanns, Eddleston, Barnett, and Pearson, 2008; Rogoff and Heck, 2003).

A family business is a commercial organization in which decision-making is influenced by multiple generations of a family “related by blood or marriage” who are closely identified with the firm through leadership or ownership.

The mechanics of a family business and the drivers of entrepreneurship are complementary in nature. Every family business is founded on an entrepreneurial vision. Entrepreneurship is a well-defined concept that has been widely studied in the last few decades (Casilla's and Moreno, 2010) and it is seen as an important concept that affects a firm's success, long term competitiveness and innovation (Hitt et al., 1999).

An entrepreneurial family can be distinguished from an entrepreneurial family business. Nordqvist and Melin (2010) said an entrepreneurial family business “refers to the family business a type of organization {...}, with certain characteristics that can facilitate or constrain entrepreneurial activities, processes and outcomes” whereas the entrepreneurial family plays an important role for single entrepreneurs starting their business, and research on it is therefore situated in the field of entrepreneurship (Nordqvist and Melin, 2010).

Family businesses are predominant worldwide. Nearly 90 percent of all companies in the United States, about 24.5 million businesses, are family owned (Scarborough, N. & Cornewall, J. 2015). They play a major role in the economy by contributing to the reduction of unemployment. Individuals are attracted to work in family firms more than in corporations (Hodgetts and Kuratku, 2002).

Family businesses differ in many ways from non-family businesses, and business families function quite differently from non-business families. A family business is owned and operated by family members and they employ approximately half of the private sector workforce (Hodgetts and Kuratku, 2002,). A family firm can be small, medium or large. It differs from other types of small businesses in decision making styles. For example, it involves a mixture of family and business values (Longenecker and others,). Family business is composed of three circle model, family, business and ownership.

The model is considered the central organizing framework for understanding family business system. The three interdependent and overlapping groups comprise the family business system. It is an overlap between the three components. Business may become family-first, ownership first or business “management” first. The long term success of family business depends on the functioning and mutual support of these groups (Tagiuri, R, & Davis, J. 1996).

Although the family and the business are separate institutions, there is a competition between the two. Which comes first, the family or the business? Each with its own members, goals, and values-they overlap in the family firm. The family’s primary concern is the care and rearing of family members, while the business main concern is the production and marketing of goods and /or services. The family may control business operations because of ownership and in many cases family members fill top management positions. It should be demonstrated that a firm’s operations are affected by family relationship. The relationship of father and son, brother and sister, in –laws, cousins and soon have an important impact on the future of the businesses. Families and businesses exist for fundamentally different reasons. Few business owners would knowingly allow the business to destroy their family. Many families are accustomed to making minor sacrifices for the good of their businesses. Families usually tolerate inconveniences and disruptions to family life. Sometimes, the clash between business’ interests and family’s interests is so persistent

or so severe that entrepreneurs must decide which comes first. Each with its own members, goals, and values-they overlap in the family firm.

Differing interests can complicate the management process by creating tension and sometimes leading to conflict. Relationships among family members in a business are more sensitive than relationships among unrelated employees (Longenecker and others). A family business offers another doorway to ownership for those whose families are involved in their own business. Family businesses also have a dark side, and it stems from their lack of continuity. Siblings, rivals, quarrels about management succession, fights over control of the business and personality conflict often lead to nasty battles that can tear families apart and threaten or destroy once thriving business(Scarborough, N. & Cornewall, J. 2015).

It is with this topic in mind that this paper intends to explore the unique dynamics of Palestinian family business in the Bethlehem district. It will shed light on major characteristics of family businesses and will highlight major problems and challenges facing entrepreneurs in that particular region.

FAMILY BUSINESSES IN PALESTINE

Previous studies about family businesses in Palestine are still relatively new and insufficient. It is a business governed and/or managed with the intention to shape and pursue the vision of the business held by a coalition, controlled by members of the same family

or a small number of families in a manner that is potentially sustainable across generations of the family or families. Family businesses form the majority of the sectors in both developing and developed economies. Family business play a major and constructive role in the Palestinian national economy. The Palestinian economy is also interconnected with the Israeli economy and because of this has experienced wild fluctuations. The Israeli policy of tightening control over land and available natural resources continues to be a factor that derails any possible economic development (Khatib, A. et. al., 2012). Family businesses in Palestine are considered to be the backbone of domestic economy due to social, political and cultural dimensions (Al-Jabari,M. 2011).Palestinian family businesses comprise almost 70% of the private sector. The Palestinian private sector is mainly family business, and it is applied to all sectors including the industrial sector. The industrial sector largely consists of family-owned and family-managed business (Khatib, A. et. al., 2012). However, in this regard the study/researchers consider the definition of a family firm to be one that is owned, as well as managed by family, while firms owned by family and managed by professional employees are considered as non- family firms (Sabri, N. 2008). The family means a person and his son's and/ or brothers, in some cases, there are groups of first cousins (Sabri, N. 2008).The number of family firms in Palestine has reached 80,808 (PCBS, 2009). Of those businesses in the West Bank, there are 45 family

businesses that employ more than 50 employees, 30 family businesses that employ 50 -99, and 10 businesses that employ 100 and above(PCBS,2009). In the West Bank 18% of the total family firms have exclusive agents and representatives to distribute their products. Exhibitions and trade fairs remain the best arena for promoting a product, though there are relatively few of them. Telemarketing and the internet are increasingly popular marketing methods, although the shortage of telephone lines limits this option at present (British Consulate, 26 May 2010). For Palestinians, family businesses play a pioneering role in Palestinian economic development. They form the safety valve against the spread of unemployment as a result of deteriorating political conditions and continuous closures imposed by Israel (Abuznaid and Doole, 1999,). The number of private national operating establishments is 88,421 in the West Bank and 42,853 in Gaza Strip (PCBS). A survey conducted by PCBS found that 97%of private business firms in Palestine are classified as a small business, of which 925 businesses are employing less than 10 employees. The survey added that Palestinian small businesses employ 65% of the total 1,000,000 employees in Palestine. The number of sole proprietorship in the West bank is 66.4% and 33.6% in Gaza, while the remaining businesses are in the form of partnership or private corporations (PCBS, 2009,p.21). The Palestinian economy is not an exception. This applies to all business sectors including commercial, industrial, agricultural and service sec-

tor. Family business account for more than 70% of West Bank businesses. Family firms in Palestine are open towards innovation and change; they are generally open to trying new things for the sake of their family business. Yet, some firms are conservative and reluctant to change because they want to maintain their product's traditional perception. For example, the production of soap and some brands of shoes. Many family businesses have opened branches in neighboring countries like Jordan and in China. Therefore, we can conclude that the Palestinian private sector is mainly family business and it applies to all sectors including the industrial sector.

BETHLEHEM GOVERNORATE

Bethlehem governorate is one of 16 governorates of Palestine. It comprises a total area of 660Km south of Jerusalem. Its principal city and district capital is Bethlehem. The population of Bethlehem governorate was 199,463 in 2012(Wikipedia.org.2012). Bethlehem is the Arabic word, "house of meat". It is about 10 Kilometers south of Jerusalem. Bethlehem governorate has a Muslim majority, but is also home to one of the largest Palestinian Christian communities. The economy is primarily tourist driven. The church of the Nativity is one of Bethlehem's major tourist attractions. Bethlehem has over thirty hotels. Tourism peaks during Christmas season. Because of Israeli occupation, Palestinians can only use 13% of the area, and much of that is fragmented as of May 2009. The Governorate con-

sists of 10 municipalities, three refugee camps, and 58 rural districts. Major industries are handcrafts, jewelry, stone and marble-cutting, textile, pharmaceuticals, construction materials, food products, oriental sweets, pearl and olive wood carving (wikipedia.org.). To promote businesses and tourism the Palestinian National Authority has built the hospitality Palace in Bethlehem, which comprises one of the biggest halls for conferences. The palace is used for hosting big national and international events and conferences of all types.

RESEARCH DESIGN AND METHODOLOGY

To achieve the objectives of the research the researchers used both primary and secondary data. A review of articles, conference papers, books, web sites and other literature in the field of family business were used. A questionnaire was developed for the purpose of the study. The questionnaire consists of multiple choice and open ended questions. The questionnaire contained major business characteristics like business size, type of business, gender, year of establishment and legal status. The second part of the questionnaire covered issues like strategic planning, marketing plans, legal status, human resource and financial management. The remaining part of the questionnaire contained open ended questions. The questions covered major problems and challenges facing management and businesses. Questionnaire was pretested and modi-

fied using opinions from three academics and two practitioners in the field of small business entrepreneurship and development.

Regarding the sample and population of the study, a total of 100 questionnaires were administered to a randomly selected managers and or owners of 100 family firms in Bethlehem governorate. Total 100 responses were obtained and all were found valid for the purpose of data analysis. To analyze the data the researchers used the Statistical Package for Social Sciences (SPSSx).

RESEARCH OBJECTIVES

The literature reveals that very limited research has been carried out to explain family businesses in Palestine. In order to fill the gap, this study was designed:

- A. To probe and analyze the characteristics of Palestinian family businesses in Bethlehem governorate
- B. To analyze the macro and micro environments in which businesses operate.
- C. To identify major problems challenges facing these businesses.
- D. To develop some recommendations for improvement of management practices.

RESEARCH PROBLEM

Since the Palestinians family businesses play a pioneering role in the Palestinian economic development. They also form the safety valve against the spread of unemployment as a result of

deteriorating political conditions and continuous closure imposed by Israel. The research problem can be phrased in the question “What are the key characteristics and challenges facing Palestinian family businesses in the Bethlehem region?”

RESEARCH LIMITATIONS

This study is not without limitations. Among the limitations are:

- A. The sample consisted of 100 family firms operating in Bethlehem governorate, which can not represent the totality of Palestinian family firms.
- B. Respondents were sensitive to answering some questions. To get their response they were assured of complete confidentiality.

RESEARCH SIGNIFICANCE AND CONTRIBUTION

This study will contribute to the understanding of Palestinian family businesses operating in Bethlehem, an environment that is characterized by uncertainty, lack of stability and political unrest. It will contribute to the literature on the subject since this is the first study of its kind, to the researchers’ knowledge, that investigates family business in Bethlehem. The research will develop some recommendations for improvements, thereby providing valuable insights that will have practical implications for business entrepreneurs, policy makers and consultants.

ANALYSIS AND FINDINGS

MANAGERS /OWNERS CHARACTERISTICS

With regard to educational level, the findings revealed that 35 % of respondents completed high school education (Twelfth grade), 29% did not even complete high school, 18 % of respondents hold the bachelor degree in various subjects (not necessarily business or accounting), while the remaining percentage,18%, completed two years college diplomas. This means that the majority of Palestinian business owners and managers in the Bethlehem region,71% ,completed high school, college and university education. The findings also indicated that 60% of respondents strongly believe that their education is not relevant to their work. Regarding managers/owner’s work experience, the findings have shown that 53% of entrepreneurs had 15 years of relevant work experience.

LOCATION , TYPE AND SIZE OF BUSINESS

TYPES OF BUSINESS

Developing a business is not just project management-balancing resource against time and budget-but doing so against a backdrop of uncertainty (Bessant and Tidd, 2011). The businesses covered in the study include different sectors (see Table 1). Having a low percentage for construction and agriculture is not surprising, because agricultural land has been confiscated for the construction of the apartheid wall and the building of Is-

TABLE 1 TYPES OF BUSINESS

Business Type	Percentage
Commercial shops and retail operations	52%
Manufacturing	18%
Services	15%
Construction and agriculture	15%
Total	100%

raeli settlements such as Abu Gunaim and Gilo. The United Nations Office for the Coordination of Humanitarian Affairs (OCHA) pointed out that only 13% of the total area of Bethlehem can be used, 660 Km is used because of the occupation (OCHA. May, 2009). Being a tourist attraction area for Christians, Bethlehem is well known for hand craft industries and shops and clothing. The service sectors include hotels, restaurants and travel agencies. Regarding manufacturing, it is worth mentioning that Bethlehem has major industries like textile, pharmaceuticals, stone and marble industries.

LOCATION OF BUSINESS

The location of business is a decisive factor. Unlike manufacturing of goods, service operations like restaurants, entertainment and retail business all favor proximity to customers. Regarding the location of businesses, It was found that the majority of businesses are located in major cities like Bethlehem, Beit Sa-hour and Beit Jala, while the remaining businesses are located in neighboring

villages, towns and refugee camps(see Table 2).

TABLE 2 LOCATION OF BUSINESS

Location	Percent-age
Major cities	58%
Refugee camps like Duhaisha, Aydah and Azza camp	23%
Villages and towns	19%
Total	100%

SIZE OF BUSINESS

The findings of the research indicate that family businesses in Bethlehem are relatively small where the vast majority of businesses, 82%, employ less than 5 employees and less. This finding corroborates with the finding of a survey conducted by PCBS which found that 97%of private business firms in Palestine are classified as small business, of which 925 businesses are employing less than 10 employees (see Table 3).

TABLE 3 SIZE OF BUSINESS

Size of Business	Percent-age
Employing up to 5 employees	82%
Employing6-7 employees	8%
Employing8-10 employees	6%
Employing more than 11 employees	4%
Total	100%

From the findings we can conclude that businesses in Bethlehem district are very small where 82% of businesses employ not more than 5 employees and 10% of businesses employ more than 8 employees.

BUSINESS PLANNING

New business is created by new ideas in the hope for competitive advantage and growth. Before starting a new business, entrepreneurs need to understand the factors that influence the success and failure of such new ventures. When Palestinian entrepreneurs were asked about business planning and the types of plans they perform, the following responses were given (see Table 4).

TABLE 4 BUSINESS PLANNING

Type of Plans	Percent-age
Don't have written marketing plans	72%
Don't have written financial plans	88%
Don't have production plans	88%
Businesses established without a feasibility study	68%

The researchers believe that the absence of business planning is directly related to the continuous disruption by the occupation. Other reasons for the lack of planning could be the cost of such plans lack of expertise, and maintaining secrecy. Further, there may be a cultural component, as some Arabs are having more fatalistic attitudes and behaviors.

However, only recently, 54% of businesses stated that they view strategic planning as an essential process for business. These businesses have started to work on strategies for achieving business goals; they have plans for their business and know what they need to reach business goals. Strategic planning courses and seminars are delivered to Palestinian family firms through local institutions like Bethlehem Chamber of Commerce and Bethlehem University through its Institute for Community Partnership (ICP), and with the support of international organizations operating in Palestine like USAID, SEDA and GIZ.

MANAGEMENT AND HUMAN RESOURCES

The findings have shown that owners work in the businesses they own, with the majority of them working as managers. The results indicate that 98% of respondents are owners and managers of the business. This leads us to conclude that private businesses in Palestine still need to work more on professionalizing the businesses. Local organizations in general, and family businesses in particular are far from implementing HRM practices, and thus should be studied as a separate case (Jabari, 2009; Jabari, 2010).

Good governance is necessary for the success of any business and the family firm is no exception. This requires family business owners to attract and retain qualified non-family employees, at least temporarily. However, in previous global research it was found

that the higher the involvement of the family in terms of management, the higher the performance the firm appears to sustain over the long run and across generation (Basco, Rodrigo, 2015). Al-Jabari (2011) stresses that the concept and knowledge of HRM practices, such as training, promotion, performance appraisal, compensation and rewards, almost do not exist in family businesses in Palestine. In regard to employee demographics in the study, 45% were members of the family who owned the business, and they were getting paid salaries. As for gender, 92% of employees are males with only 8% females. The finding is not surprising because in Palestine as it is in the Middle East, females would rather/tend to rather work in the public sector. They believe that the public sector provides more secure, stable and better paying jobs. In addition, many families' don't want woman/ their daughters to work in private, isolated firms because of cultural reasons that have to do with honor and reputation. For example, in one case a woman manager in an insurance company in Hebron district had to quit her job under the pressure of her family because her job required her to go out at night to follow up on car accidents. When managers were asked about the type of employees they would like to hire, almost 50 percent stated that they would rather hire relatives and members of the family. This shows that Palestinian culture is more collectivist society; therefore collectivism and kinship score high on cultural dimensions. This finding corroborates with the finding that family firms combining family

involvement in management to branding strategies communicating the family

as a corporate brand show higher rates of sales growth (Basco, Rodrigo, 2015). In another study it was found that the higher the involvement of the family in terms of management and governance, the higher the performance the firms appear to sustain over the long run and a cross generations (Basco, Rodrigo, 2015). As for work experience, 40% of respondents indicated that they would rather employ people with relevant previous experience..

In regard to training, 80% of respondents were very positive in their attitude towards it. Managers believe that employee training is very important for the development and sustainability of their businesses. As for the type of training needed, 45% of interviewees mentioned marketing training, with the remaining mentioning a need for training in information technology, financial management and accounting.

BUSINESS FINANCING, INFRASTRUCTURE AND TECHNOLOGY

When asked about startups, 72% of managers and owners indicated that they started their businesses using personal savings. From the analysis it was found that 62% of businesses are computerized .

RAW MATERIAL AND OTHER RESOURCES

Out of the businesses covered in the study, 40% reported importing their goods and raw material from outside Palestine. They import from countries

like Israel, Turkey, Syria, China, Jordan, Europe and United States. When asked about the reason for importing, 60% indicated that the main reason is the absence of needed goods in local market. This is mainly because Palestine is not a rich country and lacks natural resources. This corroborates with the findings of Al-Jabari (2011) in his article on human resource management in family businesses in Palestine, where he points out that Palestine is an emerging “state”. With an absence of natural resources, the human factor becomes the only means for economic and social development.

SALES AND MARKETING

Not surprisingly 70% of businesses use public relations and personal contacts in selling and marketing of goods and services. This is quite natural in a collectivist society like the Middle East, where connections and ties are considered to be a major reason for family business success.

PROBLEMS AND CHALLENGES FACING PALESTINIAN FAMILY BUSINESS

Palestinian family businesses face many problems and challenges. The problems can be internal and external. From the findings, the following problems were concluded:

1. Absence of planning. Palestinian family businesses lack strategic plans, business plans, and marketing plans.
2. Absence of governance practices. Managers and owners of small family businesses tend to hire family members

and relatives. Good management is necessary for the success of any business, and the family firm is no exception. Good management practices require attracting and retaining excellent non-family outsiders at least temporarily and assigning an advisory and legal board to help maintain good corporate governance.

3. Funding of business is limited to personal savings. There are several micro credit institutions in the West Bank, yet Palestinian entrepreneurs tend to avoid getting financial loans from credit institutions. This inhibits the business and hinders opportunities for innovation, competition and growth.

4. Heavy dependence on imported materials and resources. This is due to the fact that Israel exploits all natural resources in the region, and Palestinians have no control of air, land or sea. In addition is the fact that Palestine is not rich country and lacks the necessary natural resource.

5. Male-dominant business. Women in Palestine are relatively well educated in comparison to other less developed countries, and enjoy good status as expressed by literacy rate, education, work, opportunities and advanced professions. Despite this, less than 10 percent of the labor force in the private sector in Bethlehem is female.

CONCLUSIONS AND RECOMMENDATIONS

CONCLUSIONS

This research has shed light on Palestinian family owned and managed businesses in Bethlehem region. The paper identified, probed and analyzed the

types and characteristics of Palestinian entrepreneurs, their enterprises and the impact of family businesses on the Palestinian economy. The findings indicated that the majority of Palestinian managers and owners have completed high school, college and university education. Other major findings include the absence of female entrepreneurs and workers among Palestinian family businesses, the absence of business plans, marketing plans and production plans. It is evident from the findings that Palestinian entrepreneurs depend heavily on family ties and personal connections in promoting and marketing their businesses. Additional findings include the absence of corporate governance practices in family businesses and the use of personal funds and savings as a major start-up source despite the availability of funding in loans through banks and micro finance institutions.

Palestinian entrepreneurs work in an environment that is so complex politically and economically, yet despite all of that Palestinian entrepreneurs maintain strong social and economic networks both inside and outside Palestine and have achieved major successes in the area of sustainability and entrepreneurship. Palestinian family businesses are open towards innovation and change. Despite all the successes, Palestinian family businesses face many challenges. They include cultural instability and political risk, good management practices, professionalizing the business, market development, informality and absence of clear policies and larger unemployment rate among women. These challenges must be dealt with seriously

before they turn into a threat.

Finally, it is evident from the research that sustainability and occupation do not go hand in hand. Working in unstable environment, as it is in Palestine, requires Palestinian entrepreneurs to take risk, be proactive, have a vision of the future and be innovative.

ily business using bigger sample from all governorates in Palestine.

RECOMMENDATIONS

Based on the findings, it is recommended that Palestinian manager and or owners of family business

1. Adopt the option business “management” first not family “ownership” first

2. Pay more attention to visionary leadership and concentrate more on the development of business through the development of business plans, strategic plans, operation plans and marketing plans.

3. Pay more attention to human resource planning and development of their businesses.

4. Work seriously on corporate governance issues and practices to help maintain sustainability and growth.

5. Need not to limit their startups to personal savings. In doing so, they inhibit their business, making it more vulnerable and less able to compete, innovate and grow. Therefore, they are recommended to use other available financial resources either through banks or micro credit institutions.

Since the sample size has been one of the first limitations for this study, it is recommended that more exploratory research is required in the field of fam-

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