



Why Business Fail? A Thematic Review Analysis on SMEs

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ABSTRACT

It is not easy to stand up again after any failure because the collapse may not only bind with the business organisation but it may root straight away to the individual or personality of the entrepreneur. The most important thing for any failure is to act fast and to 're-stand up again' without any delay. However, most studies focused on the prediction of business failure which mostly concentrated on the sustainability of the distressed business. Therefore, this study was inspired by the idea that the recovery of the fail entrepreneur is much more straightforward as compared to the creation of a new entrepreneur. Thus, the aim of this systematic review is to synthesize the previous studies related to the reason and recovery of business failure among Small Medium Enterprises from 2014 to 2019 using ATLAS.ti 8. A thematic analysis approach; that is useful to code and deeply interpret the identified common themes; was being used upon these 42 articles has led into the generation of 21 initial codes characterizing the study of business failure, grouped in 4 clusters: (1) effect of business failure, (2) prediction of business failure, (3) reason of business failure and (4) solution of business failure. The results contribute to the future study on business failure among SMEs and can guide the educators, researchers and practitioners in this field.

Keywords: SME, business failure, business management, ATLAS.ti 8, thematic review

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INTRODUCTION

The business failure deeply crushed not only the business organisation but also the individual or personality of the entrepreneur which stuck them from revival (Shepherd, 2014). However, from another perspective, the failure may open up the opportunity for the business founder to learn and experience new things. Coelho & McClure (2005) argued that the business failure is as good as a dynamic ecosystem in which the death of the unfitted creatures increases the wealth of the creation. The demise provides sustenance and benefits for the survival of the creation. Thus, the case of the business failure which the knowledge and resources of the deceased business can be utilised for another ventures (Hoetker & Agarwal, 2007).

The most important thing for any failure is to act fast and to 're-stand up again' without any delay. It is an effort that begins from inside of the failed entrepreneurs, together with proper tools and the correct environment that will help them to make a return (Zainol & Ayadurai, 2011). However, it is not easy then done because it requires the new set of courage, motivation, determination, knowledge and capital. If the entrepreneurs estimate that the costs of failure is higher as compared to the

Normally, as a business principle applied as regard to the separate legal entity that the owner is considered split, unconnected and distinct from the business entity (Pickering, 1968). Anything that happens to the business may not directly impact the owner of the business. In the case of business failure and recovery, the business institution may collapse and not

potential of success in this new business involvement, they may opt for exit without any trial and this will not give any benefit for the entrepreneurs themselves and also the society as a whole (Ucbasaran, Shepherd, Lockett, & Lyon, 2013).

On the other hand, from a macro perspective, it is natural that businesses may collapse due to the competitiveness of the industries in which the fittest will survive and vice versa (Coelho & McClure, 2005). The advantage of this scenario is the market will get the best services or products offered by the surviving entrepreneurs. On top of that, there are two (2) types of business collapses which are (1) force closure and (2) willingness closure. The first one is related to the business condition which is not able to survive due to various conditions such as the issues of profitability, operational, marketability, integrity and legality. The issues forced the businesses to close down probably through winding up or any other process. The second one, i.e. willingness closure, probably could happen once the entrepreneurs realised that the business is no more relevant to preserve. The process of closing down may be conducted formally by the entrepreneurs themselves according to the laws and regulations of a particular context.

recover but for the business owner recovery is a must not a choice as long as he is still alive (Ishak, 2020). It is due to the different conditions of a business owner who is a human being in nature as compared to the business institution which is a mere institution only.

Based on the above arguments, this article is motivated to review past research related to the reasons of business failure among small and medium enterprises (SMES). This article is believed to contribute to the body of knowledge related to the importance of recognising them in order to provide the remedy and prevention from the failure. The compilation and review of the past researches will enlighten and enhance the body of knowledge through the process of anthology, assessment,

resemblance and analysing. It will guide the other researchers by placing numbers of the articles from various streams related to the business failure among SMEs and to create the schematic model as an output from this research. And it to be used as the research agenda. Hence the main objective of this study is to investigate the patterns and trends in the business failure publications among Small Medium Enterprise from the year 2014 to 2019.

METHODOLOGY

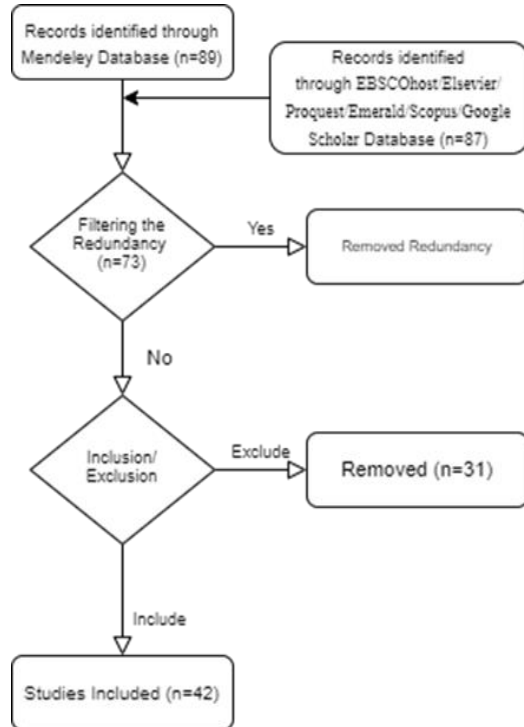


Figure 1: Inclusion and exclusion criteria

The study started with a comprehensive keyword search based on a two-stages method. The results are all generated from the search that being done through Mendeley (a reference manager and research software) by using the keywords “reason of business failure” AND (SME* OR small medium enterprise*) year: [2014 TO 2019]. The original search on keywords “reason of business failure” has brought 1127 results. Further zooming has been done by filtering among “SME* OR small medium enterprise*” which reduced the number into 305 results. Further filtration has been done by adding up period coverage which to limit the research that is being done between 2014 to 2019 only. The last filtration by using Mendeley has resulted in 89 articles only. These articles are all generated from 79 sources which include journals’ online database, seminars and proceedings and books. Further review on these sources was done by filtering out other than journals’ online database which related to the businesses and small medium enterprises only and it must be written in English. This process has reduced the number of the articles into 26 articles only. All of these articles are selected in order to be used for the second stage keyword search. This process is to ensure that the extensive and comprehensive results are generated as compared to the earlier keyword search coverage that is being done through Mendeley.

There are EBSCOhost, Elsevier, Proquest, Emerald, Scopus and Google Scholar. The purpose of this process is to discover any missing related articles which have disappeared in the first stage keyword search. The same keywords “reason of business failure” AND (SME*OR small medium enterprise*) for the articles generated between 2014 until 2019 were used. The combination between “reason of business failure” and SME/small medium enterprise has reduced the results by zooming into the articles which only discussed the factors of business failure among small medium enterprises. Any other results were excluded. These keywords search and filtration processes were applied throughout the study.

It resulted in 87 articles (EBSCOhost = 2 articles, Elsevier = 3 articles, Proquest = 53 articles, Emerald = 10 articles, Scopus = 14 articles and Google Scholar = 5 articles). The researcher read all the abstracts and excluded the articles which did not match the inclusion criteria. The combination of both searches resulted in 72 articles after integrating any overlapping articles.

In total, the combination between 1st and 2nd stage keyword search after elimination any duplication lead to the total of 73 articles (1 articles – Mendeley + 72 articles – EBSCOhost/Elsevier/Proquest/Emerald/Scopus/Google Scholar). However, further reading on the abstract of these 73 articles has led to further exclusion of 31 other articles due to the unrelated theme of searches. Among those criteria are:

- (i) Unrelated issues or themes of discussions.
- (ii) Year of publishing i.e. earlier than 2014.
- (iii) Not written in English.
- (iv) Non SMEs business articles.
- (v) Non-academic papers or articles.

Therefore, there are only 42 articles ready for the next stages of analysis.

Content analysis methodology

The researcher conducted two content analyses toward 42 selected articles. It started by studying the characteristic of quantitative inventory.

Second is to conduct a thematic analysis toward selected articles. The grounded theory methodology being used in identifying themes that developed from the 42 articles (Aveyard, 2014; Charmaz, 2006). In every article, the researcher created a brief summary, allocated keywords and wrote a short-statement that summarizes the findings. Then, it followed with constant comparative analysis process. The developed tentative themes were used to group the articles with similar findings and then the iteration process was continued by re-applying the theme toward the 42 selected articles. Any similarity of the themes was merged together as to determine the closely related. Paterson, Thorne, Canam, & Jillings (2001)

The study proceeds with the second stage word search that is being done through six scholarly comprehensive databases.

mentioned that the comprehensive understanding of the phenomenon and the visibility of the relationship of one study with another are achieved through the text continuous comparative analysis. Charmaz (2006), Strauss & Corbin (1998) and Zairul (2020) highlighted that the iteration process is concluded once it reaches the saturation stage. At this level, all themes have vivid identities already and impossible to merge anymore. It resulted in 21 themes with 4 clusters and presented in section 4.

RESULT AND DISCUSSION

Quantitative findings

As results were dispersed worldwide, with publications from almost all continents, except Central/South America, Antarctica and Australia. This suggests that the themes identified through the qualitative grounded theory analysis are likely to be general attributes among the factors of SMEs business failure, rather than specific to one nation's factors of business failure only. It is now well established from a variety of studies that the research on business failure are found in various journals. These research threads were basically found in several periodically named as; International Business & Economics Research Journal (IBER), International Journal of Entrepreneurship and Small Business, Journal of Applied Business and Economics, Journal of Global Entrepreneurship Research and many more (table). The development among SMEs related studies are consequently organized through a critical review on the findings that highlighted the effect, prediction, reason of business failure. Based on Table 1, there was an increasing trend from year to year basis. There were 3 articles in 2014, increased to 7 in 2016 and the highest in 2019 with 11 articles. It was noticed that the majority of the related journals were not necessarily SMEs specialized but under the purview of business, finance, economy and entrepreneurship related to SMEs.

Table 1: Articles reviewed based on journals

No.	Journals	201							Total
		4	5	6	7	8	9	1	
1	Canadian Journal of Administrative Sciences					1			1
2	Ekonomicky casopis				1				1
3	Entrepreneurship Research Journal					1			1
4	Finance a Uver - Czech Journal of Economics and Finance	1							1
5	Foundations of Management						1		1
6	International Business & Economics Research Journal (IBER)					1			1
7	International Journal of Business and Society						1		1
8	International Journal of Entrepreneurship and Small Business		1						1
9	Journal of Applied Finance & Banking		1						1
10	Journal of Business and Entrepreneurship	1		1					2
11	Journal of Business Research					1			1
12	Journal of Developmental Entrepreneurship			1					1
13	Journal of Entrepreneurship in Emerging Economies	1		1					2
14	Journal of Global Entrepreneurship Research				1				1
15	Journal of Small Business and Enterprise Development				2	1			3
16	Journal of Small Business and Entrepreneurship Development					1			1

17	Journal of the Operational Research Society	1							1
18	Management Decision		1						1
19	Montenegrin Journal of Economics			1					1
20	Problems and Perspectives in Management		1						1
21	Review of Accounting and Finance		1						1
22	Revista de Metodos Cuantitativos para la Economia y la Empresa			1					1
23	Spanish Journal of Finance and Accounting				1				1
24	Serbian Journal of Management						3		3
25	Structural Change and Economic Dynamics				1				1
26	Studies in Economics and Finance			1					1
27	Sustainability (Switzerland)					1			1
28	Journal of Global Entrepreneurship Research								1
29	Journal of Economic and Business Studies					1			1
30	Economic Modelling					1			1
31	M@n@gement		1						1
32	Journal of Applied Business and Economics						1		1
33	Entrepreneurial Business and Economic Review		1						1
34	Fuzzy Economic Review		1						1
35	Review of Quantitative Finance and Accounting		1						1
36	Journal of Business and Management		1						1
Total		3	5	7	6	10	11	42	

These 42 articles have been reviewed intensively through differentiation processes in identifying the similarities and differences. These processes will confirm the consistencies of the groups and subgroups that generated from this activity. The following Table 2 represents the list of publications based on their allocation of the subcategories. This led to identification of a few different standpoints which were 27 articles discussed about the 'prediction model of business failure', 15 articles discussed about 'reason of business failure', 3 articles highlighted about 'solution to business failure' and 4 articles discussed about 'effect of business failure'.

Table 2: Documents to a theme table

No.	Articles	Effect of Business Failure	Prediction Model of Business Failure	Reason of failure	Solution to Business Failure
1.	Tascón & Castaño (2017)		/		
2.	Lukason, Laitinen, & Suvas (2016)		/		
3.	Acheampong & Tweneboah-Koduah, (2018)	/			
4.	Amankwah-Amoah, Hinson, Honyenuga, & Lu (2019)	/			/
5.	Cusin & Maymo (2016)	/			
6.	Manzaneque-Lizano, Alfaro-Cortés, & de la Cruz (2019)		/		
7.	Bednar, Tariskova, & Zagorsek (2018)		/		/
8.	D. Williams (2015)		/		
9.	Nikolić, Jovanović, Nikolić, Mihajlović, & Schulte (2018)		/	/	
10.	Milošević, Mihajlović, & Stojanović (2019)		/	/	
11.	Gabbianelli (2018)		/		
12.	Pommet & Sattin (2019)		/		
13.	Derbali (2019)		/	/	
14.	Cultrera & Brédart (2016)		/		
15.	Gavurová, Janke, Packová, & Pridavok (2017)		/		
16.	Abdullah, Ahmad, Zainudin, & Rus (2016)		/		
17.	Tascón, Castaño, & Castro (2018)		/		
18.	Gyimah & Lussier (2019)		/		
19.	D. Williams (2017)		/		
20.	D. A. Williams (2016)		/		
21.	Ma'Aji, Abdullah, & Khaw (2019)		/		
22.	Muscettola (2015)		/		
23.	Oliveira, Ferreira, Pérez-Bustamante Ilander, & Jalali (2017)		/		
24.	Blanco-Oliver, Irimia-Diequez, Oliver-Alfonso, & Wilson (2015)		/		
25.	Baidoun, Lussier, Burbar, & Awashra (2018)		/		
26.	Scherger, Vigier, & Barberà-Mariné (2014)		/	/	
27.	Gupta, Gregoriou, & Healy (2015)		/		
28.	Williams UWI (2014)		/		
29.	(Ropęga, 2016)	/			/
30.	Çera, Belas, & Zapletalikova (2019)			/	
31.	Aladejebi & Oladimeji (2019)			/	
32.	Mendy & Hack-Polay (2018)			/	
33.	Sibanda & Manda (2016)			/	
34.	Zhang, Amankwah-Amoah, & Beaverstock (2019)			/	
35.	Camilo & Fuentes (2018)			/	
36.	Agbenyegah & Dlamini (2018)			/	
37.	Filho, Albuquerque, Nagano, Junior, & de Oliveira (2017)			/	
38.	del Pilar, Alegado, & Bongo (2019)			/	
39.	Majláth, Kelemen-Erdos, & Valocikova (2019)			/	
40.	Arasti, Zandi, & Bahmani (2014)			/	
41.	Nwankwo & Kanyangale (2019)		/		
42.	Hyder & Lussier (2016)		/		
Total		4	27	15	3

Year and country were being used in analysing the pattern. The paper found that in 2014 the research focused more into prediction and reason of business failure with a total of 4 research. The number of research increased gradually year on year basis except in 2017. As regards to the themes pattern, it fluctuates yearly basis between 1 theme in 2015, 2 themes in 2014 and 2017, and covers the whole team for 2016, 2018 and 2019. The top theme was 'prediction of business failure' which appeared every year with 27 research, followed by 'reason of business failure' 15 research. The least frequent was 'solution of business failure' which was covered thrice in 2016, 2018 and 2019. As for record, based on Table 2, there were few papers which covered more than 1 theme in a paper.

Table 3: The theme according to year

Year	Total	Effect	Prediction	Reason	Solution
2014	4	-	2	2	-
2015	4	-	4	-	-
2016	9	2	5	1	1
2017	5	-	4	1	-
2018	11	1	5	4	1
2019	16	1	7	7	1
Total	-	4	27	15	3

Table 4 showed the distribution of research across geographic regions. Almost all studies were conducted dedicated for a single country, excluding six of them, four focus in more than 1 country and two were done in covering within the regions.

Empirical studies of the factors of the business failure among SMEs are dispersed worldwide, with publications from almost all continents, except Central/South America, Antarctica and Australia. This suggests that the themes identified through the qualitative grounded theory analysis are likely to be general attributes of the factors of business failure among SMEs, rather than specific to one nation's factors of business failure only.

Table 4: The distribution of articles according to country

N Countries	2014	2015	2016	2017	2018	2019	Total	More Than 1 Countries	Continents
1 43 Developing Countries	-	1	-	-	-	-	1	1	-
2 Argentina	1	-	-	-	-	-	1	-	-
3 Belgium	-	1	-	-	-	-	1	-	-
4 Brazil	-	-	-	1	-	-	1	-	-
5 Central Europe	-	-	-	-	-	1	1	-	1
6 China	-	-	-	-	1	-	1	-	-
7 Czech Republic, Hungary and Serbia	-	-	-	-	-	1	1	1	-
8 Europe	-	-	1	-	-	-	1	-	1
9 France	-	-	1	-	1	-	2	-	-
10 Germany	-	-	-	-	1	-	1	-	-
11 Ghana	-	-	-	1	-	1	2	-	-
12 Ghana vs. Israel	-	-	-	-	-	1	1	1	-
13 Hungary, Czech Republic, Slovak Republic, Poland and the Republic of Serbia	-	-	-	-	-	1	1	1	-
14 Iran	1	-	-	-	-	-	1	-	-
15 Italy	-	1	-	-	1	-	2	-	-
16 Malaysia	-	-	1	-	-	1	2	-	-
17 Morocco	-	-	-	-	-	1	1	-	-
18 Nigeria	-	-	-	-	-	2	2	-	-
19 Pakistan	-	1	-	-	-	-	1	-	-
20 Palestine	-	-	-	1	-	-	1	-	-
21 Philippines	-	-	-	-	-	1	1	-	-
22 Poland	-	-	1	-	-	-	1	-	-
23 Portugal	-	-	-	1	-	-	1	-	-
24 Slovakia	-	-	-	1	1	-	2	-	-
25 South Africa	-	-	1	-	1	-	2	-	-
26 Spain	-	-	-	1	2	1	4	-	-
27 United Kingdom	2	1	1	-	1	-	5	-	-
28 United States	-	-	-	1	-	-	1	-	-
Total	4	5	6	7	9	11	42	4	2

Effect of Business Failure

Business failure may obstruct an entrepreneur from revival and resume into the new venture. It is due to the nature of the failure which may result from various reasons that lead to the lack of entrepreneurial attributes, behaviour and attitudes (Ropega, 2016). Opportunity seeking, right selection and correct action are the element of successful entrepreneurs. These elements are still relevant even for those facing business failure. Ropega (2016) suggested that the comeback needs to take care of personality, organisation, environment and process.

However, Cusin & Maymo (2016) have interviewed bankers who have experienced working as small-business advisors (SBA) in France regarding their perception toward failed

entrepreneurs. Majority show some discrimination toward fail entrepreneurs and this put some hurdle for them to revive back from business failure. Therefore, some entrepreneurs may use different mechanisms in re-entering the entrepreneurship i.e. informality establishment either by not registering the business or by using others identity (relatives or friends) (Amankwah-Amoah et al., 2019).

Actually it is not easy for failed entrepreneurs to reinstate back into business but it is not impossible. Acheampong & Tweneboah-Koduah (2018) suggested that by having a positive attitude and social norm, the failure may teach them to become better future entrepreneurs. While concerned with the present, many of the business failures happened due to the individual factors of the entrepreneur itself which the particular scarce need to be improved prior to any entrepreneurial revival.

The business failure means the end for a particular business venture but it is not yet the finale for the entrepreneur. Various perception could be raised upon him especially when he would like to re-enter the entrepreneurship world again. Furthermore, the pessimism may continuously develop upon the changes of the entrepreneurial behaviour especially when he repeatedly making mistakes. It is surely tough for him to gain confident from the business support society on his comeback. Therefore, it is important for him to maintain his positive attitude and good relationship with the social network for the revival.

Prediction of Business Failure

None of entrepreneurs expect failure once they decide to start the business. However, none of them also can give total confirmation of success prior to any business involvement and execution. Therefore, researchers in this field have identified various methods in predicting business failure in which it will prepare the entrepreneurs to watch out with the elements that may disrupt the business performance (Nikolić et al., 2018).

There are at least nine themes of business failure prediction methods being highlighted in the found articles from 2014 until 2019. The themes are (1) financial ratio and qualitative determinants, (2) Lussier model approach, (3) qualitative statistical determinant approach, (4) subjective determinant approach (5) artificial neural network model, (6) fuzzy logic model, (7) multiple-criteria decision analysis (MCDA), (8) market orientation approach and (9) unemployment insurance approach.

Almost all articles that use financial information for quantitative evaluation are combined financial ratios with qualitative measurement. The top financial ratios being used by the researchers in predicting the business failures are composition of assets, capital structure, liquidity, debt coverage, turnover, profitability and efficiency (Abdullah et al., 2016; Ahmed, Hossain, Islam, Kumar Saha, & Mandal, 2011; Bednar et al., 2018; Cultrera & Brédart, 2016; Gabbianelli, 2018; Gupta et al., 2015; Lukason et al., 2016; Manzanque-Lizano et al., 2019; Martin, 2006; Muscettola, 2015; Williams UWI, 2014). At the same time Scherger et al. (2014) highlighted that qualitative aspects are equally important in predicting the business failure especially with the micro business which has limitations with financial information. Therefore, the researchers have proposed various themes which are age, size, percentile distance to failure, credit risk, late in filing the financial

statement, court judgement in legal case, location, governance, industry, strategic vision, management knowledge, managerial culture, stakeholder financial resources and start-up related (Abdullah et al., 2016; Ahmed et al., 2011; Bednar et al., 2018; Cultrera & Brédart, 2016; Gabbianelli, 2018; Gupta et al., 2015; Lukason et al., 2016; Manzanique-Lizano et al., 2019; Martin, 2006; Muscettola, 2015; Williams UWI, 2014).

Additionally, there are four other approaches which are fuzzy logic model (Scherger et al., 2014), multiple-criteria decision analysis (MCDA) (Milošević et al., 2019; Nikolić et al., 2018; Oliveira et al., 2017), market orientation approach (Nwankwo & Kanyangale, 2019) and unemployment insurance approach (Pommet & Sattin, 2019). All of them were using qualitative variables with various methods in assessing the possibility of business failure. Even though the methods were quite extensive, they still have not dealt with force closure business entities due to catastrophe, pandemic and act of God.

Qualitative findings

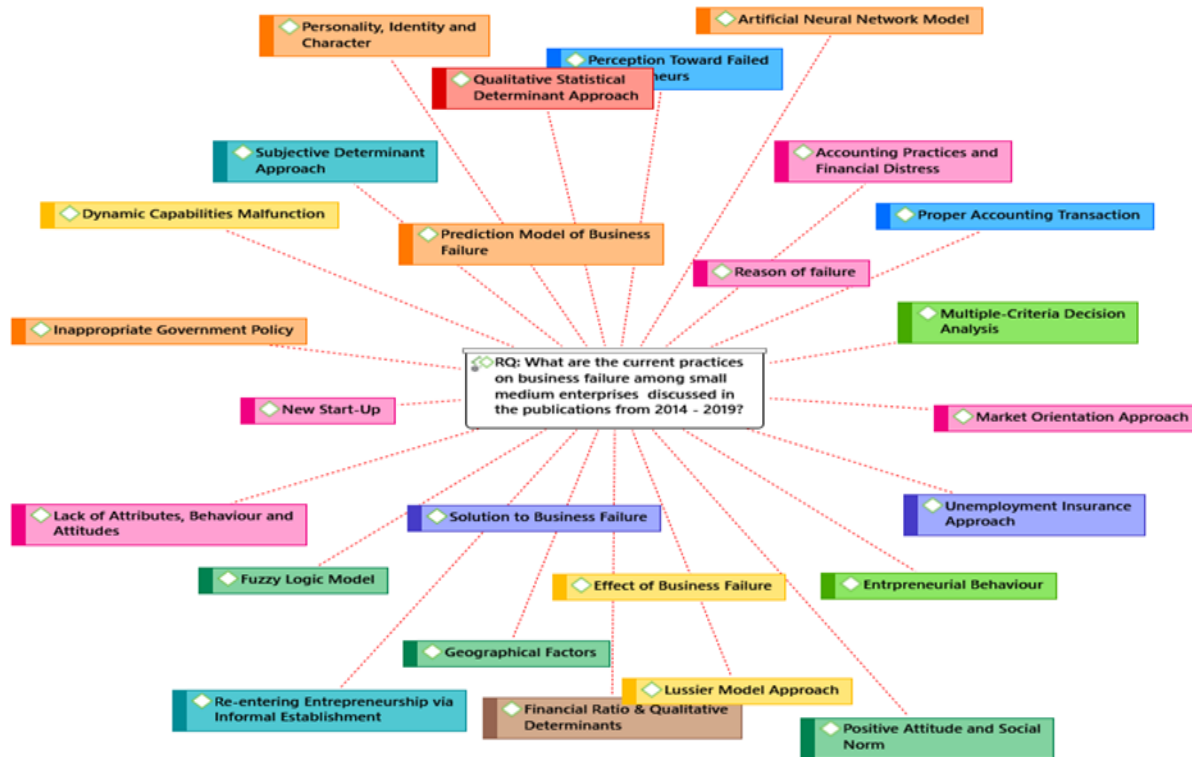


Figure 2: A Network view on how to answer research questions through thematic review

However, Cultrera & Brédart (2016), Gyimah & Lussier (2019) and Hyder & Lussier (2016) have different ideas, they proposed the Lussier model in defining success and failure business. This model focused on qualitative measurement and was used in comparing the prediction of business failure between Ghana and Israel. Among the variables that to consider under this model are capital structure, recordkeeping, management experience, business planning, professional advisory, education, staffing, economic condition, age, partners, parents, minorities and marketing.

On top of that, Gavurová et al. (2017), Ma'Aji et al. (2019), D. Williams (2015) and Tascón & Castaño (2017) selected statistical determinant approach in measuring the qualitative variables in predicting the business failure among SMEs. Meanwhile, Baidoun et al. (2018) used a subjective determinant approach and Blanco-Oliver et al. (2015), D. Williams (2017) and D. A. Williams (2016) consumed artificial neural network models which consider adequate capital, good financial record, preparing business planning, getting professional advice, network, location size, age, governance structure as variables for the qualitative assessment.



Figure 3: A network view on effect of business failure

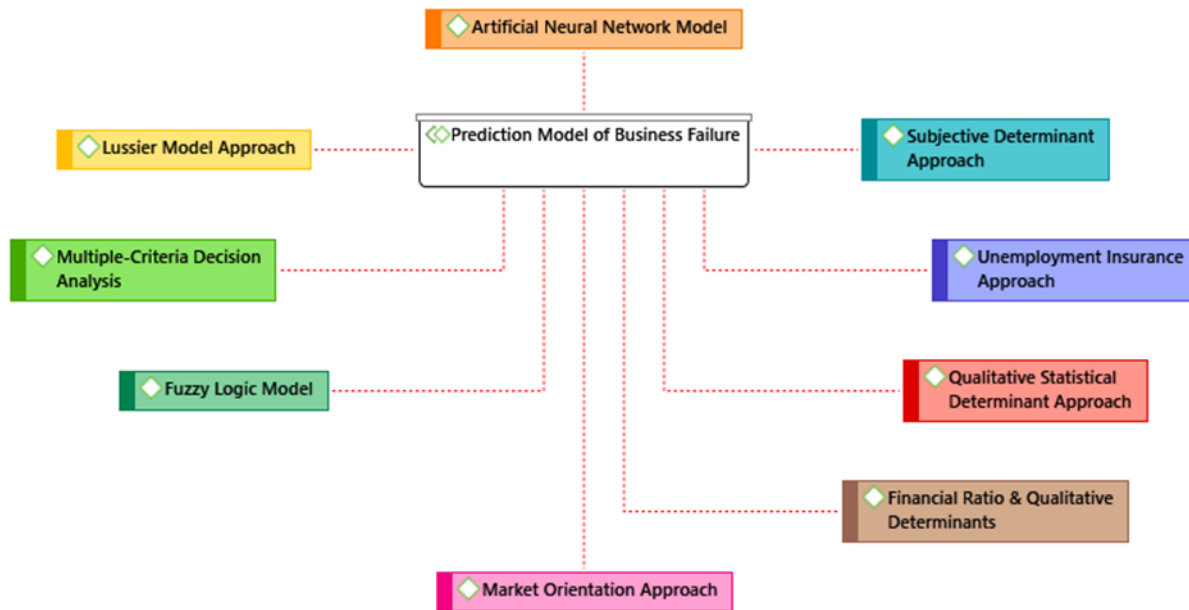


Figure 4: A network view on prediction model of business

In broad-spectrum, the prediction of business failure is based on the qualitative approach cohere with the quantitative elements in the financial information. The combination approaches indicate the comprehensive result as the failure is commonly due to qualitative factors such as entrepreneur's attitude towards financial matters, business strategies and organizational cultures. Subsequently, it renders to the business performance as recorded in the financial statements. Here, the financial statements are the best apparatus in measuring the business circumstances. It provides enough information for the involved parties to make any decision for the business undertaking.

Reason of Business Failure

Business failure is a negative consequence of unsuccessful execution of commercial activities. Watson & Everett (1993) highlighted that the range of business failure may be considered either a bankruptcy or a discontinuance of activities. The study upon 20 articles found between 2014 – 2019 have identified at least 5 themes on reason of business failure.

Agbenyegah & Dlamini (2018), Milošević et al. (2019), Nikolić et al. (2018) and Filho et al. (2017) argued that personal hurdle is the main reason for business failure. Furthermore, Çera et al. (2019), Derbali (2019) and Scherger et al. (2014) used the term internal difficulties in representing personal hurdles. On top of that, Mendy & Hack-Polay (2018) added culture, Milošević et al. (2019) and Nikolić et al. (2018) enlarged the scope into the obstacle among non-individual be it inside or outside the organisation. All of these are related to the personality, identity and character of the individual and business entity.

On the other hand, Aladejebi & Oladimeji (2019), Majláth et al. (2019) and Sibanda & Manda (2016) suggested accounting practices and financial distress as factors that cause the business failure. Meanwhile, Zhang et al. (2019) highlighted the ability of the entrepreneurs to identify, revive, assimilate, reconstruct and reconfigure their fundamental and strength in

coping with the fast moving environment as elements to survive in the business competition. It is known as Dynamic Capabilities. Thus the failure to adapt with this ability known as Dynamic Capabilities Malfunction (DCM)

Camilo & Fuentes (2018) considered geographical factors as an important element that may cause failure to the business entity. Without having a strategic location, the business may struggle in terms of logistic issues, marketing exposure, customer awareness and infrastructure readiness. This may drag down the business into a failure state.

Finally, Arasti et al. (2014) and Del Pilar et al. (2019) mentioned the importance of having a good and supportive government as a factor of business success. Otherwise, the business failure will become the issues resulting from inappropriate government policy. However, critics as regard to the business failure due from act of competitors are not discussed and highlighted in these articles even Milošević et al. (2019) and Nikolić et al. (2018) did highlight about external factors and Zhang et al. (2019) as regard to stay put with the competitors in order to remain relevant in business scenario.

Overall, the reason of business failure can be referred into 2 sources i.e. the internal factor and the external factor of the organization. The first part is the business failure that caused by the business organization itself which consist of the entrepreneurs, the management and the staffs who are not dynamic enough to face the challenges and difficulties. At the same time, they are not well disciplined in implementing all the business requirements, laws and regulations. Meanwhile, the second part is resulted from the factors that located outside the business organization and beyond its control. Among them are geographical factors, government policies, and acts of others. All of these may challenge the sustainability of the business even at the earlier stage all are running smooth. In another words, the successfulness of the business is depending to the healthy conditions of both factors.

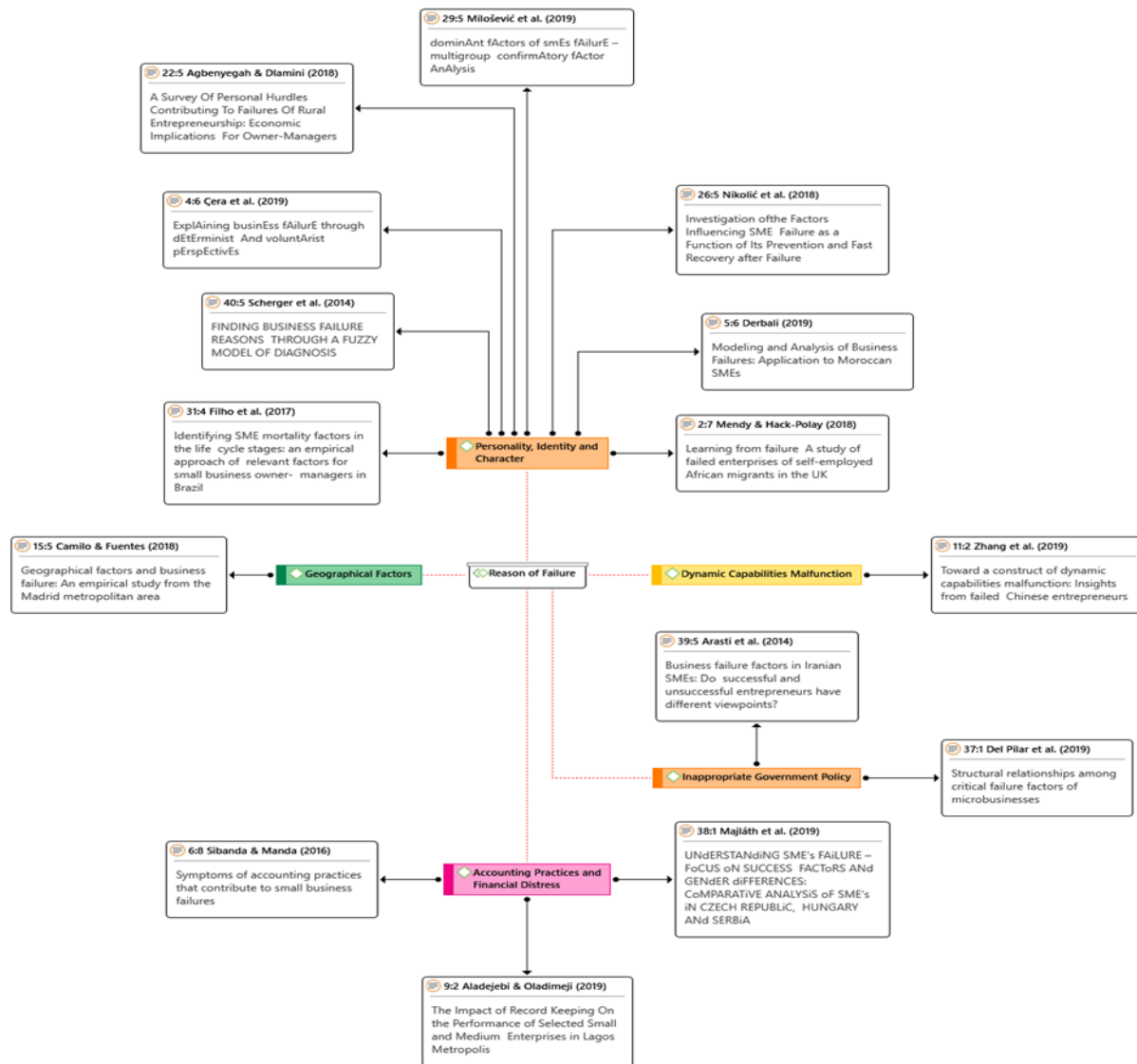


Figure 5: A network view on reason of business

Solution of Business Failure

Solutions for business failure can be divided into 2 which are prevention and remedy. The prevention is prior and during business execution, meanwhile remedy is on the transition and post failure event. Those articles discussed in 3.2 Prediction of Business Failure also highlighted the prevention actions that need to be taken prior and during the business implementation.

This section highlights the remedy as suggested by Amankwah-Amoah et al. (2019), Bednar et al. (2018) and Ropega (2016) which cover the accounting, start-up and entrepreneurial behaviour. Amankwah-Amoah et al. (2019) suggested the usage of proper accounting transactions while in the transition process after the entrepreneurial business failure. This to ensure there is no other unexpected claim from unrecorded creditors which give further elements of surprise to the bleeding entrepreneur.

In another view, Bednar et al. (2018) emphasized for the failed entrepreneurs the importance of new start-up with above average revenue and return on investment as a key to revival success. On top of all views, Ropega (2016) focused much on the importance of having correct entrepreneurial behaviour for the failed entrepreneur to bounce back to the right track of business success.

Even though, D. Williams (2015) highlighted that education and training are not caused the business failure but there are many other scholars who opined differently such as Baidoun et al. (2018), Derbali (2019), Gyimah & Lussier (2019), Nwankwo & Kanyangale (2019), Oliveira et al. (2017) and many others. They emphasized the importance of knowledge especially those related to entrepreneurship and business education. The educational gap for the failed entrepreneur is the area that received less focus from the researcher especially those related to the solution of business failure (Shiyuti & Al-Habshi, 2019).

The entrepreneur empowerment through proper accounting transactions, right entrepreneurial behavior, education and training are believed to be the remedies of the business failure. It will ensure that the failed entrepreneur really know the actual financial amount for him to recover. At the same time, this entrepreneur needs to empower himself with the right entrepreneurial behavior via business education and training that enable him to keep floating and ready for the next venture.

empowered through proper accounting transactions, right entrepreneurial behaviour, education and training. There are still opportunities for them rebound again and success in the business.

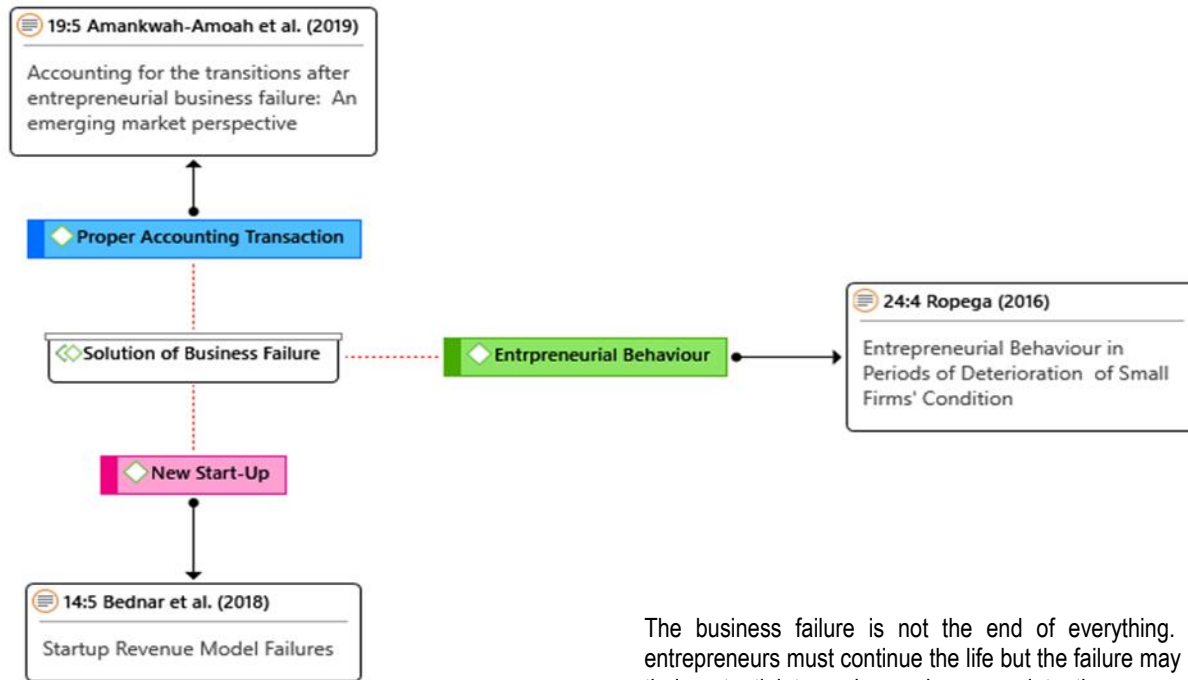


Figure 6: A network view on solution of business failure

CONCLUSION

This review paper stresses the most common approaches conducted by the researchers related to the business failure among SMEs between 2014 – 2019. There were basically four themes that researchers focused on which are effect, prediction, reason and solution of business failure.

The effect of the business failure has caused the difficulties for the entrepreneur in gaining the trust from the business support society in which stretches him from re-entering the entrepreneurship. However, most of the business failures are actually predictable through the usage of qualitative factors which described the personnel and the conduct of the businesses. Concurrently, the review upon quantitative measurements upon business financial statements described the business condition. Based on both information, the business failure can be appropriately predicted and the correct decision can be generated.

On the other hand, the failure of the business was caused by any or both of these factors i.e. internal and external factors. The internal factors consist of the entrepreneurs, the management and the staffs who are not able to cope with the challenges. Meanwhile, the external factors consist of those beyond the control of business organization which challenge its business sustainability. Nevertheless, there are still solution for business failure especially the entrepreneur. He needs to be

The business failure is not the end of everything. Failed entrepreneurs must continue the life but the failure may hinder their potential to revive and resume into the new venture. Therefore, it is important for any new and ongoing entrepreneur to recognize the sign and reason of business failure as steps to be careful and watch out. On the other hand, if failure is the only available option, therefore the entrepreneur needs to choose the best remedy that may put them back to the right track of successful business. The future studies should emphasize further on solutions of business failure that may give second life for the failed entrepreneur. It may include the business and entrepreneurial educational and knowledge gap that can indicate the loop of the failure. Hence, the right solution can be identified and suggested accordingly. Additionally, the future studies also can be done upon the same list of literatures (all 42 articles) by looking deeply into each of their theories, factors, results and many more which may lead to the different perspective of the discussion and output.

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