



The Impact and Resilience of Mauritian SMEs: Sales Dynamics during the COVID-19 Pandemic

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DOI: <https://doi.org/10.47963/jobed.v12i.1497>

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How to cite this Paper: Bindah, E., & Gunnoo, L. (2024) The Impact and Resilience of Mauritian SMEs: Sales Dynamics during the COVID-19 Pandemic. *Journal of Business and Enterprise Development (JOBED)*, 12(1). <https://doi.org/10.47963/jobed.v12i.1497>

Article Information

Keywords

Small and Medium-sized Enterprises (SMEs)
Sales Dynamics
Economic Impact
Adaptive Strategies
Government Intervention
Mauritius

Received: 16th June 2024

Revised: 18th September 2024

Accepted: 24th September 2024

Editor: Anthony Adu-Asare Idun

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Abstract

The COVID-19 pandemic has left an indelible mark on the global economy, significantly impacting small and medium-sized enterprises (SMEs) in Mauritius. This study investigates the sales dynamics of local SMEs during the COVID-19 pandemic. Through a quantitative survey, data was collected on sales performance during the pandemic to gain comprehensive insights into the challenges faced and the adaptive strategies employed by these businesses. The findings underscore the challenges that the majority of participants encountered during the pandemic, with a notable decline in sales emerging as a central concern. The study reveals the diverse measures adopted by these enterprises to navigate the unprecedented economic turbulence. Notably, many turned to online sales channels, implemented cost-cutting measures, and adjusted their workforce. Furthermore, our research sheds light on the perceptions of government intervention among these businesses. A significant proportion expressed satisfaction with the government's response, believing in its effectiveness. This study offers valuable insights into the multifaceted impact of the COVID-19 pandemic on local SMEs in Mauritius and identifies the strategies adopted by these enterprises to adapt to the continually evolving economic landscape. These findings hold significance for policymakers, business proprietors, and other stakeholders as they craft and implement strategies to support and rejuvenate local businesses in the post-pandemic era.

Introduction

The COVID-19 pandemic has had far-reaching effects on various sectors of the economy, disrupting supply chains, business operations, and consumer behaviours worldwide. Mauritius, like many other nations, experienced a profound impact on its business landscape, with sectors such as travel, tourism, and retail facing unprecedented challenges. The sudden downturn in economic activity led to business closures and a significant decline in the nation's GDP, highlighting the vulnerability of local businesses to external shocks. The pandemic-induced lockdown measures further exacerbated the situation, forcing many organizations to adapt rapidly or risk closure.

In Mauritius, as in many countries worldwide, SMEs are regarded as the backbone of the national economy, playing a vital role in economic development and job creation. The outbreak of the COVID-19 pandemic introduced several new areas of study for SMEs, such as the necessity to be agile to boost a lag in performance (Gerald et al., 2020; Hadi 2020) and to increase productivity (Nyanga & Zirima, 2020) to mitigate against financial difficulties (McGeever et al., 2020). Small and local businesses struggled to cope with the sudden shift towards online sales and the uncertainty surrounding consumer demand.

Crises such as the COVID-19 pandemic tend to disproportionately impact SMEs (Laufs & Schwens 2014; OECD 2009), due to their limited resources (human, financial and technical) compared to large firms (Martin et al. 2019; Narula 2004). The resilience of these businesses became a focal point for policymakers, academics, and the general public, prompting a deeper examination of the pandemic's impact on sales dynamics and business survival.

COVID-19 pandemic

The pandemic has profoundly impacted the global economy, with far-reaching consequences for businesses across various sectors, from project management and logistics to education, retail, and more. This study, homes in on the specific effects of the pandemic on Mauritius' business sector. The pandemic led to a sharp decline in economic activity, causing unprecedented debt accumulation among businesses. In 2020, the nation's GDP plummeted by nearly 15%, and sectors like travel and tourism faced prolonged periods of revenue loss. These sudden crises disrupted market competition, triggered business closures, and resulted in significant economic shifts.

The pandemic has brought about an unparalleled upheaval, affecting people, national and global economies, and various aspects of business. Lockdowns and restrictions have adversely impacted most organizations, and these consequences persist as the virus's effects continue to evolve. This period presents entrepreneurs with unique opportunities to demonstrate their adaptability in the face of adversity. Marketing researchers studying the short-term and long-term effects of COVID-19 on consumer behaviour and how businesses are modifying their marketing strategies are facing unprecedented challenges.

Notably, many companies have shifted to online sales channels to weather the pandemic's economic storm. To preserve their income, numerous firms have used the pandemic as an opportunity to critically assess the comprehensiveness and depth of their product ranges. Furthermore, price dynamics have played a pivotal role for both consumers and businesses during the economic downturn, necessitating careful management as a marketing strategy.

Overall, SMEs tend to exhibit lower resilience compared to larger firms, resulting in prolonged recovery times, if they manage to resume normal operations at all, following a crisis. This vulnerability was particularly evident after the 2008 global financial crisis, during which SMEs faced significant declines in demand and financial distress. Consequently, it is crucial to study SMEs in the recovery from the economic downturn caused by the COVID-19 pandemic. Local businesses, reliant on foot traffic and face-to-face interactions, have also suffered severe blows. The pandemic's impact on local businesses has sparked interest and concern among policymakers, academics, and the general public. Understanding the breadth and significance of this impact is vital for devising effective policies and strategies to support these businesses and promote economic recovery.

This study aims to assess the impact of the COVID-19 pandemic on the sales of local businesses in Mauritius. The COVID-19 pandemic has wrought unprecedented disruption across global economies, including Mauritius, significantly impacting various sectors and posing substantial challenges to local businesses. Amidst economic downturns due to the COVID-19 pandemic, businesses in Mauritius, particularly SMEs, have encountered challenges to maintaining sales levels and sustaining operations. The sudden transition towards online sales channels, coupled with uncertainties surrounding market demand and the effectiveness of traditional marketing strategies, has intensified the struggle for business survival. Additionally, government policies, market dynamics, and unique business characteristics further complicate the landscape, necessitating a comprehensive understanding of the factors influencing sales. Therefore, there exists a critical need to assess the specific impact of the COVID-19 pandemic on the sales of local businesses in Mauritius, identifying key determinants and exploring avenues for policy interventions and strategic support to foster recovery and resilience in the post-pandemic era.

Literature Review

The theoretical stance encompasses theories of technological evolution and innovation, economic resilience, and financial access in entrepreneurship. These theories provide a conceptual framework for understanding the dynamics of how businesses adapt to technological change, withstand economic shocks, and access financial resources to drive entrepreneurial success. Within this framework, Utterback's theory (1994) on technological evolution and Foster's (1986) perspective on the challenges faced by new technologies during their rapid growth phase form the basis for understanding technological adaptation. Additionally, the concept of economic resilience, as articulated by Gheorghe et al. (2014), underscores the importance of businesses building resilience to withstand economic shocks. In the area of entrepreneurship, theories of financial access and its impact are prominent, with authors such as Buno et al. (2015), Ahmad and Arif (2015), Ali et al. (2023), and Addo & Asante (2023) highlighting the barriers posed by inadequate access to capital for SMEs and the moderating role of financial literacy on SME growth. Together, these theories provide a comprehensive theoretical stance for understanding the dynamics of technological adaptation, economic resilience, and entrepreneurial success.

Impact on Local Businesses

The COVID-19 pandemic has led to detrimental effects on local businesses in Mauritius. A report by the Mauritius Chamber of Commerce and Industry (MCCI) in 2020 highlighted the severity of the impact. According to the report, a staggering 96% of local businesses experienced a decline in sales due to the pandemic. This decline can be understood through the lens of economic resilience, a concept that evaluates an organization's ability to adapt and recover from disruptive events (Gheorghe et al., 2014). Additionally, 62% of these businesses had to reduce their workforce, and 33% temporarily shuttered their operations (MCCI, 2020). The application of organizational resilience theory (Hamel & Välikangas, 2003) in this context underscores the challenges businesses faced in adapting to unforeseen disruptions. Furthermore, the pandemic disrupted supply chains for local businesses in Mauritius, as noted by Munien et al., (2021). The closure of international borders resulted in shortages of essential raw materials and inputs, forcing some businesses to halt operations or scale back production. This disruption can be viewed through the lens of supply chain resilience (Ponomarov & Holcomb, 2009), which examines the capacity of supply chains to adapt to disruptions. It also emphasizes the need for businesses to adopt agile supply chain strategies (Christopher et al., 2011) to navigate such challenges.

Shifts in Consumer Habits

Consumers became more cautious, with a heightened focus on health and safety. This change led to increased online shopping and home delivery services. The adoption of online shopping aligns with the theory of innovation diffusion (Rogers, 1962), where new technologies and practices are adopted by consumers over time. The pandemic accelerated this diffusion process. Laroche et al. (2020) emphasized the acceleration of the shift towards online shopping, even among older consumers who were previously hesitant to shop online. This aligns with the concept of the digital divide (Van Dijk et al., 2005), where disparities in technology adoption across demographic groups are addressed.

Empirical Evidence

Impact on Sales

According to a study conducted in Indonesia, MSMEs' sales decreased as a result of COVID-19 in a number of ways. MSMEs had a 36 percent reduction in sales in North Kalimantan, a 44 percent decline in Sumatera, and a 34 percent decline in West Kalimantan (Soetjipto et al., 2020). Sales of MSMEs were under increased pressure as a result of China's social restriction policy, which decreased social and economic activity (Lu et al., 2020). Restrictions on shop opening hours outlined in security and health procedures were the root reason of the MSME sales decline.

The economic impact of the pandemic was substantial, with Mauritius experiencing a 14.9% contraction in GDP in 2020 (World Bank, 2020). This decline was primarily driven by a decrease in sales, as many local businesses were unable to operate due to lockdowns and reduced consumer demand. The concept of economic resilience (Gheorghe et al., 2014) becomes relevant here, emphasizing the need for businesses to build resilience to withstand economic shocks.

Adaptation

The literature on technological evolution and innovation provides a theoretical backdrop for understanding the dynamics of competing technologies and the adaptive strategies employed by businesses. Utterback (1994) argues that new technologies typically lack the performance or cost advantages of established ones when they first emerge. This notion is echoed by Foster (1986), who emphasizes the inferior performance of new technologies during the rapid growth phase of established ones. Adner & Levinthal (2002) further contribute to this discourse by suggesting that new technologies are unlikely to initially dominate established ones in their primary domains of application. Similarly, Christensen (1992) provide evidence that new technologies often offer lower benefits than old technologies when they first appear.

Despite these initial disadvantages, Utterback (1994) contends that new technologies often possess greater potential for better performance, eventually surpassing established ones. This phenomenon is illustrated by examples such as steamships replacing wind-powered ships (Foster, 1986) and airplanes' turbojet engines replacing internal combustion engines.

Government Intervention

The start of the COVID-19 pandemic has had a significant impact on SMEs. In some countries government has responded to the COVID-19 pandemic by implementing the Economic Stimulus Package such as in Malaysia. Furthermore, access to financial resources (AtFR) is vital to pursuing growth opportunities and meeting individuals' specific needs (Buno et al. 2015). According to the authors of Ahmad and Arif (2015), inadequate access to capital is a significant barrier to SMEs and generates a negative attitude among members of the society towards entrepreneurs. In the same dimension, the authors of Ali et al. (2023) demonstrate the tremendous importance of and the considerable role played by favorable financial access in encouraging entrepreneurs to start their own businesses and make financial returns.

Similarly, in the context of developing countries' economies, the findings of a seminal work Addo et al., (2023) show financial literacy's positive and significant moderating impact of the development of the association between SME growth and AtFR. In comparison, the findings in Bongomin et al. (2017) show financial literacy's reducing contribution to the monitoring of SMEs' capital structures and growth.

Furthermore, in the Baltic States and in South Caucasus countries, AtFR does not hinder business operations and regulates the likelihood of entrepreneurial strength (Hussain et al. 2018). In a similar vein, AtFR and financial depth are favorable for growth. Greater levels of AtFR result in greater optimism about financial growth (Imarhiagbe et al. 2021). More recently, firms funded by government agencies and state-owned banks were more vigorously inclined towards innovative activities and enhancing their performance (Haini 2021). Consequently, relevant research demonstrates that AtFR has predictive power in the strengthening of entrepreneurship and entrepreneurs' financial returns through innovation and improvements in their performance (Addo et al., 2023; Hussain et al. 2018; Haini 2021).

Response Measures

Businesses adopted various measures to survive and continue operations during the COVID-19 pandemic. Government assistance played a crucial role, with financial aid being a key strategy to help businesses mitigate the pandemic's devastating effects. This reflects the application of government intervention theory (Hood, 1986), which explores the role of governments in responding to crises and providing support to businesses.

Hypothesis 1: The COVID-19 pandemic has led to a significant decline in sales for local businesses in Mauritius.

This hypothesis aligns with the observed findings from the literature review. As indicated by the Mauritius Chamber of Commerce and Industry (MCCI) report in 2020, a substantial 96% of local businesses reported a decline in sales due to the pandemic. This decline can be attributed to various factors, including disruptions in supply chains, reduced consumer demand, and the economic consequences of the pandemic (MCCI, 2020; World Bank, 2020). Therefore, it is hypothesized that the pandemic has indeed resulted in a notable decrease in sales for local businesses in Mauritius.

Hypothesis 2: Government interventions have mitigated the negative impact of COVID-19 on sales for local businesses in Mauritius.

This hypothesis takes into account the role of government assistance, as highlighted in the literature review. Various governments, including Mauritius, implemented measures to support businesses

during the pandemic (Fioruzzi et al., 2020; Mauritius National Assembly, 2022). Financial aid and tax breaks were among the strategies employed to help businesses survive and recover. Given these interventions, it is hypothesized that government actions have played a crucial role in alleviating the adverse effects of COVID-19 on sales for local businesses in Mauritius.

Methods

This study employed convenience sampling to recruit participants from various business sectors across Mauritius. Convenience sampling was chosen as the sampling method due to its practicality and accessibility, allowing for the inclusion of a diverse range of businesses without the constraints associated with more complex sampling methods (Rahi, 2017).

Participants were selected based on their availability and willingness to participate in the study, making it easier to reach a larger pool of potential participants within a relatively short timeframe. Convenience sampling also facilitated broader representation from different industries, geographic regions, and business operation statuses, ensuring a comprehensive perspective on the impact of the COVID-19 pandemic on the local business landscape (Alvi, 2016).

Efforts were made to ensure a balanced representation of businesses across different key sectors, including food service facilities, construction, manufacturing, financial services, electrical engineering, beauty parlours, and others. This diversity in business types was essential for capturing a wide range of perspectives and experiences related to the pandemic's effects on various industries. The recruitment process involved outreach efforts targeting business owners and entrepreneurs through various channels, including social media, business associations, and local community networks. Participants were invited to participate voluntarily, and their decision to take part in the study was entirely voluntary.

Despite the inherent limitations of convenience sampling, such as potential biases and the lack of generalisation, it was deemed suitable for this study given the practical considerations and the need to gather data from a broad spectrum of businesses (Acharya et al., 2013). The use of convenience sampling allowed for flexibility and efficiency in participant recruitment, ultimately contributing to the richness and diversity of perspectives represented in the study.

The quantitative data was gathered through surveys conducted with 150 local entrepreneurs from sectors including manufacturing, agriculture, tourism, and construction, among others, between June 2023 and October 2023. This effort resulted in a response rate of 136 participants, which was used to examine the impact of COVID-19 on local businesses during and after the pandemic.

A questionnaire comprising 20 questions was organized into four distinct sections: demographics, the impact of the COVID-19 pandemic on sales, strategies adopted by businesses in response to the pandemic, and an evaluation of government interventions during this challenging period. Data collection was facilitated through an online survey platform, specifically Google Forms, aligning with the study's objective of examining the evolving impact of COVID-19 on local businesses. A pilot test was conducted to ensure the questionnaire's effectiveness and usability in capturing responses related to different phases of the pandemic. The collected data underwent analysis using the Statistical Package for the Social Sciences (SPSS), employing descriptive statistics to summarize findings. Ethical considerations were prioritized throughout the research process, with participants invited to participate voluntarily and their rights to confidentiality and privacy upheld.

Results and Discussion

The findings of this survey are presented and discussed in relation to the research objectives, hypotheses, and the problem statement.

Reliability of the Survey

Table 1 displays the reliability statistics, indicating the internal consistency of the 20-item survey used in this study. The Cronbach's alpha coefficient of 0.827 suggests a high level of reliability, surpassing the acceptable threshold of 0.70 (George & Mallery, 2003). The high reliability suggests that the survey items consistently measure the same construct and are valid for this study. The study's strong reliability coefficient (Cronbach's alpha of 0.827) underscores the robustness of the survey instrument. This high level

of internal consistency indicates that the survey items consistently measure the same underlying constructs. Consequently, the findings derived from this survey can be considered highly valid and reliable, ensuring that the conclusions drawn from the data accurately reflect the experiences and perceptions of the participants.

Participants' Business Types

Predominantly, participants owned food service facilities, followed by construction and manufacturing. Conversely, financial services, electrical engineering, and beauty parlours each had only one participant owner. This might be because certain sectors, such as food service, construction, and manufacturing, may have been more severely impacted by the COVID-19 pandemic and its associated restrictions. Consequently, owners and stakeholders in these sectors may have been more motivated to participate in a study examining the pandemic's impact on local businesses. Also, these businesses have their widespread presence in the local economy. This high prevalence likely contributed to a larger pool of potential participants in this sector.

Understanding the diversity of participants' businesses is essential to identify common challenges and opportunities within specific sectors. This information can guide policymakers and stakeholders in tailoring support for small businesses in different industries, consistent with previous research (Akter et al., 2020).

Participants' Geographic Locations

Figure 1 presents the distribution of participants by region, with Flacq, Port Louis, and others, having the highest representation. Geographic location plays a significant role in entrepreneurship success, impacting factors such as resource availability and government policies (Babbie & Mouton, 2001). Understanding this distribution informs regional strategies and policies for entrepreneurship development.

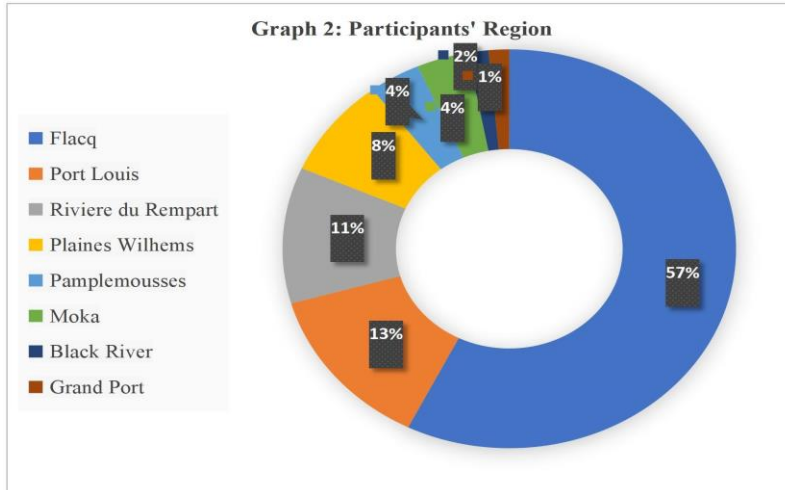


Figure 1: Distribution of participants by region

Years in Business Operation

Table 1 reveals the analysis of participants' business operation years. A majority of participants (33%) have operated their businesses for over ten years, while 32% have been in business for five to ten years. These businesses likely have a strong foundation, established customer bases, and extensive industry experience, which could influence their resilience and adaptive capacity during challenging times like the COVID-19 pandemic. This suggests a significant level of experience among participants, impacting their entrepreneurial orientation and risk-taking behavior (Gupta & Batra, 2020).

Table 1: Participants' business operation years

Years in operation	Frequency	Percent
More than 10 years	45	33%
Between 5 to 10 Years	43	32%
Between 1 to 5 years	36	26%
Less than 1 year	12	9%
Total	55	100%

Source: Authors' own compilation from SPSS software version 22.

Business Operation Status

Table 2 outlines the participants' business operation status, indicating that 75% of participants reported their businesses were fully operational. This reflects a notable degree of resilience and adaptability within the local business community. These businesses have managed to navigate the disruptions, pivot their operations, or implement strategies to maintain continuity despite the adverse circumstances.

Table 2: Participants' business operation status

Status	Frequency	Percent
Fully in operation	102	75%
Partially in operation	27	20%
Not in operation	7	5%
Less than 1 year	13	10%
Total	136	100%

Source: Authors' own compilation from SPSS software version 22.

Impact of Sales

The COVID-19 pandemic has significantly impacted businesses worldwide, particularly in terms of declining sales. Table 3 presents participants' perceptions of this impact.

Table 3: Participants' perceptions of this impact.

Statement	Yes	No	Total
In the past year, have you noticed a significant decline in sales for your business?	85%	15%	100%
Have you had to lay off or furlough any employees due to the pandemic's impact on sales?	38%	63%	100%

Source: Authors' own compilation from SPSS software version 22.

A staggering 85% of participants reported a significant decline in sales in the past year, reflecting the challenges imposed by pandemic-related restrictions. While 63% of respondents did not lay off their employees, it's important to note that this figure alone does not fully indicate the level of employee retention during a period of declining sales. Despite the challenges posed by reduced sales, many businesses opted to retain their employees. This decision was attributed to the availability of government support programs such as the Government Wage Assistance Scheme (GWAS) and the Self-Employed Assistance Scheme (SEAS). These programs provided businesses with financial assistance and relief, enabling them to continue paying their employees despite facing difficulties due to the pandemic-induced decline in sales. Therefore, the high percentage of businesses that did not lay off employees may be influenced by the support provided by the government schemes, rather than solely reflecting the stability of sales during the pandemic.

These findings align with previous studies highlighting the pandemic's adverse effects on sales and employment (Akhtar et al., 2021; Caporale et al., 2022). It underscores the urgent need for businesses to adopt proactive strategies to mitigate these impacts, such as embracing digitalization and diversifying revenue streams. The pandemic has accelerated the importance of innovation and adaptability in business models, and these findings underscore the imperative for small businesses in Mauritius to evolve.

Adaptation to the Pandemic

Figure 2 below reveals that 89% of participants believed their businesses could survive long-term despite the ongoing pandemic impact. The high level of confidence in long-term survival also highlights the resourcefulness and innovation exhibited by entrepreneurs in response to the pandemic. This resilience further suggests that Mauritian businessmen are optimistic and adaptive in the face of adversity.

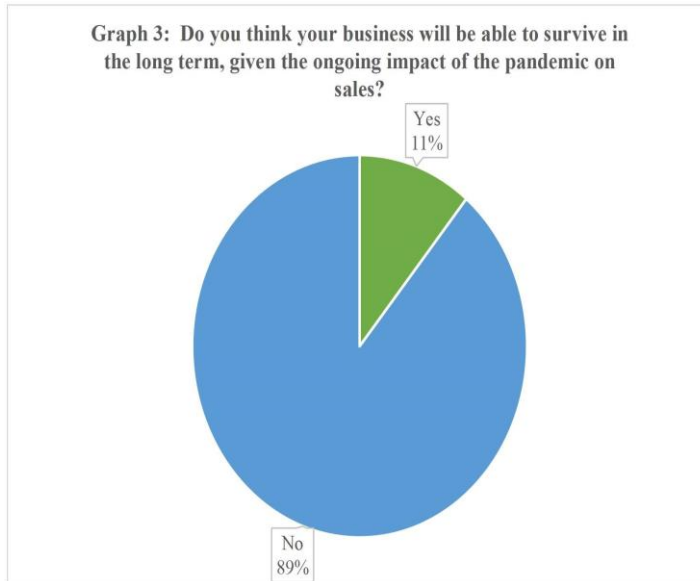


Figure 2: Authors' own compilation from SPSS software version 22.

Participants employed various strategies to adapt, including implementing safety protocols, shifting operations online, and diversifying product offerings. The empirical findings directly mirror the theoretical concepts outlined in the literature review. For instance, the implementation of safety protocols and online operations corresponds to the notion that businesses initially face challenges with new technologies. Likewise, the diversification of product offerings reflects the potential for new technologies to eventually surpass established ones, as businesses adapt and expand their offerings to meet changing market demands.

Government Intervention

Table 4 highlights government intervention during the pandemic. The role of government intervention during the pandemic is a critical dimension of these findings. A substantial 71% of participants reported receiving financial support from the government. A similar percentage believed that the government's support measures were effective.

Table 4: Statement illustrating perception of participants on the requirement for government intervention

Statement	Yes	No	Maybe	Total
Have you received any financial support from the government to help mitigate the impact of the pandemic on your business?	71%	29%	0%	100%
Do you feel that the government's support measures have been effective in helping your business to cope with the pandemic's impact on sales?	71%	29%	0%	100%
Have you been able to retain your employees thanks to the government's support measures?	72%	28%	0%	100%
In general, do you feel that the government has done enough to support local businesses during the pandemic?	54%	15%	31%	100%

Source: Authors' own compilation from SPSS software version 22.

It's essential to view these findings as an opportunity for positive change and growth. They strongly suggest that the government has played a significant role in supporting the business community. By actively listening to the concerns of the business community and taking swift, well-targeted action, the government has enhanced its role as a partner in economic recovery. The findings echo prior research highlighting the necessity of well-communicated and tailored government support to alleviate the economic distress faced by businesses during crises. In the post-pandemic era, governments have the unique chance to transform these challenges into opportunities for building stronger, more resilient economies. Effective government intervention can serve as a driving force for positive change and renewed economic vitality. (Brühlhart et al., 2020). By alleviating financial pressures and supporting operational continuity, the GWAS and SEAS have contributed to the overall sustainability of businesses. This scheme has helped prevent layoffs, business closures, and economic dislocation, thereby safeguarding jobs, preserving livelihoods, and maintaining stability within the local economy. Similar to the Mauritian Government, the United Kingdom and other OECD economies have implemented measures such as loan guarantees and direct subsidized loans as policy responses to address SMEs' finances during the COVID-19 pandemic (Brown et al., 2020).

Conclusion and Recommendation

The findings of this study underscore the significant impact of the COVID-19 pandemic on businesses in Mauritius, particularly in terms of declining sales and subsequent employment implications. A staggering 85% of participants reported a significant decline in sales, leading to 38% of businesses needing to lay off or furlough employees. However, it's crucial to note that while 63% of respondents did not lay off their employees, this figure alone does not fully capture the extent of employee retention during the period of declining sales. The decision to retain employees amidst challenges in sales can be attributed to the availability of government support programs such as the Government Wage Assistance Scheme (GWAS) and the Self-Employed Assistance Scheme (SEAS). These programs provided businesses with financial assistance and relief, enabling them to continue paying their employees despite facing difficulties due to the pandemic-induced decline in sales. Many scholars have also emphasized the anti-crisis package to support SMEs in different countries (Deliu 2020; Li 2020 and Fernandes 2020)

Furthermore, participants demonstrated remarkable resilience and adaptability in response to the pandemic. Strategies such as implementing safety protocols, shifting operations online, and diversifying product offerings were employed to navigate the challenges posed by the pandemic. These adaptive measures align with theoretical concepts outlined in the literature review, emphasizing the importance of

innovation and adaptability in business models during crises. The finding confirms the findings of prior research indicating that resilience is essential for survival of SMES. (Ayala 2014 & Lengnick-Hall, and Beck 2005)

Government intervention played a crucial role in supporting businesses during the pandemic, with a substantial majority of participants receiving financial support and acknowledging its effectiveness. This underscores the importance of well-targeted government support in alleviating economic distress and facilitating post-pandemic recovery. Moving forward, there is an opportunity for positive change and growth, with effective government intervention serving as a catalyst for building stronger and more resilient economies in the post-pandemic era.

These findings highlighted the need for businesses to adopt proactive strategies, embrace digitalization, and diversify revenue streams to mitigate the impacts of future crises. Future research could examine further into the long-term ramifications of the pandemic on local businesses in Mauritius and evaluate the effectiveness of government support measures to inform policy formulation and business strategies. Overall, this study contributes valuable insights into the challenges faced by businesses during the COVID-19 pandemic and the importance of resilience, adaptability, and government support in navigating crises and fostering economic recovery.

Future Directions

While considerable efforts have been invested in addressing research method reliability and construct precision, it is essential to acknowledge the limitations of this study. Notably, the sample size, comprising 136 participants, while enabling a proficient use of diverse statistical analyses, may be considered a limitation when contrasted with the extensive number of MSMEs in Mauritius. The low sample size was mainly attributed due to the pandemic whereby there were challenges in recruiting participants due to restrictions.

As suggested by Faber (2014), small sample sizes are more susceptible to sampling errors, hindering the identification of statistically significant relationships. In essence, smaller samples carry a higher risk of random variation, potentially leading to inaccurate results and impeding the detection of meaningful patterns.

Therefore, future research endeavors should aim to expand the sample size, enabling a more comprehensive analysis of the dynamics affecting local businesses in Mauritius. This approach will yield more robust and generalizable findings, providing valuable insights for effective policy formulation and business strategies in the post-pandemic landscape.

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Declaration of Interest

The authors declared that they have no known conflict of interest in the publication of this paper.

Funding Information

No funding information was provided by the authors.