MANAGING AND IMPLEMENTING CHANGE SUCCESSFULLY WITH RESPECT TO COVID-19: A WAY FORWARD FOR SMES

Muhammad Kashif
Lecturer, Department of Management Studies Foundation University Islamabad, Sialkot, Pakistan
mkash.kashif@gmail.com

Muhammad Uzair Asif
Research Assistant, Faculty of Management and Social Sciences, Capital University of Science and Technology, Islamabad, Pakistan
uzairasif54@gmail.com

Ahsan Ali
MS Scholar Ca’ Foscari University of Venice, Venice, Italy
ahsanbabar522@gmail.com

Muzaffar Asad
Assistant Professor, Department of Management and Marketing, College of Business, University of Bahrain, Zallaq, Bahrain
masad@uob.edu.bh

Saralah Devi Mariamdaran Chethiyar
Senior Lecturer, Psychology & Counselling Program, School of Applied Psychology, Social Work and Policy, College of Arts and Sciences, Universiti Utara Malaysia, Malaysia
devi@uum.edu.my

Mohanamerry Vedamanikam
Ph.D. Candidate (Psychology), School of Applied Psychology, Social Work and Policy, College of Arts and Sciences, Universiti Utara Malaysia, Malaysia
mohanamerry_vedam@ahsgs.uum.edu.my
Abstract

The pandemic has changed the way of doing things in the entire world. To survive in situations, we need change. All the organizations are trying their level best to implement change successfully however, all of them are facing severe issues. The purpose of this study is to identify the major hurdles in implementing change and identifying a way out to cope with the situation based on available literature on SMEs and change management. This study follows a synthesized literature review methodology and is a kind of review paper. In this research, literature that has been written on crisis management and especially over the COVID 19 has been reviewed. In this review analysis, previous studies regarding change management and the importance of SMEs in economic sustainability have been discussed. The paper is a review of existing literature and will identify how the organizations can survive through implementing change successfully. The study is significant for SMEs in the entire world. The study is useful for understanding the issues that are related to managing and implementing change in small and medium enterprises especially while facing contingencies. Finally, in this research, future researchers are guided to empirically test the factors identified in the findings of the study.

Keywords
Change Management, Implementing Change, Small and Medium Enterprises, COVID-19, Performance

1. Introduction

Coronavirus (COVID-19) has affected almost all the industries and has forced people to sit at home causing a huge socio-economic disaster (Ozili & Arun, 2020). For the survival of businesses, sustainable income is compulsory (Alkhuzaie & Asad, 2018) which has become a major challenge because of the cancellation of sports, religious, and cultural activities. Mainly, 81% of job providers and 66% of employees have negatively been influenced, as 436 million Small and Medium Enterprises (SMEs) are in jeopardy (International Labor Organization, 2020). The economy is dependent on the consumers and consumers are dependent on those SMEs, likewise, the performance of SMEs is dependent on the consumers (Asad & Abid, 2018; Amir & Asad, 2018; Asad, Iftikhar, & Jafary, 2019). Thus, considering the importance of SMEs in the overall economy, it is very important to do every possible thing to keep the sector alive. In the current study, the
issues that are currently being faced by the SMEs in sustaining during the time of crises have been identified, which will help the policymakers to handle those issues to control the disaster.

1.1 Research Issue

As per the estimates of the world bank the economy may face -1% to -1.5% growth in the current fiscal year. The severity of the issue can be understood because even in the UK 41% of enterprises have been closed and out of which 35% may not reopen (Cusmano & Raes, 2020). SMEs being the major supporter of the economy by contributing maximum proportion in employment generation, need to be focused seriously (Asad, Sharif, & ALEkam, 2016; Asad, Sharif, & Alekam, 2016; Asad, Sharif, & Hafeez, 2016; Haider, Asad, & Fatima, 2017). Therefore, governments all over the world are paying special attention because of having their capacity of saving the nation from unemployment, poverty, and food insecurity. Like other countries, the economy of Pakistan has also been affected severely (Institute of Business Administration, 2020).

Furthermore, a decline between 2.9% to 2.4% is expected in the current fiscal year because of COVID-19 (OECD Interim Economic Assessment, 2020). European Union is expected to be at the top being affected by COVID-19 (United Nations Conference on Trade and Development, 2020) followed by the United States. COVID-19 is supposed to affect 1.2 million people (Bloomberg, 2020). In countries like Pakistan, the issue is getting critical, because people work on daily wages (Haider, Asad, & Almansour, 2015) rather than having proper employment contracts like in developed countries (Asad & Javaid, 2010), therefore, because of current situations majority of the workers are unable to earn both end meat and they are also not educated enough to raise their voice (Haider, Asad, & Aziz, 2015). But the owners of SMEs are also unable to manage because they are also not able to pay the salaries because of a decline in the sales and operations. For survival in the current situations, it is compulsory to identify the innovative ways of doing business, and managing change and innovation is a big challenge (Abdin, 2020). Without implementing change, it is impossible to survive because all the businesses are adopting innovative ways nowadays and that’s the only way out (Hadi & Supardi, 2020).

1.2 Significance and Objectives of the Study

Considering the situation of Pakistan as the labor is not skilled and also considering the importance of the SME sector, this study has mainly focused on SMEs that require implementing and managing change, which is a must for their survival and survival of the overall economy. Moreover, considering the gap in the literature with respect to this special event, this research is
going to fill the gap in the contingency theory that how in a particular situation where the contingency is related to life and health of human beings, how the businesses can survive by implementing and managing change successfully (Papadopoulos, Baltas, & ElisavetBalta, 2020). The research will cover the literature on how the SMEs in Pakistan have been affected because of COVID-19 and will identify the need and importance of change for their survival in the current situations (Chethiyar, Vedamanikam, Das, Nair, & Nair, 2020). The study is helpful in the identification of the areas that need to be focused on by the policymakers to control the deteriorating situation and uplifting the sector, as the sector has huge importance in employment and overall economic activities. Thus, the main objective is to identify those factors that are mainly causing issues in the adoption and implementation of change which is compulsory for the survival of SMEs in the current situation.

2. Review of Related Literature

The literature on the issue of COVID-19 is limited. All of the businesses, except very few related to medicine, are under crisis, except the one that focused on innovation and change (Asad & Sharif, 2016; Asad, Rizwan, Shah, & Munir, 2018; Fitriasari, 2020) and outfitting the prospects (Haider, Asad, Atiq, & Fatima, 2017) for having good access to finances (Asad, Sharif, & Alekam, 2016; Abrar-ul-Haq, Asad, Natarajan, Sankar, & Asif, 2020). SMEs having financial access, utilize their marketing capabilities (Wang, Hong, Li, & Gao, 2020) to survive in tough times. In this study, the available literature on SMEs and their need to implement change during the pandemic has been covered.

The economic effects of the Pandemic can be seen, as several people become jobless because of lockdowns (Salik, 2020). The investors are losing money because their strategies for analyzing stocks have failed (Asad & Farooq, 2009; Shaker, Asad, & Zulfiqar, 2018). According to SMEDA, 95% of SMEs reported a reduction in operations and 92% reported disruption in the supply chain and 23% revealed a 100% loss in exports (The Nation, 2020). Despite the steps of government for SMEs; including financial packages, relaxation in payments of utility bills, and easing conditions for loan repayments (Ganaie, Zafar, & Seth, 2020) yet SMEs are deteriorating adversely due to the pandemic. The major reason behind this deterioration is unaccepting the fact that they must alter their way of doing business as per the situations (Chethiyar, Vedamanikam, Das, Nair, & Nair, 2020).
COVID-19 is causing many to become among the unemployed and those who are employed are suffering from information and communication overload which causes stress (Chethiyar, Asad, Kamaluddin, Ali, & Sulaiman, 2019) as now everyone is exposed to excessive information regarding the economy and health. In the current situation, there is a need for social support to remain motivated (Asad, 2020) and learn change. In Pakistan SMEs lack human resource practices (Asad, Haider, Akhtar, & Javeid, 2011), and because of organizational politics (Asad, Muhammad, Rasheed, Chethiyar, & Ali, 2020) those who want to work, people do not let them work as they will also have to learn the new methods.

Thus, when change is mandatory social support is required (Shah & Asad, 2018) to improve the motivation level of employees in learning new ways of doing business. Otherwise, employees feel chaos because of losing a job (Lu, Wu, Peng, & Lu, 2020) as businesses in order to reduce cost, violate contracts (Haider, Fatima, Asad, & Ahmad, 2016). Because of Pandemic tourism and travel, stock markets, entertainment, and manufacturing sectors are on the hit list (Larsson & Gustavsson, 2020) and so their employees. A noteworthy decline has been observed in remittances because the service sector has badly affected in GCC were a significant number of Pakistani work (Haider, Fatima, Asad, & Ahmad, 2016; Chohan, 2020).

Owners of the SMEs are always interested in growth and stability (Almansour, Asad, & Shahzad, 2016; Alkhuzaie & Asad, 2018; Islam, 2020), but COVID-19 has jammed the wheel of the economy (Cusmano & Raes, 2020) and has affected the SMEs across the globe. Traders expect growth during summers (Asad, 2010); however, orders have dropped down, resulting in a decline in foreign exchange earnings (The Express Tribune, 2020; Dawn, 2020). In such situations, SMEs need to take certain measures, for withstanding economic downturn. Entrepreneurs who do not adopt change, to remain stable, had to sell or revalue their assets (Asad, 2011; Asad & Qadeer, 2014; Khalil, Asad, & Khan, 2018). Reduction in economic activities is the major hurdle (Milzam, Mahardika, & Amalia, 2020) it has affected the supply chain (McCann & Myers, 2020). In order to prevent the closure of SMEs, financial institutions are providing support (Didier, Huneeus, Larrain, & Schmukler, 2020) yet many enterprises are about to close because of a decline in sales (Lu, Wu, Peng, & Lu, 2020) and businesses have not adopted other methods to sale their products.

Innovative and entrepreneurial SMEs were relatively less affected by COVID-19 (Asad, Ahmad, Haider, & Salman, 2018; Winarsih, Indriastuti, & Fuad, 2020). Restricted traveling and lockdowns have caused the loss of jobs as people lack the skills required to manage in a challenging
situation (Haider, Asad, Fatima, & Abidin, 2017). Although enterprises are responsible for their employees (Haider, Asad, & Fatima, 2017) yet because of the financial crisis, SMEs are unable to handle the situation. As worldwide, socio-economic response to this pandemic is drastic (Nicola, et al., 2020). Zakat and Qaradh Al- Hasan is supposed to be beneficial during the current situation (Syed, Khan, Raza Rabbani, & Thalassinos, 2020), thus, even the mode of financing must be changed. Because of the high level of poverty (Asad, Haider, & Fatima, 2018), SMEs need support. Another reason behind adverse situations is supply-side (Bizoza & Sibomana, 2020) as SMEs usually have a lesser number of suppliers, and they are not providing them proper supplies, SMEs need to even change their supply chain mechanisms (Shabbir, Asad, Faisal, & Salman, 2019).

Being small (Asad, Shabbir, Salman, Haider, & Ahmad, 2018) and low in innovation (Asad, Rizwan, Shah, & Munir, 2018; Sheikh, Asad, Ahmed, & Mukhtar, 2020) during COVID-19, the performance of SMEs is declining more than that of any other sectors (Eggers, 2020). In Pakistan, due to the financial crisis government is unable to support the masses (Khan S. N., Asad, Fatima, Anjum, & Akhtar, 2020), and even microfinance institutions that are necessary for SMEs (Khan, Haider, & Asad, 2010) are not on strong footing (Malik, et al., 2020). The main reason behind all this decline is the lack of adaption of innovative methods in the current scenario. The above literature review highlights that majority of the SMEs throughout the world and especially in the developing countries (Zahra, Majeed, Mahmood, & Asad, 2012) are on the verge of closure because they have not coped with the situation and have not implemented change with the changing requirement (Omar, Ishak, & Jusoh, 2020).

2.1 Underpinning Theory

The current study deals with a situation that has threatened businesses throughout the world. All businesses must aggressively adopt contingency planning. The theory that supports such kind of research is contingency theory (Feldman, 1976). The event is contingent; however, the current study is enriching the theory by adding the importance of managing and implementing change in the theory, as the current usage of the theory was for the normal change (Battilana & Casciaro, 2012), but, the current change is supposed to be a must for survival. As per the literature reviewed, till now the major contingencies dealt with the business are mainly the economic or business contingencies (Sheikh, Asad, & Mukhtar, 2020; Tabash, Sheikh, & Asad, 2020), however, this is the first of its kind that is causing life threats and severe health issues.
3. Methodology

The purpose of this study was to identify the major hurdles being faced by the SMEs while implementing change during COVID-19. The paper followed a review methodology and identified the factors that might become a hurdle in implementing change during the pandemic. Detailed literature has been reviewed over the COVID-19 and SMEs, the performance of SMEs, change management, and hurdles faced by SMEs in implementing change. Therefore, a systematic review was conducted that ensures that all the factors that may act as a hurdle have been addressed.

3.1 Research Limitations

Like the limitations of any qualitative study this study also has certain limitations (Fatima & Asad, 2018). The major limitation of the study was finding the appropriate literature, as the issue is current and a new of its type. The study has mainly focused on the literature on SMEs and the economic impact of COVID-19. The literature on SMEs especially regarding COVID is limited. Therefore, the available literature and the literature over management and implementation of change about SMEs have been utilized.

4. Discussions and Analysis

The purpose of this study was to understand the current situations that SMEs are facing worldwide and especially in Pakistan. The study aims to identify the strategies that need to be implemented to implement change successfully. Managing and implementing innovation or change in the large organizations is much easier than in the SMEs (Farrukh & Asad, 2017; Shabbir, Shariff, Asad, Salman, & Ahmad, 2018; Shabbir, Asad, Faisal, & Salman, 2019). The literature of change suggests that change can be implemented through properly motivating employees and by increasing the pay scales, however, during a pandemic when all the organizations are facing a financial crisis, even maintaining the salaries is a big motivation for employees (Shah & Asad, 2018). Human resource is the key to success (Haider, Asad, & Fatima, 2017). Therefore, motivating people through facilitating them and guiding them about the adoption of the latest procedures is the best strategy to implement change successfully.

The resistance that might be faced during the adoption of the latest procedures can be at the systemic or at behavioral level. In this regard, the role of leadership, governance, and the top management or the ownership of the organization is very critical (Alkhuzaie & Asad, 2018; Bashir & Asad, 2018). By acknowledging the pain that employees face while implementing change,
managers can motivate their employees. And only by implementing change successfully the sector can survive. The change process in any organization is a big challenge. It is a fundamental human nature that people resist change and need to be motivated properly. Whenever organizations implement change, usually human resources initially reject the new methods. During the time of crisis as in the case of COVID-19, any type of resistance by the employees may result in severe crisis. The resistance of the employees needs to be diluted through proper training and motivation, only then successful implementation of change is possible and then challenges can be converted into opportunities. The following flow chart shows the process that SMEs need to adopt in order to maintain or gain high performance.

![Flow Chart of Successful Change Management](image)

**Figure 1: Flow Chart of Successful Change Management**

Finally, financial support and training by the government are also very important, without the support of the government, the SME sector cannot play any significant role (Asad, Haider, & Fatima, 2018; Israr, Asad, Altaf, & Victor, 2020). The major issue of the sector is informal setups and lack of records due to a shortage of resources (Asad, Chethiyar, & Ali, 2020), therefore, in such situations, the support of the government can play a significant role in the success and sustainability of the SMEs.

4.1 **Recommendations**

The current study is very important for managers and policymakers. This study highlighted the importance of change which is very important during a pandemic, especially for small and medium-sized businesses. The study is also important for the government authorities and policymakers that must address the issues that are being faced by the sector, because of the pandemic. The sector without the support of the government cannot survive and cannot sustain especially in a time of crisis.

5. **Conclusions**

The findings of the study and the literature review lead to the conclusion that without implementing change successfully, it is impossible to survive during a pandemic. In order to
implement change successfully, it is compulsory to take a lot of care of the human resource (Asad, 2020). In SMEs especially in developing countries, human resources are not well managed (Asad, Haider, Akhtar, & Javaid, 2011), and there are hardly systems for the management and development of human resources. Without managing human resources properly, it is difficult to manage the change.

6. Future Directions

The study opened several horizons for further studies in the field of crisis management. In the future, the researchers are suggested to conduct studies on differentiating the SMEs' performance on the basis of adopting and not adopting the change during the challenging time periods. The researchers may also conduct quantitative studies on identifying the impact of significant factors that may be controlled to avoid any kind of disaster in the SME sector. The findings also lead to further qualitative research for exploring the factors that need to be controlled by the SME owners as well as the policymakers to minimize the effect of Pandemic on SMEs.

REFERENCES


Dawn. (2020, May 18). Pakistan's top export destinations have been devastated by Covid-19. What does it mean for our trade? With a majority of Pakistan's exports destined for most-affected countries, traders must diversify to other items., p. 1.


