

# Using firm-level intellectual capital to achieve strategic sustainability: examination of phenomenon of business failure in terms of the critical events

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## Abstract

**Purpose** – The purpose of this study is twofold. Firstly, the authors have conducted a systematic investigation considering the historical pandemic periods (1991–2021) over 30 years to identify critical factors and business failure phenomenon during pandemics to explore “what”, “why” and “how” factors contributing to business failure during the COVID-19 pandemic and secondly identified interlinks of these factors to explain the phenomenon of business failure strategically through various quantitative models.

**Design/methodology/approach** – Firstly, the critical factors were identified through previous literature and systematically reported in accordance with the PRISMA guidelines. To remove any bias in critical factor selection, Delphi method was employed. In the second phase, m-TISM approach was adopted to understand the interrelationships of the factors to develop the hierarchy levels. Lastly, MICMAC analysis was also done to evaluate the driving and dependence powers of the critical factors. For implementation of the stated methodology, expert opinion was collected to assess the critical factors based on their knowledge and experience. A total of seven experts were involved in this study.

**Findings** – Two major takeaways from the results of phase one were that “external environmental changes” was at the highest level and had the highest driving power as well as the lowest dependence power, while “inappropriate marketing techniques” was at the lowest level and had the highest dependence and lowest driving powers.

**Practical implications** – The ever-developing digital technologies act as a synonym to innovation and are shaping up to be the key to future-proofing any industry. However, before one can move towards developing effective strategies to mitigate any business disruptions, there is a need to assess the causes of business failures in the first place which is a major managerial implication identified through this study.

**Originality/value** – This paper can be considered as the first few studies to conduct a systematic investigation considering the historical pandemic periods (1991–2021) over 30 years to identify critical factors and business failure phenomenon during pandemics to explore “what”, “why” and “how” factors contributing to business failure during the COVID-19 pandemic and secondly identified interlinks of these factors to explain the phenomenon of business failure strategically through various quantitative models.

**Keywords** Business failure, COVID-19, Factors, Systematic investigation, Qualitative model

**Paper type** Research paper

