

# Business Management During COVID-19

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## ABSTRACT

Many firms have closed as a consequence of the COVID-19 outbreak, causing substantial trade disruptions practically in every sector of the global economy. Even though the entire supply chain has been damaged by the shutdown. Small or Medium Sized Enterprises have been hit the hardest by virus-prevention efforts due to their particular characteristics. The purpose of this study is to investigate how these firms managed with disruptions triggered by closure in term of the employees or their daily routines to keep their operations running. During the lockdown in Portugal, a qualitative approach (descriptive or inductive) was used to achieve this goal, which included snowball sampling and a questionnaire. It also underlined the need for government policies to aid small businesses now and in future. Even though the numeral of businesses observing to them is strongly determined by the eligibility restrictions or the speeds with which institution react. The study's main contribution is to show SMEs' weaknesses, such as a lack of capital, human resources, digitalization, are the fundamental hindrance to a meaningful response to the crisis. The distinctiveness of these contributions is since the managers of these businesses possess additional talents or qualities, such as the dynamic capacities to manage a firm in extraordinary crises or to continue functioning even in the face of a worldwide blockade. The findings reveal that SMEs confront a slew of challenges as a result of operational interruptions, which have resulted in significant liquidity issues, threatening future continuity and job security.

## Keywords

Business, COVID-19, Crisis Management, Pandemic, SMEs.

## 1. INTRODUCTION

On the March 11, 2020, World Health Organization announce that world was fronting the pandemic cause due to the novel coronavirus COVID-19, and which would spread quickly. In such circumstance, all governments were encouraged to implement a worldwide lock down to halt the virus's long-term spread. As Baldwin and Weder point out, survival hinges on how this crisis is handled, since the public health issue will ripple throughout the economy. The present worldwide epidemic problem differs from prior catastrophes in that earlier disasters occurred at a certain period and in distinct regions [1]–[3]. As a result, even though COVID-19 has spread internationally, it has swiftly affected economies and commercial operations all over the globe (national or international business). Small, medium sized, or Micro, enterprises, whether families owned and not, have been disproportionately affected by the commencement of worldwide lockdown or its economic as well as sanitary repercussions [4], [5]. The universal crisis or its implications on business sectors serve as the conceptual frameworks for this pragmatic study, a stance acknowledged in the current research

on the business in this pandemic scenarios. According to Rangachari and Woods, there are three primary constructs in the research on organizational resilience:

- Foresight (goal is to predicts rather bad can happens).
- Copings (capacity to inhibit rather bad from getting of inferior quality).
- Recovery (capacity to recovers from bad occurrences).

Which means that organizational resiliency is viewed as a struggle to overcome adversity, including rehabilitations and the acquisition of new skills that enable future exploitations of new possibilities. As a consequence, organizational resilience is described as a company's capacity to develop situational responses in the face of potentials threats to its survival, which correlates to the ability to rejoin to the disruption /ruptures. Dynamic capabilities, which are described as "a firm's ability to integrate, create, or restructure internal or external capabilities to handle quickly changing situations," may be linked to resilience. Whenever faced with a pandemic, a company with business sustainability may be able to deal effectively with the managements consulting challenge (e.g., build new competences) or adapt to disruptive conditions, allowing it to survive in the short as well as long terms [6]–[8]. The study's key contribution is to establish that SMEs are severely impacted by the pandemic's economic or social catastrophe. To react constructively to this great challenge, these companies must increase their liquidity flows, human resources, and digital competencies, even if this necessitates government assistance. Furthermore, despite the resilience but also entrepreneurial spirit that characterize this typology of business owners, the repercussions of this sanitary crisis represent the weak tangible or intangible structures of most SMEs, necessitating upstream and downstream strategies to make sure their long-term viability as drivers of economic growth [9]–[12].

## 2. LITERATURE REVIEW

During the COVID 19 Pandemics, J. Qian, et al. investigated E-commerce trends. The Coronavirus has a profound impact on worldwide trends. These changes were responsible for the virus's high accidental and secondary funds. This research looked at the E-commerce trends in the coronavirus crisis, but also how future advancements in E-commerce can effect consumer behavior. Per this article, coronavirus is to blame for the expansion of Electronic commerces. E-commerce has arisen as a credible option as well as is now often seen as the best choice in this case, with E-retailers selling items that would typically be purchased at a superstore. The overall impact of the Coronavirus on e-commerce. Until then, consumers need to know how successful they are all at balancing economic costs, as well as when further measures will be implemented. E-commerce is aided by COVID-19. The impact on E-commerce will entice other researchers to delve more into this

topic, including how Corona influenced E-commerce behaviors or future developments [13].

Naveen Donthu et al. looked at the impact of COVID 19 on business or research. The COVID-19 outbreak serves as a clear warning that pandemics, like certain other rare calamities, have happened before or will continue to happen in the future. Even if we are unable to prevent dangerous illnesses from spreading, we must be prepared to lessen their social consequences. The current epidemic is creating trouble on businesses all around the globe, and no country seems to be immune [14]. This would have far repercussions not just of the economic, but the whole of society, resulting in substantial changes in how businesses and consumers operate. The latest issue, as according (Fasan et al), is part of a global approach to correct some of the society's pandemic related concerns [15]. There are 13 articles in all, with subjects ranging from tourism to retailing to postsecondary learning, but also changes in consumer or business, ethical problems, and employee including leadership challenges. There is a dearth of research on how crises effect business, how the sector adapts to change in novel ways, or how studies may be conducted to establish the next norms. The author examines past and current literature in order to capture its impacts and to communicate some ideas from a variety of study disciplines that will aid tourism's development and expansion by identifying research needs or gaps.

Aidin Salamzadeh and colleagues investigated the coronavirus epidemic has become a worldwide crisis with far-reaching implications for financial markets or the global economy; its consequences are expected to be much worse than those of past global recessions. In the meantime, owing to the pandemic's effects, startups are more likely to fail or thrive than ever before; yet, the obstacles they confront have to be thoroughly examined, since the epidemic moved quicker than researchers expected. By questioning the co-founders of sixteen well-known firms, this research explores the primary problems faced by Iranian entrepreneurs [16]. The data was evaluated using two steps coding, or the conclusions were discoursed in focus group including company co-founders, legislators, and academics, studied by Sandeep Kumar et al. [17]. There are six major sorts of difficulties to be handled, including financial, management of human's resource, supports measure or procedures, marketings, crisis managements, and others. Finally, government reactions to the crisis were both irrelevant and inadequate, making the playing field less ready for entrepreneurs to operate.

Research Questions:

- How do SMEs manage their business during COVID 19?
- How does COVID 19 affect business worldwide?

### 3. METHODOLOGY

#### 3.1. Design

This study uses descriptive method, focusing on quantitative information (questionnaire) that are addressed a posteriors, which is crucial once the issue is indefinite, as it is now. Descriptive research is a basic method for studying a problem in its current state, and it may be used to investigate situations utilizing correlational approaches, observational studies, and research. This is a qualitative and inductive approach to a quantitative description of an unfamiliar world. This option is in line with past research. People may investigate these phenomena using a qualitative technique since it permit participant to react to how or why a specific sociological event occur, especially after the worlds is confronted with an the unknown as well as a multifaceted problem that affects the whole society in all sectors. Furthermore, when rapid reaction scientific research evolves, this approach becomes especially beneficial for researching SME operating's in the turbulent environment, then they provide obstructions to their operations'

development, as well as unexpected and unknown responses. In this scenario, this kind of study has dominated research on business fabric crises. This approach allows theory to be broadened since the typology of the crisis's ramifications is unparalleled. Given these factors, the research presented here used a qualitative approach that included snowball sampling as well as a questionnaire distributed through social media.

#### 3.2. Sample

A social media-based questionnaire was utilized to collect information for this study. And the snowball sampling strategy was chosen since it was a popular recurrent option with fresh experimental possibilities, similar to previous studies. A social media-based questionnaire was utilized to collect information for this study. The snowball sampling strategy was chosen since it was a popular recurrent option with fresh experimental possibilities, similar to previous studies.

#### 3.3. Data collection

The poll was based on two surveys done in Korea on March 5, 2020, as well as March 19, 2020, respectively, by the North Vancouver Chamber of Commerce as well as the European Business Association. These large samples were gathered and modified to make them acceptable for use in the Portuguese context. They were used to develop a questionnaire for Portuguese Small Medium Enterprise. It contains 24 question, 23 of whom have locked responses or one that has provides an idea, so it takes less than 10 minutes for people to complete. The inquiries looked into economic development, the number of employees, company location, teleworking, income consequences, government initiatives, and other topics. Human resources, the current condition of the company's business, financial issues, or future goals are all addressed in these topics. The open questions tries to identifying the activities that manager/owner feel are necessary to ensure business continuity, despite the negative repercussions on their daily operations.

Table 1: Illustrate the Samples by the sectors of activity

Economic activities	Numbers of answers	Percentage of totals
Others activity	52.	20
Manufacturing industry	46	18
Wholesale or retails	34	13
Farming, animals productions, hunting's, forestry or fishing	20	8
Constructions Accommodations, catering, or similar	18	07
Transports or storage Consultancy or accountings	16	6
People health or social supports activity Financial or insurance activity	12	5
Real estate's activity Engineering	6	2
Event or culture	4	2
Tourisms	4	2
Total	212	83

### 3.4. Data Analysis

On March 25, 2020, a convenience sample of ten firms participated in a pre-test of the questionnaire to ensure that the questions were relevant, clear, and understandable, and their feedback was included in final questionnaires. It was publicized on socials media on the April 7, 2020, and by June 8, 2020, 254 replies had been collected, making up the final samples of the Small Medium Enterprise. 161 of the 212 SME that answered to the study have less than ten employees, 65 have 11 to 50 employees (small-sized), while 28 have between 50 or 250 employees (large-sized) (medium-sized). Vila Reals (31 percentage), Porto (8 percentage), or Braga (7 percentage), respectively, account for 47 percentage of all replies, with the rest SME distributed over mainland Portugal. The Small medium enterprise in samples represents all sector of the economy, as show in the Table 1. Following a national shutdown in Portugal from March to April 2020, 164 SMEs remained operational while 90 were closed to reduce COVID-19 transmission.

## 4. RESULT AND DISCUSSION

The number of employees who requested sick leave because they couldn't do their teleworking function, as well as whether the relevant firms were open or closed, and the number of workers who requested sick leave because they couldn't perform their teleworking function. Out of a total of 254 organizations evaluated, 700 employees, teleworked, 1419 did not, and 182 collaborators were on sick leave (Table 2). However, using teleworking as a mechanism to reduce firm lockdown was insufficient to prevent business owners from feeling pessimistic in all sectors of the economy; they also expressed concerns about the impact of prevention methods implemented in the first semester of 2020 on income, as well as the adjustment of 2020 goals in light of that falls, or they expressed indecision owed to country's deeps social or financial crisis, as shown in Figure 1.

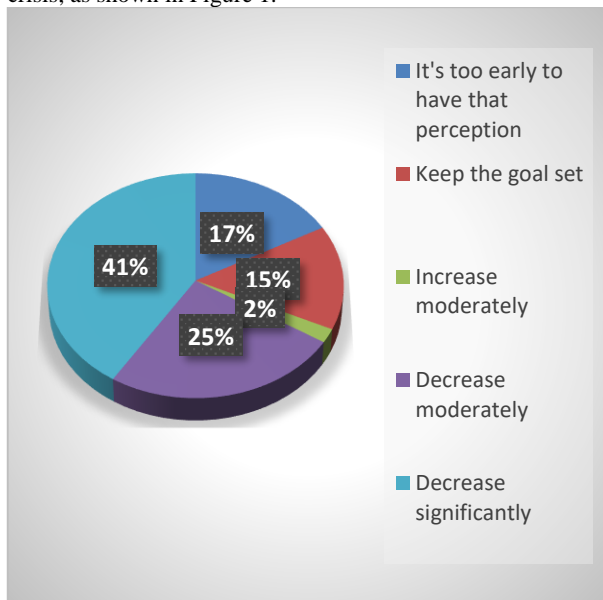


Figure 1: Illustrate the percentages by types of impacts (income or objective distinct for the 2020)

Table 2: illustrate the small-medium Enterprise continued processes through lockdown (n = 254)

Activities	Lock down		Number of the teleworkers	Number of a worker who is not teleworking's	Sick leaves
	Open	Close			
Accommodations, catering or similar	6	10	14	60	11
Farming, animals productions, hunting's, forestry or fishing	18	2	77	121	7
Constructions	20	2	67	454	0
Consulting or accountings	8	4	22	16	2
Engineering	5		53	12	1
Human health or social support activities	4	8	79	472	26
Financial and insurance activities	9	3	23	12	0
Other activities	25	19	365	272	135
Total	95	48	700	1419	182

Following the description of the sample, Figure 2 depicts the number of SMEs that had to cut their workforce due to operational constraints. Of 254 Small Medium Enterprise studied, 37 had lesser than the 11 employees while 20 had ten to fifty. The 124 micro firms or 46 small companies (with 10 to 50 employee) did not adopt this strategy as compared to organizations that did not eliminate people (191). As shown in Figure 3.

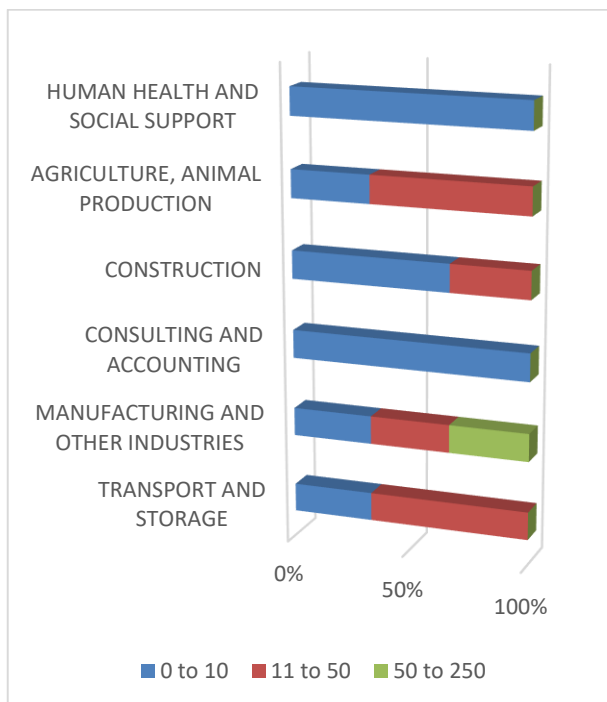


Figure 2: Illustrate the Firms that reduced staff. Due to operational restrictions, SMEs had to reduce their personnel.

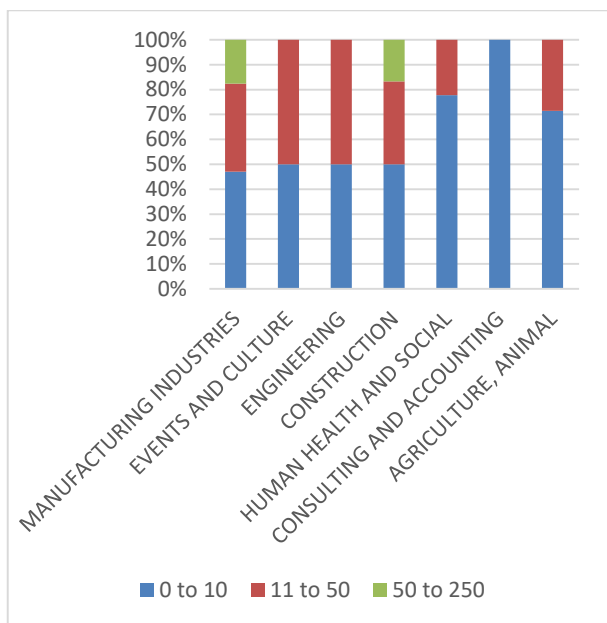


Figure 3: Illustrate the small-medium enterprise (SMEs) firms that did not decrease staff.

Table 3 demonstrates that 114 Small Medium Enterprise will not dispense with staffs in next three months, while 40 have not made up their minds, despite the disruption and different states of mind or motivation.

Table 3: Illustrate the small-medium enterprises, reductions of the personnel in the futures.

Activity	Expected Reductions of the Personnel in Next Three month		
	yes	no	Not definite
Accommodations, catering, or similar	4	8	2
Farming, animal productions, hunting, forestry or fishing	2	14	4
Constructions	4	8	6
Consulting or Accountings	2	8	2
Humans health or social supports activity	4	4	4
Tourism		4	
Manufacturing's or others industries	8	26	12
Transport and storage	4	6	6
Engineering		2	2
Other activity	16	28	
Financial and insurance	2	6	2
Total responses	46	114	40

Despite the substantial literatures on this viruses impact on business or managements, there are still gaps in the knowledge base. In this regard, the pandemic's impact on listed enterprises, as well as the need of repeating the research with unquoted firms. The lack of study on entrepreneurship in a crisis is based on the idea that most SMEs are enterprising. There was very little information on how the limitations have affected SMEs. More study is required on how SMEs are reacting to the COVID-19 situation since they are facing a big difficulty. As a result, it's essential to assess the effectiveness of government initiatives aimed at ensuring the survival of businesses during the lockdown. Also, he said that it is critical to comprehend all of the pandemic's ramifications from many angles. Furthermore, the few author discovered in their research that field of business or managements is not among the tops 10 research subjects on COVID 19.

As can be seen, the SMEs in this research are fairly diverse in their assessments of the effect that the government's sanitary measures would have on their sales, with 36% predicting a drop of more than 50%. When it comes to meeting the 2020 goals, 41% of SME managers/owners want to considerably reduce them.

When globally lockdown measure were implemented in Portugal's, the council implemented set of the measure to mitigate the severs impacts on businesses, including social defenses for staff members, COVID 19 credits card, a 60 million euro line of credit for microbusinesses in the tourism industry, incentive systems, and a moratorium on tax obligations, along with other late-introduced measures. According to some scholars, this suggests they demonstrated individual and organizational resilience in their response to the catastrophe. To survive the epidemic, SMEs began a lot of entrepreneurial initiatives, including being more flexible and taking risks. In times of crisis, a company's existence relies not only on its entrepreneurial potential then also on its willingness to build novel dynamics capabilities to identify new

possibilities. Majority of the companies surveyed said that they saw the crisis as a problem to be met.

## 5. CONCLUSION

This research provides a summary of corporate sectors in the Portugal as during generals confined in the March or April 2020, when forced the lockdown on individuals or enterprises. It is supported by this method used, which is expected to add values to the scientific information on certain research subject. The results imply that the Small medium enterprise usually surveyed are in the middle of a historic financial crisis, leaving owners uncertain about their prospects. It's worth noting that many of them are small enterprises, whether family owned and not, that foster links between individuals and the community now and in the future. Financial and non-financial concerns have a role in decisions, creating them more difficult to foster. Despite the diverse settings, this research highlighted the worries of Portuguese entrepreneur, particularly manager/owner of the Small Medium enterprise, or these issues might be shared by similar enterprises in other geographical contexts.

Uncertainty is also prevalent, even though many of these entrepreneurs have continued to operate their enterprises, adjusting them to the conditions imposed by the epidemic. Firm must reevaluate their method of conducting professional by implementing new strategies linked with effective managements of their physical or intangible resource, according to this research, which they may accomplish via their leaders and collaborators. This indicates that responding to the problem of future company existence necessitates strengthening firm resilience to confront the procedures of the overpowering COVID 19 present or future effect on the liquidity and partners. On the other side, resilience is inadequate. Digital technology, teleworking, and social responsibility will all need people to acquire new dynamic capacities. These arguments contribute to the development of a scientific knowledge of enterprises or pandemics, which is presently absent in the business or management fields. The study also supports other prior studies on SMEs, revealing their vulnerability in case of personal, physical, and financial support, along with their founders' entrepreneurial talents. However, although several investigations have been carried on this subject to far, further study is needed to learn more about the concerns that SMEs encounter and what future obstacles they may face in such scenarios.

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