

Research Article

DOI: <http://dx.doi.org/10.22192/ijamr.2024.11.04.005>

The causes and consequences of small business failures in Mogadishu - Somalia

Dr. Abdikarin Adan Hussain

Faculty of Management Science and Economics. Himilo University, Mogadishu Somalia

E-mail: info@himilouniversity.edu.so

Abstract

Failure of the small businesses in Mogadishu has been an issue of concern for the past years. This study will therefore be conducted to determine the possible causes and consequences of the small business failures in Mogadishu. The study's specific objectives were the determination of small business failures and the investigation of the consequences of small business failures in Mogadishu. The survey adopted the use of a descriptive research design. The population targeted was 40 small-scale business operators in Mogadishu. Given a small study population, a census method was adopted from which the study considered all the 40 small business operators in Mogadishu. The study relied on primary data collected using Likert scale questionnaires presented in Google Forms. Quantitative data achieved by the survey was coded and presented in Excel before analysis. Besides, Statistical Packages for Social Sciences version 27 was incorporated into data analysis. Analysis of the qualitative data was done through content analysis. This method helped come up with the study inferences. Study findings were presented as tables of descriptive and inferential statistics. The study determined that small business failures is caused by key major factors such as insufficient planning and lack of a well-defined business plan, failure to thoroughly understand the target market, including customer needs, preferences, and competition among section of small-scale business operators as well as inadequate skills in financial management, including poor cash flow management, excessive debt, insufficient capital, or improper financial controls. The study further established that small scale business operators no exercising strong leadership and effective management practices characterized with high experience and skills are major contributors of business failure. Besides, small business operators not taking customer feedback effectively and changes in government regulations, industry disruptions, or unforeseen events significantly impact business operations and viability among small business operators in Mogadishu. Failure in small business operating in Somalia have led to a decrease in local economic activity, affect suppliers and partners, and create a ripple effect in the economy. Business failure among small-scale operators in

Keywords

small, medium, business, failure, enterprise, research, management, poor, scale

Mogadishu have also subjected the proprietors to loss of innovative products or services that could have benefited customers and the market. It was recommended by the study that to increase the chances of success, businesses should invest time and effort into developing a comprehensive business plan, conducting thorough market research, ensuring sound financial practices, fostering strong leadership, differentiating themselves from competitors, implementing effective marketing strategies, prioritizing customer feedback and needs, and building resilience to external challenges. By addressing these areas, small businesses operators in Mogadishu can enhance their chances of long-term viability and growth.

Introduction

Business failure has been observed to be very common, more so in developing nations. Business failure has been defined by Freel (2018) as the closure of a business that did not achieve its objectives. Besides, Bradley and Cowdery (2018) highlighted that business failure is a situation where business entities record a lower return on investment when compared to opportunity cost. Among small scale business operators, business failures can occur due to various factors and circumstances. Understanding the causes behind these failures is crucial for small scale business operators to mitigate risks and enhance the chances of success.

Ropega (2019) determined that in Malaysia, setting up and running small scale business operations is founded on strong leadership. Whenever the enterprises are run under weak leadership, ineffective management practices, a lack of experience or skills, and poor delegation, the employee morale can be hindered, hence lowering the level of productivity, and the overall business success. According to (Pearce and Michael, 2018), poor leadership is a major contributor towards collapse of business operations among small scale entrepreneurs as it contributes towards neglecting customer feedback and disregarding changing customer needs that can result in a loss of customer loyalty and market relevance. Among small scale business operators in Oslo, Runyan (2018) determined that inadequate marketing efforts, ineffective sales techniques, and an inability to communicate the value of products or services to target customers can result in low customer acquisition and revenue generation. This may in turn be a major

contributor towards collapse of the small-scale enterprises.

Bushe (2019) pointed out that among various states in Nigeria, Oyo and Osun states are characterized by increased ventures into business opportunities among the youths. However, various factors such as insufficient planning and lack of a well-defined business plan knowledge have contributed to poor decision-making, inadequate resource allocation, and an inability to anticipate and adapt to challenges. Further, Hall (2016) suggested that small business operated in developing nations within West Africa region fail due to not thoroughly understanding the target market, including customer needs, preferences, and competition. This attributes production of goods and delivery of services that do not meet market demand or fail to differentiate from competitors. According to Fernández et al., (2017), business failure among small scale business operators result from inadequate financial management, including poor cash flow management, excessive debt, insufficient capital. By not employing adequate and sufficient financial controls, financial instability is experienced and eventually business failure.

In Mogadishu, economic recessions, changes in government regulations, industry disruptions, and unforeseen events in the Somalian economy have significantly impacted business operations and viability (Ahmed et al.,2018). Besides, Mohamud and Mohamed (2019) further determined that small scale business operators in Mogadishu are highly affected by external factors beyond their control, such as changes in Somalia government regulations, economic downturns, natural disasters, or unexpected market disruptions.

Adapting to these external factors can be challenging and may require proactive measures, without which, the business end up collapsing. The study was therefore keen to investigate the causes and consequences of small business failure in Mogadishu.

The failure in small scale business operations is characterized with a decrease in the rate of participation in economic activities that in turn affect suppliers and partners, and create a ripple effect in the economy. In Mogadishu, it was reported by Abdullahi et al., (2019) that failure in small scale businesses may mean the loss of innovative products or services that could have benefited customers and the market. Further, the Somalian Ministry of Planning and National Development, (2017) highlighted that the key consequences experienced by the small business operators is financial hardships following the loss of innovative products or services that could have benefited customers and the market. At individual level, collapse in business operations, a failed business can suffer reputational damage, which may make it difficult for the owners or key individuals associated with the business to pursue future opportunities. Besides, Sadik (2019) determined from his survey that the upon business failure, the youths operating in Mogadishu are often faced with challenges related to personal and emotional consequences, that further results in stress, disappointment and loss of self-esteem.

In their work, Keats and Bracker (2013) proposed a model that outlines the factors influencing the performance of small businesses. According to their model, small business performance is determined by two key factors: the entrepreneurial characteristics of the owner and the contextual or task environment factors. The entrepreneurial characteristics refer to the personal traits and skills of the business owner, which are often associated with the concept of entrepreneurship. On the other hand, contextual or task environment factors encompass various external elements that affect the business, such as customers, suppliers, employees, bankers, lawyers, trade associations, regulatory bodies, competitors, and other relevant stakeholders

(Keats & Bracker, 2013). Therefore, Keats and Bracker's model suggests that the performance of small businesses is influenced by a combination of the owner's entrepreneurial characteristics and the external task environment factors. The present study aligns with this model by examining both internal and external sources of small business failure and possible consequences. By considering these factors, researchers can gain insights into the causes and mechanisms behind small business failures and develop strategies to address them effectively.

Statement of the Problem

Small business failure is a significant economic issue in both developed and developing economies. In Mogadishu, a large percentage of businesses are family-operated and face numerous challenges such as limited access to finance, land, expensive electricity, transportation problems, and high tax rates (Ministry of Planning and National Development, 2017). The World Bank (2018) also identifies obstacles like customs and trade regulations, water scarcity, lack of an educated workforce, and unregistered practices. However, these challenges were reported to be less severe compared to other hindrances mentioned in Somaliland's national development plan II.

Taxation has been recognized as a significant factor affecting small business performance in Somaliland (Farah & Ainebyona, 2019). In Somalia, lack of security, inadequate public services, and competition are identified as hindrances to small business performance (Noor & Ampornstira, 2019). Additionally, inaccessibility to loans is a common reason for small business failures in Somalia (Ali et al., 2018). Inadequate management skills and government policies are also cited as major obstacles for small and medium-sized enterprises in Somalia (Ahmed, 2020). Similar challenges are faced by small businesses in Burao city, as the business environment in the country is relatively homogeneous.

These various studies shed light on the specific factors that contribute to small business failures in the Somali region, including limited access to finance, high taxation, lack of security, inadequate public services, and poor management skills. Understanding these challenges is essential for policymakers and entrepreneurs to develop strategies that address these issues and promote the success of small businesses in the region. The study was driven to establish the possible causes and consequences of the small business failures in Mogadishu.

Objectives of the Study

General Objective

The study was kept to determine the possible causes and consequences of the small business failures in Mogadishu.

Specific Objectives

- i. To determine the key causes of failure in small business operations in Mogadishu, Somalia

- ii. To determine the consequences of small business failure in Mogadishu, Somalia

Study Questions

- i. What are the key causes of failure in small business operations in Mogadishu, Somalia?
- ii. What are the consequences of small business failure in Mogadishu, Somalia?

Conceptual Framework

A conceptual framework provides an illustration of the variables for the study as well as the indicators. The conceptual framework shows a highlight of the existing link between variables investigated by the study. According to Orgreen (2019), a conceptual framework is of great significance to a research study as it highlights all the indicators guiding the dependent and independent study variables. The determinant variables consist of; causes and consequences of business failure. On the other hand, the dependent study variable is small business failure.

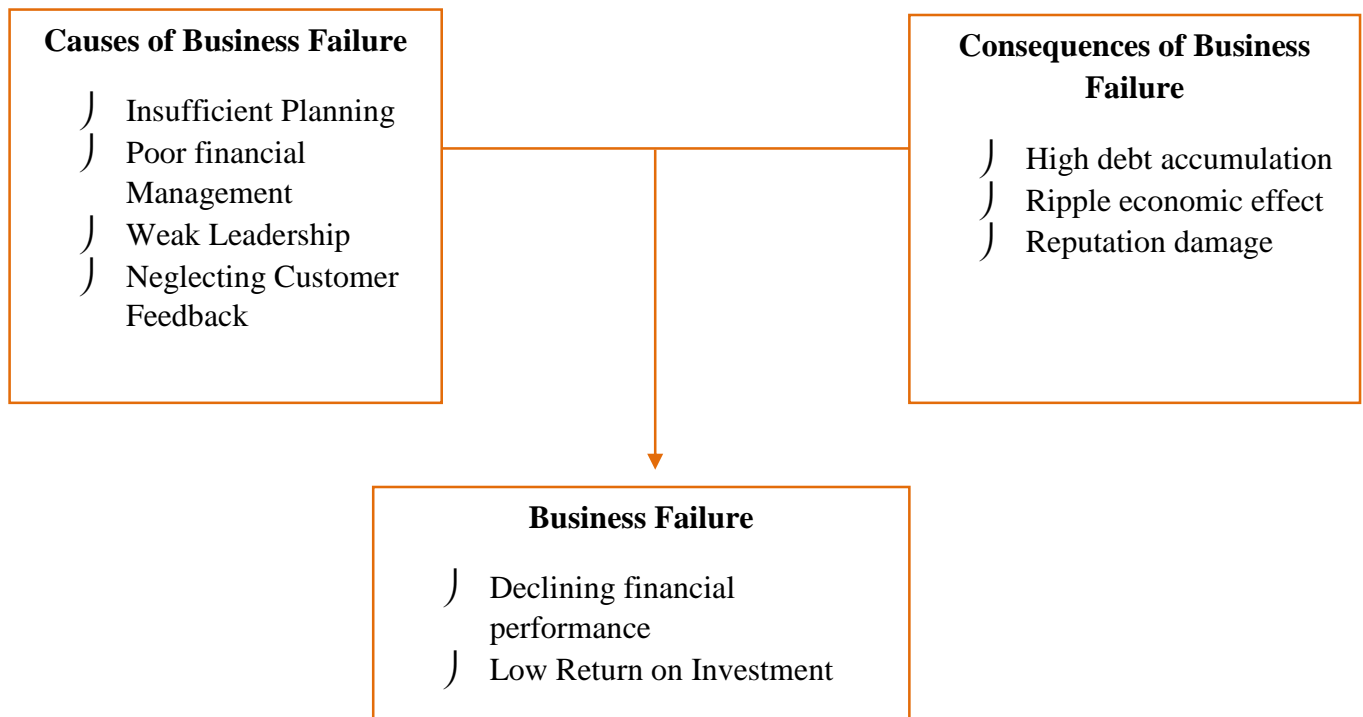


Figure 1: Conceptual Framework

Materials and Methods

Research Design

The study incorporated descriptive study design. This design for a research study was ideal in the determination of possible causes and consequences of the small business failures in Mogadishu.

Sampling Design

The population targeted was 40 small-scale business operators in Mogadishu. Given a small study population, a census method was adopted from which the study considered all the 40 small business operators in Mogadishu.

Research Approaches

A research approach refers to the overall strategy or plan that a researcher uses to study a particular phenomenon or answer a research question (Kothari, 2019). The present study incorporates mixed research approach. The study design combines qualitative and quantitative research methods within a single study and involves collecting and analyzing both qualitative and quantitative data to gain a more comprehensive understanding of the research topic. The approach enhanced collecting and analyzing qualitative data such as interviews, observations, or textual analysis and quantitative data such as surveys, experiments, or statistical analysis within the same study.

Target Population

The research study population comprises a combination of all the elements whereby it is easy to obtain information of interest to the study sample (Mugenda, 2013). Regarding this research study, the population constituted of small-scale business operators within Mogadishu, having age ranging between 18 and 55 years. The study targeted 40 small scale business operators based within Mogadishu Central Business District.

Sampling Design and Sample Size

Census approach was adopted by the study given the small size of the population. This study therefore had a sample size consisting of 40 small scale business operators based within Mogadishu Central Business District, aged between 18 and 55 years.

Document Analysis Checklist

The researcher analyzed the structure and organization of data collection instrument from the introduction, nature of questions to note any logical flow or progression of ideas. Besides the researcher went ahead and examine the language and style used in the document, considering the clarity, coherence, and effectiveness of the research instrument. The researcher also identified any underlying assumptions, biases, or perspectives presented in the document and considered how these assumptions or biases may influence the study findings.

Data Collection Instrument

The researcher made use of structured research questionnaires to aid the collection of primary data from the study respondents. Questionnaires were preferred choice for research due to their cost-effectiveness and ability to reach a larger population compared to interviews. Questionnaires also helped in mitigating bias among interviewers. The questionnaires had both open and closed ended questions. There had two segments in the questionnaire; The first section had structured questions on the causes of failure in small business operations whereas section B contained questions on consequences of small business failure in Mogadishu.

Pilot Study

This study conducted a pilot study to assess how reliable the research instrument is. A tenth of the entire sample size for the study was put into consideration for piloting and will hence not be

inclusive of the entire study respondents. Having a minimum of ten percent of the entire study population as part of the pilot study was sufficient in achieving high instrument reliability (Mugenda and Mugenda, 2013).

Validity of the Research Instrument

Kothari (2018) describes instrument validity to be measuring level of satisfaction of the instrument in relation to the needs of the study. In achieving a satisfying content validity, the expert judgemental method was useful from which presentation of the research instrument to the supervisors, who critically evaluated the questionnaires and inform the researcher on the response. Expert judgment was used to assess content validity by having experts evaluating the relevance and representativeness of the items in a measure or assessment tool to the construct being measured. The maximum content validity index (CVI) is 1.0 or 100%. The CVI ranges from 0 to 1, with higher values indicating greater content validity. A CVI of 1.0 means that all experts agree completely on the relevance and representativeness of the items or questions in a measurement instrument. This ensured that the measure or tool accurately captures the key components of the construct.

Level Content Validity Index (I-CVI) was calculated by determining the proportion of experts who rate an item as relevant or representative.

$$CVI = \frac{\text{Number of Expert Rating the item as relevant}}{\text{Total Number of Experts}}$$

Reliability Test of the Research Instrument

Snyder (2019) defines reliability as the level to which a scholar instrument provides reliable data and results after recurrent endeavors. It is worth noting that the reliability of research tools and elements to be applied in this case will involve the execution of a test and retest approach. This approach was preferred because the results obtained was compared to determine the consistency or stability of the tool over time. The technique was of benefit because it ascertained if the responses provided are ideal for the research. The reliability index was given by a reliability coefficient of 0.7 or more, which was regarded as effective. The reliability index of the items for each objective was used to determine a quantitative estimate of the extent to which the results obtained from a research instrument was trusted and considered accurate.

Table 1: Validity index

Questions	Content Validity Index	Construct Validity Index
Section A	1.0	>0.7
Section B	1.0	>0.7

Data Collection Procedures

Briefing of the respondents was done by the researcher. The researcher provided a highlight of the rational for the research study and the importance of data collection. The researcher assured all the respondents of high confidentiality level. The researcher communicated the date for commencing data collection to the respondents. Data collection was achieved through google sheets which shared with the respondents.

Data Analysis Techniques

The study relied on primary data collected using Likert scale questionnaires presented in Google Forms. Quantitative data achieved by the survey was coded and presented in Excel before analysis. Besides, Statistical Packages for Social Sciences version 27 was incorporated into data analysis. Analysis of the qualitative data was done through content analysis. This method helped come up with the study inferences. Study findings were presented as tables of descriptive and inferential statistics.

Summary and Findings

Response Rate and Demographic Characteristics of Respondents

Response Rate

The researcher distributed a total of 40 questionnaires and 40 were returned when fully

filled. This showed 100% response rate. The maximum percentage of response rate was regarded to be sufficient towards making a conclusion to the study.

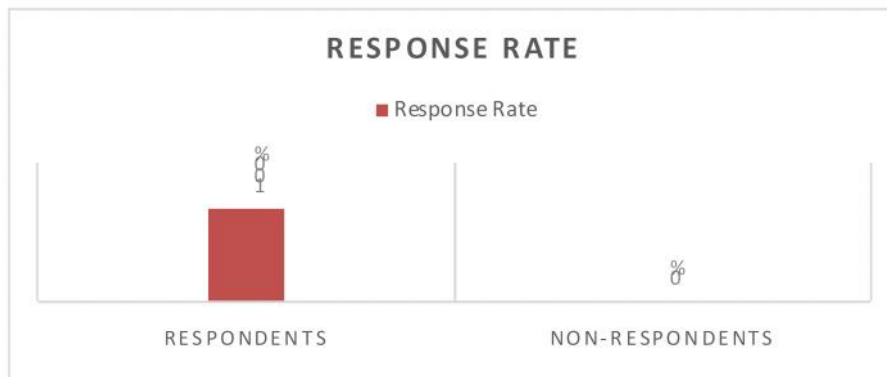


Figure 2: Response rate

Demographic Characteristics of Respondents

Gender of Respondents

Male were 62% of the total respondents whereas female was represented by 38% of the total

respondents. This is a highlight that the survey made a consideration of all the genders and therefore there was no gender bias.

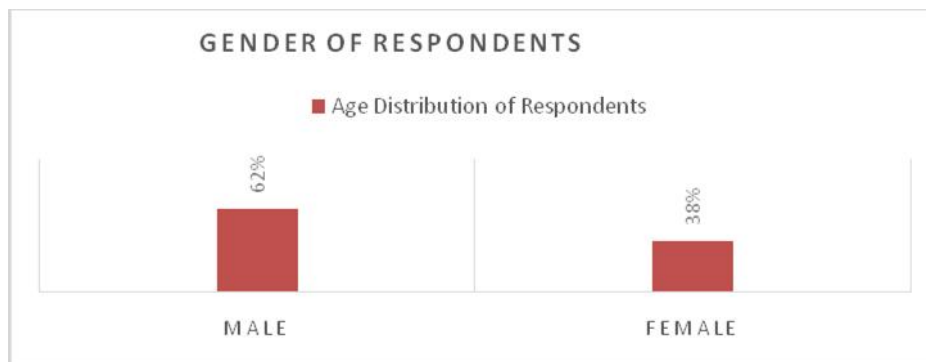


Figure 3: Gender of Respondents

Education Level Respondents

Regarding education level, most of the respondents had achieved Diploma as their highest education level represented by 59% of the total respondents. Those who had achieved postgraduate education levels had a representation

of 11% of the total respondents. The employees who had attained up to Bachelor’s Degree were represented by 24 % of the entire respondents. Certificate Education level recorded the least representation as determined by 6% of the total respondents respectively.

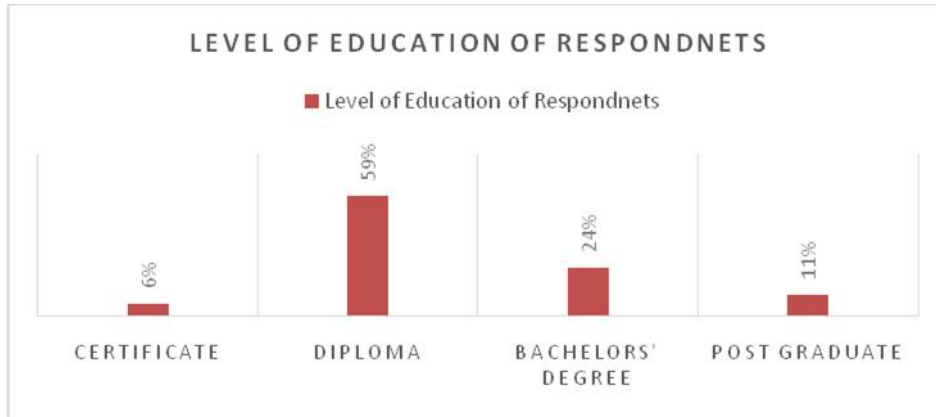


Figure 4: Level of Education of the Respondents

Age distribution of Respondents

Regarding age distribution of respondents, the respondents aged above 50 years recorded the least percentage, 10% as compared to other age

groups. The respondents having ages between 30-40 years were the majority, represented by 41%. The respondents having an age bracket between 40-50 years were represented by 32% while those below 30 years were 17% of the total respondents.

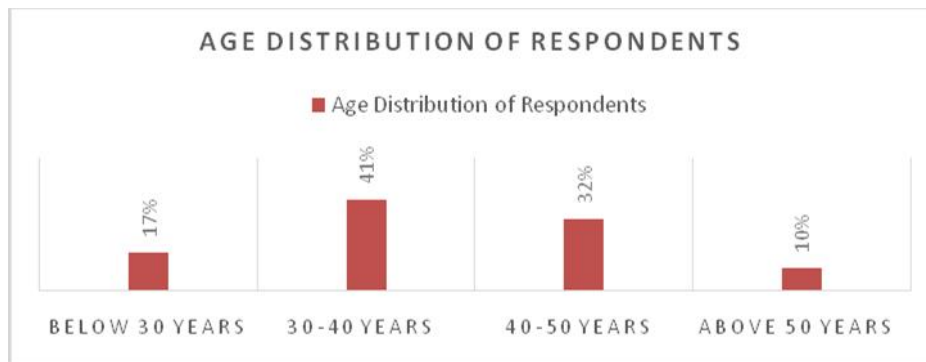


Figure 5: Age distribution of the Respondents

Descriptive Statistics

Causes of Small Business Failure

Tests for descriptive statistics were performed using statistical software called SPSS. The descriptive results for variable of causes of small

business failure in Mogadishu were then provided based on the mean and standard deviation values as shown below. The total number of respondents analyzed in each measure was 40 as determined by the number of valid complete questionnaires in each case.

Table2: Statistics for Causes of Small Business Failure

Causes of Small Business Failure in Mogadishu	N	Mean	Std. Deviation
Insufficient planning and lack of a well-defined business plan can lead to poor decision-making, inadequate resource allocation, and an inability to anticipate and adapt to challenges.	40	1.73	0.31
Failure to thoroughly understand the target market, including customer needs, preferences, and competition, can result in products or services that do not meet market demand or fail to differentiate from competitors.	40	1.42	0.16
Inadequate financial management, including poor cash flow management, excessive debt, insufficient capital, or improper financial controls, can lead to financial instability and eventually business failure.	40	1.79	0.19
Weak leadership, ineffective management practices, a lack of experience or skills, and poor delegation can hinder employee morale, productivity, and the overall success of the business.	40	2.35	0.26
Failing to offer unique value propositions or differentiate from competitors can make it challenging to attract customers and sustain a competitive advantage.	40	1.67	0.12
Inadequate marketing efforts, ineffective sales techniques, and an inability to communicate the value of products or services to target customers can result in low customer acquisition and revenue generation.	40	2.16	1.13
Neglecting customer feedback, failing to address customer complaints, or disregarding changing customer needs can result in a loss of customer loyalty and market relevance.	40	2.65	1.09
Economic recessions, changes in government regulations, industry disruptions, or unforeseen events can significantly impact business operations and viability.	40	3.21	1.37
Operational Issues: Problems with production, supply chain management, quality control, or inefficient business processes can lead to delays, increased costs, customer dissatisfaction, and ultimately business failure.	40	2.81	1.27

The means for Causes of Small Business Failure ranged from 1.42 to 3.4. This means that on average, these factors greatly influence the failure of small business in Mogadishu.

Table 3: Consequences of Small Business Failure

Consequences of Small Business Failure	N	Mean	Std. Deviation
When a business fails, it may mean the loss of innovative products or services that could have benefited customers and the market.	40	2.73	1.52
Business failure can lead to a decrease in local economic activity, affect suppliers and partners, and create a ripple effect in the economy.	40	2.42	1.41
Business failure can result in financial losses for the owners, investors, and creditors.	40	1.97	0.78
Job Loss: When a business fails, employees may face job loss and unemployment hence creating financial hardship	40	2.46	1.39
Business failure can lead to unpaid debts to suppliers and creditors, damaging relationships and potentially affecting the ability to secure credit or services in the future.	40	1.98	0.81
A failed business can suffer reputational damage, which may make it difficult for the owners or key individuals associated with the business to pursue future opportunities.	40	2.15	1.19
Business failure can lead to legal complications, such as lawsuits from creditors or employees.	40	3.02	2.14
Business failure can have personal and emotional consequences for the owners and entrepreneurs and may result in stress, disappointment, loss of self-esteem	40	2.89	1.56

The means for consequences of small business failure ranged from 1.94 to 3.02. This indicates that on average, these factors are the major consequences faced small scale business operators in Mogadishu, upon business failure.

Inferential Statistics

Table 4: Regression Model Summary

Model Summary				
Model	R Value	R Square	R Square Adjusted	Estimate Error
1	0.516 ^a	0.610	0.329	0.49517
Note: a. Predictors: (Constant), Business Failure				

From the regression model, the R square value was determined to be 0.610 meaning that 61% of the variation in internet on the results from business failure. The remaining 39 percent is due

to other factors not tested in this model. On the other hand, the correlation was determined by an overall coefficient of correlation of (R) to be 0.516 as presented in the above table.

Table 5: ANOVA

ANALYSIS OF VARIANCE						
Model 1	Sum of squares	Df	Value	Average Square	F	Sig.
Regression	14.50	8		5.26	114.11	0 .000 ^b
Residual	36.12	60		.05		
Total	50.29	68				

a. Dependent Variable: causes and consequences of business Failure
b. Predictor: (constant) Business Failure

There was a high significance level which was justified by a p value of 0.000, which is less than 0.05 which is useful in measuring significance level. From the presented findings in the above ANOVA table, the overall significance of the model was determined to be 0.000. This was highly significance as it was determined to be 0.05. The study therefore concludes that there is a high level of statistical significance between causes and consequences of business Failure in Mogadishu.

Discussion of findings

The study was keen to establish the causes and consequences of small business failure in Mogadishu. The study determined that most of the business owned by operators aged below 30 years often fail due to insufficient planning and lack of a well-defined business plan. This was determined to have further contributed towards poor decision-making, inadequate resource allocation, and an inability to anticipate and adapt to challenges, as indicated by significant mean value of 1.73. Besides, failure to thoroughly understand the target market, including customer needs, preferences, and competition among section of small-scale business operators in Mogadishu have resulted in products or services that do not meet market demand or fail to differentiate from competitors, thereby aiding collapse as determined by a significant mean value of 1.42.

Inadequate skills in financial management, including poor cash flow management, excessive debt, insufficient capital, or improper financial controls, are major causes of small business

failures in Mogadishu as they have contributed to financial instability during business operations. The study further determined that small scale business operators no exercising strong leadership and effective management practices characterized with high experience and skills are major contributors of business failures as indicated by a mean value of 2.35. Also, it was established by the study that small business operators not taking customer feedback effectively and changes in government regulations, industry disruptions, or unforeseen events significantly impact business operations and viability among small business operators in Mogadishu. These were determined by significant mean values of 2.65 and 3.22 respectively.

Failure in small business operating in Somalia that is contributed by various factors are associated with multiple consequences. The study determined that failure in small business operations in Mogadishu leads to a decrease in local economic activity, affect suppliers and partners, and create a ripple effect in the economy as determined by a significant mean value of 2.42. Accumulation of huge debts especially to various stakeholders like suppliers and creditors, have ended up damaging relationships and potentially affecting the ability to secure credit or services in the future business operations. Business failure among small-scale operators in Mogadishu have also subjected the proprotors to loss of innovative products or services that could have benefited customers and the market as determined by a significant mean value of 2.73.

Conclusion and Recommendations

Conclusion

Based on the findings, a lack of proper planning, understanding of the market, financial management, leadership, differentiation, marketing, customer focus, and adaptability can all contribute to the failure of a business among small-scale business operators in Mogadishu. These factors are interconnected and can collectively undermine a company's overall success and sustainability. Besides, business failures significantly affect various stakeholders and the overall economy. Not only can the failure of a business result in the loss of innovative products or services for customers, but it also has far-reaching effects on the local economy, suppliers, partners, and employees. Owners, investors, and creditors incur financial losses, and employees may face unemployment and financial hardship. The failure can also damage relationships with suppliers and creditors, leading to difficulties in securing credit or services in the future. Reputational damage can hinder future opportunities for the owners or key individuals associated with the business, and legal complications, such as lawsuits, may arise. Additionally, the personal and emotional toll on the owners and entrepreneurs can be significant, causing stress, disappointment, and a loss of self-esteem. These consequences highlight the importance of effective business management, planning, and risk mitigation to avoid or minimize the impact of business failures.

Recommendations

Recommendations from the study

To increase the chances of success, businesses should invest time and effort into developing a comprehensive business plan, conducting thorough market research, ensuring sound financial practices, fostering strong leadership, differentiating themselves from competitors, implementing effective marketing strategies,

prioritizing customer feedback and needs, and building resilience to external challenges. By addressing these areas, small businesses operators in Mogadishu can enhance their chances of long-term viability and growth.

Recommendation for Further Studies

This study determined the possible causes and consequences of the small business failures in Mogadishu. However, future research should consider exploring the causes and impacts of small business failures in different states within Somalia such as Bari, Bakool, Gedo, Hiiraan, Bay and Galgaduud Somalia regions. The findings from the new studies would ensure the generalizability and applicability of the research findings to a wider range of firms in different regions. By conducting similar studies in various Somali regions, a more comprehensive understanding of the relationship between causes and consequences of business failure will be achieved.

References

- Ahmad, N. H., & Seet, P. S. (2019). Dissecting Behaviours associated with business failure: A qualitative study of SME owners in Malaysia and Australia. *Asian Social Science*, 5(9), 98-104.
- Ahmed, I. A., Osman, M. A., Abdulle, O. W., & Musse, M. H. (2018). Exploring the factors that hinder the performance of Small and Medium Enterprises in Somalia (Case Study of SMEs in Mogadishu).
- Arasti, Z. (2017). An empirical study on the causes of business failure in Iranian context. *African journal of business management*, 5(17), 7488.
- Atsan, N. (2016). Failure experiences of entrepreneurs: Causes and learning outcomes. *Procedia-Social and Behavioral Sciences*, 235, 435-442.
- Bradley, D. B., & Cowdery, C. (2018). Small business: Causes of bankruptcy. *SBANC: Small Business Advancement National Center. University of Central Arkansas*.

- Brock, W. A., & Evans, D. S. (2009). Small business economics. *Small business economics*, 7-20.
- Bushe, B. (2019). The causes and impact of business failure among small to micro and medium enterprises in Nigeria. *Africa's Public Service Delivery and Performance Review*, 7(1), 1-26.
- Dahya, J., Karbhari, Y., & Xiao, J. Z. (2018). The supervisory board in Chinese listed companies: Problems, causes, consequences and remedies. *Asia Pacific business review*, 9(2), 118-137.
- Fernández, D. M., Wagner, S., Kalinowski, M., Felderer, M., Mafra, P., Vetrò, A., ... & Wieringa, R. (2017). Naming the pain in requirements engineering: Contemporary problems, causes, and effects in practice. *Empirical software engineering*, 22, 2298-2338.
- Freel, M. S. (2018). Barriers to product innovation in small manufacturing firms. *International Small Business Journal*, 18(2), 60-80.
- Gaskill, L. R., Van Auken, H. E., & Manning, R. A. (2018). A factor analytic study of the perceived causes of small business failure. *Journal of small business management*, 31(4), 18.
- Hall, G. (2016). Reasons for insolvency amongst small firms—A review and fresh evidence. *Small Business Economics*, 4, 237-250.
- Herbane, B. (2010). Small business research: Time for a crisis-based view. *International small business journal*, 28(1), 43-64.
- Hotho, S., & Champion, K. (2011). Small businesses in the new creative industries: innovation as a people management challenge. *Management Decision*.
- Hunter, M. G. (2011). Understanding the common causes of small business failures: A qualitative study. *Journal of Applied Management and Entrepreneurship*, 16(1), 86-103.
- Jackson, K., Holland, D. V., Albrecht, C., & Woolstenhulme, D. R. (2010). Fraud isn't just for big business: Understanding the drivers, consequences, and prevention of fraud in small business. *Journal of International Management Studies*, 5(1), 160-164.
- Kücher, A., Mayr, S., Mitter, C., Duller, C., & Feldbauer-Durstmüller, B. (2020). Firm age dynamics and causes of corporate bankruptcy: age dependent explanations for business failure. *Review of Managerial Science*, 14, 633-661.
- Longenecker, C. O., Neubert, M. J., & Fink, L. S. (2007). Causes and consequences of managerial failure in rapidly changing organizations. *Business Horizons*, 50(2), 145-155.
- Méndez Fernández, D., Wagner, S., Kalinowski, M., Felderer, M., Mafra, P., Vetro, A., ... & Wieringa, R. (2016). Naming the pain in requirements engineering: contemporary problems, causes, and effects in practice.
- Mueller, B. A., & Shepherd, D. A. (2016). Making the most of failure experiences: Exploring the relationship between business failure and the identification of business opportunities. *Entrepreneurship Theory and Practice*, 40(3), 457-487.
- Nemaenzhe, P. P. (2017). *Retrospective analysis of failure causes in South African small businesses* (Doctoral dissertation, University of Pretoria).
- Okpara, J. O., & Wynn, P. (2018). Determinants of small business growth constraints in a sub-Saharan African economy. *SAM advanced management journal*, 72(2), 24.
- Ooghe, H., & De Prijcker, S. (2018). Failure processes and causes of company bankruptcy: a typology. *Management decision*, 46(2), 223-242.
- Othman, R., Laswad, F., & Berkahn, M. (2019). Financial CRIM Es in small businesses: causes and consequences. *Journal of Financial Crime*, 30(3), 742-758.
- Pearce II, J. A., & Michael, S. C. (2018). Strategies to prevent economic recessions from causing business failure. *Business Horizons*, 49(3), 201-209.
- Robinson Jr, R. B., & Pearce, J. A. (1984). Research thrusts in small firm strategic planning. *Academy of management Review*, 9(1), 128-137.

- Ropega, J. (2019). The reasons and symptoms of failure in SME. *International advances in economic research*, 17, 476-483.
- Runyan, R. C. (2018). Small business in the face of crisis: identifying barriers to recovery from a natural disaster 1. *Journal of Contingencies and crisis management*, 14(1), 12-26.
- Shepherd, D. A. (2019). Learning from business failure: Propositions of grief recovery for the self-employed. *Academy of management Review*, 28(2), 318-328.
- Storey, D. J. (2016). *Understanding the small business sector*. Routledge.
- Thurman, N., Picard, R., Myllylahti, M., & Krumsvik, A. (2017). On Digital Distribution's Failure to Solve Newspapers' Existential Crisis: Symptoms, Causes, Consequences and Remedies. *Forthcoming in Scott A. Eldridge II and Bob Franklin (Eds.) Routledge Handbook of Developments in Digital Journalism Studies*. London: Routledge.
- Ucbasaran, D., Shepherd, D. A., Lockett, A., & Lyon, S. J. (2019). Life after business failure: The process and consequences of business failure for entrepreneurs. *Journal of management*, 39(1), 163-202.
- Venkataraman, S., Van de Ven, A. H., Buckeye, J., & Hudson, R. (2016). Starting up in a turbulent environment: A process model of failure among firms with high customer dependence. *Journal of Business Venturing*, 5(5), 277-295.
- Wagner, J. (2018). The post-entry performance of new small firms in German manufacturing industries. *The Journal of Industrial Economics*, 141-154.
- Watson, J., & Everett, J. E. (2017). Do small businesses have high failure rates?. *Journal of small business management*, 34(4), 45.
- Winker, P. (2019). Causes and effects of financing constraints at the firm level. *Small Business Economics*, 12, 169-181.

Access this Article in Online	
	Website: www.ijarm.com
	Subject: Business Management
Quick Response Code	
DOI: 10.22192/ijamr.2024.11.04.005	

How to cite this article:

Abdikarin Adan Hussain. (2024). The causes and consequences of small business failures in Mogadishu - Somalia. *Int. J. Adv. Multidiscip. Res.* 11(4): 49-62.
 DOI: <http://dx.doi.org/10.22192/ijamr.2024.11.04.005>