

NAVIGATING THE NEW NORMAL: STRATEGIC ACTIONS OF MICRO FIRMS IN SRI LANKA AMIDST COVID-19

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Abstract

Micro enterprises strengthen the Sri Lankan economy through contributing to employment opportunities. A critical blow to this system may devastate the county's satisfactory Covid-19 recovery. Therefore, there is a need to enable the micro-business to survive and grow. The objectives of the study are to develop a crisis management framework for Covid-19 and explore strategic actions of micro-firms in responding to Covid-19 in different time frames. Using a qualitative research methodology, primary data were collected from a convenient sample of 10 micro-businesses owners via telephone and zoom platforms using semi-structured interviews of 45 to 60 minutes. Data were thematically analyzed, and themes were developed by the researchers using transcribed interviews. The study identified five phases in the Covid-19 crisis management framework: awareness, combatting the spread, strategy planning, strategy implementation, and learning and feedback. Furthermore, micro firms emphasize cost-minimizing measures for their survival. The current research extends the general crisis management framework by adding additional phases of crisis management activities carried out by micro firms. The study contributes to the existing body of knowledge by exploring strategic actions of micro firms in responding to the Covid-19 pandemic in different time frames. The government and S.M.E. related bodies can consider the capabilities and strategic actions taken by micro-businesses amidst the Covid-19 pandemic in developing programmes assisting S.M.E.'s survival and growth. Furthermore, a crisis management framework is vital for micro-businesses to respond to crises effectively.

Keywords: Covid-19, Crisis management framework, Micro firms, Strategic actions