Staying afloat? Using a reflective cycle approach to examine the effects of crisis on the business resilience of SMEs during COVID-19

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Abstract
This study seeks to explore the effects of the COVID-19 crisis on the business resilience of SMEs in the United Arab Emirates (UAE) as an emerging economy, and specifically in Dubai, a thriving global business hub. Our objective is to examine the challenges experienced by small and medium enterprises (SMEs) in this region and how business leaders respond to the unprecedented crisis to stay afloat. We obtained rich descriptions from 26 respondents comprising SME owners and managers, using semi-structured interviews and a reflective process model to discern different aspects of business volatility, leadership roles, and financial management. All respondents endured the crisis periods by implementing numerous changes and initiatives to explore new norms of working, uncharted business territories, fulfill current projects, and develop innovative solutions and diversification in their businesses. Many have turned challenges into opportunities, progressing successfully through the three challenging periods of crisis using diverse approaches to stay resilient. The paper concludes with a discussion of theoretical and practical implications and future research directions.

Keywords
business resilience, COVID-19, responsible leadership, crisis management, small medium enterprises, Dubai, reflective cycle, qualitative study, crisis-attuned challenges

Introduction
While there has been extensive analysis of business resilience for multinational corporations during crises in the developed world (Ballesteros and Kunreuther, 2018; Fainshmidt et al., 2017; Harries et al., 2018; Smallbone and Welter, 2012), research geared toward understanding the business conditions of small and medium enterprises (SMEs) in the context of crisis management has been limited (Herbane, 2010; Kraus et al., 2020; Smallbone and Welter, 2012; Yaari et al., 2020). In early 2020, the COVID-19 pandemic swept across the globe, affecting businesses in an unprecedented manner. In a survey encompassing 5800 small businesses in the USA, Bartik et al. (2020) found that they suffered from various aspects of economic shock linked to the unpredictable length of the crisis and loss of financial support, thus threatening their viability. The United Arab Emirates (UAE) saw similar repercussions. SMEs represent 98% of all companies in the country, and Dubai’s businesses have suffered greatly since the beginning of 2020 (Al-Hares, 2020). The SME sector in Dubai employs 1.41 million workers, equivalent to a net employment contribution of 56% of the economy. A crisis with the wide-reaching impact of the pandemic leads to inevitable business discontinuity and disruption, and people face challenges in managing their businesses (Barro et al., 2020; Bundy and Pfarrer, 2015; Cleeren et al., 2017). However, there have been no definitive measures and solutions for SMEs, particularly in Dubai as an emerging economy (Gerth et al., 2021; Kenny and Dutt, 2021).
A crisis of this sort is historical because its impact on businesses is felt locally and globally. Businesses need to operate with new norms, and this requires leaders to make changes, adopt innovative measures, employ leadership and entrepreneurial agility, rectify financial constraints, and build tenacity and cultural fitness to adapt successfully (Applegate et al., 2016; Hu and Pang, 2018). The effects of viruses such as severe acute respiratory syndrome (SARS) and Middle East respiratory syndrome coronavirus (MERS-COV), the unprecedented financial crises of 1997 and 2008, and environmental disasters such as tsunamis and earthquakes are not comparable to COVID-19’s widespread impact. Business entities, civil society, government bodies, information technology specialists, financiers, and economists around the globe have spoken out about how the COVID-19 crisis has led to multifaceted business challenges (Maliszewskas et al., 2020; Liu, et al., 2020; Xing et al., 2020).

This study aims to examine the effects of the crisis on the business resilience of SMEs in the UAE as an emerging economy, specifically in Dubai, a thriving global business hub. Our objectives are to examine the challenges experienced by SMEs in this region and how business leaders have responded to the crisis to stay afloat. The article is divided into several sections. The literature review identifies research gaps by exploring pertinent aspects of business resilience during crisis and the role of responsible leadership. The methodology describes the primary data collection from 26 SME owners or managers, using semi-structured interviews and a reflective process model to discern different aspects of challenges experienced. The subsequent section provides a rich description of the study findings and respondents’ narratives, thoughts, feelings, and actions taken in relation to managing their businesses during COVID-19. Finally, the findings are discussed based on theoretical and managerial implications, followed by the conclusion and future research directions.

**Literature review**

**Business resilience and crisis**

Many businesses have achieved success in times of adversity and challenge, such as recession, and will undoubtedly witness further disruption due to the impact of COVID-19. During these times, positive emotions help protect business owners, shifting attitudes toward success instead of failure (Fredrickson et al., 2003). Business resilience has developed into a systems-based model aimed at developing growth, wealth, closure, and quick response to change (Beech et al., 2020; Salvia and Quaranta, 2015). It has grown from a meaning of “robustness” to “an ability to endure (or weather) disturbance” (Holling, 1996). It is clearly argued that it is challenging to develop a single definition, as it must negotiate the context in which it is being applied (Beech et al., 2020). As the world is a dynamic environment of disturbance and complex incidents that require responses to change (Beech et al., 2020; Scheffer et al., 2001), resilience involves the ability to learn and adapt to factors that impact “normal” operations.

Based on past studies, we define business resilience as the ability of organizations to adapt in response to a changing environment (Beech et al., 2020). In this context, resilience describes an organization’s ability to ride out the storm by continuing operations and returning to a stable state after high-impact low-probability disturbances (Cumming et al., 2005; Gunderson, 2000; Hearns and Wilson, 2013), including economic factors, pandemics, or even war (Beech et al., 2020). Resilience informs organizations’ responses to change or shock (such as COVID-19) that prompt innovative behavior (Dahles and Susilowati, 2015). It is the ability to survive and adapt, which is critical for economic development (Fiksel, 2006; Hamel and Valikangas, 2003; Williams and Vorley, 2014). Many global and localized crises have affected international business in the past few decades, including the 2008 Great Recession, the 2011 Christchurch earthquake, terrorist attacks, and political conflict, to highlight but a few (Doern et al., 2019). To an extent, it is possible to say that crises on different levels have become commonplace business disruptors, and unprecedented and unsettling events are the new normal for “business as usual.”

The more rigid a business’s structure and culture, the less likely it is to secure positive outcomes during adverse events. It has been noted that SMEs are typically more responsive than larger enterprises during such times due to their flexibility (Williams and Vorley, 2014). Crisis management is by no means a new phenomenon. Historical business research suggests that a “crisis” refers to extreme and unexpected events that require organizations to make prompt decisions in response to challenges that can interfere with normal operations, impact the organization’s reputation, and ultimately affect their financial well-being (see, for example, Doern et al., 2019; Dutton, 1986; Hermann, 1963; Hills, 1998; Quarantelli, 1988). The outcomes of crises for small businesses are mixed, and in some instances, they are found to be positive as well as negative. For example, following the 2001 foot-and-mouth outbreak in the UK, many small rural tourism businesses experienced failure, decline, loss of resources, and significantly decreased profitability (Irvine and Anderson, 2004). Similar impacts were experienced in London following the 2011 riots, with vandalism and looting causing property damage and leaving businesses with a loss of stock and substantial repair costs (Doern, 2016). The USA had similar experiences after the natural disaster damage caused by Hurricane Katrina (Runyan, 2006). Doern et al. (2019) demonstrated the negative impact on entrepreneurs’ personal and psychological well-being after experiencing such crisis-induced loss, which, as previously stated, relates closely to emotional impact on entrepreneurs and a positive or negative effect on business resilience (Williams and Vorley, 2014).

We already understand that a positive approach from entrepreneurs can motivate and inspire the development of opportunities (Brünjes and Revilla-Diez, 2013; Doern et al., 2019) during critical times when resources can be somewhat depleted. Disaster (or crisis) can prompt entrepreneurs to develop alternative products or services and even expand through means that are not purely financially driven. Recently, social entrepreneurship and aiding victims of crisis has created prospects that may have been previously overlooked (Grube and Storr, 2018; Williams and Shepherd, 2016). It is also important to consider how crisis impacts the way entrepreneurs stay afloat as well as undergo changes.
Li et al. (2021), focusing on the Chinese restaurant industry, identified key elements that aid businesses response(s) to, and take future precautions for, disruptions such as COVID-19. The concept of change involves elements such as precaution, proactiveness, and the need for innovative approaches to maintain operations during adversity (Direction, 2021).

In crisis management literature, there is inadequate understanding of business resilience and the multifaceted challenges, complex behaviors, and diverse leadership outcomes that result from crises such as COVID-19 (Cuyper et al., 2020; Schroeder, 2020). There is a critical need for this research gap to be filled in terms of innovative measures to ensure business continuity. Scholarly views are insufficient with regard to rich understanding and in-depth explanations of the experiences, trends, challenges, and events surrounding business resilience during widespread crises such as COVID-19 (Branicki et al., 2018; Herbane, 2019; Pal et al., 2014).

We contextualized our research in the UAE, which gives rise to unique challenges that may require similar or divergent approaches than other contexts or locations around the world. While a number of studies have focused on resilience in the context of the UAE, they are usually on specific industries such as logistics (Sundarakani and Onyi, 2021), finance (Gerth et al., 2021) or a specific service (Madi Odeh et al., 2021). There is still a lot of unexplained misunderstanding in the field of business disruptions and discontinuities faced by SMEs, which is not accounted for in the literature in regards to industries like manufacturing, accommodation and services, professional, scientific and technical services and others. Such challenges need to be managed and resolved through different adjustments, changes, or approaches. Therefore, this study aims to address this gap and understand the steps taken by UAE SME entrepreneurs in the abovementioned industries to ensure business continuity and whether these have driven positive change in their businesses. This information could then be used as a means to shape new working practices. We aim to identify the types of challenges faced by business operators and how they have responded to them, and how this has impacted the sustainability of organizations across different sectors, rather than focusing only on specific industries, which has been the case in previous studies (Gerth et al., 2021; Madi Odeh et al., 2021; Sundarakani and Onyi, 2021).

The role of responsible leadership during crisis

In prosperous times, the role of leadership is to provide vision and direction for the future. This need is amplified when an organization faces unprecedented crises (Brumfield, 2012; DuBrin, 2013; Reiche et al., 2020). Mitroff (2005) addressed “the rise of the abnormal” when emerging stronger and better from a crisis. When faced with a crisis, responses can range from pandemonium to a controlled, well-orchestrated solution (Bowers et al., 2017). Preparation, however, is often not a matter of priority for organizations, and many operate in reactive mode (Girboveanu and Pavel, 2010). Not all leaders are equipped to handle change during crises, and they differ in their interpretations of problems, which leads to variation in responses (Crayne and Medeiros, 2020). The complexities of disruption give rise to new models of leadership (Kaiser, 2020), and transformational leaders have proven successful in crisis management (Van Knippenberg and Sitkin, 2013). Participatory decision making, big-picture thinking, and leveraging the expertise of those closest to the situation helps leaders formulate logical, flexible, and adaptive crisis response plans (Bowers et al., 2017; Wartzman and Tang, 2020; White and Shullman, 2010; Yuki and Mahsud, 2010).

For a responsible leader, an integral part of crisis management is communicating and liaising with internal and external stakeholders to enhance success (Kempster and Jackson, 2021). Such versatility is empirically related to several measures of leadership effectiveness, especially team adaptability and productivity, in the circumstances of the COVID-19 pandemic (Kaiser, 2020). New opportunities often arise when difficulties appear on the horizon, but to create opportunity, leaders need to take their teams along. The more turbulent the environment, the greater the need to demonstrate that control is possible (and needed). Employees look to leaders for guidance, vision, direction, and proactive approaches to the situation (Rajah and Arvey, 2013; Van Vugt et al., 2008). Leaders’ influence on subordinates increases when their value systems align, and an enabling, empowerment-oriented culture can help create a team of proactive problem solvers and learners (Kempster and Jackson, 2021; Zhao, et al., 2021).

Leadership creates and changes cultures while management and administration act within a culture (Schein, 2004). In a complex, fast-paced world, organizations and their leaders are thus required to become perpetual learners. The relationship between leadership and culture is interactive, and leadership style sets the tone for the beliefs and value systems that establish the organizational culture (Schein, 1996). Chong et al. (2018) described leadership and organizational culture as two sides of the same coin. Effective strategy execution requires an environment where people are empowered and enabled to challenge the status quo, leading to a change-ready culture. When disruption occurs, the change process can be delayed by a lack of acceptance from relevant stakeholders (Johnston, 2001). Leaders and their teams orchestrate the joint construction of change, which requires a receptive culture.

Past research has also analyzed the effect of leadership on cultural formation in organizations (Borecki et al., 2014; Limaj and Bermonder, 2019). While some may argue that it is challenging to create a change-ready culture (LePine, 2005), others have established that an innovative culture characterized by flexibility and rapid response to market changes is likely to result from the leadership style and persuasive influence strategies adopted (Chong et al., 2018). Schein (2004) stated that a learning culture needed a learning “gene” in its DNA. Learning-oriented, adaptive, and flexible cultures enable responsible leaders and their teams to formulate optimal responses and recovery. Emergencies test the best of leaders, and support from the team can play a crucial role in navigating the worst of crises. At times, such crises may even be used to the advantage of the organizations involved.

In light of the unprecedented characteristics of the COVID-19 pandemic, we aim to understand how UAE SME leaders reacted and demonstrated resilience in their responses.
and changes to operational practices, which could determine business success, and how they were able to facilitate this in line with staffing restrictions. We also seek to understand the nature of flexibility, innovation, and the concept of promptness in action taken by responsible leaders in the context of this study. The controls put in place by government undoubtedly impacted the way organizations and their people could carry out normal day-to-day functions, given that nations were locked down with staff mostly unable to leave their own homes to engage in normal workday routines. Past studies on crisis management suggest that responsible leaders need to take not only proactive actions, but also reactive actions to achieve entrepreneurial resilience and prevent venture failure (Comer et al., 2017).

Unfortunately, few studies have examined the multifaceted role of responsible leaders in the face of challenges and business disruptions during the COVID-19 crisis (Haque, 2021; Mehta et al., 2020; Pounder, 2021). With business outcomes that are anticipated to be volatile, unpredictable, complex, and ambiguous, leaders have to be responsive and responsible not only to shareholders, but also to multi-stakeholders, in integrating triple bottomline: profit, social, and environmental goals (Maak, 2007; Kempster and Jackson, 2021). By identifying the actions taken by responsible leaders to support business continuity and changes to operational practices, which could determine business success, and how they were able to facilitate this in line with staffing restrictions. We also seek to understand the nature of flexibility, innovation, and the concept of promptness in action taken by responsible leaders in the context of this study. The controls put in place by government undoubtedly impacted the way organizations and their people could carry out normal day-to-day functions, given that nations were locked down with staff mostly unable to leave their own homes to engage in normal workday routines. Past studies on crisis management suggest that responsible leaders need to take not only proactive actions, but also reactive actions to achieve entrepreneurial resilience and prevent venture failure (Comer et al., 2017).

Understanding leadership responses and action taken during the pandemic will help us identify how UAE entrepreneurs and business leaders identified the key elements of their business and their responses for the all-important workforce.

**Methodology: Qualitative research**

**Research setting and respondents**

Since 2010, Dubai has positioned itself globally as a fast-growing city and emerging business hub, attracting foreign investors and business people from across the world. Meanwhile, when the pandemic began in early 2020, it has swept into business scenarios in an atypical and pervasive manner, threatening small and medium-sized enterprises (SMEs) in particular. As a result, the Dubai economy has suffered greatly, with the critical sectors of real estate and hospitality having suffered the most (Turak, 2020). In this context, the aim of the present study was to obtain an in-depth understanding of the experiences that SME owners and managers underwent when facing the recent turbulent business conditions and associated challenges.

**Data elicitation: Approach and strategies**

We interviewed 26 small business owners and managers in Dubai over a 6-week period (from September 2 to 10 October 2020). The respondents varied in business nature, size of business, years of operation, and industry categories (see

| Fictitious name | Gender | Nature of business | Industry | No. of employees | Year of existence |
|-----------------|--------|--------------------|----------|------------------|------------------|
| Resp1           | M      | Printing press     | Accommodation and food services | 50               | 13 years         |
| Resp2           | F      | Marketing consultancy | Accommodation and food services | 10               | 8 years          |
| Resp3           | F      | Construction       | Construction | 15               | 22 years         |
| Resp4           | M      | Legal firm         | Information technology | 30               | 8 years          |
| Resp5           | F      | Mindset coaching   | Manufacturing | 1                | 1 year           |
| Resp6           | M      | Automobile        | Manufacturing | 70               | 30 years         |
| Resp7           | M      | Service            | Other services (except public administration) | 6               | 15 years         |
| Resp8           | M      | Retail             | Other services (except public administration) | 5               | 5 years          |
| Resp9           | M      | Logistic           | Other services (except public administration) | 30               | 4 years          |
| Resp10          | F      | Travel             | Professional, scientific, and technical services | 15              | 41 years         |
| Resp11          | M      | Technology         | Professional, scientific, and technical services | 50              | 20 years         |
| Resp12          | M      | Retail             | Professional, scientific and technical services | 80              | 42 years         |
| Resp13          | M      | Service            | Professional, scientific, and technical services | 50              | 3 years          |
| Resp14          | M      | Food & beverage   | Professional, scientific, and technical services | 104             | 7 years          |
| Resp15          | F      | Marketing          | Professional, scientific, and technical services | None            | 2 years          |
| Resp16          | M      | Logistics          | Professional, scientific, and technical services | 42              | 5 years          |
| Resp17          | M      | Travel             | Professional, scientific, and technical services | 32              | 9 years          |
| Resp18          | M      | Accounting         | Professional, scientific and technical services | 55              | 15 years         |
| Resp19          | M      | Insurance          | Professional, scientific, and technical services | 15              | 10 years         |
| Resp20          | F      | Food & beverage   | Professional, scientific, and technical services | 5               | 13 years         |
| Resp21          | F      | Logistics          | Retail | 7               | 6 years          |
| Resp22          | M      | Logistics          | Retail | 7               | 6 years          |
| Resp23          | F      | Accounting         | Transportation and warehousing | 2               | 3 years          |
| Resp24          | M      | Accounting         | Transportation and warehousing | 70              | 30 years         |
| Resp25          | M      | Packaging          | Transportation and warehousing | 50              | 15 years         |
| Resp26          | M      | E-commerce         | Transportation and warehousing | 7               | 3 years          |

*The industry classification is as per the North America Industry Classification System (NAICS) Canada 2017. [Link to the NAICS Canada 2017 system](https://www23.statcan.gc.ca/imdb/p3VD.pl?Function=getVD&TVD=1,181.553&TVD=1,181.554&CLV=0&MLV=5&LV=1)*
Table 1). The data collection was conducted in three phases. In the first phase, 50 emails asking for volunteers were sent out based on a referral list published by an international business franchise network of SMEs in Dubai. From this early pool of emails, just 10 people agreed to participate, and the first round of interviews was made. In the second phase, further contact data were elicited by sending reminders to the same pool of initial contacts, whereupon another 10 respondents agreed to participate. Finally, in the last phase, six further respondents were recruited from social media networks for a final round of interviews. Due to the restrictions of COVID-19, all the respondents were interviewed using online platforms, such as Webex and Zoom meetings. The interviews lasted for around 60–70 min. The conversations were recorded, and all respondents signed and attached the consent forms via email.

Semi-structured interviews were used to engage the respondents in a process called the “reflective cycle of practices.” This process was utilized to make sense of the conditions they had undergone during the COVID-19 pandemic (see Figure 1). As an iterative technique, it allowed the respondents to express their opinions, feelings, and actions related to leadership roles, organizational culture, company values, and financial and business strategies. Since the pandemic has been an unprecedented crisis, the questions were carefully extended and shaped towards what transpired over the first 6 months after it flared up. To best learn about the respondents’ experiences, multiple layers of questions were applied using dynamic and reflective methods of questioning designed to encourage them to think, feel, and express themselves through their stories. The probing questions asked were intended to deepen the responses gained.

According to Gibbs (1988), the purpose of engaging in reflective practices is to elicit information from respondents by questioning them about their experiences and explanations, seeking different ways of knowing through exploring ideas and strategies, and enhancing their self-awareness and self-development of the actions taken to combat challenges experienced. Harries et al. (2018, p. 715) notes that making sense of a situation “is a way of understanding the usually unconscious process of interpreting ambiguous or confusing events.” Hence, respondents needed to be helped to think about and reflect on the situations they had experienced and thus make sense of the situations, incidents, and journeys they had undergone during the tough times of the initial COVID-19 period. Zakaria (2019) further suggests that making sense of a situation will allow people to uncover the accounts and incidents that most deeply touched them, including experiences that may be difficult to discuss.

Based on the model shown in Figure 1, the respondents were interviewed using the six iterative and multiple stages of reflective questioning. In the first and second stage of the questioning, the respondents were asked “What happened during the first period of the COVID-19 crisis and what did you think and feel about it?” The key issue at this stage concerns identification of the meaning of the crisis by making sense of it in retrospect. The reflective approach allowed the SME owners and/or managers to identify and extensively describe their experiences. It could also help them identify the root causes of events by unpacking elements and characteristics and assist them in finding meaning or making sense of their feelings.

In the second phase of questioning, the respondents were asked to relate to the event from an emotional standpoint and disclose a deeper feeling or sensory experience regarding why an event or situation occurred. During the third, evaluative stage, they were asked to reflect on their understanding of the situation by answering a key question: “What was positive or negative about your COVID-19 experience?” When such an unprecedented situation occurs, an individual should look at it objectively, describe the it based on an

Figure 1. Reflective cycle model for data elicitation.
evaluation, and acquire an in-depth understanding of their behaviors.

In the fourth stage, to make sense of resilience, respondents needed to think analytically. At this stage of the model, respondents might fully diagnose and then create certain resilience-attuned conditional rules regarding their actions. Once people have evaluated a situation that triggers certain reactions, they need to analyze it from various perspectives.

In the fifth stage, the respondents were guided to understand how the pandemic had affected them from an overall standpoint. They started to provide a holistic view of what the specific incidents offered them in terms of lessons learned and ways to address challenges. Finally, in the sixth stage, a key question arose “What else could have been done?” Here, the respondents were invited to take a step back, critically examine the what, why, when, who, where, and how of the situations they had experienced and contemplate whether things could have turned out differently.

### Data analysis

The online interviews were transcribed between [October] and [December] 2020 before commencing the data analysis procedures. We applied the same reflective analysis approach throughout based on the large datasets to ensure that all the information was well organized and coded into themes and sub-themes. The stories presented were also coded for latent and manifest meanings to obtain the richness of the narrations (Neuendorf, 2002; Creswell and Poth, 2016). The broad categories of these codes were then refined by subgrouping them into a more parsimonious form to illustrate the researchers’ in-depth understanding of each dynamic process in analyzing the effects of crisis on business resilience. Finally, the formulation of themes and sub-themes based on the codes was made.

Three themes emerged to understand business resilience during the Pandemic: crisis period, crisis-attuned challenges, and adjustments made during the crisis. The codebook was developed based on the hierarchical data analytic framework comprising of three thematic layers (see Figure 2). A deductive approach was used for the first theme coded as crisis periods, offering a broad understanding of the COVID-19 phenomenon. Using reflective questioning approach, we further developed sub-themes on three distinctive crisis periods based on the researchers’ practical understanding of the COVID-19 situation and confirmed by all respondents. After several reflective iterations (Stages 3–5, see Figure 1), an inductive approach was also applied, with further exploration based on how the respondents narrated their stories around the crisis-attuned challenges and trials of staying afloat (coded as theme 2), followed by different types of adjustments made due to emergent opportunities to achieve business resilience (coded as theme 3).

In the initial phase, all the transcribed data was divided according to how it will be analyzed: deductive or inductive. Rigorous procedures were applied, which are detailed thus. First, we aimed to understand the broad category of situational analysis. For this, we focused on demographic information (respondent’s name, nature of business, years of operation, and number of employees) as contextual information about the small businesses and their owners or managers. Second, we applied the deductive coding. For this, the data was partitioned and coded into the three distinctive crisis periods identified (see Figure 2). Once the transcriptions were categorized, we began the inductive process, in which we determined the core and sub-concepts to code. Since the data collection was performed in three different rounds, prior codes and categories were developed and refined after the responses were received from each batch of respondents. This was done to enable our immersion in the data with a full (general-to-in-depth levels) of understanding.

Once a batch of respondents was completed, we divided the number transcripts among us equally and started to read the content carefully and thoroughly. An initial set of themes
emerged and was coded based on the explicit and implicit meanings extracted from the responses.

Third, we all read the assigned transcripts thoroughly and looked (again) for emerging themes. We began to look for a specific theme of challenges that emerged from the three crisis periods of the pandemic. In this stage of the analysis, we wanted to explore the different types of crisis-attuned challenges that all the respondents experienced and which addressed the questions of what, why, when and how the challenges were accounted for. For example, when we asked them to reflect of “What was positive or negative about your COVID-19 experience?” The respondents were able to delve on this question deeply by making sense of the conditions and context they were situated in by providing stimulating accounts. Fifteen initial codes were developed through one of our brainstorming sessions (refer to Table 2). This progressive generation (of codes and sub-themes) enabled us to obtain a complete picture of what transpired in each of the three crisis periods in a gradual manner and thus developed the sub-themes of challenges.

As suggested by Ren et al. (2021) and Zakaria (2017), we engaged in a systematic multilayering approach of data analysis whereby the four researchers together underwent the coding process through several iterative loops, from one layer to another (see Figure 2). To ensure reliability and validity, we also constantly compared data and codes by jotting down memos about the codes and its meaning and shared among researchers using google docs. After the first 10 interviews were completed, we coded independently and then discussed the emerging codes. At the initial phase of creating sub-themes based on the 15 codes developed (see Table 2), we established the following: (1) business continuity, (2) financial problems, (3) leadership roles and support, (4) working norms and culture, and (5) financial and cash flow.

As we proceeded to the second round of interviews, we repeated the process of reading and coding inductively but with more intensity as we obtained more data to refine based on what we had found in the first batch. We contextualized the challenges based on the different crisis periods and different demographics information to determine whether the challenges were similar or not. We compared these with the prior sub-codes under the theme of challenges, aiming to build on what had newly emerged as well as confirming what we had initially found. At this stage of the analysis we continued to check against one another’s identified codes and discussed any discrepancy arising from our different understandings of the constructs and their meanings.

Several measurements of validity were taken when designing the coding procedures. The first step was to develop a tentative set of a priori aspects. These were based on the literature reviews on resilience and crisis and the role of responsible leadership. We also identified some tentative aspects discussed among the research team and some professional colleagues, and the challenges were thus further modified (for further specification and clarity). Once the first set of coding had been derived from the first batch, we developed a further refinement of the themes.

For the iteration of coding that continued until the last (third) batch of interviews, we referred to the existing list of codes to ensure that we reached category saturation as suggested by Guba and Lincoln (1994). Thus, the codes were finally refined and agreed based on the challenges the respondents had experienced during the first 6 weeks of the COVID-19 pandemic. Within the descriptions of each coded datum identifying the crisis-attuned challenges identified, we arrived at an agreement that these could be best divided into two types: (1) business and operations and (2) personal and managerial (see Table 2 and Figure 2).

Next, we looked at theme 3: adjustments undertaken due to the crisis situation that signified resilience. By using the same iterative inductive coding process and procedures as abovementioned, we finally reached consensus amongst researchers and finalized the sub-themes as (1) financial management, (2) business diversification, and (3) new workplace norms. These codes are considered to apply at the bottom of the hierarchical structure as a funneling effect of the COVID-19 crisis situation on business resilience.

Finally, in order to ensure reliability and validity, each of the four researchers considered the coding process separately before cross-checking for the level of agreement, and at the end, we discussed and deliberated about the emergent codes. During this abstraction process, the main themes and sub-

Table 2. Codes and sub-themes developed for crisis-attuned challenges.

| Sub-themes: Business and operation | Sub-themes: Personal and managerial |
|-----------------------------------|-----------------------------------|
| 1. Diversification                | 1. Low morale                     |
| 2. Business growth                | 2. Productivity                   |
| 3. Business volatility            | 3. Trust                          |
| 4. Customer’s demand              | 4. Empathy                        |
| 5. Risk taking                    | 5. Lack of communication          |
| 6. Unpredictable conditions       | 6. New competency                 |
| 7. Financial constraints          | 7. Stress and anxiety             |
| 8. Market downturn                | 8. Well-being                     |
| 9. Suppliers                      | 9. Compliance to SOPs             |
| 10. Cash flow                     | 10. Work norms                    |
| 11. Low capital                   | 11. Organizational culture        |
| 12. Overhead cost                 | 12. Training                      |
| 13. Salary cut                    | 13. Digital skills                |
| 14. Stiff competitors             | 14. Safety and security           |
| 15. Business shutdown             | 15. Socialization                 |
themes were renamed as appropriate. The abstraction process was repeated until we were able to interpret and understand the phenomenon of COVID-19 and its effects on business resilience. For example, similar or overlapping codes were first grouped into generic, main themes and sub-themes (Elo and Kyngäs, 2008). We also checked the level of agreement among the researchers engaged in the coding process to ensure that intercoder reliability was achieved. In the first stage of this test, we sat down and checked the level of agreement on the codes; we arrived at 80%, which is acceptable according to Neuendorf (2002). Based on the developed codebook, we went ahead with the inductive and deductive coding processes, upon which we completed the final round of coding the data exhaustively and mutually exclusive. For this, we attained an agreement level of 85%.

Research findings

Using the reflective cycle approach, we obtained in-depth descriptions and found that all respondents endured the crisis by implementing numerous changes and initiatives to explore uncharted business territories, fulfill current projects, and develop innovative solutions and diversification in their businesses. The findings aim at addressing the objective of the study, which is to understand the multifaceted challenges people have experienced during the COVID-19 crisis based on three key periods, and the adjustments they underwent to keep business afloat and thus achieve resilience.

The COVID-19 crisis periods: Challenges and changes initiated

Period one: Business endures initial shock. The global lockdowns witnessed in March and April 2020 were unprecedented. Our respondents shared feelings of hope and resilience in keeping their businesses afloat amid the upheaval of the pandemic. Respondents operating in several segments noted a steep decline in one or two areas, while others witnessed a marked upturn that bolstered their bottom line. Resp11, in the technology sector (e.g., radio-frequency identification, data-capture technologies, and internet of things), described exponential growth in healthcare and food services, despite the extensive closure of retail and some construction sectors. Different industries suffered different impacts, with responses ranging from sheer helplessness (e.g., travel and hotel managers, marketing consultants) to a rapid understanding of the need to take change and move quickly (e.g., transport, construction, logistics, technology solutions, and printing). Resp19 lamented the volatility of the insurance industry.

[Our business was] definitely not doing well [...] [but] we have emerged with a balance. We did adapt quickly to the new norms, which mitigated our losses. However, [as a result], I am focusing less on other aspects of my life, and the effects of that have been very direct. That has also happened with my employees, who continue to work from home. (Resp19)

At such a trying time, most respondents also described the difficulty of coping with their fears while simultaneously allaying those of their team members, many of whom were concerned about potential job loss. Resp9 expressed apprehension about dealing with blue-collar workers, whom the pandemic hit particularly hard.

The main concern was handling our team of 70, most of whom were talking of death. People’s fear was—if you get COVID-19, you will die. To allay their fears as much as possible, the first thing we did was move people from shared accommodation into our own premises. Second, we arranged our transport. Among the team, I am the oldest, and I ensured I was the first person to reach work. That gave the team the confidence that nothing would happen to them. We got them all to the office, as sitting at home does not work for our industry; we had to find a way to sustain our business during this time. (Resp9)

Many of the essential businesses allowed to operate during lockdown faced the challenging task of maintaining operations while ensuring safe travel and accommodation for their staff. Resp6 expressed that he was certain he understood what it took to undergo a crisis, yet claimed COVID-19 was unusually difficult.

We have seen ups and downs in business before, but nothing like this! We moved from retail, which is inherently risky, to corporate [services], even before COVID-19. Looking at industry trends, since last year, we have been shifting away from our non-profit business model. (Resp6)

For nonessential businesses, the rapid transition to working from home (WFH) in an online environment involved challenges. Many respondents moved away from WhatsApp groups and switched off their TVs and mobile phones to help focus and strategize. While a few already had WFH strategies pre-lockdown, most found themselves quickly arming their businesses with licenses for internet telephony and procuring laptops. After the shock of the first few days, many respondents saw opportunities to use the lockdown time to improve operations or make urgent decisions (e.g., canceling orders to meet reduced market demand). Hence, the lockdown created new opportunities for our respondents, as most reconnected with forgotten business channels. Resp17, a partner in the travel and tourism business, ventured into acrylic partitions and repatriation flights for stranded, jobless people. Resp3 and her brother used this phase of volatility to reflect on their business.

The upside is that we got a chance to clear up our admin work, which has been pending for so long. We had time to learn about some new best practices: clean admin, clean-up backlog, launch a new website, and increase our online presence, which we didn’t have the mental bandwidth to do earlier. (Resp3)

Respondents used different strategies for keeping their businesses afloat, either organizational or personal. Resp1, who experienced the initial shock during the lockdown period, looked for professional support. He described the role played by his coach and mentor in helping him combat the crisis.

My coach (mastermind) asked me to talk to other people, even if they were not in the same business. I saw an acrylic partition
my friend’s office and got in touch with him, gave him a flyer, and mentioned I needed to get this online on my website on an urgent basis—and started getting calls the very next day. I feel all businesses can survive if they try to see what they can do best; there are still lots of opportunities out there. In fact, our months’ (July to August) billing has been the highest ever since the start of business! (Resp1)

Technology was integral to connecting with employees and clients, empowering people to communicate and work in a flexible time and space, despite the early challenges of the transition. Most respondents (Resp24, Resp20, Resp21, Resp4, Resp15, Resp18, and Resp23) agreed that productivity was unaffected and that their people showed exemplary courage, willingness to learn, and support for teammates. Resp11 and his business partners reached out to their people for work and fun.

We organized one or two activities each month, including cultural meetings on Zoom. We also got employees’ children to emcee events, too. Someone from India even came online to do laughter therapy. We still do not encourage people to come to the office, although we just did on Onam lunch. We are trying to keep people connected, even though we are not in the same physical space. I believe motivation is still high among the team. (Resp11)

Fundamentally, the essential lessons learned from this crisis periods allowed us to understand and appreciate the change process and strategies of the respondents at the initial period of the COVID-19 pandemic. Respondents felt numb, uneasy, distressed, nervous, and fearful of the situations that affected business globally. Many of the respondents stated that on several occasions, they thought they would never get out of the crisis in a short time frame, given the enormous effects on business, social activities, and the environment. In some key affected sectors, such as service, travel, food and beverages, and marketing, the respondents were feeling down (Resp10, Resp17, Resp13, Resp7, Resp1, Resp5, Resp2), but were agile in making adjustments by quickly shifting to different strategies and exploiting opportunities that were waiting to be seized.

**Period two: Business adopts crisis.** As the government began easing the lockdown on 3 June 2020, economic activities re-accelerated, and businesses faced new challenges. First, despite the easing of restrictions, they struggled with financial liquidity and cash flow as they attempted to generate enough revenue to cover overheads. Our respondents were unsure whether their business would “get back to normal.” As Resp19 noted, “Our clients are affected, so we lose business.” With regret, Resp2 expressed, “We have cut expenses, revised salaries.” Although such a strategy is never ideal, it was necessary to stay afloat, and they hoped it was a temporary measure. Many businesses diversified into new products, entered new markets, or added new value to existing products or services. Businesses had limited options for handling low revenues and high overheads. As an accountant, Resp23 reflected on financial management: “The major reason for closing down is nothing else…cash flow.” She moved beyond regular services (i.e., accounting and VAT) to offer personalized business and financial consulting.

I always try to look on the bright side. I had a low month during the total lockdown, but I did try to help other business owners [clients] without charging them since I couldn’t meet them in person. (Resp23)

Second, businesses struggled to manage human capital. Most businesses sought to stay afloat primarily for their people, including employees, customers, vendors, and partners. The interviews revealed that respondents were reluctant to close due to concerns about employees and their dependents. Our respondents felt strong connections with their employees (who were expatriates like them), to the extent that they were willing to make sacrifices to protect the financial security of their employees. For example, at the time of this interview, Resp12 had taken only 6 months’ pay for the year to avoid cutting pay for his 80 employees.

A salary cut was unavoidable for some businesses, but laying off employees was the last resort. Further, to ensure the safety and well-being of employees, businesses reorganized operations, for example, by moving to WFH, reducing the number of workers on the business premises, and so on. Despite uncertainties, our respondents remained positive in motivating their employees and providing extra support. Resp2 stressed the importance of staying positive, noting that “whatever goes down has to come up.” Resp8 encouraged his employees to stay optimistic and take care of their expenses and well-being.

Life has not been well, and [our employees] have had many expenses. I know they need food to survive [and] have to pay rent. I told them, “Don’t worry—I’ll take care of them [the expenses].” I have always been by their side and trying my best to be there for them. (Resp8)

Resp20 took a leadership-responsive and compassionate approach in dealing with volatile business conditions, especially when businesses began to take off during this crisis adoption period.

I made sure everyone knew what was happening and consistently kept them in the loop. I sent emails and WhatsApp messages on a 24/7 basis. There were no attitudes like “That’s not possible” or “That is not my job”—people became more sensitive because they all went through [the same hardships]. We became like a family and embraced an attitude of ‘I help you, you help me!’ (Resp20)

The third challenge businesses faced when reopening was adapting quickly in the face of uncertainty and making wise decisions on “how to sail safely through a storm,” as mentioned by Resp14. The massive scale and sheer unpredictability of the outbreak necessitated quick thinking and decision making. Communication was a vital part of this process. Though decisions are never final, simply because change is never absolute, continuous communication among partners, managers, employees, and business networks helped the respondents to devise good strategies, adapting quickly to online tools (e.g., online meetings, marketing, and retail) or business-to-consumer or
business-to-business internet operational models. Resp24 pursued a flexible way of staying afloat and engaged with technological support to keep strategies intact.

We have to accept the situation. If we cannot, [we will go] out of business. There are many people we have responsibilities to. We have to devise plans and use technologies to adapt. This is very important, so clients can see that we can manage systems properly—if [we] cannot do that, how can we advise them? We are business advisers. I don’t push people to work. Instead, I provide them with more flexibility and trust that they will all be accountable. (Resp24)

In most cases, however, businesses were more reactive than proactive in dealing with COVID-19. Only a few respondents could predict the problem and move to an online model before the pandemic. Resp25 took precautionary action by improving credit control—that is, by collecting cash earlier from debtors—before the pandemic started. At the same time, he was more selective when importing goods from suppliers and revising sales prices according to market demand.

Other challenges included complying with new legislation regarding social distancing and movement restrictions. Resp19 tried to reduce risk by implementing work rotations and encouraging carpools (to reduce the use of public transport). Businesses conducted regular meetings and offered continuous support to alleviate employees’ fear, anxiety, and hopelessness. Some of them were opportune and content to continue the business because of their existing customers.

We were okay until July because we had a project pipeline that we still had to deliver on. We still make enough to sustain [the company]. The biggest challenge is that there are too many uncertainties, but we don’t blame our clients [for that]. For the past three months, we have tried to make ourselves more visible on social media. (Resp15)

To recapitulate what was reflected by the respondents, once the government opened the door for businesses to revitalize by adapting to crisis, we found that all respondents felt more relieved, reassured, and optimistic than during the lockdown period. However, our respondents also expressed their continued concerns, apprehensions, and unenthusiastic feelings about the volatility of COVID-19. Hence, they needed to stay agile, responsive, and strategic in handling unpredictable business situations and likely turbulence in the near future. As Resp17 asserted, “Nothing is for certain; clearly, we need to be alert and cautious at all times or at any time.”

Period three: Business normalizes. August and September 2020 saw a return to a “new normal” business experience. Tourism reopened in July, and businesses had to consider operating at close to 100% capacity, albeit with new precautions and restrictions regarding entry and exit. The respondents generally described a positive approach to changing their practices, but many also considered different ways of engaging in business activity and staffing.

There is no guidebook or protocol to handle this situation, as economic activities were halted by order… We have to try many different things to survive for another year. I have the ability to proceed, it works, and we started to generate revenue. (Resp26)

Our respondents understood the available opportunities, and they explored strategies carefully. Changes were made where the strategies employed showed different approaches to core business activities and secondary features like administration, staffing, and compliance with government mandates. Many respondents operated on either a regional or a global basis, prompting them to take early action to continue operating via adapted working methods or to prepare for summer and autumn. Many respondents also reexamined their business practices and incorporated more flexibility in terms of staff operations. For example, in a logistics SME, the partners stressed that as they were asset-light, they viewed their team members as their key assets and were open to continuing with flexible WFH assets, even once restrictions had eased.

We took steps early in March and initiated a work-from-home policy. This has continued. We have access to Microsoft Teams, which we will continue to use, as it has brought both our local and global teams closer together. (Resp22)

The re-evaluation of the value and purpose of staff was also demonstrated by others.

We share information [about] what is happening with the company to demonstrate that we are moving forward and to be transparent. This helps to reduce fear, even when business is difficult. Our people help each other. (Resp21)

[We] suggested putting staff on a 15-day leave during lockdown, which the staff agreed to. Any illness cover was to be adjusted back in favor of the staff. [We wanted to] show how important the staff are for the business. Staff were evacuated from their normal lodgings (dormitories) to the office/warehouse space and were restricted from mixing with others outside the organization. We provided staff with the basic supplies they needed to be safe in their temporary spaces. (Resp9)

The owners, who are like family to the staff, are always there for the team. They keep their doors open and are responsive to staff requests, staying flexible about them coming to work or not. The owners are a support mechanism for the staff and help people feel actively involved in the company. (Resp25)

Others re-evaluated staff members’ value and purpose. Resp25, whose organization provided packaging for fast-moving goods and consumption products, experienced an increase in demand due to the lack of cargo transit into the country, despite supply from competitors outside the UAE.

Business was better when the borders were closed. Now we are seeing competition again with our original packaging product competitors from China and Africa. (Resp25)

Their challenge was to manage cash flow and material stocks to respond more fully in the event of another lockdown. Overall, business owners needed to increase their workforces to meet demand and supply needs. As many participants stated, the UAE government provided clear
guidelines for continuing business practices post-lockdown. Due to Dubai’s very diverse population, businesses had to interpret these regulations carefully. Resp16 noted that misunderstandings came not only from misinterpretations, but also from elements of social conspiracy. In order to be clear with their teams, they followed advice across the organization.

“Be firm about listening to facts and not hearsay” was the message to employees. [We were] working within guidelines as advised. We informed staff and clients about how to operate safely in order to focus on the customers’ best interests. (Resp16)

Further, an emphasis on “blue-collar” warehouse workers requiring continued reinforcement of Ministry guidelines down to personal hygiene helped to guide them for reinforcement. They repeated the information to all staff at twice-daily meetings, stressing the importance of regular communication, whether staff were onsite or working remotely.

This has brought us down to earth...[it has made us place importance and] value on personal life and safety for all. We can only get things done if we work together. (Resp5)

In a nutshell, the findings at this crisis periods seemed to indicate several important insights into COVID-19 challenges and changes. First, most of the respondents seemed to allude to the notion that “once the opportunity comes knocking, we need to seize it!” Second, all respondents mentioned that flexibility and agility were the two key ingredients to staying afloat because the turbulence and unpredictability of business conditions needed to be managed. Third, they all agreed that policy and rules needed to be adhered to, and compliance with the SOPs set for COVID-19 needed to be monitored for assurance of the health, safety, and well-being of the teams in the workplace.

Discussions and implications

We have explored the challenges experienced by SMEs as they underwent a wave of change brought on by COVID-19 and the approaches of responsible leaders to combat the crisis and stay afloat. We found that in order to remain in business and become resilient, business owners and managers have to continuously learn new skills to capture the potential of disrupted business with turbulent conditions, especially regarding the diverse roles of leadership, financial management, and adeptness. Our study aimed to fill the gaps and contribute to the literature on business resilience, crisis management, and SMEs by offering rich insights and an in-depth understanding of managerial responses to the un anticipated COVID-19 crisis in emerging economies like Dubai. In the past, crises have taken place that created disruption to SMEs, but these were nothing like the global crisis of COVID-19, which has impacted the world at large. In such situations, our study suggests that positive emotions protect the resilience of business owners, operators, and managers, encouraging success instead of failure, which is also asserted by past studies, such as Li et al. (2021), Corner et al. (2017), and Ayala and Manzano (2014).

Theoretical contribution

Our study provides three key theoretical contributions based on our research aim. First, the nature of the crisis and how it leads to changes in regulations, including lockdowns of individual movement and workplace closures, affect business continuity. Therefore, we considered how businesses approached the gradual move to arrive at the period of business normalizing. The primary driver for respondents to take actions in an agile way was employees’ values, indicating a clear relationship between respondents’ actions and stakeholder theory. While a study by Williams et al. (2020) found a negative relationship between managing relationships with stakeholders and resilience, we suggest that the opposite has been true for business owners or managers of SMEs in the UAE during COVID-19. Businesses that prioritized managing staff and customer relationships have continued to operate through temporary closures and many staff location restrictions, and are now willing to integrate more contemporary practices and policies, aligning their business with their organizational culture. Our respondents explained how they intended to continue allowing staff to work from home as required/desired to manage a healthier work-life balance, and they acknowledged the value of their human and social capital.

Grube and Storr (2018) noted that business activities often reduce negative impacts during times of crisis or disaster, observing that owners or managers are often embedded in their communities and, thus, positioned to address societal needs. The narratives from respondents support this contention and illustrate their resilience-building strategies. The majority of our respondents mentioned that their ongoing business activities had contributed socially and economically by maintaining a supply of goods and services to employees or victims of disaster and donating time, materials, and money where possible. Such business continuity can reduce the impact of crises and maximize business and economic recovery (Doern et al., 2019). Williams and Shepherd (2016) and Linnenluecke and McKnight (2017) also posited that entrepreneurs could bridge gaps where recovery systems fail, thereby helping to rebuild and redesign socio-economic infrastructures.

Second, the diverse role of responsible leadership played by the respondents, who were managers and owners of SMEs, seemed to promote a heightened level of individual resilience. As such, our study allowed us to fill the gap on how businesses can develop different strategies when encountering a global crisis like COVID-19. Research shows that self-efficacy contributes to self-belief and, therefore, resilience (Benight and Bandura, 2004), as does belief in one’s ability to cope with stressors. As such, our study shows that, combined with individual self-efficacy, this increases an individual’s ability to take the necessary steps to make business decisions during challenging times, increasing the chances of people “bouncing back” instead of giving in to negative emotions and actions.

Our findings also illustrate that responsible leadership enables leaders and employees to endure hardship, as
depicted over the 6 months of COVID-19. This study further elucidates the crucial need to develop responsive leaders who are effective when managing their people during a crisis (Miska et al., 2018). Respondents established that employees seemed to stay motivated, and feel secure and involved in changes when leaders were able to provide security, extend empathy, and stay optimistic during the first two crisis periods, when conditions were harsh and unpredictable. These factors extend the theoretical understanding of leadership responsiveness and responsibility in a crisis (Miska et al., 2018; Varma, 2020).

Third, in terms of change and resilience, all interviewed respondents demonstrated positive emotional responses toward protecting both themselves and their businesses. In line with Fredrickson et al. (2003), we found that stopping, thinking, evaluating, and then planning what to do next (rather than simply crumbling in the face of adversity) enabled the respondents to continue operating their businesses and stay afloat. Our findings also show that the ability to demonstrate conviction and determination to focus on what was important for the future of the business enabled respondents to remodel their businesses and meet stakeholders’ needs through reflection or consultation with a supportive (business) network (Grube and Storr, 2018). This included diversification but rarely involved divestment.

Benight and Bandura (2004) showed that building self-belief leads to intentions to act during adversity, which increases business resilience. The leaders we interviewed recalled having to instigate (sometimes mandatory) changes in how their businesses ran. This required analysis, reflection, decision making, and implementation of innovative practices to support staff and customers, ensuring safety and support during and after the three key periods of crises shown in our study. This supports research on participatory decision making (e.g., Bowers et al., 2017; Wartzman and Tang, 2020; White and Shullman, 2010; Yukl and Mahsud, 2010). This had a positive outcome for SMEs in the UAE, with our respondents demonstrating that they could weather the COVID-19 storm, sometimes pulling ahead of global rivals or engaging in further reviews to anticipate future disruptions and crises.

**Practical implications**

Our research findings have practical implications for businesses and policymakers. First, our study integrates both operational and managerial elements; hence, business owners should not limit their investment to tangible assets, but give importance to human capital and business leadership. Business leaders must be proactive, dynamic, and change-ready for managing any crisis (Jia et al., 2020; Vodonick, 2018). Second, since businesses are prone to bankruptcy in this pandemic, business leaders must quickly assess external threats and the dilution of business competitive advantages by enhancing communication and taking the lead for innovation to minimize risk and grab new opportunities. Businesses that pursue diversification initiatives and innovative work behavior have successfully secured unexpected opportunities and windfall gains.

Third, explaining the three periods of crisis sheds light on the importance of business leaders’ resilience in the face of challenges for each stage in ensuring business sustainability and protecting employment. Fourth, the findings alert SME business owners to pay greater attention to establishing strong and effective financial risk management, particularly in maintaining liquidity and cash flow planning (Brown et al., 2020; Zjady, 2020). Several businesses were not equipped to counterbalance the immediate shortfall of cash and suffered liquidity tension. Businesses in the service sector are often more flexible, as they have relatively low fixed overheads. Finally, our study also raises the importance of financial support from third parties such as landlords, banks, and suppliers to stimulate business recovery and government determination in opening the economy.

**Conclusions and future research directions**

Numerous global and localized crises have affected international businesses in specific geographical location, yet the current COVID-19 situation impacts businesses at a global level in an unprecedented way. Our empirical study suggests that crises on different levels are common disruptors, such that unprecedented and unsettling events are the new “business as usual” for owners and managers. We have described and explained business owners’ various leadership roles and responsiveness, exemplifying their resilience through the three periods of the crisis. Crisis management is by no means a new phenomenon; historical business research suggests that a “crisis” is an extreme and unexpected event requiring organizations to make prompt decisions regarding challenges that can interfere with normal operations, reputation, and financial well-being.

In conclusion, our study sheds light on the importance of business resilience in the face of challenges and waves of change, which we have depicted through success stories on ways to stay afloat during the COVID-19 pandemic. Additionally, we conceptualize business resilience as “not returning to the original condition,” but rather as acclimatizing to new norms and elevating existing business models using innovative approaches. Finally, we examined how responsible leaders developed inner strengths that were transferred to their teams, equipping them with strong financial management and agile leadership skills. Based on our study, several key research directions for the future could be considered.

1. Examining the organizational culture, which is shaped by responsible leaders and seeking to explore the question: How do cultural factors influence the way SMEs change their structure, values, and norms when experiencing a crisis?
2. Exploring the different forms and meaning of resilience based on a comparative analysis: What are the change processes that SMEs undergo (pre- and post-crisis) in the face of unpredictable business conditions?
3. Using mixed methodology to understand the relationship between crisis and organizational culture by looking at cultural factors influencing organizational resilience and developing a change process model through hypothesis testing and rich narratives.
Declaration of conflicting interests
The author(s) declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

Funding
The author(s) received no financial support for the research, authorship, and/or publication of this article.

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