

CHALLENGES AND FACTORS INFLUENCING SMALL BUSINESS GROWTH

التحديات والعوامل المؤثرة على نمو الأعمال الصغيرة

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To

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Introduction

Small businesses encounter various obstacles that can impede their expansion, including limitations in financial management and the inability to effectively analyze the business landscape, which can undermine their success and increase their likelihood of failure (Gnonlonfoun, 2017). Insufficient resources and difficulties in securing capital are significant challenges that small firms face, affecting their operational capabilities (Brooks, 2019). These constraints subsequently affect their capacity to invest in technology, human capital, and market expansion (Daño-Luna et al., 2018). Moreover, the struggle to harness innovation opportunities, compounded by managerial and human resource constraints, further challenges their growth (Farsi & Toghraee, 2014). External factors such as economic instability, regulatory burdens, and market competition also pose substantial threats, requiring strategic adaptation and resilience (Omer et al., 2015). Small businesses also face challenges such as recession, barriers to global sourcing, low productivity, and difficulties in accessing management and technology (Umbaris et al., 2020). These challenges collectively contribute to the high failure rates observed among small and medium-sized enterprises (Umbaris et al., 2020). Furthermore, globalization intensifies competition, necessitating that firms adapt to survive, with failure leading to potential job losses and increased poverty, especially in less industrialized nations (Issau et al., 2022). The ability of small and micro businesses to effectively compete in the global market presents significant opportunities, but many face hurdles such as management quality, strategic leadership, innovation, marketing skills, and practical knowledge (Negeri et al., 2023).

Background

- **Research Issue:**
Small businesses are critical to economic development, yet they face various challenges that can impede growth. This research aims to explore these challenges and the factors influencing growth, providing valuable insights for policymakers and support organizations.
- **Rationale:**
Understanding the complexities of small business growth is essential, given their role in job creation and innovation. This study seeks to fill gaps in existing literature by examining both internal and external factors affecting small business success.
- **Theoretical Context:**
This proposal will utilize existing theories such as the resource-based view and institutional theory to inform the research questions and objectives. These theories will help clarify concepts and guide the investigation of relationships between variables.

Research Questions, Aim, and Objectives

- **Research Questions:**

1. What are the primary challenges faced by small businesses in achieving growth?
2. How do external factors (economic, social, regulatory) influence small business growth?
3. What internal factors (management practices, resources) are critical for the growth of small businesses?

- **Research Aim:**

To investigate the challenges and factors influencing the growth of small businesses, providing a comprehensive understanding of the dynamics at play.

- **Research Objectives:**

1. To identify and categorize the challenges faced by small businesses.
2. To analyze the impact of external factors on small business growth.
3. To evaluate the significance of internal management practices in fostering growth.

Methods

- **Research Design:**

A mixed-methods approach will be employed, combining qualitative and quantitative methods to provide a thorough understanding of the research topic.

- **Participants:**

Small business owners and managers will be the primary participants, with a focus on diverse industries to capture a wide range of experiences.

- **Data Collection Techniques:**

- a) **Qualitative:** Semi-structured interviews to gather in-depth insights.
- b) **Quantitative:** Surveys distributed to a broader sample of small businesses to quantify challenges and factors identified in interviews.

- **Ethical Considerations:**

Participants will provide informed consent, and confidentiality will be ensured through anonymization of responses. Data will be stored securely and used solely for research purposes.

Timescale

Stage	Duration
Literature Review	Week 1
Data Collection	Week 2
Data Analysis	Week 3
Writing and Revisions	Week 4
Submission	Week 5

Theoretical Contribution

This research aims to contribute to the theoretical discourse on small business dynamics by:

- Testing existing theories in a practical context.
- Identifying new relationships between internal and external factors affecting growth.
- Providing a framework for future research in small business studies.

References

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