



A SYSTEMATIC LITERATURE REVIEW ON ENTERPRISE SUCCESS: THE ENTERPRISE RESOURCES APPROACH

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Abstract: Enterprise employs multiple factors in their business operations. It brings in various forms of resources to achieve their goals and objectives. The paper aims to study the influence of factors under enterprise resources on enterprise success through a review of literature. The study resulted in extraction of enterprise resources factors on enterprise success. Given the importance of enterprise resources, it can be applied in other study area to study enterprise success.

Index Terms - Enterprise; enterprise success; infrastructure; location; resources

1. Introduction

Enterprise relies on number of factors to achieve its goals and objectives. The existing literature shows that factors such as entrepreneurial resources, enterprise environment and enterprise resources are considered to be factors of enterprise success. The importance and relevance of entrepreneurial resources on enterprise success is supported in the study of Wu (2007); Huang (2016); Ge and Li (2019); Duan et al. (2020), enterprise environment in the works of Baldacchino et al. (2008); Altinay and Altinay (2008); Abdul Jamak et al. (2012); Gaganis et al. (2019), and enterprise resources in the works of Lerner and Almor (2002); Liang et al. (2010); Eniola and Ektebang (2014); Othman et al. (2015) respectively. This paper focuses on the enterprise resources factors that influence on enterprise success.

The following section systematically reviews the factors that influence enterprise success through enterprise resources.

2. Literature Review

Enterprise resources in this study, means the essential basic resources which the entrepreneurs put together to start and run a business. It plays an instrumental role in the functioning of an enterprise. Past studies had diverse take on enterprise resources. Lerner and Almor (2002) work on the resources of small venture where they found intangible resources to be significant part of small venture's performance. Liang et al. (2010) shows the importance of resources on organizational capability. The study indicated technological resources raise organizational internal and external capabilities, while organizational resources to improve internal capabilities. Eniola and Ektebang (2014) concluded that organizational internal and external resources can be executed to give a competitive advantage to the organization and simultaneously be a measure of enterprise performance. Othman et al. (2015) on the other hand analyze the influences of tangible resource on firm performance. The finding portrays cooperatives to be capitalizing their corporate resources which results in competitive advantage and positive influence on firm performance.

Under enterprise resources the variables namely location, availability of space, management of enterprise, infrastructure, technology, enterprise size, and enterprise age are considered in the considered in the available literature. The review on these factors is as follows:

2.1 Location

Business location plays a crucial role in providing access to the end customers. The role includes providing convenience through close proximity to customers around the business center or a strategic location where customer can easily access the business services. Liedholm (2002) study shows location as important determinants of enterprise growth. Urban based firms grow faster than the rural towns and villages. Further, firm located in commercial district and along the roadsides, grows stronger than home based enterprise. Garoma and Dijk (2015) in their study indicated the importance of location for microenterprise success. Giday (2017) confirmed that substantial number of business operator view location of their business leads to boost in business performance and in bringing customers. Likewise, Ginbare Gutu and Yali (2020) found location among the other factors which has significant association with growth of MSEs.

2.2 Availability of space

Spacious element of the business premises has a capacity to attract customers into the business center and congestion of premises could hinder the smooth business activity. Alom et al. (2016) revealed that physical space for expansion is significant determinants of business success. According to Cherkos et al. (2018), work premises are among the most critical factors which lead other factors to reduction of challenges on the performance of enterprise. Meresa (2018) discloses about inadequate space as a challenge which interrupts and affect performance. Whereas according to Ginbare Gutu and Yali (2020), there is positive association between access to own premise and the growth of enterprises.

2.3 Management of enterprise

The management aspect of an enterprise can alter the way the business functions. The competency and skill to effectively and efficiently manage gives favorable outcome. Onakoya et al. (2013) mentions managerial capacity to be a constraint that confronts the SMEs. While Munoz et al. (2015) found that management activities were related to microenterprise and it affects performance. According to the findings of Thapa (2015) managerial skills is one of the factors that determine microenterprise performance. In line with the skills related issue, Bouazza et al. (2015) study shows that without exception to any business, management skills to small business are critical for the success of business. The lack of managerial skill put challenges to SME development. Sitharam and Hoque (2016) stress the importance of Managerial competence and skills on the performance of the business. They found shortage of competence and skills to affect the enterprise. While Cherkos et al. (2018) study brings to light business managerial problems as part of critical factors which could address the reduction of challenges of performance of MSEs. Al -Tit et al. (2019) study reveals the criticality of management factors for the success of small and medium sized enterprise.

2.4 Infrastructure

Infrastructure constitutes an important part of any business organization. Infrastructure forms the basic resource with which business operates and it facilitates smooth business operation. Kamunge et al. (2014) mentioned that infrastructure brings ease and accessibility to work which considerably affects the business performance. The importance of infrastructure is further pointed out by researchers. Infrastructure is one of the most critical factors when apply along with other factors minimizes the challenges of other factor on performance Cherkos et al. (2018). Further Giday (2017) study indicates the relevance of infrastructure on performance and shows that infrastructure related factors limit the enterprise performance. Access to adequate infrastructure has a bearing on the performance of micro and small enterprises Degefu (2018). The relevance is shown in Ginbare Gutu and Yali (2020) study where infrastructure is notably related to the growth of enterprise.

2.5 Technology

The present business scenario to large extent is technology driven. It has made the business activity to operate hustle less and at much ease. Monahan et al. (2011) in their study discloses the relevance of internet in enterprise. Gender and internet use correlates, and they cited about new educated breed of women entrepreneurs who utilize internet technology to market their product. Munoz et al. (2015) finding indicates a correlation of computer technology with the performance of enterprise. Bouazza et al. (2015) imply the necessity for better technological capacity given the reason that the lack of it had a negative impact on the growth of enterprise. Giday (2017) concluded that employing modern technology affects the performance of enterprise. Cherkos et al. (2018) supported the view of technology and related issue as a mechanism through which MSEs can improve the performance.

2.6 Enterprise size

Enterprise size offers so much potential to the business and has an impact on business. Liedholm (2002) study revealed inverse relationship between initial enterprise size and its growth. The result indicates more employment creation of smaller enterprises at startup than larger ones. Thapa (2015) on the other hand mentions enterprise size as part of the key factors in determining enterprise performance. Taking profit point of view Margaretha and Supartika (2016) in their study concluded that firm size has significant influence to the profitability of the firm. Woldehanna et al. (2018) on the other hand, employed survival rate to study success wherein the result shows initial size as one of the important factors in elucidating the probable enterprise survival. Similar to earlier study, Tuan and Tram (2021) used enterprise size to study performance where the result indicated higher operational efficiency among larger scale enterprise.

2.7 Enterprise age

The enterprise age can alter the way business operates over a period of time. With the extended period of running business, enterprise can gain valuable insight about the market which could help them to manage the enterprise efficiently. Liedholm (2002) work shows enterprise age as one of the determinants of enterprise growth. The result shows strong inverse relation between enterprise age and the growth of enterprise. Similarly, Gebreeyesus (2003) study shows age aspect of growth, where the smaller and younger firm grow quicker than the bigger firm. Whereas Thapa (2015) study on the other hand reveals that enterprise age as one of the key factors in determining microenterprise performance. In line with earlier work, according to Giday (2017), age of enterprise significantly determines the performance of enterprise. Apart from growth and performance, Alemu and Dame (2016) disclose that age of business influences the business success. Maduku and Kaseeram (2021) too identified that business age as firm specific factor that explain firm success.

3. Conclusion

From the above review of literature, the factors under enterprise resources which influence enterprise success were extracted. The extracted factors are presented in Table 1.

Table 1: Enterprise Resources Factors Influencing Enterprise Success

Sl. No	Factors	Supported by
1.	Location	Liedholm (2002); Garoma and Dijk (2015); Giday (2017); Ginbare Gutu and Yali (2020)
2.	Availability of space	Alom et al. (2016); Cherkos et al. (2018); Meresa (2018); Ginbare Gutu and Yali (2020),
3.	Management of enterprise	Onakoya et al. (2013); Munoz et al. (2015); Thapa (2015); Bouazza et al. (2015); Sitharam and Hoque (2016); Cherkos et al. (2018); Al –Tit et al. (2019)
4.	Infrastructure	Kamunge et al. (2014); Cherkos et al. (2018); Giday (2017); Degefu (2018); Ginbare Gutu and Yali (2020)
5.	Technology	Monahan et al. (2011); Munoz et al. (2015); Bouazza et al. (2015); Cherkos et al. (2018); Giday (2017)
6.	Enterprise size	Liedholm (2002); Thapa (2015); Margaretha and Supartika (2016); Woldehanna et al. (2018); Tuan and Tram (2021)
7.	Enterprise age	Liedholm (2002); Gebreeyesus (2003); Thapa (2015); Giday (2017); Alemu and Dame (2016); Maduku and Kaseeram (2021)

Source: Literature review

The factors and the supporting works from the table show the significance and influence of enterprise resources towards enterprise success. These variables can be adopted in future research in the domain of enterprise resources factors to study enterprise success.

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