

FLEXIBLE WORK PATTERNS: AN EMPIRICAL INQUIRY INTO SURVIVAL OF SMEs IN NIGERIA AMIDST COVID-19 PANDEMIC

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ABSTRACT

Small and medium scale businesses have been adjudged one of the corner stones of every thriving economy. The indispensable role SMEs play in developed, developing or underdeveloped economies have been well documented. As such, it is expedient to examine the internal and external factors that inhibits as well as fosters SMEs survival, especially in times of economic downturn. Hence the topic: Flexible Work Patterns: An Empirical Inquiry into Survival of SMEs in Nigeria amidst COVID-19 Pandemic. Given the restriction on movements and on the opening of non-essential businesses, an online survey method was employed for the study. Nine hundred and fifty-two (952) business owners participated in the online survey. Two null hypotheses were formulated and analysed through spearman rank order correlation coefficient at a 0.05 level of significance. The two null hypotheses were rejected and the alternate accepted; indicating a significant positive relationship between flexible work patterns and the survival of SMEs in Nigeria. The paper arrived at the conclusion that it is expedient for small businesses in Nigeria to embrace FWP as a veritable strategy to withstand and overcome the challenges posed by the COVID-19 pandemic. It was also noted that the adoption of flexible work arrangements will help this category of businesses survive, thrive and compete favourably with their counterparts in other more developed countries that appear to be ahead in its adoption. And adopting FWP is no longer a luxury or a thing of choice, because the entire business world is now a “virtual village;” as such, any business that is not able to catch up will most likely not survive. As a result, policy direction for business owners were suggested.

Keywords: *Flexi-time, Telework, Pay-flexibility, Task-flexibility, Survival, COVID-19*

INTRODUCTION

Small and medium scale businesses have been adjudged one of the corner stones of every thriving economy. The indispensable role SMEs play in developed, developing or underdeveloped economies have been well documented by several scholars (see John, 2015; Muhammad et al., 2015; Oshi et al., 2018:2019), hence the need to examine the internal and external factors that inhibits as well as fosters SMEs survival, especially in times of economic downturn. As with every other country of the world today, Nigeria and the businesses that operate within it, are having their fair share of the negative impact of the COVID-19 pandemic. Individuals and businesses now have to bear the brunt of increase in unemployment rate due to

job losses, supply chain disruptions, insolvency, etc., occasioned by the pandemic (KPMG, 2020; Ganaie et al., 2020).

While some corporate organizations may have the solvency to withstand this shock for a reasonably long time, small businesses appear to be most vulnerable and worst hit given their low capital base. Unfortunately, given the novel/peculiar nature of the virus, the suddenness, and the length of time it might take for an effective and generally accepted vaccine/cure to be developed, which will enable the world and businesses return to normalcy, the disturbances currently witnessed by businesses (especially SMEs) may linger for a while. This concern is corroborated by the KPMG business leaders' series on the business implication of COVID-19, that aver that though the threat/fear of the virus may gradually ease off as it has been the case with other life threatening viruses in the past, its socio-economic impact may not go away easily and anytime soon (KPMG, 2020). Consequently, business owners must strategize and re-strategize in a bid to better position their businesses to absorb the shock wave from this threat and from any other external threat in the future.

According to Gürel and Tat (2017), to respond to external threats, survive, thrive, exert control/influence and shape its future/destiny; organizations must be able to harness their strengths and weaknesses, and deploy same in identifying opportunities and handling threats. This implies that as an external factor, to find a way around the attendant challenges of COVID-19 and make the most out of it, small business owners must look inwards and identify areas of strength to leverage on for survival and success. Interestingly, dated and more recent studies offers insightful attempts at examining various individual and firm characteristics that determines/predicts small business survival and success such as: business owner's knowledge (Asikhia, 2010), focused differentiation (Box & Miller, 2011), strong motivation and need for achievement (Hansen et al., 2011), communication skills (Makhbul & Hasan, 2011), duration in operation (Islam et al., 2011), ability to develop business relations and networks (Abou-Moghli & Al-Kasasbeh, 2012), flexibility, rapid response and adaptability to consumers' changing tastes and preferences (Awuah & Reintert, 2012), managerial experience (Shehu et al., 2013), and entrepreneurial education (Amah & Hetty, 2018; Shehu et al., 2013; Wen-long et al., 2014).

However, while a handful of studies have been undertaken on flexible work patterns (FWP) and SMEs in other developed countries (e.g.: Dex & Scheibl, 2001; Kotey & Sharma, 2015; Maxwell et al., 2007; Terziyovsk, 2010); there appears to be no attempt at determining whether the adoption of FWP could prove useful for SMEs survival and success during and post-COVID-19 pandemic in Nigeria.

Policies, practices (formal or informal) that allows employees vary when and where they work, describe FWP (Sharafizad et al., 2011). This type of work arrangement has gained prominence due to government protocols that include stay-at-home orders for businesses not in the essential services category. However, the challenge is that while most corporate organizations may have the capacity to allow for FWP, smaller businesses may not; because they are characterized by few job positions, limited man-power and resources, and the non-existence of a formal human resource management (HRM) system that can handle legal and administrative issues with regards to FWP (Kotey, 2017). More so, government protocols on COVID-19 has forced the hands of

business owner to resort to FWP if they must continue doing business. There is also the seeming difficulty of discontinuing any flexible working arrangement entered into after the pandemic. Lastly, it is widely acclaimed that FWP holds some benefits for businesses. Consequently, this study's objective is to empirically ascertain if FWP can predict SMEs survival in Nigeria.

LITERATURE REVIEW

Flexible Work Patterns

Flexible work patterns (FWP) are alternative work arrangements that deviate from the standard 8am – 4pm work schedule. It gives employees options on the when and where of work. FWP allows employees to work beyond the confines of their regular work space and at a malleable time schedule (Spreitzer et al., 2017). The basic characteristics of FWP are flexibility in time schedule, location and work length (Austin-Egole et al., 2020). The massive surge of businesses to the virtual space triggered by advancement in technology, further heightened by the COVID-19 barriers/restrictions, offers almost no other option for small businesses but to join the chase and go digital. The success of every organization is directly proportional to the performance of its workers. Workers tend to perform at their optimum when they are satisfied with their job (Hafeez & Akbar, 2015), and a key determinant of job satisfaction is when professional and personal life is balanced. Interestingly, businesses that adopt FWP improves workers' satisfaction which in turn motivates them to perform better, leading to survival and ultimately success.

Flexi-time and Survival of SMEs

To survive in a highly complex, dynamic and volatile environment, small business owners must be capable of providing a fit between their internal structures, practices, policies and modus operandi, and the demands/pressures from the external environment (Oshi et al., 2019). Adopting working time flexibility could be one of the internal mechanism to handle external pressures. While some scholars have expressed reservation on the positive influence of FWP on small business outcomes (de Menezes & Kelliher, 2011; Reeve et al., 2012); others have recently suggested that if SMEs provide FWP, it could lead to some benefits such as employee satisfaction, availability of a pool of talent to select from, enhanced productivity and profitability (Adekunle, 2018; Kotey, 2017). Consequently, we hypothesize that:

H₀₁: Flexi-time does not have any relationship with the survival of SMEs in Nigeria

Telework and Survival of SMEs

Teleworking or telecommuting has to do with working from home or any remote place of choice, while interacting with the office via phone and/or email (Kamarulzaman, 2020). Also, this type of work pattern has become a byword in the business world today due to restrictions of businesses categorised under non-essentials, as it affords businesses in this category the possibility of continuity and survival. Furthermore, an inventory of responses by several countries to foster SME resilience and survival provided by OECD (2020), showed that small businesses that digitized their processes especially through teleworking, reported significant percentage increase in sales and they have been surviving amidst the pandemic. Based on this, we hypothesize that:

H₀₂: There is no association between telework and survival of SMEs in Nigeria

Theoretical framework

The Resource Dependence Theory (RDT), which was first conceptualized by Jeffrey Pfeffer and Gerald Salancik in their book – *The External Control of Organizations* – in 1978; undergirds this study. The theory holds that occurrences in organizations are a function of the actions and inactions of management, largely affected by external and internal forces in control of resources. Furthermore, the theory assumes every organization is an open system. That is, businesses are like systems that receive from the environment (input), process the inputs received (throughput) and then give back to the environment (output). The process is said to be repeated via a feedback mechanism designed to ascertain the effectiveness of outputs to the environment. Given the irrefutable influence of the environment on organizations; this cycle of input, throughput, output and feedback between an organization and its environment is adjudged essential for organizational survival (Bastedo, 2004).

The symbiotic relationship between businesses and the environment was further reiterated by Scott's (2002) assertion that businesses that operates in volatile, uncertain, complex and ambiguous environment must maintain regular interaction with its environment to sustain dynamic balance (i.e. homeostasis). According to Cutlip et al (2006), open organizations receives both valuable information (positive and negative) from the environment, which helps the organizations to take the needed action(s) that will ensure survival and growth. The information obtained from the environment also gives businesses and their owners an insight into the skills/capabilities required to absorb disturbances and keep the organization within the space of acceptable state.

METHODOLOGY

Given the restriction on movements and on the opening of non-essential businesses, an online survey method was employed for the study. The target population was all small business owners in Nigeria, however the accessible population consisted of nine hundred and fifty-two (952) business owners who participated in the online survey. Respondents were required to provide information on flexible work patterns and the survival of their businesses on a 5 point Likert-like scale (e.g. strongly disagree =5, to strongly agree = 1). The study instrument met face and content validity, as well as the Cronbach alpha reliability threshold of 0.70 (Hair et al., 2010). The Spearman Rank Order Correlation Coefficient was employed to test the stated hypotheses at a 0.05 level of significance.

RESULTS AND DISCUSSIONS

Test of Hypotheses

This section is concerned with testing hypotheses stated earlier in chapter one; using Spearman's rank order correlation coefficient statistical tool and the p-values obtained.

Table 1: Spearman Correlation Coefficient (Spearman's rho): Test of relationship between the variables

Correlations					
			Flexi-time	Telework	Survival
Spearman's rho	Flexi-time	Correlation Coefficient	1.000	.734**	.802**
		Sig. (2-tailed)	.	.000	.000
		N	952	952	952
	Telework	Correlation Coefficient	.734**	1.000	.734**
		Sig. (2-tailed)	.000	.	.000
		N	952	952	952
	Survival	Correlation Coefficient	.802**	.734**	1.000
		Sig. (2-tailed)	.000	.000	.
		N	1552	1552	1552
**Correlation is significant at the 0.01 level (2-tailed).					

SPSS Output Version 20

The Spearman rank correlation table above measures the strength of association between the variables as follows: the result reported a strong positive correlation between flexi-time and survival ($\rho = .734^{**}$, $n = 952$, $p < 0.01$), also a strong positive correlation value was reported between telework and survival ($\rho = .802^{**}$, $n = 952$, $p < 0.01$).

Discussion of Findings

The results from the analysis indicated a significant positive nexus between FWP and survival of small businesses in Nigeria. Precisely, the study found a significant positive association amid flexi-time and survival, as well as telework and survival. This result further corroborates the stance from other similar studies. An industry body known as Group Risk Development (GRID) and several other scholars have suggested that small businesses that adopt FWP will have a more satisfied workforce, enhanced productivity, increase in sales, reduced rates of turnover, reduction in unemployment rate, and absenteeism and the availability of a pool of quality individuals to select from (Bean, 2018; Karim, 2018; Kotey, 2017; OECD, 2020). Furthermore, an OECD (2020) compendium on SMEs resilience and survival in some European countries and the US amidst the COVID-19 pandemic, revealed that digitising work processes using telework results in increased sales, business continuity and survival. This therefore encourages small business owners in developing countries like Nigeria (specifically, Rivers State) to adopt flexi-time and teleworking as a flexible work strategy in order to survival the harsh realities of the pandemic. To this end, this study empirically uphold the existence of a substantial positive correlation between FWP and survival of SMEs in Rivers State.

Conclusion and Policy Direction

Given the findings of this paper and the discussion therefrom, it is apparent and even expedient that small businesses in Rivers State embrace FWP as a veritable strategy to withstand and overcome the challenges posed by the COVID-19 pandemic. The adoption of flexible work arrangements will help this category of business survive, thrive and compete favourably with their counterparts in other more developed countries that appear to be ahead in its adoption. Interestingly, the adoption of FWP is no longer a luxury or a thing of choice, because the entire business world is now a “virtual village.” As such, any business that is not able to catch up will most likely not survive.

To this end, small business owners are advised to adopt and leverage on the latest technologies available for businesses. A myriad of applications, software and platforms are now available to help businesses operate seamlessly even when workers are far apart from each other. This technologies affords small businesses the opportunity to take a giant step into the global virtual space and reach out to larger pool of talent and consumers.

Also, business owners should ensure the training and retraining of their workers on how to work flexibly, and how to make effective and efficient use of the various cloud-based systems and collaborative software outside their physical work space. This is important, because for developing nations like Nigeria, most workers are not very tech-savvy. Therefore, training is required to acquaint workers with new technologies, how they function and how best they can be deployed to carry out their task effectively.

Lastly, business owners must keep workers engaged through regular virtual/online interactions. Such daily or weekly briefings and communication will give workers a sense of connection with their workers and work itself even when they are not physically present at work.

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