

The Impact of Conflict on Small Business Sustainability in Juba: A Management Perspective

Ayub Samson Maswa

Department Business and Management Studies, Texila American University (University of Central Nicaragua), Juba, South Sudan

Abstract

This study investigates the impact of conflict on the sustainability of small businesses in Juba, South Sudan, focusing on how conflict exposure, adaptation strategies, and external support influence operational performance and long-term viability. Guided by Contingency Theory, Resource-Based View, and Stakeholder Theory, the research adopted a quantitative approach using survey data from 300 small business owners. Statistical analyses, including Pearson correlation and simple linear regression, revealed that conflict exposure negatively affects operational performance, while adaptive strategies and external support have significant positive effects. The findings underscore the critical need for conflict-sensitive management practices, targeted policy interventions, and enhanced stakeholder collaboration to support business resilience in fragile environments. The study contributes to post-conflict entrepreneurship literature and offers practical insights for fostering sustainable enterprise development in South Sudan.

Keywords: *Business Sustainability, Conflict, Juba, Operational Performance.*

Introduction

South Sudan, the world's youngest nation, has faced prolonged political instability and intermittent civil conflicts since its independence in 2011. These conflicts have severely disrupted social and economic activities, particularly in urban centers like Juba, where small businesses serve as a critical engine for economic participation, employment, and service delivery. Small and Medium Enterprises (SMEs) in South Sudan are especially vulnerable due to limited access to capital, weak institutional support, poor infrastructure, and a fragile legal and security environment [7]. In conflict-affected settings, small businesses often operate under immense uncertainty, leading to interrupted supply chains, displacement of labor, destruction of assets, and reduced consumer demand [19]. Juba, the capital city, represents a microcosm of

these challenges, where the majority of small business owners have to contend with frequent security threats, inflationary pressures, and policy unpredictability. The sustainability of these businesses defined by their ability to survive, adapt, and grow depends largely on how managers navigate these turbulent conditions through strategic decision-making, innovation, and resourcefulness [4]. Conflict-sensitive management practices, risk mitigation strategies, and adaptive planning have become increasingly essential for business continuity in such volatile environments. Despite the evident impact of conflict on business operations, there is limited empirical research focused on how small businesses in South Sudan manage and adapt to conflict-induced disruptions. Understanding this relationship from a management perspective is vital for informing policy interventions, support mechanisms, and

capacity-building programs tailored to SMEs in post-conflict economies. This study, therefore, seeks to investigate the multifaceted impact of conflict on small business sustainability in Juba, with emphasis on managerial responses, resilience strategies, and the broader socio-economic implications.

Problem Statement

Small businesses form the backbone of local economies in post-conflict nations, providing essential goods, services, and employment. In South Sudan, and particularly in Juba, small businesses have played a crucial role in facilitating economic activity despite the country's persistent socio-political instability. However, ongoing conflict and insecurity have posed significant threats to the survival and sustainability of these businesses. Since the outbreak of civil unrest in 2013 and its resurgence in subsequent years, small business operators in Juba have continually faced challenges such as the destruction of property, limited access to finance, volatile markets, and the displacement of labor and consumers [19]. These challenges are compounded by weak institutional frameworks, inadequate policy support, and a fragile infrastructure system, all of which make small businesses highly vulnerable to both direct and indirect consequences of conflict [4]. Despite the apparent threats posed by conflict to small business sustainability, there is a lack of empirical research exploring how managers and entrepreneurs respond to such challenges in South Sudan's unique and volatile context. Most existing studies on business sustainability in conflict zones focus on broader regional or national-level economic impacts, with little attention paid to micro-level managerial practices and coping strategies [7]. Without a deeper understanding of how conflict specifically affects management decision-making, business continuity planning, and long-term resilience in Juba, policy interventions remain poorly targeted and

ineffective. This knowledge gap underscores the need to examine the impact of conflict on small business sustainability from a management perspective. By doing so, this study aims to uncover the strategic responses, resilience mechanisms, and adaptive capacities of small businesses in Juba, thereby contributing to practical solutions and policies that enhance business survival in conflict-affected environments. Addressing this problem is crucial not only for improving business sustainability but also for supporting livelihoods, promoting local economic recovery, and stabilizing South Sudan's fragile economy.

Statement of Hypotheses

H₁: There is a statistically significant relationship between the level of conflict exposure and the operational performance of small businesses in Juba.

H₂: There is a statistically significant relationship between management adaptation strategies and the operational performance of small businesses in Juba.

H₃: Access to financial and institutional support significantly influences the ability of small businesses in Juba to sustain operations during periods of conflict.

Significance of the Study

This study is significant as it provides valuable insights into how conflict affects the sustainability of small businesses in Juba, South Sudan. In a country where formal employment opportunities are limited, small enterprises play a crucial role in income generation and local economic development. By examining the impact of conflict from a management perspective, the study will help identify the strategies entrepreneurs use to adapt, survive, and recover. The findings will benefit policymakers by informing targeted support mechanisms and resilience-building programs for SMEs in conflict-affected areas. Additionally, humanitarian agencies,

development partners, and financial institutions can use the insights to design more effective interventions. For academic and scholarly purposes, the study will contribute to the limited body of literature on conflict-sensitive entrepreneurship and business sustainability in fragile states like South Sudan.

Literature Review

Conflict: Conflict is broadly defined as a serious disagreement or incompatibility between individuals, groups, or nations, often resulting in tension, disruption, or violence [16]. In socio-economic contexts, conflict particularly violent or armed conflict can have far-reaching consequences on political stability, institutional functioning, and economic activities. According to the World Bank, conflict disrupts market systems, destroys infrastructure, weakens governance structures, and displaces populations, thereby undermining development progress and business continuity [19]. In fragile states like South Sudan, protracted civil conflicts have become a central determinant of underdevelopment and economic fragility. Studies show that conflict does not only damage physical assets but also erodes trust, increases transaction costs, and discourages investment, especially in sectors dominated by small businesses [20]. The intensity and duration of conflict influence the extent to which local businesses can operate, adapt, or fail. Entrepreneurs in such environments must often shift from growth-oriented strategies to survival mechanisms, including informal networks, diversification, and risk minimization [7]. Hence, understanding the dynamics of conflict is essential for evaluating its impact on both macroeconomic stability and micro-level business resilience in conflict-prone societies.

Business Sustainability: Business sustainability refers to the ability of an enterprise to operate profitably over the long term while considering economic, social, and environmental factors in decision-making [11].

It involves not only financial viability but also the capacity of firms to adapt to changing environments, build resilience, and contribute positively to society. In developing and fragile economies, such as South Sudan, sustainability often hinges on a firm's ability to manage external risks including conflict, weak infrastructure, and institutional uncertainty [4]. Scholars argue that sustainability in such contexts is less about environmental concerns and more about survival, continuity, and social embeddedness [15]. Small businesses, which form the bulk of enterprises in post-conflict regions, often face challenges such as limited capital, poor market access, and vulnerability to shocks. These factors necessitate a shift toward more flexible and innovative strategies to ensure long-term viability. According to Kimani and Otieno [10], sustainable small businesses invest in stakeholder relationships, develop adaptive capacities, and maintain operational efficiency despite environmental uncertainties. Therefore, sustainable business practices in fragile settings require both managerial foresight and strong support systems, including financial, institutional, and policy-level interventions aimed at building resilience.

Operational Performance: Operational performance refers to how effectively and efficiently an organization uses its resources to achieve business objectives such as productivity, cost management, quality output, and customer satisfaction. In the context of small and medium-sized enterprises (SMEs), especially in fragile environments, operational performance becomes a critical indicator of resilience and sustainability. According to Al-Ababneh, operational performance encompasses multiple dimensions, including inventory control, service delivery, workforce efficiency, and profitability [5]. A firm's ability to maintain stable operations amidst disruptions such as conflict, market volatility, or supply chain issues determines its capacity for survival and competitiveness. In conflict-prone regions,

businesses often face erratic inputs and disrupted logistics, which demand flexible and responsive operational strategies [2]. Moreover, effective operational performance is linked to sustainability, as it allows firms to manage risk, reduce waste, and meet stakeholder expectations.

Theoretical Underpin and Hypothesis Development

Conflict Exposure and Operational Performance

Empirical studies conducted in fragile and conflict-affected settings have consistently shown a negative correlation between conflict exposure and the operational performance of small businesses. Yahya and Malual, in their study on Juba's informal sector, found that frequent episodes of insecurity led to business closures, disrupted supply chains, and reduced daily sales volumes [20]. Their regression analysis revealed that businesses exposed to higher levels of violence and political instability experienced significantly lower operational efficiency compared to those in more secure zones. Similarly, research by Ahmed et al. [3] in Somalia a similarly fragile context demonstrated that prolonged exposure to civil conflict led to decreased customer flows, limited access to suppliers, and restricted working hours, all of which directly impaired business performance. The relationship between conflict exposure and business performance is also supported by the findings of Deng, Manyang, and Taban [7], who surveyed SMEs in South Sudan and reported that over 70% of respondents cited security threats as the most critical factor undermining their operational continuity. These findings collectively emphasize that the more intense the conflict exposure, the greater the operational challenges faced by small businesses in terms of cost management, market access, and labor stability. This empirical relationship can be grounded in Contingency Theory, which posits that organizational effectiveness is dependent

on the fit between internal capabilities and external environmental conditions [8]. In conflict zones like Juba, small businesses must constantly adjust their operations based on the prevailing security landscape. When the external environment characterized by conflict is hostile, businesses unable to adapt quickly experience performance declines. Thus, Contingency Theory provides a useful lens for explaining how environmental hostility (conflict) influences operational outcomes in resource-constrained businesses. Inferring from the literature, it was hypothesized that:

H₁: There is a statistically significant relationship between the level of conflict exposure and the operational performance of small businesses in Juba.

Management Adaptation Strategies and Operational Performance

Empirical evidence suggests that management adaptation strategies such as diversification, informal networking, lean operations, and contingency planning can significantly positively influence small business operational performance. In a study conducted among small business operators in conflict-affected areas of Nigeria, Ibrahim and Ogbonna [9] found that firms that proactively adopted adaptive strategies such as supply chain reconfiguration and financial flexibility exhibited greater sustainability and operational continuity despite recurring violence. Similarly, Kpoghomou and M'Baye [12], using data from post-conflict Côte d'Ivoire, observed that SMEs with strong internal planning systems and risk mitigation mechanisms were more resilient and maintained higher performance levels even in volatile environments. In South Sudan, Ajang and Aluong [4] examined entrepreneurial resilience among Juba-based small business owners and found that strategic adaptability particularly in pricing, inventory management, and customer engagement played a role in sustaining businesses during periods of heightened

conflict. Their regression model demonstrated that the presence of robust managerial adaptations significantly enhanced business outcomes. This relationship is well explained by the Resource-Based View (RBV) of the firm. According to RBV, firms achieve competitive and sustainable advantage through the development and deployment of unique internal resources and capabilities [6]. In conflict-prone environments, adaptive managerial practices function as intangible, firm-specific capabilities that enable businesses to respond effectively to external shocks. These internal resources such as managerial agility, improvisation skills, and strategic foresight help maintain operational sustainability. Hence, it was hypothesized that:

H₂: There is a statistically significant relationship between management adaptation strategies and the operational performance of small businesses in Juba.

Influence of Access to Support on Business Sustainability

Empirical research across conflict-affected and fragile economies has consistently demonstrated that access to financial and institutional support significantly enhances the capacity of small businesses to withstand and recover from external shocks such as conflict. In a study by Mulugeta and Tesfaye [14] on SMEs in Ethiopia's conflict-affected Tigray region, findings revealed that enterprises with better access to microfinance, government recovery programs, and donor-supported initiatives showed higher levels of business continuity and revenue stability during unrest. Similarly, a study by Kule and Awuah [13] on conflict-affected regions in the Democratic Republic of Congo (DRC) found that firms receiving institutional support in the form of training, credit guarantees, and market facilitation had a higher survival rate than unsupported businesses. In the South Sudanese context, Deng et al. [7] emphasized that limited

access to formal credit and weak institutional support structures remain major constraints to SME sustainability, particularly during episodes of conflict. However, informal support mechanisms, such as community-based lending and NGO-led enterprise support programs, were found to enhance the resilience of small firms in Juba. These empirical patterns underline the critical role of both financial liquidity and institutional trust in enabling small businesses to maintain operations during instability. This relationship can be anchored in the Institutional Theory, which posits that organizational success is not only dependent on internal strategies but also on the influence of external institutional environments [18]. In conflict-affected economies, institutions whether formal (banks, government agencies) or informal (NGOs, local cooperatives) provide vital resources, legitimacy, and stability needed for businesses to function. Institutional support thus acts as a stabilizing force that can mitigate the adverse effects of conflict on business sustainability. Hence, it was hypothesized that:

H₃: Access to financial and institutional support significantly influences the ability of small businesses in Juba to sustain operations during periods of conflict.

Conceptual Framework

The conceptual framework for this study illustrates the relationships between conflict exposure, adaptation strategies, external support, and small business sustainability in Juba. It is grounded in Contingency Theory, which posits that organizational outcomes depend on environmental conditions. The framework highlights how each independent variable influences operational performance and long-term business viability. It provides a structured basis for hypothesis testing and empirical validation. This model guides the study's analysis of conflict's impact on enterprise resilience. Figure 1 below presents the construct.

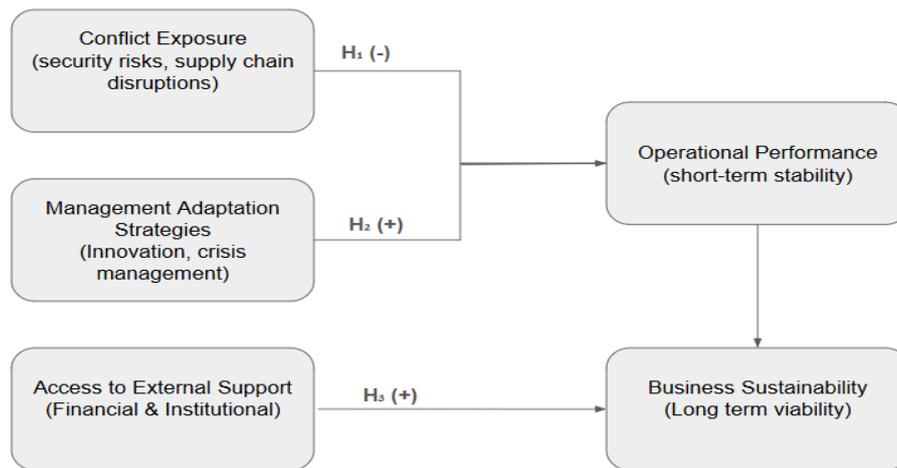


Figure 1. Conceptual Framework

Source: Author's Construct, 2025

Methodology

This study adopted a quantitative research design to examine the impact of conflict on the sustainability of small businesses in Juba, South Sudan, with a focus on the influencing roles of managerial adaptation strategies and access to support. The choice of a quantitative approach allows for the collection of measurable data that can be statistically analyzed to test the proposed hypotheses and relationships outlined in the conceptual framework. The target population for this study consisted of registered small business owners and managers operating within the Juba metropolitan area, spanning various sectors such as retail, services, and small-scale manufacturing. A sample size of 300 was determined using Taro Yamane's formula, which is appropriate given the estimated business population and the need to ensure statistical reliability while maintaining feasibility. The study employed a structured questionnaire as the main data collection instrument. The questionnaire was divided into five sections capturing demographic data, conflict exposure, operational performance, adaptation strategies, access to support, and business sustainability. The items were measured using a five-point Likert scale ranging from "strongly disagree" to "strongly agree." The instrument was pre-tested for clarity and reliability, and its internal

consistency was assessed using Cronbach's alpha. Stratified random sampling was used to ensure proportional representation of businesses from various sectors. This helps to reduce sampling bias and improve the generalizability of the findings. Data was collected through face-to-face administration and electronic means, depending on respondent accessibility and security conditions. Data analysis involved descriptive statistics, correlation analysis, and simple regression analysis to test the three hypotheses. Specifically, simple linear regression will be used to assess the role of adaptation strategies, while the effect of access to support on sustainability will be evaluated through direct path analysis. Ethical considerations, including informed consent, confidentiality, and voluntary participation, will be strictly adhered to throughout the study. The methodology is designed to ensure scientific rigor, contextual relevance, and practical contribution to understanding small business sustainability in fragile settings.

Results

Demographic Characteristics of Respondents: This section presents the demographic profile of the 300 respondents who participated in the study. The characteristics examined include gender, age,

level of education, type of business, years of business operation, and number of employees.

Gender of Respondents: The gender distribution of the respondents indicates that male participants accounted for a higher proportion of the sample. Specifically, **60%** of the 300 respondents were male, while **40%** were female. This suggests that although both genders are actively involved in small business operations in Juba, males still dominate the sector in terms of ownership or managerial roles.

Age Distribution: The majority of the respondents were within the productive age range, with **36.7%** falling between 30 and 39 years. This was followed by **26.7%** who were between 40 and 49 years, and **25%** who were in the 18–29 age brackets. Only **11.6%** of respondents were aged 50 years and above. These findings suggest that small business activities in Juba are largely driven by younger and middle-aged adults.

Educational Background: Regarding educational attainment, **40%** of respondents had completed secondary education, while **35%** possessed tertiary-level qualifications. A smaller proportion, **16.7%**, had attained only primary education, and **8.3%** reported having no formal education. This distribution highlights that the majority of small business owners and managers in Juba have at least basic education, with a substantial number having post-secondary training.

Type of Business: In terms of business type, **46.7%** of the respondents operated retail or trading businesses, making this the most common sector among the participants. Service-based enterprises followed, accounting for **30%** of the sample. Manufacturing businesses made up **15%**, while the remaining **8.3%** were engaged in agriculture and food-related ventures. This reflects a service-driven informal economy, with a strong presence in trading activities.

Years in Business Operation: When asked about how long their businesses had been in operation, **35%** of respondents indicated duration of 4 to 6 years. Another **30%** had operated between 1 and 3 years, and **25%** had been in business for more than 6 years. Only **10%** of respondents had run their enterprises for less than a year. This suggests that a majority of the businesses surveyed were relatively well-established and had experience navigating the local economic environment.

Number of Employees: In terms of employment size, most businesses (**53.3%**) had between one and three employees, emphasizing their small-scale nature. A further **28.3%** employed between four and six workers, and **13.3%** had between seven and ten staff. Only **5%** of businesses employed more than ten people. These results reinforce the classification of the study's target as micro and small enterprises typical of emerging markets.

H₁: There is a statistically significant relationship between the level of conflict exposure and the operational performance of small businesses in Juba. To test this hypothesis, both Pearson correlation and simple linear regression analysis were performed to determine the nature and strength of the relationship between conflict exposure and operational performance among small businesses.

The Pearson correlation coefficient: The Pearson correlation coefficient revealed a negative and statistically significant relationship between conflict exposure and operational performance ($r = -0.756$, $p < 0.001$). This implies that higher levels of conflict exposure are associated with lower levels of operational performance among small businesses in Juba. The negative correlation coefficient suggests an inverse relationship, confirming that conflict events such as insecurity, looting, displacement, and disruption of supply chains adversely affect day-to-day business functions. Table 1 presents the result.

Table 1. Pearson Correlation Results

Variable 1	Variable 2	Correlation Coefficient (r)	p-value	Significance
Conflict Exposure	Operational Performance	-0.756	0	Significant

Source: Field data, 2025

Simple linear Regression: A simple linear regression was conducted to further quantify this relationship. The model summary indicated that conflict exposure significantly predicted operational performance ($R^2 = 0.572$, $F(1, 298) = 398.37$, $p < 0.001$). This means that approximately **57.2%** of the variance in operational performance can be explained by

the level of conflict exposure. The regression coefficient ($\beta = -0.431$, $t = -19.96$, $p < 0.001$) confirms that for every one-unit increase in conflict exposure, operational performance decreases by approximately **0.431** units, holding other factors constant. Table 2 presents the results.

Table 2. Simple Linear Regression Results

Model	R-squared	F-statistic	p-value (F-test)	Beta Coefficient (β)	t-value	p-value (β)
Conflict Exposure → Operational Performance	0.572	398.37	0	-0.431	-19.96	0

Source: Field data, 2025

H₂: There is a statistically significant relationship between management adaptation strategies and the operational performance of small businesses in Juba. To test this hypothesis, both Pearson correlation and simple linear regression analysis were performed to determine the nature and strength of the relationship between Adaptation Strategy and operational performance.

Pearson Correlation Results: This table presents the results of the Pearson correlation analysis between Adaptation Strategy and Operational Performance of small businesses in Juba. The correlation coefficient (**r is 0.587**),

indicating a moderate to strong positive linear relationship between the two variables. This suggests that as small businesses enhance their adaptation strategies in response to conflict (such as diversifying supply chains, adjusting operating hours, or reallocating resources), their operational performance tends to improve. The value is **0.000**, which is well below the conventional alpha level of 0.05. This means the result is statistically significant, and the observed relationship is unlikely to have occurred by chance. Thus, the analysis provides preliminary support for Hypothesis 2. Table 3 presents the results.

Table 3. Pearson Correlation Results

Variable 1	Variable 2	Correlation Coefficient (r)	p-value	Significance
Adaptation Strategy	Operational Performance	0.587	0	Significant

Source: Field data, 2025

Simple linear Regression: The results present the outcome of a simple linear

regression analysis conducted to test Hypothesis 2: There is a statistically significant

relationship between adaptation strategies and the operational performance of small businesses in Juba. The regression results confirm that adaptation strategies play a statistically significant and positive role in enhancing the operational performance of small businesses in Juba. These findings suggest that SMEs that adopt flexible, innovative, or context-specific management strategies are better equipped to sustain their operations amid ongoing conflict and instability. With **R-square**

(**0.345**), this value indicates that approximately **34.5%** of the variance in operational performance is explained by adaptation strategies. **F-statistics (156.90)** and **p-value (0.000)** mean the model is statistically significant. Additionally, **Beta coefficient (0.272)** means that for every one-unit increase in the adaptation strategy score, the operational performance score increases by 0.272 units. Table 4 presents the results.

Table 4. Simple Linear Regression Results

Model	R-squared	F-statistic	p-value (F-test)	Beta Coefficient (β)	t-value	p-value (β)
Adaptation Strategy → Operational Performance	0.345	156.9	0	0.272	12.53	0

Source: Field data, 2025

H₃: Access to financial and institutional support significantly influences the ability of small businesses in Juba to sustain operations during periods of conflict. To test this hypothesis, both Pearson correlation and simple linear regression analysis were performed to determine the nature and strength of the relationship between Adaptation Strategy and operational performance.

Pearson Correlation Analysis: This table shows the strength and direction of the relationship between External Support (e.g., aid, grants, training, government relief, and

NGO assistance) and Business Sustainability of small businesses in Juba. The correlation coefficient of **0.662** indicates a strong positive relationship, suggesting that increased external support is associated with greater levels of sustainability. The p-value of **0.000** confirms that this relationship is statistically significant. Thus, the finding supports the assumption that external interventions play a crucial role in stabilizing and sustaining businesses in conflict-prone environments. Table 5 presents the result.

Table 5. Pearson Correlation Results

Variable 1	Variable 2	Correlation Coefficient (r)	p-value	Significance
External Support	Business Sustainability	0.662	0	Significant

Source: Field data, 2025

Simple Linear Regression: The regression analysis further validates the relationship between external support and business sustainability. The **R-squared value of 0.439** indicates that approximately **43.9%** of the variability in business sustainability can be explained by changes in the level of external support. This represents a moderate to high

level of explanatory power for a single predictor. The **F-statistic of 232.92** and corresponding **p-value of 0.000** signified that the overall model is statistically significant. The **beta coefficient (β) of 0.351** suggests that a one-unit increase in external support leads to a 0.351 unit increase in business sustainability on average. Additionally, the **t-value of 15.26** and

the **p-value of 0.000** confirm that the predictor variable is statistically significant. Table 6 presents the results.

Table 6. Simple Linear Regression Results

Model	R-squared	F-statistic	p-value (F-test)	Beta Coefficient (β)	t-value	p-value (β)
External Support → Business Sustainability	0.439	232.92	0	0.351	15.26	0

Source: Field data, 2025

Discussion of Results

Hypothesis 1: There is a statistically significant relationship between the level of conflict exposure and the operational performance of small businesses in Juba. The empirical results for Hypothesis 1 reveal a significant negative relationship between conflict exposure and operational performance. The Pearson correlation coefficient ($r = -0.756$, $p < 0.001$) suggests a strong inverse relationship, indicating that as small businesses in Juba are increasingly exposed to conflict — whether through political unrest, violence, displacement, or infrastructural breakdowns — their ability to maintain daily operations, deliver services, and retain staff diminishes considerably. This result was confirmed by a simple linear regression analysis, where the **R-squared value (0.572)** indicated that about **57.2%** of the variation in operational performance can be explained by levels of conflict exposure. The **beta coefficient (-0.431)** underscores the fact that higher levels of conflict are associated with lower operational performance. This finding aligns with the theoretical underpinnings of Contingency Theory, which posits that the effectiveness of an organizational response is dependent on external conditions [24]. In fragile and post-conflict settings like Juba, the unpredictable and unstable environment becomes a critical contingency that hampers managerial efficiency and resource allocation. Studies by Agyemang-Duah and Opoku [1] also found that conflict environments significantly disrupt supply chains, increase operational costs, and

reduce customer accessibility leading to weakened business performance. Thus, Hypothesis 1 is empirically supported. It demonstrates that ongoing conflict not only threatens the survival of businesses in Juba but also significantly undermines their ability to operate sustainably in the long term. The findings call for both policy and managerial interventions aimed at conflict mitigation and resilience-building among entrepreneurs.

Hypothesis 2: There is a statistically significant relationship between adaptation strategy and operational performance of small businesses in Juba. The results for Hypothesis 2 affirm that adaptation strategies adopted by small businesses have a statistically significant and positive influence on their operational performance. The Pearson correlation coefficient ($r = 0.587$, $p < 0.001$) suggests a moderate to strong positive relationship. The simple linear regression revealed an **R-squared value of 0.345**, indicating that approximately **34.5%** of the variation in operational performance can be attributed to the level and quality of adaptive strategies employed. The **beta coefficient (0.272)** further confirms that as businesses adopt more innovative and resilient practices — such as revising business models, adjusting supply chains, or adopting digital tools — operational performance tends to improve. These findings are supported by the Resource-Based View (RBV) Theory, which posits that internal capabilities such as flexibility, innovation, and strategic orientation are critical for maintaining competitive advantage,

especially in turbulent environments [6]. In the context of Juba, where the external environment is highly volatile, the ability of entrepreneurs to adapt becomes a crucial internal resource that buffers the effects of conflict. Empirical studies echo this position. For instance, Okpara demonstrates that businesses in challenging environments in Nigeria that proactively adapt to their circumstances show stronger performance and employee retention [17]. In conclusion, Hypothesis 2 is strongly supported by both the empirical data and theoretical frameworks. It highlights the vital role that strategic adaptation plays in helping small businesses navigate the disruptive realities of conflict environments such as Juba.

Hypothesis 3: There is a statistically significant relationship between external support and business sustainability of small businesses in Juba. Hypothesis 3 is also empirically supported by the analysis. The Pearson correlation coefficient ($r = 0.662$, $p < 0.001$) indicates a strong positive correlation between external support (e.g., financial aid, technical assistance, training, and infrastructure development) and the business sustainability of small enterprises in Juba. The simple linear regression analysis reveals an **R-squared value of 0.439**, meaning that external support explains **43.9%** of the variation in business sustainability. The **beta coefficient (0.351)** confirms that increases in external support significantly enhance the capacity of businesses to endure and grow, even under hostile conditions. These results align with the Stakeholder Theory, which emphasizes the importance of external actors (government, NGOs, financial institutions, community groups) in supporting the long-term viability of enterprises [21]. In the context of post-conflict South Sudan, where institutional voids and infrastructural gaps are prominent, support from these stakeholders becomes essential for business continuity and strategic growth. Empirical studies further validate this

relationship. For instance, Kimaro and Agyapong found that donor funding and capacity-building programs were key to reviving war-affected SMEs in Tanzania [22]. Likewise, a study by Ajayi and Goni revealed that microfinance and local government support improved business resilience and sustainability in Boko Haram-affected regions of Northern Nigeria [23]. These findings suggest that timely and relevant external support can significantly cushion businesses from shocks and help them build long-term stability. In conclusion, Hypothesis 3 is validated by both statistical and theoretical insights. The role of external support is critical in bolstering business resilience, sustainability, and recovery in conflict-affected economies like Juba. This finding offers strong policy implications for donor agencies, government entities, and development partners seeking to enhance the entrepreneurial ecosystem in South Sudan.

Conclusion

This study set out to examine the impact of conflict on small business sustainability in Juba, South Sudan, by analyzing the relationships between conflict exposure, adaptation strategies, external support, and business outcomes. The empirical findings clearly demonstrate that conflict exposure has a statistically significant negative effect on the operational performance of small businesses, thereby threatening their sustainability. Small enterprises in Juba face a fragile and volatile environment where insecurity, displacement, and institutional instability frequently interrupt their operations, affect supply chains, and diminish customer confidence. These challenges, if not addressed, weaken the financial and managerial structures necessary for long-term survival. Conversely, the results show that adaptation strategies significantly enhance operational performance. Businesses that proactively modify their practices such as digitizing operations, diversifying offerings, and leveraging informal networks are better

positioned to withstand disruptions. Furthermore, the presence of external support, including aid, financial resources, and technical training, was found to significantly improve business sustainability. This aligns with both the Resource-Based View and Stakeholder Theory, which highlight the importance of internal competencies and external collaboration in achieving resilience. Overall, the study contributes to the growing body of knowledge on entrepreneurship in post-conflict and fragile states. It provides empirical evidence that while conflict poses severe risks, deliberate adaptation and structured external support can counterbalance those risks and foster sustainability. The research underscores the need for tailored interventions that consider the unique socioeconomic and political context of South Sudan. Addressing these issues holistically could serve as a foundation for a more vibrant and resilient entrepreneurial sector in Juba and similar regions affected by conflict.

Practical Implications

The findings from this study offer several practical implications for policymakers, entrepreneurs, development partners, and support institutions working in conflict-affected environments like Juba. First, the negative impact of conflict on operational performance highlights the urgent need for conflict-sensitive business policies. Government and municipal authorities should design protective frameworks and contingency plans for SMEs operating in volatile regions. This includes ensuring basic infrastructure, easing mobility during unrest, and facilitating security partnerships that can safeguard businesses. Second, the positive association between adaptation strategies and operational performance suggests that training programs focused on strategic adaptation, innovation, and resilience-building are essential. Development agencies and NGOs should invest in capacity-building initiatives that equip entrepreneurs

with the tools to revise business models, embrace digital technologies, and diversify supply chains. Third, the study underscores the significant role of external support in promoting sustainability. Financial institutions, donor agencies, and government ministries should provide structured and continuous support to SMEs, including grants, credit access, tax incentives, and mentoring programs. These supports should be conflict-aware and tailored to the evolving challenges of the local business climate. Fourth, collaborative efforts are imperative. Stakeholders such as business associations, local government, and international partners must foster a coordinated support ecosystem. By aligning goals and pooling resources, they can amplify the effectiveness of interventions and reduce redundancy. Finally, the insights gained from this study can help entrepreneurs themselves by emphasizing the importance of proactive management. Business owners in conflict-prone environments must shift from reactive to anticipatory planning. Investing in risk assessment, building informal support networks, and staying agile in decision-making can enhance long-term viability. Collectively, these implications serve as a roadmap for nurturing entrepreneurial resilience and sustainability in conflict-impacted economies like South Sudan's.

Suggestions for Future Studies

Future research could explore the longitudinal effects of conflict on small business growth and sustainability over time, rather than relying solely on cross-sectional data. Additionally, incorporating qualitative approaches, such as in-depth interviews or case studies, may provide richer insights into how business owners navigate uncertainty.

Acknowledgement

The author wishes to acknowledge the invaluable assistance of all the small business owners in Juba who participated in this study.

Their cooperation and willingness to share their experiences made this research possible. I also thank my academic supervisors for their guidance and intellectual support throughout this research journey.

References

- [1]. Agyemang-Duah, B., & Opoku, A., 2025, Supply chain disruption and mitigation strategies: insights from humanitarian operations in a complex environment. *Journal of Humanitarian Logistics and Supply Chain Management*, 15(1).
- [2]. Adegbite, S., & Mavhungu, T., 2022, Conflict and business continuity in fragile economies: The role of operational strategies. *African Journal of Business and Economic Research*, 17(3), 98-116.
- [3]. Ahmed, A. S., Warsame, A. A., & Noor, S. M., 2020, Conflict and enterprise performance in Somalia: A quantitative assessment. *Journal of Conflict and Economic Development*, 8(2), 89-104.
- [4]. Ajang, C. O., & Aluong, J. J., 2023, Entrepreneurial resilience and small business recovery in conflict-affected settings: Evidence from South Sudan. *African Journal of Management Studies*, 12(1), 45-62.
- [5]. Al-Ababneh, M., 2020, Linking operations performance with organizational success: A strategic perspective. *International Journal of Business Management*, 15(4), 123-132.
- [6]. Barney, J. B., 1991, Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99-120.
- [7]. Deng, L., Manyang, M., & Taban, P., 2020, Post-conflict entrepreneurship and livelihood strategies in South Sudan: Challenges and opportunities. *Journal of African Business*, 21(3), 304-321.
- [8]. Donaldson, L., 2001, *The Contingency Theory of Organizations*. Thousand Oaks, CA: Sage Publications.
- [9]. Ibrahim, M. O., & Ogbonna, K. E., 2021, Strategic adaptation and small business performance in conflict-affected Nigerian regions. *Journal of Small Business and Enterprise Development*, 28(3), 412-430.
- [10]. Kimani, W., & Otieno, P., 2022, Determinants of business sustainability in fragile economies: A case of SMEs in Eastern Africa. *Journal of Development and Sustainability*, 5(2), 134-150.
- [11]. Klewitz, J., & Hansen, E. G., 2019, Sustainability-oriented innovation in SMEs: A systematic review. *Journal of Cleaner Production*, 229, 561-575.
- [12]. Kpoghomou, F. M., & M'Baye, M. L., 2022, Managerial strategies and post-conflict business recovery in Côte d'Ivoire. *Journal of African Business*, 23(1), 77-95.
- [13]. Kule, Y. B., & Awuah, G. B., 2022, Institutional support and business survival in conflict-affected regions of the DRC. *Small Enterprise Research*, 29(1), 55-73.
- [14]. Mulugeta, D., & Tesfaye, A., 2020, Access to finance and SME sustainability in conflict-prone areas of Ethiopia. *African Journal of Economic Policy*, 27(2), 102-118.
- [15]. Munene, J. C., & Oduor, J. A., 2021, Sustainability in turbulent environments: African SMEs and the challenge of resilience. *International Journal of African Business*, 9(3), 101-117.
- [16]. Obi, C. I., & Akech, M. J., 2021, Conflict, governance and development in post-colonial Africa. *African Affairs*, 120(480), 367-385.
- [17]. Okpara, A. J., 2021, Employee Retention Strategies in Selected Small and Medium Enterprises in Nigeria. *International Journal of Business and Management*, 16(1), 77-88.
- [18]. Scott, W. R., 2005, *Institutions and Organizations* (2nd ed.). Thousand Oaks, CA: Sage Publications.
- [19]. World Bank., 2022, *South Sudan Economic Update: Pathways to Sustainable Recovery*. Washington, DC: World Bank Publications.
- [20]. Yahya, M., & Malual, J. L., 2023, Conflict and entrepreneurial resilience in fragile states: Evidence

Conflict of Interest

The author declares that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

from Juba's informal sector. *International Journal of Conflict and Development*, 7(2), 88-105.

[21]. Freeman, R. E., Martin, K. E., & Parmar, B. L., 2020, The Power of And: Responsible Business Without Trade-Offs. *Columbia Business School Publishing*.

[22]. Kimaro, A. B., & Agyapong, A., 2022, Determinants of Donor Funding to War-Affected Small and Medium Enterprises in Tanzania. *Journal of Business and Management*, 24(5), 1–15.

[23]. Ajayi, F. O., & Goni, M. A., 2021, The Role of Microfinance and Local Government Support on Business Resilience in Boko Haram-Affected Areas of Northern Nigeria. *International Journal of Entrepreneurial Studies*, 11(2), 45-60.

[24]. Donaldson, L., 2021, Contingency Theory. In *International Encyclopedia of the Social & Behavioral Sciences*.