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S O M A L I A
R E S E A R C H J O U R N A L S

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THE PRESIDENT'S MESSAGE



From the beginning of its inception, Jamhuriya University of science and technology (JUST), had the intention of engaging in research activities, as one of the basic functions of a university, and thus the decision of publishing academic research **Somali Journal of Business and Social Sciences** together with three other yearly publications in other academic & research areas.

Although there have been challenges for this 3rd issue of this journal more than ever before, we are more certain and more confident than ever that it is on its way to be a success history sometime in the future and our dream of making it an internationally reputed and a well referred journal is eventually going to be realized.

The rich comments and feedbacks on the past issues that we received have been encouraging and although they contained a lot of compliments and corrective remarks they were also full of constructive and sometimes tough criticism in terms of quality of the content or even technical issues. We promise to embrace both types of comments, take the wise and useful advices of our readers into consideration and use them as a valuable means to a better work in the future, Allah willing.

We renew our call to Somali scholars, researchers, university lecturers and students to contribute to making the next issues more useful and helpful sources for our young learners and researchers. I would like to indicate that the importance of local research journals cannot be over emphasized since they are the best alternatives to the foreign literature that most of the time give doubtful information about our country and give distorted facts about our people and culture.

The tentative moves for holding research conferences by Somali universities in the last two years are good indicators that our academic institutions are realizing and are ready to assume their responsibility to train their graduates not only as scholars and professionals but also as researchers who can be pioneers in investigating and finding solutions to our social and economic problems.

Building a strong foundation for a research culture in our country requires the combined efforts of all stakeholders and a lot of time and resources. Jamhuriya University of science and technology (JUST) is determined to be in the front line of this national endeavor, and this journal 'SOMALI BUSINESS AND SOCIAL SCIENCES JOURNAL' is a humble but honest contribution towards the achievement of that noble target. I wish it would motivate many others to do a similar work which would also trigger other similar and better ones until we are in a position to compete with our counterparts worldwide.

Mohamud Ahmed Jimale

President, JUST

THE DEAN'S MESSAGE

Hello and welcome.



It is an honor for me to welcome you to the third volume of the Somali Business & Social Science Journal (SBSSJ).

The faculty of Economics & Management is young and vibrant with real and practical ambitions for the near and the long-term future, these ambitions include introducing basic research to all of our teachings and learning programs.

In line with the university motto “Home of Quality Education”, we always endeavor to provide our students with a rigorous curriculum to prepare them for what awaits them in the marketplace.

Undergraduate research gives our intellectually curious students a chance to conduct meaningful professional studies. They do so guided and supervised by their lecturers at the faculty who, themselves are leaders of key business organizations and on the forefront of creating new knowledge. Entrepreneurship is always emphasized as a core area in our curriculum to fuel the potential fire of our students.

The third volume of Somali Business & Social Science Journal (SBSSJ) includes studies in the fields of entrepreneurship and small business, marketing, human resource, economic, finance and so on.

Enjoy reading it.

Best Regards
Abdiwahab Abdullahi Elmi
Dean, Faculty of Economics & Management

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EXPLORING THE FACTORS THAT HINDER THE PERFORMANCE OF SMALL AND MEDIUM ENTERPRISES IN SOMALIA. EMPIRICAL STUDY OF SMES IN MOGADISHU

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Abstract

The main objective of the study is to explore the factors that hinder the performance of SMEs in Somalia. Primary data using questionnaire were used to collect data, Descriptive and correlation statistics were used to conduct this study with a sample of 80 respondents. This study found that there is a positive relationship between (management skills, entrepreneurial skills and competition) and the performance of SMEs. It recommends that SMEs should improve their skills (Management Skills and entrepreneurial Skills), should create competitive edge and should establish financial records to maintain financial problems in the firm.

1.0 Introduction

Small and medium businesses are the backbone of many economies across the globe. The major challenge is to overcome the high failure rate among these small and medium businesses (Mbonyane, 2006)

The role of small and medium enterprises (SMEs) in a national economy has been emphasized all over the world, as they play a crucial role in the creation of jobs, growing the economy and reducing poverty. SME's are flexible and innovative, taking into account the size and the business structure (Lekhanya, 2016)

SMEs have been identified as the catalyst for the economic growth of the country as they are a major source of income and employment and consequently poverty reduction by contributing substantially to gross domestic product. Their contribution to gross domestic product is in the area of corporate taxes, export duties and import taxes flowing from their activities (Effah, Boampong, Asibey, Pongo, & Nkrumah, 2014)

The aim of the study is to describe the factors that hinder the performance of SMEs in Mogadishu, Somalia, also the study aims is to understand why SMEs can't survive in the marketplace and also aims is to explore the factors can enhance the performance of SMEs.

2.0 Literature Review

According to (Kusi, Opata, & Narh, 2015) mentioned that United Nations International Development Organization (UNIDO) define Small and Medium enterprises for Developing Countries: Micro-businesses with 5 workers; Small-businesses with 5 - 19 workers; Medium-businesses with 20 - 99 workers; Large-businesses with 100 plus workers. Also, stated definitions for Developed Countries: Micro-businesses with less than 29 workers; Small-businesses with 30 - 99 workers; Medium-businesses with 100 - 499 workers; Large-businesses with 500 plus workers.

According to (Kusi et al., 2015) stated that financial difficulties of SMEs arise, either because of an inability to raise sufficient funds to properly capitalize the business, or a mismanagement of the funds that do exist or a combination of both. They go on to stress that many new owner managers, having received funds, misuse them; small businesses are dishonorable for their lack of proper financial controls and information.

Similarly (Sherazi, Iqbal, Asif, Kashif-ur-Rehman, & Shah, 2013) mentioned that managers in SMEs are not much aware about knowledge how to manage their financial matter which results in underutilization of business resources.

According to (Sherazi et al., 2013) investigated the obstacles face by Small and medium enterprises in Pakistan, and mentioned that managerial expertise influences the performance of the firms. SME sector possess less of managerial expertise. Also stated that a number of study revealed that the economic performance of SMEs in Pakistan is badly major affected by the insufficient managerial skills, especially small firms

3.0 Methodology

This section presents the methodology conducted by the study which contains research design, target population, sample procedure, research instrument, validity and reliability, data collection, data analysis, ethical considerations and finally the resources of the study.

3.1 Research design:

The study is a descriptive and correlation; it was used questionnaire to collect an adequate data.

3.2 Target Population:

The target population of this study is the owners, managers and employees of small & Medium (Product & Service) businesses in Mogadishu.

3.3 Sample size:

The sample size of this study was made up of 80 respondents.

$$\begin{array}{ccc} N & \textbf{100} & \textbf{100} \\ n = \underline{\hspace{2cm}} & n = \underline{\hspace{2cm}} & n = \underline{\hspace{2cm}} = \textbf{80} \\ 1 + Na^2 & 1 + 100(0.05)^2 & 1.25 \end{array}$$

3.4 Sample Procedure:

The sampling technique of the study is Non-probability sampling. The researchers selected this sampling technique because it gives the opportunity to choose the member target population who provides an accurate information.

3.5 Research instrument:

The way was used to get accurate data is to give the respondents a questionnaire. The researchers preferred this method because it was the most appropriate method.

3.6 Validity and reliability

Reliability was determined by using the instrument item with validity coefficient of at least 0.7 or 70%. So, the researchers enhance the quality of the study, the researchers ensured any effort to reach and reliability coefficient of at least 0.70.

3.7 Data Collection

The data used were collected using primary source of collection. The primary source we used is questionnaire. This technique consists of series of questions written that respondents approached gave room for different views and answers.

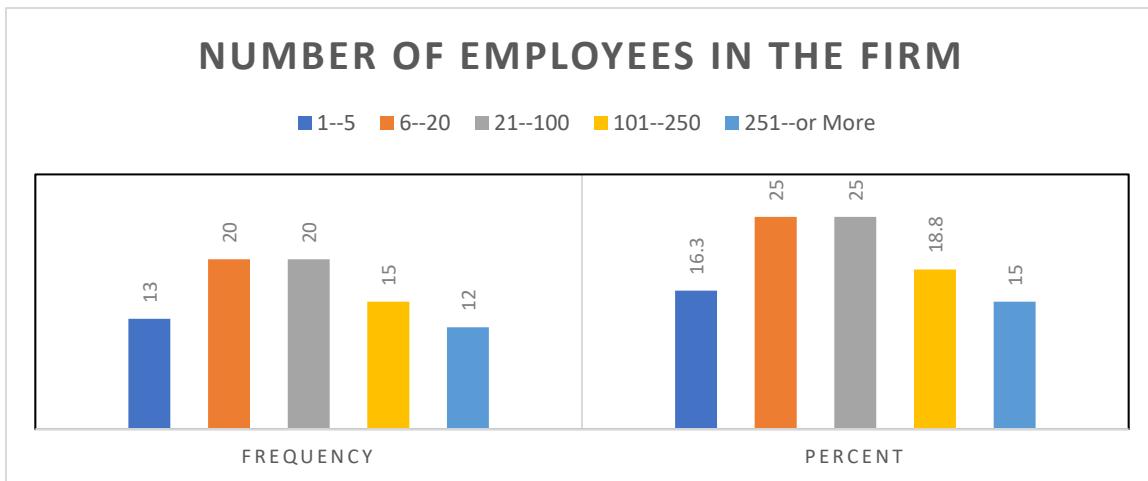
3.8 Data analysis

The process we used to analyze on our data is by using SPSS (Statistical Package for Social Sciences). The study used measures of central tendency (means, standard deviation). The questionnaire each selected one to five scales for where 1=strongly agree, 2= Agree, 3=Neutral, 4=Disagree, 5=Strongly Disagree.

4.0 RESULTS AND FINDINGS

4.1 Company Profile

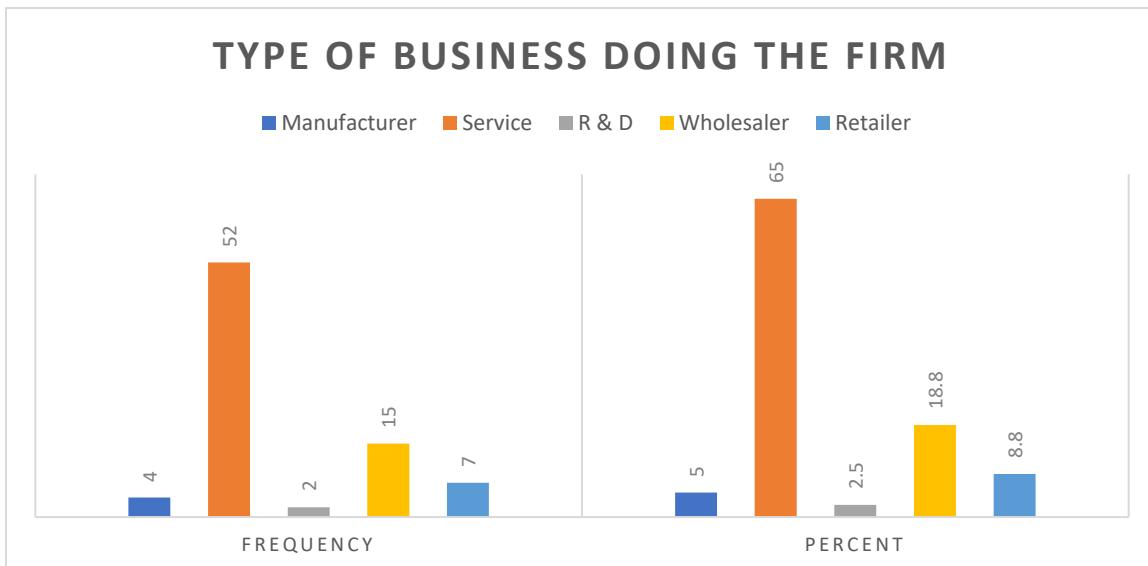
Number of the employee in such of the study respondents' firms consist of five Numbers range groups, as below table shows that 16.3% of the firm's employee ranges 1-5, 25% of the firms were employed by 6-20 employees, 25% of the respondent's firms were employed by 21-100 people, and on the other hand 18.8% of the total respondent firms were employed by 101-250 persons while the remaining 15% of the respondent's firm were 251 and above.



Source: primary data

Figure 4.1 Number of Employees in the Firm.

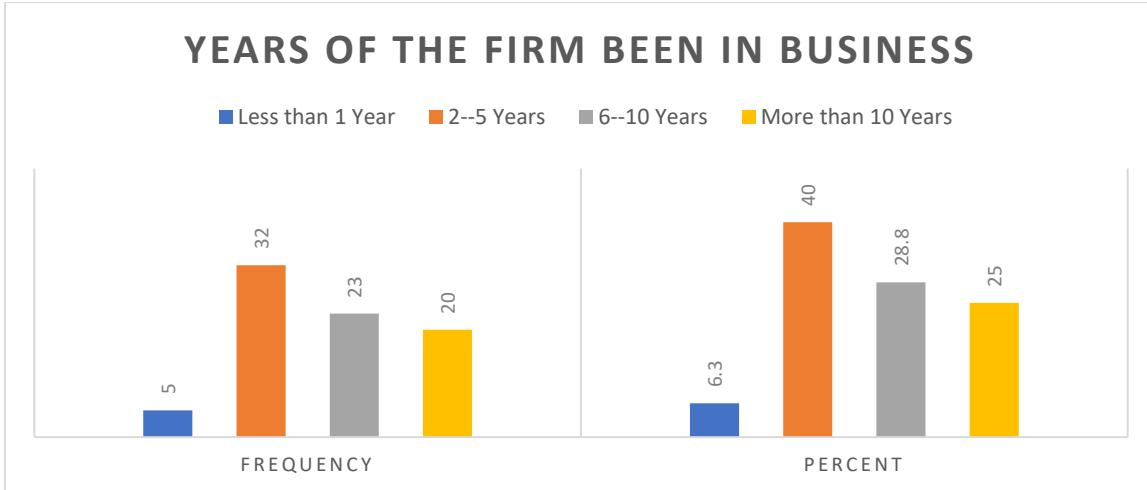
Researchers classified the firms according to the type of their firms: Respondent firms were either Manufacturer, Service, R & D, Wholesaler or retailers. 5% of the companies we visited were Manufacturing Companies, 65% were service firms, 2.5% were R & D, 18.8% were wholesalers, and 8.8% were retailers. The table below shows the frequency and percent of the data.



Source: primary data

Figure 4.2 Type of the Firm

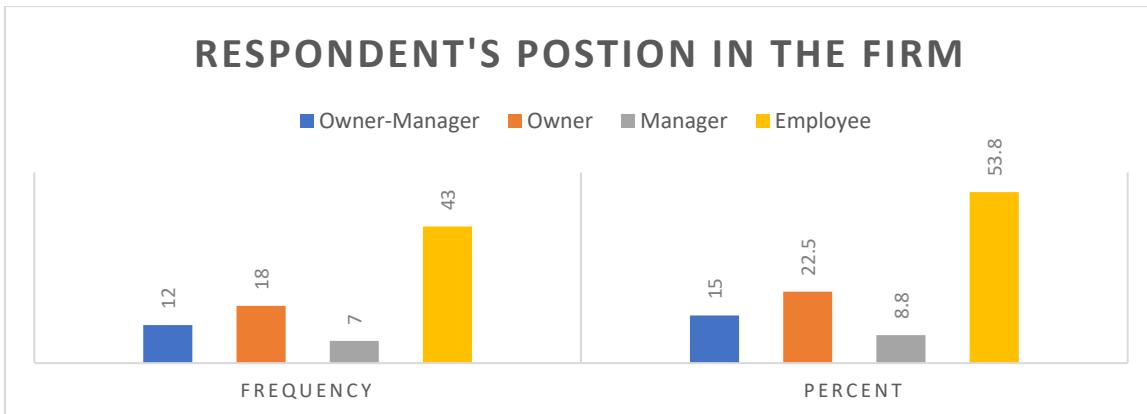
Researchers categorized years as: less than 1 year, 2-5 years, 6-10 years, more than 10 years 6.3% of the companies we visited were ranged less than 1 year, 40% ranged 2-5 years' firms, 28.8% ranged 6-10 years, 25% resulted from more than 10 years. The table below shows the frequency and percent of the data.



Source: primary data

Figure 4.3 Years of the firm been in business.

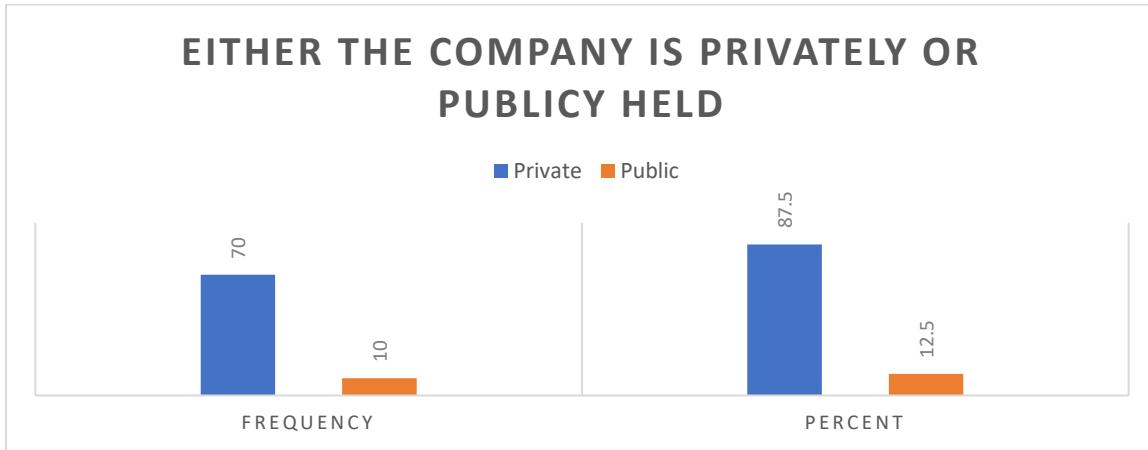
Respondents of the questionnaires were categorized as: Owner-Manager, Owner, Manager, and Employee. 15% of the respondents were Owner-manager, 22.5% were Owners, 8.8% were managers, and 53.8% were Employees.



Source: primary data

Figure 4.4 Respondent's position in the firm

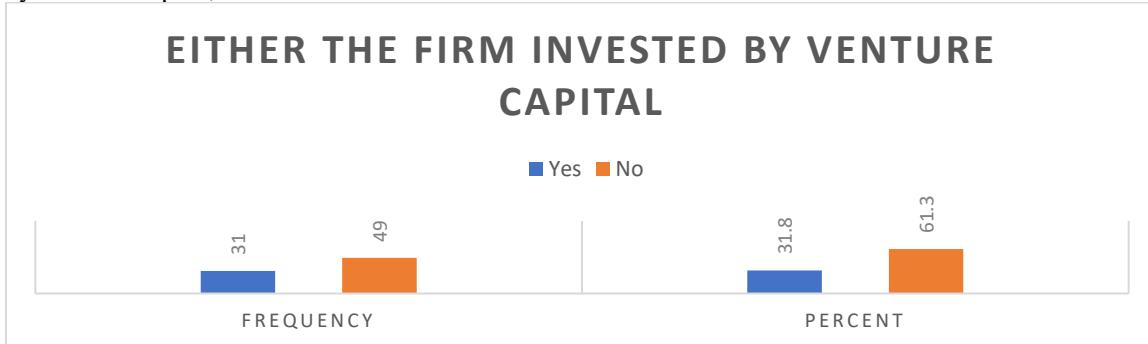
Researchers classified the firms according to their ownership, either privately or publicly held. 87.5% of the respondent firms are privately held, where 12.5% are publicly held.



Source: primary data

Figure 4.5 Either the company is private or publicly held.

Researchers asked the firms whether it's invested by Venture Capital, 31.8% of the respondent firms were invested by Venture Capital, where 61.3% were not.



Source: primary data

Figure 4.6 Either the company been invested by venture capital companies or Not?

Lack of financial management Skills – six items were used to measure this construct on SMEs performance, therefore on average financial management skills were rated high and this was indicated by the average mean (mean=2.35).

Lack of Managerial Skills – this variable was measured by nine items and respondents were asked whether they agreed or disagreed with the statement under investigation. Responses reveal that lack of managerial skills is an obstacle on SMEs performance was rated high (mean=2.54).

Lack of entrepreneurial skills - this variable was measured by nine items and respondents were asked whether they agreed or disagreed with the statement under investigation. Responses reveal that lack of managerial skills is an obstacle on SMEs performance was rated high (mean=2.54).

Competition - this variable was measured by nine items and respondents were asked whether they agreed or disagreed with the statement under investigation. Responses reveal that lack of managerial skills is an obstacle on SMEs performance was rated high (mean=2.54).

Reliability Statistics

Cronbach's Alpha	N of Items
.874	24

Pearson's correlation

All variables are associated together as medium relationship since the Pearson correlation states above 0.5.

Table 4.1 Correlation analysis

		Correlations			
		Management skill	Entrepreneurial skill	Effect of Competition	SMEs Performance
Management skill	Pearson Correlation	1	.569**	.532**	.541**
	Sig. (2-tailed)		.000	.000	.000
	N	80	80	80	80
Entrepreneurial skill	Pearson Correlation	.569**	1	.391**	.484**
	Sig. (2-tailed)	.000		.000	.000
	N	80	80	80	80
Effect of Competition	Pearson Correlation	.532**	.391**	1	.386**
	Sig. (2-tailed)	.000	.000		.000
	N	80	80	80	80
SMEs Performance	Pearson Correlation	.541**	.484**	.386**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	80	80	80	80

**. Correlation is significant at the 0.01 level (2-tailed).

5.0 DISCUSSIONS AND RECOMMENDATIONS

The results of the study suggest that there are four factors that are related to the performance of SMEs. These factors were derived from the statistical technique like correlation analysis. It has practical implications and helps researchers and every one related to the Small businesses to make better decisions upon the outcome of the analysis that is the key to success.

The correlation matrix in Table 4.26 shows that all variables are positively correlated. Also, while some of the variables depict a strong positive correlation among themselves, others show a weak positive correlation among themselves. This, thus, implies that there is both a direct relationship among the management skills, financial management skills, entrepreneurial skills and competition those affect the performance of SMEs.

The above-mentioned results produced that the stated factors (Management Skills, Financial Skills, entrepreneurial skills and competition) has a significance effect on the performance of Small and Medium Enterprises(SMEs). Small businesses in Mogadishu mentioned that the major challenges are that confronts the performance of Small businesses are Competition and Financial Management Skills.

5.1 Recommendations of the Study

To overcome the above-mentioned problems those, confront the performance of small and medium enterprises in Mogadishu, Somalia:

1. Small businesses managers should improve their skills towards general management, financial management and entrepreneurship.
2. Small businesses managers should create competitive advantage for their firms by offering excellent unique products with favorable price. Also, should set strategies, policies and procedures to achieve competition in the market place

Small businesses managers should establish financial records, to maintain the financial problems in their firms.

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MODERN ISLAMIC FINANCE PRACTICES AND ITS EFFECT ON SOCIAL DEVELOPMENT IN SOMALIA

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Abstract

The purpose of this study was to investigate modern Islamic finance practices and its effect on the social development in Somalia, and the role Islamic finance institutions can play in reduction of poverty and create jobs in Somalia. The methodology of this study employed were quantitative research design. The survey research method has worked on this study. The population of this study was contained Islamic banks, institutions and individuals to get the relevant information and also this study employed quota sampling technique which is a part of non-probability sampling. The sample size of the study was 100 participants from the whole study population. To achieve the objectives of this study, data has collected through questionnaire instrument. Data analysis, we used Statistical Package for the Social Science (SPSS 25). The study discovered first, that there is positive correlation between Islamic finance practices and social development which is 0.201%. second, the results showed that there is significant low positive (0.191%) relationship between the Islamic finance practices and poverty alleviation. Finally, we identified that there is low positive (0.116%) relationship between the Islamic finance practices and job creation.

Keywords: Modern Islamic Finance Practices, Social Development, Job Creation, Poverty Reduction, Sustainability of Islamic Banks.

1.1 Introduction

Islamic banking is playing important role in the development of Islamic finance industry and has grown rapidly in Somalia recently. Islamic finance has potential solution to cover poverty reduction and promises to socio-economic justice in addition to reduction unemployment in Somalia. (Mohamed & Ahmed, 2015)

Islamic finance can be defined as financial activities that; *first*, based on *shariah* principles in all of its activities through its role as a financial intermediary between savers and investors; *second*, provides banking services within the framework of legitimate contracts; and *finally*, achieves a balance between economic and social return. The origin of Islamic finance dates back to the beginning of Islam 1,400 years ago. Historical books written during the early years of Islam indicated that during the first century of Islam some forms of banking activities existed that were similar to modern banking transactions. (Alharbi, 2015)

1.2 Problem Statement

There are several Islamic banks in the country which offer some of the Islamic finance modes and other services such as money transfer. but, this study was focused on the Islamic modes of finance. Everyone hears that banks sign contracts with the customers through Islamic modes of finance. But, no one knows accurately the contribution of Islamic modes of finance on poverty reduction and job creation in Somalia. This study investigated modern Islamic finance practices and its effect on the social development in Somalia.

1.3 Objectives of The Study

The objectives of the study were;

1. To investigate modern Islamic finance practices and its effect on social development in Somalia.
2. To examine what role Islamic modes of finance play in reduction of poverty and creating jobs in Somalia.
3. To identify the sustainability of Islamic banks in Somalia

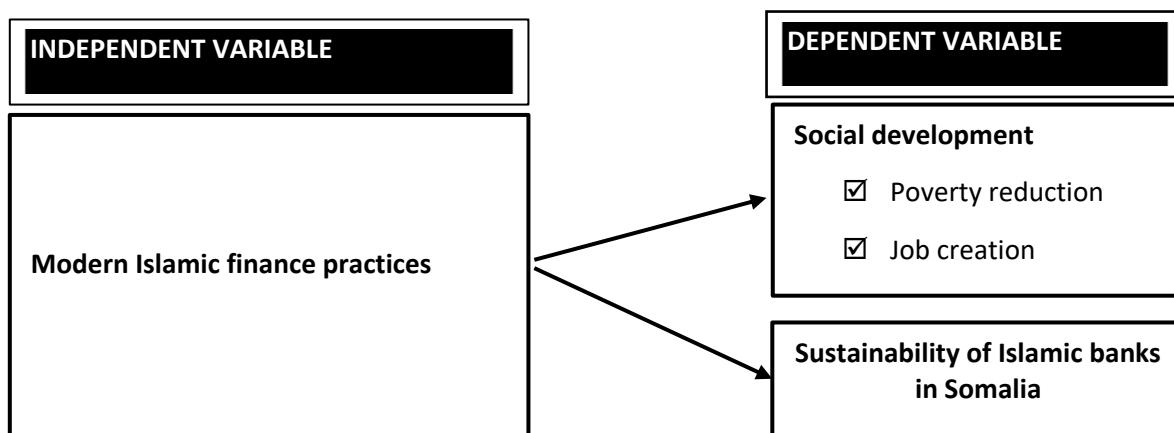
1.4 Research Questions

The study questions were;

- 1) What is the effect of modern Islamic finance practices on social development in Somalia?
- 2) What role Islamic finance modes can play in reduction of poverty and creating jobs in Somalia?
- 3) Will the Islamic banks be sustainable in Somalia?

1.5 Conceptual Framework

This study was guided by the conceptual framework presented in below figure. The dependent variable is social development in Somalia. This dependent variable is influenced by another factor, referred to as independent variables. The independent variable which is modern Islamic finance practices



2.0 Literature Review

After a long journey of searching earlier studies on the topic which were important to reach the objective of this study, we found some studies concerning the topic. According to, Khadijah, Manan, Hakimi, & Mohd, (2015). Examined paper entitled “Risk Management of Islamic Microfinance (IMF) Product by Financial Institutions in Malaysia” The idea behind the study was to obtain a clear picture of how the bank managed risk, especially credit risk, and examine the real-situation. Findings of the study indicated that the institutions had taken the necessary steps in managing the risks.

HGB, (2017). Conducted a paper entitled “Impact of Islamic Modes of Finance on Economic Growth through Financial Stability.” This study aims to investigate the relation between Islamic banks performance and economic growth. It attempts to answer the question whether Islamic banks are a perquisite for economic development or whether their financial stability a consequence of it. The study found that the regression tests shows significant relation between modes of finance and GDP R=0.79, there is negative causal relation between Z score and GDP, negative

relation between Ijara, Murabah modes and GDP. Also, the test shows significant negative relationship between modes of finance except Mudaraba and Z Score R=0.93. However, there is insignificant relationship between Zscore and Murabahah, Mudaraba. Two models are developed according to regression tests. and Also, the study suggested; first, Banks supervisors and decision makers at Islamic banks should encourage Istisna mode of finance. Second, Banks supervisors and decision makers at Islamic banks should search hard to discover appropriate financial tool in Islamic banks which can maximize financial strength and GDP in national economy at the same time. Third, Banks supervisors and decision makers at Islamic banks should decline amount of lending by Murabah modes of finance. Fourth, Banks supervisors and decision makers at Islamic banks should decline amount of lending by Ijara modes of finance. And finally, Future studies should be made in the relation between Islamic modes of finance to confirm the results of this study.

Johnson, (2013). Conducted Paper titled “The Role of Islamic Banking in Economic Growth.” This study seeks to add to the literature by empirically analyzing the economic growth determinative power of Islamic banks. Confirming past research, Muslim prevalence in a population is found to be the most significant determinant of the diffusion of Islamic banks. The study results show that Islamic banks are not significantly correlated with economic growth. Most notably, including the Islamic banking instrument affects the strength of beta-convergence. Basic Solovian specifications show that convergence occurs; countries with higher initial GDP per capita grow more slowly. After accounting for the intensity of Islamic banking, this effect becomes much less statistically significant, suggesting that some of the effect of convergence may operate through the propensity to adopt Islamic banking. Empirical analysis disaffirms the hypothesis that Islamic banks minimize the explanatory power of legal origin on economic growth due to their independent implementation of Shariah law; the results show that accounting for Islamic banks has no effect on the determinative power of legal origin. Finally, the correlation of Islamic banking and financial deepening is largely dependent on legal origin, resulting in negative effects for countries with British legal origin and positive for those with French legal origin.

3.0 Research Methodology

3.1 Research Design

The research design of this study was quantitative, because the study was conducted on secondary data through the internet and used questionnaire as instrument of primary data collection. Quantitative research can be used in response to relational questions of variables within the research.(Williams, 2007). In this study we used survey method to meet the main objective of study which was to Investigate the modern Islamic finance practices and its effect on social development in Somalia.

3.2 Population of The Study

The population of this study contained Islamic banks, institutions and individuals in Somalia to get the relevant information which clarify the effect of modern Islamic practices on social development in Somalia.

3.3 Sample Size

It is important to note that it is not possible to study the entire population as a result of time constraint and limited resources available for effective handling of the study. Therefore, only a portion of the population is studied. The opinions and views sampled (A part of population which the study is focused) from the Islamic banks, institutions and individuals. The sample size of the study was 100 participants from the whole study population.

3.4 Sampling Procedure

This study employed quota sampling technique which is a part of non-probability sampling. The non-probability sampling is sampling method which does not give any basis for estimating the probability that each person in the population has been integrated in the sample.

3.5 Instruments for Data Collection

The study used Questionnaire instrument in obtaining the needed information; Through the help of this instrument, it made possible for us to get the necessary information from the respondents.

3.6 Method of Data Collection

This is the technique used by the study to obtain data for analysis. The study used questionnaire. Formulated questions relevant to the subject matter were used and printed with two languages (Somali & English) instructions to guide the respondents and enable them to express their opinion.

3.7 Method of Data Presentation and Analysis

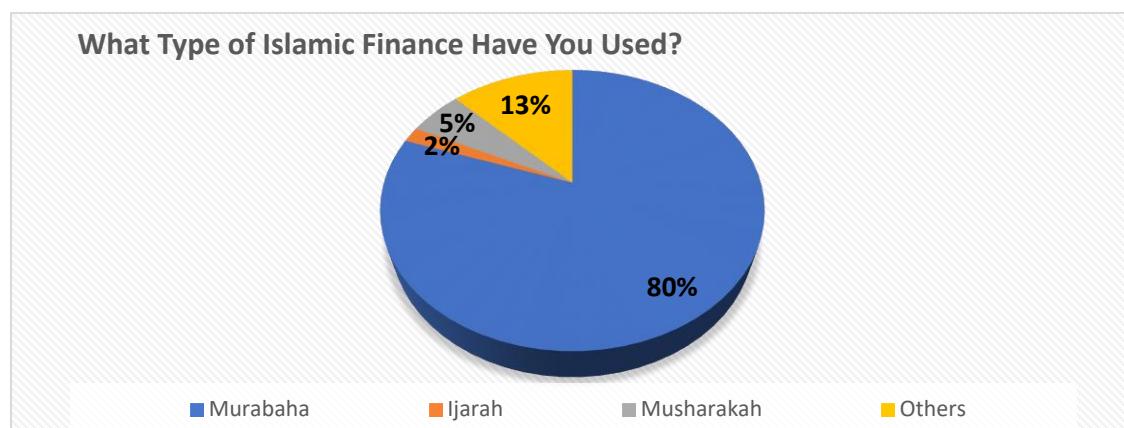
The study used IBM SPSS 25 to analyze data. The study used these tools for analyzing the data include; frequency, descriptive statistics, charts, and correlation analysis. These tools were make possible for the study to make proper analysis of the data which were collected during the course of carrying out the study.

4.0 Data Analysis and Interpretation

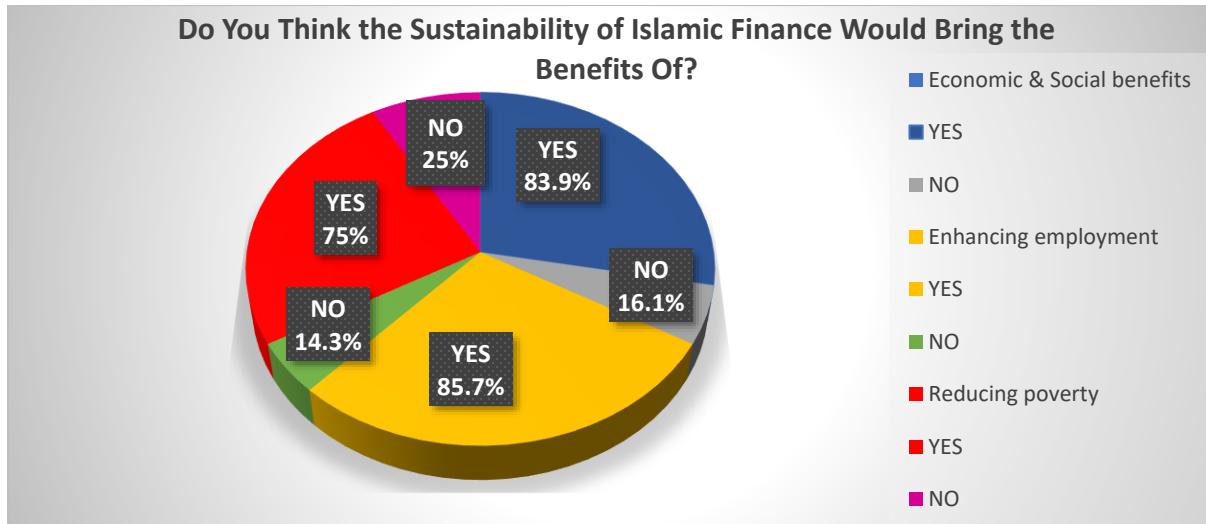
This chapter comprises the data analysis, presentation and interpretation of the findings resulting from this study. The analysis and interpretation of data is carried out in two phases. The first phase, which is based on the results of the questionnaire gathered from the Islamic banks. The second phase, which is based on the results of the questionnaire collected from beneficiaries of Islamic banks such as; institutions and individuals.

Of a total of 100 questionnaires distributed, only 90 completed questionnaires were the base for computing the results. Thirty-four (34) questionnaires completed by the Islamic banks, fifty-six (56) questionnaires completed by the beneficiaries of Islamic banks, seven (7) become unrecoverable and three (3) with a lot of missing data were subtracted from the total sample size. This means that 10 questionnaires, out of 100 questionnaires distributed, were completely discarded from the analysis. The rest, (90 questionnaires) were used to interpret the results.

The appropriate statistical tests were administered on the data using the SPSS Version 25 package. The data analysis presented using descriptive statistics and correlation.



The results of the above figure reflect that 80.4% of the respondents those we meet used Murabaha that is the most Islamic finance product which banks finance, others such as; (qardu-hassanah) become the second most financed sector which Islamic bank offer. But as the figure show No-one of respondents select(mudarabah) which means the Islamic banks do not mostly offer that product. Musharakah and Ijarah are followed by those products. 5.4% and 1.8% of the respondents admitted that they used those Islamic finance products. Most importantly results of above figure indicated that it's necessary for Islamic banks to improve other Islamic products by encouraging their customers to utilize products like; Musharakah and Mudarabah those are very advantageous to Islamic banks, customers and most importantly to the whole socio-economic development in Somalia.



The above figure shows that sustainability of Islamic finance operations will be benefit for society. 83.9% of the survey's respondent's belief that Islamic finance activities will bring social and economic benefits. similarly, 85.7% of the survey respondents expressed that Islamic finance activities will enhance employment or job creation. While 75% of the respondents indicated that Islamic finance activities will reduce poverty. However, there are some respondents (16.1%, 14.3% and 25% respectively) who belief that Islamic finance sustainability and operations will not bring social and economic benefits, enhancing employment and alleviation of poverty.

The greatest participants (41.1%) of the study hope that Islamic banks will be sustainable in Somalia and selected strongly agree, 33.9% of the questionnaire respondents also agreed that Islamic banks will be sustainable in Somalia, 17.9% of study participants carefully chosen neutral while 7.2% (strongly disagree and disagree) of the respondents disagreed that Islamic banks will be sustainable. However, total of (Strongly agree & agree) 75% of the participants expect that Islamic banks sustainable.

<i>Correlations</i>					
		Islamic finance	Enhancing employment	Reducing poverty	Economic & Social Benefits
Islamic finance	Pearson Correlation	1	.116	.191	.201
	Sig. (2-tailed)		.275	.071	.058
	N	90	90	90	90
Enhancing employment	Pearson Correlation	.116	1	.398**	.154
	Sig. (2-tailed)	.275		.000	.147

	N	90	90	90	90
Reducing poverty	Pearson Correlation	.191	.398**	1	.398**
	Sig. (2-tailed)	.071	.000		.000
	N	90	90	90	90
Economic & Social benefits	Pearson Correlation	.201	.154	.398**	1
	Sig. (2-tailed)	.058	.147	.000	
	N	90	90	90	90

**. Correlation Is Significant at the 0.01 Level (2-Tailed).

The results of the correlation reflect that there is significant low positive relationship between the Islamic finance practices and enhancing employment. If we look the row and column each other we see that the relationship which is 0.116 % of the employment proportion caused by Islamic finance operations. This means the Islamic finance has a little impact on the reduction of unemployment rate. But, there are other factors which affect employment improvement level in Somalia.

As the results of table shows that there is low positive relationship between the Islamic finance practices and poverty reduction. If we look the row and column each other we see that the relationship which is 0.191% of the poverty reduction caused by Islamic finance operations. This means the Islamic finance has a little impact on the poverty mitigation according to study variables.

The respondents revealed that there is imperative low positive relationship between the Islamic finance practices and socio-economic benefits. If we look the row and column each other we see that the relationship which 0.201 % of the socio-economic benefits is traced to Islamic finance practices.

5.0 Findings and Conclusions.

This part presents the summarized results based on the analysis of the study objectives which established in previous chapters

(1) The Effect of Modern Islamic Finance Practices on Social Development in Somalia

The findings of the study affirmed that there is positive relationship between modern Islamic finance and social development. As the results of table 4.2.18, paragraph 3 showed that there is imperative low positive relationship between the Islamic finance practices and socio-economic development which is 0.201%. However, the effect of Islamic finance's activity on social development depend on which modes of finance and investment the banks undertakes the most, and how much each one of those modes contributes to community development. The result of the study in table 4.2.9 shows the common products offered by Islamic banks in Somalia is Murabaha financing (80.36%), that means the Murabaha contributes the greatest portion to community development in Somalia.

(2) The Role Islamic Finance Modes Can Play in Reduction of Poverty and Creating Jobs in Somalia.

The result from respondents showed role of Islamic finance modes can play poverty reduction and produced positive correlation as results of table 4.2.18, shows that there is significant low positive (0.191%) relationship between the Islamic finance practices and poverty alleviation. Islamic finance gives individuals the chance to get involved in some projects which could essentially play significant role in aiming poverty mitigation.

Meanwhile, the results also discovered that Islamic finance modes has influence on enhancing employment. As the results of table 4.2.18, shows that there is low positive relationship between the Islamic finance practices and job creation which is 0.116%.

(3) The Sustainability of Islamic banks in Somalia

The findings indicated that Islamic banks will be sustainable according to the prediction of both questionnaire respondents (banks and their clients). as the outcome of Table 4.2.15, shows 75% of the participants expect that Islamic banks will be sustainable in Somalia. The reason is the Somali community is 100% Muslim people that encourage themselves Islamic banks are religious related and to avoid the conventional banking system which is religiously prohibited (haram).

Conclusion

The role of Islamic finance institutions in social wellbeing improvement has attracted the policymakers' attention in the developing countries across the globe. The role of Islamic finance institutions in poverty alleviation is indispensable not only for generating employment. Poverty has many faces and therefore can be approached from many ways. Islamic finance has the ability to reach to the root cause of problems of poverty in an efficient way and thus the funding for sustainable Islamic finance program is a time befitting demand for fighting poverty and also combine the Islamic socially responsible principles of caring poor people. The enhancement of job creation contributed by Islamic finance through financing the unemployment youth for self-employment reduces unemployment rate.

The outcomes of this study could provide clear evidence about the impact of Islamic finance on the poor wellbeing and contributes to the body knowledge of the literature. It also will hopefully provide valuable guidelines to the researchers to discover the best alternatives for reducing poverty and unemployment.

Recommendation

The study has got the following recommendations;

1. The study suggests Islamic banks to use Salam (سلام) mode of finance. since majority of the Somali people buy their foodstuffs imported from abroad, the Islamic banks institutions can create Salam and parallel Salam contracts with the few indigenous farmers first to provide them with funds for engaging in agriculture and secondly to assist in looking for market for their products. This way they will not only give them assistance but also empower them to become agriculture-business oriented and financially self-reliant.
2. There is a great Mudarabah and Musharah financing opportunity in Somalia in the future due to the increasing young educated with skills to run business ventures. So, the study recommends banks to encourage the use of these modes of finance.
3. The governments have to plan a creation of job opportunities.
4. The study recommends Islamic banks to simplify the investment application conditions of the needy ones in society.
5. The government have to pass a law to protect the innovations and creativity of entrepreneurs.

Further Study

The study would suggest the future researchers to emphasize areas such as:

- The impact of Islamic finance on economic growth.
- The role of Islamic banks in entrepreneurship encouragement.

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ENTREPRENEURSHIP AS SOLUTION TO UNEMPLOYMENT: AN INVESTIGATION OF MOGADISHU GRADUATE STUDENTS

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Abstract

The relationship between entrepreneurship and unemployment has been an interesting topic for researchers for quite some time. In the time of global recession and mass layoffs different countries try to stimulate their residents to work on their ideas and to test themselves on the open market using various forms of subsidizing. It is important to point out that entrepreneurship does not constitute such a social security as employment in large companies. Entrepreneurship is not just a mixture of ideas, desires for success and a trend away from employment, integration with the right business partners and the issues of obtaining the initial capital, but largely also depends on the laws in each country and the infrastructure which this country offers. Countries with better entrepreneurial infrastructure (technology parks, university incubators, etc.) are definitely more open to competition and entrepreneurial activities than others.

On the basis that entrepreneurship is a solution to youth unemployment in Somalia, the present study uses the entrepreneurial Questionnaire. the data analysis reveals of the entrepreneurship is a solution to the high level of youth unemployment. The paper is of interest because it emphasizes the idea that a high level of development of the entrepreneurship reduces the high level of youth unemployment.

1.0. Introduction

Entrepreneurship is the process of doing something new and something different for the purpose of creating wealth for the individual and adding value to society.

Entrepreneurship has been described as the "capacity and willingness to develop, organize and manage a business venture along with any of its risks in order to make a profit". While definitions of entrepreneurship typically focus on the launching and running of businesses due to the high risks involved in launching a start-up, a significant proportion of businesses have to close due to "lack of funding, bad business decisions, an economic crisis, lack of market demand – or a combination of all of these.(Belicove, 2012).

An entrepreneur is a person who organizes, manages, and assumes the risks of starting and operating an enterprise. Entrepreneurs provide new goods or services that will meet people's needs and wants, or solve their problems. Many entrepreneurs start businesses to make a profit. Others are motivated by different goals, such as helping the people in their communities. This form of entrepreneurship might involve starting a charitable organization like a food bank to solve the problem of hunger.

In the 2000s, the definition of "entrepreneurship" expanded to explain how and why some individuals (or teams) identify opportunities, evaluate them as viable and then decide to exploit them, whereas others do not(Scott, S.;2000) and in turn how entrepreneurs use these opportunities to develop new products or services, launch new firms or even new industries and create wealth(Brush C. et al. 2003) The entrepreneurial process is fundamentally uncertain because opportunities cannot be discovered or identified prior to their actualization into profits.

2.0. Literature Review

2.1. Entrepreneurship

Entrepreneurship is the process of designing, launching and running a new business, which is often initially a small business. The people who create these businesses are called entrepreneurs.

Entrepreneurship has been described as the "capacity and willingness to develop, organize and manage a business venture along with any of its risks in order to make a profit".

While definitions of entrepreneurship typically focus on the launching and running of businesses, due to the high risks involved in launching a start-up, a significant proportion of start-up businesses have to close due to "lack of funding, bad business decisions, an economic crisis, lack of market demand—or a combination of all of these.

An entrepreneur is someone who has an idea and who works to create a product or service that people will buy, by building an organization to support those sales. (Belicove, 2012).

Entrepreneurship is the implementation of an individual's talent in the resources in which he is available with; and expanding these resources in the future so that one can get individual as well as general.

Essentially, an entrepreneur fills in the people, financing production and marketing gaps by acquiring and assembling the necessary resources into newly created form (Baun et al., 1975). But foremost, the entrepreneur is able to recognize the potentially profitable opportunities, to conceptualize the venture strategy and to become the key force in success, fully moving the idea from the mind to the market place (Frankford, 1975). Entrepreneurship is the process of giving birth to a new enterprise. Entrepreneurship is what entrepreneurs do. The term "entrepreneur" was first used by the early 18th century French economist Richard Cantillon who defines the entrepreneur as the "agent who buys means of production at certain prices in order to combine them" into a new product (Schumpeter; 1951; Burnett, 2000). Schumpeter (1950) added to Cantillon's definition by including the idea that entrepreneurs had to be leaders claiming that an entrepreneur is one who brings other people together in order to build a single productive organism.

2.2. Unemployment

Fajana (2000), and Standing (1983) opined that unemployment can be describe as the state of work less experienced by persons who are members of the labor force who perceived themselves and are perceived by others as capable of work. Unemployed people can be categorized into those who have never worked after graduation from the university and those who and those who have lost their jobs thereby seeking reentry into labor market.

Generally, most people understand unemployment as simple as "people do not have a job". However, the concept of unemployment is far more complex than the above mentioned. Generally, internationally community define unemployment according to a resolution of International Labor Organization (ILO) in 1982.

Unemployment is one of the key indicators of the economy. Preventing mass unemployment has universally considered primary goal. Why is it the primary goal? As mentioned in the introduction, it is because employment indeed has great influences on both economic and social development.

Unemployment comes from different causes. In general, can be manifested into five types: frictional, cyclical, voluntary, structural and institutional.

2.3. Conceptual Framework

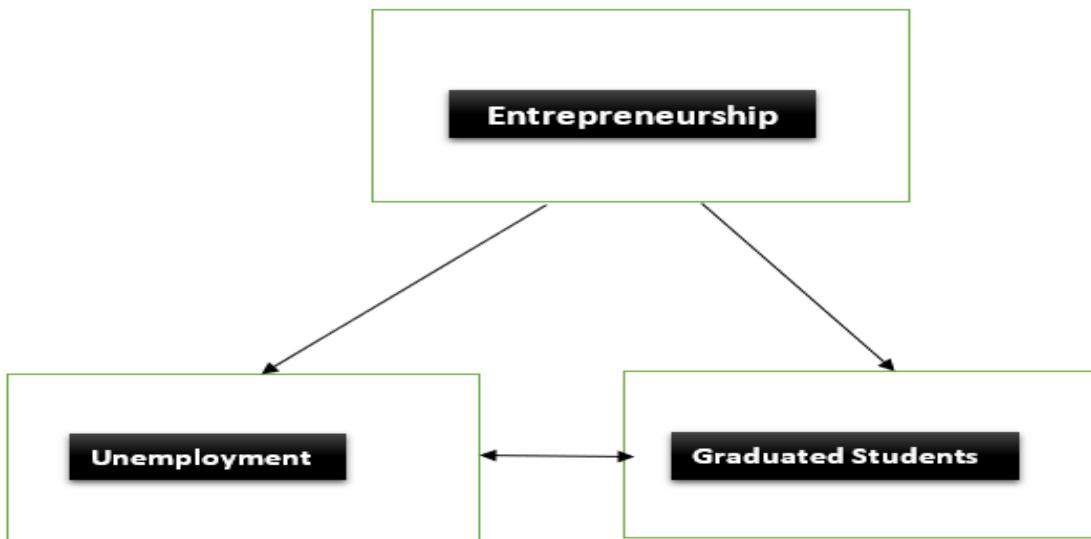


Figure 2.1 describes the relationship between entrepreneurship and unemployment of graduated students from selected University

3.0. Methodology

3.1. Research design

Research design is defined as: “The arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure” Sellitz, (1962). This study was used quantitative research design because the researcher will Conducts a primary data and use questioner as method of collection. In this study the researchers will conduct descriptive study. According to Kothari (2004), Descriptive research studies are those studies which are concerned with describing the characteristics of a one individual, or of a group, concerned with specific predictions, with narration of facts and characteristics concerning individual, group or situation are all examples of descriptive research studies.

The design was chosen to meet the objective of study, namely to Describes the entrepreneurship as a solution to unemployment; Case study of graduate students in Mogadishu Somalia.

3.2. Research population

The target population in this research covers a specific people those graduate in Mogadishu city universities. This study will specifically target graduate students. Three selected universities (JAMHURIYA, MUGDISHU, SIMAD,) the sample population of this study consists of 130 graduate students.

3.4 Sample Size

The sample size will make up 133 respondents. The SOLVENT'S formula will determine the minimum sample size.

$$\begin{array}{cccccc} N & \quad 130 & \quad N & \quad 130 \\ n = & \quad n = \frac{130}{1 + Na^2} & \quad n = \frac{130}{1 + 130(0.05)^2} & \quad n = \frac{130}{1 + Na^2} & \quad = 98 \end{array}$$

1.33

3.3. Sampling Procedure

This study employed purposive sampling technique which is a part of non-probability sampling. The non-probability sampling is that sampling method which does not give any basis for estimating the probability that each point in the population has of being integrated in the sample.

Non-probability sampling is also known as deliberate sampling, purposive sampling and judgment sampling Kothari (2004). According to Neuman (2005), defines a purposive sampling technique as that enables you to use your judgment to select cases that will best enable you to answer your research question(s) and to meet your objectives as cited in Saunders, Lewis and Thornhill, (2009). Considering the availability and the reliability of the data to be collected, researchers prefer to use purposive sampling technique so that an informative data can be collected to answer the research questions.

3.4. Research instrument

This study was used questionnaire. The questionnaire is designed to enable the study to get relevant information to the research topic. Questionnaire is a collection of items to which a respondent is expected to react in written.

According to Kothari (2004), that the Questionnaire has many advantages include: There is low cost even when the universe is large and is widely spread geographically, it is free from the bias of the interviewer; answers are in respondents' own words, Respondents have adequate time to give well thought out answers and Large samples can be made use of and thus the results can be made more dependable and Reliable.

The questionnaires were developed based on the literature. Given the availability and the reliability of the data to be collected, researchers preferred to use purposive sampling technique so that an informative data can be collected to answer the research questions.

3.5. Validity and reliability of the instrument

The most important issue in the research is to consider the validity and reliability of the instrument used to collect the data. Easter by-smith et al, (2008) as cited in Saunders et al, (2009) Reliability: refers to extent to which your data collection techniques or analysis procedures will yield consistent. The reliability of the study means that the research is reliable if the research questioner distributed to some respondents out of the research area, and agreed to the results of the respondents at least **75%** so the research is reliable. Validity of the research is experimented where the questions in the research are submitted to an expert, and then ordered how it relates the research objective.

3.6. Data analysis

Quantitative data analyses were conducted in this study, because the research instrument of this study is questioner, descriptive statistical analysis were conducted the study, because it can utilize our objectives, descriptive analysis was used to measure central tendencies such as mean and measures of description such as standard deviation to describe a group of subject. Statistical package for social science (SPSS) version 20.0 was used to analyze the data collection of this study, because it is not easy to analyze the data collected in a study manually without using any statistical packages.

4.0. Presentation and Data Analysis Interpretation

4.1 SECTION A: DEMOGRAPHIC OF THE RESPONDENTS

Table 4.1: Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	74	75.5	75.5	75.5
	Female	24	24.5	24.5	100.0
	Total	98	100.0	100.0	

The findings of above table 4.1 shows that, 75.5% of the respondents are male while 24.5% are female. Thus this identifies that majority of subjects are male.

Table 4.2 : Marital Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	single	73	74.5	74.5	74.5
	Married	25	25.5	25.5	100.0
	Total	98	100.0	100.0	

The above table 4.2 declare that 74.5% of the respondents are single and 25.5% of cases are married. Hence, most of the population, as they graduate, are single that means it is yet the time to invest their marriage.

Table 4.3 : Experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	6 months to a year	28	28.6	28.6	28.6
	1 year to 2 years	29	29.6	29.6	58.2
	Above 3 years	41	41.8	41.8	100.0
	Total	98	100.0	100.0	

The findings of table 4.3 identifies that 41.8% of the cases have an experience of above three years, 29.6% of the respondents have business experience of one year to two years, and 28.6% of subject also have experience of 6 months to a year. So, most of the population have been running their business more than three years.

4.3 Section B: Questionnaire of Research Objectives

Table 4.4: Your venture created jobs for you and for other people.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	72	73.5	73.5	73.5
	Strongly agree	15	15.3	15.3	88.8
	Disagree	11	11.2	11.2	100.0

Total	98	100.0	100.0	
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According to the above 4.4 shows the finding that 73.5% of the respondents agree that the business they start employs some other people rather than themselves, 15.3% of the subjects also strongly agree while, 11.2% of the cases answered disagree.

Therefore, creating your own business means a lot to other people like getting job from your business. This justifies how entrepreneurship plays a great role when come to solving unemployment problems.

Table 4.5: Your entrepreneurship encourage other graduates to make job themselves.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	22	22.4	22.4	22.4
	Neutral	17	17.3	17.3	39.8
	Disagree	49	50.0	50.0	89.8
	Strongly disagree	10	10.2	10.2	100.0
	Total	98	100.0	100.0	

This table 4.5 show that 50% of the respondents disagree that entrepreneurs encourage other to create their job, 22.4% of sample tick agree, 17.3% of the subjects are neutral, and 10.2% of the cases strongly disagree. Thus, this identifies that most of the people shown their concern towards those graduates who are not in plan to make their business.

Table 4.6: Entrepreneurship may increase the revenue of government and that may create job for youths in return.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	20	20.4	20.4	20.4
	Strongly agree	45	45.9	45.9	66.3
	Neutral	10	10.2	10.2	76.5
	Disagree	23	23.5	23.5	100.0
	Total	98	100.0	100.0	

This table 4.6 of the finding, make clear that 45.9% of cases strongly agree that Entrepreneurship may increase the revenue of government and that may create job for youths in return, 20.4% of the respondents agree, 10.2% of the subject showed they are neutral and 23.5% of the respondents disagree. Therefore, this implies how entrepreneurship increases the revenue of the government and that in turn increase job opportunities to graduates.

Table 4.7: Running your own business means job security.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Agree	32	32.7	32.7	32.7
	Strongly agree	39	39.8	39.8	72.4
	Neutral	23	23.5	23.5	95.9
	Disagree	4	4.1	4.1	100.0
	Total	98	100.0	100.0	

The findings of table 4.7 show that 39.8% of the respondents strongly agree that running your own business means job security, 32.7% of the cases agreed also, 23.5% of the subject as a neutral and 4.1% of the respondents disagreed. So, this modifies that your job is not safe while you are an employee for other person but you feel job security when you run your own business instead of working for other people.

5.0. Findings, Recommendation and Conclusion

5.1 Major Findings

The first objective of the study was to assess how graduated student entrepreneurship to solve unemployment in Mogadishu. The data analysis and interpretation revealed that the new venture done by the entrepreneurs create jobs to other people. From the finding of table 57.5% of the respondents agree that the business they start employs some other people rather than themselves, 15.3% of the subjects also strongly agree while, 11.2% of the cases answered disagree. Therefore, creating your own business means a lot to other people like getting job from your business.

The study also shows that graduated entrepreneurs encourage other people to make their own business according to This table 7 of the finding, make clear that 45.9% of cases strongly agree that Entrepreneurship may increase the revenue of government and that may create job for youths in return, 20.4% of the respondents agree, and this justifies how entrepreneurship plays a great role when come to solving unemployment problems.

In this objective, also study show how entrepreneur increase the revenue of government as business pay tax and that may exhort to the government the creation of jobs to graduated youth in Mogadishu, Somalia.

The second objective of the study is to determine the unemployment problems to graduated students in Mogadishu, Somalia. The data analysis and interpretation revealed that an entrepreneur reduce the rate of unemployment because entrepreneurs create for jobless people. The finding of table 9, shows that. 74.5% of the respondents strongly agree that entrepreneurship is the major activity that reduce unemployment rate, 13.3% of the cases also answered agree, and 12.2% of the subject negative chosen disagree.

The data analysis and interpretation revealed that there is a Very tough competition is another challenging factor. According to the findings of the table 17, 42.9% of the of respondents agree that a very tough competition is another challenging factor, 31.6% of the cases also strongly agree.

Hence, as we know business also exist with challenges including competition, new entrants, external factors, lack of educated entrepreneur, short of investing capital and etc.

In the study also shows that new business doesn't start with success, entrepreneurs should come with a patient and resistance to challenges. From the finding of table of 18, shows that 43.9% of the cases disagree that new business doesn't start with success, entrepreneurs should be patient, and 41.8% of the sample also agree the same.

Therefore, every entrepreneur doesn't succeed as soon as business is started but patience and resistance are the main factor you may reach your dreams.

5.2 Conclusion

Viewing the previous literature, the previous literature on Entrepreneurship and its solution on employment. Youth unemployment is a problem that affects most countries. The ability of youth to engage in productive activities has both social and economic consequences for an economy. Youth unemployment is often higher than the unemployment rate for adults highlighting the concerns that many countries face in facilitating the transition from school to work. In developing countries, youth face not only the challenge of obtaining productive employment, but also obtaining safe and acceptable work.

There are many challenges that face young entrepreneurs including, lack of capital, bank conditions, there central bank that is assigned to help such generation, new entrants who don't generate viable idea,

There are many problems that face young graduated entrepreneurs in Somalia including lack of patience by not providing chance their business just to succeed as soon as they create the business, government doesn't promote programs that protect the idea of entrepreneurs.

A lot Somali youth go western countries through risk channel they may lose lives while some of graduated youth started using drugs including many types.

5.3 Recommendation

Based on the findings and discussions of the research, the following Recommendations were made:

- 1- The graduate entrepreneurs should be patient for period because business doesn't start with success.
- 2- The government should create source of employee since it collects large revenue from local business.
- 3- Fresh graduates should not feel hopeless but instead they create their own jobs.
- 4- Large organizations like telecommunication companies, universities, schools, government institutions, international NGOs, United Nations organization in Somalia and middle size and small organization should encourage completion for posts or vacancies for fair recruitment.
- 5- Graduated or non-educated youth should not dare using drugs even if they don't work or those have work also.
- 6- It is always important for parent to encourage children and boost their moral that job will come any time instead of them losing their hearts.
- 7- All bank should extend their hand for educated youth by providing consultation and programs that give them opportunities to create business instead of condition that stop youth to make their business.
- 8- Government should come with strategies that protect the creativity of youth and come with orientation program that promote entrepreneurship.
- 9- Young entrepreneur should not fear of failure of their new business because those who fear of failure never win.

University should provide to graduated youth seminar and workshop that focus the value of being entrepreneur and tricks of creating business.

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THE IMPACT OF TELECOMMUNICATION, TRANSPiRATION AND ELECTRICITY INFRASTRUCTURE ON ECONOMIC DEVELOPMENT

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Abstract

Infrastructure has Potential to change the current economic situation of Somalia, The country is now recovering a lot of challenges, it is still inconvenient to fund infrastructure to contribute to the livelihood and growth of the Somali economy. Therefore, this study investigates the impact of infrastructure investment on economic development in Mogadishu Somalia. This study was conducted in Somalia especially Mogadishu. The research instrument of this study was questionnaire, descriptive statistical conducted in this study. We have founded that there is strongly positive relationship between the variable of the study (Infrastructure and Economic development). This study was demonstrated employees of telecommunication and Energy companies and Owners of new business on reconstructed roads and Lecturers of Jamhuriya University in Mogadishu. It is recommended that the private sector financing of the road infrastructure in Mogadishu is so important and it brings economic growth. The government should regularly organize regulations those improve infrastructures to create Public services to encourage Investment & Support local investors to make an Economic Activity to change the city.

Keywords: Economic development, Telecommunication, Transportation, Energy, Infrastructure investment, Economic growth.

1.0 Introduction

Infrastructure means the basic structure that support and lubricates the economic activity to flow. The term indicates the road network, electricity, water and sanitation, telecommunication sector, including the cellular phones and internet service. Infrastructure plays an important role in the process of economic development and it has long been acknowledged by researchers and policy makers. Infrastructure development, both economic and social has been one of the main determinants of economic growth and lack of infrastructure remains to be one of the main obstacles that deterred economic growth in many developing countries (Nor Aznin Abu Bakar, Siti Hadijah Che Mat, 2014).

Good infrastructure helps to raise productivity and lower costs in the directly productive activities of the economy, but it has to be expanded fast enough to meet the demand for infrastructure in the early stage of development. Construction expense for infrastructure such as energy and transportation sector is enormous and construction period is also long. Prediction of demand pattern and investment allocation, which are the key factors of infrastructure development planning, must be based on a long term economic development trend and land use planning, which predicts the country's temporal and spatial demographics and economic structure (Kim, 2006).

2.0 Literature review:

The meaning of infrastructure has been shifting from one focusing on physical fixed assets such as roads, airports, sea ports, telecommunications systems, water distribution systems and sanitation (what might be called 'public utilities'). It now often embodies notions of softer types of infrastructure such as information systems and knowledge bases (UN HABITAT, 2011).

In general, infrastructure can be categorized into 'hard' infrastructure and 'soft' infrastructure. The former refers to physical structures or facilities that support the society and economy, such as transport (roads and railways); energy (electricity generation, gas and oil pipelines); telecommunications (telephone and internet etc.) (Andreas Hartmann a, Florence Yeang Yng Ling, 2016). In modern society, road infrastructure has become an essential part of daily life. Individual road users, logistic firms, and public transportation agencies expect reliable and safe road infrastructure for traveling from one location to another and transporting goods and people. Road agencies need to properly plan, build, maintain, and operate road infrastructure for it to create value for road users.

Telecommunication basically is the transmission of signals over a distance for the purpose of Communication, though the technology involved in communicating has changed significantly over the years. Like telecommunications itself, the telecommunications industry is broader than it was in the past. Telecommunication has a significant social, cultural and economic impact on the modern society (Venkatram, 2012)..

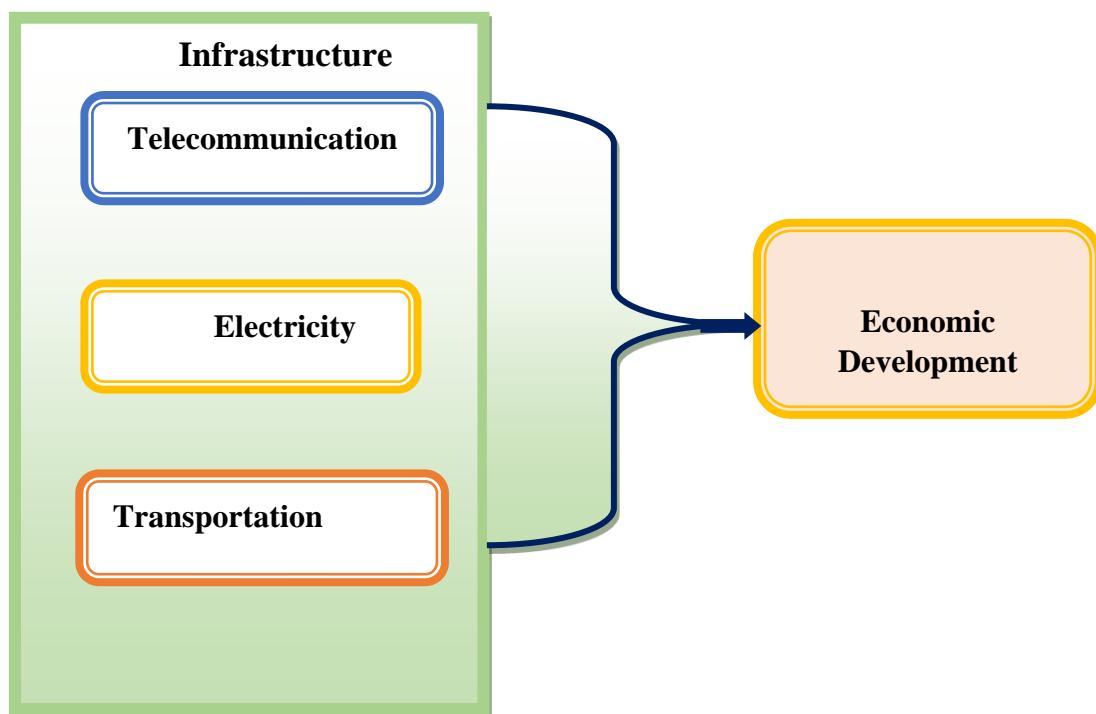
Today, many developing countries are facing power shortage problems. An adequate and regular power supply may be one of the most crucial factors which supports economic growth in developing countries. According to a study on the relationship between electricity use and economic development conducted by (Morimoto & Hope, 2001).

Economic development and economic growth, both progressive economic phenomena, are closely related. Until the 1960s, economic development theory was treated as an extension of conventional economic theory and therefore development was merely equated to growth. Growth, in this sense, is simply defined as an increase in national production (Hall 1983)..

2.5. Conceptual framework

Independent Variable

Dependent Variable



3.0 Methodology

This section present the research design, research population, research instrument, data collection procedure, reliability and validity of the instrument, data analysis and the sampling technique.

3.1 Research Design

The researchers used descriptive approach in order to achieve the objectives of the study. Descriptive and inferential statistics would be used for analyzing data and interpreting the results to actually describe the impact of infrastructure Investment on Economic Development.

3.2 Research Population

The target population of this research covers was 100 employees of Somnet, Somtel, Beco, and Mogadishu Power companies, new businesses on reconstructed roads and some lecturers of Jamhuriya University in Mogadishu.

3.3 Sample Size

The sample size will make up 80 respondents. The SOLVENT'S formula will

Determine the minimum sample size.

$$\frac{N}{n + \frac{Na^2}{1+100(0.05)^2}} = \frac{100}{n + \frac{100a^2}{1+100(0.05)^2}} = \frac{100}{n + \frac{100 \cdot 0.05^2}{1+100(0.05)^2}} = \frac{100}{n + \frac{100 \cdot 0.0025}{1+100 \cdot 0.0025}} = \frac{100}{n + \frac{100 \cdot 0.0025}{1.0025}} = \frac{100}{n + 99.75} = 80$$

3.4 Sampling Procedure

This study employed purposive sampling technique which is a part of non-probability sampling. The non-probability sampling is that sampling method which does not give any basis for estimating the probability that each point in the population has of being integrated in the sample.

3.5 Research Instrument

This study was used questionnaire. The questionnaire is designed to enable the study to get relevant information to the research topic.

3.6 Data Collection

We desire to collect data by questionnaire, employees of Telecommunication, Electricity Companies and owners of new businesses on reconstructed roads and Educators in Mogadishu. The questionnaire based on the research objectives. Quantitative data analysis will be conducted this study, because the research instrument of this study is questionnaire, descriptive statistical conducted in this study,

3.7 Validity and Reliability of the Data

The validity of the instruments, which is the questionnaire was measured. Validity of the instrument means the ability of an instrument to measure what it was intended to measure. On the other hand, the reliability of an instrument was measured. Reliability of the instrument means the consistence of the instrument in picking the needed information. It was measured by using the inter-Ratter Reliability (IRR) test.

3.8 Data Analysis

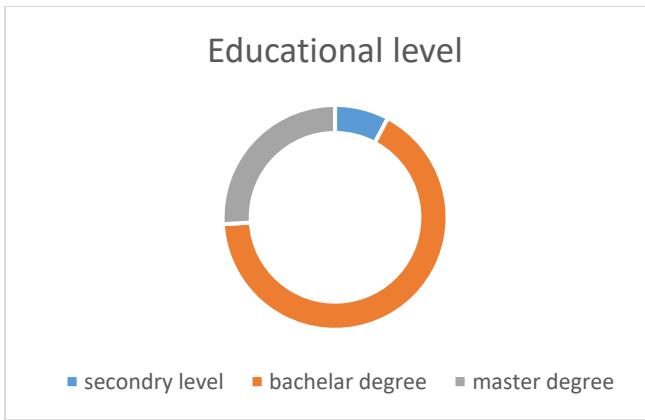
Quantitative data analyses was conducted this study, because the research instrument of this study is questioner, descriptive statistical conducted in this study, because it can utilize our objectives, descriptive analysis was used to measure central tendencies such as mean and measures of description such as standard deviation to describe a group of subject. Statistical package for social science (SPSS) version 20.0 will be used to analyse the data collection of this study.

3.9 Ethical Considerations.

Researchers was consider ethical issues during research project, and this can be accomplished by exercising privacy, confidentiality and anonymity. Any anonymity and confidentiality of the secret information was given high priority and this study will strict, only academic purpose and that utmost confidentiality will be observe.

4.0. Data Presentation and Analysis

4.1. General demographic information.



This figure 4.1. Which presents the educational levels of the respondents shows that 6 respondents representing 7.8 % had secondary education while 51 members representing 66.2 % had a bachelor degree and another 20 members representing 26 % had a post graduate master's degree.

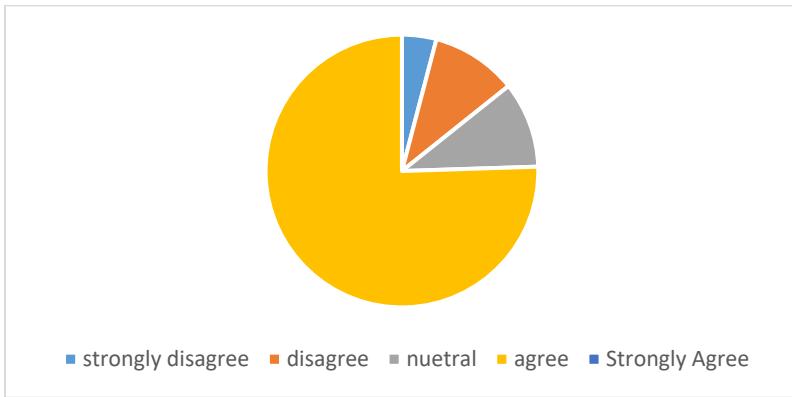


Figure 4.2 shows that 28 respondents which is representing 36.4 % of the respondents have strongly agreed, majority of our respondents which is 37 members representing 48.1% agreed that Roads is an important role in a country's commercial life, industry and in the overall economic growth and development. On the other hand 5 respondents which is representing 6.5% showed neutral and at 5 Respondents which is 6.5% have disagreed while 2 members which is 2.6% strongly disagreed.

4.3 Gender Respondents

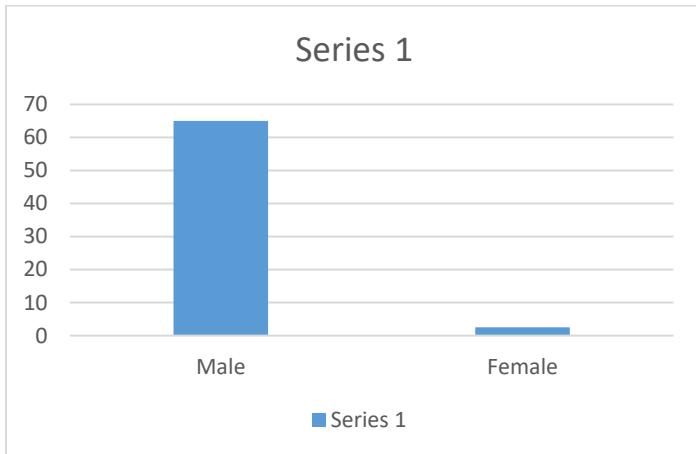


Figure 4.3 gender

Figure 4.3 Shows that the largest groups of respondents were males, at 84.4% while their female counterparts were only 15.6%. This implies that male is involved much infrastructure on economic development than Females.

5.0 Conclusion and Discussion

5.1 Discussion

the research findings, major challenges met during the study and as well as the corrections of what have been found during the gathering of the research data which were related to Telecommunication Companies, Electricity Companies, new business on reconstructed roads and Educators and it based on the objectives of the study such as: To determine the effect Telecommunication on economic development and investigate the relationship between Electricity and economic development and also To examine the effect of Transportation on economic development in Mogadishu, In simple words, this chapter covers the conclusion of the research and its recommendations.

5.2. Conclusion

This study was demonstrated employees of some Somnet, Somtel, Beco and Mogadishu power companies and faculty of economics and management lecturers of Jamhuriya University of Science and Technology in Mogadishu. Also indicated that they were influenced to a great level by the infrastructure positively on economic development because without infrastructure doesn't find economic development. In this thesis researchers have been looking at the impact of infrastructure on economic development in Mogadishu. The research objective was three objectives: the first objective was to determine the effect Telecommunication on economic development in Mogadishu. The second objective was to investigate the relationship between Electricity and economic development in Mogadishu. The third objective was to examine the effect of Transportation on economic development in Mogadishu,

5.3 Recommendations

From the results of the model and findings of the study, several crucial policy recommendations can be drawn, based on the, the following which made by the researcher:

The researchers recommended

1. The private sector financing of the road infrastructure in Mogadishu is so important and it brings economic growth.
2. The government should regularly organize regulations those improve infrastructures.
3. To promote a better understanding of the importance of public infrastructures and greater trust between government and their people.

4. To Create Public services to encourage Investment & Support local investors to make an Economic Activity to change the city.
5. To provide a public programs which help the society to understand and aware infrastructure and Economic development
6. A final recommendation is to increase the level of public systems. By teaching people to think of themselves and their ethnic groups that get every country to increase the level of economic growth.

5.4 Limitations of the study

The study has been done in the city of Mogadishu with the sample selection of only 80 respondents. This number is so small that it cannot stand as actual representative of the findings. There is a need to conduct some research basing on a large number of people and also extending the area to the whole country in order to get some views from different parts in the country.

5.5 Recommended areas for further study

In this study we have been examining Impact of Telecommunication, Transpiration, and Energy infrastructure on Economic Development

5.6 Further studies which is needed to do

1. The role of Telecommunication on economic growth.
2. The impact of Transportation on Economic Development.
3. Another study can also asses the role government in reconstructing roads and business rehabilitation in Mogadishu.

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THE INFLUENCE OF MOBILE MARKETING ON CONSUMER PURCHASING BEHAVIOR: A CASE STUDY OF HORMUUD TELECOMMUNICATION COMPANY, MOGADISHU – SOMALIA

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Abstract

According to 2017 global mobile market report, there were 2.8 billion smartphones in use last year. Samsung was the global leader with a market share of 31%, ahead of Apple with 25%. Apple was the world's leading tablet brand with a market share of almost 64%. The report also sizes smartphone users globally and per region, forecasting 2.6 billion people in the world with a smartphone in 2017, with China and India alone accounting for more than 1 billion users. Consumers was spending a total of \$56.4 billion on apps this year, with games accounting for 82%. The study specifically focused on the influence of SMS and social media marketing on consumer purchasing behavior in Hormuud Telecommunication Company, Mogadishu – Somalia. The researcher collected primary data using questionnaire as a research instrument. Descriptive designs were used. This study targeted a population 133 respondents as sample. Data was analyzed using statistical package for Social Sciences (SPSS) version 16.0 software. Males were the dominant group in the study. The age group between 36 – 49 years. Married couples were the majority group in the study. Bachelor level participants were also the majority group.

Keywords: Mobile, Marketing, Customer, Purchase, Behavior.

1.0 Introduction

According to 2017 global mobile market report, there were 2.8 billion smartphones in use last year. Samsung was the global leader with a market share of 31%, ahead of Apple with 25%. Apple was the world's leading tablet brand with a market share of almost 64%. The report also sizes smartphone users globally and per region, forecasting 2.6 billion people in the world with a smartphone in 2017, with China and India alone accounting for more than 1 billion users. Consumers was spending a total of \$56.4 billion on apps this year, with games accounting for 82% (Strom, 2014).

Globally, there were 2.8 billion active smartphones being used at the end of 2016, more than half of which were in the Asia-Pacific region. Samsung and Apple were the two biggest manufacturers, with Samsung being the global leader with 859 million active smartphones, or 31% of smartphones in use globally. China is the largest smartphone market; 875 million smartphones were in use at the end of 2016. Its sheer size allows manufacturers that largely focus on the local Chinese market, such as Xiaomi and OPPO, to reach a scale similar to other global players. In fact, six out of the top 10 global brands have Chinese roots. Apple's iPhone 6 was the most popular smartphone model globally last year (Okazaki, 2012)

Africa is the undoubtedly a ‘mobile-first’ continent. As well as social and entertainment, services such as mobile money, mHealth and education are just a few of the areas in which the African mobile ecosystem is already delivering social and economic benefits (Okazaki, 2012).

In South Africa, 14.6m mobile owners (39 per cent of all adults) only use voice, SMS or USSD, but no data – engagement is a matter of interactive SMS, USSD and IVR applications. MEF’s mHealth and Wearables Report 2015 showed that South Africans are keenest on health and fitness apps (22 per cent vs the global average of 15 per cent), while mobile users in Nigeria are the most likely to use medical apps (usage has more than doubled in a year from 7-17 per cent) (Strom, 2014).

In Kenya for example 58 per cent of its adult population have a mobile money accounts, in turn having a transformative effect on the informal business sector, which comprises about 70 per cent of jobs in the country. According to the most recent Facebook statistics, 2.2 Million Kenyans use Facebook every day and 4.5 Million each month. In comparison, Nigeria has 7.1 million daily active users and 15 Million are active on the site each month – 100 per cent of which access the service via a mobile device (Okazaki, 2012).

MTN Mobile money agents in Ghana now number [19,500 compared to 967 bank branches and 1,316 ATMs](#). And mobile money subscribers to the MTN service have grown from 5,000 in 2009 to about 4.8 million as of the end of July (Okazaki, 2012).

Somalia's telecom market has managed to keep going despite the lack of guidance from a central government or sector regulatory since 1991, when a dictatorial regime was overthrown, and despite the efforts of the Al Shabaab Islamic militant group to close down internet services. Through the anarchy which continues to disrupt many areas of the country, the telecoms market, dominated by the competitive mobile sector where seven networks compete for customers, has flourished. Some of these mobile services operators also offer fixed-line and internet services. There are no regulations or taxes, and no service obligations. Tariffs are among the lowest in Africa. However, the absence of regulation has also led to problems with frequency spectrum coordination and interconnection between networks. To address this, Parliament in July 2017 began to consider a draft National Communications Bill aimed at setting a legal and regulatory framework for the telecoms sector (Strom, 2014).

2.0 Literature review

The mobile phone has emerged as an important channel for marketing communications, thus drawing enormous interest from both marketers and consumers (Karjaluoto et al., 2004). According to the International Telecommunications Union (2012), mobile phone users now stand at 6 billion globally. Feature phones form the majority of these phones while smart phones stand at about 1 billion. Therefore, mobile phones present the greatest opportunity of all connected devices (Notebooks, desktops, mobile phones, tablets, and ultramobile Portable Computers) as a marketing platform. The Mobile phone presents several marketing communication vehicles including but not limited to Mobile search, Mobile video, Mobile display and Mobile messaging. One avenue of mobile marketing that has received significant attention is Mobile messaging through the short message service (SMS) marketing. SMS is an application that allows mobile users to send a text message of up to 160 characters between mobile devices (MMA, 2008).

Sending short messages is also commonly known as “texting” or “text messaging”. To date, SMS has become the most popular of all mobile applications (Carroll et al., 2007; Salo et al., 2008). In 2010, the number of text messages sent globally reached 6.1 trillion, or about 600,000 text messages are sent every second (International Telecommunication Union, 2010). From the aspect of business, a recent survey found that the percentage of mobile users in major European countries who received SMS advertisement in 2007 approached nearly 100 percent (Metric, 2009).

According to AdSense 2012, Nokia was the leading handset manufacturer in Kenya in February 2011 with approximately 57% market share. This was followed by Samsung with 13% of the market while Chinese handsets made up 6%. Google’s android phones took 4% share as well as Sony Ericsson while Alcatel and Huawei each had a 3% share. Apple’s market share then was at 2% similar to Motorola’s while LG was at 1%. These figures are bound to have changed significantly. Most of these phone manufacturers have a simple distribution system that places mobile airtime providers such as Safaricom, Airtel, Orange and Yu at the center of the chain. Most of the devices are moved through these companies. The other aspect in the supply chain is parallel imports by individuals sourcing handsets from secondary markets such as the Middle East and China (MMA, 2008).

Smartphones are not being used only for their basic functions, which are text messaging and calling but also frequently for other functions such as photography, recording videos, social networking, alarms, agendas, e-mailing, internet applications, shopping, gaming, listening to music, watching TV, Radio etc. Therefore, we can define the current smartphone as an “all in one device.” The smartphone has become so ubiquitous in our daily lives that it has essentially become a part of people’s bodies that always stays with them (MMA, 2008).

The number of smartphone users worldwide is expected to surpass 2 billion in 2016; more than one-quarter of the global population use smartphones, and by 2018, eMarketer estimates, over one-third of consumers worldwide, or more than 2.56 billion people, was do so. That 2018 figure also represents over half-51.7%-of all mobile phone users, meaning that the feature mobile phone, capable of only calling and texting, was finally become a minority in the telecommunications sector. Considering the trend of huge development in the mobile phone market; Smartphones became an even more important marketing tool thanks to their reach at anytime, anywhere, and anyway. Hence, mobile marketing is highlighted as one of the key marketing methods in literature (Karjaluoto et al., 2004).

Although social media marketing is a well-researched topic, it has only been studied through experimental and theoretical research; studies never precisely describe the benefits retailers gain from this marketing tactic. In reviewing the rich plethora of multi-disciplinary literature, it is has become clear that studies are focusing on describing what social media marketing is as well as examining what factors affect consumer behavior relative to social networking. Despite the initial progress made by researchers, development in this area of study has been limited. Research needs to expand by providing a deeper understanding of the longterm promotional gains retailers obtain from social media marketing. More formalized studies are also needed to progress beyond theorized or predicted outcomes in order to gain knowledge of real life applications. This review of literature touches upon the gaps that currently exist within social media marketing research and points out the need for future studies to explore the benefits gained by marketing on social networking sites, especially for small retailers (Karjaluoto et al., 2004).

3.0 Methodology

This section presents the research design, research population, research instrument, data collection procedure, reliability and validity of the instrument, data analysis and the sampling technique.

3.1 Research Design

The study adopted a descriptive and cross-sectional study design to determine the influence of mobile marketing on consumer purchasing behavior. The research is a descriptive research design which generally describes the characteristics of a particular situation, event or case.

3.2 Research Population

Target population refers to the entire group of individuals or objects to which researchers are interested in generalizing the conclusions. The target population usually has varying characteristics. Hormuud employees and managers was the target population for this type of study.

3.4 Sample Size

The sample of the study is 133 individuals. This sample size is based on findings from the literature so the choosing of this sample size is guided by literature.

3.5 Sampling Procedure

In this study, the researchers employed a particular type of probability sampling which is simple random sampling.

3.6 Research Instrument

The researchers adopted institution based questionnaire to collect the data from the subjects in order to determine the influence of mobile marketing on consumer purchasing behavior. The researchers administered questionnaire, allowing explanation of all the contents of the tool to the respondents.

3.7 Validity and Reliability of the Data

A pilot test was conducted on five respondents from units of the population to examine clarity and meaningfulness of the questionnaire. Feedback from the pilot study was incorporated into the questionnaires that was used to gather data for this research.

3.8 Data Analysis

The processes of data analyses and presentation include a count of the frequencies, a calculation of percentages and proportions and the construction of tables and graphs for a visual depiction of data. In the case of this study, the researchers used SPSS version 20.0.

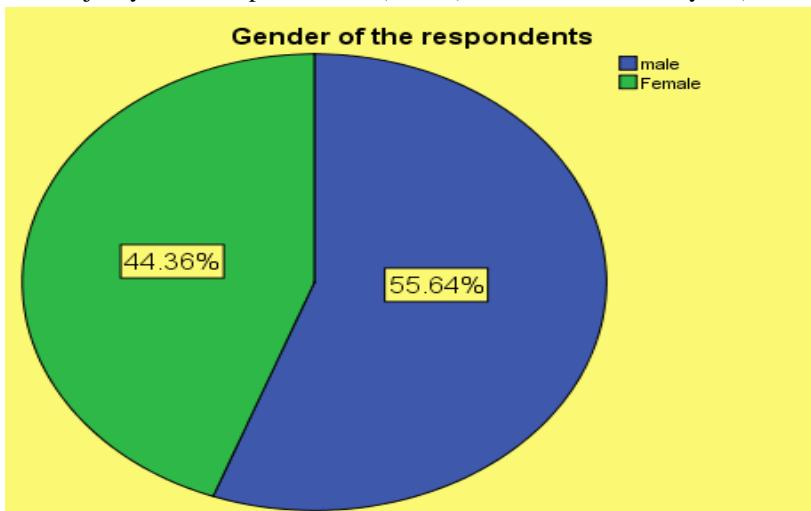
3.9 Ethical Considerations.

The researchers treated the participants as capable of making decisions. The researchers also respected respondent's privacy when entering their private sphere and when asking questions. The researchers guaranteed maximum confidentiality for the participants. Their information was only used for the purpose of the study. Participants were informed that they are free to participate. Consent was secured from the participants after fully informing the nature, potential risks and benefits of the study.

4.0 Data presentation, analysis and interpretation

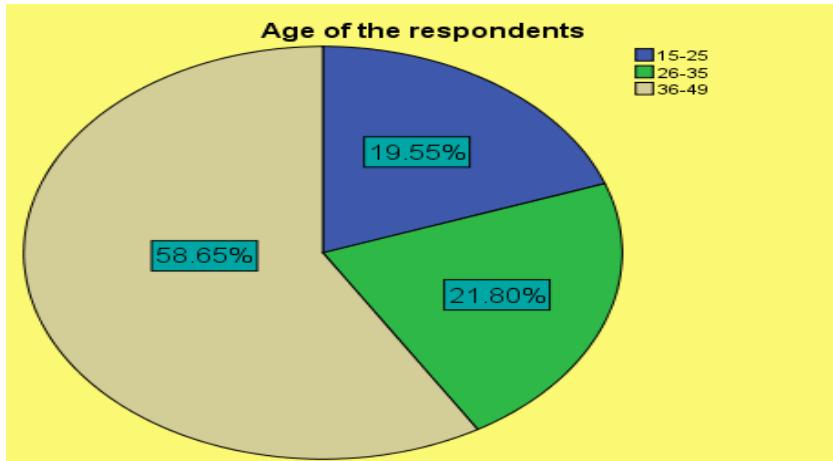
4.1 General demographic information

The majority of the respondents 74(55.6%) were male while only 59(44.4%) were female,



1.1. Figure 4.1 Gander of the respondents

the majority of the respondents 78(58.6%) were between 36-49 years, 29(21.18%) were between 26-35 years, while only 26(19.5%) were between 15-25 years.

**1.2. Figure 4.2 age of the respondents**

4.2 The influence of mobile marketing on customer purchasing behavior

The majority of the respondents 32(24.1%) Strongly agreed SMS can really contribute to the attraction of many customers. the majority of the respondents 48(36.1%) agreed SMS contributes to long term retaining of customers for the company. most of the respondents 45(33.8%) strongly agreed that the Regular using of SMS for marketing can create need among community to purchase something. most of the respondents 42(31.6%) strongly agreed that the SMS is a successful way to influence customer behavior to purchase something. most of the respondents 65(48.9%) strongly agreed that the Although most of the community have mobiles in their hands. most of the respondents 37(27.8%) agreed the Messages through mobiles can described as a direct method of influencing customer's behavior to purchase. most of the respondents 36(27.1%) strongly agreed that the YouTube can be used as a tool to influence customer purchasing behavior. most of the respondents 38(28.6%) strongly agreed that the Many local companies in the country have reached a lot of performance through using Facebook marketing. most of the respondents 37(27.8%) strongly agreed that the Those companies which different social media platforms do better than other companies in terms of financial performance. most of the respondents 52(39.1%)strongly agreed that the as many of the community are dependent on Facebook, their purchasing behavior can be influenced by posting company commodities or services on Facebook. Most of the respondents 41(30.8%) agreed that the Right now, Facebook is more influence than TVs and Radios, in terms of influencing the purchasing behavior of the community.

5.0 Conclusion & Discussion

5.1 Discussion

According to this study, the number of mobile users in Somalia has been increasing. A similar worldwide report indicates that the number of smartphone users worldwide is expected to surpass 2 billion in 2016; more than one-quarter of the global population use smartphones, and by 2018, eMarketer estimates, over one-third of consumers worldwide, or more than 2.56 billion people International Telecommunication Union, 2010).

In this study, the results indicated that SMS marketing was a significant factors when it comes to marketing. According to an other study conducted in Gana also indicated that SMS marketing is the most common and widely used mobile marketing application. The main issue for SMS marketing is making sure that the consumer feels they are special Thus, the mobile marketing efficiency has become one of the most critical issues for the mobile marketer.

The target group, the type of the mobile marketing, and the promotion offers can be counted as key indexes for mobile marketing efficiency.

5.2 Conclusion

This study accordingly aims to bridge literature gap and determine the influence of mobile marketing on consumer purchasing behavior. 1) To describe the influence of SMS marketing on consumer purchasing behavior in Hormuud Telecommunication Company, Mogadishu – Somalia. 2) To identify the influence of social media marketing on consumers' purchasing behavior in Hormuud Telecommunication Company, Mogadishu – Somalia. The researcher collected primary data using questionnaire as a research instrument. Descriptive and correlational designs were used. This study targeted a population 133 respondents as sample. The shape of the questionnaire in the demographic section is looked upon in terms of Gender, Age, marital status, and level of education. Analysis of data in this study was done concurrently with data collection. After data collection the questionnaires of respondents were sorted out accordingly; responses were verified, coded, categorized and entered into the computer using statistical package for Social Sciences (SPSS) version 16.0 software.

5.3 Recommendation

In this section the researcher suggested some recommendations:

1. Although the study was carried out in Mogadishu, there is a need for further research across the whole country.
2. Other researchers should examine the ties between the study results and the reality that exists in the study area.
3. Other researchers are encouraged to test the generalizability of this study by conduction the same study in other districts within Mogadishu or other regions of Somalia.

5.5 Recommended further studies

- Further studies can discuss: -
 - Factors contributing to digital marketing adoption in Mogadishu – Somalia.
 - Factors constraining customer purchasing behavior in Mogadishu – Somalia.
 - Effect of social media marketing on customer purchasing behavior.

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CITIZENS' CONTRIBUTION TO THE RECONSTRUCTION EFFORTS IN BENADIR REGION

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Abstract

The study informs the citizen contribution to reconstruction in Banadir region. the objectives of the study To determine the extent to which level of citizen contribution to local construction in Benadir region, to identify the indicators of economic development in Benadir region and to examine the relationship between citizen contribution to local construction and economic development in Benadir region. The methodology used to conduct, quantitative analysis. Study used primary data; the study used three sets questionnaire to collect data. The first questionnaire was to be the face sheet, to collect data on profile of respondents; the second questionnaire was to be on delegation of authority.

Keywords: Construction, Reconstruction, Benadir Region

1.0. Introduction

Failure to recognize land administration systems as infrastructure creates potential funding and maintenance problems. Wider economic, social, and environmental benefits of effective land administration are consequently put at risk. Land administration must be recognized as critical, public good infrastructure.

An evaluation method for testing land administration as an infrastructure is developed and applied. The method utilizes tools for defining and classifying infrastructure, public goods, and critical infrastructures. Arguments for land administration as infrastructure are revealed to reside within the land administration discipline: mainstream views regularly fail to recognize the argument. Reasons include the internal focus of scientific disciplines, the failure of land administrators to engage across disciplines, the global disparity of approaches to land administration, and the lack of visible or physical presence for land administration infrastructure. The results of three empirical studies support the notion that land administration is a critical, public good infrastructure. It concluded that infrastructure funding and maintenance regimes need to be depoliticized, potentially through the development of evidence based metrics, that land administrators must continue to promote land administration outwardly, and that the evaluation approach be extended and enhanced for use in directed land administration projects and studies.

2.0 Literature Review

In this Chapter, the researcher critically analyses works of other people related to variables under study. The theoretical review constitutes the theory underlying the relationship between the two variables: employee development programs and job performance. Additionally, it presents the conceptual framework and related literature.

2.1 Local participative construction

Citizenship, participation thus defined, broadens the agenda around which people can mobilise and make demands (Cornwall & Gaventa, 2001). As clients or beneficiaries, people can question the quality or cost of a service, but they are excluded from participating in the formulation or reform of the policies that underpin service delivery and their privatisation. As citizens, people can exercise their right to propose or oppose social policies that affect them. Tracing the history of participation from the 1970s to the present day, Cornwall distinguishes between induced and invited participation (through user groups, 'consultation' etc.) and a form of citizen participation through which 'people come to create their own spaces and enact their own strategies for change (Cornwall 2000:77).

2.2 local participative construction and Economic efficiency

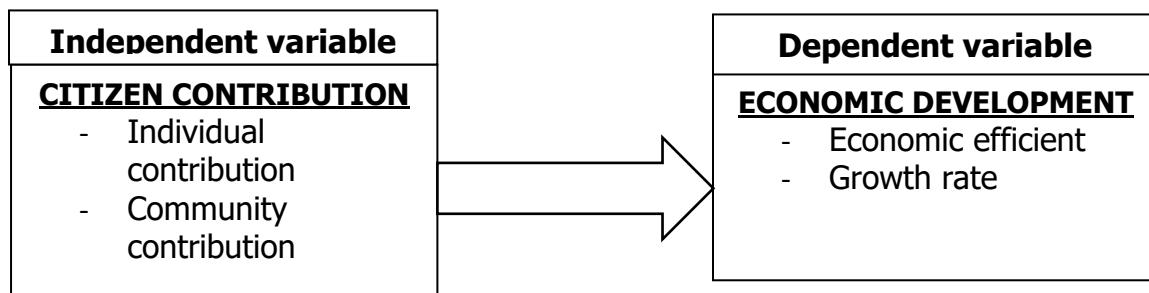
Various groups of citizens or private agents (entrepreneurs, women, groups representing social capital, etc.) play multiple roles in the led literature,¹² and they affect the local development process through a variety of mechanisms. Entrepreneurship (Bates, 1993 and Malecki, 1994), "intrapreneurship"(Pinchot III, 1985) or entrepreneurship capital (Audretsch and Keilbach, 2004a) are the terms normally used in the led literature to identify one of the oldest mechanisms used by entrepreneurs and managers to generate knowledge creation and innovation (Schumpeter, 1934) leading to regional/local economic growth (Audretsch and Keilbach, 2007, 2005, 2004b; and Lawton, Glasson and Chadwick, 2005). Research conducted in 47 Commonwealth countries found that citizens want a larger role for themselves in governance, while at the same time recognising the need for a strong state (Commonwealth Foundation 1999). These findings point to a key question: how can citizen participation and effective governance be mutually sustaining? In order to understand how these concepts and practices relate to each other, we need first to unpack them, and be sure of what we mean by them. Firstly, what is meant by local governance? This term refers to a sphere of decision-making that has been decentralised from the central state apparatus.

2.3 Local participative construction and growth rate of economic

Economists have long been interested in the factors which cause different countries to grow at different rates and achieve different levels of wealth. This issue is especially relevant today. The 1990 World Bank World Development Report highlights the scale of global poverty and the importance of economic growth in alleviating poverty.

2.4 Conceptual framework

Figure 2.1 gives a framework illustrating how variables in the study are conceptualized and related:



This chapter presented methodology of the study which involves with research design, research population, and sample size, sampling procedure, research instrument. Validity of the instruments and reliability of the responses were mentioned in this chapter. Data gathering procedure was revealed in this chapter, data analysis, ethical consideration and limitation of the study were discussed in here, this chapter.

3.1 Research design

This study followed a descriptive design, descriptive co relational, ex-post facto, cross sectional and survey designs. It was descriptive in that it had described the characteristics of respondents. The descriptive co-relational design was used to determine significant relationship between the level of delegation of authority and employee performance in the universities. It was cross-sectional in that data was collected from all respondents at one time. It was a survey because it involved a large number of respondents.

3.2 Research population

The target population of this study was all the entrepreneurs working as a small business in Mogadishu, Somalia. The researchers selected a population of 100 small businesses who benefited from the development of infrastructure specifically roads. All these small businesses are from Hodan and Howl Wadaag districts due to having the most developed roads in Mogadishu, Somalia.

3.3 Sample size

From the population of 400 small businesses in Mogadishu Somalia, a sample of 200 small businesses men were selected this was computed using Slovence's Formula for computing samples, which was stated as follows

$$n = \frac{N}{1+N(e^2)}$$

Where n = required sample size,

N = population size,

e=level of significance which is equal to 0.05. From this formula, the sample is computed as follows

$$n = \frac{400}{1+400(0.05^2)} = \frac{400}{1+400(0.0025)} = 200.$$

3.4 Sampling Procedures

The researcher used systematic random sampling to select the above mentioned sample from the given population since the list of respondents was available from the staff registrations in the Universities, and respondents were also accessible in one gathering. The researcher selected a respondent every after interval of 2 which is the systematic random number. This interval was computed using the below formula,

$$\text{SRN} = \frac{N}{n}, \text{ where SRN is the systematic random number}$$

N = population size

n= sample size

Here N = 400, n = 200

$$\text{So SRN} = \frac{400}{200} = 2$$

This means every 2nd respondent was to be selected

3.5 Research instrument

This study used three sets questionnaire to collect data. The first questionnaire was to be the face sheet, to collect data on profile of respondents. The second questionnaire was to be on delegation of authority. It involved questions on allocation of activities to staffs, assignment of responsibilities and position power. The third set was to be on employee performance and involved questions on quality, productivity and commitment of the employees

3.6 Validity and reliability of the instruments

The questionnaire was given to three lecturers to judge the validity of questions according to the objectives. After the assessment of the questionnaire, the necessary adjustments were made bearing in mind the objectives of the study. Then a content validity index (CVI) was computed using the following formula,

$$CVI = \frac{\text{No.ofquestionsdeclaredvalid}}{\text{totalNo.ofquestionsinthequestionnaire}}$$

A minimum of 0.75 of CVI was used to test validity.

3.8 Data analysis

The researcher used frequencies and percentage distributions to analyze data on profile of respondents. Means deviations were used to determine the level of Citizen Contribution in construction. Item analysis was used to determine the strengths and weaknesses of respondents on Citizen Contribution in construction and Economic development. Correlation and regression were used to determine the strength and the direction of the relationship and to predict employee performance based on Citizen Contribution in construction. Based on these items means and ranks, recommendations were made.

The following mean ranges and descriptions were used to interpret responses:

For the level of delegation of authority

3.9. Ethical considerations

Permission was sought from the respondents and their views have been respected. This is important for the protection of the respondents from harm or harassment and the confidentiality of the respondents and their leaders' sensitive information. The researcher acknowledged all the authors and academicians whose ideas were used in this study and the authors of the standardized instrument through citations and referencing.

4.0. Presentation Analysis and interpretation Data

This chapter presents findings from the study that investigated the relationship between citizen contribution to local construction and economic development in Benadir region, Somalia. The chapter is arranged in three sections. Section one presents the background information of respondents who participated in the study. Section two shows the description of responses to the items of the questionnaire relating to particular variables and section three shows the verification of the hypotheses.

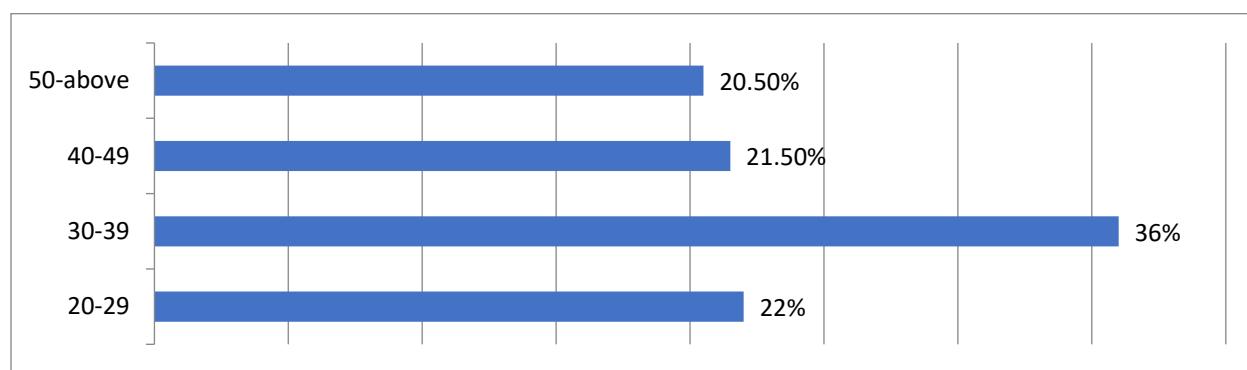


Figure 4.1 Age

The findings in figure 4.1 also show that respondents in the age group of 30-39 constitutes the majority (72 or 36%) followed by those between 20-29 (44 or 22%) and those between 40-49 (43 or 21.5), and the remaining are in the age of above 50 with (41 or 20.5%). The majority being in the age group of 30-39 could imply that they are staffs who have stayed longer in the teaching profession. The results therefore indicate that the majority of respondents were of mature and experienced age which made the researcher to consider their views as valid and authentic in relation to the study.

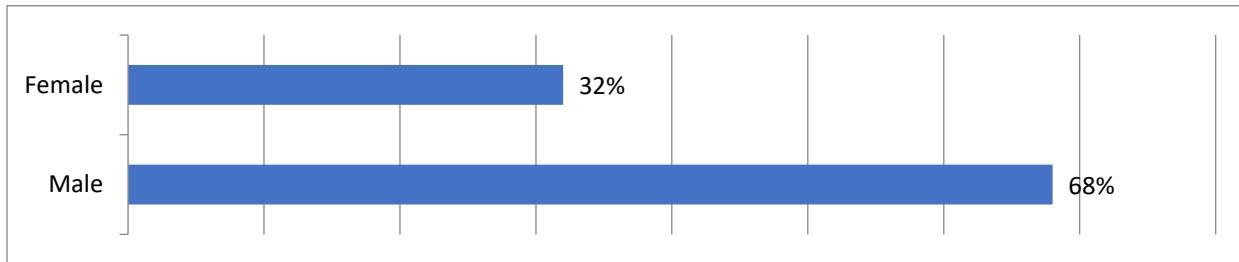


Figure 4.2 gender

The findings in figure 4.1 show that most respondents (136 or 68%) were males while only 64 (or 32%) participants were females.



Figure 4.3 academic qualification

The researcher was also interested in the academic qualification of respondents. The majority (125 or 62.5%) of respondents held a first degree; followed by those with master degree (52 or 26%). Few respondents (23 or 11.5%) were under graduate. The results indicated that most of the respondents were graduate staffs that can hold responsibility for their work. Therefore, there were high chances of giving accurate views.

Level of citizen contribution to local construction

The first objective of the study examined the level of citizen contribution to local construction in Benadir region and the results from the respondents

5.0 Conclusion and Recommendations

This chapter presents the discussion of the results derived from the data presented in Chapter Four. The discussion leads to varying conclusions and a number of recommendations that are presented later. It states the major study findings on citizen contribution to local construction and In Benadir region,

5.1 Discussion

This study was guided by three objectives which comprised of (I.) To determine the extent to which level of citizen contribution to local construction in Benadir region, Somalia. (II.) To identify the level of economic development in Benadir region, Somalia. (III.) to examine the relationship citizen contribution to local construction and economic development in Benadir region, Somalia.

5.3 Conclusion

According to the research findings that the citizen contribution to local construction is positively related with economic development since the computed R-value is 0.719 with P-value of 0.000. this implies that to elevate economic development,

5.4 Recommendations

Based on the findings and conclusions from the study, the researcher came up with the following recommendations:

On the relationship between citizen contribution to local construction and economic development in Benadir region, Somalia, the study recommends that there is need for policy makers and administrators of Benadir region Somalia to strengthen and encourage the citizen contribution to local construction and economic development.

And also, the study recommends that Benadir region administration are needed to motivate the citizen contribution to economic development

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FACTORS INFLUENCING SUCCESS AND FAILURE OF MOBILE MONEY SERVICE: A CASE STUDY EVC+AND E-MAAL

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Abstract

This study investigated the factors influencing success and failure of mobile money service in Mogadishu. The demographic profile of respondents was gender, age, marital status, education, and employment status. The main objectives of this study are to investigate benefits of mobile money services and to determine challenges of mobile money services. The study based on 150 target population specially users of mobile money services and workers of mobile money industries in Mogadishu. The research was conducted by using correlation case study design. Data was collected using Questionnaires. The results from the study shows that the respondents show that the use of mobile money service has contributed much on improvement of life quality through meeting on family expenses as for payment of electricity bill, water bills etc. The contributing factor on MMS users' satisfaction have been established from the respondents whereby they confirmed that the efficiency of the service is the factor resulted to accelerate this service.

All mobile money services have been expanding their services to areas which are not easily reachable by commercial banks. Receivers and senders of mobile money transfer services has been challenged with different situation each of its own aspect. MMS users have found to have different challenge compared to senders, as most of the receivers are those from rural areas where it found to have different problems compared to those of sender. Problems found to receiver are of different nature including Power problem, distance from cash point, and technology itself as the user of this service in rural areas they are not so smart on technological change of mobile money transfer as a new technology. Hence these groups of customer are not satisfied with the use of mobile money services due to problems discussed in the finding from respondents as explained above.

Keywords: Mobile Money Transfer, success, failure, benefits, challenges.

1.1 Background of the study

The idea of mobile payments is not a new concept; however Mobile payments have evolved even further. Coca Cola first introduced mobile purchasing in 1997. The company set up vending machines that allowed their customers to purchase. Drinks via text message. That same year, ExxonMobil began offering their customers the option of contactless payment. These events began the early years of text and RFID mobile payment options. Over the past two decades there has been a growing impetus worldwide towards the adoption of m-banking for the unbanked population. The small and medium enterprises (SMEs) are part of this unbanked sector, deprived of sophisticated banking facilities while playing a major economic role in the developing countries (Nichter&Goldmark 2009). Three billion people are expected to own mobile phones in the globe by 2010. There are currently 225 million mobile phones in India and 100 million are added every year. In a few years more than 500 million people are expected to have mobile phones in India (MPFI, 2007)

2.0 Literature review

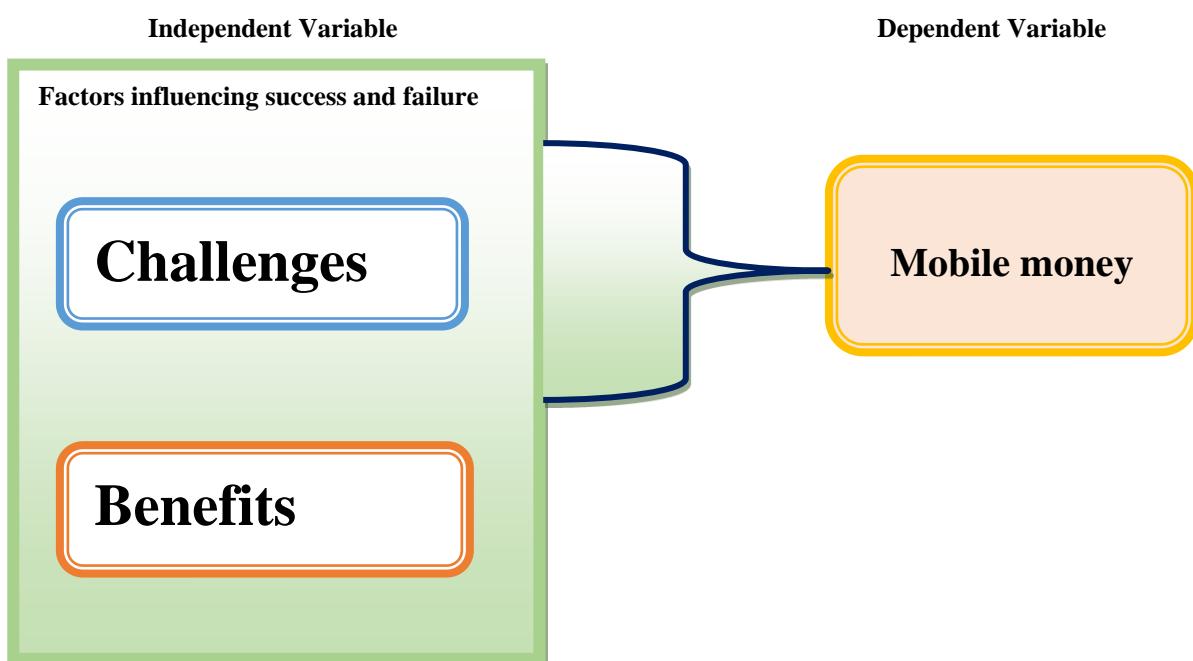
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Mobile money is often successful because it is considerably cheaper than other alternatives to cash. In an international comparison of 26 banks, (McKay and Pickens, 2010).

Despite a growing number of successes, the mobile money industry faces a number of challenges. Mobile money deployments in developing countries often target customers who may be poor, dispersed, and remote. Mobile money also spans two distinct industries with different business models. (Donovan, 2010)

2.1 Conceptual framework



3.0 Introduction

This chapter present research methodology which contained research design, research population, research instrument, data collection procedure, reliability and validity of the instrument, data analysis, the sampling technique, and finally the summary of the chapter.

3.1 Research design

This study used quantitative research design because the researcher will conduct a primary data and use questioner as method of collection.

3.2 Research population

The target population in this research covers a specific people those work in NATIONLINK and HORMUUD and users of EVC PLUS AND E-MAAL in Mogadishu city.

3.2.1 Sample Size

The sample size of this study consists of 150 people.

3.2.2 Sampling Procedure

This study employed and populated purposive sampling technique which is a part of non-probability sampling. The non-probability sampling is that sampling method which does not give any basis for estimating the probability that each point in the population has of being integrated in the sample.

3.3 Research instrument

This study will be used questionnaire. The questionnaire is designed to enable the study to get relevant information to the research topic.

3.4 Data analysis

Quantitative data analyses were conducted for this study, because the research instrument of this study is questioner, Statistical package for social science (SPSS) version 16.0 was used to analyze the data collection of this study, because it is not easy to analyze the data collected in a study manually without using any statistical packages.

4.1 Demographic information of the respondents

The respondents of the questionnaire had various qualifications. Additionally, total 150 questionnaires were distributed and all of the 150 questionnaires were found usable and were analyzed. The response rate was (96%). The respondents were looked upon in terms of, Gender, Age, Qualification, Employment status and marital status.

Figure 4.7 Table 4.1.1. Age of the respondents

		What is your gender?	
Valid		Frequency	Percent
	Male	114	75.5
	Female	36	23.8
	Total	150	99.3
	Total	150	100.0

4.1.1 Age of the respondents

Figure 4.8 Ages of the study respondent consist of four age groups, as below table 70% of the respondent's age ranges less than 20-30, 22.7% of the respondents were in 31-40 age groups, and on the other hand 5.3% of the total respondents aged 40-50 ages while the remaining 2% of the respondent's age were more than 50 and above years.

Figure 4.9 Table 4.1.2 Gender of respondents

		What is your gender?	
Valid		Frequency	Percent
	Male	114	75.5
	Female	36	23.8
	Total	150	99.3
	Total	150	100.0

4.1.2 Gender of the respondent

The respondents composed of both Male and female. The researchers found that 76% of the respondents were male which indicates that majority of the respondents consisted of male, while the remaining 24% were Female.

4.1.3 Qualification respondents

The respondents of these Nation link and Hormuud and their users in Mogadishu have mostly bachelor's degree 60.7% and the second largest group of the respondents have master 20.7% which denotes a process of educational improvement has been made. While the third groups of the respondents have secondary level 18.7%.

Table 4.4.1. Benefits of MMS

No	Statement	Mean	Std. deviation	Scale	Interpretation
1	the quality of my mobile money service is very good	3.73	1.328	Agree	High
2	I always get a lot of benefits from my mobile money service	3.61	1.265	Agree	High
3	my mobile money service's provider is leading knowledge and experience	3.95	1.204	Agree	High

4	i am very pleased with my mobile money service	4.01	.976	Agree	High
5	the technological development of my mobile money is the highest level	4.06	1.158	Agree	High
	Over all mean	3.87	1.18		

Source: primary data 2017

Table 4.4.1: presents the summary of respondent's response was to investigate benefits of mobile money services in Somalia, especially, Mogadishu and it scored high overall mean which is 3.87 and high overall standard deviation which is 1.18. This result indicates that the determination of development mobile money service in Somalia is gradually expanding.

The first statement “the quality of my mobile money service is very good scored high mean of **3.73** and standard deviation of **1.328**. However, this indicates that the quality of mobile money service has been developing since its establishment.

The second statement “I always get a lot of benefits from my mobile money service.” scored a high mean of **3.61** and standard deviation of **1.265**. However, this result shows that mobile money service has a lot of benefits since it is discovered.

The third statement “my mobile money service's provider is leading knowledge and experience.” scored high mean of **3.95** and standard deviation of **1.204**. this result shows that most of the customers belief that their mobile money service's provider leading knowledge and experience.

The fourth statement “I am very pleased with my mobile money service.” scored a High mean of **4.01** and standard deviation of **.976**, this indicates that every user of mobile money services pleased with his own mobile money service. The fifth statement “the technological development of my mobile money is the highest level” scored a High mean of **4.06** and standard deviation of **1.158**, this shows that the technological development of mobile money service is very high.

4.3 Correlation of variables

The researchers found a strong positive relationship between mobile money services and benefits. The table also described the significance level of the relationship which means that the relationship is significant. This implies that there are no challenges of mobile money services.

5.0 Conclusion & Discussion

5.1 Conclusion

This research report sought to discover factors influencing success and failure of mobile money services using a sample of one hundred and fifty people within the city of Mogadishu. The research design used is correlation census survey including Questionnaires with closed and questions distributed to customers of the service. The major finding of the reports indicates that all the research objectives are important and there is a strong relationship between the two variables of the study as presented in chapter four.

5.2. Recommendations

5.2.1 To MMT service providers

MMT service providers should extend their coverage to reach every customer whether they live in urban or rural areas and make their service readily available, they should also increase the number of cash points they operate to reduce the amount of travel involved in reaching a cash center. They should also involve their customer in major changes made to the service by listening to their suggestions and offering high quality service.

5.2.2. To the Public

MMT service is a new exiting service with loads of potential to improve our lives and contribute to the improvement of our quality of life, so it will be foolish to let such an opportunity go by without realizing it and making the most of it. To avoid being left behind we must be familiarizing ourselves with the benefits and opportunities of MMT service. Mobile Money is an emerging facet of electronic banking that, unlike traditional banking services, which offer very limited functions, is a potential platform for automated banking and other financial services. It is a wireless service delivery channel that offers additional value for customers by providing “anytime, anywhere” access to banking services which is encouraging.

5.3. Recommended areas for further study

In this study we have been examining factors influencing success and failure of mobile money services

Further studies can discuss: -

4. The effect of mobile money transfer service on economic growth.
5. The impact of mobile money transfers services on technological change and penetration of technology to users in rural areas.
6. Another study can also asses the challenges facing mobile money transfer services.

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SIGNIFICANCE OF ENTREPRENEURSHIP FOR ECONOMIC GROWTH IN MOGADISHU, SOMALIA

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Abstract

The aim of this study is to find the significance of entrepreneurship on economic growth in Somalia. Data collection method was questionnaire which were distributed 80 entrepreneurs in Mogadishu.

The main findings indicate that entrepreneurship is important for the economic growth of the country because it creates employment for job seekers, it also contributes economic performance by introducing innovation, creating change, enhancing the competition between the companies. There are opportunities for Somali entrepreneurs including few financing opportunities from Diaspora. On the other hand, Major challenges facing Somali entrepreneurs include managerial and marketing skills to run their business, lack of financial support in starting their business and also lack of government support to protect their ideas.

This study is recommended the entrepreneurs must come up with fresh ideas in order to get funds from donors. The researchers call for the Somali governments to support and protect the entrepreneurs' ideas and their businesses. It's recommended for the graduates to focus entrepreneurship and to become their own bosses in order to fulfil their dreams, instead of being someone else' employee or jobless. This is a good for the graduates and the whole of our nation.

The researchers suggest for Somali society to think entrepreneurship because it's a wealth creation method. It's recommended the educational institutions to learn and encourage the people entrepreneurship skills.

Keyword: Entrepreneurship, Economic growth, Opportunities and Challenges.

1.0. Introduction

Entrepreneurship is the process of creating something of value by devoting the necessary skills, time and effort, and, assuming the accompanying financial and sometimes physical and social risks, to reap the resulting monetary rewards and personal satisfaction (Ali Yassin Shaeikh Ali, 2013)

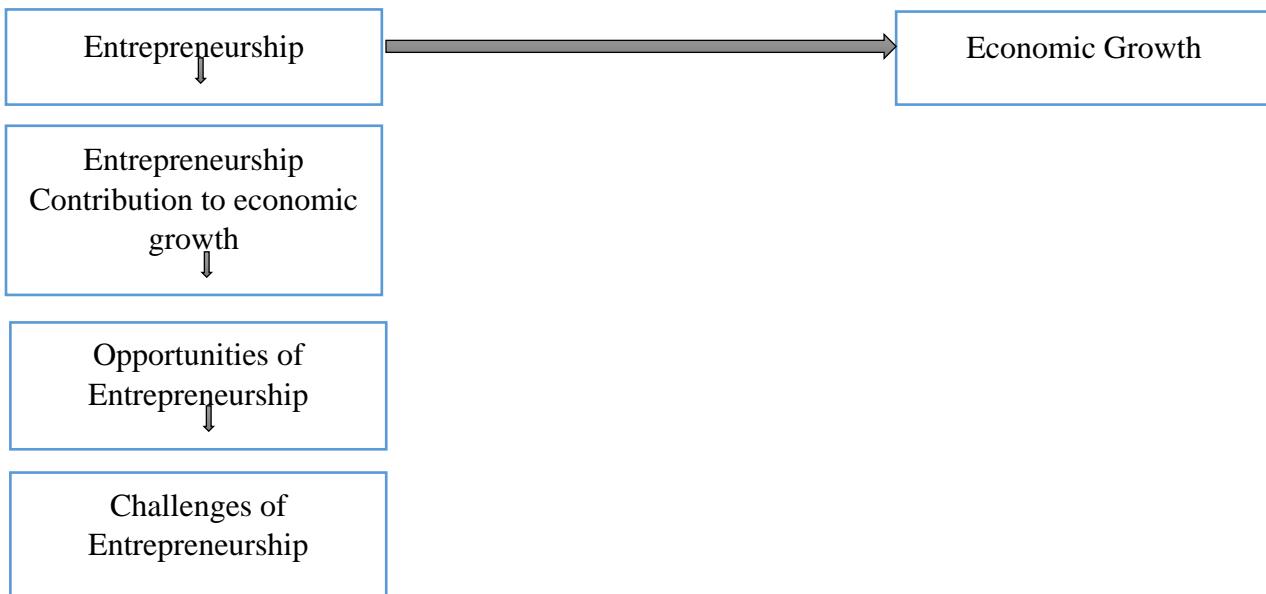
The growing attention policy makers and governments give to entrepreneurship cannot be overstated. Entrepreneurship is at the center of a substantial and sustainable economic growth and development of a nation. Since the last two decades the engine of economic growth shifts from general knowledge generation toward entrepreneurship based knowledge generation. Major economic growth theories also acknowledged the importance of promoting a more entrepreneurial culture to delivering stronger and lasting growth, and providing more and better jobs. Thus, higher entrepreneurship rate is an indication that a country is at a better economic status. Entrepreneurship is at the center of poverty reduction strategy (Legas, 2015)

As a source of innovation and new jobs, entrepreneurship increases productivity that in turn boosts growth. For example, showed that one-third of the differences in national economic growth rates were attributed to differences in entrepreneurial activity. Sixteen developed economies were found that entrepreneurial activity explained approximately one-half of the differences in GDP growth between countries. Thus entrepreneurship is a touchstone of many economies' growth. Empirical studies in Africa also revealed entrepreneurship as a potent employment opportunity and source of growth for the continent. For example, small and medium sized enterprises contributed to over 50% of employment and GDP in Africa. Recent study in Ghana and South Africa also showed the same result.

Small and medium sized enterprises contributed to 52% to 57% of GDP and around 61% of employment in South Africa, and 85% of manufacturing employment and 70% of GDP in Ghana. Similarly, they provided employment opportunities for 50% of Nigerian population (Legas, 2015)

Empirical research shows that entrepreneurship has been the driving force behind every nation's economic development. In explaining the USA's new economy referred to America's enterprising spirit and dynamism. It is not just in the USA where entrepreneurship is valued; the newly industrialized countries of Southeast Asia like South Korea, Malaysia and Taiwan have developed because entrepreneurship was given a free hand to flourish. Several scholars have demonstrated that entrepreneurship is not only beneficial but necessary for a healthy economy. It was observed that in the USA, periods of economic growth tended to correlate directly with an increase in the number of new business enterprises started (Fred Nafukho, 2010)

2.0. Conceptual framework



3.0.Methodology

3.1. Research design

This study was employed descriptive study; the purpose of descriptive research is to describe an accurate profile of persons, events or situations. In addition to, this study used quantitative approach. Quantitative is any data collection technique (such as a questionnaire) or data analysis procedure (such as graphs or statistics) that generates or uses numerical data (Dahir, 2015). The study was conducted in survey research approach. Surveys are information-collecting method use to describe, compare, or explain individual and societal knowledge, feelings, values, preferences, and behavior (Dahir, 2015).

3.2. Research population

The target population in this research covers a specific people those who are owners of businesses. The researchers selected those people because they are the most appropriate. This study specifically target people who owns businesses in Mogadishu. The sample population of this study was unknown.

3.3. Sample size

The sample size of the study was consisted of 80 respondents. The sample size was used based on finding from literature because our target population is very huge, so our choosing this sample size it could make reliable information from this research finds.

3.4. Data Analysis

Quantitative data analyses was conducted this study, because the research instrument of this study is questioner, descriptive statistical conducted in this study, because it can utilize our objectives, descriptive analysis was used to measure central tendencies such as mean and measures of description such as standard deviation to describe a group of subject. Statistical package for social science (SPSS) version 16.0 was used to analyze the data collection of this study, because it is not easy to analyze the data collected in a study manually without using any statistical packages.

4.0. Data presentation, analysis and interpretation

4.1. Demographic information of the respondents

Figure 4.1 shows that the gender distribution of male was 63 which represents 63% of the respondents and 37 of the gender distribution was female which represents 37% of the respondents. Thus, male has significantly dominated entrepreneurs in Mogadishu.

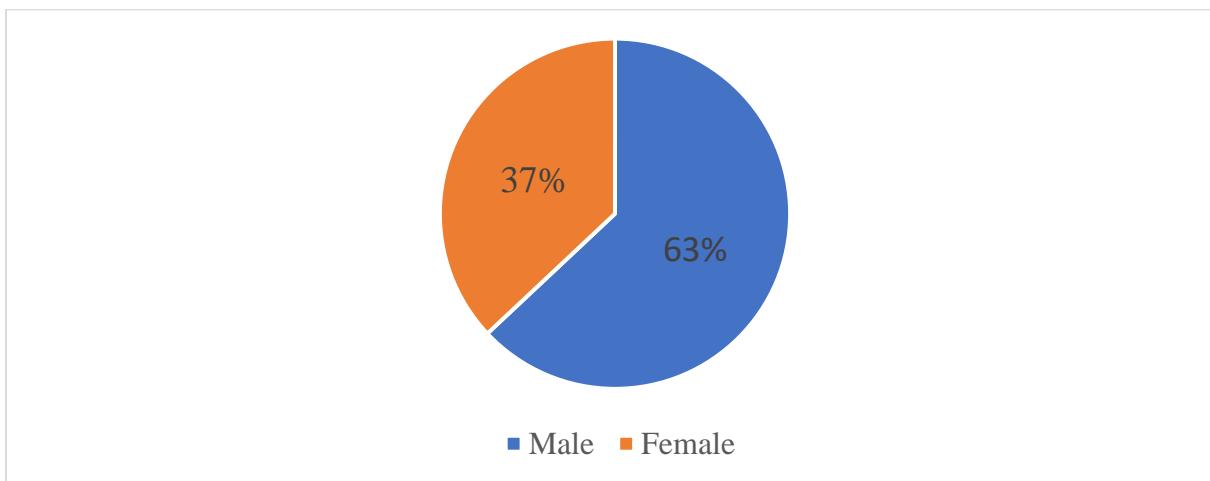


Figure 4.1 Gender of the respondents

Figure 4.2 shows 25 which represents 25% of the respondents has less than 1 year of experience, 48 which represents 48% of the respondents has less than 1-5 years of experience, 16 which represents 16% of the respondents has less than 5-10 years of experience, 11 which represents 11% of the respondents has less than more than 10 years of experience. Based on the data gathered, the majority of the respondents has 1-5 years of experience.

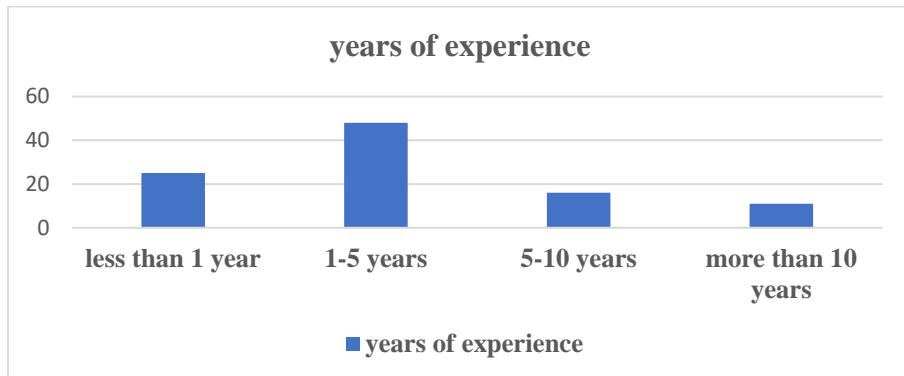


Figure 4.2 respondent's years of experience

Figure 4.3 shows 35 respondents which present 35.0% were rated are agree, 38 respondents which represent 38.0% were rated are strongly agree, 18 respondents that represent 18.0% were rated are disagree, and 9 respondents which represent 9.0% were rated are strong disagree. This table analysis shows that our respondents' believe that entrepreneurship drives the economic growth of our nation.

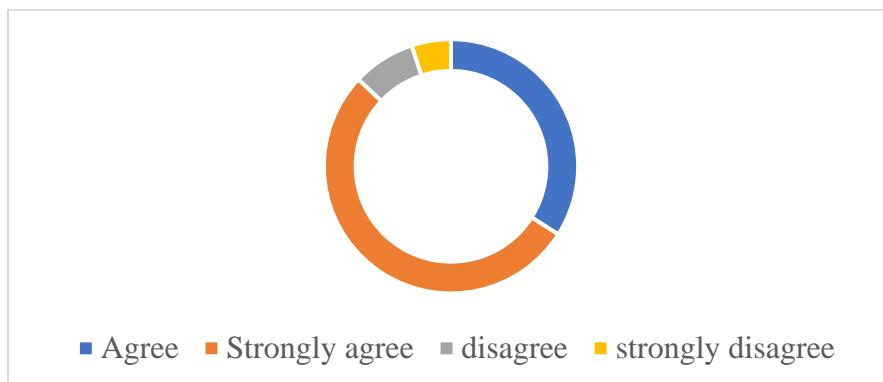


Figure 4.3 Entrepreneurship drives the growth of the economy

4.2. Discussion

The results indicated that entrepreneurship is importance for the wellbeing of Somali society and their economic growth, but there are challenges faced by Somali Entrepreneurs Managerial and Marketing Skills Lack of financial support and also Lack of government support.

The result supported the findings (Smith, 2010), the results from regression equation one confirm that entrepreneurship has a significant impact on economic growth as has been generally established. The regression for business entry rate equation two shows that the presence of entrepreneurship in a society cannot be completely explained by the traditional neoclassical factors that influence economic growth. Consequently, entrepreneurship should be included as an independent factor in the neoclassical model for economic growth. One of the themes in this paper has been that entrepreneurship causes economic growth by fostering innovation within a given society.

5.0. Major finding and recommendation

5.1. Major finding

The finding indicates entrepreneurship is important for the economic growth of the country because it creates employment for job seekers, it also contributes economic performance by introducing innovation, creating change, enhancing the competition between the companies.

There are opportunities for Somali entrepreneurs including few financing opportunities from diaspora. There are a lot of opportunities in the market because Somali businesses are still at starting point. So if the entrepreneurs can come up with fresh ideas they can benefit.

On the other hand, Major challenges facing Somali entrepreneurs include managerial and marketing skills to run their business, lack of financial support in starting their business and also lack of government support to protect their ideas.

5.2. Recommendations

Basing on the findings on this study, the researcher provided a summary of the study's recommendation based on the objectives in the followings are suggested recommendations.

1. This study is recommended the entrepreneurs must come up with fresh ideas in order to get funds from donors.
2. The researchers call for the Somali governments to support and protect the entrepreneurs' ideas and their businesses.
3. It's recommended for the graduates to focus entrepreneurship and to become their own bosses in order to fulfil their dreams, instead of being someone else' employee or jobless. This is a good for the graduates and the whole of our nation.
4. The researchers suggest for Somali society to think entrepreneurship because it's a wealth creation method.
5. It's recommended the educational institutions to learn and encourage the people entrepreneurship skills.

5.3. Recommendation on further research

As such further research in the field of entrepreneurship should look at:

1. The link between Entrepreneurship and Economic growth
2. The link between Entrepreneurship and National Development
3. The contribution of Entrepreneurship to the growth and development in an economy.
4. The effect of small business on economic growth
5. Challenges and opportunities of Somali entrepreneurs
6. The role of entrepreneurship on poverty reduction.

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THE IMPACT OF ACCOUNTING INFORMATION ON DECISION MAKING PROCESS ON SOME SELECTED COMPANIES IN MOGDISHU SOMALIA

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Abstract

This research investigates the impact of accounting information on decision making process on some selected companies in Mogadishu. The study contributes the existing role of accounting information on decision making process on some selected companies in Mogadishu literature. Methodology used in this study is descriptive and inferential statistics. Primary data for the study were obtained from some selected firms in Mogadishu. Reliability test of the questionnaire conducted using Cronbach alpha. A Sample of the population of 110 had been used. Data collected was analyzed through SPSS version 20. The findings generally indicate that financial accounting information provides useful information to investors to make investments decisions. Also, it was found that management accounting information provide useful information to managers to make managerial decision making. The study recommends that no investment decisions on a financial institution and other firms should be taken without the consideration of a company's financial statement. Also, a professional accountant should be employed by the company in order to provide valuable information and keep accurate record of the company's account.

Key words: Accounting information, decision making, financial accounting, price decision, management accounting, investor decision making

1.0 Introduction

According to Arneld and Hope stated that accounting is the language of business as it is the basic tool for recording, reporting and evaluating economic events and transactions that affect business enterprises. It processes all documents of a business financial performance from payroll, cost, capital expenditure and other obligations to sale revenue and owners' equity. It provides financial information about one's business to the internal and external users, such as managers, investors and others. It is sometimes referred to as a means to an end, with the ending being the decision that is helped by the availability of accounting information (as cited in Tunji, 2012,p.29) Also Ejiofor provided that management is the art of working particularly through people, for the achievement of the broad goals of an organization in trying to achieve these goals the manager has to map out strategies to find out the accounting information suitable for the company (as cited in Tunji, 2012 p.29)

1.1 Problem statement

Information is indispensable for decision making in any business organization. The major purpose of the use of accounting information is to minimize risk, failure and uncertainties and also stay ahead of competitors. The sufficient supply and proper use of accounting information had gone a long way in helping management in Making efficient and effective decision making.(Srivastava & Lognathan, 2016)

Most organization in Mogadishu had been investing while they were collapsing and as result leave the market like Qaran Express, Samafone, Telecom. Researchers might think that unqualified accountants generate inaccurate information and so result in failure of organizations to achieve desired goals.

Poor accounting information may lead to poor decision being taken and it may affect the profitability and performance of the organization. In addition, investors might lose their investment. For this study, we examined the impact of accounting information on decision making process on some selected firms in Mogadishu.

1.2. Objectives of the study:

1. To determine the role of financial accounting information on investor's investment decision making process on some selected companies in Mogadishu
2. To examine the role of management accounting information on managerial decision making process on some selected companies in Mogadishu

2.0 Literature Review

The study of Karilainen, (2014) aimed to narrow the gap between studies concerning the information needs and usefulness of accounting information among creditors and investors. The findings revealed that importance of accounting information is significant, and practically all three main statements; balance sheet, income statement and cash flow statement, can be regarded to be complementary. Also Mohammed et al., (2016) research concluded based on the findings that financial statement plays a vital role in investment decision making (p.21). Additionally, Aderemi,(2017) found that stakeholders in financial reporting in Nigeria do rely on the Financial Information disclosed in financial statements for investment decision making (p.2). On the contrary of the above studies, literature provided evidence that accounting information is not the useful source of investor's investment decision making. According to Farj, Jais, & Isa, (2016) investigated the importance of accounting information contained in the corporate annual reports published in the Libyan Stock Market from the perspective of investors as primary users of these reports .The findings indicated that corporate financial reports are useful despite that they are not the most sought-after source of information influencing investors' decisions.(p.70). In the same vein ,the study of Chandler, (2005) findings showed that quarterly reports are used and are useful, although the reports are not the most sought-after source of information (p.105).

Literature gaps have been identified in the role of accounting information on decision making in previous literature. Most studies in the role of accounting information on decision making have only focused one group at time either management or investor. Therefore, in this study researchers examined the impact of accounting information on decision making process.

2.1 Conceptual Framework

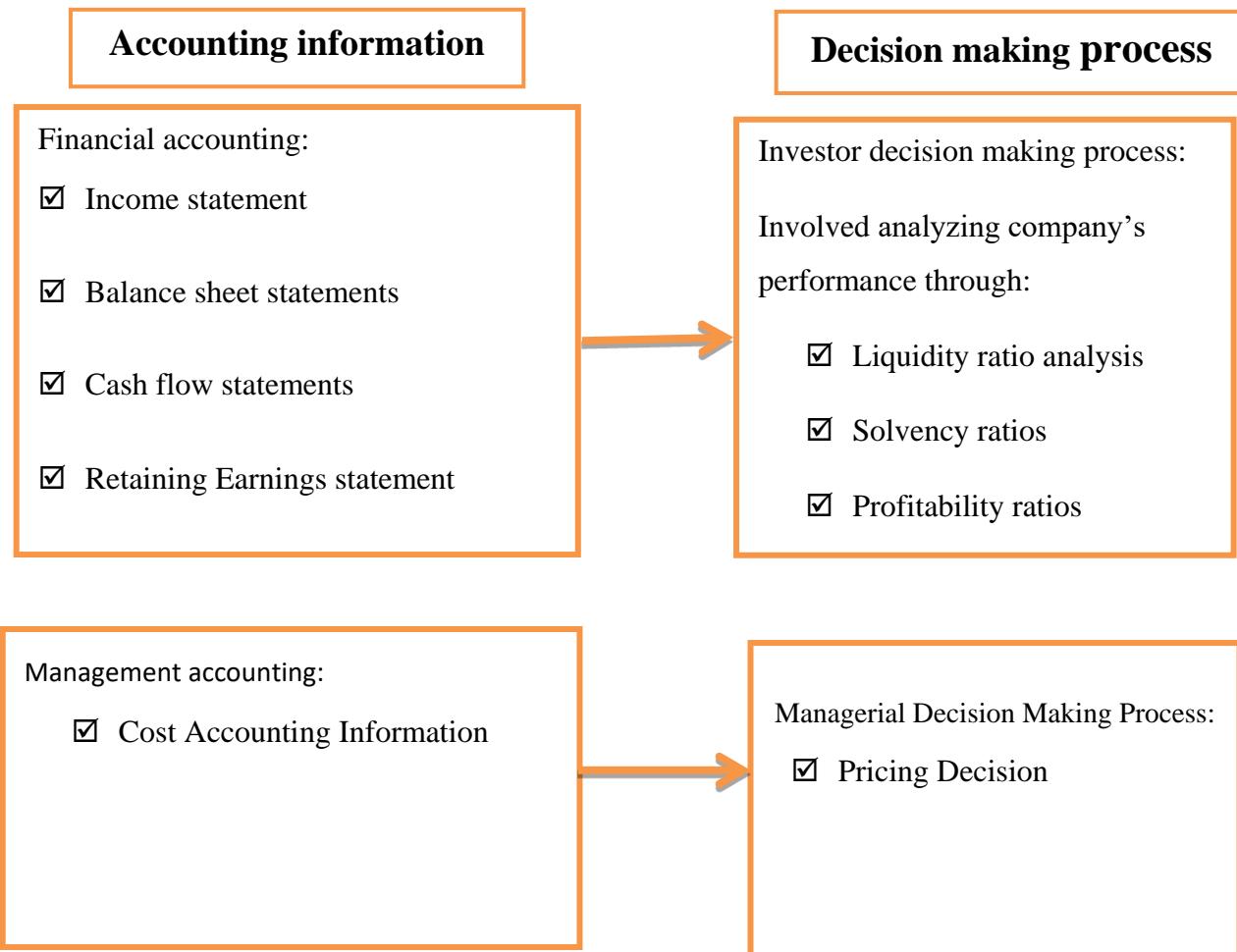


Figure 2.1: conceptual framework

(Source :Adopted by the researchers 2018)

3.0 Methodology

The Outline was research question, research design, population and sample, research instrument, data gathering procedure, and data analysis.

3.1 Research Design:

This study adopted descriptive survey. According to Zikmund, Babin, Carr et al.(2010) the major purpose of descriptive survey research design is to describe characteristics of objects, people, groups, organizations, or environments(p.55). Also, Sekaran,(2003) stated that descriptive survey design describes the characteristics of the variables of interest in a situation(p.121).

3.2 Research Population:

In this study, the population was banking, telecommunication and remittance and manufacturing, merchandising firms in Mogadishu city. The target population of this research was managers and investors' specially top managers, middle managers, lower managers, individual investor. The exact number of target population is unknown.

3.3 Sample Size:

In the light of previous surveys conducted by Case, Bank, and Kigali, (2016) relevant to the topic, a total of 110 respondents was be considered to be enough minimum size of the sample.

3.4 Sample procedure:

Purposive sampling method has been used to collect the responses. Purposive or judgmental sampling enables you to use your judgement to select cases that was best enable you to answer your research question(s) and to meet your objectives(Saunders, Lewis, & Thornhill, 2008,p.237).

3.5 Research Instrument:

A questionnaire has been severed to the respondent to elicit information related to their demographic details as well as their opinions or views on the impact of the accounting information on decision making process.

3.6 Validity:

The development of the questionnaire was based on an extensive review of the relevant literature that has investigated the topic. Such literature include, Farj, Jais, and Isa, (2016), Kaur,(2016), Yaounde, (2017)

3.7 Reliability:

To assess the reliability and internal consistency of the research instrument, a common measure of scale reliability called Cronbach's alpha was used.

3.8 Data gathering Procedure:

This section focused on the procedures and methods employed in collecting data used for the Study. In the study, primary data were collected. The data were sourced from the banking, telecommunication, remittance, manufacturing industry in Mogadishu of some selected firms. **3.9 Data Analysis:**

Data generated for the study was analyzed using descriptive and regression analysis, via the statistical package for social sciences (SPSS) version 20.

4.0 Data Presentation and Analysis

4.1 Reliability Questionnaire Tests:

Questionnaire in this study consists of three parts. Reliability testing performed on second and third questionnaire respectively, using Cronbach's alpha test for reliability test. Test results are shown in Table 4.1 below.

Table 4.1: Reliability test

Questionnaire	Cronbach Alpha's Value
The role of financial accounting information on investor's investment decision making process.	0.866 Good
The role of management accounting information on managerial decision making	0.865 Good

Throughout the test reliability using Cronbach alpha reliability figures reflected 0.866, 0.865, respectively. Thus, the internal consistency reliability of the measures used in this study can be considered to be good

4.2 Demographic Analysis:

The demographic information respondents were asked to determine their gender, age, experience, position held, qualification.

Table 4.2: Demographic Characteristics of the Respondents

Demographics	Categories	Frequency	Percentage
Gender	Male	61	78.2%
	Female	17	21.8%
	Total	78	100.0%
Age	20-29	45	57.7%
	30-39	26	33.3%
	40-49	6	7.7%
	50 or above	1	1.3%
	Total	78	100.0%
Experience	less than 1 year	9	11.5%
	1-2 year	15	19.2%
	2-3 year	10	12.8%
	3-4 year	15	19.2%
	4-5 year	9	11.5%
	5 or above	20	25.6%
Position held	Total	78	100.0%
	Low Managers	29	37.2%
	Middle Managers	31	39.7%

	Top Managers	8	10.3%
	Individual Investor	10	12.8%
	Total	78	100.0%
Qualification	Secondary	7	9.0%
	Diploma	19	24.4%
	Bachelor	40	51.3%
	Master	12	15.4%
	PHD	0	0%
	Others	0	0%
	Total	78	100.0%

As shown in Table 1 above, 78.2 per cent of the respondents were male and 21.8 per cent were female. This distribution is consistent with the nature of females in society. The table 2 above shown, most of the respondents of the questionnaire were between the age of 20years and 29 years which represent 57.7% and 1.3% were above the age of 50 years. Also table 2 shows 33.3% fall within the age bracket of 30 to 39 years. Finally, 7.7% fall within age 40 to 49 years.

The table 4.3 above shows the years of experience of the respondent in their current profession. It shows that 11.5% had less than 5 years' experience. The majority of the respondent (26%) had 5 or above experience. The above table 4, shows that most respondent who take part the questionnaire were middle managers which represent 39.7% of the total respondent. Also the small number of the respondent were top managers which represent 10.3% of the total respondent. The table Statistics show that the participant groups held at least secondary school certificate at 9%, while 51.3% is having a bachelor degree. This is because the employment is dependent on the bachelor degree. Other respondents have 24.4% a diploma degree, 15.4% Master degree. There was no PhD degree level for the respondent.

4.3 Major Findings:

The first objective of the study was to examine the role of financial accounting information on investors' decision making process in Mogadishu medium size enterprises, after the data collection and analysis the major findings of this question follows: the result of the survey indicated that in Mogadishu companies were highly according to the positive statements of 55.4%, while remaining answers were negatively that represents 24.9%. The second question of the study was to investigate the role management accounting on decision making according to answer of respondents out of the main they found role management accounting information on managerial decision making in Mogadishu companies were highly according to the positive statement of 56.4% while remaining answers were negative that represents 20.9%.

Table 4.3: Model Summary showing impact of Financial Accounting Information on investment decision making

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.734 ^a	.539	.533	.69718

a. Predictors: (Constant), Financial Accounting Information

R square is 0.539, which shows that financial accounting information impacts on investor's investment decision at 53.9% and another 46.1% change of investor's investment decision depending on the changes of other variables.

Table 4.4: Model Summary showing impact of Management Accounting Information on managerial decision making

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.818 ^a	.669	.664	.51481

a. Predictors: (Constant), Management Accounting Information

R square is 0.669, which shows that management accounting information impacts on managerial decision at 66.9% and another 33.1% change of managerial decision depending on the changes of other variables.

5.0 Discussion and Conclusion

5.1 Discussion

First objective of the study was to determine the role of financial accounting information on investor decision making process some selected companies in Mogadishu. The results of the first objective showed that the respondents perceived the positive role of financial accounting information on investor's investment decision. These results came in line with the previous studies, for example, Blessing and State,(2015) analyzed the role of financial statements on investment decision making. They argued that published financial statement is very important in the investors' decision making. Similarly Mohammed et al., (2016)concluded based on the findings that financial statement plays a vital role in investment decision making. Aderemi,(2017) found evidence that Stakeholders in financial reporting in Nigeria do rely on the Financial Information disclosed in financial statements for investment decision making., Yaounde (2017)reached the conclusion that financial reporting has a role to play on investment decisions. However, the finding of this study is at variance with finding of Hareholders et al,(2015)who found that the investors are not confident about the impact of the cash flow reported on their investment decision process. Also Farj, Jais, & Isa, (2016) found evidence indicated that corporate financial reports are useful despite that they are not the most sought-after source of information influencing investors' decisions.

5.2 Conclusion:

The main purpose of this study was to examine the role of accounting information on decision making process of telecommunication, banks, remittance, manufacturing and merchandising Companies in Mogadishu. The study findings indicated that most respondent strongly agree the role of financial accounting information on investor decision making on some selected companies in Mogadishu were high and the level of impact were hugely according to the positive statements of 55.4%, while remaining answers were negatively that represents 24.6%. R

square is 0.539, which shows that financial accounting information impacts on investor's investment decision at 53.9% and another 46.1% change of investor's investment decision depending on the changes of other variables. The regression equation appears to be relatively useful for making predictions since the value of R squared is slightly more than half. Based on the questionnaire results, the role of management accounting information on managerial decision making process were positive. The results shown that the respondents agree the role of management accounting information on managerial decision making on some selected firms in Mogadishu were high and the level of impact were hugely according to the positive statements of 56.4%, while remaining answers were negatively that represents 20.9%. R square is 0.669, which shows that management accounting information impacts on managerial decision at 66.9% and another 33.1% change of managerial decision depending on the changes of other variables. The regression equation appears to be relatively useful for making predictions since the value of R squared is slightly more than half.

5.3 Recommendation:

This study the researcher recommends the following specific recommendations

1. Organization could carry out educational enlightenment programs from time to time to enable investors understand the financial report fully. Investors should attach much importance to the annual reports so that banks and companies can really know the extent of their responsibility in preparing the financial statement
2. Efforts could be made to measure the effects of currently employed accounting concept on management decision making

5.4 Suggestions for Further Research:

1. To investigate the managers in the telecommunication, banks, remittance, manufacturing and merchandising industry with regard to various aspects concerning the capital budgeting of the information provided by management accounting, as well as different management practices in the sector.
2. Further research can also involve a replication of the present study in other industry to know whether the findings of this study can pass the test of generalizability

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THE IMPEDING FACTORS IN FRONT OF SOMALI YOUNG ENTREPRENEURS: WHY ENTREPRENEURSHIP EDUCATION IS HAVING A LITTLE IMPACT ON LOCAL UNIVERSITIES. A CASE STUDY IN MOGADISHU, SOMALIA

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Abstract

This study shows the significance of entrepreneurship education on young entrepreneurs, our objective of this study is to investigate factors in front Somali young entrepreneurs and to examine the impact of local universities on entrepreneurship education. The methodology used to conduct this study was quantitative method through descriptive approach to accomplish the goal of this study.

The main findings indicate that the factors in front young entrepreneurs the major challenges faced young entrepreneurs in Somalia were lack of availability financial assistance, lack of government support, and indicates that the effect of entrepreneurship education at local universities in Somalia the most significant barriers of entrepreneurship education at local universities in Somalia were inappropriate teaching methods, lack of appropriate training materials

Recommendations of the study suggested for young entrepreneurs, local universities and government.

Keywords: Entrepreneurship in Education and Training, Youth Entrepreneurs, and Entrepreneurship Education.

1.0. Introduction

This chapter presents the introduction of the following chapters such as: Background of the study, and problem statement.

1.1. Background of the study

The word entrepreneur came from in French Economics in early of 17th and 18th centuries. The concept of entrepreneurship has a close relation with general understanding of starting business.

In the 20th century, applying entrepreneurship ideas, especially after the fall of the Berlin Wall, many uneconomical factories were closed in Central Europe as economies became integrated into the global economy.

In the African Continent, entrepreneurship originated in Nigeria when the production exceeded the consumption levels, which resulted in exchange system or twice coincidence of wants.

1.2. Problem statement

Youth Entrepreneurship appears as a key issue and fundamental tool for economic growth which has the ability to change the structure and regional development and it is a factor in order to increase the gross domestic production of the countries(Nawaser, Khaksar, Shaksian, & Afshar Jahanshahi, 2011).

The past 10 years there was increasing of new businesses in Somalia especially the capital city of the country Mogadishu. Most of the Somali families manage their lives for small businesses they have created.

Therefore, this study explore the impeding factors in front of Somali young entrepreneurs: why entrepreneurship education is having a little impact on local universities.

2.0.Literature Review

This chapter presents the review of literature relating to the variables under investigation.

2.1.Barriers in front young entrepreneurs

Lack of funds is the major barriers to make intention for entrepreneurship. In developing countries, there is little trend to have personal and family savings and also great difficulties in accessing finance(Tanveer et al., 2012).

Challenges faced by youth entrepreneurs when starting a business. Raising Capital, Finding Good Employees, finding Good Customers, and Dealing with Competition (Beegom & Bhavan, 2013).

Factors affecting youth entrepreneurship as follows: Access to Finance, Legal and Regulatory, Human Resources Capacities, Managerial Capacities, Marketing Skills, Technological Capacities, Corruption, Lack of Management Training, Weak Managerial Structure(Benzazoua Bouazza, Ardjomman, & Abada, 2015).

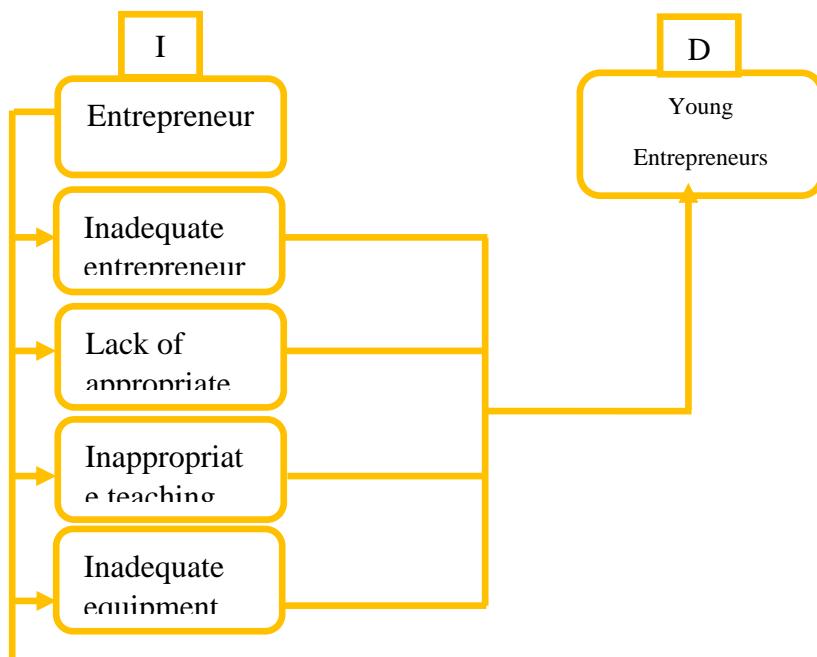
2.2.The impact of entrepreneurship education on universities

Several Challenges currently face Nigerian universities in their bid to properly entrench entrepreneurship education as important curriculum issue across all disciplines. (Enu, 2012).

Challenges of entrepreneurship education: Lack of lecturers with practical entrepreneurial training and consciousness. Entrepreneurship education is capital intensive and both lecturers and students need money to practice the theory of initiating, establishing and running enterprises.(Olorundare & Kayode, 2014).

College and universities as well as a small business development centers commonly offer training courses which are typically available to small groups of entrepreneurs, teaching how to start a business, how to develop and implement a business plan, and variety of aspects of the small business development process(Mohamad, Lim, Yusof, Kassim, & Abdullah, 2014).

2.3.Figure: 2.1 Conceptual framework



3.0. Methodology

This section explains how the study made. Like research design, research population, sample size, research instruments and data analysis.

3.1. Research design

This study used qualitative approach through descriptive approach, qualitative is any data collection technique (such as a questionnaire) or data analysis procedure (such as graphs or statistics) that generates or uses numerical data(Celano, 2014).

However, this study was conducted descriptive through Explanatory study; exploratory research helps determine the best research design, data collection method and selection of subjects. Also this study used and conducted primary data and questionnaire as a tool of data collection.

3.2. Research Population

The target population of this study consisted of graduate students from local universities in Mogadishu, Somalia. However, the researchers selected a number of universities those graduate most students in Mogadishu, Somalia, such as Jamhuriya university of science and technology (JUST), Simad university, Somalia university (UNISO), Mogadishu university, and Banadir university.

3.3. Sample Size

The sample size consists of 100 respondents from some of selected universities in Mogadishu. The sample size were used based on finding from literature because our target population is very huge, so our choosing this sample size it could make reliable information from this research finds. (Sidrat, Amouri, Boujelbene, & Boudabbous, 2016).

3.4. Sample procedures

The sampling procedure is non-probability sampling technique. The main purpose of this technique is to select or use in infinite populations when it is not possible to determine the sampling frame, because this technique is applicable for every person who can fill the sample.

3.5. Research Instrument

This study used a Questionnaire. The main purpose of questionnaire is to collect a lot of information over a short period of time. Because they are suitable if a population is large and time is limited, the selecting of this questionnaire has been guided by the nature of data to be collected;

3.6. Reliability and validity of the research

The validity and reliability of collection methods for questionnaire data is easier to assess where you have a clear explanation of the techniques used to collect the data. (Elert, Andersson, & Wennberg, 2015). The reliability test of this study used Cranach "s Alpha. The most common measure of scale reliability is Cranach "s Alpha. Generally, acceptable of Cranach "s Alpha test is between 0.60 to 0.70 or more (high readability).(Chengalvala et al., 2017).

3.7. Data gathering Procedure

This study used questionnaire as a tool for gathering and collecting data and information require. Because the information need can be easily and quickly gather from the respondents, and it can target respondents in widely dispersed locations.

3.8. Data Analysis

Quantitative data analyses was conducted this study, because the research instrument of this study was questioner, descriptive statistical was conduct in this study, because it can utilize our objectives, descriptive analysis used to

measure central tendencies such as mean and measures of description such as standard deviation to describe a group of subject (De Gobbi, 2014) Statistical package for social science (SPSS) version 20.0 used to analyze the data collection of this study, because it is not easy to analyze the data collected in a study Manually without using any statistical packages.

4.0.Data presentation, analysis and discussion

4.1.Demographic information of the Respondents

Gender of the respondents the respondents composed of both Male and female. The researchers found that 65 of the respondents were male which indicates that majority of the respondents consisted of male, while the remaining 35 were Female.

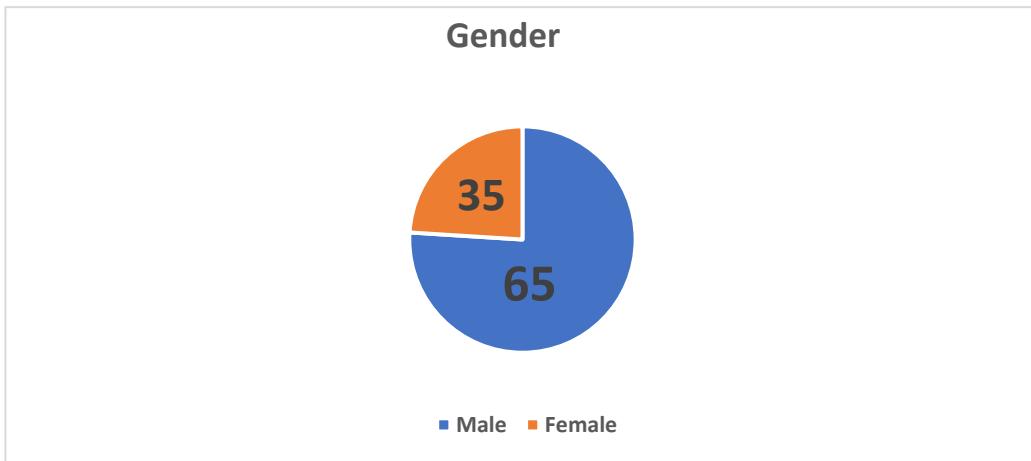


Figure: 4.2.1 Gender of the respondents

Figure 4.10 Ages of the study respondents consist of four age groups, as below table 74% of the

Figure 4.11 Respondent's age ranges 18-26, 22% of the respondents were in 27-35 age groups, and on

Figure 4.12 The other hand 1% of the total respondents aged 35-40 ages while the remaining 3% of the respondents' age were 40 and above years.

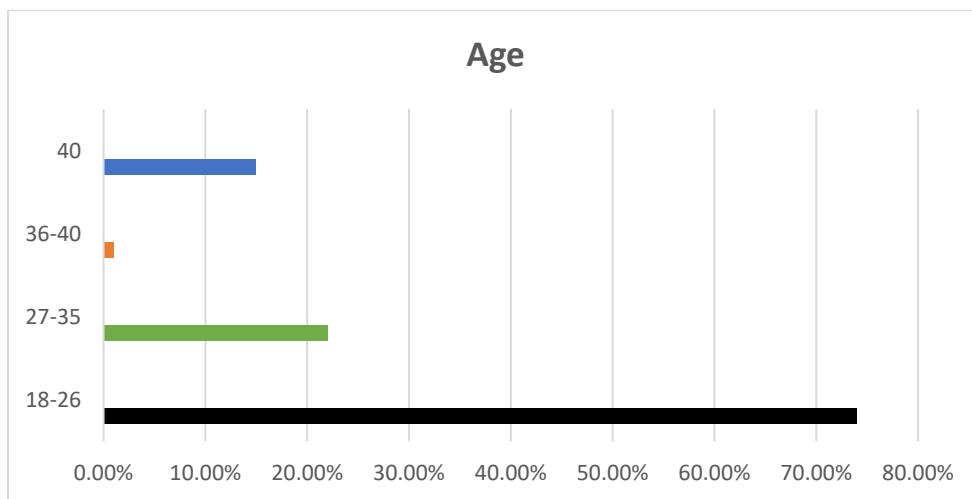


Figure 4.13

Figure: 4.2.2 Age of the respondents

Marital status the respondents consisted of both single and married, as the respondents shown in their answers to the first question, which was related to their gender 67 of the respondents, were single while the remaining 33 were married.

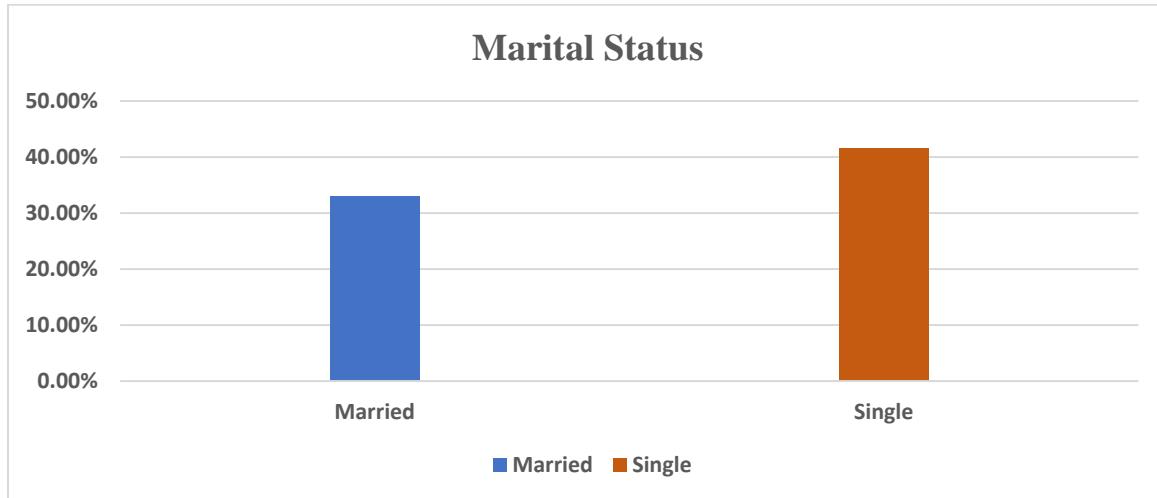


Figure: 4.2.4 the respondents of marital status

Level of education the 69respondents of study were mostly Undergraduate degree and the second largest groups of the respondents were 19 of Graduate degree. While the third groups of the respondent's 12of Postgraduate degree.

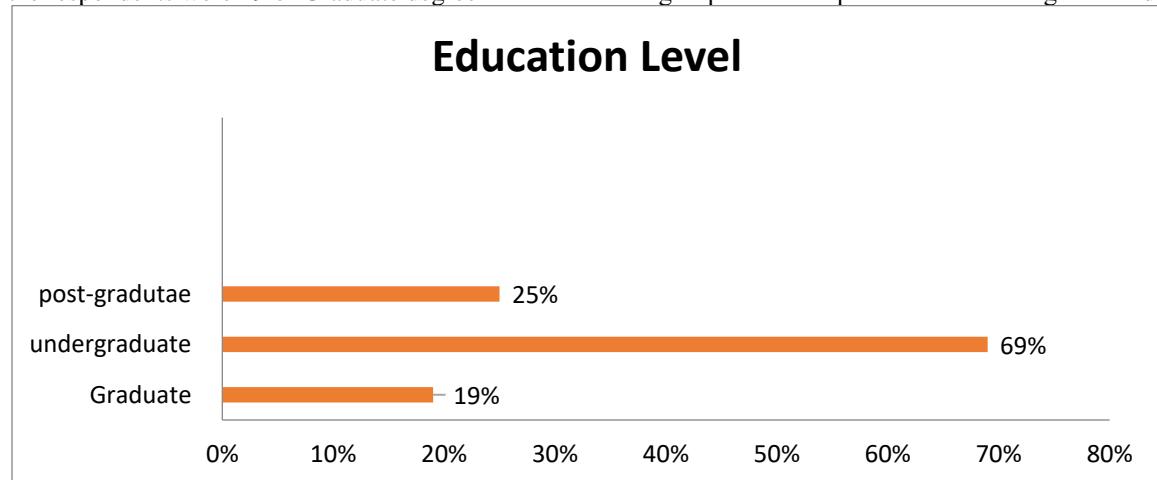


Figure: 4.2.4.The respondents level of education

4.2.Discussion

The first objective of this study was to examine the factors in front young entrepreneurs in Mogadishu, Somalia were lack of availability financial assistance, lack of government support, and lack of copyright licenses. The scholars have said it is also discovered that they can meet challenges that every women entrepreneur may face such: Work-family conflict, Lack of access to information, Lack of financial support and Lack of education(Business, 2017). Similarly, researchers found the factors in front young entrepreneurs in Mogadishu, Somalia were lack of availability financial assistance.

The second objective of this study is factor effect on local universities on entrepreneurship education. The scholars have said (Katundu, 2016) factors effect entrepreneurship education, Factors reported in this study are inappropriate teaching methods, lack of business experience, deficiencies in the university programs.

Finally, finally researchers found something nearby the result of scholars' factors effect entrepreneurship education were inappropriate teaching methods.

5.0. Conclusion

In Somalia, young entrepreneurs have several barriers from various sources the major challenges faced young entrepreneurs in Somalia especially Mogadishu, city were lack of availability financial assistance, lack of government support, and lack of copyright licenses. Finally, the study confirmed the effects of entrepreneurship education at local universities. Our findings suggest that theoretical and practical entrepreneurship education plays an important role on developing young entrepreneurs in our country especially in Mogadishu, city. The most significant barriers of entrepreneurship education at local universities in Mogadishu, Somalia include inappropriate teaching methods, lack of appropriate training materials; universities have no adequate equipment and technology, inadequate entrepreneurship trainers.

5.1. Recommendations

Basing on the findings in the study, the researcher provided a summary of the study's recommendations based on the objectives and the followings are suggested recommendations.

1. To the young entrepreneurs

Young entrepreneurs should raise confidence, empower themselves through entrepreneurial education, which is one of the initiatives that can be designed to enhance skills and knowledge in entrepreneurship.

2. To the local universities

It is strongly recommendation that universities play a more proactive role by introducing a special entrepreneurship short course to students. This can be served as a preparation for the Younger's that emphasizes the start-up stages of business creation, as these are always the most challenging stages faced on young entrepreneurs.

3. To the government

Government and Private institutions such as banks and other micro finance institutions should support in all stages of starting business, including helping in Availability financial assistance or start-up capital for young entrepreneurs to create new idea of businesses, and copyright licenses.

5.1. Suggestion for further research recommendations

The researchers seem them that there is a golden opportunity that future researchers must look it and search more these gaps as follows:

1. The relationship between young entrepreneurs and economic development
2. The impact of local universities on young entrepreneurs
3. Challenges and opportunities for youth entrepreneurship
4. The role of local universities on employment rate

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THE OBSTACLES HINDERING THE E-COMMERCE BOOMING IN SOMALIA: CURRENT TREND & FUTURE EXPECTATION

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Abstract

Due to increasing the Information Technology around the world have a strong role in business sector that have already turned into online business many year past. This study describes the obstacles hindering the E-commerce booming in Somalia: current trend and future expectation. The main contribution of this study is to identify tangible barriers or challenges hindering the E-commerce booming in Somalia: current trends and future expectation. The methodology used to conduct this study was exploratory and included the use of various data collection tools such as; questionnaires to meet the objectives of the research. The study used primary data collection methods such as; questionnaires. The study has been done involving customers who are using online shopping. Data collection method used was questionnaires, which were distributed to our respondent in Mogadishu. The findings from the study have shown that the people who use the E-commerce services are mostly satisfied with this service. Day by day, the number of companies and people engaged in E-commerce is increased as a result of the significant benefits provided by this commerce for consumers, companies and society. Achieving privacy and security of all E-commerce partners helps to overcome the obstacles and remove many of the concerns especially that related to financial transactions security on the Internet. This paper aims to explore the E-commerce reality and discuss the main issues that have received and is still receiving a lot of controversy, and that have to be considered by different parties to develop and promote such commerce. It also demonstrates the future of E-commerce in spite of these issues challenges. It is obvious that E-commerce will continue to grow in spite of barriers and rising threats.

Keywords: *E-commerce booming, Barriers, Evolution, customer satisfaction*

1.0 Introduction

Somalia has many companies used for E-commerce such as

- Somali online market (SOOMAR)
- Seylad online
- Adeego online market (Adeego.so)

The objective of the study is, Since the E-commerce has become important retail channel for business in developing countries. E-commerce booming last decade along with the Internet booming in the 1990's.

Although E-commerce has become a familiar retail channel for businesses in developed countries, it's still considered an innovation in developing countries. Specifically, E-commerce in Somalia is still in the first stage that a lot of people still don't use it (Almousa, 2013).

So that, Somalia is still in the first stage, also the use of E-commerce has been poor in Somalia and a lot of people will rather travel for the product and ship it rather than to stay home and order it by online and save their time and cost, if it's the lack of trust or delivery logistical or lack of personal income or they rather pay by cash or EVC then using credit card or pay when the product is delivered it's because of the lack of awareness how to use the ecommerce and the English language because a lot of people are illiterates and uneducated people tend to have limited access to access information on the web, because information is either in English language, which assumed some degree of education.

The less educated and illiterate could not read nor understand the languages that are used to disseminate information on the Internet. Therefore, the main contribution of this study is to identify tangible barriers or challenges hindering the E-commerce booming in Somalia: current trends and future expectation.

2.0 Literature review:

E-commerce has been defined in many different ways. From the variety of definitions offered, the following are the key attributes of e-commerce: e-commerce is technology mediated exchanges between parties as well as electronically based intra-organizational activities, which facilitate such exchanges. E-commerce, thus, refers to conducting business via electronic media, and most commonly, the Internet. The internet or World Wide Web (WWW) is a network of millions of computers linked around the world through telecommunications systems, allowing for almost instantaneous transfer of data.

Given the fact, that e-commerce or the exchange of products and services and payments through telecommunications systems is rapidly expanding around the world, the capacity of the country to support e-commerce and the opportunities in this field can be said to be very important in determining the country's position as a regional hub. mobile banking service for the first time in 2009, which is known as Zaad or Sahal financial Services allowing customers to utilise their mobile phone to transfer money, to pay bills and to purchase goods and services. (Dalmar, 2015)

The proliferation of mobile money services is imminent. They promise many new benefits for users, and are undoubtedly going to shape the telecommunications, technology and financial services industries.

Technology innovation and new transaction types are changing the mobile money landscape, and opening up opportunities for a range of industry participants. The definition of "mobile money" varies across the industry as it covers a wide scope of overlapping applications. In general, mobile money is a term describing the services that allow electronic money transactions over a mobile phone. It is also referred to as mobile financial services, mobile wallet and mobile payment. (Ernst & Young, 2009).

A survey conducted by Gates Foundation, World Bank and Gallup found that "Somalia was one of the most active mobile money markets: 26% of the population are reported using mobiles to pay bills, which is the highest rate in the world, and 32% to send and receive money".

The prosperity and growth of MMTs in Somalia depends on to a large extent, on the ability of mobile phone companies to provide a service that satisfies customers. Customer satisfaction is vital for ensuring high rate of adoption and continuous use of MMTs among mobile phone subscribers, the mobile phone company apart from expanding the coverage of their network. They also need to look at the satisfaction of the customer who are sending money through mobile services. In order for customer to be satisfied with the use of mobile money transfer services the matter of quality and quantity come into consideration. Satisfying customers is an essential element to stay in the business in the modern world of global competition. Customer satisfaction is a subjective measure. It is a measure of perception, not reality although when it comes to the reality of making customers happy, perception is more important than reality. Customers demand bigger, better, faster and improved service, which results in increased customer's expectation. (Ernst & Young, 2009)

3.0 Methodology

This section present the research design, research population, research instrument, data collection procedure, reliability and validity of the instrument, data analysis and the sampling technique.

3.1 Research Design

The researchers used descriptive approach in order to achieve the objectives of the study. Descriptive and inferential statistics would be used for analyzing data and interpreting the results to actually describe the impact of Mobile Money Transfer on customer satisfaction of telecommunication user.

3.2 Research Population

The research populations of this study is generally the Somali people particularly those who live in the capital city of Mogadishu. Their exact number is unknown.

3.3 Sample Size

The sample of the study is 120 individuals. This sample size is based on findings from the literature so the choosing of this sample size is guided by literature.

3.4 Sampling Procedure

In our study we used non probability sampling techniques. Its main purpose is to select a representative sample.

3.5 Research Instrument

In this study questionnaire is used as a tool for collecting the data required to address and accomplish research objectives. The researcher preferred this method because it was the most appropriate method.

3.6 Validity and Reliability of the Data

A pilot test was conducted on four respondents from units of the population to examine clarity and meaningfulness of the questionnaire. Feedback from the pilot study was incorporated into the questionnaires that was used to gather data for this research.

3.7 Data Analysis

Descriptive statistical measures such as central tendencies and measures of dispersion was used to analyze close-ended questions. The results was presented in tables, after the data was tabulated and analyzed using frequencies, percentages, mean scores and standard deviation measures with the help of SPSS computer software application. Cross-tabulation analysis was also applied to originate any relationships between the Dependent and independent variables.

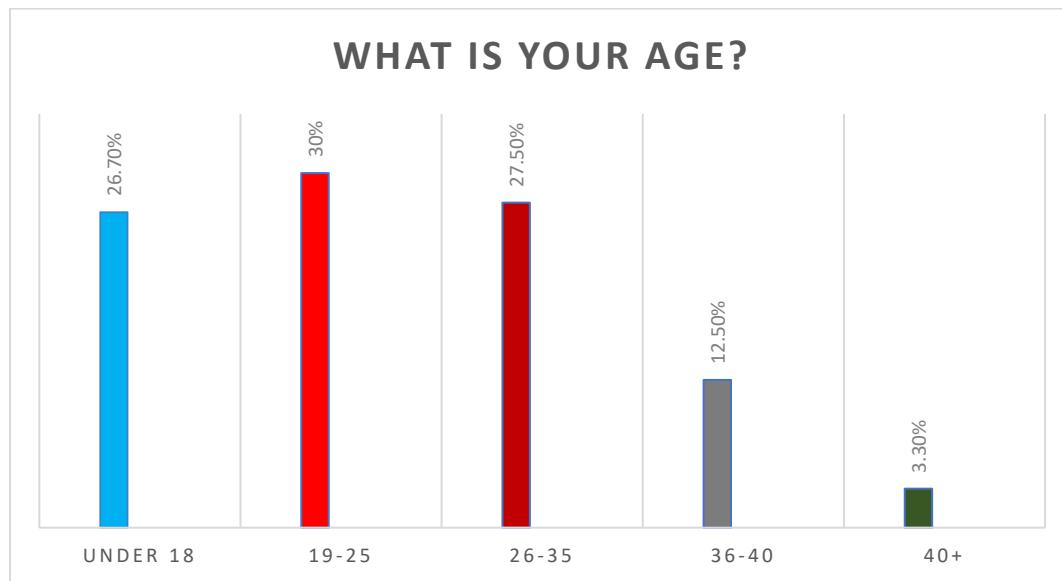
3.8 Ethical Considerations.

We intended to conduct an ethically sound research by following the rules and regulations of Jamhuriya University and other internationally known procedures.

4.0 Data presentation, analysis and interpretation

4.1 General demographic information

The majority of the respondent consists of five age groups, as below table, 26.7% of the respondent's age ranges under 18, 30% of the respondents were in 19-25 age groups, 27.5% of the respondents were in 26-35 and on the other hand, 12.5 % of the total respondents aged 36-40 ages, while the remaining 3.3% of the respondent's age were 40 and above years.



. Figure 4.2.1 Age patterns of the respondents

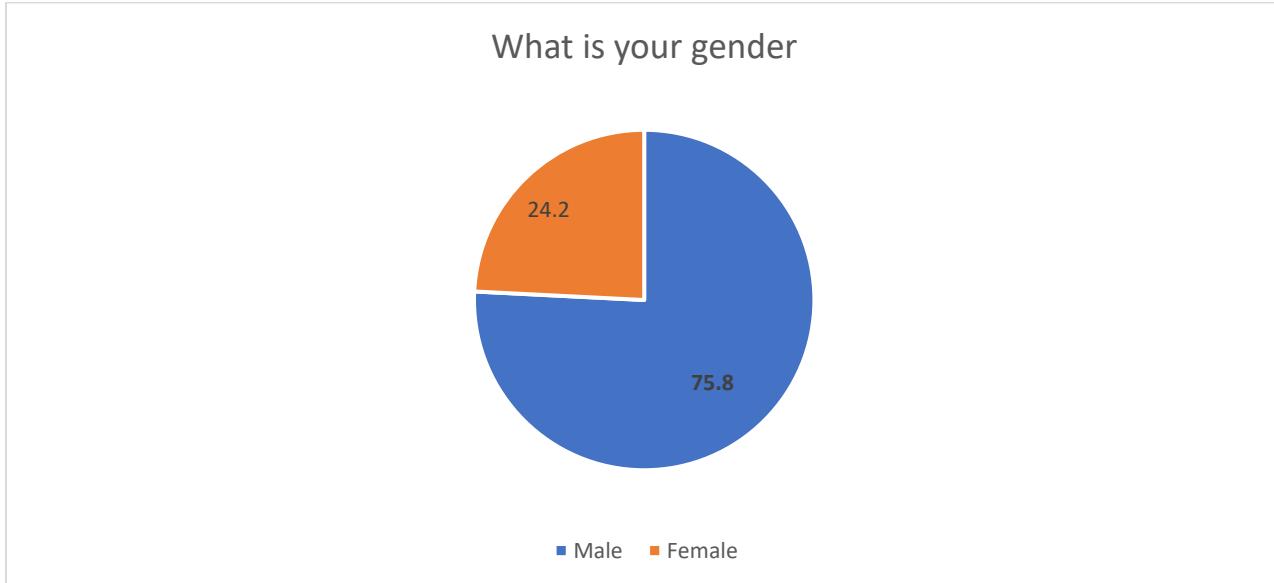
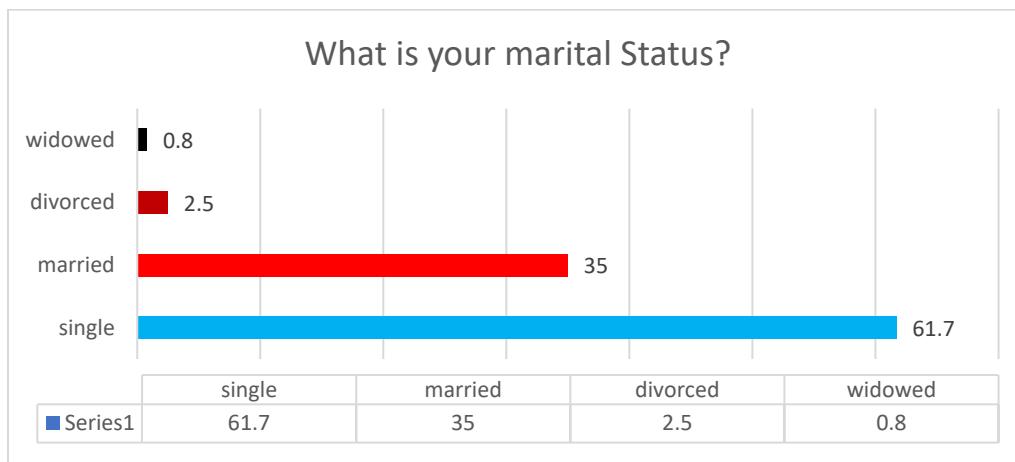


Figure 4.2.2 Gender of our respondents

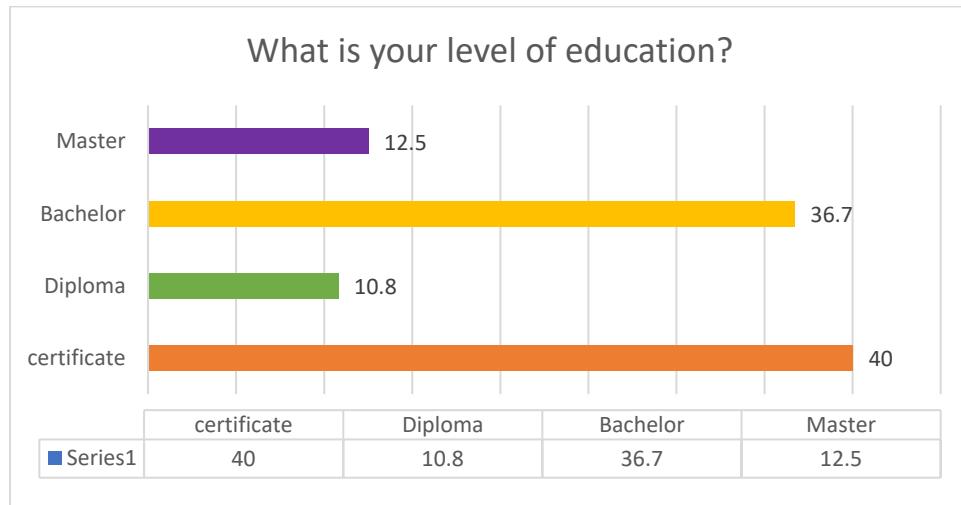
The respondents composed of both Male and female. The researchers found that 75.8% of the respondents were male which indicates that majority of the respondents consisted of male, while the remaining 24.2% were Female.

Table 4.2.3. Marital Status respondents



The respondents consists of four categories. As the respondents shown in their answers to the first question, which was related to their status 61.7% of the respondents, were single, 35% of the respondents were married, and 2.5% of the respondents were divorced, while the remaining 0.8% were widowed.

Figure 4.2.4. Level of education of respondents



The respondents consisted of four categories. As the respondents shown in their answers to the first question, which was related to their level of education 40% of the respondents were has certificates, 10.8% of the respondents were has diploma, and 36.7% of the respondents were had bachelor, while the remaining 12.5% were has master.

5.0 Conclusion & Discussion

5.1 Discussions

This section presents the findings from the study in comparison to what other scholars have said as noted under literature review. The first objective of this study was to examine the obstacles of e-commerce in Somalia especially, Mogadishu. Researcher Consumer's lack of awareness and knowledge of ecommerce benefits and their lack of confidence in service providers have also hindered e-commerce. For instance, in Somalia, a low rate of credit card usage can be attributed to the "lack of trust in than lack of access to" the credit card system. A final consideration with cognitive barriers is related to general and computer illiteracy and a lack of English language skills. Note that most software, human-computer interfaces and content on the Web are in English. Estimates suggest that half of the populations of developing countries cannot speak an official language of their own country. A lack of capability in English language has thus been a major inhibitor among non-English speaking consumers, especially the older generation.(Kshetri, 2007).

5.2 Conclusion

This study examined the obstacles hindering the e-commerce booming current trend & future expectation in Somalia **especially, Mogadishu.** This study was conducted That the external environment of organizations pose the most formidable barriers to e-commerce activities is the major finding of this study and it is a wake-up call for the government to intensify and accelerate the implementation of its well-crafted ICT Master Plan, upon which national and regional opportunities on e-commerce greatly depend. Organizations themselves have to be ecommerce ready and individuals, as consumers and citizens, should brace themselves to accept and use e-commerce, which is arguably the most innovative technologies of all time.

5.3 Recommendation

- **To the Business**
 - ✓ Promoting an e-commerce satisfactory to people Firstly, we must understand if Somalia people are willing to establish a certain type of society and therefore, a certain type of e-commerce. Even though e-commerce is in the best interest of Somalia, Somalia politicians need to address issues of e-commerce

before we start making recommendations on e-commerce, which must be regarded as a tool at the service of populations.

- **To the companies**
 - ✓ E-Commerce companies should try to make their website material more culture friendly for Somalia people.
- **To the Government**
 - ✓ the Government should improve on its poverty alleviation programs in Somalia, as this will go a long way in raising the living standards of the people, which will to a large extent impact on the income levels of parents, and consequently translate to better support for their children in schools.

5.4 Further research

This study extends previous e-commerce obstacles and e-commerce booming challenges to an under-researched part of the world; this study provides fruitful perspectives for future research. Future researchers must look it and search more these gaps as follows:

1. There is the need for a study of how many people in Somalia use the new e-commerce app such as' adeego' soomaar' and others.
2. Also a study of how to improve the awareness ecommerce.
3. The payment and current Somalia money for e-commerce.

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THE RELATIONSHIP BETWEEN EFFECTIVE INTERNAL CONTROL SYSTEM IN FINANCIAL PERFORMANCE ON TELECOM INSTITUTIONS:

A CASE STUDY IN MOGADISHU SOMALIA

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Abstract

This study main objectives investigated the relationship between internal control systems and financial performance in Telecommunication companies in Mogadishu. Internal controls were looked at from the perspective of Control Environment, risk Assessment, Control Activities, information & communication and monitoring. Whereas financial performance focused on Liquidity. Also of this study explore the factors effect internal control system in Telecom Company. The study based on 100 target population specially Accountants and finance, managers and internal auditing of telecommunication industry in Mogadishu. The research was conducted by using Descriptive and correlation case study design. Data was collected using Questionnaires. This study found shows that majority of telecommunication companies in Mogadishu have significant effect, Scale enterprise, corporate culture, internal governess Structure. Also the study found out there is significant and positive relationship between effective internal control and financial performance. Therefor the study recommends that the further research to be made by the effective internal control and its relation on non-financial performance.

Keywords: Effective Internal Control System, Financial performance.

1.0. Introduction

In the recent years, internal controls and deliberate reporting on these controls has received a great amount of interest in the accounting literature as well as accounting profession (Hossain et al., 1995; McMullen et al., 1996)

The French Institute of Chartered Accountants defines internal control systems as a set of security measures which contribute to the control of a company. Its aim is to ensure the security and safeguard of assets and the quality of information. It plays an important role in preventing and detecting fraud and protecting the organization's resources, both physical (machinery and property) and intangible (reputation or intellectual property such as trademarks).

In Africa Organizations establish systems of internal control to help them achieve performance and organizational goals, prevent loss of resources, enable production of reliable reports and ensure compliance with laws and regulations. An internal control system comprises the whole network of systems established in an organization to provide reasonable assurance that organizational objectives will be achieved. Benefits of an internal control system include effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations (Nyakundi, Nyamita, Tinega, 2014).

Another research in East Africa, technological advancement, increasing risk of business failures, and other misappropriation in institution around East Africa at large are essential for the proper maintenance of an effective internal control systems, since a system of effective internal controls is a critical component of management and a foundation for the safe and sound operation of organizations (BAFIA, 2006).

The institution in Somali and states of have implemented systems of internal control, but it is not clear whether they help them to achieve the various financial goals. These goals include cost efficiency, cash flow management, fees collections, effectiveness and efficiency of operations and asset maintenance and income management. (Mohamed H.A.2016) Also the companies in Mogadishu still they are less aware the effectiveness of internal control system.

That is why this study was examined the relationship between effective internal control systems and financial performance of some selected telecommunication companies in Mogadishu, as well as factors effected internal control.

2.0. Literature review

Statement of accounting standard (SAS, No 55) define internal control as a combined plan, method and procedures used to safeguard asset, promote efficiency of operation and adherence to prescribed policies and directives.

Abdi (2015) investigated the impact of internal control system on financial performance in Mogadishu private banks. The findings of this study reveal that majority of the private banks in Mogadishu has enough cash to meet its intended goals, also there is a clear separation of duties, and this study suggests that the internal auditors perform their duties fast, efficient and reliable.

Byaruhanga (2014) investigated the effect of internal control systems on the financial performance of sugar cane grower companies in Kenya. The study adopted a descriptive correlational survey design. The study found a positive significant effect of internal control system on the financial performance.

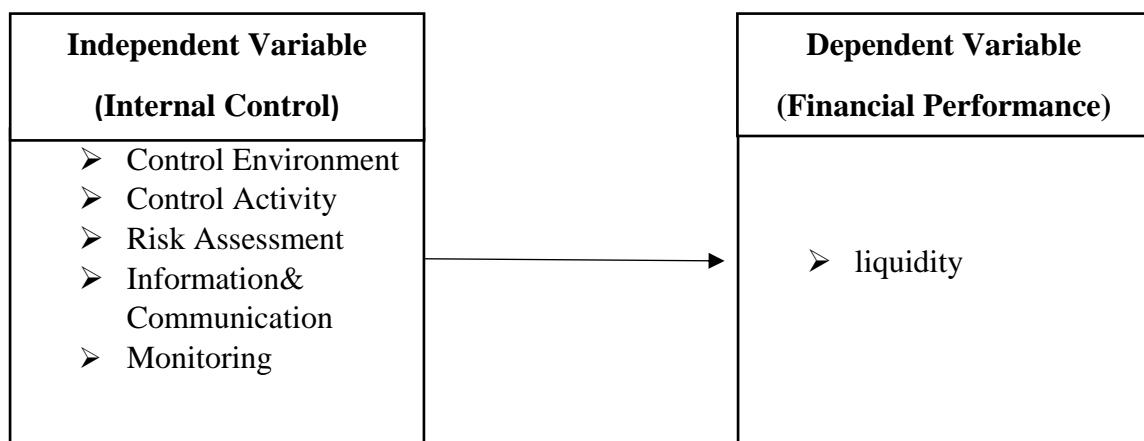
Kakucha (2009) evaluated the level of effectiveness of internal controls of enterprises operating in Nairobi. The study established that there are deficiencies in the s of internal controls, with the degree of deficiencies varying from one enterprise to another. The components of internal control that were missing in most businesses surveyed were: firstly, risk analysis, and secondly lack of proper flow of information.

Dixon, Nanni and Vollmann (1990) said that appropriate performance measures are those which enable organizations to direct their actions towards achieving their strategic objectives,

In general, financial performance the following indicators for analysis, assess organization's production and productivity performance, profitability performance, liquidity performance, working capital performance, fixed assets performance, efficiently performance.

Hilt, et al (1996) mention accounting based performance using three indicators; return on assets (ROA), return on equity (ROE) and return on sales (ROS).

Figure 2.1 Conceptual framework



3.0. Methodology

This section present the research design, research population, research instrument, data collection procedure, reliability and validity of the instrument, data analysis and the sampling technique.

3.1. Research Design

This study will use in quantitative design. The researchers will work base on case study in order to attain adequate, appropriate and reliable information. This study will use descriptive and correlation survey design which is aim at examining the relationship between internal controls and financial performance in telecom institution in Mogadishu Somali.

3.2. Research population

The target population of this study will focus on employees of the telecommunication industry in Mogadishu – Somalia. The study concentrated literacy employees particularly those have knowledge about the financial accounting and auditing. Therefore, the population will consist of consist of 100 staffs in telecom Institution in Mogadishu Somalia.

3.3. Sampling Size

The research work basically selected Accountant and Finance directors, management and internal Audits because they are the custodian of internal control system, however in this research the sample size are 80 staffs by calculating Solvency Formula.

3.4. Sampling procedures

This study will employ purposive sampling or judgmental technique. According to Kothari (2004), purposive technique enabled the researchers to choose respondents basing on the fact that they have desirable characteristic and variables relate to the issue being study.

3.5. Research instrument

In this study questionnaire is used as a tool for collecting the data required to address and accomplish research objectives. The researcher preferred this method because it was the most appropriate method.

3.6. Validity and Reliability of the Data

A pre testing was conducted on 10 respondents from units of the population to examine clarity and meaningfulness of the questionnaire. Feedback from the pilot study was incorporated into the questionnaires that was used to gather data for this research.

3.7. Data Analysis

The data collected was analyzed using Statistical Package for Social Scientist (SPSS) computer software program. The result was presented using statistical tools such as frequencies, tables.

3.8. Ethical Considerations

We intended to conduct an ethically sound research by following the rules and regulations of Jamhuriya University and other internationally known procedures.

4.0. Data analysis presentation, and interpretation

4.1.General demographic information

The majority of respondents in telecom institution in Mogadishu are male 66.2% while female are 27.3% Therefore male have importantly dominated staff in Telecommunication companies in Mogadishu.

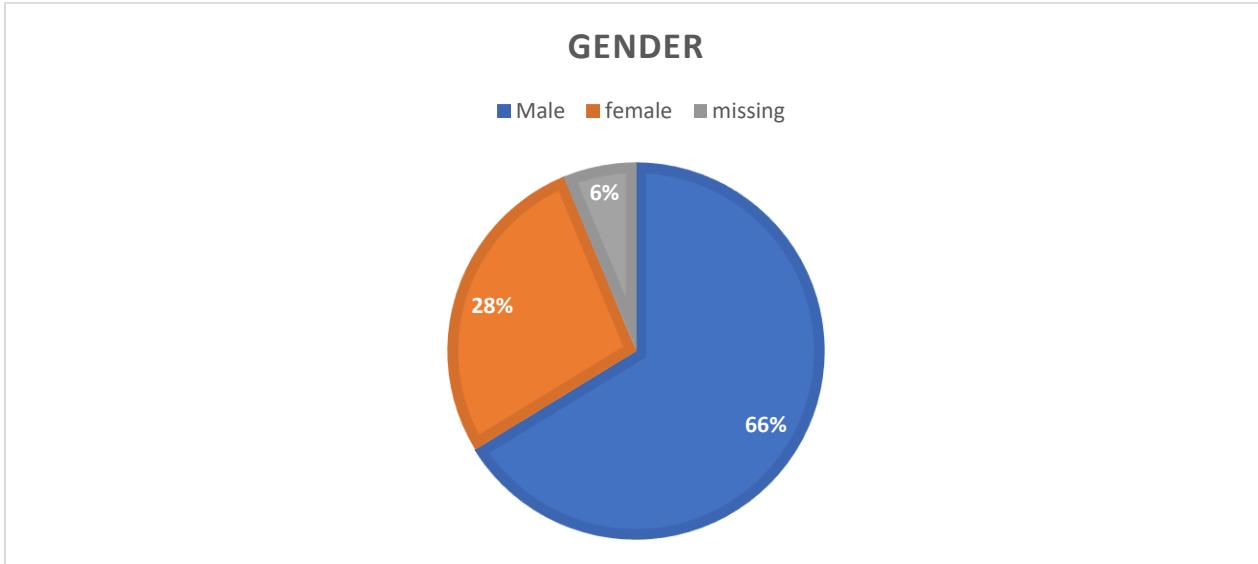


Figure 4.1.1 Gender of Respondents

The majority of our respondents are aged between 20-30 years old (38.8%) which relatively greater than the percentage of respondents aged in 50 above in telecom Institution in Mogadishu Somalia. This suggest that majority of the staff in Telecommunication companies in Mogadishu are junior.

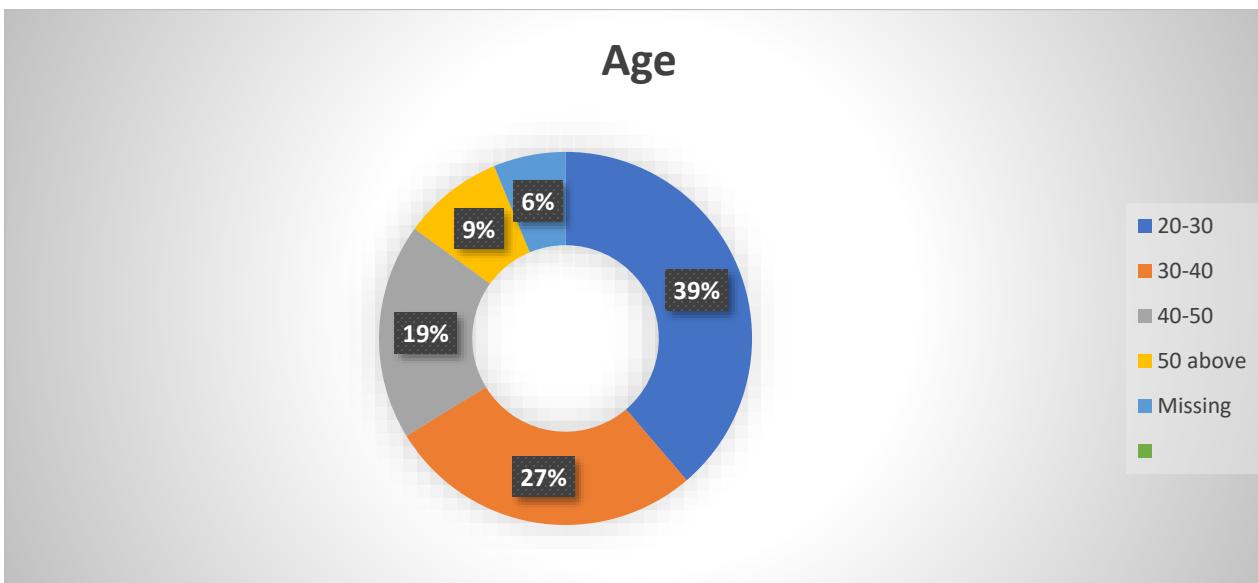


Figure 4.1.2 Age of Respondents

The majority of respondents in this study are bachelor degree (55%), 23.8% Master, 10% are Diploma, and 5% are PHD. The above Chart shows that most respondents are bachelor degree and are qualified standard.

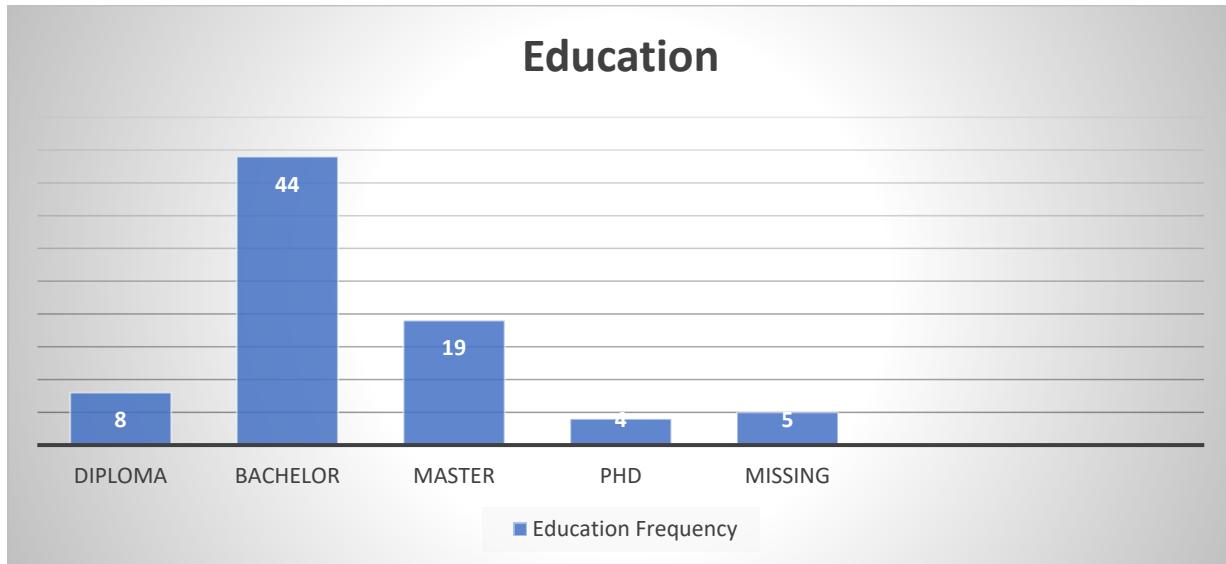


Figure 4.1.3 Education of respondents

This Chart reveals that the majority of respondents are worked in the Telecom Companies have Experience above 4 years (33.8%), followed by less than 6 month (21.2%), followed by 3 year (13.8%) and finally followed by 1 year (12.5%) similarly to the 2 year (12.5%). this means that the experience of staff in telecommunication companies in Mogadishu is more than 4 years.

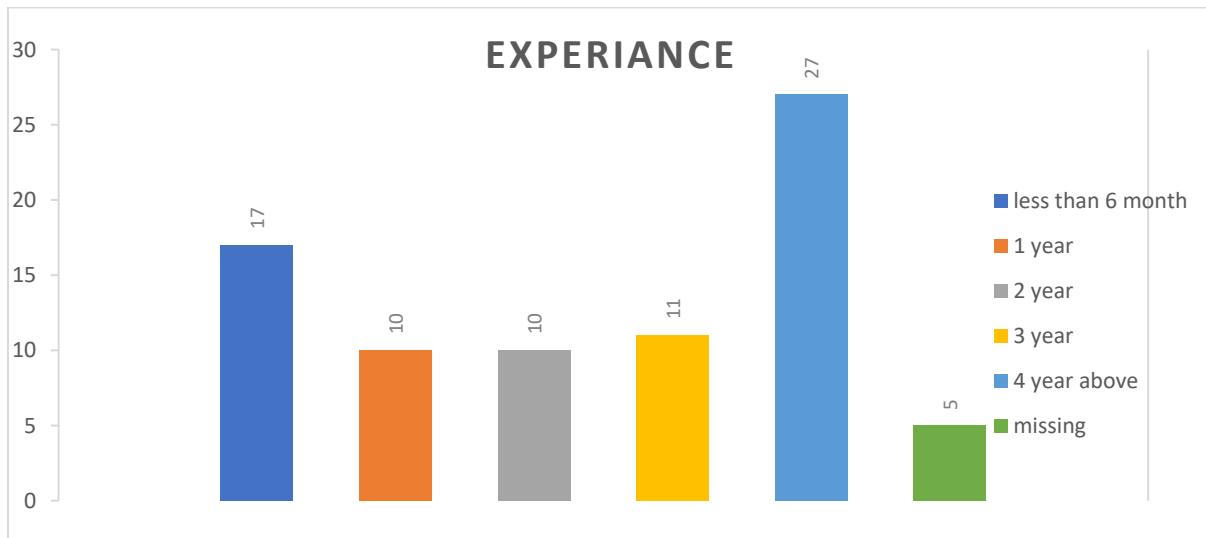
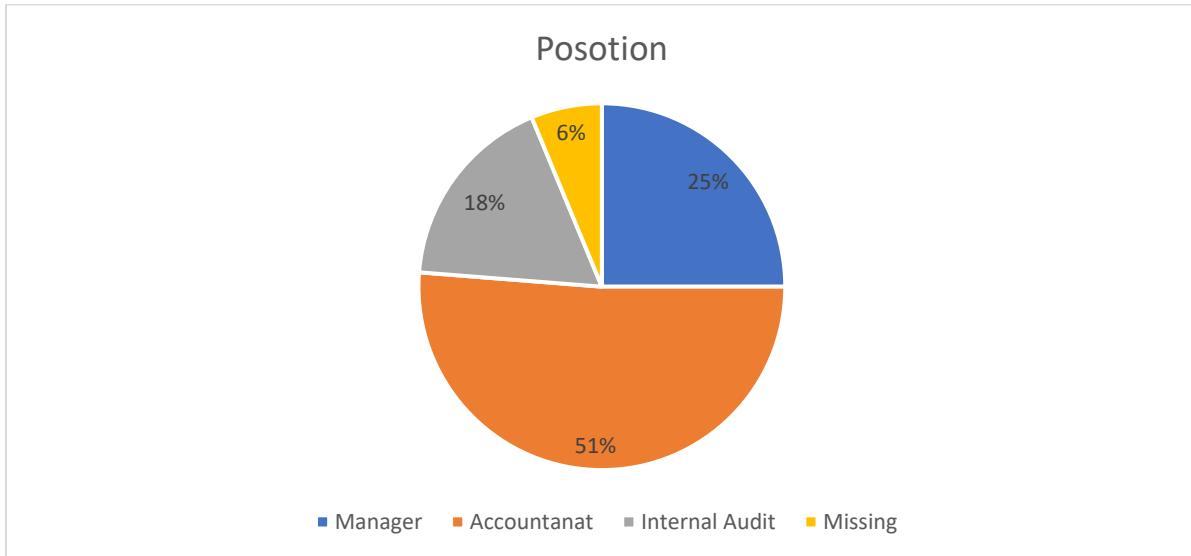


Figure 4.1.4 Experience of respondents

This chart show that majority of respondents in this study are Accountant (51.2%), and followed by manager staff (25%) and finally follow by Internal Audit (17.5%).Form below description it can show that the majority of respondents in this study are those directly involved the implementation of internal control system.

**Figure 4.1.5 position of respondents**

4.2 Relationship between Internal control and financial performance

Parsons correlation reveals the relationship is strong and positive relationship between two variables under this study. This table shows the significant level of relationship which means that the relationship is significant. That implies if internal control become effective brought desire and reliable financial performance

Table 4.1 Internal Control and Financial performance

		Effective Internal control	Financial Performance
Effective Internal Control	Pearson Correlation	1	.668**
	Sig. (2-tailed)		.000
	N	75	75
Financial Performance	Pearson Correlation	.668**	1
	Sig. (2-tailed)	.000	
	N	75	75

5.0. Conclusion and discussion

5.1 Discussion

5.1.1. To determine factors effected Effective internal control system.

The survey and result indicated that in internal control with in companies Effect several factors that cause the companies un enable to operate efficiently and effectively and achieve the organizational objectives of the internal control in the company, this study also reveals that factors include: Scale enterprises, corporate culture, and, internal governance structure Have significant impact in the telecommunication companies by their internal control system.

5.1.2. To examine the relationship between effective internal control systems and financial performance

This relationship was examined through the dimensions of internal control systems and that of the financial performance selected for this particular study. The dimensions of internal control systems (control environment, risk assessment, control activities, information and communication and monitoring) were linked to the dimensions of financial performance through (liquidity).

5.1.2.1 Control Environment on financial performance

The researchers found $r = .550 (.60)$ a moderate positive relationship between control environment and financial performance in telecommunication companies. Parsons correlation reveals the relationship is moderate and positive relationship between two variables under this study.

5.1.2.2 Risk Assessment on financial performance

The researchers found $r = .374 (.40)$ a low and positive relationship between risk assessment and financial performance in telecommunication companies. Parsons correlation reveals the relationship is low and positive relationship between two variables under this study.

5.1.2.3 Control Activity on Financial performance

The researchers found $r = .659 (.70)$ a strong positive relationship between control activity and financial performance in telecommunication companies. Parsons correlation reveals the relationship is strong and positive relationship between two variables under this study.

5.1.2.4 Information and communication on financial performance

The researchers found $r = .415 (.40)$ a moderate positive relationship between Communication& information and financial performance in telecommunication companies. Parsons correlation reveals the relationship is moderate and positive relationship between two variable under this study.

5.1.2.5 Monitoring on financial performance

The researchers found $r = .687 (.70)$ a strongly positive relationship between Monitoring and financial performance in telecommunication companies. Parsons correlation reveals the relationship is strong and positive relationship between two variable under this study.

5.2 Conclusion

The major finding of the reports indicates that there are factors affecting internal control such as scale of enterprise, corporate culture, and internal governance have significant affect the extent of internal control, however these factors mostly effect the functionality and objectives of internal control system in companies.

The final conclusion of this study is that there is a significant positive relationship between internal control system (control environment, risk assessment, control activities, information and communication and monitoring) with financial performance (liquidity).

5.3. Recommendation

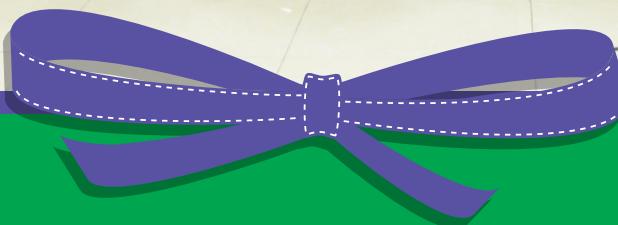
- Based on the findings of the study, we recommend firstly and foremost that the components of the internal control system (control environment, control activities, and monitoring) should be enhanced to further improve the financial performance of telecommunication companies.
- The study recommends that some elements of internal control system unable to operate effectively like risk assessment and information & communication so the management must develop and discover ways to strengthen the internal control system. Because the absence of risk assessment and communication it results occurrence of fraud and low implementation of the company's objectives and goals of internal control system.

5.4. Suggestions for further research

The present study offers the relationship between Internal control systems and financial performance, our suggestion is that future research should incorporate non-financial measures such as quality, employee satisfaction in order to further enrich the ICS/ non-financial performance relationship.

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