

CRISIS IN SMALL BUSINESS: A LITERATURE REVIEW

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Prepared for the State Insurance Regulatory Authority

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TABLE OF CONTENTS

1. Introduction.....	4
2. COVID-19 Crisis.....	6
3. Crisis in SMEs.....	7
4. Return to Work.....	10
5. SMEs and Return to Work in COVID-19	13
6. Recommendations for Future Research	16
References	17

1. INTRODUCTION

Disasters can take many forms—natural disasters like earthquakes, hurricanes and mudslides; environmental disasters like oil spills; and social unrest like riots, war and terrorism (Aldrich, 2011; Doern, 2016; Doern et al., 2019; Legg et al., 2014). The resulting crises and their impacts on businesses have been extensively discussed in the academic literature, with particular emphasis on internal disruptions in the 1980s and 1990s and, more recently, on external crises (Doern et al., 2019). However, small and medium-sized enterprises (SMEs) have not been the focus of most of these studies (Doern, 2016), despite these businesses being described as key job creators employing half of the private sector workforce (Mills & McCarthy, 2006); ‘the backbone of every economy across the globe’ (Eggers, 2020, p. 199); and an important part of the ‘streetscape’ of their communities (Neu et al., 2020).

In extant literature, definitions of the term ‘crisis’ have attempted to encompass the many facets of an extreme disruption. As Doern et al. (2019) suggest, these perspectives have helped build an understanding of the term and the crises themselves. A core definition is ‘an extreme, unexpected or unpredictable event that requires an urgent response and creates challenges for them’ (Doern et al., 2019, p. 401). Unpacking the definition’s elements, the word ‘extreme’ makes reference to the magnitude of the event. These are ‘high impact’ (Doern et al., 2019, p. 401), viability-threatening occurrences that create a ‘collective stress situation’ (Doern, 2016, p. 279). Alonso et al. (2020) suggest that there are three indicators of the

magnitude of a crisis—the size of the physical, material or psychological consequences; the inability of those impacted to bear these consequences; and the inability of an organisation or organisations to prevent the occurrence of the consequences. Crises are unexpected because they are ‘low probability events’ (Doern, 2016, p. 276) that require urgent, unplanned-for responses. Disaster recovery includes relocation of businesses, mitigation of losses, and adjustment of products and services to new requirements post-disaster (Li et al., 2020). Finally, the unpredictability of crises results from the ambiguity they create in decision making, and uncertain threats to the organisation’s viability, goals and values (Doern et al., 2019, p. 401).

The literature documents that crisis management techniques have evolved over time, leading to the expectation of ‘a more secure future’ (Herbane, 2010a, p. 981). One example of a legislated response to crisis management is the implementation of business continuity management (BCM) in the UK since 2004 (Herbane, 2010b). Another government response is the early and safe return to work (ESRTW) process in Canada (Eakin et al., 2003). In Australia, a recent example of government assistance for crisis planning is the NSW Business Continuity Plan (2020). Other organisations provide online guidance for return to work, like the NSW State Insurance Regulatory Authority’s (SIRA’s) *Guidelines for Workplace Return* (SIRA, 2019). These legislative and support approaches attempt to encourage businesses to anticipate, plan for and rehearse steps to implement in times of crisis.

This literature review focuses on SMEs to identify crisis, return-to-work and specific COVID-19 literature that underpins current understanding in these areas as they relate specifically to SMEs. SMEs are of particular interest because they are understudied in the literature (MacEachen et al., 2010) yet account for a large proportion of the economic activity in most countries. As identified by Legg et al. (2014, p. 141), SMEs have particular characteristics that, in crises, may result in unique challenges and opportunities, thus affecting their workforce. These characteristics are:

- i. the owner–manager as the focal point of the organisation;
- ii. close social relations between employees who often include family members and friends and the owner–manager; and
- iii. the short distance from decision to action and;
- iv. limited resources.

This literature review proceeds as follows. First, we provide a summary of early literature regarding the COVID-19 crisis. More detailed explanations of the papers summarised here can be found in the section on SMEs and returning to work in COVID-19. Then, we present a summary of relevant literature that connects the crisis literature in general to SMEs. Next, there is a synopsis of the return-to-work literature, with a similar focus on SMEs. Finally, we provide signposts for future research directions, based on the evidence presented in the existing literature.

2. COVID-19 CRISIS

Since the World Health Organization declared the COVID-19 crisis a pandemic in March 2020, it has been widely accepted that the measures taken by governments to minimise its spread have had economic and other repercussions on entities across the globe (Rapaccini et al., 2020). Measures taken to deal with the exogenous shock of the spreading infection include widespread closure of businesses, social events and educational institutes, and the introduction of social distancing rules and health-protection measures like mask-wearing, hand-washing and use of sanitisers (Kraus et al., 2020; Ratten, 2020).

Unusually, responses to the crisis have resulted in 'de-globalisation' strategies (Ratten, 2020, p. 4) and cessation of international travel. The scope of these impacts has been likened to that of the Great Depression (Balla-Elliott et al., 2020), with volatile stock markets, rising unemployment, and demand and supply limitations, including shortages in essential personal protection supplies, price distortions and changes in personal household spending habits (Kraus et al., 2020; Manolova et al., 2020; Morgan et al., 2020). Kraus et al. (2020, pp. 5–6) provide a useful snapshot of commonly experienced outcomes:

Governments across Europe and the US have implemented financial first-aid and stimulus packages for businesses. While a few industries such as healthcare have faced increased demand and are actually benefiting from the crisis, many industries have been severely affected. Governmental restrictions caused the closure of restaurants and hotels, along with a very noticeable drop in revenues in the hospitality and tourism industries. In the restaurant industry, only food delivery or pickup has been allowed. The closure of leisure activities (cinemas, sports facilities, theatres, museums, etc.) has led to severe setbacks in this industry. Worldwide

landing and b[e]rthing bans for aircrafts and ships have created a sharp decline in these industries. It is already clear that the total state aid, especially in Western countries, will be at levels exceeding those of all previous crises. By April 21st, the EU and its member states had tied together rescue/stimulus packages worth V3.4 trillion. These enormous measures have been taken based on first estimates of economic development; their sums predict a significant economic downturn.

As Ratten (2020, p. 5) indicates, 'managing a crisis can be a complex process due to the need to find solutions to current problems whilst predicting new ones'. This is exacerbated by the unknown duration and outcome of this particular crisis (Ratten, 2020; Venkatesh, 2020). Its end hinges on the success of untried medical management and 'luck' in finding a vaccine (Venkatesh, 2020, p. 1). Further, the health crisis is not experienced in isolation but occurs in conjunction with other natural disasters—wildfires, hurricanes, floods and social challenges like poverty and racism (Stephens et al., 2020).

Early business responses included an increase in digital servitisation and increased reliance on digital communication (Rapaccini et al., 2020; Ratten, 2020); competition for health supplies (Ratten, 2020; Seetharaman, 2020); and changes in social interaction in the workplace (Shaw et al., 2020). Community responses in the form of social solidarity and support have been noted in the literature. For example, Ratten (2020) describes the 'Clap for Carers' campaign in the UK. Some studies note that small business owners experienced severe impacts early in the crisis, had a negative view of the future and may have missed out on government assistance because of lack of information (Humphries et al., 2020; Kraus et al., 2020).

3. CRISIS IN SMES

Of specific interest in this review are the ways in which companies respond to and describe crises. In this section, we begin with a broad discussion of the literature regarding the crisis cycle and relate this to the SMEs under discussion.

Pauchant and Mitroff (1992, cited in Doern, 2016, p. 278) document five stages in the crisis lifecycle: detecting crisis situations; forming crisis teams; damage containment; identifying ways to return business to normal; and learning from the crisis. Moreover, crisis management follows four Cs: causes, consequences, caution and coping (Shrivastava, 1993, cited in Ratten, 2020). Some organisations may be more vulnerable to crisis-triggering events and it is reasonable to assume that SMEs are amongst the most vulnerable (Doern, 2016).

Other crisis cycle models are cited in the literature and include those of Coombs (2014) and Fink (1986). Fink's (1986) model includes the early detection of a crisis; the initial, chronic breakout of a crisis; ongoing management of the crisis, including recovery and rebuilding; and resolution at the end of the crisis (Hemmer & Elliff, 2020). Doern et al. (2019) find that most of the crisis literature focuses on one of these stages in the cycle, rather than examining the whole cycle for a particular crisis. For example, there is little literature focused on how SMEs plan for crisis (Doern et al., 2019). Doern et al. (2019, p. 404) suggest that 'our understanding of crises would be enhanced by looking at the whole sequence as a process ... This would be facilitated by longitudinal research designs and an emphasis on the periods prior to, during and after the crisis, something which, again, few studies ... have managed to achieve'.

At the time of writing, there is no end to the COVID-19 pandemic, which is a series of rolling crises sparked by lockdowns caused by surges in infection. This unique context is not understood.

Predicting which aspects of an entity might be used to determine a business's vulnerability to crisis has been assessed in the literature. The size of the business is identified as important in a number of studies relating to crisis management (Chang & Falit-Baiamonte, 2002; Tierney & Dahlhamer, 1997). A study by Corey and Deitch (2011) suggests that, while business size does not seem to be related to organisational performance in a crisis, larger businesses are more likely to have emergency response plans, take more pre-crisis precautions, have more ability to communicate with staff and have better systems in place to reduce inventory loss.

Both negative and positive outcomes have been identified following crises. These include threats to the continued existence or failure of organisations; updated business models (Breier et al., 2020); changed interactions with old and new stakeholders; innovation and new markets; improved relationships between owners and employees; retrenchment and cost-cutting (Kraus et al., 2020); and business failure or contraction, cash-flow and resource crises (Doern et al., 2019). Some of the personal, emotional and psychological effects of crises also extend to business owners and manifest in reports of poor health (Doern, 2016).

SMEs face peculiar challenges in comparison to their larger counterparts. Their small size normally allows for faster adaptability, but they sometimes lack the

resources to create a dedicated team to monitor the progress of the crisis and suggest solutions (Ratten, 2020). Small size does not necessarily equate to entrepreneurship, but rather represents the ability to be flexible in times of crisis (Bartz & Winkler, 2015). A lack of resources also extends to access to information specifically targeted at SMEs. A UK study conducted by Herbane (2010b, p. 58) identifies a shortcoming in crisis information relevant to the context and experience of small firms: a 'decoupled and unattractive' information environment.

Clear coordination and signposting of available information directed towards small firms was ... one of the key shortcomings of small business support in the UK. Having a website was not simply enough ... Information had to be grounded in the small firm experience and context to be valuable and this needed to be clearly accessible rather than hidden in the depths of a website geared towards larger firms with greater human and financial resources. (Herbane, 2010b, pp. 57–58)

Herbane (2010b) also highlights the importance of the owner's centrality to the daily activities of a small business and the resultant lack of time as an impediment to accessing helpful information in SMEs. In addition, the existence of a family-dominated ecosystem is likely to impact the ability of family firms to survive crises (Haynes et al., 2018). Compounding the stress arising from the crisis itself, in SME settings, additional negative stressors can arise from the relationship of owners to other family members if firm resources are controlled or restricted by the family.

Owner and business characteristics have also been cited as significant for long-term recovery after crises (Li et al., 2020). Ratten (2020, p. 5) suggests that rational 'fast-thinking', often possible in more flexible small businesses, might resolve short- and long-term crisis consequences. They further assert that, in the specific situation of a 'health crisis', intuition and gut feeling might be appropriate, accompanied by a

pragmatic, active and dynamic response. Rapaccini et al. (2020) go further to suggest that firms need to agilely exploit current positions incrementally as well as explore new radical changes to overcome the uncertainty of a crisis and continuous threat. In this changing environment, these authors suggest resilience is composed of the SME owner's preparedness, agility to adapt quickly, network and ecosystem elasticity, and the availability of redundant, modular or slack resources that can be activated as needed.

Authors highlight the importance of crisis duration—longer-term crises result in increasing scarcity of resources (Kraus et al., 2020), low liquidity (Wenzel et al., 2020) and changes in company culture (Ndofor et al., 2013). In Li et al. (2020), we note a contrary finding—a positive relationship between the duration of closure and the continued operation of small business. However, these authors note that the crisis in their study only lasted for three months, and concede the possibility of a reverse outcome for longer-term crises.

Physical damage has been identified as a determinant in speed of recovery from a disaster (Aldrich, 2011). With regard to COVID-19, physical damage may be to the workforce rather than to firms' infrastructure, as it would be in an earthquake, for example. Researchers note the risk to the workforce from the illness and the cost of layoffs. As Neu et al. (2020, pp. 6, 13) note, businesses feel a 'moral responsibility to keep their workers safe' and to keep paying them: 'Some owners said that they had dug into their own pockets to continue to pay workers even when there was little or no work to be done and before receiving any assistance from government programs'.

Bartz and Winkler (2015, p. 198) suggest that SMEs are less likely to engage in entrepreneurial activity during crises. They posit that 'macroeconomic stabilization policies' should be implemented to revive the notion that an entrepreneur's actions can directly influence business outcomes. Citing Friedman (1968, p. 17), they suggest

that this stability is a precondition for economic growth that is discouraged by the uncertainty of (financial) crises. Younger firms are more fragile and less able to grow than their older counterparts: 'young age disadvantages, such as a lack of experience, capital and reputation, seem to gain importance' in crisis times (Bartz & Winkler, 2015, p. 213).

Examples of adaptations in the literature include 'servitization'—where manufacturing firms respond to a scarce supply of inputs by focusing instead on the servicing and maintenance of their products in use (Rapaccini et al., 2020, p. 225). Smaller businesses have also been known to have the flexibility to exploit resource voids or develop alternative products (Doern et al., 2019). Pivoting—rapid-response changes to products, services or modes of delivery—was widely noted in the early stages of the COVID-19 crisis, particularly in small and agile businesses (Kraus et al., 2020; Manolova et al., 2020; Morgan et al., 2020). Kraus et al. (2020) note early changes to small firms' models like selling or producing high-demand products (toilet paper, masks). Some businesses were using the down time to prepare long-term strategies. Others were not planning to change or adapt because of sunk investment in current processes or technology. These authors note that 'the situation and restrictions make personal interaction impossible and force even late-adopting employees and managers of family firms to adapt to new digital workflows and technologies' (Kraus et al., 2020, np). The need for improved communication created by physical isolation increased uptake in digital communication such as digital meetings, workshops and expert consultation (Kraus et al., 2020).

Business closures and lockdowns mean that some small businesses that do not normally experience closure, except perhaps for a few holidays, have had to close. Thus, returning to work has taken on a new dimension, and in many cases this is unfamiliar to the SME sector. The next section explores this concept in the relevant literature.

4. RETURN TO WORK

To understand the complexity of returning to normal work after a crisis, we begin with a caveat. Studies examining the ability of business recovery post-crisis emphasise the importance of pre-disaster planning, commercial insurance and preparedness (Li et al., 2020) for successful recovery. Planning for future crises is encouraged with the introduction of legislated measures such as BCM or guides like ESRTW in Ontario. In Australia, crisis management tools are issued in response to various crisis situations and the government response is contained in the *Australian Government Crisis Management Framework* (Commonwealth of Australia, 2020). However, this remains a low priority in a small business environment where scarce funding neglects application to something that 'it is hoped will not be used', and where training resources and the ability to predict crises are limited (Herbane, 2010b). Further, management of small businesses is often overburdened and managing injured workers is often bureaucratic. As Eakin et al. (2003, p. 26) note, 'employers need to obtain, decipher and file bureaucratic forms to report the injury, contact the injured worker, stay informed of the worker's changing condition, determine what is meant by a "safe" and "modified" job, identify and organise such work, and document all of their own and their worker's claim-related activities'. It is the absence of crisis management structures in the SME sector that amplifies the crisis here: 'The event can in some ways be considered as an abrupt and brutal audit: at a moment's notice, everything that was left unprepared becomes a complex problem, and every weakness comes rushing to the forefront' (Lagadec, 1993, p. 54 cited in Weick, 2010).

The ability of organisations to recover from a crisis has been studied in the literature but the results are inconsistent (Corey & Deitch, 2011; Doern, 2016), particularly with regard to identifying which factors matter most for recovery. Return to work is multidimensional and is impacted by these inconsistently understood factors as well as by the severity and nature of the worker's injury (Eakin et al., 2003). Much of the literature on return to work focuses on interventions, models for treatment and management of employees' disabilities (Eakin et al., 2003; Shaw et al., 2020). Barriers to return are featured in the literature much more than successful return-to-work cases (Braaf et al., 2019). Authors identify the need for more research on 'measures for individuals with stress and mental disorders' (Gunnarsson et al., 2014, p. 230); 'what happens before the return and after the initial return to the workplace' (Tjulin et al., 2010, p. 312); the process to and sustainability of recovery post-return (Tjulin et al., 2010); and the psycho-social components of returning to work (Black et al., 2018). Literature that examines return to work for employers, particularly SME owners, is scant.

Social capital and support are important in recovery from crisis (Aldrich, 2011; Braaf et al., 2019). As Tjulin et al. (2010, p. 312) note, return to work is a 'socially constructed event'. Returning to work post-injury is assisted by personal characteristics like socio-economic status, education, experience, self-reflection, optimism, motivation and acceptance. Injured workers return to the workplace for different reasons, which can include financial incentives as well as emotional and social objectives like mental stimulation, enjoyment and fear of obsolescence (Braaf et al., 2019).

Within the social context, return to work is aided by social and health networks and is improved by trust between employers and employees (Braaf et al., 2019). In addition, having friends and relatives as co-workers and managers leads to less formal, more 'personalised and simplified' return-to-work procedures (Braaf et al., 2019, p. 466). This is more possible within some SMEs than in larger companies—particularly family-run enterprises. Trusting relationships built by employers instil confidence in employees that their issues will be properly dealt with (Braaf et al., 2019). Other employers may wish to avoid guilt and damage to their close working relationships or may overestimate their ability to deal with return to work (Legg et al., 2014).

The literature indicates that information, advice and support should commence for the injured worker prior to re-entering the workplace (Braaf et al., 2019). The motivation and mechanisms of networks surrounding SMEs become critical in this context (Limborg et al., 2014). One could argue that self-employed business owners have the most responsive and trusted employer (themselves). Braaf et al. (2019, p. 463) discuss the characteristics of a 'responsive employer'. These include keeping positions available for longer, communicating effectively and respectfully, and allowing flexibility or modified duties like working from home. Unfortunately, modified roles may not exist in smaller businesses, or may slow down the progress of the whole team: 'You can't put a mechanic behind a desk!' (Eakin et al., 2003, p. 26). This need to communicate with the injured worker places extra burdens on the SME business owner. 'In large workplaces [hearing and addressing workplace issues raised by injured workers] was facilitated by effective systems and procedures ... In small workplaces, participants dealt directly with the business owner' (Braaf et al., 2019, p. 464).

Some prior research indicates that there is a disproportionate tendency for injured or ill workers to work for SMEs (Cunningham et al., 2014). In other words, some researchers find that smaller business size does not correlate with fewer injuries per capita. Reasons for this imbalance could be related

to the low frequency of injury per business because there are few employees; competitive economic settings (Eakin et al., 2003); flatter organisational structures (Eakin et al., 2003); less ability to rotate staff into prevention and 'non-production-related activities such as occupational safety and health' (Cunningham et al., 2014, p. 150); and a younger age and lower skilled workforce (Eakin et al., 2003). Gunnarsson et al. (2014) cite an example of Swedish employees where fewer than 2% were absent from work for sick leave for more than three months; the percentages were even lower in SMEs. In contrast, MacEachen et al. (2010, p. 181) suggest that accidental injury is more frequent in SMEs because they contain more 'ergonomic, physical and chemical hazards' and frequently higher fatality rates are experienced in SME-dominated industries. However, these authors concede that this higher incidence of injury does not translate to multiple injuries in the same worksite, and that 'accidents are relatively rare in any one site'.

Arguably, therefore, lack of regular experience on the part of injured workers and lower resource availability in SMEs can cause isolation, poor and badly documented inspection and ad-hoc prevention processes, and incorrect perceptions held by owner-managers of SMEs (Cunningham et al., 2014; Gunnarsson et al., 2014; Limborg et al., 2014). Injuries can often lead to a worker feeling betrayed, or vindictiveness and a concomitant reduction in trust ('social hardening') because of the close relationships in a SME business (Eakin et al., 2003, p. 30; Tjulin et al., 2010). On the other hand, communication is often better in SMEs because of their flatter structure, as is their ability to incorporate their workforce into social networks. Therefore, SMEs could be leaders in establishing places where employees wish to work, and to return to after injury. Further, because of inconsistent definitions of 'small' across industries and in different countries, it is difficult to identify exactly what researchers are referring to when they use the term 'SME' (Massaro et al., 2016). For example, small firm size does not necessarily mean the firm is under-resourced or technologically backward (e.g., some mining and IT firms) (Cunningham et al., 2014). This understanding

of the SME culture and the role it plays in crisis management and return to work is lacking in the literature (Cunningham et al., 2014).

The personal characteristics of SME owners is also important in understanding the under-researched area of return to work for small business owners. Owner-managers are intrinsically integrated with the life and identity of their business (Harries et al., 2018; Hasle et al., 2011). The literature indicates that these owners may be motivated to return to work 'to retain clients, ensure their businesses did not fail, and to resume an income' (Braaf et al., 2019, p. 465). Stressors for small business owners in Australia include 'having multiple responsibilities; the obligation to work despite feeling unwell; financial stress; and for employers—the responsibility for employees' (Everymind & iCare NSW, 2017). Particularly relevant for the COVID-19 crisis is the impact of presenteeism and an inability to differentiate between work and home life (Everymind & iCare NSW, 2017). In their study of business recovery following a Chinese earthquake, Li et al. (2020) identify that older small business owners were more likely to continue operations post-crisis. They attribute this finding to the inability of these older owners to find alternative employment (age discrimination). This study also suggests that older owners have prior disaster experience, enhancing their coping abilities in subsequent crises.

A conceptual article by Shaw et al. (2020) examines the return to work literature and extrapolates it to the COVID-19 crisis. Their article, published online in June 2020, suggests that the COVID-19 infection itself is a 'workplace hazard', particularly for essential workers. This increases the stress related to returning to the workplace after an absence and is expected to impact workers' mental health. The authors note that existing rehabilitation methods may not work to combat the fear of infection in the workplace. Further, for those who return to work after having been infected with the illness itself, there may be ongoing physical shortcomings, difficulties in commuting or travelling, altered social relationships and stigmatisation. Occupational rehabilitation, particularly

for physical labourers, may be needed for those who have deconditioned. Workers' wellbeing may also be impacted by their home conditions and the health of their extended family members.

As a return-to-work option, remote working will place unique pressures on supervisors as they manage changes in policies, more flexible work habits and social distancing rule enforcement. Return-to-work programs are seen to be context-specific. For example, some industries may be less able to operate efficiently even when lockdowns are relaxed because of worker proximity (e.g., some manufacturing activities) and this will hinder their ability to reopen. The authors also note that COVID-19 is subject to similar stratifications that are observed in other occupation rehabilitation literature. This socioeconomic stratification applies particularly to disadvantaged essential workers who do not have the option of working from home.

The existing occupational rehabilitation literature has shown how return-to-work and other worker health and safety outcomes are stratified by income, language, immigration status, social rank, and other measures of socioeconomic advantage or disadvantage. Data from the COVID-19 pandemic will no doubt reflect that disadvantaged workers are overrepresented among essential workers and those deemed necessary for businesses to remain open or reopen. (Shaw et al., 2020, pp. 300–301)

Since the closures of SMEs experienced during the COVID-19 crisis will create a need for return-to-work strategies for those who have been infected with the virus as well as those who have suffered other impacts from the closure of businesses, this is a unique and poorly understood context. In the next section, we explore some of the early papers that relate to return to work for SMEs during the COVID-19 crisis.

5. SMES AND RETURN TO WORK IN COVID-19

In this section, we share the findings of a number of early COVID-19 studies and reports, with particular emphasis on return to work and SMEs. Because all studies were not conducted at the same stage of the pandemic, or in the same location, the approach taken in this section is to share each finding, rather than synthesise them. This section is not meant to be exhaustive as this body of research is growing rapidly. The studies were identified in the third quarter of 2020 by searching using Google Scholar for the term 'COVID' and then extracting the relevant studies manually. A complete literature review of the COVID-19 research will have to wait until the end of the crisis. These articles, which were all available in 2020, are presented in alphabetic order using the first author's surname, and include unpublished working papers, early online versions, reports and journal articles.

Alves et al. (2020) began collecting interview data from six small firms in Macau, China, on 8 March 2020. Their key findings are that these entities experienced rapid decline with an expected recovery of three to 36 months. Firms with existing crisis management plans and prior crisis experience expected faster recovery than those without.

Using small firm survey data collected between the end of March and mid-May 2020 in the US, **Balla-Elliott et al. (2020)** establish that firms in areas where there are more COVID cases have a longer expected post-lockdown closure period. However, controlling for this expectation, the study finds that decisions about reopening after lockdown are not driven by health concerns, worker proximity, age or customer age. Supply is also not a major issue in the decision to reopen. However,

the impact of COVID-19 restrictions on their downstream customer base is an important factor for firms in this study, indicating that 'demand is the main channel driving reopening decisions' (Balla-Elliott et al., 2020, p. 3). The authors further conclude that the decision to reopen is not driven by concern over public health issues but rather by the firms' 'economic needs to survive' (p. 32).

A working paper from **Bartik et al. (2020)** reports on a survey of 5,800 US small businesses and finds that these businesses, which have experienced widespread layoffs and closures, are financially unprepared to handle unexpected changes. Business owners in the survey had a variety of opinions regarding the expected duration of the disruptions, and an expectation regarding access to government aid. They believed there would be administrative burdens to overcome in proving eligibility for aid and overcoming the complexities associated with applications.

In a working paper, **Brühlhart et al. (2020)** use a survey sample of 1,011 self-employed workers and small business owners in Switzerland to examine their use of publicly available support measures. The authors note that businesses are impacted through no fault of their own and randomly 'in the sense that lockdown affectedness is not causally related to any measure of prior economic performance' (p. 8). This random effect increases the rareness of this event. In their study, labour-income support measures are found to have been better used than specially created 'corona' loans. The authors suggest that this variable uptake of loans may reflect existing aversion to loans in some of the population, which stems from a prior history of debt.

Humphries et al. (2020) examine the impact on US small businesses from the period 27 March to 20 April 2020. Using survey data from over 8,000 small business owners, this study finds that COVID-19 had caused early layoffs of employees. Owners in their survey had a negative outlook. Most importantly, the study discovered that

... the smallest businesses had the least awareness of government assistance programs, and the slowest growth in awareness after the passage of the CARES Act. ... small businesses may have missed out on initial PPP funds because of low baseline awareness and differential access to information. (pp. 9–10)

In March and April 2020, **Kraus et al. (2020)** studied the impacts of the onset of the COVID-19 crisis on family firms in five European countries. Their study finds that the companies' initial reactions were centred on preservation of liquidity for current operations and focus on strategic opportunities for long-term survival and viability.

Manolova et al. (2020) examine gender differences in business responses to the crisis. Using survey data (from April 2020) and two case studies, their study finds that businesses owned by women are more impacted than those owned by men, particularly because these businesses are clustered in industry sectors that have been hardest hit by the economic and social outcomes of the pandemic. For example, the study notes a concentration of women entrepreneurs in wholesale and retail trade, and in government, health, education and social services sectors. Women are also disproportionately impacted given that child-minding and care-giving has been unavailable during periods of lockdown.

Morgan et al. (2020) examine changes in business models, or pivoting. Their study suggests that firm reactions to and success with initial changes is related to the age of the small business. New firms, formed in reaction to the crisis, might fare well by exploring arbitrage opportunities created

by imbalance in the markets. These firms, unlike existing firms, are not limited in their scope of direction. The study suggests that existing firms might be better placed to explore new innovations and take advantage of government support to pivot their business models during the crisis.

In early 2020, **Neu et al. (2020)** interviewed 21 small business owners in the US, mostly on the east and west coasts. Their respondents' major concerns at that time were in dealing with the range of restrictions that had been placed on their businesses. Concern for a return to normal pre-pandemic operations was mixed as owners interpreted the uncertainty around the easing of restrictions.

Rapaccini et al. (2020) studied manufacturing firms in Northern Italy, which was the region hardest hit by COVID-19 in the early stages of the pandemic. Examination of early responses to emergency management in this study show success in digital servitisation, particularly opportunities for software-based and digital solutions. The authors suggest that the ability to create service-led approaches like remote working will determine successful outcomes for businesses in the pandemic. A four-stage model (Rapaccini et al., 2020, p. 226) proposed specifically for the circumstances of the COVID-19 crisis includes 'calamity, quick & dirty, restart and adapt'. The first stage, 'calamity', spans days at the start of the crisis and involves preparing for the crisis to come by evaluating resources, activating task forces and understanding the phenomenon. The next stage, 'quick & dirty', spans a few weeks and is an agile stopgap measure to identify and adopt solutions to overcome restrictions, without consideration of normal cost-efficiency trade-offs. This is followed by months of 'restarting' in a COVID-19-compliant way and adapting to changes in regulations and restrictions—a time when firms need to display elasticity and quick acceleration and deceleration. Finally, in the years following the crisis, the business needs to 'adapt' and define pathways to a 'next

normal' that may include redundancy, workforce reorganisation, digitisation, pricing adjustments and new ways of managing risks.

Ratten (2020) calls for the incorporation of an entrepreneurial understanding into COVID-19 research. Since business responses to the crisis are likely to include new enterprises arising to take advantage of digital transformation and new work arrangements, the article attempts to draw together the crisis management and entrepreneurial literature. Particular emphasis is placed on culture, lifestyle and society and their ability to influence entrepreneurial changes arising from the pandemic.

Warning against stickiness in working methods and clinging to the status quo, **Seetharaman (2020)** examines three dimensions of essential products permitted for manufacture during the social distancing of early COVID-19. These dimensions are: information intensity of product or service, process or value chain, and the essential nature of the product or service. This third, temporary dimension highlights the impact on businesses and their ability to display agility in providing these essential services. This study develops a model for understanding these three dimensions and calls for research on how business models have shifted in response to the crisis, as well as more understanding of agility and dynamic capabilities that have been developed to allow this shift to happen.

Return to work in the COVID-19 crisis will include similar challenges to those identified in the return to work and occupational rehabilitation literature. **Shaw et al. (2020, p. 299)** suggest that this complex collection of factors includes 'the idiosyncratic nature of health and work, individual disease vulnerability, susceptibility to environmental hazards, the need for job flexibility and modification, and differences in workstyle, social capital, and organizational support'. The uncertainty of the work environment could lead to an increase in stressors and

psychological distress that could impact workers' mental health, fatigue, anxiety and work tolerance. 'Just as with RTW after injury, employers may struggle to maintain uniform and fair practices while also being responsive to the concerns of individual workers, and it will be important to involve multiple stakeholders in this process' (p. 300). These authors advocate for anticipation of individual worker circumstances rather than uniform compliance; industry- or occupation-specific occupational health and safety (OH&S) guidelines; priority for the needs of disadvantaged workers; and flexibility in OH&S practices.

Stephens et al. (2020) engage in sensemaking and sensegiving to understand their own responses and the responses of organisations and organising practices to the uncertainty of COVID-19. They identify future research questions for organisational communication scholarship, including the 'cascading' nature of the disaster; the probability of permanent long-term organisational change; the need for interdisciplinary approaches and solutions; and the need for practical interaction between research academics and community partners (pp. 451–452).

Venkatesh (2020) identifies research opportunities in the social sciences and information technology. Her suggestions include the impact of the COVID-19 crisis on jobs (losses, changes, outcomes, coping and support) and life (home-life, children, mental health, social impacts). She also specifically focuses on technology as the 'oxygen' (p. 4) for home and work life and calls for longitudinal studies and studies in specific contexts. She notes, '... understanding COVID, with no regard for how this knowledge may generalize to the future or to various possible new normal situations, is essential throughout the evolution of COVID. A greater lesson from this is that, in any domain, contextualized knowledge can be invaluable both from scientific and practical perspectives ... as long as the context is important in its own right' (p. 5).

6. RECOMMENDATIONS FOR FUTURE RESEARCH

We conclude this literature review with a list of recommendations for future research. The list is not exhaustive, but is informed by the literature reviewed for this exercise. We hope that these suggestions will be a starting point for discussion and exploration of this unique context.

1. Various authors have identified coping mechanisms employed by SME owners as critical in the recovery process during and after crises (Alonso et al., 2020; Venkatesh, 2020). Early research into the COVID-19 crisis indicates that personal characteristics of employers and employees are significant (Venkatesh, 2020), as is the ability to change and implement alternative revenue streams (Alonso et al., 2020). Further research into the specific coping methods employed across a long-term open-ended crisis will provide input into the design of support measures for future crises.
2. Because the COVID-19 crisis is still unfolding, so too is research surrounding it. It is apparent that there is a considerable body of early research and more is to follow. Future research could provide theoretical insights that might be particularly relevant for specific industries' forward planning. There is a particular need for longitudinal research that will provide contextual understanding. As Venkatesh (2020, p. 4) suggests, 'some contexts can be unique and important to the point where generalizability becomes irrelevant. The contextual knowledge that we learn may be about the new normal, a new world that emerges—or it may be one that decidedly dissipates with say a very fortunate disappearance of the COVID pandemic. In any case, understanding COVID, with no regard for how this knowledge may generalize to the future or to various possible new normal situations, is essential throughout the evolution of COVID'.
3. The crisis provides a rich environment for studies to examine the resilience of SMEs (Alonso et al., 2020) within the small business ecosystem (Bartik et al., 2020). Similarly, Ratten (2020, p. 2) calls for an 'entrepreneurial understanding' because she believes that entrepreneurs are particularly adaptive and able to respond to the need for rapid solutions.
4. As indicated above, return to work takes on a different meaning for SME owners in responding to the regulatory impacts of this crisis. For example, many SME owners have not previously experienced extended lockdown. Their workplaces have not been previously considered unsafe by virtue of an unpredictable pandemic. This unique context needs to be explored and understood to inform future government interventions and to suggest strategies for SME owners to return to the 'new normal'.

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