



Global pandemic and business performance: Impacts and responses

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ABSTRACT

The COVID-19 pandemic is anticipated to continue to the year 2022 and could lead to several business failures if entrepreneurs do not respond adequately. Thus, the purpose of this study is to introduce a framework that captures the impacts and potential responses to the ongoing pandemic. To do that, we conducted telephone interviews with ten entrepreneurs who operate enterprises within Nigeria. Data collected for analysis were transcribed, chronologically arranged, coded, and thematically analyzed using NVivo. Our findings revealed that, during the pandemic, businesses experienced limited opening hours, a decline in their clients' patronage, lower turnover, and employee demotivation. In response, business owners should consider re-strategizing their business activities, maintaining connections with clients, and exploiting available support measures. Our findings have profound theoretical and practical implications. For entrepreneurs and policymakers, they offer insights into the form of challenges confronting businesses during a pandemic. It also provides response activities that entrepreneurs could adopt to mitigate the impact of an epidemic on their enterprises' performance. For the field of entrepreneurship, it advances the need to integrate public health (health-related issues) into entrepreneurship study and consider its multiple levels of influence on the performance of businesses.

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Introduction

The socio-economic benefits of entrepreneurship are well documented in the literature (Ogrea and Herciu, 2015; Ogundana et al., 2018; Igwe et al., 2018; Ogundana et al., 2019; Ade et al., 2020; Ogundana, 2020). Nevertheless, Ratten (2014) believed that those socio-economic benefits had not been fully exploited in developing economies such as Sub-Saharan Africa (SSA). This is mainly because of the proportion of business failures in that region, especially the SSA, which records an 8% per annum, and that rate is the highest globally (GEM, 2020). However, the OECD (2020) has projected that the rate of business failures could increase because of the recent COVID-19 pandemic, which has ravaged different economies globally. The challenge is that the COVID-19 is a new pandemic, and it is currently unclear how it is impacting performance and survival of business in low-income countries, including Nigeria. Furthermore, the COVID-19 pandemic is probably to continue in waves that could last beyond 2022 (Bloomberg, 2020; CIDRAP, 2020). Additionally, many health organisations (including the WHO, NHS and CIDRAP) have foretold that a second spike of the pandemic could occur (Weforum, 2020; CIDRAP, 2020; Bloomberg, 2020). In that light, a team of experts at the Centre for Infectious Disease Research and Policy (CIDRAP, 2020), the Organisation Economic Community Development (OECD, 2020) and World Health Organisation have called on stakeholders, including entrepreneurs and policymakers, to urgently develop response plans and take critical steps, while there is still time, to alleviate the impact of the global pandemic activity.

In response to that, several studies (E.Y., 2020; McKibbin and Fernando, 2020; Kraus et al., 2020) have started investigating and proffering ways by which individuals and Governments of nations could plan and respond to mitigate the impact of the pandemic. However, these studies are still very few, focusing mainly on the effect at the national economic-wide and individual context, and limited to the developed economies such as the United States of America (McKibbin and Fernando, 2020). Moreover, the way the COVID-19 might affect businesses in the developing economies such as Nigeria and the appropriate response activities might be context-specific because of the unique spatial, social and institutional contexts within that region (Welter, 2011; Zahra, Wright and Abdelgawad, 2014). In that light, this study addressed two crucial questions:

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1. In what ways does the COVID-19 pandemic impact the performance of businesses in the developing economies?
2. What response activities could businesses adopt to mitigate the impact of the pandemic on the performance of their enterprises?

To address those research questions, a qualitative exploratory approach was considered for the study. In addition, we utilised convenience sampling technique (Emerson, 2015; Etikan et al., 2016) in selecting initial entrepreneurs who linked us with other business-owners, thereby creating a snowballing effect (Morgan, 2008; Voicu and Babonea, 2011). This approach was utilised because, due to the current social distancing regulations and lock-down in Nigeria, many businesses-owners were inaccessible as their workplace were locked-up during the pandemic (Dyer, 2020; Olapegba and Ayandele, 2020). As such, we utilised a convenience sampling technique as it allowed us to contact entrepreneurs known to the researchers. Data collected for analysis were transcribed, chronologically arranged, coded and thematically analysed using NVivo. The findings in this study are crucial as it offers insights into the way COVID-19 pandemic impacts the performances of businesses in a developing country context. The results of this study are useful for entrepreneurs, policymakers and other entrepreneurship stakeholders to plan and respond effectively, and by that way, reduce the impact of the pandemic on the performance and survival of businesses. Therefore, this paper is structured as follows: the theoretical background follows the introductory section. This is followed by the methodology section that discusses how data for this study were collected and analysed. After that, the findings, discussion and conclusion.

Literature Review

Theoretical Background and Conceptual Framework

The impacts of the current global health epidemic, i.e. COVID-19 transcends individuals and the health domain (McKibbin and Fernando, 2020; Kraus et al., 2020). There is a growing body of studies showing how the pandemic has affected global and national economies as well as different business sectors in developed economies such as the U.K. (Nicola et al., 2020; ONS, 2020). Limited evidence exists on its impact on businesses in developing economies, including Sub-Saharan Africa. These impacts, therefore, call for a framework which enables us to understand and explore how the impacts of COVID-19 manifest across different levels (Bogardus et al., 2019; Veer et al., 2019). In that light, we adopted and utilised McLeroy et al.'s (1988) socioecological model (SEM), which provides a multi-level approach to health promotion research and practice, to guide the review of existing studies in this section (see *Figure 1*).

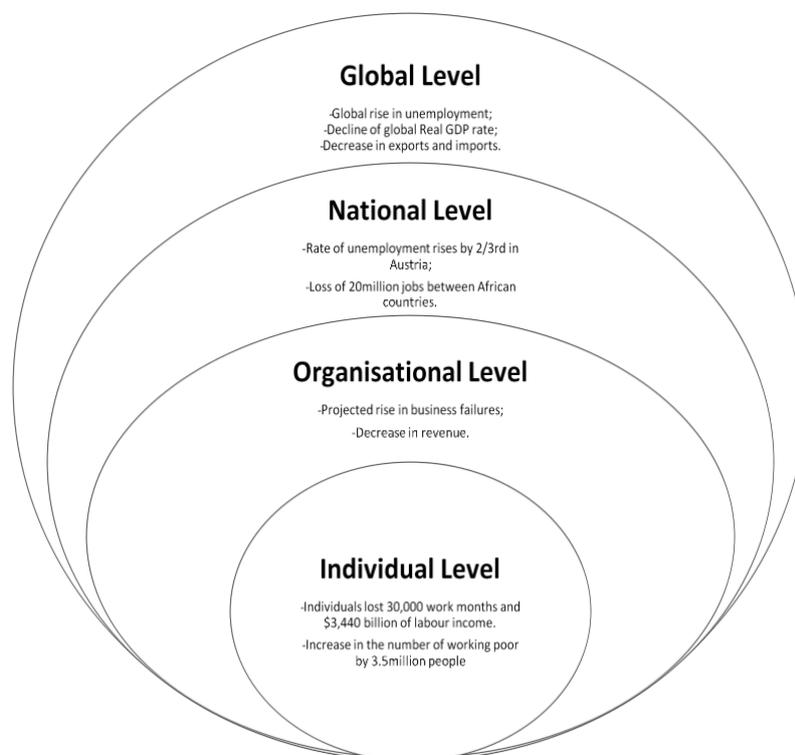


Figure 1: The Socio-Ecological Model (SEM) and the impact of COVID-19 at each social level; Source: Author's idea drawing from McLeroy 1988

Using that model, we explored the impacts of the COVID-19 crisis at the global, national, institutional and individual levels based on existing literature. By doing that, the SEM framework was effective as it guided us into providing a holistic understanding of the effect of the COVID-19 pandemic and thereafter, unravelling the gap concerning impacts of the pandemic on the organisational level in a developing economy context. At the global level, the International Labour Organization (ILO, 2020) estimated a substantial rise

in global unemployment by 24.7 million compared to the surge by 22million in the 2008-9 global financial crisis. Euromonitor international observed that the global real GDP growth fell by over 200% from 3.0% to -3.1% within the first quarter of 2020. In the developing country context, the pandemic resulted in a 150% drop in the estimated GDP growth rate of Africa falling, from 3.4% to -1.1% (A.U., 2020). However, the pandemic is expected to have a more significant impact on the real GDP growth rate of developed continents especially the Eurozone, where it is likely that the rate will fall by over 200% (Euromonitor International Macro Model, 2020; OECD, 2020). However, because of the high dependency of the African economies on those developed continents, it is expected that there will be a spillover effect which could increase the percentage fall of the GDP growth rate within the African continent (A.U., 2020). The enforcement of travel bans and the disruption in the global value chains are projected to cause a 35% decrease in exports and imports of African countries; a decline that is valued at around \$270 billion in addition to \$130 billion required by the African continent to fight against the spread of the virus and medical treatment (A.U., 2020). Though those statistics look depressing, yet the African Union expect those figures to worsen dramatically.

At the national level, many countries are still struggling to fully understand the way the pandemic is impacting their economy (Kraus et al., 2020; Kuckertz et al., 2020). Nonetheless, statistical evidence has started to emerge, but still typically latent, especially from the developed economies (Kraus et al., 2020; McKibbin and Fernando, 2020). Evidence from the developing economies, where data mining is next to non-existent, are still mostly innominate (Data-Planet, 2020; Igwe and Icha-Ituma, 2020; Madichie, 2020). In China where the COVID-19 pandemic began, revenue lost in both retail and food services during the crisis is estimated to be RMB 1 trillion (\$142 billion), as significant chains closed stores across the country (Bouey, 2020). According to the National Bureau of Statistics of China (2020), the total value added of industrial enterprises in China declined by 13.5% during the first two months of 2020. Other countries also predicted, in various degrees and different industry sectors, a similar impact of the COVID-19 pandemic. Between February and March 2020, ten states within the United States recorded an increase in unemployment claims from 110,403 to 1,667,588, which represented a 1,410% increase (United State Department of Labour, 2020). Similarly, the rate of unemployment increased by two-third in Austria and a fivefold increase in Norway (OECD, 2020). In the African region, the African Union projected that nearly 20million jobs, both in the formal and informal sectors, were lost during the crisis (A.U., 2020). The substantial proportion of estimated job losses could result in a significant increase in the level of poverty, especially among African countries who are already grappling with extreme deprivation.

The Eurozone is considered one of the worst-hit regions globally, and within that region, Spain and Italy are projected to record the worst hit as their real GDP growth rate is projected to fall from 2.0 and 0.3 to -8 and -9 by the end of the year 2020 (Euromonitor International, 2020). It is estimated that the closure of schools in the U.K. could cost 3% of UK GDP (Nicola et al., 2020). A study by the Brookings Institution modelling closures in major US cities and nationwide suggested that there would be a median cost of \$142 per student per week. In addition to the disruption in the educational sector, hotel occupancy decreased by over 36% in Germany, 94% in Italy and 53% in the U.K. because of the closure of many international airports and borders (Nicola et al., 2020). In addition to that, the International Air Transport Association (IATA) noted that the global and African airline industry lost about \$ 113 billion and \$4.4 billion in revenue respectively as a result of border restrictions. In the petroleum industry, due to the stay-at-home order and fall in demand for petroleum resources, Saudi Arabia and Russia experienced price slashes in their sale of crude oil that had not been experienced in the last 30 years as the prices dropped by 24% (Data-Planet, 2020). A similar impact was observed amongst African countries especially Nigeria and Angola, where about 70% of the April-loading cargoes of crude oil, valued at \$38billion, were unsold during the crisis (A.U., 2020). However, within that region (i.e. Sub-Saharan African and other developing economies), the impacts of the COVID-19 pandemic on the performance of organisations are still largely uncertain.

At the organisational level, COVID-19 affected businesses because of the domestic measures taken by the government to contain the virus, the drop in global demand, supply chain disruptions and a deterioration in the economic environment (Gern and Mosle, 2020). The global pandemic resulted in a partial and full shutdown of plants and factories, leading to a significant disruption to supply chains (del Rio-Chanona et al., 2020; Kraus et al., 2020). It is still not clear the way those lock-down activities affected business performance in developing economies such as SSA.

In the developed nations, it is believed that businesses that relied on physical space and shops suffered losses; while those businesses that utilise mainly the online space did particularly well (Kantar Consulting, 2020; Bouey, 2020). For instance, data on online sales from the Data Insider Consulting report (based on Alipay Business Counsel) showed an increase in sales of personal health-related product sales, while sales in physical shops dropped by 40 per cent because of the travel ban (Bouey, 2020). In addition to the reduced sales recorded by businesses with a physical presence, Kuckertz et al. (2020) found that such businesses continued to incur fixed costs, such as the cost of rent and insurance, during the lock-down; thus, maintaining their outflows with no commensurate revenue inflows. This is expected to worsen as evidence showed that 37.3% of U.S. internet users are expected to avoid physical shops (eMarketer, 2020). However, customers within the developing country region might not respond in the same way since businesses in that region primarily utilise physical structures.

At the individual level, the global consumer expenditure is set to decline by 4.3% in real terms year-on-year in 2020 (Euromonitor, 2020b). The ILO (2020) estimated that individuals had lost 30,000 work months and about \$3,440 billion of labour income which translates into lower consumption of goods and services. As such, there is an increase of 3.5 million people in the proportion of individuals who are considered working poor (ILO, 2020). It is also believed that the pandemic had a disproportionate impact on specific segments of the population, which can trigger worsening inequality. For instance, in the United Kingdom, the pandemic

leads to disproportionate mortality and morbidity amongst Black, Asian and minority ethnic (BAME) people (NHS, 2020). However, it is not clear if the pandemic likewise had a similar disproportionate impact on other aspects of their lives, including their businesses.

Research and Methodology

In this study, we utilised a qualitative research design to explore the ways the COVID-19 pandemics impacted the performance of businesses in a developing economy, Nigeria, and to understand the way businesses responded to mitigate its impact on their business performances. As the COVID-19 crisis is widely considered unprecedented (Kraus et al., 2020; Kuckertz et al., 2020), a qualitative research design is especially suitable for investigating such a phenomenon that little or nothing is known or understood about (Glaser and Strauss, 1967; Hammarberg, Kirkman and de Lacey, 2016). Any attempt to utilise a different design to investigate such unfamiliar and context-dependent phenomenon could amount to a conjecture at best (Austin and Sutton, 2014). To understand the impact of this unprecedented crisis, the qualitative research method is useful for providing robust answers drawn from the experiences of participants who experienced the phenomenon within the developing country context (Smith, 2003; Zahavi, 2019). This means that our utilisation of the qualitative research method enabled us to capture the subjective experiences of entrepreneurs during the pandemic (Graebner et al., 2012; Kraus et al., 2020). Besides, as we explored for context-dependent and specific data rather than standardised impacts of the Covid-19 crisis on business performance, the qualitative research design added richness, details and concreteness to the research phenomenon (Denzin and Lincoln, 2008; Graebner et al., 2012; Kraus et al., 2020).

Sampling Method

We utilised convenience sampling technique (Emerson, 2015; Etikan et al., 2016) in selecting initial entrepreneurs who linked us with other business-owners, thereby creating a snowballing effect (Morgan, 2008; Voicu and Babonea, 2011). This approach was utilised because, due to the current social distancing regulations and lock-down in Nigeria, many businesses-owners were inaccessible as their workplace were locked-up during the pandemic (Dyer, 2020; Olapegba and Ayandele, 2020). As such, we utilised a convenience sampling technique as it allowed us to contact entrepreneurs known to the researchers (Dornyei, 2007; Etikan et al., 2016). To reduce the problem of outliers and bias, we asked the initial entrepreneurs to link us with other entrepreneurs who possess the similar size of businesses (Voicu and Babonea, 2011). Thus, we were able to access entrepreneurs across key Nigerian industries including manufacturing, hospitality, food industry-production, hospitality, retail and wholesale supply, oil and gas, consultancy, education and automobile.

Data Collection

We conducted semi-structured telephone interviews, between May and June, with ten entrepreneurs, who were either owners or managers of businesses in Nigeria (see *Table 1* for an overview of the businesses that partook in this study). The telephone interviews were a convenient means of collecting the data due to the restriction to movement to control the spread of the COVID-19 virus (Dyer, 2020; Kraus et al., 2020; Olapegba and Ayandele, 2020). Prior to the interview session, verbal consent to participate in this study was obtained following the provision of, and discussion of, a study information sheet. The interview schedule was piloted to ensure the questions were acceptable, understandable, unambiguous, and that open-ended questions elicited the expected type of response (Collis and Hussey, 2014). An interview guide was developed to provide a guide and ensure consistency in the interview process for this research (Eisenhardt and Graebner, 2007; Neergaard and Ullhøi, 2007). It comprises questions which sought to explore the perception and experiences of participants on the impact of COVID-19 on their business performance and survival. Each of the interview sessions was audio-recorded and lasted between 30-65 minutes.

Data Analysis

The data were transcribed verbatim and thematically analysed (using data-driven and a priori codes) across cases (Khan and VanWynsberghe, 2008; Saunders et al., 2016). QSR NVivo software was adopted for the study to facilitate the process of structuring, coding, analysis and management of the transcribed data (Creswell, 2014). Two of the authors independently conducted the analysis, reviewed each transcript and coded the data using NVivo. After the independent coding, both authors reviewed the codes to agree on the final emerging themes and sub-themes. Discrepancies in the codes and themes were discussed and resolved through inputs from the authors. The process of team coding strengthened the credibility of the data and interpretations (Morse et al., 2002; Sousa, 2014; Korstjens and Moser, 2018).

Table 1: Overview of interviewed businesses

Identifier	Sex	Business Sector	Type of Business	Employees size	Location
Participant 1	F	Hospitality	Event planning, Interior decoration, Surprise gift delivery	1-10	Lagos state
Participant 2	F	Manufacturing + Oil and Gas	Property management, cement distribution	10-20	Lagos and Ogun states
Participant 3	M	Consultancy	Environmental and sustainability consulting	10-20	Lagos state
Participant 4	M	Education and Automobile	Primary, secondary school and car dealership	90-100	Lagos and Ogun States
Participant 5	F	Retail and Wholesale Supply	Convenience store	1 - 10	Lagos and Rivers State
Participant 6	M	Hospitality	Production of Bottled Water	40-10	Lagos State
Participant 7	F	Retail Supply	Convenience Store	1-10	Lagos State
Participant 8	M	Transportation	Logistics	30 - 40	Interstate
Participant 9	F	Agriculture, Manufacturing, Oil and Gas	Oil and gas supplier, Building and construction	100 +	Lagos and Ogun States
Participant 10	F	Fashion	Garment Production	1-10	Ibadan

Results

Impact of COVID-19 on businesses performances

The analysis of the interview transcripts revealed that the COVID-19 crisis had diverse impacts on business performance in Nigeria. Notably, the pandemic impacted Nigerian businesses in four different ways including (a) business closure/limited business hours; (b) proportion of patronage; (c) level of business turnover; and (d) employee motivation.

Business Closure/Limited Business Hours

During the COVID_19 pandemic, the Nigerian government (including policymakers in other nations) instituted a lock-down and stay at home order to contain the transmission of the COVID-19 virus. Many of the respondents in this study (including Participants 1,2, 4, 5, 6, 10) explained that the initial lock-down and stay at home order restricted them from opening their workplace. This was expressly stated by participant 6:

“And, um, we used to serve them (workers at the Government ministries) breakfast from Monday to Friday. You know, by March, we had to stop (opening our cafeteria) because, I mean, there would be no social distancing in the cafeteria. So, they (Government)_stopped us. And this is a business that in a month we get about between 1 and 1.3 million Naira cheque monthly” – Participant 6

According to all the participants, the implication of business closure is that their businesses continued to incur operating costs without generating any form of revenue to offset those business expenses. However, participant 4 identified that the business closure rule applied mainly to non-essential businesses such as those businesses in the education sector. Businesses whose activities were considered essential (such as supermarkets, corner shops, chemists and petrol stations) were allowed to continue to operate but with limited business hours. Despite that they could operate, their limited opening hours and the lock-down orders which restricted movements of people had an impact on their business' turnover. In that regard, participants 2 stated that:

“... the (cement) shop is not locked, but no sales and we have to pay our employees. At least the petrol station is making enough sales to meet up with salaries of our employees and other expenses.” - Participant 2

The above commentary suggests that the COVID-19 incidence affected different businesses in various degrees. However, Nigerian policymakers are the moderating factor because they determine which businesses could remain open while other businesses were closed-up during the lock-down order.

Proportion of patronage

As a result of business closure and the limited business operating hours, participants across all business sectors commented that the COVID-19 pandemic adversely affected the proportion of patronage they received from their customers. For businesses involved in non-essential activities, they recorded little or no patronage during the COVID-19 pandemic. This was expressly stated by participant 2:

“Because of the coronavirus (COVID-19), we have closed down our estate business. Because of the lock-down, we no longer receive clients” –Participant 2

In contrast, participants 6 and 5, who were involved in essential activities, mainly recorded a reduction in the proportion of customer patronages. Both participants specifically mentioned that:

“It has affected us because I mean, with the pandemic, you know, with the lock-down with, um, the not having parties, not having, so at least for parties, it is a zero for us in this business, nothing is happening, no party.” - Participant 6

“Actually, those few days that they give as leeway, people come to buy, we really sell. But after that, they lock-down again and the shops are locked down, and then we cannot really meet up” - Participant 5

According to participants 1, 4 and 5, the COVID-19 pandemic adversely impacted the level of customers patronising their businesses mostly because of the socio-economic uncertainty, restrictions to movements (stay at home order) and the disruption in the entire supply chain. For instance, participant 4 captured this interestingly below:

“How can anyone purchase a car of N 1million to N 2million when they are not working and on lock-down. Even those who have the money to purchase the car are afraid because they do not know when the pandemic will end. Any amount you have in your bank account, you have to be careful the way you spend it. You are going to feed your family. So, a car can wait aside/can be delayed” – Participant 4

The above commentary means that the socio-economic uncertainty and the disruption in the entire supply chain during the pandemic have not only a direct impact on Nigerian businesses but also an indirect impact on the performance of enterprises. However, the indirect effects of the COVID-19 pandemic might have impacted both essential and non-essential businesses alike.

Level of business turnover

All the participants explained that they experienced a decrease in their level of turnover during the COVID-19 pandemic. Businesses that were involved in non-essential services (such as Participant 4) recorded no turnover during the pandemic. While businesses involved in essential services recorded a reduction in the level of turnover within their businesses. For instance, participant 4 stated that:

“In the car business, for anyone to buy a car in this period, the person must be an average man or those at the top (i.e. affluent person). Even those in that position (average or wealthy persons) are not working presently and do not have the money to buy a car. So, the turnover of the car business has reduced seriously. How can anyone purchase a car of N 1million to N 2million when they are not working and on lock-down. Even those who have the money to purchase the car are afraid because they do not know when the pandemic will end. Any amount you have in your bank account, you have to be careful the way you spend it. You are going to feed your family. So, buying a car can wait.” - Participant 4

One of the reasons behind the drop in their turnover is that customers do not require such products, even though policymakers described such products as essential. This was expressly stated by participant 2, who explained that:

“Even the cement business, no one is involved in construction since the lock-down, so there has been a sharp drop in sales of the cement. We no longer make sales.” - Participant 2

The above commentary suggests that customers might be restricting their spending, perhaps because of the economic uncertainty caused by the COVID-19 pandemic. Besides, the policy-makers definition of essential services might not align with the perception of customers.

Employee Motivation

More than fifty per cent of the participants (including participants 4, 5, 6 and 8) explained that the COVID-19 incident adversely affected their businesses' ability to pay the wages or/and compensation benefits/allowances of its employees. This was mostly because of the significant fall in the proportion of turnover and patronage. That explanation was offered by participant 4 explained that:

“We private school owners are unable to pay our staffs because we are not collecting money. The government are paying their staffs. We started running the online classes about a month ago. We have asked the parents to pay a token amount so that we can pay our staffs an amount. Not all schools have been doing that. We have other schools who are not able to pay the March and April salary. I was able to pay March and April, but I struggled to pay half in May. And I have not been able to pay June. So, the pandemic has really affected schools and the private schools. The Government staffs are being paid their salaries. In the private school, what we pay is what we generate through the school fees paid by the parents.” - Participant 4

The implications of the business-owners inability to pay the wages of their employees are that their staffs could become demotivated and resort to dishonest practices as alluded to by participant 8. The poor motivation of their workforce might lead to higher employee turnover, lower levels of engagement and diminished productivity. That could have disastrous consequences for the performance of their enterprises.

Business response activities to the COVID-19 pandemic

All the participants offered recommendations that they considered useful for mitigating the adverse impact of the COVID-19 crisis. The commentaries revealed three response activities that businesses could adopt during a pandemic: re-strategising business model; maintaining connections with clients; exploit support opportunities offered by entrepreneurial stakeholders and embedding health and safety measures within the business operations.

Re-strategizing

Many of our participants suggested that one way by which business-owners could respond to the adverse impact of the COVID-19 pandemic on their business performance is to change their present business strategy. This was captured succinctly by participant 8, who commented that:

“For us, we have been able to look inwards and say let's work into our contracting, our human resource placement, look out how our compensation structure will align with performance and also try to see how we get back profitability over time.” - Participant 8

A fifth of the participants considered diversifying into other business activities whose products/services are generally in demand during the pandemic (for instance, food catering sector). That recommendation was explicitly stated by participant 5:

“Somebody like me now, I, you know, enter into so many things. I am baking, and I am doing other things. These are things I do not do before, but now I learned how to bake, I'm making doughnut, I'm baking cakes. People are calling me for orders here and there you know.” - Participant 5

Another suggestion in terms of re-strategising was exploring innovative models of operations, such as delivering services to customers. In that regards, participants 6 and 9 respectively stated that:

“Well, people would have to, people will have to well sort of look, look at other areas. I mean, as in, um, like, like with me, yeah. I am now going to delivery service. I never used to do that” – Participant 6

“In our system now, we have planned to drop even cooking gas in front of everybody’s house. We have made available logistics to drop cooking gas, to drop diesel, you know instead of them (businesses) waiting that they (consumers) would come. If you are waiting for them to come, you are not going to sell something substantial.” - Participant 9

These commentaries suggest that the most effective growth strategy during a health pandemic could be to diversify into a business industry that is less affected by the pandemic. However, the participants (such as participant 4) only consider re-strategising as a short-term response activity because they expect the economy to go back to normal. Besides, they intend to use the revenue generated from the new business initiative to keep their initial business afloat.

Maintaining an interactively linked relationship with clients

More than a fifth of our participants mentioned that it was crucial to maintain interrelationships with their customer as a means to respond to the adverse effect of the COVID-19 pandemic on their business performances. That approach was expressly stated by participants 2 and 4 respectively:

“That is why we did not lock up the cement shop completely. So, we have kept it open to pass a message that we are open for business as normal so that beyond coronavirus, clients can know that we still exist.” - Participant 2

“Let business owners keep in touch with their customers. Have a form of technology to contact your final customers so that they do not leave you after the pandemic. It is better for business owners to keep in touch with customers like I am doing presently. I am in talks with my staffs and customers via WhatsApp, especially in a business that is in total locked down such as Bar lounge, schools and event centre.” - Participant 4

Participants 2 and 4 commentaries indicate that the maintenance of the interrelationship with their clients is an approach for retaining the customers. As such, customers are more likely to continue to patronise their businesses after the lock-down is lifted, and such businesses can reopen. However, this response activity might not improve their business performances in the short-term but could be useful for improving their long-term performances.

Exploit support opportunities offered by entrepreneurial stakeholders

All the participants stated that the exploitation of the support opportunities offered by entrepreneurial stakeholders (including policymakers) is useful for mitigating the impact of COVID-19 crisis. According to the participants, the kind of support mechanisms that entrepreneurial stakeholders (such as policymakers) could offer includes: removal of barriers within the value chain; loan facilities; access to information regarding the pandemic; and supports that are dependent on the needs of the industry sector. Those forms of support were described by participants 6 and 4:

“if the policymakers can help and, you know, remove things like that (barriers in the supply chain) so that there can be free flow of the farm produce to us, that will make the business a bit easier for us. And then even the farmers” – Participant 6

“Nigerian banks are the one that should help business-owners. Nigerian banks are not doing fine. When the pandemic started, UBA gave N2billion to the government to build facilities for COVID-19 patients, but their bank customers are struggling. They have individual/business account; they should know businesses that are doing well and give them some monetary supports in the form of a loan”- Participant 4

However, all the participants stated that they were yet to receive any of these forms of support from Nigeria entrepreneurial stakeholders (including policymakers). In addition to that, the commentaries made by participants 6, 2 and 4 suggest that business owners cannot be wholly responsible for mitigating the impact of COVID-19 on business performance. They require the interventions of stakeholders (such as policymakers) to provide guidance, supports and other interventions to keep their businesses afloat during and after the COVID-19 crisis.

Discussion

The current global pandemic impacted entrepreneurship in the developing economies mostly in the form of business closure, and limited business hours, reduced proportion of patronage, the difference in the level of business turnover and employee demotivation (see Figure 2). Government's lock-down policies to contain the virus, affected businesses customers' demand (Gern and Mosle, 2020). Travel restrictions and lock-down affecting entrepreneurs have left businesses short of labour, disrupting sales performance and reduced revenue inflow. The business closure and limited business hours have led to reduced or no customer patronage. This finding supports del Rio-Chanona et al. (2020) and Kraus et al. (2020) studies confirming the disruption of supply chains as a result of a partial or complete shutdown of the economy due to the pandemic. Entrepreneurs have invented response strategies to mitigate the impact of the pandemic (see Figure 2). Business owners employed crisis management strategies, including adaptability and flexibility, in order to foster business sustainability (Smallbone et al., 2012). The ability for business owners to re-strategise their operations and create opportunities with the resources available at the time is in line with business responses seen in western countries such as Germany (Kuckerts et al., 2020).

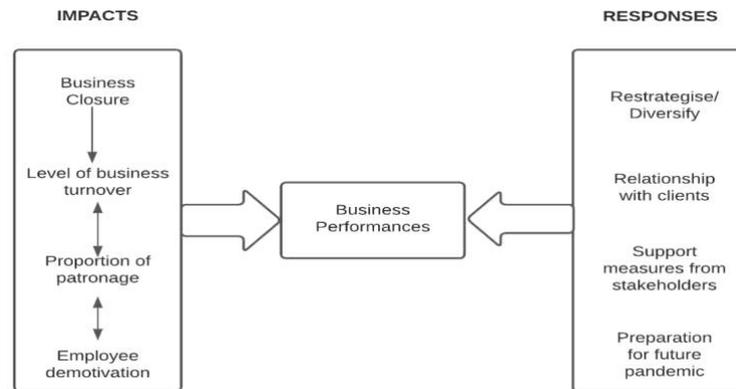


Figure 2: The impact of a global pandemic and responses; *Source:* Authors' imagination

Maintenance of regular communication with clients is also observed here as a critical business response employed by business-owners during the pandemic. Client communication facilitates knowledge enhancement about the needs of the client, thus influencing business performance. The current study supports prior studies demonstrating significant associations between the above critical responses of client communication and business adaptability, with business performance (Klarnar et al., 2013). Because of the cross-sector interdependencies between businesses and their communities, it is imperative to create alliances and networks with relevant government sectors, as well as other businesses, in order to strengthen operations within the society during a disruptive pandemic (Koonin, 2020). At the moment, this is still missing within most developing regions, including Nigeria.

Theoretical, Practical and Policy Implications

Our results have significant theoretical, practical and policy implications. For the field of entrepreneurship, it reveals that public health (health-related issues) can be integrated into entrepreneurship study. They are also able to offers insights into different levels of factors that influence the performance of businesses. The findings also show that it is possible to manage health-related crisis using crisis management strategies. Our findings further revealed that entrepreneurs could manage the performance of their businesses during a pandemic, especially if they adopt the appropriate business continuity strategies. Lastly, the findings imply that entrepreneurs need to embed emergency preparedness and business continuity planning measures into their operations to enable them to withstand a second wave of the COVID-19 or other future pandemics. Also, the government needs to take more responsibility and put in place support systems to sustain business performance during a period of pandemics.

Conclusions

This study explored the ways by which the COVID-19 pandemic affects businesses in a developing economy region. It also offered response activities that business-owners could adopt to mitigate the impact of the pandemic on the performance of their enterprises. The suggested response activities are particularly useful in the case that the pandemic generates a second wave. Furthermore, the findings from this study are useful, especially as they offer insights into the sources of challenges that confront businesses during a pandemic. With that knowledge, entrepreneurs could develop other strategies for improving their business performance in the case of a health crisis.

The limitation of this study arises from the use of a small sample of ten which restrains us from making statistical generalisations. However, that gap is useful as it allows other scholars to extend and evaluate the findings of this study using large samples that are representatives of the proposed population. Furthermore, scholars could also explore the way COVID-19 pandemic affected businesses in other developing countries that possess a similar social, spatial and institutional context to that of Nigeria.

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