

## The Adaptation of Small and Medium-Sized Enterprises from an Incident of COVID-19: A Psychological Case Study of Myanmar

<sup>1</sup>May Thiri Khit, <sup>2</sup>Pithoon Thanabordeekij, <sup>3</sup>Supanika Leurcharusmee

Received: 10-April-2023

Revised: 28-May-2023

Accepted: 22-June-2023

<sup>1,2,3</sup> Faculty of Economics, Chiang Mai University

<sup>1</sup>maythirikhit10101996@gmail.com, <sup>2</sup>pithoon.th@cmu.ac.th, <sup>3</sup>supanika.l@cmu.ac.th

**Abstract**—Due to the COVID-19 pandemic, a considerable proportion of businesses in Myanmar shut down in the second quarter of 2020, prompting small and medium-sized enterprises (SMEs) to implement strategic management approaches to sustain themselves in the present business landscape. The key purpose of this study is to examine factors affecting the performance of Myanmar SMEs focusing on their adaptation strategies during the COVID-19. This study used a well-structured questionnaire to collect data from 389 respondents who are SMEs business owners, managers and executives from food manufacturing enterprises which are based in Yangon region, Myanmar. POSDCoRB theory was employed as a strategic management tool to examine seven dimensions of adaptation strategies and multiple regression analysis was used to investigate the factors that significantly affect the performance of SMEs. Both qualitative and quantitative research approaches were applied in this research. In addition to regression analysis, eight small and medium enterprises out of 389 were selected using snowball sampling and interviewed to explore the challenges for their firms due to pandemic. Our findings reveal that, although different dimensions of POSDCoRB strategies show different effectiveness in improving firms' performance, SMEs that adopt all dimensions of POSDCoRB adaptation faced smaller adverse effects from COVID-19 and have better post-COVID-19 performances.

**Index Terms**—Adaptation, COVID-19, Myanmar, POSDCoRB, Performance, Small and Medium-Sized Enterprises (SMEs).

### I. INTRODUCTION

Coronaviruses are a big family of different viruses which have spread to touch every edge of the globe. Few people could survive those terrible viruses at the beginning of the outbreak. On March 13<sup>th</sup>, 2020, WHO declared that Europe had become the epicenter while the US was in an emergency. In Myanmar, the first case was confirmed on March 23<sup>rd</sup>, 2020. There was a lockdown for New Year approximately seven days from April 11<sup>th</sup> to 19<sup>th</sup>. Then, the lockdown duration was extended to two weeks in April. The consequence of two-week lockdown happened a major short-term economic, which was a 41% decline in the GDP of Myanmar.

Moreover, the declines occurred in 14% in agriculture, 52% in industry, 40% in manufacturing, 82% in construction and 56% in services, respectively [1]. Referring to [2] study, Myanmar is a mid-sized country with a comparatively good supply of low-cost workers and abundant natural resources. In addition, SMEs are of great importance in Myanmar where over 89% of all enterprises [3]. Nevertheless, the COVID-19 outbreak initiated obstacles for the Myanmar SME sector and threatened the growth of nations' economies.

According to [4] report, over one third of small and medium-sized enterprises and few manufacturing factories were divested of hope for revenue and demand. Therefore, most SMEs started to lay off employees during the COVID-19 pandemic as they faced problems with arrangements of daily operating costs, monthly salaries, and bills. That situation forced more than 20,000 SMEs, a few factories out of 100,000 formal and informal firms to cease. A study of [5] has highlighted that there was only 0.5% growth, and it was dropping from 6.8% growth of the previous year in FY2019/20. A statement related to Myanmar issued by the World Bank in 2020 stated that it was the worst economic declaration in Myanmar in 25 years.

Yangon, a financial capital city, became the most affected area among cities [6]. Based on the report of [7], only 6% of the total 49 small and medium enterprises were partially operated and 92% were non-operational compared to

pre-COVID-19. Limited customer access, financial challenges due to closure, lack of working capital and less profit were the main obstacles for SMEs to reduce the chance of survival. Therefore, the COVID-19 pandemic caused more pressure on Myanmar SMEs and alerted them to perform particular adaptation strategies to survive and continue business operations.

The main aim of this paper is to identify factors affecting firms' performances and the challenges that have impacted Myanmar SMEs during and after COVID-19. Moreover, this paper can provide insights into strategic management adaptation in SMEs and what coping strategies are more adaptable in the new environment.

## I. LITERATURE REVIEW

### A. SMEs Performance (Production and Revenue)

The Covid-19 pandemic created opportunities and threats for informal and formal businesses and also innovative measures in multiple areas: health, work organization, crisis management, human resources management and social and environmental responsibility [8]. It affected both the manufacturing and the SMEs sector, then faced a decline in sales volume [9], [10].

A study by [11] was conducted in Ecuador on the impact of COVID-19 on the sales revenues of 35,906 private companies and found that 11% decline in sales revenues compared to 2019. The average revenues of the companies were \$2,457.82 million in 2020, which was 11% less than in 2019, with \$2,774.699 million. Small and medium companies faced an 8% decline in sales revenues. There were significant differences in revenues among the different types of companies. Moreover, many companies have suffered a decrease in supply and demand due to firms shutting down to reduce the spread of viruses.

Reference [12] conceptually examined criticism of literature and logical analysis on 756 registered SMEs businesses in Poland. The result shows that internal crises of firms mostly happen by unbalance of objectives and resources. Over one-third of total businesses faced a decline in revenues which exceeded 50% compared to the past year, besides a reduction in production occurred in 46.2% of SMEs. A reduction in employment occurred in one-third of SMEs, and 19.5% of SMEs stopped production during the pandemic.

Numerous countries have implemented policies regarding employees' temporary layoffs, sick leave and reduced working hours. It is easier for the firms to decrease costs than to increase revenue [13]. Reference [14] examined the main challenges SMEs faced in Syria during the pandemic and how they responded. They found that their main challenges were a decline in demand, high-interest rates on loans, and inflation. Another challenge is the liquidity, the biggest challenge in the Polish SEMs sector. Most firms (59.3%) could not manage liquidity for more than three months without excessive [11].

On the other hand, various SMEs have carried out several business strategies to survive and maintain the operation of businesses during and post-pandemic. For example, efficient working capital management [9], [15], cost cutting, diversification, innovation [16], effective personnel management [17], marketing products online, stock procurement, strengthen connections [15]. Moreover, marketing managers of SMEs have concentrated on market demands by stepping up e-commerce adoption in sales activities as COVID-19 alerted firms to carry out marketing tasks by applying technology. For instance, Zoom meetings, Telegram, Dropbox and smartphones [18], [19].

### B. POSDCoRB

#### Planning

Preplanning is required to fight against uncertainties as a strategic management tool. By preplanning, enterprises can avoid huge losses, survive and keep their businesses going. Most SMEs are recommended to prepare an arrangement to quickly prevent or stop losing major resources cause of similar crisis before a huge loss [17]. Business firms have continued to investigate the key indicators applied before and during COVID-19 to receive a number of perspectives to know exactly the impact of pandemic on the firm [20]. Small and medium enterprises respond to changes in the pandemic differently based on their experience and the possessed resources, which have 22 multiple qualities and values. Thus, SMEs develop at least a few action plans to meet the current changes [12]. Reference [21] explored the effects of COVID-19 on SMEs and how they respond to them by analyzing interview data from 32 Australian start-ups during the second wave and found that most SMEs responded by making plans

and then changes to their business models. In the study of [22], planning, organizing, staffing, and controlling have high variance in organization effectiveness.

Hypothesis 1. There is a significant impact of planning on SMEs' performances.

#### Organizing

A lot of literature has emerged on organizations' management of pandemic, and they provide a better knowledge of unexpected challenges encountered by institutions. For example, the lack of clear guidelines in some organizations and transparent communication is needed among employees and other stakeholders. Therefore, consultation between the management team and employees becomes a necessary consideration to understand their expressed needs (return-to-work, training and information needs, a lack of protective equipment, identification of risks) to reduce stress and develop effective measures at work. Reference [21] conducted a study on the effect of management functions in Kenya SMEs and found that the management has assigned tasks according to the principle of teamwork and classified the internal organization by functions. According to [23], the COVID-19 outbreak encouraged the management teams of firms to change and adapt the way of delegating the work and find a performance improvement.

Moreover, [24] noted that the COVID-19 outbreak has negative impacted the employment sector by shutting down many offices and with a large amount of workforce working remotely. Current management systems and tools had to adapt to the situation, such as introducing new management tools to deal with employees working from home (WFH). Later, SMEs that could change their organization to adapt to the new situation had great advantages. There was a high use of collaborative tools to conduct flexible team meetings and other communication. By doing so, SMEs benefit from training on digital tools to build up their company expansion and continuity in the market during COVID-19 pandemic [15].

Hypothesis 2. There is a significant impact of organizing on SMEs' performances.

#### Staffing

Most studies found that diverse teams or individuals can think more creatively and bring new and useful ideas on the desk based on their work backgrounds, strengths, interests, and experiences [25], support that the COVID-19 pandemic has initiated a typical environment for human resource management. During the outbreak, managers or owners help their employees adjust and cope with the problems faced in the social and working environment. Hence, employees are developed internal skills to manage the negative impact of pandemic through staff training and consultation. Creating favorable psychological and social conditions can allow the entire working environment to increase productivity [18]. A descriptive survey conducted by [26] found that employees' commitment has a positive relationship with staffing, including performance management, reward management safety and career development. The COVID-19 outbreak has continued, and organizations are trying to adapt their HR processes to fit with the current situation. For example, organizations have to transform from offline to virtual forms of recruitment, selection and training, which help to solve possible misfits and unprecedented know-how problems have influenced employees' experience during the pandemic [27].

Hypothesis 3. There is a significant impact of staffing on SMEs' performances.

#### Directing

Directing activates the organization to work effectively and efficiently to achieve objectives and goals. The result found that directing is the major function for enterprises as planning, organizing, and staffing is for preparations for doing the tasks [28]. Management took time, stepped back for a moment and evaluated the source and authenticity of information before giving instructions during pandemic [29]. Several existing studies have shown that ambidextrous leadership positively influences employee creativity and performance in medium and high firms in both developed and developing countries. They engaged in timely, precise information and courageous, confident management [30]. Research conducted by [31] proved that the ambidextrous SME could efficiently manage the internal operation and cope with the situation.

Moreover, these SMEs can have a greater possibility of surviving during the crisis related to pandemic. Thus, directing the organization with ambidextrous knowledge and dynamic learning capabilities through opening behaviors can explore and bring future business opportunities for sustainable competitive advantage during and

after COVID-19. Moreover, most of the organizations faced unexpected disruptions during the crisis. Managers have focused on activities such as psychological empowerment, positive reinforcement, and transformation of leading style. Encouraging the accomplishment of vision, confronting the system and motivating others to perform lead to success [32].

Hypothesis 4. There is a significant impact of directing on SMEs' performances.

#### Coordinating

To manage and balance an organization during COVID-19, it is crucial for management to have deep knowledge related to industry, market, company, and people compared to previous years. Furthermore, management always needs to adjust an up-to-date management system that is adaptable with the situation, find a diagnosis and consult with outside parties to increase the possibilities of survival [33]. Reference [34] researched how coordination becomes increasingly critical for an organization with multiple operations in several locations during COVID-19. Thus, most organizations break tasks down into manageable ones to maintain a harmonic relationship between the employees and the organization. Therefore, the result showed from the study that by doing so, employees' work performance increases, and the desired objectives and goals of the firms are realized when individuals feel satisfaction. Reference [21] also examined how the COVID-19 pandemic has affected the organization's leadership and direction. The organizations or enterprises had pressure to take first action based on regulations and restrictions from the Public Health Agency and the government. Therefore, owners and managers of the enterprises feel stress and overburden as they have to handle many administrative tasks and various alternating meetings during the pandemic. The result showed that the enterprise's management level pays attention to working smarter rather than faster, using active and patient listening and building collaborative network channels within organizations during the pandemic.

Moreover, the owners and the employees have used multiple communication channels to reach out information within organizations and customers, such as Microsoft teams, Skype, WhatsApp, SharePoint, Intranet apps, Facebook intranet, Newspapers, Instagram, text messages, broadcasting online and posters. The experts also pointed out the importance of knowing the crucial part of communicating and linking it to the organization's direction to harmonize within the organization and improve performance. In addition, having optimism or positive thinking is necessary for building a positive environment despite the pandemic [34].

Hypothesis 5. There is a significant impact of coordinating on SMEs' performances.

#### Reporting

Reference [35] recommended that an organization with a flat structure is more flexible, effective and efficient than a tall organizational structure in reporting or transmitting information. Organizational reporting style is different in the post- COVID-19 era. A less detailed preparation form is used for each meeting in which one-to-two-page spreadsheets or documents instead of extended PowerPoint decks. Moreover, the pandemic helps businesses by developing ways to make decisions faster within the organization. They conduct fewer meetings and make fewer decisions in separate meetings [36]. Usually, employees working traditionally in an office tend to report more inclusion than people working from home [37].

Hypothesis 6. There is a significant impact of reporting on SMEs' performances.

#### Budgeting

In the study of [38], budgeting can help to justify the outbreak's effect on projects or the business itself. 89% of respondents agreed that COVID-19 has a huge negative impact on business budgeting. On the other hand, managers organize their planning activities and assign their resources effectively to perform well during COVID-19 pandemic. In the case of [39] discovered that multiple departments have different levels of budget, and managers should not treat them comparably as each single department can have various needs. In most firms, the budget is planned to cut back on business's conventional (administrational matter) during the pandemic. According to [40], the effect of tightened budget controls on role ambiguity is mitigated when the perception of managers' changes, like budget control, is used in an enabling way prior to the crisis and increased trust in senior management. Therefore, potential challenges have been solved by employing COVID-19 budget tasks correctly and effectively. Moreover, MSMEs in Batu Alam used conservative working capital strategy during COVID-19 by applying cold

funds and withdrawing accounts receivable to avoid leaving long-term debt then less risk for the firm in the future [10].

Hypothesis 7. There is a significant impact of budgeting on SMEs' performances.

## II. RESEARCH METHODOLOGY

Myanmar is a developing country which had faced similar effects from the COVID-19 pandemic as other countries. This study examined the Myanmar food manufacturing SMEs in Yangon to find out the factors affecting the SMEs adaptation during and after pandemic. During the pandemic, firms had met a decrease in production and revenue. POSDCoRB is a popular and useful strategic tool for achieving firm goals of every organization or business. Thus, the study of POSDCoRB adaptation in Myanmar SMEs during COVID-19 would fill the existing research gap in the literature and benefit SMEs and small and medium organizations to adapt strategic tools in management to sustain the business in similar pandemic.

The conceptual framework comprises Myanmar SMEs performance as a dependent variable, firm characteristics as controlled variables and seven dimensions of SMEs adaptation: planning, organizing, staffing, directing, coordinating, reporting, and budgeting are independent variables.

This research used primary data collected online and through interviews. The study's target population was small

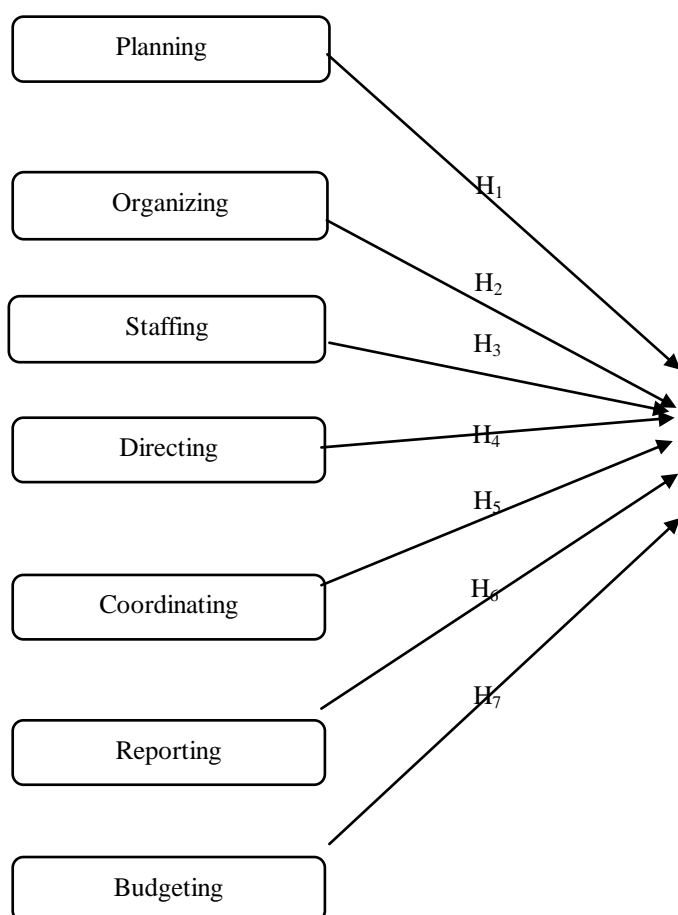
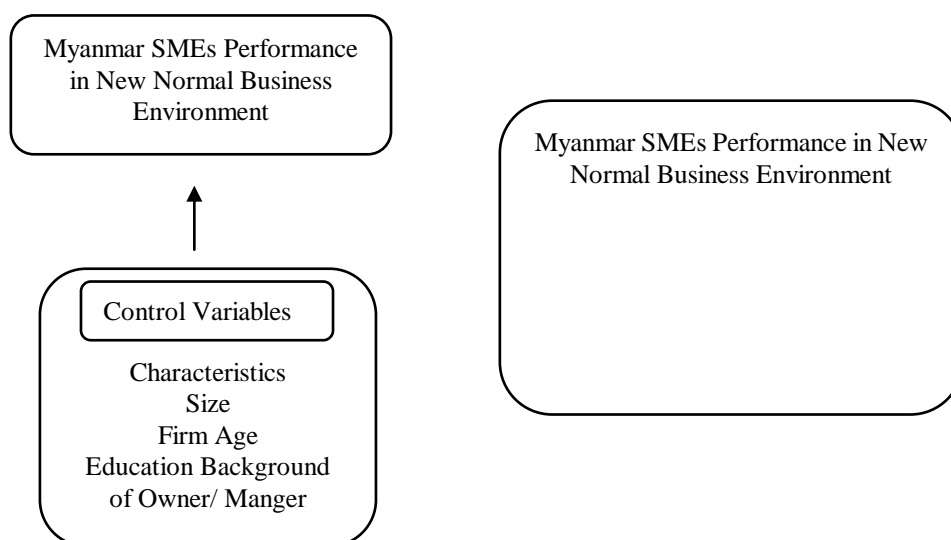


Figure 1. Conceptual Framework

and medium sized food enterprises operating in Yangon during COVID-19 pandemic. There is a total of 24086 food businesses in Yangon. A pilot test was carried out on 30 firms to ensure the stability of the questionnaire. After that, all the necessary adjustments were made and distributed to 528 firms. Among them, a total of 389 valid responses (77.8 percent-respondent rate) which is an adequate amount of sample size, were returned. The research was conducted from November 2<sup>nd</sup>, 2022, to January 2<sup>nd</sup>, 2023. There were two sections in the questionnaire. In the first sector, respondent information (gender, age, position, education, experience) and firm information (firm size,

firm age, social media, and website availability) were chosen. The next category was close-ended questions on a five-point Likert scale (one meant strongly disagree, three showed neutral and five was strongly agreed). This study's data-gathering form was an online questionnaire through social media channels. There were three items under each independent variable or dimension. The final part included open-ended questions to observe the condition of respondents' firms during and after COVID-19 related to production and revenue. The questionnaire consists of a total of 29 questions. The online questionnaire was developed and delivered on an online Google form platform, a famous and the most useful administration software in Myanmar. Then, a Burmese language survey form was prepared as the respondents were Burmese. After that, the results were translated into English version with the help of licensed translators. After getting the results from the respondents, the author analyzed them and conducted interviews with eight firm owners among 389 participants by using snowball sampling method with a series of questions



which were proceeded in Myanmar language to do internal analysis through Zoom and Viber.

### III. DATA ANALYSIS AND RESULTS

#### A. Profile of participants and firms

This study demonstrates the descriptive Table of respondent profile in Table (1). Amongst 389 respondents who answered surveys, 61.2% of participants are female and the rest, 38.8% are male. Most of the respondents (37.8%) reported being over 46 years old, and the average position of the participants falls in the owner category. More than 50% of surveyed respondents possess a bachelor's degree in their respective fields, and nearly 50% have working experience over 15 years. According to the data from Pyidaungsu Hluttaw Law No.23/2015, 77.1% of enterprises are medium-sized firms with more than 50 and fewer than 300 employees. Then, nearly 76% of the SMEs have been more than six years under operations. Moreover, 70.4% and 57.8% of firms are valid in social media and own website respectively.

**Table 1**  
 Characteristics of participants and firms

Variables		n = 389	Intensity (%)
Gender	Male	151	38.8%
	Female	238	61.2%
Age	20-25	17	4.4%
	26-30	52	13.4%
	31-35	48	12.3%

	36-40	84	21.6%
	41-45	41	10.5%
	Above 46	147	37.8%
Position	Owner	179	46.0%
	Manager	120	30.8%
	Executive	90	23.1%
Education	Owner	179	46.0%
	High School	22	5.7%
Background	Diploma	14	3.6%
	Bachelor's Degree	210	54.0%
	Master's Degree	143	36.8%
Experience	Below 5 years	42	10.8%
	Btw 5-10 years	128	32.9%
	Btw 11-15 years	25	6.4%
	Above 15 years	194	49.9%
Firm Size	Small	89	22.9%
	Medium	300	77.1%
Firm Age	2 years and above	70	18.0%
	4 years and above	24	6.2%
	6 years and above	295	75.8%
Social Media Availability	Yes	274	70.4%
	No	115	29.6%
Website Availability	Yes	225	57.8%
	No	164	42.2%

## B. Dimensions That Identify Adaptation on Outcomes

The researchers used multiple regression analysis in STATASE 13 to identify the effects of dimension adaptation on firms' performances. As shown Table (2), different dimensions have multiple outcomes on dependent variables (changes in production and revenue during and after COVID-19). Results indicate that the overall effect of planning on post-COVID-19 revenue is positive and significant ( $b = 14.01$ ,  $p < 0.01$ ). Furthermore, an adaptation of activities in organizing has a significant positive impact on all four situations in Myanmar ( $b = 15.07$ ,  $p < 0.01$  and  $11.29$ ,  $p < 0.05$  in production for during and after COVID-19,  $b = 18.92$ ,  $p < 0.01$  and  $11.72$ ,  $p < 0.05$  in revenue for during and after COVID-19 respectively). Then, the scope of staffing is significantly and positively related to revenue in the post-pandemic situation ( $b = 8.032$ ,  $p < 0.05$ ).

On the other hand, there is a negative relationship between directing and ( $b = -8.061$ ). Additionally, the activities in coordinating have a significant negative effect on production during and after COVID-19 and revenue during pandemic ( $b = -20.27$ ,  $-22.91$ ,  $-22.51$ ). Moreover, reporting and budgeting dimensions are negatively and significantly related to post COVID-19 revenue ( $b = -21.95$ ,  $b = -10.61$ ). Additionally, firms with social media channels (Facebook) positively impact revenue during post-pandemic. Hence, the investigation results show that each dimension provides different effects on firms in this study.

As shown in Table (2), first three-dimension adaptations have positive impact on firms' performances, while the other four negatively influence postproduction and revenue in Myanmar. When we analyze the coefficients of standardized regression for each dimension and discover that planning adaptation ( $b = 14.01$ ,  $p < 0.01$ ) has the largest influence on post-COVID-19 revenue, then organizing adaptation ( $b = 11.72$ ,  $p < 0.01$ ) and staffing adaptation ( $b = 8.032$ ,  $p < 0.05$ ).

In contract, when we compare all outcome variables in the Table (3) between two groups (0 = did not adapt in at least 1 dimension and 1= adapted in all 4 dimensions) and find that the means of production in group adaptall =1 during COVID-19 are -28.60 and post COVID-19 is -16.14 while the means in group adaptall = 0 show -40.55 and -17.21 respectively. The same structure happens in the revenue section: means (-31.05 and -4.182) in adaptall =1 group and means (-40.93 and -11.07) in adaptall = 0 group.

In order to reveal the challenges facing SMEs in the new normal business environment caused by the COVID-19 outbreak, general descriptions of eight Myanmar SMEs' responses to the questions are as follows:

Q1: COVID-19 pandemic was a sudden outbreak and firms did not have enough time to prepare plans. It was one of the world's biggest crises and disrupted the economy worldwide. Most of the food manufacturing firms had to stop their operation and close temporarily in the first wave of pandemic in March 2020. There was a huge decline in all sectors: sales revenue, production, demand.

Q2: Yes. Many business operations had been changed. For example: Reducing working hours and salaries (run partially), working from home, and using e-commerce tools.

Q3: Advertising on Facebook is the most popular survival way for their firms during COVID-19. Live selling is the key to increase online sales, and the rate of customer trust on businesses through online selling increased during COVID-19. Some food manufacturing firms have changed their packaging style.

**Table 2**  
 Effects of each dimension adaptation on 4 outcomes

Variables	-1	-2	-3	-4
	PostCovid19	DuringCovid19	PostCovid19	DuringCovid19
	Production	Production	Revenue	Revenue
Panning	-2.089	-0.0875	14.01***	-3.515
	-2.645	-2.468	-2.677	-2.525
Organizing	11.29**	15.07***	11.72**	18.92***
	-4.783	-4.463	-4.841	-4.566
Staffing	6.127	3.709	8.032**	-0.0881
	-3.798	-3.544	-3.845	-3.626
Directing	6.853	4.148	-8.061*	6.786
	-4.355	-4.064	-4.409	-4.158
Coordinating	-22.91***	-20.27***	0.107	-22.51***
	-4.225	-3.942	-4.277	-4.033
Reporting	-1.455	-1.109	-21.95***	3.546
	-2.77	-2.585	-2.804	-2.645
Budgeting	1.976	-2.128	-10.65***	-3.834
	-3.851	-3.593	-3.898	-3.677
Website	0.896	1.881	1.505	1.263
	-3.187	-2.974	-3.226	-3.042
Social Media (Facebook)	4.181	0.814	9.501***	0.326
	-3.623	-3.381	-3.667	-3.459
Firm Size	-1.856	2.149	2.222	0.528
	-4.079	-3.807	-4.13	-3.895
Firm Age	-4.783	-1.885	0.397	-3.079
	-4.201	-3.921	-4.253	-4.011
Constant	-14.49	-30.26***	14.87	-30.40***
	-10.26	-9.573	-10.38	-9.794



Observations	389	389	389	389
R-squared	0.147	0.167	0.372	0.152

Standard errors in parentheses  
 \*\*\*p<0.01, \*\*p<0.05, \*p<0.1

**Table 3**  
 Effects of adaptation on each firm performance

Variables	(1) <b>adaptall = 0</b>		(3) <b>adaptall = 1</b>	
	Mean	Standard deviation	Mean	Standard deviation
DuringCovid19 Production	-40.55	34.89	-28.60	23.14
PostCovid19 Production	-17.21	37.09	-16.14	25.71
DuringCovid19 Revenue	-40.93	32.11	-31.05	27.08
PostCovid19 Revenue	-11.07	40.25	-4.182	33.41

Q4: Seven SMEs have implemented flexible budgets to manage their internal spending plans. Typically, SMEs prepare a budget every six months or one year. However, during the pandemic Myanmar SMEs created a one-three month budget plan as they had huge negative impact, for example: exchange rate changes, economic conditions, and a decrease in demand.

Q5. During the start of the pandemic, six out of eight firms provided necessary food (rice, oil) and money to the employees based on their requirements. During the lockdown, owners and managers kept in touch with them during the lockdown and encouraged them.

Q6. In most cases, demand drastically decreased. Although the food industry is unlike other industries, as food has been denoted as a basic necessity, some have experienced a fall in demand such as Myanmar snacks. On the other hand, the consumer demand of small and medium-sized enterprises selling oil and noodles has been increased. Excess or shortage supply happened based on products.

Q7. Developing new product lines, changing packaging, managing account receivables, selling products online, collaborating with brands and using delivery services have been major strategies used for survival during COVID-19.

#### IV. DISCUSSION

The objective of this study is to observe the effect of POSDCoRB adaptation on firms' performances and find that different elements of POSDCoRB have multiple impacts on the rate of production and revenues (performances) of Myanmar SMEs during and post-COVID-19. Planning, Organizing and Staffing are the first three stages of strategic management tools that are positively and significantly related to post-COVID-19 performances. The element of planning has a higher impact on organizational effectiveness, followed by organizing and staffing [23]. The other four elements: Directing, Coordinating, Reporting and Budgeting have not yet delivered positive effects. There are three states of adaptation: unstable, stable, and neutral. Based on the material capacity, organizational capacity, and environment [41], each firm's ability to adapt on each element from POSDCoRB differs. Then the effectiveness of a single dimension varies. According to the data in table (2), most of the surveyed firms are unstable, which shows good results in the first three dimensions (or) short run. It means that the others will take some brief period to provide positive adaptation in enterprises. Adapting strategic management tools in SMEs has

brought advantages to the firms, but there are few limitations: engaging cost is a high, complex process [42]. SMEs in Myanmar have faced various challenges not only in the business environment but also in the political environment during and post-COVID-19. The goal of every company is to survive and attain revenue during and after COVID-19. Any crisis management procedure is globally useful and applicable to every single firm [31]. However, firms that adapted at least one adjustment to their business model have a high rate of possibility of survival and reducing failure rates [43].

## V. CONCLUSION

Myanmar is one of the developing countries experiencing economic and political changes during and post-COVID-19. We find that Myanmar SMEs' adaptation to POSDCoRB strategic management seems to have better outcomes in the future time. However, some elements need time to process and fully adapt in the Myanmar SMEs' business framework. According to the interview result, the COVID-19 pandemic was some firms' biggest challenge of a lifetime. In contrast, it became an initiative for others to perform significantly updated business model in their firms. Moreover, many SMEs from various sectors faced a fall in demand and sales. Nevertheless, not all businesses from the food sector faced severe negative effects of pandemic and increased demand and sales based on their products.

Since our research provides significant contributions, it still has numerous limitations that can be done for future upcoming research. In this research, we used multiple regression analysis to analyze the data collected from the questionnaires. Additional methods, such as instrumental variable regression, consider the potential selection bias. Then this study focuses on the food manufacturing industry which is based in the Yangon region. The target selected region, Yangon, might limit the external validity of the results.

Our study contributes potential advantages to the government, business owners, managers and executives in Myanmar SME business industry and researchers interested in studying the strategic management tool in SMEs.

No	Variable Description	Likert-scale items
1	Impact on Firm	Biggest changes in revenues Reduction in production Declined in liquidity Management considered a wake-up call, expressing how businesses could operate their tasks and marketing activities by applying technology.
2	Planning	Management followed up the key indicators. Management had preplanning to maintain their businesses. Management developed at least a few action plans (or) anti-crisis procedures.
3	Organizing	Management changed the way of delegating the work. Management had clear guidelines and transparent communication. Management used high collaborative tools to conduct with teams.
4	Staffing	Management had to transform recruitment, selection, and training processes into virtual form. Management provided staff trainings for transforming from offline to virtual forms. Management developed internal skills to staff to manage the pandemic through training or consultation or recruitment of health experts.
6	Directing	Management changed into ambidextrous leadership (the ability to be efficient in internal operation management and cope with the situation). Management encouraged accomplishment of vision, confronts the system, motivate others to perform.

		Managements used multiple channels to reach out information within the organization and to the customers.
7	Coordinating	Management broke tasks into manageable sub-tasks.  Management used active and patient listening and builds collaborative network channels within the organization.  Management was more curious and monitored external influences.
8	Reporting	Management had direct report. Management changed organizational reporting style. Management made decision faster with the help of fewer meetings.
9	Budgeting	Management organized well in budgeting.  Management did not treat budgeting at the same level for multiple departments.  Management tightened budget controls.
Present in percentage		
10	Production changes	During COVID-19 Post COVID-29
11	Revenue changes	During COVID-19 Post COVID-29

## Appendix 1

### Questionnaire

#### Interview Questions

1. How had the coronavirus (Covid-19) impacted your business?
2. Had your business operations changed?
3. Are the existing practices of functional areas such as marketing and information technology applicable during Covid-19? If not, how did your firm make changes to adapt to that situation?
4. Could you adapt the budget to changing conditions? Did you apply for a flexible budget?
5. How did you and your team stay motivated?
6. How would you like to consider the supply side and demand side of your firm during and after the pandemic?
7. Which strategy did you use to survive during Covid-19 (for example: innovation, agility, equifinality)

## REFERENCE

- [1] B. Minten, T. Z. Oo, D. Headey, I. Lambrecht and S. Goudet, "Monitoring the impacts of COVID-19 in Myanmar," Straetgy Support Program Policy Note 30, no. September 2020, 2020.
- [2] B. Hillol and F. Xuan, "Success of Small and Medium Enterprises in Myanmar: Role of Technological, Organizational, and Environmental Factors," Journal of Global Information Technology Management, Vols. 22,2019, no. 2, pp. 100-119, 2019.
- [3] OECD, "Strengthening SME Policy Development through Data Collection Enhancement in Myanmar," 2016.
- [4] The Asia Foundation, "The Myanmar Business Environment Index 2020," 2020.
- [5] R. Dagon, "COVID19's Economic Impact on Myanmar Tourism and SMEs," Conference Papar COVID-19 and Myanmar Economy, 2020.
- [6] Ministry of Health and Sports, "Coronavirus Disease 2019," (COVID-19) Situation Reports-104, 2020.
- [7] E. Hayes, U. R. Pokhrel and K. Meyer, "Impact of COVID-19 Pandemic on Small and Medium-Sized Enterprises in Food and Beverage Sector, Myanmar," 2020.

- [8] O. Boiral, M. C. Brotherton, L. Rivaud and L. Guillaumie, "Organizations' management of the COVID-19 pandemic: A scoping review of business articles," *Sustainability (Switzerland)*, vol. 13, no. 7, 2021a.
- [9] M. I. Prajawati, M. Munir, N. A. Adiba and S. Basir, "SME Working Capital Strategy to Increase Profitability During The Covid-19 Pandemic," *Journal of Economics, Finance and Management Studies*, vol. 5, no. 05 May 2022, pp. 1244-1249, 2022.
- [10] M. Struwig and S. Watson, "Working Capital Management and Systems Disruption during the COVID-19 Pandemic: Evidence from South Africa," *Athens Journal of Business & Economics* , vol. 8, pp. 1-13, 2021.
- [11] B. Siuta-Tokarska, "Sources of Problems, the Effects of Changes, Applied Tools and Management Strategies—The Example of Poland," *Sustainability*, vol. 13, no. (18),10185, 2021.
- [12] R. Lopez, H. Renan, C. Soto, S. Rocío, López and P. León, "Impact of Covid-19 on sales revenues of private companies in Ecuador," *Journal of business and entrepreneurial studies*, vol. 6, 2022.
- [13] OECD, "Financing SMEs and Entrepreneurs 2020: An OECD Scoreboard," 2020.
- [14] B. A. Abdulmajid and S. Mouselli, "Syrian SMEs in Times of COVID-19 Pandemic: Challenges, Adaptation, and Policy Measures," *Journal of Risk and Financial Management* , vol. 16, no. (3),142, 2023.
- [15] M. Struwig and S. Watson, "Working Capital Mangment and Systems Disruption during the COVID-19 Pandemic: Evidence from South Africa," *Athens Journam of Business & Economics* , vol. 8, pp. 1-13, 2021.
- [16] M. Shafi, J. Liu and W. Ren, "Impact of COVID-19 pandemic on micro, small, and medium-sized Enterprises operating in Pakistan," *Research in Globalization*, vol. 2, no. 100018, December 2020.
- [17] A. I. Tikhonov and V. G. Konovalova, "The Relevance and Effectiveness of Adaptation Measures in Russian and Foreign Companies," *SHS Web Conf.* , vol. 71, 25 November 2019.
- [18] A. Prohorovs, "Getting ready for recession: how SMEs prepared for COVID-19 pandemic and economic recession," *Forbes (Latvian Edition)*, vol. 11, pp. 46-49, 2020.
- [19] H. He and L. Harris, "The impact of Covid-19 pandemic on corporate social responsibility and marketing philisophy," *Journal of Business research*, vol. 116, pp. 176-182, 2020.
- [20] S. Kakoulidis and D. Hederstedt, "How the Covid-19 pandemic has affected the leadership and the direction of the organization," 2021.
- [21] P. Guckenbiehl and G. C. Zubielqui, "Start-ups' business model changes during the COVID-19 pandemic: Counteracting adversities and pursuing opportunities," *International Small Business Journal (ISBJ)*, vol. 40, no. 2, p. 150–177, 2022.
- [22] G. M. Ndirangu and G. Ndirangu, "THE EFFECT OF MANAGEMENT FUNCTIONS AS A STRATEGY FOR ORGANIZATIONAL EFFECTIVENESS: A CASE OF SMALL AND MEDIUM ENTERPRISES IN NAIROBI COUNTY, KENYA," *Journal of Business & Change Management* , vol. 5, no. 1, pp. 692-719, March 10,2018.
- [23] L. Diokpa, A. Swift, O. Afe and A. Lentini, " The Impact of COVID-19 on the Five Functions of Management," 2021.
- [24] A. Eaton and C. Heckscher, "COVID's Impacts on the Field of Labour and Employment Relations," *Journal of Management Studies*, vol. 58, no. 1, pp. 275-279, 4 October 2020.
- [25] J. B. Carnevale and I. Hatak, "Employee adjustment and well-being in the era of COVID-19: Implications for human resource management," *Journal of Business Research*, vol. 116, p. 183–187, 2020.
- [26] A. E. Kazira, "The relationship between human resource management practices and employee commitment in retail banking of standard chartered bank of Kenya," 2014.
- [27] R. Maurer, "Job interviews go virtual in response to COVID-19. Society for Human Resources Management," March 17, 2020a.
- [28] P. Juneja, "What is management? Management Study Guide".
- [29] J. Erin, "5 major challenges for entrepreneurs in the time of COVID-19, Vault," July 24, 2020.
- [30] E. Kahveci, "urviving COVID-19 and beyond: a conceptual framework for SMEs in crisis," *Business: Theory and Practice*, vol. 22, no. 1, pp. 167-179, 2021.
- [31] A. S. Olusegun and I. Randa, "Ambidextrous Leadership for SMEs in the COVID-19 Era," *Handbook of Research on Sustaining SMEs and Entrepreneurial Innovation in the Post-COVID-19 Era*, 2021.
- [32] S. Sudha and A. Singh, "Competency Framework for Managing Manpower Post-Pandemic," *Handbook of Research on Sustaining SMEs and Entrepreneurial Innovation in the Post-COVID-19 Era*, 2021.

- [33] S. Thorgren and T. A. Williams, "Staying alive during an unfolding crisis: How SMEs ward off impending disaster," *Journal of Business Venturing Insights*, vol. 14, no. e00187, 2020.
- [34] Satyendra, "Role of Coordination in the Organization," 2020.
- [35] T. Meristo, "Scenarios will help SMEs out of corona crisis beyond," 2020.
- [36] Rishipal, "Analytical Comparison of Flat and Vertical Organizational Structures," In *European Journal of Business and Management*, vol. 6, no. 36, 2014.
- [37] A. de Smet, D. Pachtod, C. Relyea and B. Sternfels, "Ready, set, go: Reinventing the organization for speed in the post-COVID-19 era," 2020.
- [38] V. J. Morganson, D. A. Major, K. L. Oborn, J. M. Verive and M. P. Heelan, "Comparing telework locations and traditional work arrangements: Differences in work-life balance support, job satisfaction, and inclusion," *Journal of Managerial Psychology*, vol. 25, no. 6, p. 578–595, 2010.
- [39] D. M Shaikh, "The Economic Impact of Budgeting amidst COVID-19 Pandemic".
- [40] J. Davis, "Businesses Rewrite 2020 Budgets and Plans Amid COVID-19," 2020.
- [41] S. D. Bedford, F. R. Spekle and K. S. Widener, "Budgeting and employee stress in times of crisis: Evidence from the Covid-19 pandemic," *Journal of Accounting, Organizations and Society*, 2022.
- [42] B. S. Chakravarthy, "Adaptation: A Promising Metaphor for Strategic Management," *Academy of Management* , vol. 7, no. 1, pp. 35-44, January 1982.
- [43] S. Makela, "Strategic Management and Strategic Planning Process:South African Perspective," 19 March 2015.
- [44] P. Andries and K. Debackere, "Adaptation and Performance in New Businesses: Understanding the Moderating Effects of Independence and Industry," *Small Business Economics*, vol. 29, pp. 81-99, 2006.