

## A Comparison on The Impacts of Covid-19 on SMEs from Cross-Regional Countries: A Systematic Literature Review

Mira Qerul Barriah Muhamad<sup>1</sup>, Norzanah Mat Nor<sup>2</sup>,  
Syed Jamal Abdul Nasir Syed Mohamad<sup>3</sup>

<sup>1</sup>Faculty of Business and Management, Universiti Teknologi Mara, 40450 Shah Alam, Selangor, Malaysia, <sup>2,3</sup>Arshad Ayub Graduate Business School (AAGBS), Universiti Teknologi Mara, 40450 Shah Alam, Selangor, Malaysia.

Email: myraqerul@gmail.com, norzanah@uitm.edu.my, syedjamal145@uitm.edu.my

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### Abstract

The rampant, unprecedented outbreak of COVID-19 has significantly intimidated small and medium enterprises (SMEs) all over the globe, putting them under tremendous pressure in sustaining their businesses. It is undeniable that the pandemic has successfully demonstrated how many small enterprises are financially fragile. Growing evidence has shown that most non-essential businesses were forced to temporarily shut down to avoid the outbreak, precipitating critical logistics problems, scarcity of manpower, and low sales performance. Due to such a crisis, immediate assistance, such as government aids and policy development and strategies to help SMEs, are critical in combating potential shutdown among businesses. Substantially, the durability of the SMEs is evidently dependent upon the administration of the policymakers' efforts. In essence, this paper analyses the impacts of the pandemic on the number of active SMEs from different countries. In particular, the impacts were classified into several themes. According to the findings, countries concentrate on policies that benefit SMEs by making loan and credit applications more available, offering direct monetary stimulus, and deferring taxation. This research includes valuable perspectives that allow policymakers and managers recognise the effects of a pandemic and implement successful risk management plans that can contribute to better policy strategies.

**Keywords:** COVID-19, Pandemic, Impact, SMEs, Systematic Literature Review

### Introduction

SARS-CoV-2 (also known as Covid-19) is the most recent coronavirus to infect humans around the world. Covid-19 is transmitted between symptomatic people and whom are in close contact to them. Another way in which Covid-19 may be transmitted from one person to another is via droplets or by coming into contact with virus-infected surfaces before touching their faces. Coronavirus in humans has four variants causing minor health effects, commonly

known as common cold. According to Zhu et al (2020), the first pneumonia outbreak was detected in a wet market in Wuhan, the capital of China's Hubei Province on 8 December 2019. In late December 2019, several clusters of individuals with this form of pneumonia were discovered, urging the World Health Organization (WHO) to declare it as a pandemic.

A growing body of evidence suggests that the COVID-19 epidemic has not only changed many organisations' operating models but has also contributed to the demise of many companies across the world (Amankwah-Amoah et al., 2020). Covid-19 is to blame for a collapsing economy. It has various economic consequences in different countries. The economy, politics, education and culture systems are all have been affected as well and not just health-care institutions. The pandemic has a serious detrimental effect on economic activity, particularly for small businesses, which is as bad as adding insult to injury as the economic operations are likely to slow down considerably as if small businesses were not struggling enough. Many countries' SMEs are confronted with the same challenges on a continuous basis (Lu et al., 2020). SMEs in developed countries were already suffered prior to the pandemic, due to inadequate access to long-term and inexpensive financing, insufficient institutions for developing qualified businesses and workers, low incomes, and weak policies to promote economic and social improvement. Businesses are at risk because they are so reliant on the speed with which money from product sales enters their coffers in the first place. The economic conditions in some of the countries studied were progressing prior to the current Covid-19 outbreak and this progression has been disrupted by Covid-19.

A radical precaution is necessary in stopping the spread of COVID-19 that has sparked the economy collapse. These precautions involve wearing of face masks, social distancing, staying at home, and the complete ban of any gathering activity. Social distance has made individuals very wary about participating in restricted activities outside of their homes, affecting a variety of economic sectors. Public involvement, as well as a low awareness about the disease's consequences, are two of the most important reasons that have contributed to Covid-19 major outbreak (Alyahya, 2021). All countries are working hard on reducing the damaging effects on all key areas for instance health, economics, industry, and education from this pandemic (Asfoura et al., 2021). Governments in many countries had to adapt to the epidemic of coronavirus and many policymakers took rapid policy actions that had comprehensive positive and negative consequences on their economies, which resulted in a recession for many countries (Ozili & Arun, 2020). Realizing the wide-ranging implications of an increase in company bankruptcies, governments across the world have taken a number of emergency steps to improve the liquidity of their national firms, some of which are specifically targeted at helping small and medium-sized businesses (OECD, 2020a). While governments have created loan schemes to assist the businesses in surviving the epidemic, they are inadequate since these businesses need additional cash flows to retain employees, pay rent, and reinvest in their infrastructure (Caballero-Morales, 2021).

In 2008, the global downturn has triggered significantly worldwide and affected SMEs in almost all economies, well beyond estimates by fast domino effects, leading to major SME closures and a decrease in the amount of new businesses (Chowdhury, 2011). The capacity of SMEs to rebound from this chaos and back to pre-event conditions is minimal (Asgary et al., 2013). Studies demonstrate that SMEs are trained to deal effectively with dreadful risks. To respond to this changing world, SMEs need to constantly modify their business models.

According to early data from market surveys around the world, up to 70% of SMEs have increased their usage of emerging technology as a result of Covid-19 (OECD, 2020b).

Surprisingly, Covid-19 has accelerated digitalization faster than any other event in the last decade (Escudero, 2020). Company sales should not be hindered by the Covid-19 lockdowns since businesses may use new technologies to market their goods and services via digital channels such as the internet and social media (Doyle and Conboy, 2020). Businesses that successfully implemented different new technology and innovations were able to weather the storm better than businesses who are only getting started down the digital road (Papadopoulos et al., 2020). It will assist SMEs in integrating into global markets by lowering the prices of transportation and border activities, as well as expanding the variety of resources available for exchange. Besides, many companies in the new digital economy are finding that partial or complete digitization of company processes has become a requirement for survival. Covid-19 pandemic somehow has been a blessing in disguise as it has exposes major shortcomings in many SMEs' existing market models and activities.

The significance of examining the impacts of the Covid-19 for SMEs is because, SMEs are defined as less resources and structural characteristics compared to big corporations (Eggers, 2020; Amankwah-Amoah et al., 2020). SMEs face the liability of being small. Having less resources means that a small organization is more subject to internal and external issues, such as an employee's resigning, a drop in incomes, a reduction in customer demand, or a world economic crisis (Eggers, 2020). SMEs found it is difficult to getting back on their feet even after being granted permission to reopen, leading to additional substantial economic losses and putting many at risk of closure (Lu et. al., 2020). Because the epidemic is still continuing and only a limited amount of study has been conducted to date. Hence, the contributions of this article are both important and novel. We identified Covid-19 impacts on SMEs from various countries by reviewing available information from journal papers, reports and other documents from relevant government agencies.

The purpose of this study is to examine the increasing body of literature on the impacts of Covid-19 and to integrate the findings that have emerged from a rising number of studies in this research field. This research attempts to compare the impacts of Covid-19 on SMEs from cross region countries. A more diverse picture of the crisis's effects can be painted in this study which emphasis on countries that cross regional boundaries. This study contributes to the growing literature on SMEs' effects in times of crisis. It also is expected to lay out the future direction and expectations of SMEs to sustain and survive throughout the epidemic. Thus, this study is seeking to answer the following research question;

- (i) To compare on the impacts of Covid-19 towards SMEs from cross region countries.

## **Literature Review**

### *The Impacts of the Covid-19 Pandemic on SMEs*

As a result of several crises, like the Great Depression in the 1930s, the financial crisis in the early of 2000s, and the one that is still happening as we speak, Covid-19, SMEs have been suffered badly and some were even facing failures (Tsilika et al., 2020). Even so, SMEs have long been acknowledged as an essential contribution to the world's economic development (Krubally et al., 2019). They are one of the main drivers of a socio-economic growth and also provide numerous job opportunities. The importance of SMEs and their contributions

especially in country's GDP have been widely acknowledged by literatures. According to the research by Youth Co: Lab (Xu & Abbasov, 2021), as of March 31, 2020, 9 out of 10 entrepreneurs in the Asia-Pacific region, 86% said that COVID-19 pandemic had a negative effect on their business.

SMEs account for at least 90% of businesses in both developed and developing countries (Mbuyisa & Leonard, 2017), generated 40% to 60% of countries' GDP (Igwe et al. 2018) while 40% of global industrial output and 35% of global exports were produced by them (Sharma & Bhagwat, 2006; Mbuyisa & Leonard, 2017). Many of them engage in exporting as a means of achieving international competitiveness. Covid-19 has resulted to close of borders and social distancing among people which has caused in company bankruptcies and job losses that affecting entrepreneurs (Castro & Zermeno, 2020). Many small businesses were forced to shut to avoid the virus from spreading. Closing of businesses means losing of customers and losing of customers means losing of income. When one company fails, the chain from the supplier above and the customer below are likely to be interrupted (Baldwin & Mauro, 2020). Covid-19 has evolved from a health devastation to an economic disaster, and SMEs are frantically attempting to survive both crises with little resources (Al-Fadly, 2020). They have faced several difficulties owing to their limited resources and skills as a result of the Covid-19 epidemic. These difficulties may affect their ability to defeat the losses. Due to the prolonged curfews and lockdowns imposed, SMEs began to experience the financial tension caused by the outbreak. Amuda (2020) in his study believes that the reality on the ground has demonstrated that, some of the SMEs have been very unfortunate and decided to permanently shut down their business due to weak plan of action and poor performance. Proper financial plan is necessary to avoid the business from losses. Plus, the availability of financial assistance from the related bodies are required in time like this to ensure the sustainability of SMEs in the long run.

The number of small businesses grows in times of crisis since most people are jobless and they are forced to make ends meet. This has resulted to the government in most of the countries to revise their policies in order to control the situation from getting worse. The Covid-19's impacts on a country's economic are unforeseeable, making it difficult not only for policymakers to develop a suitable macroeconomic policy, but also for industry players, especially SMEs, to find ground for survival and further development (Baum & Hai, 2020; Sheresheva, 2020).

### **Methodology**

When papers are synthesised and research gaps are discovered, it allows for the advancement of subject areas (Kumar, Paul & Unnithan, 2020). Researchers may discover gaps in the literature and critically evaluate previous material using systematic literature reviews in this setting (Snyder, 2019; Paul & Criado, 2020). One of the goals of a review article is to offer researchers with new and substantively intriguing ideas and directions for new investigations, rather than concentrating on incremental and repeated research (Paul et al., 2021). Literature reviews have been acknowledged as one of the approaches of gathering existing information within a particular field.

PRISMA also known as Preferred Reporting Items Systematic Reviews and Meta-Analysis method is adopted in this study together with articles related to the impacts of the Covid-19 pandemic outbreak from previous researchers. PRISMA has the potential to categorise emerging research disciplines and streams in relevant literature. To conduct the systematic review, resources such as Scopus and Web of Science (WoS) are selected. The research methodology is outlined in this section while the stages are detailed in the subsections that follow. Selection criteria, steps of reviewing process and data abstraction and analysis activities were carefully illustrated in the next section.

### Resources

Researchers conducted the search string thoroughly depending on the Clarivate Analytics Web of Science (WoS) Core Collection and Scopus for articles published since 2019 to 2021. Both were selected since they exclusively included articles from indexed journals, guaranteeing the quality and impact of each item evaluated. Other than that, both cover a high level of data coverage. Scopus and WoS are among the largest electronic databases covered various research fields include social sciences, environmental studies and social issues.

### Systematic Review Process

#### *Identification*

Based on prior research, the researchers selected relevant keywords for the search process, as well as a thesaurus with recommended synonyms linked to the subject.

Table 1

#### *Keywords used*

Databases	Keywords used
Scopus	TITLE-ABS-KEY ( ( "SMEs*" OR "small and medium-sized enterprises*" AND "impac*" OR "effec*" OR "affec*" OR "consequenc*" AND "covid-19" OR "corona virus" OR "pandemic*" ) )
Web of Science (WOS)	TS=(( "SME*" OR "small and medium-sized enterpris*") AND ("impac*" OR "effec*" OR "affec*" OR "consequenc*" OR "aftermat*") AND ("covid-19" OR "corona viru*" OR "pandemi*" ) )

### Screening

Before the review process takes place, some inclusion and exclusion criteria are adopted and sorted out. This is to minimise researchers from undergo reviewing hundreds of irrelevant journals. First, in order to allow all-inclusive perspective, articles journals only will be selected meaning that other than that are excluded. Second, researchers cover articles published from 2019 until present since Covid-19 was first found in 2019 in Wuhan, China. Third, only papers published in English are chosen in attempt to avoid translation difficulty and confusion. Fourth, the reviewed is inclusively for small and medium-sized companies only and researchers excluded scientific papers discussed on large companies in compliance with its objective.

Table 2

*Inclusion and exclusion criteria*

Criterion	Inclusion	Exclusion
Literature type	Journal (research articles and literature review)	Book review, book chapter, magazine articles, conference proceeding paper
Timeline	From 2019-present	< 2019
Language	English	Non-English
Business type	Small and medium-sized	Large companies
Subject	Business, management economic and accounting	Other than business, management, economic and accounting

**Eligibility**

The review process was completed by both the first and second authors. This is because Delgado-Rodrigueza & Sillero-Arena (2018) suggested query string and article search activity should be conducted by more than one researcher to prevent bias. To reduce the use of subjective judgement, the abstracts of all remaining papers were reviewed and evaluated (Yes include/No include) by two writers (Perreault & Leigh, 1989). It was finally completed on October 2021. As a result, a total of 257 articles managed to be retrieved from both Scopus and WoS. However, other researchers made reference to the Covid-19 epidemic in the paper but did not go into detail about the impacts and were focusing on coping mechanisms and crisis management instead. Secondly, screening process was performed on which out of 257 articles, a total of 68 duplicated articles were eliminated. Thirdly, 133 articles were removed due to not compiling to inclusion criteria set. So, only 56 articles left to assess for eligibility and thus their titles, abstracts and contents were cautiously read to check for their relevance. Researchers agreed to exclude 46 articles that are not apply to the early requirements as some are from other subject area. Lastly, only 10 articles remained to be evaluated for this study.

**Data abstraction and Analysis**

In this stage, researchers carefully examined and weighed remaining articles by focusing on the objective of each to find the relevancy to the research question of this study. Then, data was extracted by skimming the abstract before moving into full-text analysis. The results are visualised in the next section.



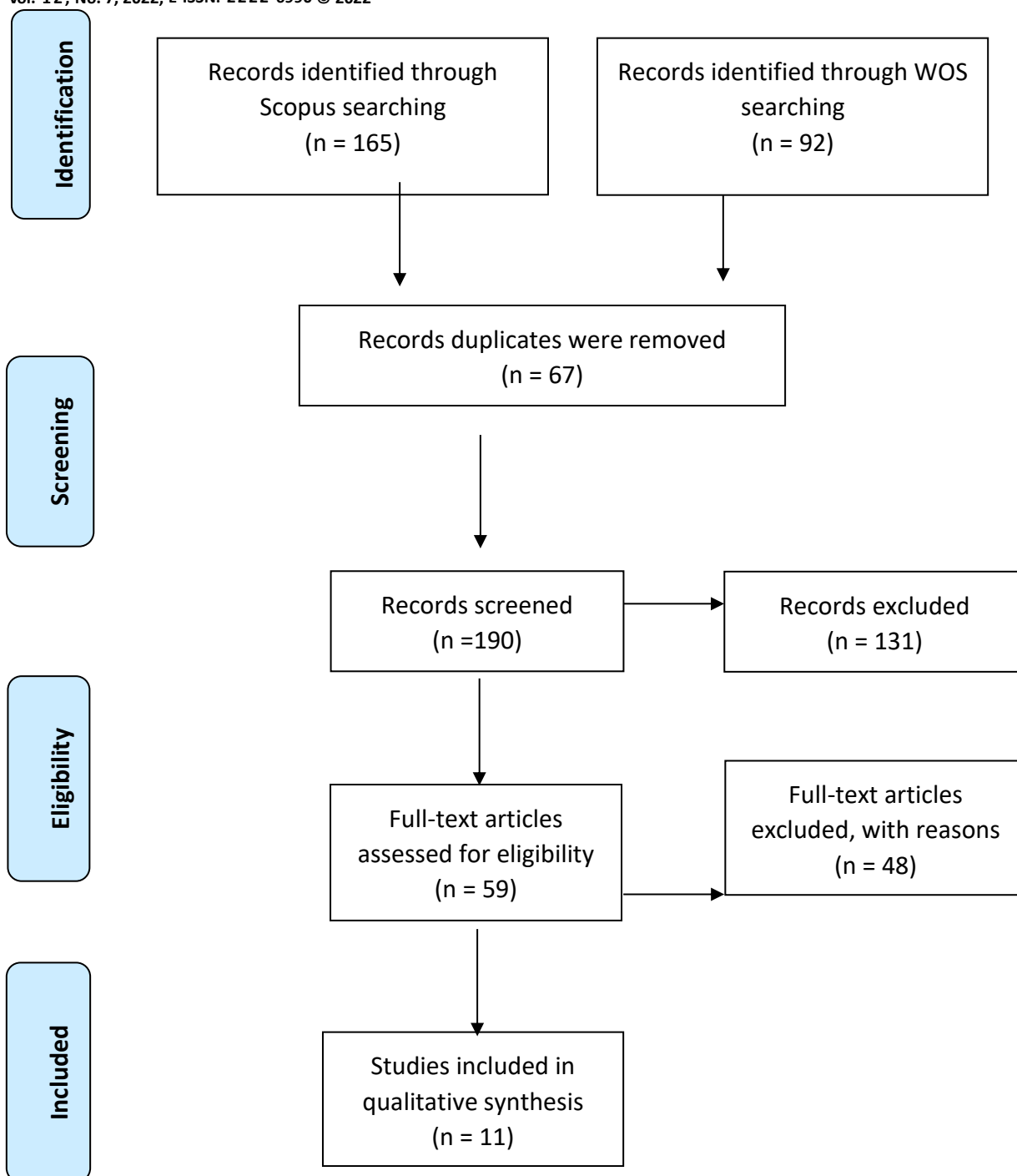


Figure 1: Flow Diagram of the study (adapted from Moher Liberati, Tetzlaff & Altman, 2009)

### Results and Findings

The corresponding author worked with other co-authors to generate themes based on the results. During the whole data analysis process, authors recorded the results of the interpretation of the data. The writers also discussed on the findings and compared them in order to resolve any discrepancies in the theme creation process, and if any contradictions on the themes were discovered, they must be addressed. The generated themes and sub-themes were then revised as necessary to ensure that they were coherent and consistent with one another. The analysed articles are illustrated and summarised in a table as below. Previous studies were focused on countries include China, Pakistan, Nigeria, Ghana, India, Jordan, Sri

Lanka, Malaysia and Azerbaijan. All publications were very much recent since the Covid-19 was first found in late of year 2019. There are 4 articles that were published in 2020 and the most recent 2021, consist of 7 articles.

Table 1  
*The Findings*

Country \ Impact	Financial	Supply Chain	Demand	Raw Material	Employment	Shut Down	Others
China	✓	✓	✓	✓	✓		
Pakistan	✓	✓	✓		✓		
Nigeria	✓			✓		✓	
Ghana					✓		
India	✓		✓		✓	✓	
Jordan	✓			✓	✓		Owners' attitudes
Sri Lanka	✓		✓	✓	✓	✓	
Pakistan	✓	✓	✓		✓	✓	Currency devalued
China	✓	✓	✓	✓	✓		Contract breach
Malaysia	✓	✓	✓	✓	✓		
Azerbaijan	✓	✓	✓				

### ***Impact on Financial Standing***

A total of 10 out of 11 studies focused on financial impacts that affected SMEs in general. Sales and profits made by the SMEs during the lockdown have been badly affected. Since the COVID-19 outbreak started, most business transactions recorded poor sales, whereby most SMEs reported major declines in their sources of income. In fact, survey responses in China uncovered that 14.6% of enterprises could not survive beyond one month with the low level of cash flow at that time. Furthermore, it was discovered that 35.5% of firms stated that their cash flow could only last between one and three months. Succinctly, if the lockdown policy requires businesses to shut down for three consecutive months without any cash flow, only half of the SMEs could outlast. In addition, it was discovered that more than a quarter of SMEs, amounting to 27.7%, would likely run out of cash before resuming their businesses (Dai et al., 2021). Also, over 80% of the SMEs, particularly in the tertiary sector, suffered a decline in operating income, apart from increased operating costs and extended cash shortages, by 49.8% and 48.4%, respectively (Lu et al., 2020).

Likewise, 89% of Pakistan's establishments are financially cramped (Naqvi, 2020). According to ADB (2020), a negative growth of 0.4% can be observed in Pakistan due to the COVID-19. Similarly, this outbreak has impacted the oil price in Nigeria, causing it to decline. It must be acknowledged that the oil industry is the prime source of revenue of the Nigerian government, and its decline may become the downfall of many businesses due to the result of negative incomes. Apart from that, restaurants in India are also critically affected, as they deteriorate by 50 to 70% in their revenues in this fiscal year. Such an abrupt fall was all due to COVID-19, as these eateries ran on a lean margin of a mere 10 to 15% of their profits before



taxes with around three weeks of cash flow. Also, these restaurants had to bear extreme debts and the ultimate misery of having zero cash flows during the outbreak (Vig & Agarwal, 2021). Correspondingly, in Jordan, the flow of sales income of SMEs also declines, despite receiving some financial support. The cash flow of SMEs has been affected widely, and the ability of enterprises to satisfy the payments of supplies decreased. Meanwhile, in Sri Lanka, a large part of incomes also deteriorates due to physical distancing policies and global travel bans.

Comparatively, SMEs in Pakistan suffered the loss of one-third of their profits. Aside from that, the country's export activities, particularly in the textile and apparel industry, declined by 50%, all due to the disruptions of the pandemic. In fact, it was uncovered that the SMEs also have to bear some unanticipated liquidity concerns and related problems attributable to the ongoing crisis (Shafi et al., 2020). In like manner, Malaysia is also non-exempted from the repercussions of COVID-19. Some of the major issues encountered by businesses in this nation are low cash flow, servicing of loans and borrowings, and incapability to remunerate employees. Equally important, the pandemic has also steered the Azerbaijan economy into an intense recession. In detail, the sales of 90% of the SMEs in that country dropped, leading to a significant profit decline (Xu & Abbasov, 2021).

### ***Impact on Supply Chain***

Essentially, six studies have underlined the influence of COVID-19 on SMEs' supply chain. In general, the intricacies and inconveniences in the asynchronous work resumption policy on upstream and downstream industrial chains and cross-provincial and cross-regional logistics have negatively affected the supply chains. As mentioned by Dai et al. (2021), it was discovered that the agricultural and manufacturing sectors in China encountered a few severe obstructions in their operations, including lack of raw materials, disrupted logistics, and poor demand for most goods and services. Instead of the supply-side aspects, the low usage of production capacity is primarily on account of the shortage of demands. In like manner, a total of 92% of the SMEs in Pakistan experienced the same situation as their supplies were insufficient as a result of supply chain failures. With this in mind, Shafi, Liu & Ren (2020) also concurred that national supply chains play a critical role as they heavily affect services such as transportation, retail and wholesale, warehousing, and communications.

Simultaneously, Malaysia encountered logistics concerns, including the lack of transportation, inoperable port, shortages of forwarding and shipping vessels, high freight insurance cost, and shipment interruption, which eventually led to excessive expenditure. Above all, the closure of port activities and poor transportation during the lockdown period left a debilitating effect on export trade. Many SMEs in the furniture industry were taken aback upon knowing forwarding and shipping activities could not transpire, on top of their great attempts to ensure timely shipment delivery. To illustrate, in Azerbaijan, the supply chain disruption was about 48.67%.

### ***Impact on Demand of Good and Services***

The depressing repercussions of COVID-19 all over the globe are undeniably critical. The market demands in China, for instance, portrayed an apparent drop, causing 35.5% of SMEs and almost 40% of the SMEs in the primary and tertiary industry sectors to substantiate the incapability to recommence work, in reference to the depressing demands. Likewise, the

consumer demands in Indian restaurants dropped significantly as people strictly opted to avoid public places and attend to the hygiene and safety of a surrounding. Besides that, the clothing industry in Sri Lanka also endured a few struggles, including the complexity to remain operating due to the lack of raw materials, consistent cancellation of orders, absence of new orders, and decline in global demand. Also, 54% of Pakistan's manufacturing industry experienced an obvious decrease in their export demands, including beverages, food, textile, and tobacco sub-sectors.

Identically, the poor employment of production capacity in China was mainly attributable to the significantly low demand for most goods and services. The descending market demand also left similar adverse effects on export and non-export firms. To illuminate, businesses in Malaysia endured shipment delays, abrupt cancellations of export orders, passive domestic market, slow recurring orders, and poor payment collection. Likewise, it is uncovered that SMEs in Azerbaijan's main cities confronted major issues in declining demands, amounting up to 46.03%. On top of that, 21.61% of business owners in that nation expressed that their businesses ceased operations during the virulent pandemic due to the total lack of customers.

### ***Impact on Raw Material***

Substantially, the virus outbreak has also destructively affected businesses, particularly in terms of raw materials. In this case, 30% of SMEs in China, specifically in the primary and secondary sectors, experienced a state of apprehension concerning the deficiency of raw materials. Dai et al (2021) enumerated that manufacturing and agricultural industries encountered significant issues pertaining to logistic disruptions and raw material shortages. The most compelling evidence transpired in Nigeria, as businesses in the nation are shutting down as a result of the unavailability of raw materials for production. Thus, such a dire situation directly leads to the failure of supplying goods in the market. Moreover, operational difficulties in Jordan are also attributable to the decrease in raw material flow. Apart from that, the garment industries in Sri Lanka are also in identical circumstances as enterprises struggle to remain operational due to the serious lack of raw materials. Besides that, it is essential to realise that the raw material supply in Malaysia is uncertain, with unpredictable pricing and inconsistent quality.

### ***Impact on Employment***

In China, the SMEs' operation and production were exceptionally pressured as they faced severe inadequacy of human resources and the abrupt escalation in the costs of labour caused by the low employee re-work rate. Moreover, export companies had to bear more than non-export firms due to their standard practice and tendency of employing migrant workforces, other than having highly concentrated suppliers. Other than that, the global health crisis also compelled a lot of businesses to shut down, causing unemployment issues in Pakistan to escalate. In detail, the unemployment rate in the country is predicted to amount to 8.1% during the fiscal year 2020 – 2021 (Siddiqui, 2020). There are also instances where some business owners directed their employees to take leaves, be it with or without payment, while others reduced the working hours or laid off their staff. It is also quite common to see that employees experienced salary reductions during the pandemic. Above all, to an extreme extent, some workers did not receive any wages during their forced leaves (Aftab et al., 2021).

The overwhelming repercussion of COVID-19 extends all the way to Ghana, as approximately 42,000 people became officially unemployed in April, as mentioned by Trade Union Congress. Based on the figure mentioned, it was estimated that 75% of them were small traders, daily paid workers, and wage labourers. Employees in India underwent the same state of affairs: salary reduction, lay-offs, and employment termination. Due to that, businesses witnessed a severe shortage of staff as many of the workers opted to migrate to their hometowns. Similarly, in Jordan, employees' salaries are reduced to 50%. The workforces in Sri Lanka, specifically in hotels, restaurants, public transportation, and civil aviation industries, are also on the verge of job losses. Equally, manufacturing sectors in China disclosed that their most critical concern pertains to labour shortages. Malaysia endured the same problems, including absenteeism, employees' refusal to resume working, and low labour productivity. Furthermore, contractual commitments among foreign contract employees may become a concern as the nature of work can cause less productivity.

### ***Impact on Shutting Down***

In Nigeria, businesses are shutting down as a result of the unavailability of raw materials for operations. Thus, no supply of goods can be provided in the market. At the same time, eateries in India had been completely shut down for almost six months. The closure eventually costs restaurant owners extra expenses to maintain the infrastructure of these deserted restaurants. On top of that, many SMEs in Sri Lanka that indirectly depended on the tourism sector, such as hotels, travel agents, suppliers, tour operators, and tour guides, are also badly impacted as this particular industry was on the brink of collapse.

### ***Other Impacts***

In Jordan, most business owners showed negative stances when utilising digital marketing. Besides, they did not show any determination to revise their plans to meet extended lockdowns, acquire short or long-term loans to meet the financial requirements, or change enterprise activity to meet new attitudes of the market. In the meantime, the impact was observed in Pakistan when the currency was devalued. In China, export firms faced greater contract breach risk.

### ***Discussion and Implications***

The findings made it possible to develop some preliminary hypotheses on a brand new area of study. Essentially, the COVID-19 is a scenario that requires careful measurement by organisations, including a broad set of strategies for actions. Through direct cooperation between businesses, SMEs, and government agencies, sustainable solutions can be established (Razumovskaia et al., 2020). Moreover, it must be realised that choices made by the government in the next few weeks will affect the country for months or could be years to come. The government's role should be geared towards providing a conducive business climate for the development of SMEs. It is also believed that the unpredictable and, to a certain extent, chaotic decision-making and the frequent policy changes exacerbated the ongoing situation. Other than that, small business owners are advised to take advantage of government funding programs to help them expand their operations and retain their workers. Nevertheless, this study does not provide any detail on policy analysis by the government.

In order to ensure that the nation has more robust preventive measures and preparations before the reopening of its borders, the government has to establish an excellent COVID-19 containment strategy. In order to address the consequences quickly,

financial institutions must promptly provide short-term monitoring and economic stimulus. Additionally, it is crucial to ensure that information between the government and the private sector flows seamlessly. On top of that, a mechanism for logically selecting policies and identifying errors must be established. Furthermore, the government and SMEs' administration can guarantee a low risk of viral transmission in the workplace by instituting health and safety measures. The survival of a small business is heavily dependent on the owner's skills and knowledge in its operation. In essence, the owner is a critical component in each corporation as the individual may help build the supply chain, partnerships, performance metrics, and overall corporate strategy (Chin et al., 2012).

Small companies frequently lack access to dependable wireless broadband or high-speed internet connection in many parts of the world, making it challenging to manage daily operations. It is worth mentioning that many small company owners in underdeveloped countries now run their operations entirely from their mobile devices through internet services. Still, accessibility and internet infrastructure are different compared to developed countries. It is no secret that poverty limits people's access to high-speed technology, especially in developing countries. Under those circumstances, governments should prioritise developing and expanding technological infrastructure to enhance accessibility and link rural areas with the new digital economy.

Government resources are needed, particularly in developing countries, to create a technological infrastructure that offers basic support for new and growing companies to utilise and transition to new technologies in order to keep up with the changing technological environment. Governments, for example, may help small companies by subsidising or providing them with technological devices. The COVID-19 situation is still in a state of unrest due to uncertain consequences from new variants of the virus, apart from the lack of empirical testing to support the analysis.

In the future, it will be fascinating to monitor the actions of SMEs as they respond to COVID-19 using the plentiful resources and information at hand. Such analysis has the potential to elevate observation and understanding of this area further. This area will only progress with a more thorough empirical examination of the hypothesised connections. Theoretically, it is anticipated to broaden the discussion on the pandemic's implications for SMEs. As a result of the COVID-19, it is believed that this research will assist in regenerating interest in company failures in the general public.

This study has significant academic implications as it enriches the body of knowledge and literature pertaining to the influence of uncertainties, diseases, and pandemics on small businesses. The data presented in this article serves as a helpful road map portraying the adversities that most countries will encounter throughout the reopening process. This research may benefit both the government, which acts as the company's regulator, and businesses, particularly small and medium-sized enterprises, in decreasing future risk. However, the results are based on a limited number of countries, making it impractical and unrealistic to apply to SMEs in other countries. While this research was done during July 2021, the implications and policies may change in a few months.

### **Conclusion and Future Studies**

Fundamentally, this literary evaluation provided a thorough perspective of how the COVID-19 epidemic influences SMEs. The scope of the subject was addressed, along with its implications in many areas of study in management. The in-depth research and analysis of the articles allow for a better understanding of potential linkages of the impacts studied. This contribution is significant and critical since the epidemic has presented many difficulties and generated new business situations and management transformation.

SMEs vary in terms of their bigger counterparts, such as scale, scope, and human resources, which are all constrained. This article demonstrates how this may disadvantage them in comparison to their bigger counterparts. This systematic review has highlighted the consequences of COVID-19 on SMEs from cross-regional countries. COVID-19 has nearly the same impacts on SMEs within these countries despite the classification of the countries' development status. This is consistent with the previous research findings and reports. SMEs are facing difficulties in cash flow due to a drop in sales and demands, logistic shortages, and inadequate labour since the government instructed SMEs to close and most employees need to work from home.

Substantially, this research serves as a profound resource and reference for policymakers as it accentuates the need for plans and policies to enrich and develop resilience in entrepreneurial firms. It is also critical for future researchers to deem this study as guidance, apart from identifying research gaps specifically in resilience and entrepreneurship research. The government has decided to impose several new policies and strategies to tackle the issues in response to this. The policies made are also quite similar between one and another. Through theoretical and methodological contributions, this composition helps to clarify how the progress in SME research should be undertaken. It is of the ultimate goal to make the collected researches on SMEs and their business operations more understandable, besides contributing to the development of new paradigms.

The study suggests several recommendations for future studies. These recommendations may assist state authorities and SME owners in developing strategies to improve their businesses. First, the subject of future studies should highlight the critical role and responsibility of the government and their approaches in providing support to the economic development of their respective nation. Future researchers are also expected to focus on the aftermath of a pandemic on businesses from the short-term and long-term policies regulated. Therefore, a comparative analysis is essential to shed fresh insight into the effects and corrective actions necessary to protect all types of enterprises (Robinson & Kengathara, 2020).

Second, additional experimental analyses targeting other geographic areas are required to exhibit the effects of various government lockdown initiatives on SMEs. The study suggested a more in-depth assessment of several decisions and economic practices to reduce costs, improve output, and allow SMEs to survive until the pandemic is over. It is inferable that the COVID-19 issue impacts their economies in various areas around the world, which opens up fresh research possibilities. Furthermore, this offers an opportunity for academics to conduct comparison studies in more developed geographical regions, aside from encouraging academics to conduct new studies in less explored places.

**Contribution of the Study**

The findings are based exclusively on secondary sources hence cannot contribute in a wide-ranging discipline. However, researcher has come out with few contributions that can be applied by the entrepreneurs and policymakers. The contributions of this study can be viewed in terms of promoting a better understanding for entrepreneurs on the important of the crisis management. SMEs must learn to embrace crisis management in the future as a means of dealing with catastrophic threats that may cause a disruption to their businesses. For example, the Covid-19 dilemma requires entrepreneurs to incorporate agile practices into their business structures. Although the epidemic has brought hardships, there will also be business opportunities that bring new areas for expansion and make it possible for newer small businesses to profit from these destruction dynamics.

The outcome of this research also applicable for the government and policymakers. After a period of adjustment and easing of restrictions, policymakers must shift a transition to more systemic initiatives targeted at stimulating innovation, globalization, and networking for those SMEs that have made it through the crisis. It is also advisable to enact policies that can significantly reduce the costs of production for businesses intended to facilitate them in surviving the current challenging phase and eventually returning to their usual business operations.

**Declaration of Interest**

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