

**A Review of SMEs' COVID-19 Theorised Challenges: New Directions for Managing
Recovery-Oriented Organisational Change**

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Abstract:

The COVID-19 pandemic has wreaked havoc on organisations and society with devastating impacts on health, wellbeing, organisational financial performance and how they are managed. Whilst the emerging literature and research focuses mainly on the range of performativity and finance challenges faced by SMEs, the extent of the damages on staff's overall learning and resilience building capacity has been underplayed. Additionally, there has been negligent emphasis in the nearly fifty articles examined here on the extent to which the emerging recovery mechanisms that have been propositioned could address the survivability of SMEs within a recovery-oriented change context beyond the pandemic. Finally, the challenge-based literature fails to capture how SMEs address resilience as they deal with their financial and non-financial challenges in the context of a change environment. The findings of this conceptual paper derived from forty-seven articles highlight five emerging theory-based challenges, three major internal and one external, government-centric recovery mechanism, four new directions/interventions and a 'Dynamic Systems Model' on how SMEs can manage change. New research directions are proposed to help SMEs and organisational change management specialists on how to better manage change within and beyond a crisis-situation.

Keywords: COVID-19, SMEs, perspectives, challenges, organisational change, recovery

Introduction

The COVID-19 pandemic has threatened the survival of SMEs (Musa and Aifuwa, 2020; Liguori and Pittz, 2020; Fitriasaki, 2020). The shift from SMEs' profitability, value adding and economically viability before the COVID-19 pandemic to the threat of extinction during the pandemic has brought about a new spotlight on how they manage change and recover. The emerging SME research highlights the nature of the challenges they face during the pandemic, including the need to increase productivity (Aidoo et al., 2021; Nyanga and Zirima, 2020) and performance (Mendy, 2021; Hadi, 2020). An additional renewed research interest lies in the ways that SMEs attempt to address their failure-infused challenges through some practical recovery mechanisms (Gourinchas et al., 2020) However, despite researchers' agreement on the severity of the SME challenges and the need to address the potentially organisational system-wide failures, the literature and emerging research's emphasis on the predominantly financial problem (McGeever et al., 2020) highlights a gap in addressing how small firms manage organisational change beyond the need to address the financial difficulty when they are challenged.

Although the nature of the financial challenge varies from SME to SME and from one context to another, ranging from lack of access to loans and paying higher interest rates (Ba et al. 2020), the focus of this paper is to highlight the major themes highlighted in the SME challenges so as to put a spotlight on how SMEs can address not only their financial constraints but those affiliated with the human side of organisational change when challenged by a crisis situation. In the face of the mounting challenges, whilst a range of scholars have started shifting their research attention to what the solutions may be (Caballero-Morales, 2021), they have forgotten about the important aspects of whether a model can help these firms become viable in future by managing the current challenges. Despite the shift, there remains a polarisation of theoretical

perspectives on the financing, digitalisation, production, agility challenges SMEs are in (Alves et al., 2020; Nyanga and Zirima, 2020; Ratnasingam et al., 2020) and a lack of consensus on an integrated model to help the financial and other type(s) of recovery. Therefore, a different way of conceptualising (using a model) and a new way of managing the challenges are needed if SMEs are to survive this type of crisis and the magnitude of its challenges (Gerald et al., 2020).

Based on the recent theoretical perspectives, the question that remains to be answered is ‘how can SMEs manage organisational change and survive in the longer-term when faced with different challenges during a pandemic situation?’ To address the salient issues raised by such a question, an attempt is made to examine the range of theoretical perspectives on SMEs’ challenges to see what has been contributed as well as what has been missed in developing a model on how to make these firms more resilient such that they survive in the medium to longer-term. An attempt is also made to highlight the nature and scale of the differences and to shine a light on a new set of directions on how to manage change both internally (at the micro-level) and externally (at the macro-level).

The author envisages to contribute to the emerging and recent theoretical perspectives on the challenges faced by SMEs within a COVID-19 context by highlighting what has been missed from an organisational change recovery perspective and therefore, develop a new way of managing the challenges and the needed change. Secondly, the author aims to use the missing aspects to identify not only what the practical resolutions are during as well as post-COVID-19 but, equally importantly, how the management of organisational change can be used to enhance SMEs’ survival capability beyond the pandemic. Linked to the second contribution, the author develops a change management model that could be tested in future studies and

applied to SMEs faced with similar challenges (Mendy, 2020). Therefore, this paper's third contribution to the theories on SMEs' COVID-19 challenges and to the emerging recovery recommendations is a 'Dynamic Systems Model' (DSM) which includes areas highlighting how the people processes that have been neglected in the structures-based and financially-oriented challenges could be addressed.

Immediately after the literature review (see next section), a methodology highlighting the selection and use of the relevant papers ensues in section 3 as advised by Paul and Criado (2020) and Tranfield et al. (2003). This is conducted to ascertain how SMEs' ability to deal with the financial constraints during COVID-19 has been addressed in the current articles examined. The key challenges are thematised and the emerging recovery mechanisms are derived from the recent research propositions. From these, the author develops an internal and external set of interventions highlighting new directions on the management of organisational change within a pandemic situation. A 'Dynamic Systems Model' is then developed as an additional contribution to show how resilience ought to be considered as a vital aspect in managing change within a crisis-situation. The conclusion and future research directions are finally considered.

Theoretical Perspectives on SMEs' Challenges

The review of the recent articles on how SMEs have been dealing with adversity since the outbreak of the COVID-19 pandemic to date, has revealed five main areas from forty-seven articles as identified and discussed below. These are 1) finance-related (Ratnasingam et al., 2020; Hoorens et al., 2020; Che Omar et al., 2020); 2) digitalisation (Papadopoulos et al., 2020), 3) performativity (Fitriasari, 2020); 4) daily operations (Supardi et al., 2020) and 5) finance-

centric survivability (Eggers, 2020; Bartik et al., 2020a; Brulhart et al., 2020; Bartik et al., 2020b).

Perspective 1: Finance Challenges

Finance is one the most highlighted challenges faced by SMEs during the COVID-19 pandemic. Such a challenge has been noted in the contexts of both developed and developing countries. In developed countries, for example, these finance challenges were noted in the form of lack of access to business capital (Juergensen et al. 2020), which has led to an exposure of how fragile (Nicola et al. 2020; Neu et al., 2020) these small and medium sized businesses and their countries' economies are (Beraha and Đuričin, 2020). In other instances in the developing world, Ba et al. (2020) highlighted SMEs' finance challenges in Vietnam whereas Ratnasingam et al. (2020) showed the devastating impact that the Malaysian government's imposition of finance movement control orders (MCOs) have had on small businesses' ability to retain staff across borders (also see Che et al. 2020). These financial controls have been worsened by the inability of SMEs to have access to portals and transfer platforms, which they had started experimenting upon and had found useful before the pandemic struck (Grzegorz et al., 2020; Musa and Aifuwa, 2020). Similar accounts of the adversity caused to SMEs as a result of lack of access to adequate liquidity have been provided by Hadi, (2020). In Zimbabwe, for example, the liquidity problems led to the mass sacking of staff (Nyanga and Zirima, 2020). Other renditions of SMEs' finance challenges have been provided in terms of their inability to meet basic utilities, accommodation and insurance payments (Neu et al. (2020). In China, for example, similar finance challenges have led to SMEs' lack of capacity to hire staff and obtain necessary raw materials (Lu et al. 2020).

Perspective 2: Digitalisation Challenges

Digitalisation is another major challenge in the age of the COVID-19 pandemic. Although some SMEs had started making use of various forms of digital technologies before the crisis struck, their ability to be creative in doing so had been adversely challenged during COVID-19 (Fitriasari; 2020; Papadopoulos et al., 2020). As a result, the survival of such small businesses has also come under threat as noted in earlier studies by Cooke et al., (2019). These inabilities to make appropriate usage of relevant digitalisation have exposed SMEs' capacity to resolve not only their financial but also their ability to survive the additional digitalisation problems.

Perspective 3: Performativity Challenges

The fraught relationships between SME owners and their employees started to have devastating impacts on even slightly larger companies' abilities to perform and produce to their optimum capacity. This performativity and finance challenge was further exacerbated by the lack of additional business contracts, dwindling investor confidence during COVID-19 (Brown et al., 2020) as well as the inability to maintain supply chains whilst the pandemic unfolded (Ratnasingam et al., 2020).

Perspective 4: Daily Operational Challenges

The COVID-19 pandemic has brought about untold damage to the daily operational capability of SMEs. This challenge has added to the complexity and scale of the difficulties faced by SMEs. In the Yogyakarta area of Indonesia, for example, the way the tourism industry operates has been badly hit as the SMEs in that region witnessed dwindling customers. As a result, their capability to continue to add value to the local and national economic vibrancy have been adversely impacted upon (Hadi, 2020). In addition, the tourism industry could no longer be

enhanced by important stakeholders such as members of the immediate society, business and travel agencies.

Perspective 5: Longer-Term Financial Survivability Challenges

In addition to operating effectively, SMEs have also encountered more strategic or longer-term survival challenges. Having conducted a survey of over four thousand companies, Le et al. (2020) found that not only had the business confidence of these firms been dented by the COVID-19 pandemic, but their ability and preparedness to generate income and stay in business had also been badly affected in the Sichuan Province of China. This adversity was highlighted as a major threat to the longer-term, strategic continuation of such firms. In the Turkish and Middle Eastern contexts, Hoorens et al. (2020) highlighted that only fourteen percent of SMEs had the requisite capacity for product and service expansion locally. Their international survival has therefore been badly affected, as a result. A negligible percentage of permanent staff that were studied out of a hundred and seventy one SMEs in the same two regions had the ability to continue to sustain their companies' service quality, whilst, at the same time, maintain the longer-term production levels within a COVID-19 situation (Yang et al., 2020). This difficulty highlights the overarching financial and people management-oriented problems faced by SMEs and a need to surface how these are managed within a pandemic and change situation. However, based on a review of sixty-nine articles, Eggers (2020) proposed a strategic and financial way out for SMEs.

Research Methodology

This paper's methodology is based on a conceptual review of the available literature not only in terms of how to conduct one but also in relation to the recent theoretical developments on SMEs' challenges within the most recent context of COVID-19 (Tranfield et al., 2003; Paul

and Criado, 2020). Other recent reviews have looked into the potential impacts of a theoretical overview on SMEs' employees' performance (Alkadash and Alamarin, 2021) whilst a growing number of reviews seem to focus on some aspect of digitalisation (Muditomo and Wahyudi, 2021) or the financial survival techniques needed (Kahvechi, 2021). Key databases and journal and book searches centred on Web of Science, SCOPUS and Google Scholar as these are the most frequently used search bases not only for the Social Sciences but also other disciplines, whose researchers focus on developing conceptual studies. The first step in the search involved the identification of just over seventy articles that highlighted some of the emerging challenges being faced by SMEs when the pandemic struck. The second step further noted that out of these, eleven were screened in terms of their content, quality of language and non-English usage and thereby omitted in the final review. The third step in the screening of what theoretical aspects are relevant highlighted an additional twelve papers that neither focused on SMEs nor highlighted the fundamental role played by COVID-19 in contributing to SMEs' challenges or what could be done. The fourth and final step identified a total of forty-seven papers to be included in this submission. This final list of papers provides the study's five key theoretical perspectives on the SMEs' challenges in the context of COVID-19.

These conceptual perspectives form the initial set of findings for this conceptual paper. These are then broken down into two categories, namely 1) Internal Organisational Recovery Mechanisms and 2) External Organisational Recovery Mechanisms to show what the SMEs did (i.e. 'how' they responded to the immediate and more strategic challenges). Both the internal and external mechanisms are further broken down into sub-themes/categories to highlight a more detailed presentation of what was found from examining the literature on challenges. Based on the recovery mechanisms that have been deduced from the challenge-induced literature, this paper has developed and produced new directions or a set of intervention

measures on how SMEs' at their own micro-level, where the challenges have been keenly felt, can manage Organisational Change. To highlight the pragmatic approach that is needed, given its neglect in the examined literature, this paper has identified four sets of measures, referred to here as 'interventions' in order to highlight the practical steps needed if SMEs were to mitigate against their extinction within the COVID-19 pandemic. These 'interventions' are namely 1) Managing Change through Strategising Performance; 2) Communicating Change; 3) Learning Change and 4) Managing Change through Collective Resilience Capability Building. Given the paucity of research on how SMEs address their challenges as a way of becoming more sustainable in the longer term, this paper has also developed a model based on the four interventions. The model is referred to as 'Dynamic Systems Model's (or DSM) and it consists of the characteristics of the four main interventions presented here. These characteristics are namely strategising, communicating, learning and resiliencing as they denote essential features needed for greater dynamism if SMEs are to survive pandemic and crisis outbreaks similar to those highlighted in the challenges that have been posed to SMEs' existence as a result. The critical examination and discussion of the study's theoretical perspectives, the proposed interventions and the contributed model on how to address SME COVID-19-based crisis-type challenges provide the foundation for charting new research directions and insights in this area of emerging scholarly importance and endeavour. The following recovery mechanisms consist of this paper's second set of findings and contributions, as presented in a range of categories that highlight what SMEs' actually did, following the literature.

Internal Organisational Recovery Mechanisms

The internal survival mechanisms that have been identified from the literature include 1) Developing SMEs' Communication Capability; 2) Financing SMEs' capacity to bounce back

and 3) Digitalising SMEs' Performativity Capability whereas the external mechanisms are mainly captured under Macro-Government Input. The internal and external measures adopted by the SMEs are presented hereunder.

Developing SMEs' Communication Capability:

The first internal mechanism is geared towards developing the communication capability of SMEs given the nature of the daily operational and longer-term performativity challenges highlighted earlier. Hadi (2020) noted this as an initial fundamental measure which would include such steps as developing open and transparent communication processes with all the SME stakeholders. Another important or second step in this first stage highlights an SME-stakeholder two-way communication process which allows for the receiving of information from internal and external stakeholders as input, its examination and feeding back to all members concerned. This second step highlights the importance of adopting a range of communication toolkits, including and ranging from the written, to the verbal to the social media connectivity with all internal and external SME stakeholders. Klein and Todesco (2021) highlighted the important role that knowledge can play in improving digital communication and transparency. This step is geared towards mending any potential damages that may have been caused by the challenges posed to individuals' and the collective's ability to perform as a consequence of COVID-19. In developing this measure further, it is noted how Khan and Yannis (2020) identified the use and embedding of digital tools into SMEs' business operations as a conduit for not only the reparation of damaged employer-employee relations because of the pandemic but also for maintaining the potential communication gains for SMEs and their stakeholder base.

Financing SMEs' capacity to bounce back

The second internal mechanism highlights the importance attached to finance in facilitating the necessary path to recovery. In their study of SMEs in Vietnam, Ba et al. (2020), highlighted the useful role that government policy development and implementation could have in facilitating not only SMEs' growth but also their continuous survival and durability (Mendy et al., 2021). These scholars identified measures, which they think can help towards this incentivisation. The first step included the payment of SMEs' workers' wages as well as the minimisation or even cancellation of interests on loans and other fixed costs such as rent on business premises. The second step includes the alleviation of all constraints on the operational viability of SMEs, the very challenge which had adversely impacted on not only their daily operations but also the strategic performativity of its members. Other scholars such as Lu et al. (2020) had also identified an additional step/measure or if one wills, a second mechanism, needed in facilitating the financing of SMEs. This involved governments' aid through subsidising SMEs' product development and service delivery via tax breaks, financial incentives and subsidies. However, Cowling, Brown and Rocha (2021) underscored the need for SMEs to save money if they are to mitigate against the risks of bouncing back from the crisis.

In their research, Beraha and Đuričin (2020) and Bartik et al. (2020) found that the closure of many US-based SMEs or their reduction of staff numbers was mainly due to changes imposed on business operations, their incapacity for loans' repayments and other inadequate resources. As a recovery mechanism they propose employment contracts' variation and the adoption of innovative recruitment methods to facilitate additional business opportunities and a heterogeneity of resources. One of the measures proposed in this light is Brown's (2020) Jobs Guarantee Scheme, which could diversify SMEs' staff bases by bringing in younger staff to the labour market that smaller companies had previously tapped into.

Digitalising SMEs' Performativity Capability:

The third internal mechanism recognises the importance of using digitalising techniques to help SMEs improve their performativity capability and their innovative potential. Mazzarol (2015) had earlier highlighted how the first step entails the use of digitalisation to enhance SMEs' to develop its members innovation skills and capability such that performativity at the collective level is boosted. They note some of the side effects of doing so as increased survivability potential given the fact that the SMEs would then be able to compete with more resource endowed bigger firms (see Alves et al., 2020). On the other hand, Priyono, Moin and Putri (2021) highlighted the significance of what they referred to as 'Digital Transformation Paths' that are crucial in enabling SMEs to bounce back from the pandemic. In fact, Alves et al. (2020) went on to highlight the importance for SMEs to not only have a performativity strategy as part of the new pathway but to consistently implement it as part of their challenge-mitigation propensity. Despite such proposed measures from Aidoo et al., 2021 and their colleagues, it has not been ascertained whether digitalising SMEs could actually resolve the performativity and productivity challenges that they have been faced with since COVID-19 pandemic unleashed untold damage. Whilst Che et al. (2020) have recognised the benefits that SMEs could derive, over time, by adopting the utilisation of digitalising techniques associated and the use of social media as a marketing platform for their goods and services, Hoorens et al. (2020) cautions that SMEs need to take a second/additional step. This additional measure includes the attainment of better service and performativity capability for SMEs as recognised by Fitriasaki (2020). However, these two measures, in themselves, are not enough. As part of a third step in this direction, Musa and Aifuwa (2020) and Papadopoulos et al. (2020) introduced the need for SMEs to become more flexible as a way of bringing about more platforms that could enhance their overall creativity and business potential. In adding their voice to the benefits that flexible working could have for SMEs' recovery, Menezes, Mocheva and Shankar,

(2020) proposed what they referred to as ‘Online Dispute Resolution Platforms’ to facilitate smoother employer-employment relations during the pandemic. Although it is recommended in the literature that a digital ecosystem which includes all SMEs’ stakeholders can help to maintain longer term business and economic continuation and viability, these claims are yet to be cross-sector-ally validated. Despite the loftiness of this range of propositions, digitalising SME business activities via a variety of platforms may not be sufficient given the vast array of the complex challenges ranging from the need to introduce new forms of flexible working, new forms of maintaining capital flow, productivity and performativity, fostering a more sustainable government-SME-members relations and so on. The next section highlights the additional measures required if SMEs are to recover from the complex range of their pandemic challenges.

External Organisational Recovery Mechanisms

Macro-Government Input

Fitriasari (2020) has highlighted that COVID-19 pandemic has created an economic crisis that has had far-reaching implications especially on SMEs globally. The external recovery mechanisms for SMEs are predominantly based on what governments should do to help. Whilst Brulhart et al. (2020) propose the first set of mechanisms such as governments’ loans and wage support for struggling SMEs and Brown et al. (2020) have called for governments to guarantee small firms’ loans and the repaying of their debts. Jose et al. (2020) have proposed a third set of measures including the urgency for governments to increase investments in facilitating SMEs’ use of the latest technology and telecommunication toolkits if they are to survive the challenges associated with and linked to the updating and utilisation of appropriate sales-monitoring software. This measure is especially for SMEs whose main business is online. In worst case scenarios, Brown (2020) has proposed that governments should step in and takeover failing SMEs and inject the necessary fiscal boost (also see Morgan et al., 2020) and to diffuse

what Gourinchas et al. (2021) perceive as a ticking ‘time bomb’. To add to this proposition, Hoorens et al. (2020) recognised the need for governments to support SMEs to avoid not only financial doom but also business closures and the attendant mass layoffs and unemployment. They propose cash grants as part of such support whilst Juergensen et al. (2020) highlighted that something additional is needed in the form of an employee retention and wages support strategy. Despite such a proposal, Tsilika et al. (2020) point out that the necessary entrepreneurial bricolage that could salvage SMEs from the scrapheap should also entail their financial survival, innovative capability and employee retention potential. However, despite the fact that Thorgren and Williams (2020) have proposed a mechanism for SMEs to stay alive, this proposition might not be enough if these organisations are to develop longer-term strategic capability of not only staying alive but also thriving in their recovery (Sarkar and Clegg, 2021).

New Directions on Managing Recovery-Oriented Organisational Change

Micro and Macro SME Interventions

The challenges faced by SMEs as a result of COVID-19 have led the author to address a gap in the theoretical perspectives, which is how small firms manage change and thereby stand a chance of surviving similar challenge-induced crisis in the short-to-medium-term as well as more strategically. These Change Management strategies are examined below at both micro (i.e. at internal organisational level) and macro (i.e. at a more collective and external level) in the form of four interventions. These interventions are 1) Strategising Performance; 2) Communicating Change; 3) Learning Change and 4) Collective Resilience Capability Building and they have been developed as a result of what the emerging literature has missed. Each of these change interventions are examined below to see what they can contribute to existing perspectives on how SMEs deal with COVID-19 change related challenges.

Intervention 1: Managing Change through Strategising Performance

The first micro-level intervention highlights the need for managers to develop innovative strategies which would help their companies and include its members at the local level to work together in addressing the need to boost their performance (Mendy, 2021). This intervention includes breaking down any potential for staff to resist management's measures including providing staff with developmental possibilities, introducing joint performance evaluation mechanisms with staff as well as augmenting staff's capability through appropriate specialist training in goods and service delivery and quality enhancement. This will facilitate staff not to be resentful of management's innovative measures to deal with the challenges and successfully introduce new measures of how best to manage the new changes that the SMEs have been confronted with and are required to address. Additionally, the joint involvement of staff will also facilitate a more collaborative approach to address the types of competences that were lacking in staff's roles such that they could also contribute at the level and standard that is required. It was found by Huang et al. (2019) when they examined the roles that different leaders played in facilitating the goal orientation of members working in a team that there was a positive link between the facilitation of these team members' learning and their subsequent performance in a change environment. Additionally, whilst Kumar and Ayedee (2021) saw the need for SMEs to use various types of technology to facilitate an e-commerce performance boost, such a yearn for automation has not been contextualised with the organisational change discourse. Therefore, the author's first proposition on how SMEs can manage change within their challenge-based environment centres upon the need to strategise on how leaders and owners of small businesses can start to orientate their performance jointly with other SME members such that such collaboration is effectively and efficiently linked to the entire firm's learning, performance goal and future developmental orientation. To further support my first proposition on strategising performance (Mendy, 2020), earlier studies by Jordan et al. (2006)

who investigated the potential link between staff's and management's mood and overall performance found a direct correlation between staff's workload, a firm's ability to strategise performance and conflict. More importantly, their study also found that that a negativity in staff mood contributed adversely to their ability to team perform. Such an outcome highlights the need for both parties (managers/leaders and workers) to work collaboratively in managing the potential negativity that may arise when small firms are adversely challenged to change, including the potential for staff resistance against innovation-driven change (Mendy, 2020).

Intervention 2: Communicating Change

The second micro-level intervention centres on what SMEs need to do internally once the need for change has been highlighted especially by the nature and scale of the challenges brought about by the COVID-19 pandemic. It was noted how the literature identified the need to develop communication as an essential recovery mechanism for SMEs. Hadi et al. (2020) and Khan et al. (2020) recognised the importance of openness, trust and two-way communication but failed to highlight how these aspects can be linked to improving management's and small firms' capability of managing change within a crisis-situation (Mendy, 2020). The author's second proposition centres on the need for management of small firms to not only realise that their firms need to change but also to communicate the urgency required for this to happen unhindered. Despite such precarity, they should avoid communicating in a top-down manner through formal, management dictats that could potentially further alienate staff from the potentially good intentions of their leaders and entrepreneurs. Pushing communication down a hierarchical, command-and-control chain may not enhance the collaborative approach that has been suggested in the first intervention and stands the risk of further disengaging vital human resource commitment and more judicious use of people's competences at a time when it is most needed. Although Lin and Dang (2017) earlier noted the importance that a strategic approach to communicating change has in improving the overall organisational/environmental situation

such that it becomes more dynamic to adapt to the changing context, they were negligent about how the top management two-way communication strategy could actually facilitate the type of general stakeholder commitment that Hadi et al. (2020), among others recently wished for. The type of communication being proposed in this second intervention has to do with allowing for a degree of variety of communication sources and content relevant for the survival of not only management's roles but also the roles and contributions of others, including staff, clients, suppliers and so on in order to enhance the internal viability of SMEs. Among the recent propositions on how to communicate during a pandemic include the use of social media platforms (Goel and Gupta, 2020). Additionally, although Vazquez-Bustelo and Avella (2019) had propositioned the need for Spanish manufacturing firms to communicate information and knowledge about how they were intending to change their working patterns, they not only omitted Hadi et al.'s (2020) and Khan et al.'s (2020) use of digitalisation techniques but to what use employees' firm-based knowledge could contribute as an invaluable and inimitable change management resource within a pandemic situation. The author's second proposition highlights such an omission and therefore the need for its inclusion to complement the way managers communicate and share knowledge from a variety of sources.

Intervention 3: Learning Change

The third internal change management intervention focuses on SMEs' and their members' ability to learn how to change. Such a change is developed through the development and, where necessary, improvement of management-worker interactions. This involves management allowing the space and environment where employees may take up additional roles and responsibilities, which they think could help their companies change, and thereby address challenges linked to their overall survivability. Such a proposition allows space for staff to branch out to those duties, which managers may not have thought about in the wake of COVID-19. These include, for example, how staff could help management see and jointly explore with

them new business openings, develop and improve new funding outlets or learn new ways of how to improve individual *as well as* organisational productivity. Such a proposition also helps employees to develop their potential in terms of what they can contribute thereby making their and their managers' contributions, learning and adaptability capability more noticeable and beneficiary.

In their earlier study of 632 South Korean firms, Jeong and Choi (2016) had recognised the role that HRM has to play in not only improving staff's learning capability but also in the way that companies could use organisational learning to deal with some of the unexpected fluctuations in their business contexts. However, similar to Hadi et al. (2020), they did not highlight the importance that the combination of individual managerial, staff and organisational knowledge sharing, dissemination and embedding into organisational processes could have as a new resource in managing challenge-based organisational change. Although Jerez-Gomez et al. (2019) subsequently pointed out how HRM could use organisational learning to improve the types of financial and non-financial-related challenges similar to the ones highlighted under the five theoretical perspectives earlier, they have not recognised the importance of continuous individual and collective learning capability as a new resource and therefore, a new way for SMEs to manage the types of challenges highlighted in this COVID-19 and change management-centric study.

Intervention 4: Managing Change through Collective Resilience Capability Building

The fourth and final intervention is both internal and external in nature. Its characteristics serve an addition and therefore a contribution to the emerging theoretical perspectives on how SMEs address challenges within a COVID-19 context. Earlier Klein and Knight (2005) had recognised organisational survivability as a fundamental problematic especially when major challenges of a financial type necessitate merger and post-merger arrangements. Given that the

scale and nature of the COVID-19 pandemic pose a far greater threat to SMEs' financial survivability as highlighted in the challenges section earlier, something more special is required if small firms are to continue to exist in the strategic future. This fourth, and thereby special aspect, is propositioned here as 'Managing Change through Collective Resilience Capability Building'. Internally, this proposition involves an intervention on how SMEs can pragmatically embed resilience in their internal and external operations and in what individuals and collective organisations do. Earlier, Reinhardt et al., (2018) had suggested that HR practitioners' help is required not only in harnessing the type of organisational learning that has been propositioned by Jerez-Gomez et al. (2019) but such learning should also include how management develop the learning capacity. Important as these non-financial characteristics are in adapting to challenges, they have neglected how they enhance resilience building capability for longer-term survivability. This paper extends previous studies on SMEs' finance-fragility (Juergenssen et al., 2020; Neu et al., 2020), creativity challenges (Fitriasari et al. 2020), performativity challenges (Brown et al., 2020), internal operational challenges (Hadi, 2020) and their longer-term financial survivability challenges (Hoorens et al., 2020) by highlighting the need to embed resilience characteristics at both the micro and macro-levels of adapting to change environments. Although Nachmias and Hubschmid-Vierheilig (2021) and Klein and Todesco (2021) have earlier highlighted the importance of learning how to learn again within a digital transformation era, they stopped short of indicating what benefits these could bring to enhancing SMEs' resilience development capability. An additional internal aspect of this proposition focuses on how resilience building involves integrating the organisational capability of HRM with an SMEs' other departmental structures ranging from Marketing to Digital Technologies as part of an overarching framework geared towards enhancing resilience in *all* sectors of operation. Previous scholarship such as those highlighted in the survival-based challenges and recovery sections of this paper (see for example, Gerald et al., 2020; Bartik et

al., 2020; Ratnasingam et al., 2020) have undoubtedly surfaced the magnitude of SMEs' financing, digitalising, performativity and operational problems as a result of the COVID-19 pandemic without showing how resilience can play a part in the recovery phase. This final intervention includes the development of both individual and collective resilience capacity in order to enhance individuals', collectives' and an overall SME's capacity to manage external-induced change more effectively. General management and HRM should work with SME individual staff, government agencies, regulatory bodies, clients and other stakeholders to develop their innovative behaviour as well as their ability to foster more collaborative relationships such that overall organisational team resilience capability is enhanced. This involves an embedding of stakeholder-learning as a resilience building resource to be harnessed by the combined entity of individuals, teams and collective SME departments in a more organic way than has ever been propositioned before in not only the emerging COVID-19 SMEs' challenges focused literature but also other scholarship on recovery. What is being propositioned here also includes the development of the entire social capital of all staff and collaborators by tapping into management's, workers' and other stakeholders' formal as well as informal networks of knowledge so as to develop everyone's ability to bounce back from the challenges posed by COVID-19. This social resilience capital development creation involves bringing together the entire ensemble of SMEs' relationships, their structural procedures and processes and their entire cognitive know-how and digital capabilities to institutionalise a culture of resilience embeddedness. In this way, such a proposition is geared towards making smaller firms more dynamic and viable in not only how they make use of resources (financial and human) more sustainably and viably to survive the types of challenges highlighted in this paper. The next section develops a model referred to as the 'Dynamic Systems Model (or DSM)' based on the sum total of the four interventions of how to manage

challenge-based organisational change as presented here such that SMEs are survivable of the adversities.

Dynamic Systems Model's (DSM's) Intervention Characteristics

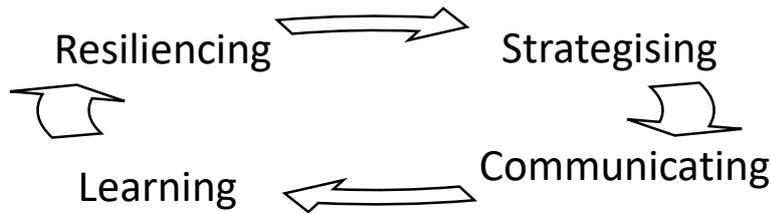


Figure 1. Dynamic Systems Model

Features of the Model

DSM Feature 1: Strategising

Strategising includes both management and staff working collaboratively in efforts to develop strategies that are not only reacting to the challenges posed by COVID-19 but harnessing SMEs' learning, performance and future goal orientations in a more coordinated and effective way in dealing with internal and external changes.

DSM Feature 2: Communicating

Communicating involves management's recognition of the need for viable change and adopting a stakeholder-based approach to communicate the urgency of a variety of formal, informal and semi-formal communication techniques that are facilitated by digital and non-digital techniques to boost SMEs' and their members' joint survivability.

DSM Feature 3: Learning

Learning entails employees' and management's harnessing of their individual and collective knowledge, which should be disseminated via and embedded in their firms' procedures. This

facilitates a new form of learning resource that helps in the creation of the needed roles and responsibilities, to mitigate against the survivability risks posed by the COVID-19 challenges.

DSM Feature 4: Resiliencing

Resiliencing includes both management, staff and other stakeholders developing and adopting resilience as a resource that should be engrained into the workings of individuals, teams, collective departments and wider stakeholders more organically and in an integrative manner. The learning, strategising and communicating measures needed for developing overall organisational resilience capability ensures a more joined up thinking of how to best manage challenge-based change. This new way increases SMEs' chances of longer-term sustainable survivability.

Discussions and Implications

The DSM features showed the severity of the challenges that the SMEs have been presented in recent and emerging literature on the adversities caused by COVID-19. The features indicate the types of characteristics needed to enhance the dynamism of SMEs such that they can address the challenges and thereby manage the organisational change needed to survive. Within such survivability, it is noted how various recovery mechanisms could help from a range of theoretical sources. For example, although Hadi (2020) highlighted the importance of using open, trustful and two-way systems to communicate the mechanisms to be adopted, an examination of such a suggestion pointed out the negligence of mending the employer-employee relations that could have been severely, adversely impacted as a result of alterations in staff's operational roles as a result of COVID-19. In such a situation, this paper's proposition of adding non-digital forms of communicating the financial and performativity recovery mechanisms in a more joined up and collaborative effort would help compared to Che et al.'s formalised and top-down digitalisation suggestion.

It has also been suggested in the recovery literature that SMEs need more resources especially given the scale and severity of the challenges posed to their existence by the recent pandemic (see Tsilika et al. 2020). Recognisable as such a proposition may be in helping to alleviate SMEs' adversities, the extent to which the micro and macro-levels of recovery mechanisms are combined to bring about the needed changes for SMEs' survivability has been downplayed in the theoretical perspectives on challenges and recovery. The closest that the research has come to acknowledging the contributions that could be made at the macro-level includes Fitriasaki's (2020) surfacing of the widespread nature of the devastation caused to SMEs without much scholarly regard to the adversities caused to the relational components between SME employers and their staff. Therefore, Ba et al.'s (2020) and Lu et al.'s (2020) recognition of the need for governments' financial impetus in helping SMEs' to recover from the crisis further denotes the single-sided approach/perspective to dealing with the dilemma faced by SMEs as a result of the pandemic. Such a survivability dilemma is being proposed to be resolved by a more special intervention as suggested in the four aspects comprised in this paper's new model referred to as the 'Dynamic Systems Model'. Aspects such as 'strategising', 'communicating', 'learning' and 'resiliencing' are designed to enable SMEs *as well as their members* to use their available individual, team and overall organisational functions/roles, innovation capability and learning to enable the ultimate development and embedding of resilience in all SME areas of activities and systems. This then serves as a collective resource for the improvement of not only the financial and performativity constraints faced at the internal but also the external levels. The DSM model is therefore proposing the type of innovativeness that is required SMEs to survive the challenges at both the macro (external, governmental) *and* micro-levels of internal organisational operations *despite* previous and emerging literature's emphasis on a one-directional approach that focuses predominantly on addressing the structural deficits of SMEs. Within the DSM model and, inasmuch as aligning the management/leadership

capability to strategic goal orientation, focusing on financial performativity (see Alves et al., 2020; Tsilika et al., 2020) without much emphasis on how a strengthening of the internal and external resilience development capability of SMEs could complement the micro and macro-level challenge resolution needed to be addressed. This research aim has been achieved in this study and doing so has helped to fill such a gap. The DSM proposal has helped to capture the complexity and range of the challenges faced by SMEs, the inadequacy of the recovery resolutions that have been suggested and the need to include resilience development capability at the micro and macro levels in order to bring about greater dynamism in the way SMEs respond more strategically to varying people-centric and finance-based challenges.

This paper's examination of the SME challenges, the recovery mechanisms and the internal and external propositions in terms of how to address adversities, raises some implications. Firstly, there should be a follow-up set of studies that need to evaluate the extent of the effectiveness of applying the DSM model in SMEs in a range of countries that have been affected by the COVID-19 pandemic. Added to this, is to examine the extent of the theoretical perspectives' reported urgency to see what the scale and the dimensions of these may be in respective SMEs. Although the literature examined here highlights the varying nature of challenges, including the financial, performativity, regulatory and digitalisation, the accompanying set of recovery measures only went so far as to address the structural compositions of these adversities. Therefore, follow-up studies need not repeat the negligent efforts paid to the systemic nature of the challenges. Being able to identify such negligence has led to the resultant development of the DSM model in this paper. This implies that managing organisational change could be rendered more effective if the underpinning systemic creativity and resilience required are addressed.

Secondly, this paper has thematised not only the range of theoretical perspectives on the SME challenges but also the recovery measures and the new directions for managing change both internally as well as externally. Such an approach has identified the complex array of issues raised from different management, staff, governmental and other viewpoints in terms of not only what the COVID-19 related proposals are but also what this paper is proposing in terms of how to rethink and manage challenge-orientated organisational change. There is an additional implication posed, which is that the DSM model contributes not only to enhancing the dynamism of SMEs but also how to facilitate the embedding of resilience qualities onto the recovery mechanisms that have been suggested by earlier and emerging scholarship on the topic (see Table 1 for a summative comparative analysis of the perspectives, the recovery measures and the DSM model).

Areas	Theoretical Perspectives on SME Challenges	Recovery Mechanisms	Dynamic Systems Model
Financial	Lack of capital; control orders; problematic staff retention	Governments' financial input; wage subsidies; reduced business costs; cancellation of loans' interest	Strategise jointly on how to achieve SMEs' financial and non-financial goals
Digital	Technological constraints; lack of creativity and innovation	Adopt digital technologies; develop innovation skills; become flexible	Adopt formal, non-formal and semi-formal ways of enhancing communication with digital and non-digital methods
Performativity	Lack of contracts; problems with supply chain maintenance; poor productivity	Increase productivity via digitalisation	Joint employer-employee engagements on individual and collective performativity goals
Operations	Lack of value-adding; low customers	Adopt open, transparent, verbal and non-verbal communications in daily activities	Enhance individual and collective knowledge and information sharing to complete roles, responsibilities and daily operations

Survivability	Lack of business contracts; lack of staff; low morale and dented organisational confidence; low business viability		Integrate and embed resilience capacity development in individuals, teams and collectives for longer-term survivability
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Table 1. Comparison of theoretical perspectives on SMEs' challenges, recovery mechanisms and the Dynamic Systems Model

Conclusion

The various theoretical perspectives on SMEs' challenges and recovery suggestions during the COVID-19 pandemic have been presented in this paper. Although the recovery measures are predominantly clouded by financial responses needed to surmount the challenges of the crisis, the various thematic presentation of the conceptual viewpoints also highlight the range and complexity of the adversities that SMEs need to overcome and recover from. Reviewing the emerging papers in this area highlights the importance of the urgency to address the challenges and propose recovery mechanisms. The literature highlights recovery measures ranging from the financial to the daily performativity and operational viability of the SMEs. However, there is negligent attention on small firms' longer-term survivability. This obvious gap partly led to the development of the DSM model, whose strategising, communication, learning and resilience development aspects are aimed at addressing the range of challenges and thereby also fill the strategic survivability and viability of SMEs. Such an earlier missed opportunity also fills a much-anticipated need in Organisational Change Management to show the types of resilience aspects needed to enhance the effective and efficient management of challenges-induced SME settings such as those created by COVID-19. Future researchers could examine the application of the DSM model in different SMEs in various socio-economic and politico-cultural environments. Additionally, future scholars may wish to examine newer perspectives on SMEs' challenges within the context of the pandemic to see what may have been added to

the new directions proposed here, including the DSM model. Future researchers may also wish to examine the opportunities and limitations of using the DSM model in bringing about effective adaptation to the systemic dynamism of SMEs when responding to a complex range of challenges.

Paper's Limitations

This paper's limitations centre on the limited nature of the papers examined. The paper's additional constraint is a lack of concentration on distinguishing between the various SMEs in different contexts. The more generic approach adopted here could be seen both as a strength in highlighting the scale of the problems caused for Organisational Change scholars to consider as well as a limitation in so far as it opens up a range of interpretations and possibilities.

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