THE MEDIATION ROLE OF OPERATION EFFICIENCY BETWEEN SUCCESS FACTORS AND SMEs PERFORMANCE IN THE LIBYAN RETAIL INDUSTRY

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Abstract: This study investigates factors determining firm performance of small and medium enterprises in Libyan retail industry. Hence, the present study employs access to finance, availability of business information, access to infrastructure, and business information as the independent variable, while efficient operation and firm performance represent mediating and dependent variable. Respectively, based on Krejcie and Morgan optimal sample size, 383 questionnaires has been distributed to managerial staff of Libyan retail SMEs in North, South, East and West regions of the country. The findings of this study is hoped to shed some lights in identifying factors to help SMEs in Libyan retail industry to achieve high firms’ performance.

Keywords: SMEs, retail industry, business information, finance, infrastructure, Business environment, firm performance

I. Introduction

Across industries and countries, there are several approaches to describe and categorize a small and medium enterprise (SME). Berisha and Pula (2015) indicated that considering the similar group/class of business, certain terms as small business, small and medium enterprise (SMEs) or SME are often interchangeably used in order to favor the authors and institutions. Nations have regulations and lists of criteria defining the business size, in which different conventions are used. There is no general definition for standard SMEs as it is relatively associated with the domestic economy (OECD, 2017).

In particular, SME plays a crucial decisive role in economic development as its performance has a strong tie with the national economy and job creation. A healthy SME environment boosts the national economy, creates jobs, and contributes to value added and innovation (OECD, 2017). Success appears to become the most common phenomena in the business sector. A study by Dess and Robinson (2018) showed that regardless the absence of clear definitions, success still appears in many empirical types of research as a measurement for organizational performance (Abdullah et al., 2016). As success is about business measurement, there is a need for criteria, which contribute to its reference frame.

II. Review of Related Studies: The Libyan Scenario

SMEs in Libya continue to underperform due to such political and economic turmoil caused by the war a few years ago (Hutahayan, 2019). The situation in Libya has indeed improved over the years but the effects of the tumultuous parts of the country is still apparent and is still playing a role in the stagnation of growth in the economy and lack of proper performance of these SMEs. It might not take very much for an external threat to result in the SME failing, if this strategy is
not quickly addressed. Survey by Khelil (2016) has shown that almost 25% of SMEs in the Libyan retail industry lack financial preparedness. Another 35% were found not to have proper contingency strategy being implemented in the event that things go wrong. The survey also showed that almost 50% of managers in SMEs in the retail industry of Libya did not have a proper strategy on important success factors. It is because of the sort of inefficiencies and management related in competencies that SMEs in Libya are placed at a disadvantage and are very vulnerable to threats within its internal and external environment (Khelil, 2016). Therefore, it is not surprising to see high percentage of SMEs in Libya failing to make it through the first year of its business (Makhdoom et al, 2019).

Also, Abdulsaleh and Worthington (2016) and Omar et al. (2020) have found that many managers in these SMEs lack of proper understanding about important success factors and admit that they have not implemented any competitive strategy on the basis of observable success factors. This portrays the managers’ lack of attention to the importance of critical success factors and also ignoring the likely effect of negative factors in Libyan SME. All these are found to significantly contribute to the deterioration of the performance of SMEs in Libya and the ultimate insolvency, bankruptcy or closing down (Gupta & Mirchandani, 2018).

According to Albashir et al. (2018) for better attention to be given to these important success factors by Libyan SMEs, sustainability and viability in the Libyan SME sector. However, this is not the case and many SMEs in Libya continue to be short lived. These SMEs start off with great optimism but eventually find themselves to be unable to succeed because of a lack of proper strategic direction, mainly due to lack of knowledge and experience about the most important success factors that can affect it (Khalifa et al., 2019). This means that if there are initiatives taken which will not be very strategic in nature, they would lack focus and also not address important aspects of the company, which need to be addressed for success to be achieved.

Ogujiuba et al. (2020) addressed the limited access to the global business environment by the Libyan SMEs, which has affected their success’s horizon. Due to the limit across the world business environment, the promotion of entrepreneurship has a very important role in developing modern economies and societies alike. The fact is that entrepreneurship is very important in generating greater innovation and it can pave the way for the achievement of superior technological progress (Isidro & Sobral, 2015). It also helps to generate better employment and contribute to establishment of various market related opportunities. This can have a very important role in stimulating economic growth as well as the accumulation of national wealth (Lukason et al., 2019). Recently, a number of governments in developing and developed nations across the world have emphasized the facilitation of entrepreneurship within the general population which is extremely important when it comes to the younger generation (Ozaralli & Rivenburgh, 2016). Youth entrepreneurship has been a major concern because it is an important strategy to address the graduate's employability of developing countries such as Libya.

The main problem is that in many Libyan SMEs, there continue to be problems relating to efficiencies of the management. It is a fact that numerous managers within these Libyan SMEs are simply unable to address the challenges within the environment of the SME, whether it be in the internal or the external environment, and as a result, they allow these factors to overcome these SMEs and this would result in affecting its performance very badly (Isidro & Sobral, 2015). The management of Libyan SMEs is indeed of great importance, and it is in the Libyan’s economic interest that the Libyan SMEs are managed intelligently and efficiently. An inefficient management would almost certainly result errors, problems and mismanagement that will lower the chances of success and increase the propensity of outright failure of the SME. It is up to the
manager to recognise and act upon internal and external challenges that would usually result in a Libyan SME failing. The problem in Libya is that the managers and management function of many of these Libyan SMEs do not give priority to the critical success factors and also the factors that can Libyan SMEs failing (Khelil, 2016; Lukason & Vissak, 2017; Lukason et al., 2016).

III. Objectives of the Study

i. To examine the mediation role of operation efficiency between SMEs success factors and SMEs performance in the Libyan retail industry and;

ii. To establish a model for the SMEs performance based on the success factors and operation efficiency in the Libyan retail industry.

IV. Population and Sample

The research design chosen for this study was quantitative approach method. The quantitative research design of the study had involved the use of statistical techniques which were designed to collect data from the research population using statistic analyses (Sileyew, 2019). Likewise, Considering Krejcie and Morgan, for a population of 100,000 to 249,000, the sample size is 383. As such the Libya Ministry of Economy and Trade reported the official recorded population of SMEs in Libya to be 183,000 as of date excluding non-registered SMEs. Therefore, 383 sample sizes have been employed in the current study as respondent. Additionally, This study adopted the probability sampling technique to twofold that, first; it adopted by similar previous studies to this study such as (Kolesnikova et al., 2020, Janka et al., 2018, Simioni and Schaeffer, 2019), secondly; because probability sampling leads to higher quality findings because it provides an unbiased representation of the population as suggested by Anderson (2017). The survey is to be conducted in four regions of Libya, which are Northern, Western, Eastern and Southern with businesses and entrepreneurship presences. Overall, self-administered questionnaires are to be completed by respondents that consist of seven (7) sections altogether based on the variables stated in conceptual framework of this study. The sections comprise the followings:

i. Section (A): questions on Demography of Respondent (age, educational background and gender),

ii. Section (B): questions on Access to Finance adopted from the study of (Emeni, 2008).

iii. Section (C): questions on Business environment adopted from the study of (Indarti and Langenberg, 2004).

iv. Section (D): questions on availability of business information adopted from the study of (Indarti and Langenberg, 2004).


vi. Section (F): questions on Efficient Operation adopted from the study of (Okwang'a et al., 2015)

vii. Section (H): question on SMEs performance adopted from the study of (Ur Rehman et al., 2019)
V. Profiles of Respondents

Table (1) shows the respondents profile for those participated in the study. As shown in the table, 74.7% of the participants belongs to the male gender category and (n=286), while 25.3% of the participants belongs to the female gender category and (n=97). Moreover, the age levels of the participants divided into 4 categories, where 12.0% ranged between 17-25 years of age with n = 46, 28.5% ranged between 26-30 years of age with n = 109, 31.9% ranged between 31-35 years of age with n = 122, and 27.7% ranged between 36-40 years of age with n = 106 from the sample. Somehow, most of the participants hold a bachelor certificate with a percentage of 66.1% with n = 253, for diploma certificate holders, there were 29.0% with n = 111 respondents, and for the PhD certificate holders, there were 5.0% with n = 19. lastly, the experience of the participants ranged between 1 to 9 years, 41.8% of the participants has an experience from 4 to 6 years with n = 160, 9.4% has an experience from 1 to 3 years with n = 36, and 48.8% has an experience from 7 to 9 years with n = 187.

<table>
<thead>
<tr>
<th>Gender</th>
<th>n</th>
<th>%</th>
<th>Education Level</th>
<th>n</th>
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<tr>
<td>Male</td>
<td>286</td>
<td>74.7%</td>
<td>Diploma</td>
<td>111</td>
<td>29.0%</td>
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<tr>
<td>Female</td>
<td>97</td>
<td>25.3%</td>
<td>Bachelor</td>
<td>253</td>
<td>66.1%</td>
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<td>PhD</td>
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<th>Age</th>
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<tr>
<td>17-25 years</td>
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<td>12.0%</td>
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<td>109</td>
<td>28.5%</td>
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<tr>
<td>31-35 years</td>
<td>122</td>
<td>31.9%</td>
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<tr>
<td>36-40 years</td>
<td>106</td>
<td>27.7%</td>
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<tr>
<th>Experience</th>
<th>n</th>
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<tr>
<td>1 to 3 years</td>
<td>36</td>
<td>9.4%</td>
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<tr>
<td>4 to 6 years</td>
<td>160</td>
<td>41.8%</td>
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<tr>
<td>7 to 9 years</td>
<td>187</td>
<td>48.8%</td>
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VI. Statistical Techniques Used in the Present Study

6.1 Hypotheses testing for direct effect.

This section presents the result of hypotheses testing for direct effect. The results are presented in table (2). The direct effect test was used in the study to find out the type of relationships among the independent variables and the dependent variable. According to the research hypotheses, the researcher has proposed that there are direct and significant relationships between the independent variables and the dependent variable. The direct effect test was conducted to find out whether these hypotheses are supported or not. According to table (2), the following conclusions were drawn:

<table>
<thead>
<tr>
<th>Paths</th>
<th>Beta</th>
<th>Standard Deviation</th>
<th>T Values</th>
<th>P Values</th>
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<tbody>
<tr>
<td>ABI -&gt; SMEP</td>
<td>0.249</td>
<td>0.023</td>
<td>10.904</td>
<td>0.000</td>
</tr>
<tr>
<td>AF -&gt; SMEP</td>
<td>0.198</td>
<td>0.036</td>
<td>5.497</td>
<td>0.000</td>
</tr>
<tr>
<td>AI -&gt; SMEP</td>
<td>0.118</td>
<td>0.045</td>
<td>2.611</td>
<td>0.009</td>
</tr>
<tr>
<td>BE -&gt; SMEP</td>
<td>0.302</td>
<td>0.038</td>
<td>7.870</td>
<td>0.000</td>
</tr>
</tbody>
</table>
OE -> SMEP | 0.335 | 0.033 | 10.241 | 0.000
ABI -> OE | 0.120 | 0.038 | 3.152 | 0.002
AF -> OE | 0.218 | 0.055 | 3.974 | 0.000
AI -> OE | 0.339 | 0.070 | 4.866 | 0.000
BE -> OE | 0.289 | 0.058 | 4.992 | 0.000

Where: AI; Access to infrastructure, OE; Operation efficiency, AF; Access to finance, ABI; Availability of business information, BE; Business environment, and SMEP; SMEs performance

a. There is a positive and significant relationship between availability of business information and SMEs performance in the Libyan SMEs industry wit beta = 0.249, t value greater than 1.69, which is 10.904 and a significant level of 0.000.
b. There is a positive and significant relationship between access to finance and SMEs performance in the Libyan SMEs industry wit beta = 0.198, t value greater than 1.69, which is 5.497 and a significant level of 0.000.
c. There is a positive and significant relationship between access to infrastructure and SMEs performance in the Libyan SMEs industry wit beta = 0.118, t value greater than 1.69, which is 2.611 and a significant level of 0.009.
d. There is a positive and significant relationship between business environment and SMEs performance in the Libyan SMEs industry wit beta = 0.302, t value greater than 1.69, which is 7.870 and a significant level of 0.000.
e. There is a positive and significant relationship between access to finance and operation efficiency in the Libyan SMEs industry wit beta = 0.218, t value greater than 1.69, which is 3.152 and a significant level of 0.002.
g. There is a positive and significant relationship between access to finance and operation efficiency in the Libyan SMEs industry wit beta = 0.339, t value greater than 1.69, which is 4.866 and a significant level of 0.000.
h. There is a positive and significant relationship between access to infrastructure and operation efficiency in the Libyan SMEs industry wit beta = 0.335, t value greater than 1.69, which is 10.241 and a significant level of 0.000.
i. There is a positive and significant relationship between business environment and operation efficiency in the Libyan SMEs industry wit beta = 0.289, t value greater than 1.69, which is 4.992 and a significant level of 0.000.

6.2 Hypothesis Testing (Mediation effect)
In this section, the results on assessing the mediating effect of Operation efficiency on the relationships of (Access to finance, Availability of business information, Access to infrastructure, and Business environment) and the SMEs performance in the Libyan SMEs industry are presented. The PLS-SEM was also utilized to test the mediating effect of operation efficiency on the relationships of (access to finance, availability of business information, access to infrastructure, and business environment) and the SMEs performance in the Libyan SMEs industry. The results have confirmed the following:
Operation efficiency mediates the relationship between access to finance and the SMEs performance in the Libyan SMEs industry with mediation = 0.404, t value greater than 1.69, which is 3.926, lower level = 0.203, and upper level = 0.606.

Figure.1. Mediation of Operation efficiency between Access to finance and SMEs performance

Operation efficiency mediates the relationship between availability of business information and the SMEs performance in the Libyan SMEs industry with mediation = 0.101, t value greater than 1.69, which is 2.814, lower level = 0.031, and upper level = 0.172.

Figure.2. Mediation of Operation efficiency between Availability of business information and SMEs performance
Operation efficiency mediates the relationship between access to infrastructure and the SMEs performance in the Libyan SMEs industry with mediation = 0.403, t value greater than 1.69, which is 10.322, lower level = 0.326, and upper level = 0.479.

Figure 3. Mediation of Operation efficiency between Access to infrastructure and SMEs performance

Operation efficiency mediates the relationship between business environment and the SMEs performance in the Libyan SMEs industry with mediation = 0.477, t value greater than 1.69, which is 11.090, lower level = 0.292, and upper level = 0.418.

Figure 4. Mediation of Operation efficiency between Business environment and SMEs performance
VII. Discussion of the Findings

7.1 Access to finance and SMEs performance
The current study has applied several tests and examinations, while the most important results found were from the hypotheses testing, the direct effect test was employed and it found that there is a positive and significant relationship between access to finance and SMEs performance in the Libyan SMEs industry with beta = 0.198, t value greater than 1.69, which is 5.497 and a significant level of 0.000. This result is similar to the findings of the previous studies, where Rehman et al. (2019) identified critical factors limiting the growth of SMEs in one of these was limited access to financing. The sustainability of SMEs was investigated by Ye and Kulathunga (2019), and it was discovered that financial literacy, access to finance and financial risks attitude contribute greatly to success or failure of SMEs. Mustafa et al. (2020) had proposed a framework based on a number of variables that he believed to have an impact toward the SMEs performance. The independent variables are credit access, administration, bank charges and fees, and package facilities. Most of financial institutions rejected the SMEs loan application because of these various factors (Xia and Gan, 2020). SMEs in developing nations have been facing the issues of limited finance that cause high failure rate (Bilal, Khan & Akoorie, 2016; Lee, Sameen & Cowling, 2015). Reports show that a significant number of SMEs are unable to put in a very timely and effective response to various changes within the market and this inefficient market response is held to be a significant factor that results in these SMEs being unable to succeed (Georgiev & Ohtaki, 2020). SMEs in developing nations lack the finances required to spur innovation and thus they usually focus on routine business, low exploration activities and this typically results in average and low performance (Yeniaras & Unver, 2016). Alshumaimri and Almohaimeed (2014) noted that financial and administrative support for small and medium-sized enterprises must be provided, especially in the high failure rate.

7.2 Availability of business information and SMEs performance
The current study has applied several tests and examinations, while the most important results found were from the hypotheses testing, the direct effect test was employed and it found that there is a positive and significant relationship between availability of business information and SMEs performance in the Libyan SMEs industry with beta = 0.249, t value greater than 1.69, which is 10.904 and a significant level of 0.000. This result is similar to the findings of the previous studies, where in case of SMEs in Malaysia, Chong (2012) investigated the CSFs and he identified some of the main success factors connected to the availability of available business information to include possession of comprehensive and strategic business management information by managers, ease of access to business related information, access to comprehensive marketing -related information, the presence of compressive business information that allows for the setting of very effective and competitive pricing strategies, and also the possession of very important human resource (Zin and Ashari, 2020). The study also highlights that it is imperative entrepreneurs have access to quality business information to allow them to make strategic business decisions and to be able to come up with winning ideas that can make their organization a success (Yang, 2020). Usually, when important business information is not available, this will impede the ability of managers and other strategic planners within the organization to implement effective business strategies and other initiatives in the organization to help it become successful. For example, a lack of business information on marketing will result in the organization not having the ability to plan and implement effective marketing strategies (Ahmed, 2018). Therefore, it can be seen here.
that business information does play a very important role in ensuring better success of SMEs and that a lack of business information that is strategic in nature will almost certainly cause an SME to be unable to perform well (Makhdoom et al., 2019). Therefore, this literature review has established that business information is indeed a very important and critical success factor that will dictate the success of SMEs. It will not be wrong to say that the better the quality of business information at hand, the more successful the SME would be, provided that the business information is used intelligently and strategically to achieve the mission and vision of the organization (Alon et al., 2018). However, what is unsettled within the research is that there is yet to be a proper research done from a Libyan context about the relationship between business information and the performance of SMEs. In other words, there has yet to be a conclusive research done in Libya about how business information can act as a critical success factor for SMEs (Fernandes & Solimun, 2017).

7.3 Access to infrastructure and SMEs performance
The current study has applied several tests and examinations, while the most important results found were from the hypotheses testing, the direct effect test was employed and it found that there is a positive and significant relationship between access to infrastructure and SMEs performance in the Libyan SMEs industry with beta = 0.118, t value greater than 1.69, which is 2.611 and a significant level of 0.009. This result is similar to the findings of the previous studies; where Rehman et al. (2019) identified a lack of access to proper infrastructure as impeding the ability of an SME achieve success. Research indicates that there are many important critical success factors pertaining to access to infrastructure on part of the entrepreneur and these include the presence of a sound and comprehensive organizational infrastructure, the presence of a very effective information technology infrastructure (Arshad and Arshad, 2018), the presence of a comprehensive knowledge management infrastructure, having a well-crafted financial infrastructure, the presence of a sound organizational infrastructure that is capable of supporting very sophisticated training, and infrastructure that promotes ease of access to human and financial resources (Marhaeni et al., 2019).

A study by Chawla et al. (2010) compared critical success factors of small business in China and the USA, and found that SMEs in China are subject to several success factors related to the presence of superior marketing infrastructure, the presence of positive industry infrastructure, and the presence of effective and strategic location. The finding showed similarities between small business in China and the USA, except for the business-financing factor (Azudin and Mansor, 2018). When it comes to developing nations, researchers identify many critical infrastructure-related success factors for SMEs and among these include the possession of the infrastructure which makes it possible to engage in superior organizational innovation, superior intellectual capital infrastructure, effectiveness of leadership and management infrastructure, various entrepreneurial features and competencies, and the effectiveness of human resources infrastructure (Fernandes & Solimun, 2017).

7.4 Business environment and SMEs performance
The current study has applied several tests and examinations, while the most important results found were from the hypotheses testing, the direct effect test was employed and it found that there is a positive and significant relationship between business environment and SMEs performance in the Libyan SMEs industry with beta = 0.302, t value greater than 1.69, which is 7.870 and a significant level of 0.000. This result is similar to the findings of the previous
studies, where the business environment of an SME also plays a very important role affecting the success of the SME and generally speaking, a conducive business environment would contribute positively to the success of an SME (Balakrishnan et al., 2018). However, bad business environment would do the exact opposite. When it comes to the factor concerning the business environment, Rehman et al. (2019) identifies factors like effects in the regulatory environment, the presence of an environment that is characterised by high level of corruption and disorder, marketing environment that is an effective and firm characteristics which are suitable for the environment in which it is doing business within. These researchers state that an environment characterized by high corruption and disorder is not very conducive for an SME (Balushi et al., 2018). However, an SME environment characterized by conducive marketing, conducive regulatory procedures and an environment characterized by healthy competition is good for SMEs. Another research by Tseng and Tseng (2019) studied about the critical business environment related success factors for SMEs and these include the presence of effective management leadership and support, effective organizational culture, very sound organizational strategy, management effectiveness, information technology, organizational infrastructure, organizational processes, organizational resources, human resource management, customer satisfaction, external relations and motivational factors (Belot and Serve, 2018).

A study was also done which identifies various critical success factors for business intelligence implementation within these SMEs and they made an identification of a total of seven different critical success factors and these include a business environment that is characterized by a high level of commitment and support by the management (Georgiev & Ohtaki, 2020), having a very business centric and balanced team composition, having a very clear strategic vision, an environment that is very business driven and which embraces an iterative development approach, and business environment that proactively embraces effective change management (Freixanet et al., 2018), business environment that is very business driven, scalable and flexible in terms of the technical framework and having very high levels of sustainable data quality and integrity (Makhdoom et al., 2019).

7.5 Operation efficiency mediation and SMEs performance

The current study has applied several tests and examinations, while the most important results found were from the hypotheses testing, the indirect effect (mediation) test was employed and it found that operation efficiency mediates the relationship between (access to finance, availability of business information, access to infrastructure, and business environment) and the SMEs performance in the Libyan SMEs industry. This result is similar to the findings of the previous studies, where operation efficiency is resulted from the effective adoption of the success factors of the organization (Brasen et al., 2019). in this regard, the integration of the success factors leads to improve the overall efficiency operation, which is empirically impact the overall performance of the organization (IMF, 2019).

Much of the research that was discussed in the parts above have indicated that many researchers have indeed examined the variable of access to financing in light of its role in acting as a critical success factor of SMEs (Freixanet et al., 2018). Most of the research does show that access to financing is very important for an SME to help it achieve success (Lindh & Nordman, 2017). That studies have highlighted that a lack of proper financing will invariably result in an SME encountering difficulty that can result in this SME failing. Therefore, it is not doubted that most of the research in this area does agree that access to financing is an important and critical success factor which can generate better SME performance (Ganorkar et al., 2018). However, most of
the studies are done not from the perspective of Libya but of other countries and this means that such findings cannot be used in the Libyan context. It is based on this lack of literature concerning the role of access to financing in influencing the success of SMEs in Libya that has motivated the researcher to investigate this independent variable from a Libyan context (Fernandes & Solimun, 2017). Operational efficiency is one that deals with minimizing losses and maximizing the capacity of the company's resources, in order to deliver quality products and services to customers (Li et al., 2018b); It is also related to the identification of the processes and resources that waste the benefits of the organization and to the design of new work processes that optimize the quality and productivity of the entity.

Several previous studies such as (Janka et al., 2018, Ghosh and Sanyal, 2019, Li et al., 2018b) found that success factors adoption generates optimal operation efficiency, which in turn lead to performance improvement. Hence, the operation efficiency is a result of effective adoption of success factors such as access to finance, availability of business information, access to infrastructure, and business environment, which contribute to the final performance level of the firm. Furthermore, the significant direct effect of the success factors was proven by previous studies such as access to finance (Zhang et al., 2017a), availability of business information (Pai et al., 2020), access to infrastructure (Jiang et al., 2018), and business environment (Lee, 2018) on the SMEs performance. Therefore, the mediation role of operation efficiency is proven based on the achieved triangulation effect among the success factors, operation efficiency, and SMEs performance. Further empirical evidences that support this triangulation effect are addressed in the followed discussion. According to Lotto (2018) the starting point of all efficient work is to know it widely and generate the skills to carry it out. This means that without skilled and sufficiently trained employees it cannot expect superior results. An old popular thought says that “nobody gives what they don't have”, that is, if the collaborator is not sufficiently prepared, the propensity to make mistakes, delays, differences compared to specifications, lack of quality and problems of all kinds, will be very high. Technological advances are, without a doubt, one of the most effective ways to raise the efficiency levels, because they put us in front of alternatives to increase productivity and improve the timeliness of the company's internal processes. The technology, in addition, by itself, can allow the redesign and simplicity of processes and the obtaining of economies of scale (Xu and Chi, 2017).

Gil Ropero et al. (2019) stated that if it uses poor quality raw materials or inputs or with inadequate specifications, surely what it will obtain are bad results. For something it is also popularly said: "cheap is expensive." With this it does not mean that the expensive in itself allows improving the efficiency of the family business, simply that there are economies that are justifiable and others are not. It is also true that the best or most appropriate is not always the most expensive. Business processes, if they are not accompanied by adequate procedures, with clear objectives, the appropriate resources, the definition of those responsible, the scheduling of execution times and the appropriate evaluation systems, will not produce the levels of costs, expenses and quality necessary to increase the efficiency of the family business. Equally important as the factors described above are the evaluation, motivation and recognition systems in all the tasks of the company. Success factors such as the work environment, the sense of belonging, the warmth of attention and customer service, the timely resolution of complaints and a system of continuous improvement go hand in hand with the evaluation and recognition systems (Shaffer et al., 2020). In addition, since what is not measured does not improve, if it wants to improve operational efficiency, it is essential to have good management monitoring systems, cost and efficiency measurements, and evaluation of productivity, added value and
profitability. There will be opportunities all the time to improve efficiency through innovation in products and services or in the business itself. A company cannot marry the past and stop thinking about innovation. One of the elements that most adds value to a company, mainly to family members, is its ability to criticize itself, evaluate itself, change and generate innovations (Kolesnikova et al., 2020).

VIII. Conclusion

The role of Small and Medium-sized Enterprises (SMEs) in the world economy is gradually increasing and gaining importance. SMEs are becoming more and more indispensable in the economies of developed and developing countries, with their contribution in creating new employment areas, their ability to adapt to changes in market conditions, and their impact on economic and social development. This development leads countries to determine appropriate policies for the promotion and development of SMEs. In Libya, as in the rest of the country, micro and small companies present a defective organization at the business level that has to do with economic, financial and administrative aspects, which impede the development of these entities, trade union associations and business. Likewise, the limited training of the SMES does not allow them to have the capacity to comply with requirements such as legal, organizational, financial and competitive compared to their competitors, these limitations in most cases are because the same micro-entrepreneurs have little value at the training and business development. The research carried out has a technical justification, because the research results will serve to guide the improvement of the management system of the SMEs. The qualitative and quantitative results of the research will make it possible to establish more effective programs for the development and growth of the SMES in the Tripoli city. The academic justification is based on the application of knowledge about the growth and development of SMES, factors that prevent this growth, financing. The use and application of this knowledge is reflected in the alternatives proposed to improve business management. The research is of a quantitative descriptive level with a scope of simple descriptive design and field, worked with commercial establishments that operate in Libya. Another important path for future research is to complete an in-depth meeting with senior management to acquire detailed data. In addition, it is proposed that research efforts should attempt to supplement emotional measures with objective information to acquire reliable findings.

References


