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EXPLORING THE ORGANIZATIONAL RESILIENCE AND  
SUSTAINABILITY OF THE SERVICE RELATED INDUSTRIES  
DURING AND AFTER COVID-19 PANDEMIC

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A research project submitted in partial fulfillment of the requirement for the  
degree of

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## DECLARATION

I hereby declare that:

- (1) This Research Project is the end result of my own work and that due acknowledgement has been given in the references to all sources of information be they printed, electronic, or personal.
- (2) No portion of this research project has been submitted in support of any application for any other degree or qualification of this or any other university, or other institutes of learning.
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## DEDICATION

To my loving family and friends, who have been my unwavering support throughout this journey.

I dedicate this thesis to you, as a token of my gratitude for your constant encouragement, understanding, and patience. Your love and unwavering support have been my pillars of strength, helping me to overcome the challenges and obstacles that I faced along the way.

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## List of Abbreviation

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## PREFACE

The COVID-19 pandemic has undoubtedly impacted the service-related industries in profound ways, from the closure of businesses to the adoption of new strategies and procedures. It is crucial for organizations to develop organizational resilience and sustainability in order to adapt to and overcome such challenges.

This research project aims to explore the organizational resilience and sustainability of the service-related industries during and after the COVID-19 pandemic. The research will focus on identifying the key factors that have contributed to organizational resilience and sustainability during the pandemic, as well as the challenges that organizations have faced in achieving these objectives.

The research will utilize a qualitative study using semi-structured questionnaire to interview decision maker of an organization, people with authority designation who have access to the company financial information and decision making.

I would like to express my gratitude to my supervisor, Dr. Foo Meow Yee, for her guidance and support throughout the course of this research project. Her expertise and insights have been invaluable in shaping the direction of this study.



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## ABSTRACT

The COVID-19 pandemic has significantly impacted service-related industries worldwide, leading to the adoption of new strategies and procedures to ensure organizational resilience and sustainability. This research project aims to explore the organizational resilience and sustainability of service-related industries during and after the pandemic. The qualitative method approach using face to face interview with semi-structured questionnaire is used in this study. The study explores the impact of Covid-19 on overall business operation, interrogate the strategies adopted by each service sectors for sustain in the market, study the lesson learnt and preparedness of SME's to face another global crisis or pandemic.

The study concludes that service-related industries can enhance their organizational resilience and sustainability by adopting a proactive and adaptive approach, leveraging technology, developing effective communication channels, developing customer relationship, supply chain resilience, transformation in organizational culture, strong leadership, financial contingency planning and interference of good government policy that support the SME's to sustain during the pandemic.

The research findings provide insights that can guide organizations in enhancing their resilience and sustainability in the face of future crises.

This study contributes to the existing literature on organizational resilience and sustainability and highlights the importance of developing a comprehensive approach to crisis management in service-related industries.

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# CHAPTER 1

## 1.0 INTRODUCTION

The Covid-19 pandemic had a massive impact on various industries worldwide. The service-related industries were one of the worst hits. With lockdowns, social distancing measures, and other restrictions in place, businesses in the service industry found it challenging to operate normally.

Organizational resilience and sustainability are core determiners for the survival of business during a crisis like the Covid-19 pandemic. Resilience can be defined as the ability of a business to adapt and recover from disruptive events, while sustainability refers to the ability of a business to remain active in the market over a long period of time.

Most of the service-related industries such as hospitality and tourism, suffered severely during the pandemic. However, some players in these industries showed significant resilience and sustainability by changing and adapting to the new norm. For example, the hotel industry provided quarantine facilities for Covid-19 patients or close contacts, while airlines shifted their operation into cargo business.

Looking ahead, the service-related industries will need to continue to be resilient and sustainable to navigate the post-pandemic world. This includes embracing digitalization, adopting new business models, and finding innovative solutions to the challenges we face.

World is threatened with unseen enemy when the Novel Coronavirus (Covid-19) acute respiratory outbreaks was detected in December 2019 at Wuhan, China. Over 218 countries were affected with the outbreak and over \$10 trillion was pumped to safeguard livelihoods (WHO, 2020). The World Health Organization recorded over 43million of infected cases and 1 million deaths globally till October 2020. WHO has drawn guidelines for the countries to control the infection by imposing movement control orders. Several countries have taken drastic moves such as travel restriction, closing the borders for infected countries, social distancing, emergency quarantine orders and economy shut down including South East Asian countries such as Indonesia, Malaysia, Thailand and Singapore.

In Malaysia, Movement Control Orders (MCO), was officially announced by the Prime Minister on 16<sup>th</sup> March 2020, under the Prevention and Control of Infectious Diseases Act 1988 and the Police Act 1967 (Tang, A. 2020). The order included following restrictions:

- 
- i) General prohibition of mass gatherings and movements across the country including cultural, religious, sports, and social activities.
  - ii) All Malaysian are sanctioned from travelling abroad and for those who returns, 14 day quarantines and health check is required.
  - iii) The country has closed borders and restricted entries of foreign visitors.
  - iv) All the schools were closed down and higher education institutions nationwide.
  - v) All the government and private premises with exceptional for those who are involved in essential services such as (, bank, daily utilities such as electricity and water,telecommunication, irrigation, oil and gas, port, airport, health, food supply, postal, retail, food supply and transportation
  - vi) Closure of all roadside food stalls, night market, daily roadside market  
(News Straits Times, 16 March 2020)

Enhanced Movement Control Order was implemented with the area that is largely affected area with large cluster, which includes the following restrictions;

- i) All residents and visitors within the area are forbidden from leaving their home during the EMCO.
- ii) Visitors and non-residents are not allowed in the housing area
- iii) All businesses are shut down.
- iv) Food supplies are distributed by the local authorities for 14 days movement control order for all the residents.
- v) All the streets and road heading towards restricted area are blocked

The country recovers from the economy shut down and MCO after the Recovery Conditional Movement was announced on 10<sup>th</sup> of June 2020. After the economy resumes for four months, the country was hit by the 3rd wave of pandemic nationwide, and the Conditional Controlled Movement Order (CMCO) was reinstated in the country on October 14, 2020 was the number of infections rises. Although the economy is not restricted at the second CMCO, the travelling border within districts and states are restricted. The educational institution and school are closed. Private and government staff are ordered to work from home with limited hours of working time at the office. Many offices and premises were closed due to the increase in infection rate nationwide.

The Malaysian Prime Minister implements PRIHATIN peoples' economic stimulus package on March 2020 worth if RM 250 billion. Around RM 100 billion has been allocated for SMEs, with an additional of RM 10 billion was allocated to reduce the SMEs financial burden and to prevent job retention and sustainability of the SMEs. Following are the program for economic recovery to the SMEs.

- i) Special Relief Facility (SRF) that provides loans up to 1million for the SMEs.
- ii) All Economic Sectors (AES) Facility that provides loan to SME with 6 months moratorium.
- iii) Micro Credit Scheme that offered loan with 0% interest including 6 months of moratorium.

- iv) BizMula-I and BizWanita-I Schemes provide loans for micro and agriculture sector industry.
- v) Government Guarantee Schemes by SJPP to SMEs that are facing difficulties in getting loans. The coverage has been increased to 70% to 80%
- vi) Danajamin the guaranteed coverage up to 80% with minimum guarantee up to 20million
- vii) Special Prihatin Grant (GKP) for eligible SMEs
- viii) Micro Sector Business Recovery Financing Scheme (CBRM) that provides loan with 0% interest to SMEs.
- ix) Employer Advisory Services (AES) that allows the employer to restructure and reschedule the payment of employer's portion of monthly EPF contributions. The program estimated at RM10billion to benefits over 480,000 SMEs and more prevented for more than 8 million losing their jobs.
- x) Employer Covid Assistant program (e-Cap) was launched to defer and restructure employers' contribution.
- xi) Human Resource Development Levy exemption, for 6 months for the HRDF registered employers for all sectors.
- xii) Postponed of income tax installment payment for 3 months.
- xiii) Wage subsidy program , under the Employment Retention Program (ERP) the government will subsidize the salary of eligible employees with a total allocation of RM13.8billion that will benefit more than 3.3million employees.
- xiv) I-Tekad Program provides entrepreneur loan with 4% interest.

## 1.1 Background to the research

The Malaysian economy shows positive economy growth of Gross Domestic Product (GDP) from 3.6 percentage to 4.4 percentage from previous quarter of the year. The performance was highly supported by the services, manufacturing and construction sectors (Department of Statistic Malaysia, 2020). However, the Mining & quarrying and agriculture sectors GDP growth declines in this quarter. Overall year 2019, Malaysia's economy registered a growth of 4.3 percentage compared to 4.7% in the 2018.

### 1.1.1 Service Sector

Malaysian Investment Development Authority (MIDA) has classified service sectors into 11 categories and further classified these sectors into 27 subsectors (Table 1)

Service Sectors	Subsectors
<b>Computer ICT related Services</b>	Software Implementation consultancy System Design Services

	Data Processing Services Database services Maintenance and computer repair services Other computer related services
<b>Transportation</b>	Freight Transportation
<b>Real Estate</b>	Rental / Leasing Services
<b>Telecommunication</b>	Telecommunication services (network service providers and network facilities providers licenses)
<b>Hotel &amp; Tourism</b>	Theme Park Convention and & Exhibition Centers Services Travel Agency and Tour operators Hotel & Restaurant Services
<b>Health &amp; Social Services</b>	All veterinary services Welfare services to old folks and handicapped. Welfare services to children Child Day Care Vocational Rehabilitation services for handicaps Medical specialist Private Hospitals Dental Surgery
<b>Business/Financial Services</b>	Regional Distribution International Procurement Center Technical facility and analysis services Management consultancy services (financial, marketing, human resource exclude taxation)
<b>Education Services</b>	Private higher education with university status International schools Technical and vocational secondary education services Technical and vocational secondary education services for special needs Skills training center Tuition Centers and Kindergarten
<b>Professional Services</b>	Accounting and taxation Architectural services Engineering services Legal services Quantity surveying services

<b>Environmental Services</b>	Recycling Incineration
<b>Wholesale Retail Services</b>	Wholesale and retail services
<b>Sports and Recreation Services</b>	Sporting Services
<b>Other Services</b>	Hair salon and barbers Reflexology Services Beauty parlors

Table 1: Service Sectors and subsectors (Source: <https://www.mida.gov.my>)

Department of Statistic Malaysia reported the service sectors contribute 56.0 percentages of GDP growth mainly by the wholesale and retail and Information communication subsectors that contribute 12.0 percentages and 8.6 percentages respectively. The service sectors expanded their growth from 6.2 percent to 6.8 percent in 2017. Lim, J(2019) reported the service sector is projected to grow 6.2% year to year in 2020 as service sectors contributes highly to the growth of GDP in Malaysia.

## 1.2 Problem Statement

Malaysia Economic Statistic Review (2020), reported that the World Bank has revised the initial GDP forecast for the year 2020 from negative 3.9 to negative 4.9 per cent. Earlier the International Monetary Fund (IMF) forecasted Malaysia's real GDP to escalates by 7.8 per cent in 2029, however the revised GDP forecasted GDP to negative 6.0 per cent year on year from the previously estimated 3.8 per cent diminution.

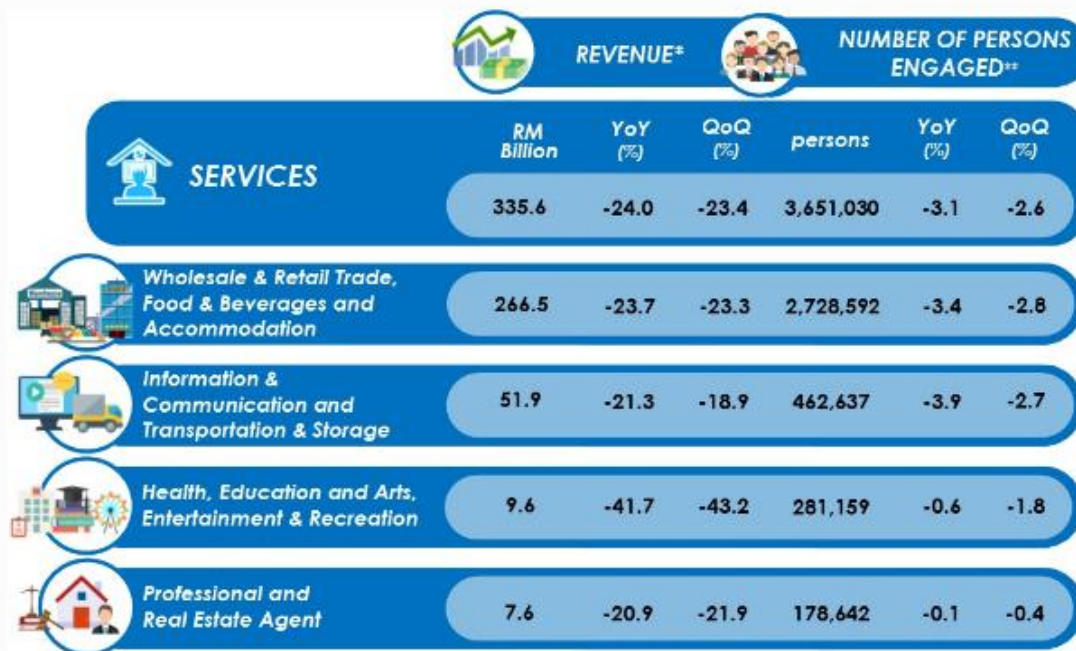
Total revenue in the service sector dropped to 24.0 per cent in comparison with same quarter in the previous year. The wholesale retail trading, food and beverages service industry has declined to negative 23.7 per cent, while Information, communication and transport related industries drop to negative 21.3 per cent. The health, education, arts, entertainment and sporting related service industries were badly affected. It declines drastically to 41.7 per cent in the year 2020 compared to 2019. (Figure 1)

Department of Statistic Malaysia, (2020) reported total number of people engaged in service sector has decline to 3.1 per cent compared to the same quarter of the year in 2019. The number of salaries and wages paid has reduced to 6.4 per cent compared to the previous year, while quarterly it decreases to 5.7 per cent.

### Figure 2: Performance of Service Sector, Second Quarter 2020

(Source: Department of Statistic Malaysia, 2020)

## Performance of Services Sector, Second Quarter 2020



\* Revenue for Wholesale & Retail Trade sub-sector refers to sales value.

\*\* The total number of persons engaged includes all working proprietors, active business partners and unpaid family workers.

### 1.3 Research aims and objectives.

The aim of this research is to understand the impact of Covid-19 to Small Medium Enterprises (SMEs) in construction and service sectors and to study the effectiveness and sustainability of the small medium industry pre- and post- pandemic in Malaysia. This information is crucial for us to understand the impact of covid-19 pandemic in terms of work force, financial contingency, supply chain, organizational culture, digitalization and ICT. The specific objectives are:

- i) Explore the impacts of Covid-19 towards the service sectors SMEs in Malaysia.
- ii) Assess the issue on the work force during this pandemic and the measures taken to resolve the issue.
- iii) Assess the financial contingency during the pandemic, roles of external parties such as NGO's government, family, bank institutes in supporting the sustainability of the SMEs.
- iv) Assess the supply chain operation in terms of stock keeping, logistics, supplier's relation, and issue related to supply chain including networking among the stakeholders.
- v) Assess the changes of organizational culture and work culture during the pandemic and after the pandemic.
- vi) Assess the integration of digitalization and ICT into the business, in terms of customer relations, business support and communication with stakeholders and workers.
- vii) Assess overall sustainability of the SMEs after the pandemic.
- viii) Assess the readiness and preparedness of SMEs in facing the future pandemic or crisis.

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### 1.3.1 Research Question

Based on the research aim and objectives in the previous section, five research questions were developed as follows:

- i) How does the global pandemic affect SMEs in Malaysia in terms of the working force, financial constraints, organization operation, supply chain, and stakeholder relationships in the service and construction sectors?
- ii) What are the strategies taken by the SMEs in Malaysia for the sustainability of their operation after the reopening of the economy and post-pandemic?
- iii) What are the roles played by the external parties in supporting the sustainability of the enterprises?
- iv) How digitalization and ICT, logistics, and transportation support the sustainability of enterprises during and after the pandemic.
- v) Do Malaysian SMEs prepare to face the pandemic and be able to sustain in near future?

### 1.3.2 Rational and Significant of the Study

Malaysia, unlike other countries, has met less natural hazardous and economic shutdown throughout the country for longer periods of time. Malaysia was not highly affected by the global pandemic such as MERs and SARs. The Covid-19 outbreak has pushed the government to impose a total shutdown of the economy, which has badly affected the economic sectors majorly the service and construction sectors. This study is important for us to understand the effectiveness and sustainability of the SMEs in Malaysia, mainly in the service and construction sectors. Studies on various economic sectors such as E-business, Aqua sector, automobile industry, tourism, and hospitality (Fabeil et.al, 2020, Hasanat et al, 2020, Waiho, K et al, 2020, Kanapathipillai,K.,2020, Karim,W et al, 2020, Ratnasingam, J et al 2020) has been done in Malaysia. This research focuses on the Service Sectors of SMEs in Malaysia. Most of the studies focus on the impact of covid-19 in related sectors, however, this research is to fill the gaps to identify the sustainability and effectiveness of SMEs handling the global pandemic.

## 1.4 Theoretical Framework

Obrenovi´c, B et al,( 2020) has developed a model integrating three theories; the Crisis Management Team theory (CMT), Stakeholder Theory, and Distributed Cognition Theory (Figure 3) Crisis Management Theory has gone through various developmental and evolution phases. It involves various stages: warning stages, critical stage, multiplication, and resolution (Turner, 1976;Pearson & Mitroff, 1993;Fink, 1986; RouxDufort, 2007). Fearn-Banks' (2007) modified this approach into five stages: identification, prevention/preparation, recovery phases, and lesson learnt. Another model that



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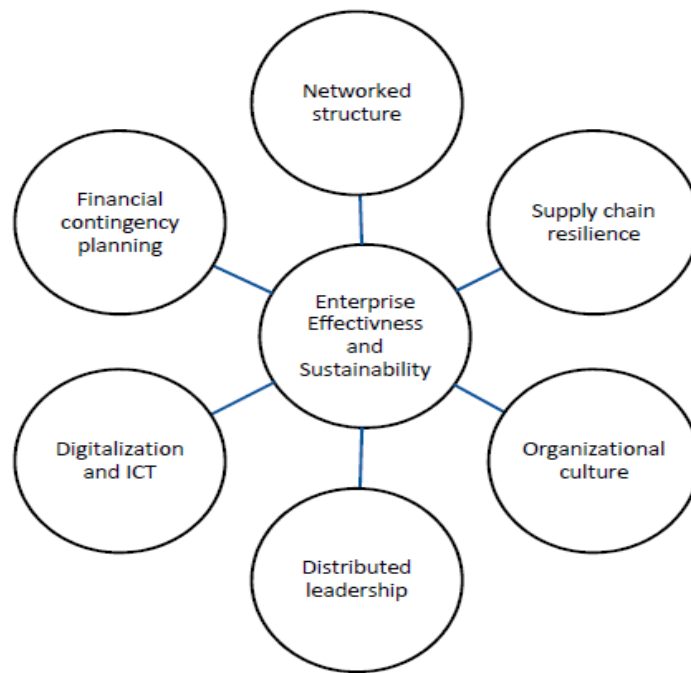
depicts a processual approach from the developmental phase is Darling's four distinct phases: inferior crisis stage, severe crisis stage, chronic stage, and resolving crisis stage (Darling, 1994). The nature of crisis needs problem-solving and necessitates adaptive thus, to end this a "team" base approach is ideal for handling crisis management (Fuhr, A, 2009). Pearson and Clair (1998) studied that there is better outcome in resolving crisis when working in team rather than solving individually. This finding is supported by research and a number of studies argue the credibility of crisis management teams. (Mirtroff, 2005, Coombs, 1999; Darling,1994; Robert-Lajtha,2002; Gundel,2005). Team that manage crisis can be act in both the early preparation phase and response phase. The preparation phase allows the team to analyze and locate the weaknesses within the organization, which will allow the organization to be more prepared during the crisis. Once the crisis has evolved, the team reduce the negative impact by responding to prepared phase on the organization and stakeholders (Alpaslan, Green & Mirtroff,2009; Pearson & Clair, 1998).

Freeman, (1983) defines the stakeholders as "any group or individual who can affect or is affected by the achievement of the organization's objectives". Adding to that, Friedman & Miles (2006) define the organization itself as a grouping of stakeholders and the purpose of the organization should manage the stakeholder's interests, needs, and views. Managers are found to be responsible for managing the corporation for the benefit of the stakeholders and ensuring their rights in participation and decision-making. Few studies suggested that well-being of analytical stakeholders can fasten organizational recovery (Alpaslan et al, 2009).

The theory of Distributed Cognition seeks to understand the organization's cognitive system, which not only includes individuals but extends the reaches and encircles the interaction between people with resources and materials in the environment. Distributed cognition theory can be distinguished from other cognitive theories based on two principles. The first principle is the boundaries, whereby the traditional cognitive theory set the boundaries is individual, while in distributed cognition it relates the functional relationship of elements that participate together in the process with the individual. (Hollan, J.,Hutchin, E. & Krish, D, 2000). The theory claims knowledge is not only focus to a person but also extended on environmental and social factors (Hutchin, E.,1995). Communication and sharing information is crucial among all business units for crisis management, hence this creates a shared knowledge model and possible coordination among team members ( DeChurch, L.A & Mesmer-Magnus, J.R. 2010). This includes the knowledge exchange, skills team planning,, interpersonal trust, and decision-making with help of communication and IT tools (Obrenovi'c, B. et al 2020)

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Figure 3: Enterprise effectiveness and sustainability Model (Obrenović, B. et al 2020)



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## CHAPTER 2

### 2.0 Literature Review

In this chapter, the first part we will discuss general impact of covid-19 in construction and service sectors globally and in Malaysia. Later, we will define independent variable, effectiveness and sustainability of enterprises and dependent variables Financial Contingency Planning, Supply Chain Resilience, Network Structure, Organizational Culture, Distributed Leadership and Digitalization and ICT.

#### 2.1 Impact of Covid-19 on the global economy and global value chain.

Effects of global pandemic have been multidimensional that it has wide negative impact on public health and world economy. The World Health Organization has proposed lockdown as one of the measures to lower the spread of the virus, and damaged the global economy (Strange, 2020). Pandemic differs from the financial crisis as the remedies are easier to formulate. The global economy is inter-related through Global Value Chain (GVC), and international mobility of people, goods, services and capital. Krugman (2000) introduces the term “fire-sale FDI” to refer to the inward flows of FDI into Asian countries such as South Korea, Malaysia and Indonesia whereby, after the financial crisis 1997-98 Gulf Sovereign Wealth Funds (SWFs) are intended to buy shares from the firms, as the valuation surge down due to Covid-19 pandemic.

Poor country like Indian has stricken it rules on foreign investment in April 2020 for prevent the country being invaded by opportunist.

There were indirect effects on services and goods delivery as the buyers cancel their orders/or extend their payments periods. This indirect effect will be enormous especially when the buyers are from larger firms, capable to manipulate the asymmetries power in their GVCs. This creates supply shock that has an impact on SMEs and their employees and self-employees as they have limited reserved cash. This contradicts with some sectors such as delivery firms, information technology firms will thrive (Strange, 2020). These influence the consumption and purchasing patterns on the demand side. Consumer demand for many product will weaken (e.g., non-essential consumer goods) even if there is a supply restriction. Most of the socialization expenditure (e.g., entertainment, dining out, concerts) will be affected due to the pandemic (Wren-Lewis, 2010). Pandemic has influence consumer’s behavior as they adapt to distribution networks with online shopping and delivery increases, although government try to mitigate this shocks through various macroeconomic stimulus packages, and supports to businesses, employees and self-employed people, unfortunately these efforts may not and will not cover everyone, this will not cover the full financial impact of the shocks. This indicates many people may not

survive the pandemic, and also businesses which will stop their businesses. Many countries were pushed in to substantial debts that has long-term borrowing effect which eventually will increase the tax or public fund (Strange, 2020). Share prices have fallen and this cause anxiety and uncertainties in business (Wagner, 2020), which will have effect on the consumers buying power.

The International Monetary Fund (IMF) declared on March 23rd that the global economy will face recession. IMF downplayed the impact expecting only 0.1 percentage point (ppt) reduction to 3.2 percent and later revised to the global growth of 2.9 percentages. (IMF, 4 March 2020). The Organisation for Economic Co-operation and Development (OECD) predicted cut off 0.5ppt from the original global forecast of 2.9 percentage for 2020 to 2.4% and in case of prolonged outbreak, it will tremendously slashed down to 1.5% (OECD ,2 March 2020).

## 2.2 Impact of Covid-19 in ASIA and ASEAN countries.

The Asian Development Bank (ADB) has reported in Asian Development Outlook 2020 that due to the Covid-19 outbreak, there will be 2.2% growth for Developing Asia, 1% growth for Southeast Asia and with China's growth rate behind to 2.3% (Table 1).

Table 2: Growth projections for Developing Asia for 2020, in % (Source ASEAN, April 2020)

Economy	2019		2020f		2021f
	as of December (f)	as of April (p)	as of December (f)	as of April (f)	as of April (f)
Developing Asia	5.2	5.2	5.2	2.2	6.2
Developing Asia excluding NIEs	5.7	5.7	5.7	2.4	6.7
China	6.1	6.1	5.8	2.3	7.3
Southeast Asia (incl. Timor-Leste)	4.4	4.4	4.7	1.0	4.7

Note: p – preliminary, f- forecast; NIE are Newly Industrialized Economies – Hong Kong, Korea, Singapore, and Taiwan. December forecast refer to projections in the ADO Supplement in December 2019 Forecast in December 2019 for Southeast Asia does not include Timor-Leste.

Source: Asian Development Bank Asian Development Outlook 2020 (3 April)

The GDP growth of ASEAN countries, which was initially predicted in early 2019, was revised by various organizations and government to predict the growth in 2020 (Table 2). The Asian Development Bank (ADB) predicted there will be a slight increase of 0.5% for Brunei Darussalam as there will be increase of petroleum and oil demands as the operations back to shape in 2020. In contrast, most of the ASEAN countries (Cambodia, Vietnam, Myanmar, Indonesia, Philippines; Lao PDR, Singapore, Malaysia, and Thailand) predicted slashed down of more than half percentage of GDP rate from the initial forecast. Indonesia, Malaysia, Philippines and Singapore are predicted to have negative GDP growth for the year 2020. (ASEAN,2020)

Table 3: ASEAN countries GDP growth forecast for 2020.

Country	Initial Forecast		Revised Forecast		Source
Brunei Darussalam	1.5%	Sep 2019	2.0% <sup>a</sup>	3 Apr 2020	ADB
Cambodia	6.8%	Sep 2019	2.3%	3 Apr 2020	ADB
Indonesia	5.3%	Official target, Aug 2019	4.7% to 5.0%	4 Mar 2020	Ministry of Finance
			-0.4% to 2.3%	1 Apr 2020	
Lao PDR	6.2%	Sep 2019	3.5%	3 Apr 2020	ADB
Malaysia	4.8%	Official target	3.2% to 4.2%	Feb 2020	Ministry of Finance
			-2.0% to 0.5%	3 Apr 2020	Bank Negara Malaysia
Myanmar	6.8%	Sep 2019	4.2%	3 Apr 2020	ADB
Philippines	6.5% to 7.5%	Official target	5.5% to 6.5%	Mar 2020	NEDA
			(if outbreak lasts until June)		
			-0.6% to 4.3%	19 Mar 2020	
Singapore	0.5% to 2.5%	Nov 2019	-0.5% to 1.5%	17 Feb 2020	Ministry of Trade and Industry
			-4% to -1%	26 Mar 2020	
Thailand	2.7% to 3.7%	Nov 2019	1.5% to 2.5%	17 Feb 2020	National Economic and Social Development Board
Viet Nam	6.8%		6.27% if contained in Q1; 6.09% if contained in Q2	5 Feb 2020	Ministry of Planning and Investment
			5.96%	13 Feb 2020	

Note: <sup>a</sup> Brunei's growth outlook for 2020 has been revised upwards in anticipation of increased exports of oil and petroleum as new refineries start operations this year. (ADO 2020)

Countries that dependent on merchandise trade, notably Singapore Vietnam, Thailand, Cambodia and Malaysia is affected by supply chain disruption. Travel bans and temporary border closure, and lockdown measures have caused a downturn in services, particularly the tourism industry. Countries that rely on remittance such as Philippines, were blown hard as decreasing remittances diminishes consumption and investment.

Unemployment was major crisis in labor market. Malaysia's unemployment rate is predicted to raise by 1.5%, Indonesia 2.5% and Philippines by 1.2 % (United Nation, 2020). Plunging of secured income and social turbulence can cause millions of people fall into the margin below poverty. All SEA countries have introduced fiscal packages to stimulate businesses, households including to support the frontlines. However, higher spending and weakened economic condition will worsen countries' fiscal condition. Public debt will also increase. In another scenario, not all the SEA countries are capable to borrow from the giant capital market player.

China is ASEAN's biggest trading partner and investor as they had share of 17.1% in 2018 to ASEAN's total trade, contributed 6.5% of ASEAN's total FDI flows. ASEAN's supply chain largely integrated with China's manufacturing sector and ASEAN's tourism sector benefits highly from the Chinese tourists. Other ASEAN's largest trade and investment

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partners such as United States and Europe countries are also badly affected by the pandemic (ASEAN,2020). Most of the ASEAN countries has imposed travel ban from/to China, which was later expanded to within the neighboring countries, some of the Europe countries and United States. This includes cancelling flight connections, tightening or closing the borders. This has a hard impact on travel and tourism.

Covid-19 has caused disruption to the global-value chains as the cross-border trading and transport is restricted. Approximately 40 percentage of SEA's exports depends on the global value-chains, with strong networks exposed this sub region to vulnerable risk of supply chain. Cross-border freight continues to flow, but the logistics and transportation network disrupted due to lockdown measures and poor communication sharing and coordination among the sub regions. The uncertainties of national trade and transport policies among the sub region also contribute to disruption of global-value chains.

The World Trade Organization has forecast the fall of world trade 13% to 32% in the year 2020, which exceeds the fall caused by Global Financial Crisis (WTO, April 2020). Most of the ASEAN countries have sought help from multilateral financial institutions to get their financial assistant. Myanmar, Lao PDR and Philippines have benefitted from the World Bank's Covid-19 Fast Track Facility and different form of financial assistant. Philippines, , Indonesia and Lao PDR also obtained financial support from Asian Development Bank (United Nation, 2020).

The pandemic uncertainties have blown hard on the stock market causing heavy depreciation on exchange rate and outflow of the capital. Vietnam stock market index fell 29.3% from 936.6 to 662.5 at the end of the March 2020. Adding to this, key currencies in the region (Thai Bhat, Indonesian Rupiah, Singapore Dollar) depreciated badly especially, Indonesian Rupiah which decline from IDR 16,367 per USD on January to IDR 13,662 per USD in the end of March with 19.8% decrease (ASEAN,2020).

Most of the small businesses, mainly in service sectors, especially travel tourism, retail and other services were badly affected by the pandemic. Around 43.8% comprises of 126.9 million people are employed under services sectors excluding public/civil service employees. Singapore has the highest percentage of employees in services (65.7%), followed by Malaysia (56.6%) and Brunei (56.5%). Despite of this, Indonesia, which has the largest population in Southeast Asia, has 57.5 million work force in services sector.

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## 2.3 Impact of Covid-19 on SMEs in Service Sector.

The service sector of the world trade in the share market has grown from 9 per cent in 1970 to over 20 per cent in current market and by 2040, the World Trade Organization has predicted it could hold up to the one third of the world trade (WTO,2019). Unlike other sectors, service sectors which once were difficult to trade as they could be delivered in person are changing in recent days as they could be delivered digitally.

However, with the emergence of global pandemic, the service sectors' role in contribution in economic activities, such as facilitating supply chains, trade in goods etc. has great impact on supply chain and global trade. Service sectors have higher number of women employees and contributes larger share of micro, small, medium-sized enterprises (MSME). Fall in demand and supply have strongly influenced the social and economic as it has great effect on service trade. Services that rely on physical proximity between suppliers and consumer were influenced by the social distancing measures, mobility restrictions, and economic lockdown. While some services can be operated remotely but not all the services sectors can be operate remotely especially retailing services, tourism and travel, transportation services (WTO, 2020)

### 2.3.1 Tourism and travel services

Tourism and Travel services includes hotels, restaurants, tour operators, tour spot ticket counters and maintenance, travel agencies have severely affected by the pandemic due to the border closures and restricted movement control orders. The World Tourism Organization (UNWTO) estimated in March 2020, that international tourism may decrease 20 to 30 per cent in 2020, with the loss of USD 300 to USD 450 billion (UNWTO, March 2020). The World Travel & Tourism Council (WTTC) estimated the 100.8, million employees, will face job loss related to this industry and the world GDP related to tourism and travel industry will be plunged down to 30%, which is USD 2.7 trillion in 2020 (WTTC, April 2020).

World Travel & Tourism Council has predicted three scenarios for 2020, travel and tourism industry in Asia Pacific region assuming the best scenario with 33 percentage of job losses and 33 percentage of downfall of GDP for travel and tourism sector in 2020 compared to 2019. The worst scenario is, with the 115 million (63%) of job losses and tremendous crash of GDP with USD 1,888 billion losses (64%) for the year 2020 compared to the previous year.

In Malaysia, the aviation industries which comprises of three major airlines; AirAsia, Malindo Air and Malaysian Airlines have retrenched employees, initiated salary cut and unpaid leave to the aviation employees (Foo L.P., Chin M.Y.,et al, 2020). Overall, the Airline Industry is estimated to suffer USD 3.32 billion loss in revenue (Yaa'kub, M., Asril, N., et al, 2020) in 2020.

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The hotel industry was also badly affected, with losses of RM 75.69 million from January 2020 to March 2020. Kuala Lumpur recorded the highest number of losses of RM24.91 million, followed by Sabah with the loss of RM11.79 million and Selangor with the loss of RM9.05 million as of March 2020 (Mahalingam, 2020). Malaysia Hotel Association reports 17% of employees have been laid off till March 2020, with 9.0% of them given salary cut and 17% is given unpaid leave (Yaa'kub, M., Asril, N., et al, 2020).

Travel agencies face liabilities of around RM500 million from customers that seek compensation and refunds due to the cancellation of the trips. Malaysian Association of Tour and Travel Agents (MATTA) forecasted RM150 million losses during school holidays due to the outbreak and RM52.5 million losses for umrah travel (Yaa'kub, M., Asril, N., et al, 2020).

The non-essential business including sports, social and cultural activities are required to shut down temporarily during movement control orders and this will affect total revenue of the business (Yaa'kub, M., Asril, N., et al, 2020).

### **2.3.2 Impact on Distribution services**

National Bureau of Statistic (NBS) reported there was 20.5 percentage downturn for retail trade in China in early January/February 2020 compared to the year 2019 (UNWTO, March 2020). Similar trends were seen globally, for example in United Kingdom, total retail sales plunged down to 18 per cent in April during lockdown (BBC News, 2020). Nearly 50 per cent of retailers have closed the stores or declared bankruptcy in United States (Danzinger, P.N., 2020).

In Malaysia, the Retail Group Malaysia (RGM) reported that sales have drop more than 80 per cent at tourist spot such as KLCC, Petaling Street and Bukit Bintang. Persatuan Rangkaian Runcit Malaysia (MRCA), Persatuan Penjenamaan Malaysia (BAM) Persatuan Peruncit-Peruncit Malaysia (MRA) Persekutuan Rangkaian Runcit & Francais Asean (ARFF) and Pertubuhan Peruncit Bumiputera (BRO) has reported the sales of retail shops have dropped 50 per cent and expected to drop further to 80 per cent in next three months. On top of the drop in sales, the outlets also incurred additional costs for frequent sanitization and other SOP that related to Covid-19. Non-essential retail services such as ICT equipment, household goods, specialist stoles, arts and recreation goods, which the sales value was RM 26.7 million in January 2020 and contributed 57 per cent of total retail sales, were forecasted to crash down in the first quarter of 2020 compared to the previous year due to the 42 days lock down within the MCO period (Kamaruddin, S., 2020).

### **2.3.3 Telecommunications, ICT and IT services**

Countries that hardly affected by the Covid-19 outbreak, the use of Facebook online, voice and video traffic has increased more than 50 per cent and in Italy, overall usage increase to 70 per cent and more than 1000 percentages surged



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up for group calls. In China, Tencent reported increased in usage of social networks, games, e-commerce and fintech in the first quarter of 2020. Although online advertising increased in the first quarter, Tencent warned of slower advertisement in coming months. Thailand reported enormous usage of Zoom and Skype with the increase of 828 per cent and 215 per cent respectively. Even though, there was positive increase of usage of social media and telecommunications globally, South Africa reported the shipment and production of mobile phone smartphones were heavily impacted (WTO, 2020).

Information Technology outsourcing and business process generates USD 92.5 billion in 2019 as global revenue with United States, Southern Europe, India among the top contributors. These countries provide back-office operations, including call centers, customer care for corporations, had to rapidly change their working culture to work remotely from home and have to provide necessary equipment and networks for the employee. To reduce the cost and outsourcing, the large corporations might reduce their dependence of outsourcing, in long term implications (WTO, 2020).

The online sales shows positive increase globally with increase of 14.5 per cent in China in first quarter of 2020 compared to previous year, in Saudi Arabia BinDawood recorded an increase of 200 per cents, and in Indonesia, online mall Blibli reported a hike in sales (WTO, 2020).

In Malaysia, ICT recorded RM267.7 billion with contribution of 18.5 percent to the GDP in the year 2018. This sector continue to expand at 320.0 billion in 2020, registering a twofold increment of 10.4 per cent compared to 7.3 per cent in 2019. Gross Value added of e-commerce surged 26.5 per cent from RM129.2 billion in 2019 to RM 163.3 billion in 2020.

#### **2.3.4 Professional Services and Real Estate Property Management Services**

Professional Services comprises a specialized performing professional activities that require a high degree of expertise and training. These sectors specialized based on their expertise and provide services to both household and industries. Professional services include legal advice and representation, accounting, auditing, secretarial services, bookkeeping, tax agents, architecture, engineering, surveying, management consultancy services, market research and advertising. (DOSM, 2022)

Real Estate property management services inclusive of buying, selling, leasing, sub-letting, subsales and renting operation of leased properties or self-owned; provision of house that includes unfurnished or furnished for more permanent use, monthly use or annual basis; development of building projects for own operation, renting space, subdividing real estates into lots. (DOSM, 2022).

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Department of Statistic Malaysia, (2022) recorded Professional services and real estate services contributes RM 9,9billion revenue in the second quarter of the year 2022 with the positive growth of 20 per cent compared to same quarter in 2021. The positive growth for both professional subsector and real estate services increased to 19.9 percent and 20.9 per cent compared to 2021.

### **2.3.5 Wholesale and retail services**

Department of Statistic Malaysia, (2022) defines Wholesale Trade to resale are bulk distributors in the market to retailers, industries, commercial, institution, professional users or to other wholesales. The services includes physically assemble; sorting and grading goods in enormous quantities, breaking larger packs and redistribute in smaller quantity, storage, deliver and install goods as well as engaged in sales promotion for customer and label designing. Meanwhile, retail trade refers selling the final products to the public, households or personal consumption. Motor Vehicles wholesale or retail sale involved sales of motor vehicles, motorcycles, either new or used including sale of vehicle parts, accessories, maintenance, repair and services such as washing, polishing, painting as well as agents commission.

The revenue generated by Wholesale and retail trade records RM129.8 billion in May 2022 with an increment of 19.9 percentage compared to 2021. From April to June of 2022, the volume index of wholesale and retail trade increased to 19.3 percent in comparison to the similar quarter on the previous year. This growth is contributed by the Motor Vehicles subsector 66.4 per cent; retail trade 23.9 per cent and wholesale trade 5.6 per cent.

### **2.3.6 Transport and storage services**

Transportation services inclusive of land transport, freight transport by road, other land transport, water transport, car parking services highway operations, shipping agencies; other supporting activities for transportation services and storage activities involve warehouse, terminal operations, port operation, cargo handling, (DOSM,2022). The gross value output for 2020 declined to RM 99,848 million compared to 2019 recorded RM 135,472 million.

### **2.3.7 Health & Social Services**

Human health and social services include hospital services, medical and dental practice activities, alternative medicine and traditional medicine practices, dialysis centers, residential care activities and social work activities without accommodation.

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Ministry of Health, (2021) reported that total expenditure on health as a percentage of GDP were 4.18 per cent in 2018, 4.25% per cent in 2019 and increased to 4.73 per cent in 2020. This indicates that the demand for both public and private health services increase from 2018 to 2020.

### **2.3.8 Business and financial Services**

Business and financial service sub-sectors include monetary intermediation; financial services activities; subsidiary to financial services; insurance/takaful; pension and investment funding activities; other financial activities and activities auxiliary to insurance and pension funding. The Malaysian Reserve reported, financial service sector closed the transactions at the end of 2021 with the total value of RM6.88 billion with a minor slump in 2020 (Birruntha, S, 2022). Department of Statistic Malaysia reported that business and services sectors has surged 2.0 per cent compared to the quartile 4 in 2020 to first quartile 2021. The positive surge was contributed by the finance and insurance sub-sector marking 4.4 per cent.

In the overall performance segment for the service sector, the business and financial sub-sector contributed 26.8 per cent (Table 2).

Table 4: Performance by segment in service sector (Source DOSM, 2021)

		Original Volume Index			Seasonally Adjusted Volume Index	
		Volume Index	% Change QoQ	% Change YoY	Volume Index	% Change QoQ
<b>Weight (%)</b>	<b>Services Sector (2015=100)</b>	<b>123.4</b>	<b>-0.3</b>	<b>-3.6</b>	<b>123.7</b>	<b>2.3</b>
<b>45.2</b>	<b>Segment 1</b> Wholesale & Retail Trade, Food & Beverages and Accommodation	<b>123.3</b>	<b>-1.5</b>	<b>-3.8</b>	<b>123.6</b>	<b>1.2</b>
<b>26.8</b>	<b>Segment 2</b> Business Services and Finance	<b>127.5</b>	<b>2.2</b>	<b>0.2</b>	<b>127.1</b>	<b>5.3</b>
<b>21.9</b>	<b>Segment 3</b> Information & Communication and Transportation & Storage	<b>127.8</b>	<b>1.2</b>	<b>-2.0</b>	<b>128.4</b>	<b>2.0</b>
<b>6.1</b>	<b>Segment 4</b> Other Services	<b>90.7</b>	<b>-9.5</b>	<b>-25.2</b>	<b>92.6</b>	<b>-3.8</b>

### 2.3.9 Education Services

Education services provides academic services for pre-school, primary, secondary and higher education that are registered with Ministry of Education and Ministry of Higher Education, Malaysia. This includes other education and educational support activities.

Education services declined tremendously in 2021 recording -7.9 percent and a similar trend was recorded in 2020 which subside to -2.8% (DOSM, 2021). However, this scenario changes in 2022, whereby the education sectors rise to 3.0 per cent in the first quartile of 2022 and 5.4 per cent in the second quartile of 2022.

### 2.3.10 Arts, entertainment, and recreation services

Arts, entertainment and recreational services include a broad range of activities of, recreational, entertainment and cultural interests of the general public, including concerts, operation of museum sites, sport, gambling and outdoor

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activities, circus and amusement parks. The pandemic effect this sub service segment as the volume of index recorded -1.6 per cent in fourth quartile of 2020 and worsens to -19.0 per cent in first quartile of 2021. However, this sector managed to bounce back with the growth of 26.9 per cent in the first quartile of 2022 and 55.0 per cent in the second quartile of 2022 (DOSM, 2022).

### **2.3.11 Environmental Services and Other Services**

Environmental Services involve recycle activities, water supply, waste management, sewerage, and remediation activities comprised of activities related to waste management includes collection, treatment and disposal such as scheduled waste, solid waste & wastewater from industrial, clinical and domestic waste. The waste from the treatment process can be disposed of or used as input for other production processes. Related activities in water treatment and supply are also included in this sector. Other services activities involve activities that are not categorized above such as -

- i) Washing and dry cleaning of textile or fur products including laundering, dry cleaning, pressing, carpet rug cleaning , drapery and other laundry related activities
- ii) Hairdressing and other beauty treatment
- iii) Funeral services and funeral related services
- iv) Steam bath, spa sauna, massage, Jacuzzi services
- v) Astrological and spiritual activities
- vi) Match making services, services of marriage bureau
- vii) Pet care services include grooming, pet training and pet boarding
- viii) Shoe polishers, shoemakers and repairing services.
- ix) Porters, valet car parks, car parking services, car washing and cleaning services.

The volume of the index recorded 90.7 in the first quarter of 2021 with a drop of 25.2 per cent compared to the same quarter for the year 2020. However, the sectors show improvement in the fourth quarter of 2021 recording 99.8 points with a slide subsides of 0.5 per cent. Other service sub sectors rise back to 15 per cent in the first quarter of 2022 compared to the previous year recording 104.3 points.

## **2.4 Organizational Resilience and Sustainability**

Resilience refers to an organization's capability to sustain, adapt and grow in turbulence situation (Fiksel 2006; Sawik 2013). Resilience in a business environment is described as the organization's capability to bounce back to a stable state after going through a disruptive phase. Rai,S.S et al (2021) has identified three major kinds of disruption that can

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cause instability of an organization. The first category referred to an internal disruption that includes the disruptive events that occurs during the process or when it has been in control mode. The second category involves external disruption but causes internal disruption to the supply chain that disturbs both demand and supply. The third category is the external environment that may directly impact on the supply chain and the market conditions. Disruptions in this context can be defined as unorganized and unpredicted discreet events that make an organization vulnerable to operational and financial risk.

Resilience is defined as the ability to predict, avoid, and transform to shocks occurred from a crisis or a disruption Sajko et al. (2020). Enterprises that are prepared to absorb the shocks of disruption and are capable for the changes are prone to sustain the market longer. Resilient organizations have the ability to predict the risk which can strike the organization in future. Prediction begins with the collection of information smallest disruption at organizational level, gathering the information and sharing the information at organization level, predicts the risk from smallest to larger scale and build preparedness for future disruptive event can lead to sustainability. (Sheffi et al 2005; Sheffi, 2007)

Organizational resilience concept can be defined as organizational capability to avoid risk, capable to adapt to both internal and external shocks, react to, and reclaim from the situation that disrupts the survival of an organization (Alberti et al, 2018) or metacapability that shows other dynamic and ordinary capabilities in their different stages; anticipation, copying and adaptation (Duchek, S.,2020)

Organizational Sustainability refers to capability of an organization being competitive now and, in the future, subjected to the impact of Triple Bottom Line principles based on economic, social and environmental (Cavaco, N.M & Machado, V., 2015), ethical and technological aspects (Peters, J. & Simaens, A., 2020).

Organization resilience and sustainability are related when an organization strategically recover from disruption in terms of resources to protect their value scheme or capability that being articulate at different stages: anticipation, copying and adaptation (Duchek, S.,2020). Studies indicate that organization resilience anticipation as capability related to preparation on the availability of the resources that are co related with ecological and legitimacy theories (Duchek, S., 2020).

Organizational Sustainability Capabilities can be defined as “the information required by an enterprise to integrate essential capabilities and flexibility into its future architecture”, for its future architecture”, (Wong and Ngai, 2021). Organizational sustainability minimizes stakeholders’ conflict and contributes to managerial, environmental and economic competencies for better performance (Wong and Ngai, 2021). The resilience process has two different paths and three different stages. The first path is through ability to absorb, in which redundancy, agility and robustness are core absorption

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capabilities. The second path uses adaptation-related capabilities which, resourcefulness, adaptability and flexibility are the core capabilities.

## **2.5 Effect of Covid-19 Pandemic on Enterprise Effectiveness and Sustainability**

Enterprise effectiveness refers to the ability of an organization to achieve its goals. Effective enterprise management involves understanding the needs and expectations of customers, shareholders, and other stakeholders, and making sure that resources are efficiently allocated to achieve organizational goals. Effective management strategies also include reducing costs, increasing productivity, and improving the overall quality of products and services.

Covid-19 Pandemic has caused turbulence in the world business management and strategies. Firms in this context, are not capable in stopping the outbreak from emerging but can identify the crisis on time and work on strategies that could handle the crisis at lower risk (Darling, J. et al, 1996). While the economic crisis has had a hard impact on the enterprises, small medium business, certain businesses have been able to continue their businesses and have increased their turnover during the Covid-19 pandemic (Obrenovic, B et al, 2020). Organizations that quickly respond and adapt to unpredicted crisis and menaces are characterized by network structure, flexible guidelines, distributed workforce and leadership and lower the interdependence (Ganatra, S., et al, 2020)

## **2.6 Enterprise Effectiveness and Sustainability Model during Covid-19 Pandemic**

### **2.6.1 Networked Structure**

Self-reliant businesses can easily adapt, create new business strategies and solutions, and develop new business models. (Sydow, J.& Möllering, G, 2009). Internet-based interaction enhances network operation and internal organization control of supply chain (Prause, G.& Atari, S.,2017). To build innovative services and product,s the entire business team should engage in activities of sharing knowledge, spreading and accretion (Chung, Y. & Jackson, S.E., 2013) and this is feasible with application of cloud solutions, virtual offices, dropboxes and company's server and networks (Canavesio, M. & Martinez, E., 2007). During the pandemic crisis, the business teams can frequently meet online generates reports, set goals, update status, intervene and adjust according to the current business situations. Moreover, IT infrastructure allows business operations, by adapting to e-commerce when physical outlets are not operating during pandemic (Ganatra, S., et al, 2020). Therefore, enterprises with good ICT network structure and virtual structure can sustain their business operations during the pandemic (Obrenovic, B et al, 2020).

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### 2.6.2 Supply Chain Resilience

Pandemic derange existing supply and demand networks by causing damage to health, infrastructure, economy, social and welfare. Resilience allows a business to establish inventory buffers by purchasing lower cost stocks, ensuring resource availability during the pandemic (Lee, H., 2004). Christopher and Holweg (2011) suggest that during the crisis, traditional supply chain theories and models introduced at the time without crisis are becoming irrelevant. This indicates there is demand for radical changes in re-examining new strategies for supply chain to meet organizational sustainability during the crisis. Heterogeneous distribution channels may help to guide suppliers to destined distribution centers that are nearby during the pandemic. Reinstate power technology, trained personnel and communication are key steps for supply chain resilience. Furthermore, managers have to be aware legal issues that influence the supply chain such as transportation, procurement and logistics restrictions, long term or temporary manufacturing plant closure, licensing issues related to delivering good and services. To sustain and thrive, businesses have to build resilient and strong supply chains that can resist geographical, infrastructural, logistic and physical confinements. Therefore, for effective and sustainability of an organization, it is essential to build multitude of ties and diversify the streamlines for successful distribution to meet both demand and supply node at region (Obrenovic, B et al, 2020).

### 2.6.3 Organizational Culture

Organizational culture is a cognitive framework that displays mutual values, norms, shared practices and respect shared by organizational members (Kadir, M & Amalia, 2017). These organized people have the same goals, beliefs, and they form culture through problem-solving, external adaptation and internal integration (Sapta et al, 2021). The underlying values and assumptions of many organizations have changed from exploration and creativity towards safety and resilience. They are asking themselves, how an organizational culture can be built when everyone works from home? (Spicer, A.,2020). Outdated organizational cultures have hierarchical and rigid structure and often they deny or avoid transformation. Senior managers often ignore the changes in the market and technology, often remaining rigid (Spicer, A.,2020; Obrenovic, B et al, 2020). Modern culture diverges from the old-fashioned culture as they have more precise roles, responsibilities and job description. Well educated, skilled and flexible employees play important roles so that they could quickly respond and adapt to market and environmental changes such as pandemic and in emergencies (Obrenovic, B et al, 2020). To achieve sustainability during the pandemic, the leaders should place the entire business units in communication looks, brainstorming and opiated views. Rapid adaptation to the changes known as the informal system or culture was more popular than the formal organization culture. Therefore, enterprises with more flexible, transformative and adaptive sustain their business operations during the pandemic (Obrenovic, B et al, 2020).



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#### 2.6.4 Distributed Leadership

Distributed leadership is an emergent property of group of networks, interacting with each other. This contrasts with one individual leading the rest of organization of team (Bennett, N et al.,2003). Shared leadership is a type of distribution of authority involving transferring of activities and decision making power to chosen members in a unit, on the event the top managers do not have special expertise on the relevant unit. Old-fashioned hierarchical of leadership, usually have centralized decision-making structure. In the case of crisis, resilient enterprises have more flexible and decentralized organizational culture, dispersed level of labors, which allows more informed decision-making at a different organizational level (Obrenovic, B et al, 2020). A distributed leadership practice gets specific in the interaction among leaders, members and key aspect of situation and forces to examine the interdependencies among these three elements. Combination of different leaders on particular leadership activities might contribute to improving leadership practice (Spillane, J., 2004).

#### 2.6.5 Financial Contingency Planning

The financial crisis response during the pandemic is crucial for all business organizations to remain sustainable in the market and business. Contingency planning is based on availability of these four factors; i) cash generation and preservation, ii) government support and policy, iii) limited refinancing options and iv) short term forecast on cash crunch. The organization could respond based on their financial situation to global pandemic by i) hibernation – temporarily lay off or close down certain production or business unit, ii) limited trading – finding new technologies and ways to trade products and market products, iii) lay off staffs and lastly full shut down of business. Contingent liabilities are potential and not actual liabilities (Anghel, D et al 2022). Financial contingency plans must have clear budget and funding model for mobilization of financial resources as this will play major role during the crisis (Clarke & Dercon, 2016)

#### 2.6.6 Digitalization and ICT

Digitalization and ICT Tools play a major role in putting ‘business as usual’ when the crisis strikes. ICT was a huge support system for the enterprises for keeping the supply chain intact, communications platform among the organization and leadership, storage and mitigating information data for businesses, mobilizing financial resources. Digitalization made it possible for marketing and selling of products, social media platform for advertising. Many businesses quickly transformed into selling products using digital platforms (Obrenovic, B et al, 2020). Digitization also can facilitate an organization to access for financial resources by offering new ways to acquire finance, such as through Fintech, venture capital investments, or online platforms such as crowdsourcing, crowd funding and crowd-investment (Haddad, C., & Hornuf, L., 2019; Richter, C et al, 2017). Digitalization also contributes to new innovative business models, such as those based on sharing economy (Richter, C et al, 2017). Artificial Intelligence (AI) and digitization has lowered the cost of employment and man power, in

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certain cases it also has lower the usage of ‘places and offices’, whereby cloud system, integrated networking allows employee to work remotely. Tools like Zoom, TEAMVIEW, WebOEC, Sharepoint, allows large gathering, process, sharing information, whereby an organization could share, train, educate, coordinate with all levels of employees in the organization with reduce cost (Obrenovic, B et al, 2020).

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## CHAPTER 3

### 3.0 Methodology

#### 3.1 Introduction

Researchers use three methods; qualitative, quantitative, and mixed method to conduct their study (Bell et al., 2018). These methods are selected based on the objective and approach to achieve in the study. Qualitative method is used to study people's view, beliefs, experiences, behavior, attitude, and interactions, which generates non-numerical data (Pathak et al., 2013). Three categories of qualitative research are i) observational studies; ii) interview studies and iii) documentary/textual analysis of secondary data / written records (Pope et al., 2000). Qualitative research allows in-depth analysis of a study. Participants have an active role and can voice their opinions, views, suggestions, and benefits of the study. The relationship between researchers and participants in qualitative studies is less formal than quantitative research method. (Pathak et al., 2013)

#### 3.2 Research Design

Interview technique is known in qualitative research (Bell et al., 2018). Personal interview techniques involve researchers and participants. Both researcher and participants will discuss a specific topic. This research will be analyzed with qualitative method by conducting face to face interview. (Adhabi et al., 2017). The research question in face-to-face interview can be open ended question of semi-structure interviews. I have conducted an in-depth interview using semi-structured questionnaires.

#### 3.3 Study Population and Sampling

The study was conducted by using the purposive sampling method (Etikan, 2016) and the sample population are company directors, managers, CEO's, **accountants**, those who are involve in decision making of the organization. The population were selected based on 3 categories; i) different type of service sectors, ii) SME's turnover less than 50 million per annum and iii) organization's decision maker / leaders. The participants' backgrounds and company details is listed in Table 3.1 and Table 3.2 respectively.

Table 5.1 Participants Background

<b>Participant Name</b>	<b>Designation</b>	<b>Highest Level of Education</b>	<b>Years of Experience in the Company</b>
<b>Shanti</b>	Founder and Director	Professional Degree	20 years
<b>Dr Daniel</b>	Partner & Medical Doctor	Professional Degree	
<b>En Malik</b>	Partner in property management company	Diploma	
<b>Jenny Tan</b>	Partner in Insurance Business	Diploma	
<b>Lingesh</b>	Founder	Postgraduate	

Table 5.2 Participants Company Background Details

<b>Participant Name</b>	<b>Type of Service Sector</b>	<b>Business Starting Year</b>	<b>Business Location</b>	<b>Company Turnover</b>
<b>Shanti</b>	Accounting, Tax and Business Service Consultation	20 years	Taman Segar, Cheras	RM 300,000- RM 500,000
<b>Dr Daniel</b>	Health / Medical Clinic		Balakong	RM 500 000 – 1m
<b>En Malik</b>	Real Estate/ Property Agent		KL and Johor	RM 5m to 10m
<b>Jenny Tan</b>	Insurance and Financial Planning Consultation Services		KL	RM 1m to 3m
<b>Lingesh</b>	Training Academy		Cyberjaya	RM 100 000 to RM 300 000

### 3.4 Questionnaire Design

The study was conducted using a semi-structured questionnaire (Adams, 2015). The interview was conducted in English and Malay depending on the interviewee convenient to avoid the ambiguity of language and lack of understanding related to interviewee’s specific questions and topic. This is to overcome the ambiguity of language bias (Adams, 2015).

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Elite biases could occur if the interviewer chose non-elite participants which may lead to bias and little comprehension of specific topics (Woods, M. 2011). To avoid this, the participants selected were “entrepreneurs” and key decision makers in the organization.

The semi-structured questionnaire was divided into five parts (Appendix A – Interview Questionnaire). The first part explored the interviewee background, type of service sectors, experience, education level and the company background. The second part of questions interrogates the impact of Covid-19 pandemic in overall business, the company financial performance during the pandemic, the issues related to supply chain, the ICT contribution before the pandemic and the organizational performance. The third part of questions explored organizational resilience and sustainability in terms of financial, supply chain, ICT support and network and overall organizational performance. The final part probed the lesson learnt due to the pandemic lockdown and global crisis and long-term sustainability strategy by the organization.

### **3.5 Data Collection**

Face to face interview was conducted as part of data collection. The participants were asked for concern and convenient time for meeting. The interviews were conducted at participants’ office premises or nearby premises that are convenient for the participant. The interview was recorded and some of the key points were jotted during the interview. The audio version of interviews was later transcribed (Appendix B- Transcribed Interviews) and if necessary, translated for further data analysis.

### **3.6 Data Analysis**

Qualitative studies use analytical themes to describe and elaborate social phenomena. These categories can be extracted empirically by obtaining gradually from data or rationalized early part of data or any part of the data. Deductive analysis is less common but mostly used for framework approach. The term grounded theory is used to describe the inductive process of identifying analytical categories. The data are read and reread to identify and index themes and categories: these may involve particular phrases, incidents or types of behavior. Sometimes interesting or unfamiliar terms used by the group or respondents can form the basis of analytical categories. Relevant data to each category are identified and analyzed using a process known as constant comparison. In this process, each item is examined or compared with the rest of the data to establish analytical categories systematically or coherently. Data that has discrete incidents will typically have multiple themes. (Pope et al, 2000). There are five stages of data analysis in the framework approach:-

- i) Familiarization: by listening to tapes, reading transcripts, studying notes; list the key ideas and recurrent themes

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- ii) Identifying a thematic framework- identifying all the key issues, concepts and themes by which the data can be examined. This can be drawn from the objectives of the study, issues raised by the respondents themselves and from the views of experience that recur in the data.
  - iii) Indexing- - applying the thematic framework or index systematically to all the data in textual form by annotating the transcripts with numerical. This is usually supported by a short text descriptor to elaborate the index heading.
  - iv) Charting- rearrange the data according to the appropriate part of the thematic framework to which they are related. The chart contains summaries of views and experiences.
  - v) Mapping and interpretation- using charts to define concepts and nature of phenomena. Creating typologies and finding relation between themes. The process of mapping and interpretation is influenced by original research objectives and themes that have been picked up from data. (Pope et al, 2000)

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## Chapter 4

### 4.0 Analysis

#### 4.1 Impact of Covid-19 on Service Sector

Service sector industry is the industry that deals directly with customer on daily basis. Most of the service sector operates in face to face and physical manner to provide services to customers. Studies (Bartik et al, 2020; Al-Fadly, A., 2020) shows that SME's went through financial crisis, struggle with the cash flow, changes in the organizational culture by working remotely, problem in supply chain, issues related to business relation due to the distance. In this study, when I explore the five different service sector which is health care, professional accounting and taxation, Insurance Agency, Training Academy and Real Estate Property, we found that not all the industry was badly affected with financial crisis. Some sectors like the Health Care and Insurance Service Sector were doing well financially but had other issues that are related to stress, emotional fear and trauma. This issue was hardly discussed, unless the paper is related to the health care industry. However, education related industry also had highlighted the mental constraint and health as part of Covid-19 impact on service industry.

##### 4.1.1 Negative Impact

In this study, financial issues most affected the service industry as the company has to pay the full salary for the staff, office rental, electricity, water. The company turnover has decreased more than 50 to 80 percent after the lockdown compared to the post-Covid. On top of that, the company has to accommodate additional charges such as paying internet fees to employees for them to work remotely, freight and transportation charges, which involve sending and receiving documents. The health care industry on other hand increases the expenses in purchasing test kits, PPE, Gloves and frequently hired clinical waste disposal services.

Apart from financial crunch, the company struggles with 'working remote' culture, whereby their productivity has decreased and due to that they struggle to deliver the job on time. The Academy service sector highlighted that the physical training gives more margin than the virtual training and is more effective.

Real Property Agents or Negotiators are mostly working on their own will, and these industry losses so many trained Real Property Negotiator that decided to find another job. Although none of the industries that I interviewed have laid out the staff but if this lock down prolonged they might have to lay off the staff.

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In terms of productivity, some service sectors are dormant, such as real estate property, some industry were operating virtually, some service sector were slow such as the Professional Accounting Sectors, due to the working remote and difficulty in obtaining documents from client due to the movement restriction orders.

Most of the service sectors that I interviewed were not dealing with supply chain. However, the health care industry encountered a shortage of medication at the end of pandemic, with having influenza outbreak. These causes, with shortage of raw materials that need to produce the cough medicines, eventually affect the distribution channel. However, the logistic related issue was hardly highlighted by these five industries.

#### **4.1.2 Positive Impact.**

Covid-19 has thought the business world to be more creative in terms of operation. Organizations have adapted themselves to work remotely, made changes in the way they operate and adapted more IT and telecommunication related technologies in their operations.

Health Care industry is one of the industry that was operating recklessly. This service sector turnover increases two-fold due to the large amount of testing related to the Covid-19 pandemic.

Although most of the education related sectors were facing longer lock down and restriction movement, they were operating via virtual training, webinar with using the technologies such as Zoom, MS Team View, Google Meet and so on. These allow them to hire expertise from abroad to work with them remotely. Therefore, the adaptation of technology gives positive impact on the business operation due to the lockdown.

The Insurance Company has come up with a signing up policy using an app, e-signature and some of the products can be released without physical contact. The insurance agent highlighted that this reduces the risk of physical contact and travelling costs.

Businesses also adopted courier logistic services that can easily deliver documents from one area to another, therefore this allows the business to continue without hindrance of restriction movement. This reduces the issue related to logistics.

The insurance company was not affected much as some of the product purchases increased, while some of the products such as travel insurance were not in demand at all. So having the diversity of products which meets the current



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market gives an advantage for the service industry. They have extended Will writing, which was the current market demand as many of the people were dying and they had to face financial issues due to the key person or the breadwinner is no more.

The real estate service industry found a sudden spike in the property market after the lockdown. More market players took advantage of the downturn market to purchase more property as the prices were crashing down and many could not hold on to the property.

## **4.2 Organizational Resilience and Sustainability**

### **4.2.1 Financial Support**

This study explores the financial support that a company obtains in order to sustain the financial crisis. Most of the service sector was using their reserved emergency fund to operate. However, they have highlighted some of the help from the government and financial institutes did help them to reduce the burden. Many services sectors claimed that SOCSO Prihatin, Penjana program, BSN's loan and other grants such as GKP has helped to reduce their financial issues. However, all of them claimed that the reserve cash and the emergency fund is the one supporting most of their business operations. Some policies that were introduced by the government such as the MTech grant helps the SME to accelerate into Digital Marketing. The company has highlighted that they could only sustain 6 months to 1 year if there was continuous lockdown.

### **4.2.2 Supply Chain Resilience**

The supply chain does not have much influence in these service-related industries. However, the health care industry claimed there was shortage of cough medicine for few months and they have to use herbal cough syrup due to the disruption in the raw material. However, the market recovered quickly as there was demand and supply. Logistics can be one of the major causes of disruption of supply chain. However, the government has allowed the logistic related companies such as Grab, Courier services, public taxi to operates to certain area and hours. This helps the supply chain to resume the business operations even during the Movement Control Order.

### **4.2.3 Distributed Leadership**

This study did not explore questions directly on leadership, however from the answers and the interviewee's body language, we could identify the leadership and management are still operating in traditional manner. Most of the company's key people are in charge of overall decision making and operation in the business. All the interviewee, didn't mention that it

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was collection of decision made by the management and usually the key person is mentioning that “I” made the decision. This shows that the centralized leadership culture has not changed and thus, distributed leadership has not contributed much on the sustainability of an SME. However, Insurance Agent has proposed that Key Person insurance is important as the insurance company can helps the company cash flow run, when something happens to the director or “Key Person”.

#### **4.2.4 Networked Structure**

The role of networks such as Cloud, Internet, Email has contributed a lot to the sustainability and resilience of businesses. All the interviewees agreed that have to use the online networking to connect to each other, passing, sharing the relevant documents, conducting training and meeting. The Academy trainer highlight the use of Application such as Shared Calendar, where they whole team could keep track of the events with the whole team. Even though industries like health care are more to physical interaction with the customers, the service provider provides consultant services via telecommunication for the B40 and foreign workers, whom are not well versed in using the technology. Therefore, the networked structure has a big role in organizational resilience and sustainability.

#### **4.2.5 Organizational Culture**

The pandemic has forced many organizations to change their working behavior and how to work remotely. Many service industries have adapted these organizational changes into their business operation, but some remain back in traditional way. Accounting and Tax service providers prefer the traditional way of working rather than working from home culture, as she claims the productivity drops and affects the company income and cash flows. However, the academy service sector has given leverage to work from home 2 days a week and from the office 3 days. This, according to him, has more flexibility in terms of working and the staff are more approachable even after office hours. The real estate service sector claimed that this allows them to give online training and cut the cost of training new REN (Real Estate negotiator) if the group is small. The most taxing health service industry has made changes by having more staff with two shifts and making changes in terms of contracting with each other, by avoid eating together, adapt more safety features like PPE, gloves, hand washing and distancing. The Insurance Service industry also adopted more virtual meeting and signing documents with the insurance company.

#### **4.2.6 ICT Contribution**

ICT has a big contribution for SME during the lockdown and MCO restriction order. SME’s quickly change the mode from working physically to working remotely. ICT contributes in terms of virtual meetings, training, signing documents via e-signing, transferring files, sharing files, digital marketing, online purchasing, logistic facility and using e-

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commerce platform for selling products. Without ICT, it is impossible to make all this communication and working remote is possible. Academicians could still run the courses via online. There is a major transformation towards the accelerating ICT in the business. Although, the health care service provider said there are many health care services that provide virtual consultation but it is not applicable in his area, as his clients are B40 groups and foreign workers as the clinic is located in an industrial area. However, the government initiative in introducing MTech Grant for using digital platforms for marketing has attracted many SME's to grab the opportunity and venture into digital marketing. The working remote and digital growth has given confidence to the SME's that if there is another global crisis, they could survive working remotely. The Academy trainer quote “ *If we face this situation again, we will be more ready , because we have digital 2 ready. We can work from offline to online quite fast.* ” . This indicates the SME's are more ready to move into digitalization. SME's have figured out the new era to work by changing the business model. However, with the current situation, most of the service sector businesses are not ready to invest in ICT, but they would take it up to in the future.

#### **4.2.7 Other Strategies.**

Diversification of business is one of the strategies that are discussed by the interviewee for sustainability. Diversify and not focus on one business for example if you are Real Estate Negotiator, you can diversify into sublet, sub-sale, property consultant, renovation and property management. This will generate revenue and during a crisis, if one product is not in demand, the other product's demand may increase. In the case of Insurance services, the travel insurance product has no sales but subsidize by other product such as medical, life, motor vehicle insurance. Therefore, the market demand still generates income for some products and subsidizes losses for other products.

Customized services are another strategy that attracts customers. Many industries are providing customized service. However, training and academy has leverage into customizing the training based on the need of the customer. This attracts oversea customers to join and get training in the academy.

The evolution in telecommunication has contributed widely for SMEs to enhance their customer relationship, digital marketing via WhatsApp, Twitter, and Telegram. This growth in telecommunication allows organizational meetings, organizing events in more effective and professional ways. This also allows nonphysical communication with the Doctor, whereby the health care service provider has given his personal number to be contacted at any emergency time and for more guidance for his patients. Telecommunication apps allow the government and private sectors to monitor their close contact and immediately report to the relevant management to reduce the risk of close contact. This indirectly contributed to an effective organizational management strategy.

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Free service and discount services have given a space to breathe for the struggling SMEs with financial crisis. The Accounting Service provider has given high discounts on the services to her client in order to retain her customers. She also given them, installment scheme for them to make payment. This has contributed as part for her strategy to be in Win-win situation with her struggling loyal clients.

Business succession planning is another strategy to sustain in the business. Businesses have to have exit plan if they fail to have transformation of adapt to new digital norms. The insurance service provider suggested that when you have a business succession plan, you will be able to pass the business to third party and the business able to sustain in the market. She even quoted “ Same thinking, same approach you would not expect different outcome but different thinking, different approach will definitely give you different outcome”

### **4.3 Lesson learnt and preparedness for future crisis.**

Pandemic has both negative and positive impact; however the lesson each organization has learnt from this pandemic is vast. Pandemic have thought the businesses are more wiggle, adaptive and flexible in nature. Businesses have learnt to be more innovative and adaptive toward the technology to operate. Various new strategies have contributed to sustainability and resilience of an organization. The insurance service provider suggested that the key person or director need to be protected in order, if there is any disaster hits the key management, the business can sustain. Therefore, the insurance company is coming up with more products that can protect the SMEs from the future pandemic to lower the risk from the company going bankruptcy.

Reserving more cash and cutting the overhead cost is another important lesson learnt during this pandemic. The service sector players realized the importance of cutting the cost on luxury spending, overhead spending with organizing big seminars workshop, and reserving more cash for future crisis. Investing in more liquid based investment such as money market, fixed deposit, overnight interest can contribute for more liquid cash availability in same times earning interest for the organization. However, the company can choose to invest in taxable and non-taxable investments available in the market. Academic service provider suggested that having leasing property and equipment is more flexible rather than investing on buying an asset property, as this gives easier strategy for exiting traditional business model to digitalized business model if required in future.

Diversifying the business and not focusing on traditional business methods is another lesson learnt from this pandemic. Many companies quickly adapt to change their production and sell products to PPE, gloves, and other medical

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equipment during the pandemic. This quick adaptation and transformation allow sustainability of the business during the pandemic.

Health care service provider suggested that businesses must be more vigilant to what is happening around and follow the guidelines of WHO, or related government body to curb the pandemic from spreading and becoming worse. He also highlighted that the government should control all the illegal activities that are related to consuming wildlife and contracting humans with wildlife. This will reduce the risk of future pandemics.

Hygienic environment and practices need to be put in working environments to reduce the risk of spreading viruses in working places.

Businesses are more prepared and ready to face any global crisis. Dr Daniel quotes “we take it as they come”. Businesses have moved to more digitalized platforms, although some still remain in traditional manner. Service sectors are willing to adapt and transform according to the current market demand. New digital companies are booming with new business models that can reduce the risk for future pandemics and working remote culture. Physical interaction is important for the service sector, but putting good practices into practice helps to reduce the risk of going through another crisis.

The government will also be more prepared in terms of policy to help and rebuild the service sectors that are badly affected. The government will have better management system to manage the future pandemic and SME's.

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# Chapter 5

## 5.0 Recommendations and Conclusion

This study has explored only a few service sectors. Therefore, in future I would suggest there are more service sectors that can be explored and analyzed using qualitative analysis software such as ATLAS. This analysis will give a more precise theme and more strategies that contribute to SME's sustainability and effectiveness. Therefore the model Obrenović, B et al, (2020) is being modified base on this study with additional diversification of business, customer relationship and business succession or transformation planning as part of effectiveness and sustainability model.

Figure 4: Write Something



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In Malaysia, enterprises are still following the hierarchical organizational leadership, rather than distributed leadership. In this study, the distributed leadership has less effect on sustainability. Customer relations are an important factor to explore as the service sectors are directly involved with customer satisfaction and loyalty that is crucial to generate income and revenue for business sustainability. Therefore, maintaining a good relationship with customers will help to retain the customer that leads to sustainability. Muller, AL (2014) identifies that customer relationship management is integrated with sustainability of a business.

Diversification strategy studied by Budiarto, D. et al, (2022) shows a strong relationship with sustainability, This study also highlights the diversification strategy by the service providers as part of organizational sustainability. Tajuddin et al (2017) suggested that SMEs must diversify their product lines and venture into new market opportunities.

Business transformation and succession is another strategy that has been highlighted in this study as part of sustainability strategy. Wei, Tsung-Che, 2017 outlined that transformation allows new generations to achieve innovation awards, allows SME's towards more organized management and strengthen cross-industry co-operation mechanism for enterprises sustainable development. This will lead to more "professionalism", "branding" and "globalization".

Government role and policies have played important role in the sustainability and effectiveness in managing crisis. However, there is lots of room for improvement in terms of helping the affected SMEs to sustain in the market. Both government and other financial institutions such as bank, PERKESO, TEKUN have equally contributed for the sustainability of the enterprises. The government has introduced various policies to help the SMEs to sustain the business. The PENJANA program and the MTEch program have an impact on digitalization and enhancing skills that attracts many young entrepreneurs. Nevertheless, the government's role for sustaining the SME's in the market during the pandemic has a great role. My suggestion is that the government should introduce more programs to enhance the effectiveness of SME and introduce polices that could make SME's survive during the crisis.

This study has limitations as the theme selection was categorized manually and not by software. However, the study population is small, and the future studies can include more service sectors input to have more precise and in depth exploration on organizational sustainability and resilience during the pandemic or global crisis.

This study can be further used for quantitative study with validity and reliable test on the question and to design a tool that can be used for future research.

In conclusion, this study has provided a good insight on the SME's resilience and sustainability and outlined some valuable strategies taken by the SMEs to sustain during the pandemic.

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## CHAPTER 6

### 6.0 References

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# APPENDICES

## Appendix A – Interviewee Transcript

### 6.1 1<sup>st</sup> Interviewee Transcript

**Dr Daniel – Health Care Service Sector**



#### **Background of Interviewee**

- |                                    |                                   |
|------------------------------------|-----------------------------------|
| 1. Type of service sector:         | <b>Health Care Service Sector</b> |
| 2. Company business starting year: | 2017                              |
| 3. Highest Level of Education:     | MD (Degree)                       |
| 4. Years of experience:            | more than 10 years.               |



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5. Designation/Position in that company                      Partnership

### **Background of the Company**

6. Size of the company (number of employees):            5 employee
7. Location of the business:                                      Balakong
8. Company Turnover before 2019:                            so initially at 2017 it was 200-333k,  
so it went up to 400k to 800k

### **Summarized Transcripts**

#### Impact of Covid-19 on year 2019 and 2020

##### The impact:

- a) How you describe the impact of covid -19 in your business? (If there is positive impact, will explore the positive impact). . What will be the impact of COVID 19 and how did the company managed it during the period?.

*So initially at 2017 it was 200-333k , so it went up to 400k to 800k and during the pandemic we did 1million over*

##### Financial performance

- a) How the covid-19 effect on your financial and cash flow situation of your business (explore the turnover difference before 2019 and 2019, 2020)

*The testing kit was one of our major financial cost lah. It wasn't really a issue because the testing kit eventually came down. Initially you are buying 20 25 ringgit a kit, now it hhas come down to 9 to 10 ringgit now. Now u can even can get it at your pharmacy, test kit and all that. Something which have been cheap.*

- b) Financial cost (wages, salary, maintenance, rental, advertisement, suppliers, logistic, mew government rules such as sanitizer, workers health insurance, expenses) that company struggle most during the pandemic.

*PPE, we have purchase large amount of PPE, we have to use PPE daily. Another thing was the disposal. Company that handle clinical waste management system. That service we use more frequently, which will incur more cost. Whatever earning we had, we shared with our doctors and staff during that time lah. Even staff use to get covid bonus for the test kit. For every test kit we use allocate certain amount for staff. We also want our staff also to enjoy the benefitslah, not only the owner or doctors. So we have doctors who used to come work part time in the clinic. They all enjoy the benefits.*

- 
- c) In terms of wages and salary of employee, do you face any challenges or is there any positive impact?

*This question is not relevant as the health care system was operating.*

### Supply chain

- a) Please share the challenges and limitation faced on the supply chain function – in term of planning, purchasing manufacturing, distribution and warehousing. Also, the impact on the customer demand for your product and services during the pandemic.

*As far as the supply chain concern, there wasn't really a problem to get test kit , medication, test kit. Because during the pandemic, not one or two companies, there 100 companies, selling this kits. So for us the challenge was to get lowest price for the most quality test kit.*

- b) How much it effects your suppliers and supply chain?

*This is regard the pharmaceutical companies, which had problem acquiring the raw materials to produce these medication. Because of the pandemice, one thing exhausted their supplies and second thing probably because of the economic demand, there is increase in price. Not only during the pandemic, post –pandemic a lot of things*

- c) What are the challenges you face on the distribution channel of your product and services to customer

*During that time not really a problem lah for acquiring medication but towards end of the pandemic , we have some problem. After the pandemic we have Influenze outbreak that time, there is lack of medication, like fever medication like paracetamol and flue medicines, caught medicines. Which another issue of procurement of raw material for these medication. increase in price. Even our pharmaceutical suppliers have told us that effective from this this date, all our product will have increase of certain percentage. This is due to the raw material thing. All these companies are giving same excuse as they import all these raw material has increase.*

- d) Do you face any challenges on logistic and networking with supply chain?

*No*

### Network/IT support

- a) Can you tell me about ICT/IT contribution /support for your business before Covid 19?

*Our clinic is in b40 area, so most of our patients are foreign workers. This virtual thing doesn't really help us. So what do I do is, alot patient has my personal number. I am very accessible. The main thing is in this nature of business, they want accessibility. If they cant settle something, or cant get something through my staff, they will contact me.*



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### Organisational performance

- a) What are the impact on your organisational behaviour, culture and leadership performance during COVID 19?  
*A lot of changes in terms of health. My health my staff health. It was working under constant fear. Some of my staff have sleeping problem, gastric problems. They have anxiety. The very word covid itself can put a lot of fear in general population. We are general population too. Eventhough we are in healthcare, we still call as general population too. Everytime when we work, we have positive covid cases, we have to sanitize the clinic and carry on working. Everytime staff got simple caught n flu and all, we are worried, whether it is covid, or it's not. Almost all my staff had covid and I had covid too during the August 2021, because all this testing and constantly wearing mask. I not only had covid, I had lung infection. One was covid and another one caused by bacterial infection. I was admitted in the hospital for a week and it took a month for me to fully recover. It wasn't easy for me. I have to come back to work. I have to go through the trauma of contacting on covid. After sometime, we started to get better. After the vaccination.*
- b) What are the measures taken by your company during the pandemic to sustain in the business? (lay off staff temporarily, seeking for financial support, selling of assets, using emergency fund, apply for bank moratorium, reduction from suppliers/landlord, scaleback services, temporary close down the business).  
*There is only one that we have applied. MTech the digital grant, we apply from the government, RM 5000. Then we do a app or IT using that grant. The one is government funds. Many people doesn't know. But we tell to our clients, those who need the service can apply through here. It is very good instrument. Because the government seldom fund for the SME right. This help the SME to bring the business into digital world.*

### Organizational Resilience and Sustainability

#### Financial support:

- a) If the company has sought for financial support, explore more on the type of financial support?  
*Financial support was always there. I always make sure we have good bank balance to start of with. We had emergency and reserve fund. We never took any profit at all initially. We never over use and take profit and all. We had good bank balance to keep 50 to 100k that we could purchase all this equipment, test kit. But then, the thing is about this covid test, they pay you as you test. So although there is a lot of money going out for purchase, there is a lot of money coming in too. So it works out nicely lah.*
- b) How long could your company sustain with the cashflow that your company had during the pandemic?  
*This question is not relevant as the company was operating during the pandemic.*

- 
- c) Government and financial institute have introduced policy to help the SME, what are type of policy you think is more effective for your business?

*The only financial support we got is from PERKESO, government gave for 6 months. I think that was ok lah but we could have done without that but having that something like a pluspoint. They also provided us with some amount of test kits, which we are grateful to PERKESO. About this perkeso is very good lah.*

### Supply chain

- a) What are measures taken to restore the supply chain related issue?

*We had low stock but we never went out of stock but except for cough medicine. Cough syrup was difficult to get during past few months. We have to use herbal cough syrup, but now we are back to have those stock supply.*

- b) In face of the pandemic, what are the strategies taken to resume your business operation?

*This question is not relevant as the health care system was operating.*

### Network/IT

- a) What is the contribution of networking and ICT in your business nature?

*For us, the digital marketing have help us to do the markeing. The social media help us to do the content, ideas and solutions. If you want more service than you have to pay for it . If you think it is enough then u can subscribe for the service. So atleast we have eye opener to this technologies to bring business into digital marketing lah. Insurance company also do some changes. Some sign up no need to require the physical meeting. They sign up through the e-signature. So during the lockdown, everyone also looks for the solution. Because we unable to meet client and all that. So that's why there is also digital marketing we try to promote all that. So for the sign up they also come up with non-face to face sign up and all that lah. It is easy for the client and for us as well. The government impose we could only travel certain radius km.*

- b) Will your firm accelerate its digital transformation after the pandemic?

*We have facebook page. 50% are foreign workers, usually they cant read and all that so no point but they come back if the service is good. In terms of local Malaysian, I understand that they are online most of the time lah. Nowadays it is more of social media kinda of things. A lot of doctors they go on Tik Tok and all this and try to get clients. But we believe that virtual is virtual. Not everything can be consulted virtually. Sometimes it is better to check in the clinic, because you want to check the blood pressure, lungs, you want to see for yourself rather than seeing a picture. It gives more confident. So virtual is small thing, like "hey Doctor I am having flu and caught, this is my temperature, Can I get MC and some medication for that?" That kinda small things. That*

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*is not always case. That is minimum line of patient comes with that kind of complaints. Mostly, dengue, respiratory throat infection, This kinda thing you cant check online and then you need to do swab. Like now for Influenza, you don't have self-test kit. They have only for Covid Self test Kit. In our area no lah, we don't think will be. But I think eventually will be the future, but not near soon. Like if you don't go to the clinic, you virtual you reduce the risk of getting infected by other bugs. You come to clinic only when u really need to see a doctor to avoid infection. It has it's pro and cons lah. It might be the future of medicine.*

#### Organisational performance.

- a) Have your organization has made any changes in terms of working culture, leadership and operational procedures? Can you elaborate more on the changes that have been made?

*Working hours is standard. I am somebody who is flexible. During the covid time, I can allow them to go early. During the covid time, they have to eat separately, so if one staff get infected others don't and putting other good practice. We have two shifts one morning , goes back at 4.30 and another come around 1pm and goes back 10pm. So we try to give the morning shift to go earlier.*

#### Lesson learnt – long term firm sustainability strategy

- b) Thinking about this pandemic that you have experienced for past 2 years, what, if anything are the lessons that your organization learned or that you would do differently?

*Reserve sufficient reserve fundlah. Because we do not know whether there is another pandemic coming. For example they will put the access fund into fd's, overnight rates, so you will get some interest but that one is taxable. Some of the placement , you call money market , so it is more liquid in the sense, giving company some income.*

- c) Thinking specifically about your organization, what are the most significant challenges to effective crisis response?

*Digitalization and working remotely*

- d) How important the lesson learned to a company's business development?

*If there is another pandemic happens, it depends on the level of quarantine order. Like the first quarantine, full quarantine, of course we will see drop in patients, it cut down cost of medication. Whether you can afford to have many staff, a lot of question come to play. However you are prepared also, you take challenges as it comes. For our time, for another pandemic happen is high. It is predicted by specialist, high possibility of another pandemic in 10 20 years. As population rises, there will be more contact between people and zoonotic*

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diseases. So it is possible for new strain to emerge. There will be risk of another pandemic happening. So this is quite inevitable because you never know, where this pandemic coming from. So u knows that old days certain animals like bats lives in caves, they don't have much contact with human. But now human are everywhere. Every part of the world, every jungle, every cave, where humans are poaching animals, killing animals, and driving them out of habitat, a lot of this animals diseases will be close contact to this humans. So when you ask how prepared we are, like you said, we can have financial backing. We will have power to purchase, suddenly we need large amounts of ppe or swabs, this and that. We won't know what kind of virus. It may be respiratory virus or some other form of virus. It may be air borne. It is logical to think it is air borne. Because air borne they pass on very fast lah. So won't know, so we go according to the WHO recommendations. What are our Ministry of Health recommendations? So we work according to it. Prepared, first of all we have to stop all this illegal activities lah. All the illegal trade market of wildlife to prevent. That is the way we prevent from future pandemic from happening lah.

- e) What are strategies has contributed to the effectiveness and sustainability of your firm after and during the Covid-19 Pandemic?

*Pandemic always happen, for example the pandemic was influenza, Spanish flu. It is exactly 100 years since before Covid. Because of the WHO vigilance and monitoring system, we have been able to avoid this outbreak to become pandemic. If not, we will go through a lot of pandemic.*

- f) Do you think your management is ready if there is another global crisis:

*Its hard very to say that. We are not government body. We are small. We never give thought on recession and all that. We never give thought it. What we give thought to is possible rise of cost of medication, difficulty in getting staff, and the possible difficulty in engaging with patient, virtual or not. These are things which are challenges for us as single unit. Even there is recession, I don't think Malaysia will be badly affected. I think Malaysia will be ok. I am not economist but we are country rich with natural resources and politically we are not that bad, compare to a lot of other countries. In terms of preparedness, yes we always have stock of PPE, we keep gloves stock. Gloves is something very hard to get during the pandemic. During the pandemic, a lot of people change the business to medical. People needed kits , mask gloves., PPE this that. Overnight we saw, companies producing PPE, gloves. It comes back to supply and demand lah I think. If there is demand for that, then there will be a lot of supply and all that. We don't have to think very far.*

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Pathma: Introduction. Yours health industry. Can you tell me background?

Daniel : I went through pre medical course in Ukrain in 2007 thereafter for 6 years for MD. So after which I came back, completed at 2011 and started my housemanship at hospital teluk Intan for 2 years. Then I was working at Tapah, at the government facility. I was attached to pejabat kesihatan daerah Tapah for about 3 ½ years, early 2014 to 2017. I left government service in 2017, to come over to this area, to Balakong to open own clinic as sole prop. I was quite confident that balakong was good area to starting up a clinic because of the demand for health services not onky from the local residence, from the nearby abundance of the factories. So when I starte the clinic in 2017. So I gave myself a running cost of 6 months. Around 6 month we were barely making it but we have to hold on for about another few months. So in one year we picked up. Initially the sales was quite low. We started up with sales about 200k to 300k . Throughout this 5 to 6 years, our clinic now have been operational. So every year there was good growth curvelah. In terms of panels, companies that we have acquired. In terms of TPA (The third Party Administrator). Mostly, because we always believe in low health cost for the local population. Because who we are serving in the area balakong, mostly are B40. When you are serving that particular type of people, it will be only right not to over charge them and charge them according to what they can support. We concentrated our energy more to volume . We also concentrated on the quantity and quality. Our profit margins are minimum lah compare to other clinic. Despite the challenges that we face, we want to give them affordable and quality health care service. We have one clinic at Puncak Alam, which is the hq. The hq run by my bestfriend. He runs the clinic there. So the name Mikhail is my best friend eldest son's name.

Pathma: Size of the company, number of employee.

Daniel : We have 5 employees, for the company of our size, I think the size of employee is more than enoughlah. Actually clinic of ours we can run with four employee.if 3 sometimes, I feel if it is 3, then they it is difficult for them to take leave and all that. Coz any given time we have two staff workinglah. I took extra staff, so they can enjoy their annual leave.Although other clinic around running clinic with sometimes 2 employee but I feel this is something that we are doing so that our staff will be happy. This is something that we want the employee not to overload with overtime and work. They can take leave and enjoy their benefits. So we want them to be happy and healthy.

Pathma: Company turnover 2019 during the pandemic and post pandemic?

Daniel: so initially at 2017 it was 200-333k , so it went up to 400k to 800k and during the pandemic we did 1million over. So I would attribute that covid did bring us a lot of business because of testing that we were doing. We were doing high volume of testing. We were doing testing for the companies. Of course it brings us business but at the sametime we took the risk which is involve. Risk of getting covid and other infectious diseases. Because you are doing the screening. So we took all the measures to wear all the PPE. We organize staff to follow doctor to do the screening,. Which is very very tiring actually. We can go over for sometimes hours. That was our income. We were contributing on this covid test because we found during the covid time a lot of people reluctant come to clinic. A lot of them try to seek help online. Going through online video call with doctors. Online platform where you can check with doctors and all that. Some clinics they offer

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virtual consultation. Then u send medication to them through some other 3<sup>rd</sup> parties lah. A lot of clinic was doing that but we were not quite equipped to do that. Simply why, because we were serving the population with majority of b40. Who don't have virtual facility. Not to say they don't have, they don't use it that much lah.

Pathma: Financial cost that company struggle

Daniel: The testing kit was one of our major financial cost lah. It wasn't really a issue because the testing kit eventually came down. Initially you are buying 20 25 ringgit a kit, now it has come down to 9 to 10 ringgit now. Now u can even get it at your pharmacy, test kit and all that. Something which have been cheap.

Pathma: Anything cost

Daniel: PPE, we have purchase large amount of PPE, we have to use PPE daily. Another thing was the disposal. Company that handle clinical waste management system. That service we use more frequently, which will incur more cost. Whatever earning we had, we shared with our doctors and staff during that time lah. Even staff use to get covid bonus for the test kit. For every test kit we use allocate certain amount for staff. We also want our staff also to enjoy the benefits lah, not only the owner or doctors. So we have doctors who used to come work part time in the clinic. They all enjoy the benefits.

Pathma: Supply chain, challenges to get your medication, ppe, test kit

Daniel: As far as the supply chain concern, there wasn't really a problem to get test kit, medication, test kit. Because during the pandemic, not one or two companies, there 100 companies, selling this kits. So for us the challenge was to get lowest price for the most quality test kit. What we are looking for is quality for the test kit. I was strict with quality. I don't like to compromise on quality. Even the medication that we use, we use only branded. We don't use cheap and not so effective.

Pathma: What is the challenges you face on the distribution channel of your product and services to customer?

Daniel: SO the distribution channel goes like this, the company who is producing the product goes to the company who is the distributor. So this distributor the purchase bulk from different different companies who produce the drugs and they distribute to us. But the logistic and everything handle by them.

Pathma: Any difficulties on logistic part?

Daniel : During that time not really a problem lah for acquiring medication but towards end of the pandemic, we have some problem. After the pandemic we have Influenza outbreak that time, there is lack of medication, like fever medication like paracetamol and flue medicines, cough medicines. Which another issue of procurement of raw material for these medication. This is regard the pharmaceutical companies, which had problem acquiring the raw materials to produce these medication. Because of the pandemic. One thing exhausted their supplies and second thing probably because of the economic demand, there is increase in price. Not only during the pandemic, post –pandemic a lot of things increase in price. Even our pharmaceutical suppliers have told us that effective from this this date, all our product will have increase of certain percentage. This is due to the raw material thing. All these companies are giving same excuse as they import all these raw material has increase.

Pathma: How much have they increase?

Daniel : Lower than 10%.

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Pathma: ICT contribution and support for your business for covid 19.

Daniel: Our clinic is in b40 area, so most of our patients are foreign workers. This virtual thing doesn't really help us. So what do I do is, aalot patient has my personal number. I am very accessible. The main thing is in this nature of business, they want accessibility. If they cant settle something, or cant get something through my staff, they will contact me.

Pathma: Organizational culture change, behavior change ?

Daniel : A lot of changes in terms of health. My health my staff health. It was working under constant fear. Some of my staff have sleeping problem, gastric problems. They have anxiety. The very word covid itself can put a lot of fear in general population. We are general population too. Eventhough we are in healthcare, we still call as general population too. Everytime when we work, we have positive covid cases, we have to sanitize the clinic and carry on working. Everytime staff got simple caught n flu and all, we are worried, whether it is covid, or it's not. Almost all my staff had covid and I had covid too during the August 2021, because all this testing and constantly wearing mask. I not only had covid, I had lung infection. One was covid and another one caused by bacterial infection. I was admitted in the hospital for a week and it took a month for me to fully recover. It wasn't easy for me. I have to come back to work. I have to go through the trauma of contacting on covid. After sometime, we started to get better. After the vaccination.

Pathma: Financial support, u got to buy more PPE medical equipment and all that? Form where you got the financial support?

Daniel: Financial support was always there. I always make sure we have good bank balance to start of with. We had emergency and reserve fund. We never took any profit at all initially. We never over use and take profit and all. We had good bank balance to keep 50 to 100k that we could purchase all this equipment, test kit. But then, the thing is about this covid test, they pay you as you test. So although there is a lot of money going out for purchase, there is a lot of money coming in too. So it works out nicely lah.

Pathma: Did you go to for financial help from government or financial institute?

Daniel: The only financial support we got is from PERKESO, government gave for 6 months. I think that was ok lah but we could have done without that but having that something like a pluspoint. They also provided us with some amount of test kits, which we are grateful to PERKESO. About this perkeso is very good lah.

Pathma: So Dr. when you said there is issues with supply chain. What are the measures to restore supply chain.

Daniel : We had low stock but we never went out of stock but except for cough medicine. Cough syrup was difficult to get during past few months. We have to use herbal cough syrup, but now we are back to have those stock supply.

Pathma: Accelerate ICT?

Daniel : It will go based on the demand of local.

Pathma: Any idea to establish website?

Daniel: We have facebook page. 50% are foreign workers, usually they cant read and all that so no point but they come back if the service is good. In terms of local Malaysian, I understand that they are online most of the time lah. Nowadays it is more of social media kinda of things. A lot of doctors they go on Tik Tok and all this and try to get clients. But we



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believe that virtual is virtual. Not everything can be consulted virtually. Sometimes it is better to check in the clinic, because you want to check the blood pressure, lungs, you want to see for yourself rather than seeing a picture. It gives more confidence. So virtual is small things, like “hey Doctor I am having flu and cough, this is my temperature, Can I get MC and some medication for that?” That kinda small things. That is not always case. That is minimum line of patient comes with that kind of complaints. Mostly, dengue, respiratory throat infection, This kinda thing you cant check online and then you need to do swab. Like now for Influenza, you don’t have self test kit. They have only for Covid Self test Kit. In our area no lah, we don’t think will be. But I think eventually will be the future, but not near soon. Like if you don’t go to the clinic, you virtual you reduce the risk of getting infected by other bugs. You come to clinic only when u really need to see a doctor to avoid infection. It has it’s pro and cons lah. It might be the future of medicine.

Pathma: Changes the organizational culture?

Daniel : Working hours is standard. I am somebody who is flexible. During the covid time, I can allow them to go early. During the covid time, they have to eat separately, so if one staff get infected others don’t and putting other good practice. We have two shifts one morning , goes back at 4.30 and another come around 1pm and goes back 10pm. So we try to give the morning shift to go earlier.

Pathma: What about doctor? You will be working 16 hours stretch?

Daniel : we work 200 hours a week is standard but during the pandemic, everyone is working hard. Even after working , I use to go do testing.

Pathma: lesson you learnt from this pandemic?

Daniel: If there is another pandemic happens, it depends on the level of quarantine order. Like the first quarantine, full quarantine, of course we will see drop in patients, it cut down cost of medication. Whether you can afford to have many staff, a lot of question come to play. However you are prepared also, you take challenges as it comes. For our time, for another pandemic happen is high. It is predicted by specialist, high possibility of another pandemic in 10 20 years. As population rises, there will be more contact between people and zoonotic diseases. So it is possible for new strain to emerge. There will be risk of another pandemic happening. So this is quite inevitable because you never know, where this pandemic coming from. So u knows that old days certain animals like bats lives in caves, they don’t have much contact with human. But now human are everywhere. Every part of the world, every jungle, every cave, where humans are poaching animals, killing animals, and driving them out of habitat, a lot of this animals diseases will be close contact to this humans.

So when you ask how prepared we are, like you said, we can have financial backing. We will have power to purchase, suddenly we need large amounts of ppe or swabs, this and that. We won’t know what kind of virus. It may be respiratory virus or some other form of virus. It may be air borne. It is logical to think it is air borne. Because air borne they pass on very fast lah. So wont know, so we go according to the WHO recommendations. What is our Ministry of Health recommendations. So we work according to it. Prepared, first of all we have to stop all this illegal activities lah. All the illegal trade market of wildlife to prevent. That is the way we prevent from future pandemic from happening lah.

Pathma:



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Daniel : Pandemic always happen, for example the pandemic was influenza, Spanish flu. It is exactly 100 years since before Covid. Because of the WHO vigilance and monitoring system, we have been able to avoid this outbreak to become pandemic. If not , we will go through a lot of pandemic.

Pathma: DO you think your management is ready if there is another global crisis?

Daniel : What you mean by global crisis.

Pathma: Can be pandemic, can be natural disaster,

Daniel : Its hard very to say that. We are not government body. We are small. We never give thought on recession and all that. We never give thought it. What we give thought to is possible rise of cost of medication, difficulty in getting staff, and the possible difficulty in engaging with patient, virtual or not. These are things which are challenges for us as single unit. Even there is recession, I don't think Malaysia will be badly affected. I think Malaysia will be ok. I am not economist but we are country rich with natural resources and politically we are not that bad, compare to a lot of other countries. In terms of preparedness, yes we always have stock of PPE, we keep gloves stock. Gloves is something very hard to get during the pandemic. During the pandemic, a lot of people change the business to medical. People needed kits , mask gloves., PPE this that. Overnight we saw, companies producing PPE, gloves. It comes back to supply and demand lah I think. If there is demand for that, then there will be a lot of supply and all that. We don't have to think very far.

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## 6.2 2<sup>nd</sup> Interviewee Transcript

### Madam Shanti – Accounting, Taxation and Business Consultation (Professional Service Sector)



#### Background of Interviewee

- |                                         |                                                        |
|-----------------------------------------|--------------------------------------------------------|
| 1. Type of service sector:              | <i>Accounting, Taxation and Business Consultation</i>  |
| 2. Company business starting year:      | <i>18 years ago</i>                                    |
| 3. Highest Level of Education:          | <i>Professional Chartered Accountant and Tax Agent</i> |
| 4. Years of experience:                 | <i>25 years</i>                                        |
| 5. Designation/Position in that company | <i>Company Director</i>                                |

#### Background of the Company

- |                                              |                                                                                     |
|----------------------------------------------|-------------------------------------------------------------------------------------|
| 6. Size of the company (number of employee): | <i>staffs and we have 4 directors</i>                                               |
| 7. Location of the business:                 | <i>Taman Segar, Cheras.</i><br><i>No branches ( earlier 2 branches closed down)</i> |
| 8. Company Turnover before 2019:             | <i>300k to 400k</i>                                                                 |

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## Summarized Transcripts

### Impact of Covid-19 for year 2019 and 2020

#### The impact:

- a) How you describe the impact of covid -19 in your business? (If there is positive impact, will explore the positive impact). . What will be the impact of COVID 19 and how did the company managed it during the period?

*Covid after 2019, especially 2020, drastically drop, I can say even below 100k*

#### Financial performance

- a) How the covid-19 effect on your financial and cash flow situation of your business (explore the turnover difference before 2019 and 2019, 2020)?

*Covid after 2019, especially 2020, drastically drop, I can say even below 100k*

- b) Financial cost (wages, salary, maintenance, rental, advertisement, suppliers, logistic, mew government rules such as sanitizer, workers health insurance, expenses) that company struggle most during the pandemic.

*“Ok the major issue that I face was salary to my employees. there wasn’t any deduction in their salary. Rental, one month only I got deduction , 30%.My office expenses, stationaries, phone bills, electricity. The major was my electricity. Even though there is no staff but for computer use, server use, I had some difficulty to pay for the electricity. “*

- c) In terms of wages and salary of employee, do you face any challenges or is there any positive impact?

*I paid them the full salary from my savings.*

#### Supply chain

- a) Please share the challenges and limitation faced on the supply chain function – in term of planning, purchasing manufacturing, distribution and warehousing. Also, the impact on the customer demand for your product and services during the pandemic

- b) How much it effects your suppliers and supply chain?

*Supply chain is not relevant for this service*

- c) What are the challenges you face on the distribution channel of your product and services to customer

*Not relevant for this service*

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d) Do you face any challenges on logistic and networking with supply chain?

*Not relevant for this service sector.*

e) Other logistic issues?

*Yes I face those challenges, as you know lock down, client unable go to bank to collect their bank statement, and they can't travel to my office because lock down. So not much input from my client side. During the lockdown, documents are very very delay. Not arriving on time or later in order for me to commence the work for them on time.*

### Network/IT support

a) Can you tell me about ICT/IT contribution /support for your business before Covid 19?

*Before the covid 19, we get info directly from the client , through email and all that. There was no working from culture was introduced. Once MCO, Covid and pandemic, government come up with new structure working from home. So that's where IT came into the picture. Everything we deal from online. We have webinar, online discussion, and also phone telecommunication. So the phone and computer was more easy.*

### Organisational performance

a) What are the impact on your organisational behaviour, culture and leadership performance during COVID 19?

*So if you ask my comment, I don't believe in working from home. Because the things is we are working with documentation papers and figures. If you are working in the office that is different because you can concentrate. You will be productive. When you working from home, you are not able to see the person. Once you login, after that what happening, we unable to detect. In that manner, I would say productivity will be very very slow. I have trust on my staff but their productivity were slow in order to meet my dateline. The function of network problem is quite smooth. Work can be easier to dealt it but productivity is slow, even though ICT support is there. I would say this totally human error. Change of culture, maybe we are more relaxing the staff.*

b) What are the measures taken by your company during the pandemic to sustain in the business? (lay off staff temporarily, seeking for financial support, selling of assets, using emergency fund, apply for bank moratorium, reduction from suppliers/landlord, scaleback services, temporary close down the business).

*In my organization, I didn't lay any of my staff. But to retain my client, I have given them 70% discount from my normal fees. Because I want them to retain me. That was the major effect in my financial, because giving them so much of discount. And also collecting partial payment, instead of one lump sum payment. Partial payment means 200, 300 until they settle my fees.*

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## Organizational Resilience and Sustainability

### Financial support:

- a) If the company has sought for financial support, explore more on the type of financial support?  
*During the pandemic time, there was a lot of government was supporting othe ways of financial. All this loan, GKP (Grant) and all that. So GKP did help lah. Eventhough the payment is not one lump sum but every month they put 500 like that, but I have taken a loan from BSN loan, RM 25 000 to pay the salary. That's why during this pandemic, I never deduct any salary compare to other company. Because I use this RM 25k to pay salary for them.*
- b) How long could your company sustain with the cashflow that your company had during the pandemic?  
*I can only sustain for 2 years not more than that if they have longer period of shut down*
- c) Government and financial institute have introduced policy to help the SME, what are type of policy you think is more effective for your business?  
*GKP, Socso Prihatin, SME's zero & loan by BSN. The BSN is zero percent interest. Something like this will be helpful. SM E loan can be given with zero % interest and can be paid in short term 3 yrs to 5 years. This depends because , BSN loan only maximum 75k per company not more than that. So if they give more like 100k or 200k, maybe we could sustain for longer period during the pandemic, if they want to extend.*

### Supply chain

- a) What are measures taken to restore the supply chain related issue?  
*Not relevant.*
- b) In face of the pandemic, what are the strategies taken to resume your business operation?  
*I use social media facebook, instagram , just keep update all my service. But there is no personal approach from the client through social media. . I give discounts to client to retain in the business. Some clients I didn't bill them, because they were loyal client. Especially my besi buruk client all, they really shut down their business.*

### Network/IT

- a) What is the contribution of networking and ICT in your business nature?  
*Marketing via social media and communication and data transfer within employee and client.*
- b) Will your firm accelerate its digital transformation after the pandemic?

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*My business for 25 years is by referral only. Because I prefer, face to face, so this instagram facebook all, because this in the market, I have to use that. For your information, ever since I have instagram, facebook, not even one case was picked up from my social media. Until today it is only referrals case.*

Organisational performance.

- a) Have your organization has made any changes in terms of working culture, leadership and operational procedures?  
Can you elaborate more on the changes that have been made?  
*I have not change anything. My working remains the same. Only thing is change of staff, as some staff resign. The pandemic staff all resign, and I have new batches.*

Lesson learnt – long term firm sustainability strategy

- a) Thinking about this pandemic that you have experienced for past 2 years, what, if anything are the lessons that your organization learned or that you would do differently?  
*For my organization is I have learn is how to control your financial, how to manage your financial. That is happen, lockdown all this happen suddenly. So there was restriction on moving around, that give me a lesson how to manage travelling cost, budgeting the expenses. More staff were working from home, I face different budget. For your information, I paid each of my staff 100 extra for using their internet.*
- b) Thinking specifically about your organization, what are the most significant challenges to effective crisis response?  
*Payment collection. That is the toughest time I had. Even with 70% discount, until now, I haven't collected 2020 and 2021 fees. So obviously, tough time for my payment collection.*
- c) How important the lesson learned to a company's business development?  
*Emergency fund. A person who running the business, should pre-planned for the situation.*
- d) What are strategies has contributed to the effectiveness and sustainability of your firm after and during the Covid-19 Pandemic?  
*During the pandemic, we just follow the protocols, that didn't much help. After the pandemic, We organize ourselves, what kind of privileges I can give them. That I learn as strategy. Some of them cannot travel, use the Grab facility. So we figure out the easier way to send and receive documents. Previously, we go there and collect them, they never give also, we pressure them. So easier way to send document collect document using grab facility. So that really help to manage and run the business during the pandemic.*
- e) Do you think your management is ready if there is another global crisis?

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*I am ready but we have to manage how to provide services, working from home.*

### **Transcripts Madam Shanti – Accounting, Taxation and Business Consultation**

Pathma: Good afternoon Ms Shanti, I am Pathma. I would like to interview you on Organizational Resilience and Sustainability of the Service-related industries' during and after Covid- 19 Pandemic. Can you tell me about you and your company background, your experience

Shanti : Good afternoon Pathma. Nice to meet you today. My name is Madam Shanti, I am in practicing accounting, taxation and secretarial but my service is more on taxation. Earlier I run as sole proprietor, now we already converted to Sdn Bhd, plus minus 18 years in this industry and in this business. Overall I have 25 years' experience in Accounting and taxation. I have 10 staff and we have 4 directors in this company, including 2 daughters and me.

Pathma: Can you tell me about your business location.

Shanti : Our office is currently at Taman Segar, Cheras

Pathma: Do you have any other branch?

Shanti : Earlier I have setup a branch in Klang and Seremban but unfortunately it was not successful. Because we are not there everyday, so I happen to close down the branches over there.

Pathma: If you don't mind can you tell me about your company turnover before 2019

Shanti: It is P&C but since you are doing, before Covid around 300k to 400k. Covid after 2019, especially 2020, drastically drop, I can say even below 100k

Pathma: How do u describe the impact of covid 19 in your business? Overall impact, you can talk about your services, financial, compliance.

Shanti: All my clients are SME clients. I don't handle corporate clients. SME clients in this pandemic, very very badly affected. I can say 80 to 90% the business is drop. Some SME client, who were doing very well, example some like besi buruk(scrap metal), logistic company and all that, they already close down, which badly affected my business. Because when my client is not doing well, they happen to lose their business, they are close down. No more business for me to do accounting and taxation. But there is obligation under the law that they must submit their tax income, whether there is income or no income. In that manner, I was providing some free services to submit their tax to meet dateline for them, and also to avoid any late submission, because one reason they have been very long with me. I could say I lost some of my clients because they can't afford to pay my fees because business was very down during covid 19.

Pathma: What is the major financial issues that you face during the pandemic?

Shanti : Ok the major issue that I face was salary to my employees. Even though there was support from the Socso , Prihatin scheme , but that is not much support. So I have to come and top up with my own saving and all that to pay the salary to sustain them in my company. So there wasn't any deduction in their salary. Only the first one there was reduction,



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which was supported by the prihatin socso. Other than that I paid them the full salary from my savings. Rental also for your information Pathma, one month only I got deduction , 30% , but the other side my landlord was nice person , didn't demand for rental, so only one month I took discount but the rest of the months, I paid full to him.

Pathma: There was two lock down, 2020 and 2021 isn't it?

Shanti : 2020, was almost a year the full lockdown , 2021 up to August. So the first lockdown, we totally lost in the business. Eventhough it is lockdown but I retain the staff to do work from home. So that was the reason , I was paying them full salary. The second lock down still slow but manageable. My service industry are manageable, because my client are with me for long term and they supported me.

Pathma: Other expenses, other than the rental and wages, what are the other cost that you were paying?

Shanti : My office expenses, stationaries, phone bills, electricity. The major was my electricity. Even though there is no staff but for computer use, server use, I had some difficulty to pay for the electricity.

Pathma: Do you face any challenges on logistic to meet your clients?

Shanti : Yes I face those challenges, as you know lock down, client unable go to bank to collect their bank statement, and they can't travel to my office because lock down. So not much input from my client side. During the lockdown, documents are very very delay. Not arriving on time or later in order for me to commence the work for them on time.

Pathma: What about from your side to send documents to them?

Shanti : For me to send the documents has no issue. From them to deliver bank statement, they have to travel to one place to another place and they couldn't. So the work got stagnant.

Pathma: This pandemic has change our working culture. How much does ICT and network supported your business before the covid 19 and what are the changes after the covid 19?

Shanti : Before the covid 19, we get info directly from the client , through email and all that. There was no working from culture was introduced. Once MCO, Covid and pandemic, government come up with new structure working from home. So that's where IT came into the picture. Everything we deal from online. We have webinar, online discussion, and also phone telecommunication. So the phone and computer was more easy.

Pathma: So you were telling me staff working from home, so in terms of monitoring?

Shanti : So if you ask my comment, I don't believe in working from home. Because the things is we are working with documentation papers and figures. If you are working in the office that is different because you can concentrate. You will be productive. When you working from home, you are not able to see the person. Once you login, after that what happening, we unable to detect. In that manner, I would say productivity will be very very slow. I have trust on my staff but their productivity were slow in order to meet my dateline.

Pathma: What are the challenges u face when you are using ICT during discussion?

Shanti : the function of network problem is quite smooth. Work can be easier to dealt it but productivity is slow, even though ICT support is there. I would say this totally human error. Change of culture, maybe we are more relaxing the staff.

Pathma: What are the organizational culture behavior, leadership performance during covid 19?



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Shanti: I would say very poor. Leadership and culture was very poor, because it totally change our life style. Instead of coming to work and work , working from home, really drop. Impact my business, especially getting the income. So when the is no productivity, we cannot come out with the invoices to collect the payment . Moreover, clients are there in the problem of pandemic, can't afford to pay the fees. So I face financial problem from my client to collect the fees.

Pathma: What are the measures taken by your company to sustain in the business?

Shanti : In my organization, I didn't lay any of my staff. But to retain my client, I have given them 70% discount from my normal fees. Because I want them to retain me. That was the major effect in my financial, because giving them so much of discount. And also collecting partial payment, instead of one lump sum payment. Partial payment means 200, 300 until they settle my fees.

Pathma: So what else your company has done? Have you sell off any assets, use emergency fund? Have applied for bank moratorium?

Shanti: During the pandemic time, there was a lot of government was supporting othe ways of financial. All this loan, GKP (Grant) and all that. So GKP did help lah. Eventhough the payment is not one lump sum but every month they put 500 like that, but I have taken a loan from BSN loan, RM 25 000 to pay the salary. That's why during this pandemic, I never deduct any salary compare to other company. Because I use this RM 25k to pay salary for them.

Pathma: What about any bank moratorium?

Shanti : No for my company, I never take any moratorium.

Pathma: For how long this 25k help u ?

Shanti: for your information pathma, salary for my staff per month is 25k to 30k. So this 25k only help me one month.

Pathma: With whatever you have, how long u could sustain?

Shanti : I can only sustain for 2 years not more than that if they have longer period of shut down. Because I am in the service industry, my support is my client. If economy is not doing very well than they close down their business or whatever, then my business will be badly affected.

Pathma: The government and financial institute have introduced policy to help the SME. What type of policy that you think more effective for your business?

Shanti : As you said the short term loan, appropriate for the business. The BSN is zero percent interest. Something like this will be helpful. SM E loan can be given with zero % interest and can be paid in short term 3 yrs to 5 years. This depends because , BSN loan only maximum 75k per company not more than that. So if they give more like 100k or 200k, maybe we could sustain for longer period during the pandemic, if they want to extend.

Pathma: What you think ab Socso SIP?

Shanti : SOCSO SIP is not favorable for the employer, but it is favorable for the employee. Even tough small portion is given but the employee is enjoying the benefits.

Pathma: What about GKP?

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Shanti : GKP is all about you are giving all the information about the company. So LHDN has system call big data. So when you provide your company information and all that, your information already collected in the big data. You might run the company 10 years and never notify them before, but now because of the gkp, it helps you 500 or 1000, but you are providing the information. That information is big data, so the lhdn will make you to declare the tax. So I am looking in two ways, whereby the money is coming from LHDN it helps you to pay some of your expenses and all. Second time you also giving forward all your information in the big data, for them to after you.

Pathma: What are the measures take to restore the supply chain.

Shanti: Supply chain is more to client side, doesn't involve my nature of business.

Pathma: In the phase of this pandemic, what are the strategies taken to sustain in the business?

Shanti : I use social media facebook, instagram , just keep update all my service. But there is no personal approach from the client through social media.

Pathma: So you are doing advertising through social media...apart from that any other strategies... that you were giving discounts to your client...

Shanti : yea. I give discounts to client to retain in the business. Some clients I didn't bill them, because they were loyal client. Especially my besi buruk client all, they really shut down their business.

Pathma: We were talking ab ICT contribution, for your staff to work from home n all that, will you accelerate or invest more in ICT?

Shanti: My company is not that big, medium size company. For me to invest in the equipment yes, in order to grow bigger and all that, It is not applicable in this business. We are in accounting business, which is already available there. Unless my business boom up double up, before pandemic, I might change the systemlah.

Pathma: You have been doing advertising marketing online. Do u think you would invest more on that, like hiring some IT personel?

Shanti: My business for 25 years is by referral only. Because I prefer, face to face, so this instagram facebook all, because this in the market, I have to use that. For your information, ever since I have instagram, facebook, not even one case was picked up from my social media. Until today it is only referrals case. I have my daughter, shamini, which is business developing manager in my company. She did brought some client with her experty and all. We are growing , for 2021, I got few clients approach me. This year I can see 15 to 20 new client approaching me to do their tax. So that's how manage to sustain with lost client, with new client.

Pathma: Have you change your working culture, operational procedure?

Shanti: Nothing. I have not change anything. My working remains the same. Only thing is change of staff, as some staff resign. The pandemic staff all resign, and I have new batches

Pathma: So now we are going to talk ab the lesson learn from this pandemic, what your organization would done differently?

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Shanti : For my organization is I have learn is how to control your financial, how to manage your financial. That is happen, lockdown all this happen suddenly. So there was restriction on moving around, that give me a lesson how to manage travelling cost, budgeting the expenses. More staff were working from home, I face different budget. For your information, I paid each of my staff 100 extra for using their internet. So that was one of their expenses, which bare by the company.

Pathma: What are the most significant challenges for crisis respond?

Shanti : Payment collection. That is the toughest time I had. Even with 70% discount, until now, I haven't collected 2020 and 2021 fees. So obviously, tough time for my payment collection.

Pathma: How important the lesson you learn from this pandemic to your organization?

Shanti : This pandemic suddenly occur. I would say I was one of them, don't have special saving money. We role by the business. When this pandemic happen,we would say we struggle, because we have no pre plan. We have no single clue, what is next going to happen, what is the nest step. When we can restart the operation and all that. So that was the difficult part we were going through.

Pathma: So now u think the saving is important...

Shanti : Yes, emergency fund. A person who running the business, should preplanned for the situation

Pathma: What are strategies that contributed to sustainability of your firm?

Shanti : during the pandemic, we just follow the protocols, that didn't much help. After the pandemic, We organize ourselves, what kind of privileges I can give them. That I learn as strategy. Some of them cannot travel, use the Grab facility. So we figure out the easier way to send and receive documents. Previously, we go there and collect them, they never give also, we pressure them. So easier way to send document collect document using grab facility. So that really help to manage and run the business during the pandemic.

Pathma: Do you think your management is ready if there is another global crisis?

Shanti; I am ready but we have to manage how to provide services, working from home.

Pathma: Thank you for your time.

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## 6.3 3<sup>rd</sup> Interviewee Transcript

Mr Lingesh – Training and Academy Service Sector.



### Background of Interviewee

- |                                          |                                                                |
|------------------------------------------|----------------------------------------------------------------|
| 1. Type of service sector:               | <i>Training and Academy Service Sector (Education Service)</i> |
| 2. Company business starting year:       | <i>2020</i>                                                    |
| 3. Highest Level of Education:           | <i>Master MBA and currently pursuing my DBA</i>                |
| 4. Years of experience:                  | <i>1 year</i>                                                  |
| 5. Designation/Position in that company: | <i>Sole Proprietor</i>                                         |

### Background of the Company

- |                                              |                     |
|----------------------------------------------|---------------------|
| 6. Size of the company (number of employee): | <i>7 employees</i>  |
| 7. Location of the business:                 | <i>Cyberjaya</i>    |
| 8. Company Turnover before 2019:             | <i>Not relevant</i> |

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## Summarized Transcripts

### Impact of Covid-19 for year 2019 and 2020

#### The impact:

- a) How you describe the impact of covid -19 in your business? (If there is positive impact, will explore the positive impact). . What will be the impact of COVID 19 and how did the company managed it during the period?

*Now the impact is, we cannot do face-face training. We are not able to run any program. So basically everything have to move online. So there few disadvantages doing online . 1. The experience of training we deliver face to face is much better. No 2. The training amount that we charge. Face to face give us better margins compare to virtual trainings. In term of cost, although it is cheaper to run virtual trainings. I couldn't charge more to my client.*

#### Financial performance

- a) How the covid-19 effect on your financial and cash flow situation of your business (explore the turnover difference before 2019 and 2019, 2020)?

*So we start up at the peak of Covid, so everything was slow for about 6 to 7 months, then slowly , gradually picked up.*

- b) Financial cost (wages, salary, maintenance, rental, advertisement, suppliers, logistic, mew government rules such as sanitizer, workers health insurance, expenses) that company struggle most during the pandemic.

*Fixed cost, rental of the office, and we have staff, although we are not doing any business, I still have to pay full salary. So the overheads. So basically for me was the office rental and staff salary*

- c) In terms of wages and salary of employee, do you face any challenges or is there any positive impact?

#### Supply chain

- a) Please share the challenges and limitation faced on the supply chain function – in term of planning, purchasing manufacturing, distribution and warehousing. Also, the impact on the customer demand for your product and services during the pandemic

- b) How much it effects your suppliers and supply chain?

*Not relevant*

- 
- c) What are the challenges you face on the distribution channel of your product and services to customer.

*Not relevant*

- d) Do you face any challenges on logistic and networking with supply chain?

*Not relevant*

### Network/IT support

- a) Can you tell me about ICT/IT contribution /support for your business before Covid 19?

*Oh yeah. ICT was crucial. In terms of my business, because the moment everybody went online, training said to be conducted virtually. We needed system that support my team to work remotely. We started using Zoom, MS Team and all that platforms. We also have organization that come up with their own tools, whether want to have meetings, trainings online and so on. We also found a lot of free software and apps, for example shared calendar, so we use the app call Time3, it help us to share the calendar, so I have 2 3 people share one calendar, we could see the task, events and so on. Of course we shared emails and so on. But we have also figure out, how to do training more interactive, so we started doing virtual team building, virtual training and so on. So within Zoom it self we starting using many functions that we were not before but during the lockdown , we start maximize all this functions.*

### Organisational performance

- a) What are the impact on your organisational behaviour, culture and leadership performance during COVID 19?

*I have worked in many countries. I have experience on managing team remotely, working remotely as well. But many people in Malaysia, have not experience this. Hence for them to demonstrate leadership in virtual world would be challenging. It is not the same, how we dealt face to face and how we lead remotely. So it was learning curve for many Malaysians. Overall I would say we did well. Mental health was big issue. How leaders deal with mental health. Mental health was big issue.*

- b) What are the measures taken by your company during the pandemic to sustain in the business? (lay off staff temporarily, seeking for financial support, selling of assets, using emergency fund, apply for bank moratorium, reduction from suppliers/landlord, scaleback services, temporary close down the business).

*Sustain is not right word for us, because we were new. So the right word will be what the action taken to capture the market. So the measures taken to capture the market, first leveraging my experience in oil and gas industry. I have worked in different country, so I brought that experience to the industry. So I have the experience of business leader and also trainer. A lot of trainer in Malaysia, are very academic, but actually I spend last 20 years being in corporate world, becoming trainer. So I bring a lot of experience to the table. A lot*



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*of best practices sharing. So I leverage myself as the plan. So that was the strategy. And what we did was, we didn't limit to certain areas, we open up. So we did variety of soft skill training.*

## **Organizational Resilience and Sustainability**

### **Financial support:**

- a) If the company has sought for financial support, explore more on the type of financial support?  
*The Penjana Program by the Perkeso. So by the Penjana program, a lot of people who lost their job during the pandemic. So what the government did was, the government was giving support. I was one of them. So I benefitted mainly from the program. So they give us about 6 month allowance. They also helped us to look for job and on top of that training providers like us can register our program in penjana program. The government sent those who are impacted to be upskill. So that program was very beneficial.*
- b) How long could your company sustain with the cashflow that your company had during the pandemic?  
*I think we got adopted from hybrid working. So what we do know, we only work from office from Monday, Tuesday and Thursday. Wednesday and Friday are work from home. We have also make our working hours more flexible now, 8.30 to 5pm. Working in the jam will be so unproductive. So I encourage my team to leave at 5. Most of them still on call. Any urgent matters can be reach out to them after office hours. So the flexibility also come after certain level of commitments towards the business. So far the arrangement is good for us.*
- c) Government and financial institute have introduced policy to help the SME, what types of policy you think is more effective for your business?  
*The Penjana Program by the Perkeso. So by the Penjana program, a lot of people who lost their job during the pandemic. So what the government did was, the government was giving support. I was one of them. So I benefitted mainly from the program. So they give us about 6 month allowance. They also helped us to look for job and on top of that training providers like us can register our program in penjana program. The government sent those who are impacted to be upskill. So that program was very beneficial.*

### **Supply chain**

- a) What are measures taken to restore the supply chain related issue?  
*Not relevant*
- b) In face of the pandemic, what are the strategies taken to resume your business operation?  
*Not relevant*

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### Network/IT

- a) What is the contribution of networking and ICT in your business nature?

*ICT was crucial. In terms of my business, because the moment everybody went online, training said to be conducted virtually. We needed system that support my team to work remotely. We started using Zoom, MS Team and all that platforms. We also have organization that come up with their own tools, whether want to have meetings, trainings online and so on. We also found a lot of free software and apps, for example shared calendar, so we use the app call Time3, it help us to share the calendar, so I have 2 3 people share one calendar, we could see the task, events and so on. Of course we shared emails and so on.*

- b) Will your firm accelerate its digital transformation after the pandemic?

*We have also figure out, how to do training more interactive, so we started doing virtual team building, virtual training and so on. So within Zoom it self we starting using many functions that we were not before but during the lockdown , we start maximize all this functions.*

### Organisational performance.

- a) Have your organization has made any changes in terms of working culture, leadership and operational procedures? Can you elaborate more on the changes that have been made?

*I have worked in many countries. I have experience on managing team remotely, working remotely as well. But many people in Malaysia, have not experience this. Hence for them to demonstrate leadership in virtual world would be challenging. It is not the same, how we dealt face to face and how we lead remotely. So it was learning curve for many Malaysians. Overall I would say we did well. Mental health was big issue. How leaders deal with mental health. Mental health was big issue.*

### Lesson learnt – long term firm sustainability strategy

- a) Thinking about this pandemic that you have experienced for past 2 years, what, if anything are the lessons that your organization learned or that you would do differently?

*So move away from relying on human workforce. How do we automate. How do we digitize. Open the boundaries of expertise beyond our Malaysian borders. Today I have hired a Pakistani, who lived in Karachi, working remotely. I have never met her, but she have been excellent talent. So I was looking for excellent talent abroad who work virtually as well. Covid 19 has given us the opportunity. It is time to leverage on it.*

- b) Thinking specifically about your organization, what are the most significant challenges to effective crisis response?



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*If we face this situation again, we will be more ready , because we have digital 2 ready. We can work from offline to online quite fast. We can even let go the office. One thing it thought us was, do not hold on to a lot of fixed asset. So rather than buying office, office equipment, we went to lease mode. If this things happens again. I can easily let go a lot of my resources, minus my people, get rid of the overhead stock (fixed asset to us).*

- c) How important the lesson learned to a company's business development?

*So many things we have learn. No 1. Giving us realization that work and productivity can be achieved remotely. 2. To have business continuity plan to ensure no matter what happen to be remain in the business. A lot of organization don't have BCP in place. 3 would be to be agile.agility and people in the organization is very crucial 4. Adaptation of digitalization automating the business.*

- d) What are strategies has contributed to the effectiveness and sustainability of your firm after and during the Covid-19 Pandemic?

*At first when I open up my school, I don't want to focus on one skill set, I want to give variety of skill set. Our strategy also moves away, trying to get government grants to corporate sector. So we very much focus on the corporate sector. We have a lot of MNC clients coming from Japan, Sweden, Singapore who are based in Malaysia. So I think my MNC experiences also help. I was able to understand their work better. How do they work? What do they need? We tailor program to suit their needs. So all our program are customized to meet individual and company requirements.*

- e) Do you think your management is ready if there is another global crisis?

*When the lockdown all this happen, everybody will move to virtual and I am already equipped with current technology . I don't think I will face major challenge. I would be still able to compete and sustain.*

### **Transcripts Mr Lingesh – Training and Academy Service Sector.**

Pathma: Introduction. Sir can you tell me about your background.

Lingesh: Basically I was in Oil and Gas Industry, I was working for Shell Singapore, Oman and Malaysia. I was impacted by the Covid 19. Came back to Malaysia, lost my job and started my own business training and consultancy. It has been almost a year now. My company is called Asia Retail Academy. We are places in cyberjaya.

Pathma: Highest level education sir?

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Lingesh : I have completed my master MBA and currently pursuing my DBA

Pathma: So you have been running this business only for past one year

Lingesh: yes for past one year.

Pathma: What is the size of the company?

Lingesh: We started only with 2, now we have about 7 of us., by mid 2023 we should be crossing about 10 employees.

Pathma: Since you have just started, so I cannot ask the turnover before 2019. How is the business right now?

Lingesh: Very slow. But after the Hari raya haji, the business have been picked up. So I think it is progressive right now.  
Quite well

Pathma: You have started your business during the lockdown period?

Lingesh : yeah.

Pathma: What is the impact of covid 19 to your business?

Lingesh : Now the impact is , we cannot do face-face training. We are not able to run any program. So basically everything have to move online. So there few disadvantages doing online . 1. The experience of training we deliver face to face is much better. No 2. The training amount that we charge. Face to face give us better margins compare to virtual trainings. In term of cost, although it is cheaper to run virtual trainings. I couldn't charge more to my client.

Pathma: What kinda training you are giving to people?

Lingesh : 1. Training on soft skills and business skills. No 2, I do a lot of teamwork for corporates, so team building, fun and games and also bit of learning . No 3 .,we are also a solution provider in terms of software and hardware

Pathma: How did the covid 19 affect your financial and cashflow of your business. ?

Lingesh: So we start up at the peak of Covid, so everything was slow for about 6 to 7 months, then slowly , gradually picked up.

Pathma: Financial cost that you struggle most during the pandemic?

Lingesh : *Fixed cost, rental of the office, and we have staff, although we are not doing any business, I still have to pay full salary. So the overheads. So basically for me was the office rental and staff salary*

Pathma: Any positive impact , since you started this business pandemic

Lingesh: Ya I started this business, because this is what I am good at . Yes there was lock down n all that but I knew this would be temporarylah. So I have to weather the storm. So just because of the lockdown go and do something else, I do what I know.

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Pathma: You don't have supply chain.

Lingesh: No I don't.

Pathma: Can you tell me about ICT and IT support for your business?

Lingesh : Oh yeah. ICT was crucial. In terms of my business, because the moment everybody went online, training said to be conducted virtually. We needed system that support my team to work remotely. We started using Zoom, MS Team and all that platforms. We also have organization that come up with their own tools, whether want to have meetings, trainings online and so on. We also found a lot of free software and apps, for example shared calendar, so we use the app call Time3, it help us to share the calendar, so I have 2 3 people share one calendar, we could see the task, events and so on. Of course we shared emails and so on. But we have also figure out, how to do training more interactive, so we started doing virtual team building, virtual training and so on. So within Zoom it self we starting using many functions that we were not before but during the lockdown , we start maximize all this functions.

Pathma: Organizational culture, behavior and leadership during the pandemic?

Lingesh: I have worked in many countries. I have experience on managing team remotely, working remotely as well. But many people in Malaysia, have not experience this. Hence for them to demonstrate leadership in virtual world would be challenging. It is not the same, how we dealt face to face and how we lead remotely. So it was learning curve for many Malaysians. Overall I would say we did well. Mental health was big issue. How leaders deal with mental health. Mental health was big issue.

Pathma: What are measures taken by your organization, to sustain in the business?

Lingesh: Sustain is not right word for us, because we were new. So the right word will be what the action taken to capture the market. So the measures taken to capture the market, first leveraging my experience in oil and gas industry. I have worked in different country, so I brought that experience to the industry. So I have the experience of business leader and also trainer. A lot of trainer in Malaysia, are very academic, but actually I spend last 20 years being in corporate world, becoming trainer. So I bring a lot of experience to the table. A lot of best practices sharing. So I leverage myself as the plan. So that was the strategy. And what we did was, we didn't limit to certain areas, we open up. So we did variety of soft skill training.

Pathma: Have you applied any financial help from the government?

Lingesh: No I do not. We are ok with self funded. Not in the plan at the moment.

Pathma: any of the government or financial institute policy that was helpful

Lingesh: The Penjana Program by the Perkeso. So by the Penjana program, a lot of people who lost their job during the pandemic. So what the government did was, the government was giving support. I was one of them. So I benefitted mainly

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from the program. So they give us about 6 month allowance. They also helped us to look for job and on top of that training providers like us can register our program in penjana program. The government sent those who are impacted to be upskill. So that program was very beneficial.

Pathma: Have the organization have made any changes in working culture, leadership, operational procedure?

Lingesh : I think we got adopted from hybrid working. So what we do know, we only work from office from Monday, Tuesday and Thursday. Wednesday and Friday are work from home. We have also make our working hours more flexible now, 8.30 to 5pm. Working in the jam will be so unproductive. So I encourage my team to leave at 5. Most of them still on call. Any urgents matters can be reach out to them after office hours. So the flexibility also come after certain level of commitements towards the business. So far the arrangement is good for us.

Pathma: Lesson that you have learnt from the pandemic, you would do differently?

Lingesh : So many things we have learn. No 1. Giving us realization that work and productivity can be achieved remotely. 2. To have business continuity plan to ensure no matter what happen to be remain in the business. A lot of organization don't have BCP in place. 3 would be to be agile.agility and people in the organization is very crucial 4. Adaptation of digitalization automating the business. So move away from relying on human workforce. How do we automate. How do we digitize. Open the boundaries of expertise beyond our Malaysian borders. Today I have hired a Pakistani, who lived in Karachi, working remotely. I have never met her, but she have been excellent talent. So I was looking for excellent talent abroad who work virtually as well. Covid 19 has given us the opportunity. It is time to leverage on it.

Pathm a: Most significant challenges and lesson learnt?

Lingesh: If we face this situation again, we will be more ready , because we have digital 2 ready. We can work from offline to online quite fast. We can even let go the office. One thing it thought us was, do not hold on to a lot of fixed asset. So rather than buying office, office equipment, we went to lease mode. If this things happens again. I can easily let go a lot of my resources, minus my people, get rid of the overhead stock (fixed asset to us).

Pathma: Strategies that have contributed during and after pandemic ?

Lingesh: At first when I open up my school, I don't want to focus on one skill set, I want to give variety of skill set. Our strategy also moves away, trying to get government grants to corporate sector. So we very much focus on the corporate sector. We have a lot of MNC clients coming from Japan, Sweden, Singapore who are based in Malaysia. So I think my MNC experiences also help. I was able to understand their work better. How do they work? What do they need? We tailor program to suit their needs. So all our program are customaized to meet individual and company requirements.

Pathma: Do u think your management is ready if there is another global crisis?

Lingesh: My management maybe not. But I think I am ready. I need to skill up my leadership and my team and it is ongoing process.

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Pathma: How long you can sustain in business if there is another lock down?

Lingesh: When the lockdown all this happen, everybody will move to virtual and I am already equipped with current technology . I don't think I will face major challenge. I would be still able to compete and sustain.

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## 6.4 4<sup>th</sup> Interviewee Transcript

Mrs Jenny Tan – Insurance Service Sector



### **Background of Interviewee**

- |                                          |                                                        |
|------------------------------------------|--------------------------------------------------------|
| 1. Type of service sector:               | <i>Financial Services – Insurance and Will Writing</i> |
| 2. Company business starting year:       | <i>More than 35 years.</i>                             |
| 3. Highest Level of Education:           | <i>Diploma in Finance</i>                              |
| 4. Years of experience:                  | <i>more than 10 years.</i>                             |
| 5. Designation/Position in that company: | <i>Partnership</i>                                     |

### **Background of the Company**

- |                                              |                   |
|----------------------------------------------|-------------------|
| 6. Size of the company (number of employee): | <i>5 employee</i> |
|----------------------------------------------|-------------------|

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7. Location of the business: *Taman Salak Selatan*
8. Company Turnover before: *2019*

### **Summarized Transcripts**

#### Impact of Covid-19 for year 2019 and 2020

##### The impact:

- a) How you describe the impact of covid -19 in your business? (If there is positive impact, will explore the positive impact). . What will be the impact of COVID 19 and how did the company managed it during the period?  
*Company turnover before 2019. I have not really look in to that figures but I think few millions, 2 to 3 millions. During pandemic also, it may affect a bit but not much*

##### Financial performance

- a) How the covid-19 effect on your financial and cash flow situation of your business (explore the turnover difference before 2019 and 2019, 2020)  
*Company turnover before 2019. I have not really look in to that figures but I think few millions, 2 to 3 millions. During pandemic also, it may affect a bit but not much*
- b) Financial cost (wages, salary, maintenance, rental, advertisement, suppliers, logistic, mew government rules such as sanitizer, workers health insurance, expenses) that company struggle most during the pandemic.  
*For us challenging because office is unable to open lah. During pandemic time, we couldn't go for physical meeting with client, so work from home. The challenge is because we have young kids lah. The client also cannot see us. Because some of the service require physical meet up. That one is challenge. So we have change from physical to virtual online meeting Zoom and I findout that pandemic actually train a lot of clients to be independent that means it is not necessary for us to be there physically lah. Of course if it is motor insurance it will be slightly difficult in the sense that, my father and few runners they have to go to JPJ to renew the road tax. We need to book the slots, it also challenging, but its ok they manage to find a way to dealt with that as well. Some other agents also come to us and ask our help to do the things for them. That is also good thing lah. It is challenging because they limit the travelling kms all that. The difference on business not very much big impact. Because I would say insurance is part of the necessary product. Since long pandemic , even more people are looking for insurance after the pandemic for medical and life. Pandemic time a lot of people look for the will and trust service.during the pandemic time, they see a lot of cases,they see people all dying all that. They also enquire on will and trust service. Because very Important, when a lot people die on Covid,they did not write a will. It will difficult, to claim on the assets will ne even more complicated lah. So I would say estate planning now is one of the rising business in the*

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market. A lot of people they are looking more into this part. Health insurance as well. Of course our clients some are affected because it is pandemic. Our client unable to work but they are able to apply for the moratorium . If not still unable to sustain. People in the service industry, unable pay for their policy. It got lapsed. It is so sad. of course it never go really better, but it never go worst. Some of the product such as travelling insurance was not performing at all. Because nobody able to travel. So the particular product will be no longer performing. Some product rise. So impact a lot not really lah.

- c) In terms of wages and salary of employee, do you face any challenges or is there any positive impact?

*We still have to pay rental. But not struggle.*

### Supply chain

Please share the challenges and limitation faced on the supply chain function – in term of planning, purchasing manufacturing, distribution and warehousing. Also, the impact on the customer demand for your product and services during the pandemic

- a) How much it effects your suppliers and supply chain?

*Insurance is services product so no really supply chain. So we don't really have effect on supply chain.*

- b) What are the challenges you face on the distribution channel of your product and services to customer

*Not relevant*

- c) Do you face any challenges on logistic and networking with supply chain?

*Not relevant*

### Network/IT support

- a) Can you tell me about ICT/IT contribution /support for your business before Covid 19?

*Before covid 19, from the principal all this while we are always in IT. Insurance companies are well establish company. They put in a lot of investment for system development. For us to access to old system will be more challenge, physical meeting and all that.*

### Organisational performance

- a) What are the impact on your organisational behaviour, culture and leadership performance during COVID 19?

*Because everyone cannot travel and have to work from home. So sometimes it is difficult for the staff to come to the office and look for files.*



- 
- b) What are the measures taken by your company during the pandemic to sustain in the business? (lay off staff temporarily, seeking for financial support, selling of assets, using emergency fund, apply for bank moratorium, reduction from suppliers/landlord, scaleback services, temporary close down the business).

*There is only one that we have applied. MTech the digital grant, we apply from the government, RM 5000. Then we do a app or IT using that grant. The one is government funds. Many people doesn't know. But we tell to our clients, those who need the service can apply through here. It is very good instrument. Because the government seldom fund for the SME right. This help the SME to bring the business into digital world.*

### **Organizational Resilience and Sustainability**

#### **Financial support:**

- a) If the company has sought for financial support, explore more on the type of financial support?

*You can use this fund to do marketing digital marketing. So this fund help SME to promote the business online, to do marketing through social media and all that. Atleast government give some funds that atleast the SME have some startup into digitalization.*

- b) How long could your company sustain with the cashflow that your company had during the pandemic?

*Not relevant because the company was operating during covid.*

- c) Government and financial institute have introduced policy to help the SME, what are type of policy you think is more effective for your business?

*MTech the digital grant, we apply from the government, RM 5000. Then we do a app or IT using that grant. The one is government funds. Many people doesn't know. But we tell to our clients, those who need the service can apply through here. It is very good instrument. Because the government seldom fund for the SME right. This help the SME to bring the business into digital world.*

#### **Supply chain**

- a) What are measures taken to restore the supply chain related issue?

*Not relevant*

- b) In face of the pandemic, what are the strategies taken to resume your business operation?

*Not relevant*

#### **Network/IT**

- a) What is the contribution of networking and ICT in your business nature?

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*For us, the digital marketing have help us to do the markeing. The social media help us to do the content, ideas and solutions. If you want more service than you have to pay for it . If you think it is enough then u can subscribe for the service. So atleast we have eye opener to this technologies to bring business into digital marketing lah. Insurance company also do some changes. Some sign up no need to require the physical meeting. They sign up through the e-signature. So during the lockdown, everyone also looks for the solution. Because we unable to meet client and all that. So that's why there is also digital marketing we try to promote all that. So for the sign up they also come up with non-face to face sign up and all that lah. It is easy for the client and for us as well. The government impose we could only travel certain radius km.*

b) Will your firm accelerate its digital transformation after the pandemic?

*A lot of things we use digitalized. Instead of physical training, online training. I would say it is good transformation due to this pandemic. It helps a lot of businesses to think advance. Need to transform the business into different ways*

#### Organisational performance.

c) Have your organization has made any changes in terms of working culture, leadership and operational procedures? Can you elaborate more on the changes that have been made?

*For us to meet the clients, they prefer to do non face to face meet up to purchase the policy or to purchase the product then meeting face to face lah.*

#### Lesson learnt – long term firm sustainability strategy

d) Thinking about this pandemic that you have experienced for past 2 years, what, if anything are the lessons that your organization learned or that you would do differently?

*Reserve sufficient reserve fundlah. Because we do not know whether there is another pandemic coming. For example they will put the access fund into fd's, overnight rates, so you will get some interest but that one is taxable. Some of the placement , you call money market , so it is more liquid in the sense, giving company some income.*

e) Thinking specifically about your organization, what are the most significant challenges to effective crisis response?

*Digitalization and working remotely*

f) How important the lesson learned to a company's business development?

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*You need to add digital transformation, platforms. Idea to transform business to another level. This will help the business to sustain longer. Because you see, every business has their life cycle. If they still keep the old mindset and the old model. I would put the example for Nokia or Siemens lah. Last time Nokia is always top one right but they forgotten one thing, when business on the rise and high you need to think of another level to transform. So that's why Samsung, Apple all that right, they have adopted to technology "smart phone". But now Nokia also no more ready lah. They didn't transform and they unable to sustain. Open your mind. Allow other people to give and exchange ideas and information. Then the ideas may able to flow through and you may break through business to another level. So when you input ideas, even though you are in sunset business, you will breakthrough. Business from one angle you can move to the other angle. Last time we tell children don't play games. Now the games earning money even one category Olympics. They just play game as their occupation. So open yourself into more areas. So that employees can see future plan for the business. Same thing same approach you would expect different outcome. Different thinking different approach, definitely you would see different outcome*

- g) What are strategies has contributed to the effectiveness and sustainability of your firm after and during the Covid-19 Pandemic?

*Key man insurance can be director insurance lah. If anything happen to the directors. Because u see pandemics, not to say healthy people don't get it, healthy people also get it. If the key person go off right, one thing they may face, debtors may not want to pay them lah. Because the key person is not there. I can choose not to pay. Because I don't have the relationship or I don't know the successor, so I choose not to pay first, although I have funds. Second thing is the creditors, the key person is not here, I have to chase the money, later my money I won't be able to get back. So they will pressure they will not supply to the company. SO the company will face cash flow problem. The business uh just not for the directors. The business for key person and director insurance, I would say the money come at the right time, the business able to run. Business succession planning is also another one. What is the exit plan for my business. A lot of people also they need to think about it lah. This are SME business that we look into it. The business able to transform and exit lah. Sometimes exit to sell of the business, is also business succession plan. Because why to get the funds, you are able to third party to come in to your business, because of their interest in your business. Able to sustain the business lah.*

- h) Do you think your management is ready if there is another global crisis?

*I would say ok lah for us. Because for our industry, is just like health care business. Its necessary product. Not to say on pandemic, you don't need insurance, you don't buy insurance, because pandemic also you will fall sick. Our car still needs insurance. Not to say pandemic, my car don't need insurance. So house also needs protection. Life still needs to go on. Our loan still need to pay. That's why I would say businesses need more innovative way of doing business instead of traditional way.*

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## **Transcript Mrs Jenny Tan – Insurance Service Sector**

Pathma: Introduction. Would you tell me little bit background

Jenny: We are providing financial services. Including insurance general insurance to life insurance, cater for individual to corporate. Then we also extend our service planning will. We help our client to set up will and if they need more completed one, they can do trust lah. Company start up , starting from parents, they are in industry for more than 35 years lah.

Pathma: Highest level of education

Jenny: My highest education is diploma in finance lah. To enhance my knowledge currently pursuing cert register financial plan. Actually it is already completed. So for myself I am in the industry for more than 10 years. Started up with life insurance also helping my family to do general insurance and medical.

Pathma: Size of your company

Jenny : Few of us lah. Of course there is many associate outside collaborate with us. If you said physically 5 of us. Small scale la. Very hard to do hiring. It is very challenging because not many young people will be interested to work in insurance agency because the knowledge have to be there and the work maybe stressful. When we do general insurance , it is complicated lah some how. Product is a lot. So they may not be able to assist us on that.

Pathma: Located at Salak Selatan uh?

Jenny: yes

Pathma: Can you tell me about the company turnover before pandemic and after pandemic?

Jenny : Company turnover before 2019. I have not really look in to that figures but I think few millions, 2 to 3 millions. During pandemic also, it may affect a bit but not much lah.

Pathma: Describe the impact of covid 19 in your business? Whether it is positive or negative impact.

Jenny: For us challenging because office is unable to open lah. During pandemic time, we couldn't go for physical meeting with client, so work from home. The challenge is because we have young kids lah. The client also cannot see us. Because some of the service require physical meet up. That one is challenge. So we have change from physical to virtual online meeting Zoom and I find out that pandemic actually train a lot of clients to be independent that means it is not necessary for us to be there physically lah. Of course if it is motor insurance it will be slightly difficult in the sense that, my father and few runners they have to go to JPJ to renew the road tax. We need to book the slots, it also challenging, but its ok they manage to find a way to dealt with that as well. Some other agents also come to us and ask our help to do the things for them. That is also good thing lah. It is challenging because they limit the travelling kms all that.

Pathma: But in terms of business is not much difference right?

Jenny: The difference on business not very much big impact. Because I would say insurance is part of the necessary product. Since long pandemic , even more people are looking for insurance after the pandemic for medical and life.

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Pandemic time a lot of people look for the will and trust service. during the pandemic time, they see a lot of cases, they see people all dying all that. They also enquire on will and trust service. Because very Important, when a lot people die on Covid, they did not write a will. It will difficult, to claim on the assets will ne even more complicated lah. So I would say estate planning now is one of the rising business in the market. A lot of people they are looking more into this part. Health insurance as well. Of course our clients some are affected because it is pandemic. Our client unable to work but they are able to apply for the moratorium . If not still unable to sustain. People in the service industry, unable pay for their policy. It got lapsed. It is so sad.

Pathma: It looks like positive turnover after the covid19

Jenny : of course it never go really better, but it never go worst. Some of the product such as travelling insurance was not performing at all. Because nobody able to travel. So the particular product will be no longer performing. Some product rise. So impact a lot not really lah.

Pathma: Financial struggle or constraint to pay the rental, salary.

Jenny: We still have to pay rental. But not struggle. Struggle maybe on the client side, they are unable to pay the insurance. It is good that the industry portfolio are balance. Some don't really affected. They are not affected then we are not affected as well.

Pathma: In your business you have supply chain>

Jenny : Insurance is services product so no really supply chain. So we don't really have affect on supply chain.

Pathma: ICT and IT contribution and support for your business.

Jenny : Before covid 19, from the principal all this while we are always in IT. Insurance companies are well establish company. They put in a lot of investment for system development. For us to access to old system will be more challenge, physical meeting and all that.

Pathma: organizational culture, behavior, leadership

Jenny : Because everyone cannot travel and have to work from home. So sometimes it is difficult for the staff to come to the office and look for files.

Pathma: Have you gone for any financial support from the government or financial institute, during the pandemic.

Jenny : there is only one that we have applied. MTech the digital grant, we apply from the government, RM 5000. Then we do a app or IT using that grant. The one is government funds. Many people doesn't know. But we tell to our clients, those who need the service can apply through here. It is very good instrument. Because the government seldom fund for the SME right. This help the SME to bring the business into digital world.

Pathma: Can you tell me more ab this Mtech

Jenny: You can use this fund to do marketing digital marketing. So this fund help SME to promote the business online, to do marketing through social media and all that. Atleast government give some funds that atleast the SME have some startup into digitalization.

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Pathma: So u have applied for this grant right, what are measures you have take to accelerate into digital transformation for your business?

Jenny: For us, the digital marketing have help us to do the markeing. The social media help us to do the content, ideas and solutions. If you want more service than you have to pay for it . If you think it is enough then u can subscribe for the service. So atleast we have eye opener to this technologies to bring business into digital marketing lah.

Pathma: Have your organization had made any change in term of your working culture, operational procedures?

Jenny: For us to meet the clients, they prefer to do non face to face meet up to purchase the policy or to purchase the product then meeting face to face lah.

Pathma: How do they sign up?

Jenny : Insurance company also do some changes. Some sign up no need to require the physical meeting. They sign up through the e-signature. So during the lockdown, everyone also looks for the solution. Because we unable to meet client and all that. So that's why there is also digital marketing we try to promote all that. So for the sign up they also come up with non-face to face sign up and all that lah. It is easy for the client and for us as well. The government impose we could only travel certain radius km.

Pathma: The restricted area

Jenny: So they want to buy product so with this they could sign up for the product without physical meeting. This also have reduce the travel time reduce the transport expenses.

Pathma: lesson that your organization learnt that would have do differently

Jenny: A lot of things we use digitalized. Instead of physical training, online training. I would say it is good transformation due to this pandemic. It helps a lot of businesses to think advance. Need to transform the business into different ways. Take to another level and another thing also, reserve funds. Reserve sufficient reserve fundlah. Because we do not know whether there is another pandemic coming. But actually we know we have to keep the business. Because a lot of businesses they do not have sufficient fund. They think nevermind, now I fully utilize the fund, (the) next month my fund straight coming.

Pathma: Is that because when the company reserve fund, they have to pay more income tax?

Jenny : Actually reserve funds has no income tax. For example I have a lot of fiscal cash. Some of the fund you can place in this, generate the business to generates income. Some are tax free, some are taxable. But a lot of company don't know how to park the money tax free.

Pathma:Can you elaborate on this ?

Jenny : For example they will put the access fund into fd's, overnight rates, so you will get some interest but that one is taxable. Some of the placement , you call money market , so it is more liquid in the sense, giving company some income.

Pathma: How about the risk?

Jenny : Unable to get the fund immediately lo. But I would say it is very liquid. But the overnight rates that is daily lah. Place today tomorrow you get interest. Nowadays I would say what type of businesses they are in you know. You see for foreign companies, they don't buy assets. Why they don't buy assets. Because if they want to exit from the country, it can

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be very easy for them to exit, rather than assets. You want to dispose it, you may not be able to dispose immediately. That is the case for the foreign companies, they don't want to buy any assets, because they don't require it.

Pathma: So they will put in this kind of Money market lah?

Jenny: Right. Overnight rates are all that. So they are actually also very liquid. If you want to get cash, you can also get cash. So I would say a lot of business may not look into assets. Actually after the pandemic, if you are buying physical assets, like you buying a building, it may not be a wise decision to take. If you see a lot of companies, they have downsized it, they have moved out from the building, rather than the staff no need to go to physical office. They no need. They can work from home. So you see the market has been transformed to this level. So you have buildings, don't have tenants, actually it is a burden for the company. You still have to pay for the loans but you don't have enough tenants to pay for the loans and installments. If you want to sell off also, you better get a good price to sell off. Second thing, if you want to sell, you may not get the good price. If those people urgently need cash, then they would sell it lah. They see now the moratorium has ended, and US is now also starting recession. I would say if we have more cases like this, a lot of people want to dispose their assets. Bankruptcy is also possible, actually a lot of young people. Because why like the old people, they never hold enough cash. Assets is good but if you don't have cash to survive through the pandemic, so what will happen is they will go through a liquidation process lah. If we have pre-planned earlier. We must back up at least 6 months funds. Even if you have zero income, you let the business run for at least 3-6 months, is sufficient lah. Sufficient time to think at this time of adverse situation. A lot of people also they think about it, they know the importance. Some business man also starting to think about business succession planning. Another thing they will buy insurance, key man insurance.

Pathma: Key man insurance uh? What is that means?

Jenny: Key man insurance can be director insurance lah. If anything happens to the directors. Because you see pandemics, not to say healthy people don't get it, healthy people also get it. If the key person goes off right, one thing they may face, debtors may not want to pay them lah. Because the key person is not there. I can choose not to pay. Because I don't have the relationship or I don't know the successor, so I choose not to pay first, although I have funds. Second thing is the creditors, the key person is not here, I have to chase the money, later my money I won't be able to get back. So they will pressure them they will not supply to the company. SO the company will face cash flow problem. The business uh just not for the directors. The business for key person and director insurance, I would say the money comes at the right time, the business able to run. Business succession planning is also another one. What is the exit plan for my business. A lot of people also they need to think about it lah. This are SME business that we look into it. The business able to transform and exit lah. Sometimes exit to sell of the business, is also business succession plan. Because why to get the funds, you are able to third party to come in to your business, because of their interest in your business. Able to sustain the business lah.

Pathma: You think your management is ready if there is another global crisis.

Jenny: I would say ok lah for us. Because for our industry, is just like health care business. Its necessary product. Not to say on pandemic, you don't need insurance, you don't buy insurance, because pandemic also you will fall sick. Our car still needs insurance. Not to say pandemic, my car don't need insurance. So house also needs protection. Life still needs to go

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on. Our loan still need to pay. That's why I would say businesses need more innovative way of doing business instead of traditional way. You need to add digital transformation, platforms. Idea to transform business to another level. This will help the business to sustain longer. Because you see, every business has their life cycle. If they still keep the old mindset and the old model. I would put the example for Nokia or Siemens lah. Last time Nokia is always top one right but they forgotten one thing, when business on the rise and high you need to think of another level to transform. So that's why Samsung, Apple all that right, they have adopted to technology "smart phone". But now Nokia also no more ready lah. They didn't transform and they unable to sustain. Open your mind. Allow other people to give and exchange ideas and information. Then the ideas may able to flow through and you may breakthrough business to another level. So when you input ideas, even though you are in sunset business, you will breakthrough. Business from one angle you can move to the other angle. Last time we tell children don't play games. Now the games earning money even one category Olympics. They just play game as their occupation. So open yourself into more areas. So that employees can see future plan for the business. Same thing same approach you would expect different outcome. Different thinking different approach , definitely you would see different outcome.



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## 6.5 5<sup>th</sup> Interviewee Transcript

Mr Malik – Real Estate and Property Agent (Real Estate Service Sector)



### **Background of Interviewee**

- |                                          |                                                                |
|------------------------------------------|----------------------------------------------------------------|
| 1. Type of service sector:               | <i>Real Estate and Property Service</i>                        |
| 2. Company business starting year:       | <i>2016</i>                                                    |
| 3. Highest Level of Education:           | <i>Diploma in food service and Certificate in the property</i> |
| 4. Years of experience:                  | <i>10 years</i>                                                |
| 5. Designation/Position in that company: | <i>REN- Real Estate Negotiator – Top Brand Achiever</i>        |

### **Background of the Company**

- |                                              |                             |
|----------------------------------------------|-----------------------------|
| 6. Size of the company (number of employee): | <i>250 REN</i>              |
| 7. Location of the business:                 | <i>Cheras, KL and Johor</i> |

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8. Company Turnover before 2019: *80million*

### **Summarized Transcripts**

#### Impact of Covid-19 for year 2019 and 2020

##### The impact:

- a) How you describe the impact of covid -19 in your business? (If there is positive impact, will explore the positive impact). . What will be the impact of COVID 19 and how did the company managed it during the period?

*Company turnover dropped to 50million. Sales drop almost 80%. Uses savings for survive. But manage to increase after MCO lifted, sales increases 100 to 110million.*

##### Financial performance

- a) How the covid-19 effect on your financial and cash flow situation of your business (explore the turnover difference before 2019 and 2019, 2020)?

*80 million dropped to 50 million.*

- b) Financial cost (wages, salary, maintenance, rental, advertisement, suppliers, logistic, mew government rules such as sanitizer, workers health insurance, expenses) that company struggle most during the pandemic.

*We have to pay the rental and salary for the clerk. We have to use the reserve fund.*

- c) In terms of wages and salary of employee, do you face any challenges or is there any positive impact?

*We only have to pay the rental and office staff. REN, they work on the commission base. So we don't have the overhead for the negotiator*

##### Supply chain

Please share the challenges and limitation faced on the supply chain function – in term of planning, purchasing manufacturing, distribution and warehousing. Also, the impact on the customer demand for your product and services during the pandemic

- a) How much it effects your suppliers and supply chain?

*Supply chain is not relevant for this service*

- b) What are the challenges you face on the distribution channel of your product and services to customer

*We cannot do the viewing through the online because the property so much on the viewing physically. So that is the barrier for my industry.*

- 
- c) Do you face any challenges on logistic and networking with supply chain?

*Not relevant for this service sector*

#### Network/IT support

- a) Can you tell me about ICT/IT contribution /support for your business before Covid 19?

*During the pandemic, the Zoom meeting allows us to meet our REN and give them new knowledge, new strategy, training, tips for finding client. It plays important role for our agency to discuss and train the new REN.*

#### Organisational performance

- a) What are the impact on your organisational behaviour, culture and leadership performance during COVID 19?

*Before covid -19 the training for REN and briefing will be held in seminar room, so now we meet via zoom.*

- b) What are the measures taken by your company during the pandemic to sustain in the business? (lay off staff temporarily, seeking for financial support, selling of assets, using emergency fund, apply for bank moratorium, reduction from suppliers/landlord, scaleback services, temporary close down the business).

*Using emergency fund and reserve fund.*

#### Organizational Resilience and Sustainability

##### Financial support:

- a) If the company has sought for financial support, explore more on the type of financial support?

*Emergency fund*

- b) How long could your company sustain with the cashflow that your company had during the pandemic?

*6 months*

- c) Government and financial institute have introduced policy to help the SME, what are type of policy you think is more effective for your business?

*Not relevant.*

#### Supply chain

- a) What are measures taken to restore the supply chain related issue?

*Not relevant.*

- 
- b) In face of the pandemic, what are the strategies taken to resume your business operation?

*We maintain the size and the office, reduce on spending, use zoom meeting if require small crowd for training or briefing, enhance the cash reserve to 3- 5 years.*

### Network/IT

- a) What is the contribution of networking and ICT in your business nature?

*For training the staff, meeting the clients and digital marketing*

- b) Will your firm accelerate its digital transformation after the pandemic?

*The new segment of marketing will be whatsapp, telecommunication, digital video, digital platform like propertyguru, iproperty,propwall and also we can do virtual tour by doing video. In old ways we use banners.*

### Organisational performance.

- a) Have your organization has made any changes in terms of working culture, leadership and operational procedures?

Can you elaborate more on the changes that have been made?

*The training, meeting and briefing is digitalized using digital platform.*

### Lesson learnt – long term firm sustainability strategy

- a) Thinking about this pandemic that you have experienced for past 2 years, what, if anything are the lessons that your organization learned or that you would do differently?

*Reduce the cost of spending and reserve more cash for emergency.*

- b) Thinking specifically about your organization, what are the most significant challenges to effective crisis response?

*The cashflow to sustain, therefore must have more cash reserve because the market is unstable.*

- c) How important the lesson learned to a company's business development?

*The lesson we learn is to diversify and not focus on one business, such as doing sub sale, sublet, renovation and also being a property consultant*

- d) What are strategies has contributed to the effectiveness and sustainability of your firm after and during the Covid-19 Pandemic?

*Reduce overhead cost and avoid spending for big seminars, during the pandemic, the market price went down, create more opportunities for the buyer to invest on properties. Digitalization of marketing strategies and reserving emergency fund.*

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e) Do you think your management is ready if there is another global crisis?

*Right now, we are just after pandemic, we are not ready but in future we are ready, because we will have more reserve funds and when the market is down, the rich will take opportunity to buy more properties.*

**Transcript Mr Malik – Real Estate and Property Agent (Real Estate Service Sector)**

Pathma: Very Good Afternoon Mr Malik

Malik : Good afternoon Ms Pathma

Pathma: Ya today I am going interview you on organizational resilience and sustainability especially during this pandemic and after this pandemic. Can you talk about which service sector, how long you are being in this business, your highest level of education and what you have achieved in this business that you are involved in.

Malik: Thanks Ms Pathma. My name is Mr Malik ya. So far I in the property industry so far my background is in diploma in food service and then I also take the certificate in the property. Ok so in the property almost 10 years lah. Then my achievement is I was top brand for few months and few years alsolah for my agency. So highest property I sold is the 10million lah is the highest record and per year around 13million lah is my sale lah. This is my background lah

Pathma: So at the company you are working, the size of how many of you are involved in the company, location of your business.

Malik: The company we are working they have two branchlah. The name is ACEKL. We have around 200-250 REN and so we have two branch. Cheras one branch, Johor one branch. So we work togetherlah. If we have some listing or some buyer we will co-operation lah with my team.

Pathma: What is your company turnover before 2019.

Malik : Turnover?

Pathma: Sale..sale

Malik: Sale before 2019, around 80million

Pathma: After the covid 19, around 2020,21 ?

Malik: First covid the sale drop around 50million, and after that we open the, government the open, we increase the sale around 100 to 110million. That time because the long time client quarantine, so right now the open, they find the property lah. So big big player also buy the below market price. That's why we can sold a lot.

Pathma: The other thing also the bank, BLR has dropped so that allow...

Malik: Yes yes,..the bank drop the BLR interest also

Pathma: So during this period, during the covid-19 period, you cannot sell the property, you cannot meet the client. How much impact on the business?

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Malik : Oh first covid, impact a lot because we cannot go out and move to viewing because the owner and buyer scared for the Covid lah. Almost we use the emergency fund to survive. Almost 80 % drop. So online we cannot do the viewing through the online because the property so much on the viewing physically. So that is the barring (barrier) for my industry.

Pathma: So what is the financial cost that most incurred your company, maybe you find it difficult to pay, maybe your rental, or salary of your staff. What are financial cost that you struggle most during the pandemic.

Malik: Cost is the regarding the rental. Rental we cannot reduce from the owner. Owner also for that time they also cannot survive. So must maintain pay the rental la. So I have for our office and then the clerk also didn't work but we also must pay their salary. So we cannot reduce the salary. So use the emergency fundlah that we have lah. So cash reserve is very importantlah for other company or other society, cash reserve must be have lah for your survive lah, if happen you can use the cash reserve

Pathma: Did you retrain any of your staff during the pandemic?

Malik : Uh Don't have. Just maintain the total. But for REN, other REN, they work on the commission base. So need not have the overhead for the negotiator

Pathma: In term of supply chain, you are talking about the house owners , the developer, they are the supply chain for you lah. They are the one who is giving you business right, so what are the issues you find it very difficult to communicate with them.

Malik: Developer uh..developer also developer sometimes they offer to agency to sell their property because sometime developer not have their own marketing person. So they will be pass to agency...so sometimes so the challenge for our agency if the product or property they sell not the correct place also not correct price, so we really difficult to do the marketing, sometime the client or buyer need the property like ...not expensive...like strategy...sometimes the issue is the developer late give the commission to the agency. Sometimes one year ..two years...must be waiting for their fee for agency...that is the challenge lah...sometimes the REN need the money for the survival so sometime developer will hold the money

Pathma: Did you face any challenges on the logistic, where you have to go and meet your client, and also developer so on..

Malik : Oh so far we still don't have the issuelah...because if the land if at Bentong or Kerian, this one must use the 4 wheel drive lah..so for the developer no have any issue.

Pathma: Can you tell me about IT contribution, support your business before the covid 19 and after the covid 19?

Malik: For IT support?..Oh Ok...Normally we knowlah..in the Covid, Zoom Meeting is the...the what...the famous. Online...online...online...for pandemic...I saw uh..the meeting through the online...zoom meeting is the good one. We can see our REN to give the new knowledge...to give the new strategy...if happen the covid...how you want to survive... how you want to find the client...for that time...how you...what...relationship with your clientlah.. the online ...help...help the our...our agency lah...

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Pathma: What are the measures taken by your company during the pandemic...to sustain in the business...like you said...you have use the emergency fund...did you go for any bank moratorium..or any financial support from the government?

Malik: Uh...Don't have...we have just take the bank moratorium only...other loan commitment... we no.. we not apply....because our head cost is the office, clerk and also the license..so overhead...is no...not much lah...because we not produce the item or raw material.... Because we are services....so we not need the other costing ...

Pathma: Okay...uh..so you didn't for any government fund, like the Prihatin, Socso...so you didn't go for all that ya..

Malik: No

Pathma: Ok ok... did you apply for any GKP...

Malik: No...no

Pathma: So you just use your emergency fund..

Malik: Ya emergency fund...

Pathma: So you use emergency fund in your company lah...

Pathma: So did your firm accelerate to digital transformation after the pandemic? I mean previously you were not using the zoom meeting all...and after this are your company planning to accelerate digital transformation for the training and all that...?

Malik: Ok...so far this is new...the new segment of marketing..will be whatsapp...over phone..you see..if the client..keeping property from...oversea... we need the one...digital way to do it..video....video..now...what we have...like what....

Pathma: Like virtual tour...

Malik: Uh like...virtual tour...tour with digital lah...technology must be..must be have..

Patjma :.. and the way you marketing is mostly on digital is it?

Malik : Yeah..normally previously also we use all the digital platform...inside like propertyguru... iproperty..mudah, propwall.. all this we use digital lah... if physical we use the banner...and also u go to company to present lah..to the what.....old style lah.. so other we use the digital platformlah..

Pathma: Have your organization make any changes in term of your working culture, operation procedure.. after this pandemic...have you make any changes on that?

Malik: Uh for changes is the REN lah... the property negotiator lah..because they cannot survive.. for this industry...so they will find the other job...for them lah...because...the REN survive by the commission.. so if you no have the sale....you cannot survive..you cannot sustain... in the industry...so the challenges for our agency..we employed for the new REN... we teach from the zero knowledge to expertlah...so that the cost in the training

Pathma: Thinking about this pandemic.. that you have experience for past 2 years what are the lesson you have learnt..your organization has learn that you have do it differently

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Malik: Differently...yeah... for the pandemic...very effect.. so for the property it is 100% affect..because we cannot move out...move in to view the property....so our agency..company must be alert...we must be spending...not more...of spending... we must not grow the place office...just maintain....we meet at the..we use the technology...we use the zoom..if the crowd is little bit....so we can reserve cash reserve...so cash reserve is very important/..so you must have the cash reserve.. for sustain the business... so the cash reserve we must increase more... three to 5 years cash reserve..

Pathma: Thinking specifically on your organization...what is the most significant challenges effective to crisis..significant challenge.. you think that during this crisis... I made this...that's why I could respond to the crisis? What was the challenge?

Malik: Significant challenge?

Pathma: The reserve fund? The emergency fund....

Malik : Oh ok.. because sometimes we don't know....next year they say the economy will be worst.. so we don't know if the buyer and seller can buy and sell their product..so we already to what...to alert for next year economy..so sometime if the economy down..sometime the buyer take the opportunity to buy the property.. ok so for that time.. we predict we can.. buy a few property and can get cash reserve...because property very difficult at time...so we must find the property below market...market value lah..so from the cash reserve remain.. same..i tell we must reserve the cash reserve more.

Pathma: How important that this lesson learnt for a company development? That this lesson we learn that there is pandemic...there will be shut down and all this?

Malik : The lesson uh....sometimes we just focus on one business, in property we have the ..a few.. a few.. channel..we can do..also like the subsale.. we know the subsale..new project.. sublet... sublet is you rental from the other owner and you do..rental to other person... and maybe you do the renovation also...in the property also...you have the consultant for other company.. so you variety your professional job too..for other category..so you no need to focus on property only..so will have other job also lah...so he demand for the rental is so good right now...sometime the society cannot buy the property...they give for rental... so for rental still we have the demand..

Pathma: So do you think your management is ready if there is another global crisis?

Malik: Global crisis uh... for me uh..for me uh...right now uh.. we just after pandemic... so we just move the one year so.... The reserve not..not not...enough but we have the planning lah.. if the crisis ...we have the other optionlah...we have other channel for the line property.. rental...renovation... also consultant..so from there we do lah...

Pathma: So you think..if there is another crisis..you can manage?

Malik : Ya.. I think can manage..

Pathma: Can Manage huh?

Malik: Can manage because if the crisis...sometimes the rich person will take the opportunity to buy property, you know uh so many rich people they have the money.. they will buy at that time.. so industry ..maybe the property price maybe down...so the rich person will take this opportunity for his business. So we saw other country will do this. So the crisis the rich people will buy the property.



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Pathma: So the sale will still increase ya

Malik: . Sale increase, depend on the product...product property and the price also..he market.

Pathma: Ok Thank you Mr Malik. We are done with our interview. Thank you for your time.

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## Appendix B – Research Meeting Log

APPENDIX E RESEARCH MEETING LOG



UNIVERSITI TUNKU ABDUL RAHMAN

**Details of Candidature and Research**

Name:	PATAMA DEVI VEERASINGAM		
Student ID:			
Contact:		0162877274	
Programme: <i>(Please click the checkbox)</i>	<input checked="" type="checkbox"/> MBA	<input type="checkbox"/> MBA (BM)	
	<input type="checkbox"/> MBA (CG)	<input type="checkbox"/> MRED	
Candidature:	<input type="checkbox"/> Full-time	<input checked="" type="checkbox"/> Part-time	
Intake:			
Trimester of Research Project Registration:			
Approved Research Project Title:			

**Meetings Details**

Date	Comments/ Concerns/ Issues Discussed	Candidate's Signature
4/11/22	Discussion on Chapter 1, 2 and Three. Changes in the Chapters.	

**Supervisor's Remark:**

<input checked="" type="checkbox"/> Satisfactory progress shown <input type="checkbox"/> Unsatisfactory progress shown. Please specify actions to be taken:	DR. FOO MEOW YFP DEPUTY DEAN DEVELOPMENT AND ASSISTANT PROFESSOR FACULTY OF ACCOUNTANCY AND MANAGEMENT UNIVERSITY TUNKU ABDUL RAHMAN
Name and Signature of Supervisor:	

4/11/2022

APPENDIX E RESEARCH MEETING LOG



UNIVERSITI TUNKU ABDUL RAHMAN

**Details of Candidature and Research**

Name:		
Student ID:		
Contact:		
Programme: <i>(Please click the checkbox)</i>	<input type="checkbox"/> MBA	<input type="checkbox"/> MBA (BM)
	<input type="checkbox"/> MBA (CG)	<input type="checkbox"/> MRED
Candidature:	<input type="checkbox"/> Full-time	<input type="checkbox"/> Part-time
Intake:		
Trimester of Research Project Registration:		
Approved Research Project Title:		

**Meetings Details**

Date	Comments/ Concerns/ Issues Discussed	Candidate's Signature
16/8/22	Discussion on the topic, changes on topic, outline of framework	

**Supervisor's Remark:**

<input type="checkbox"/> Satisfactory progress shown <input type="checkbox"/> Unsatisfactory progress shown. Please specify actions to be taken:
Name and Signature of Supervisor: DR. FOO MEOW YEE DEPUTY DEAN SKILLS DEVELOPMENT & INDUSTRIAL TRAINING ASSISTANT PROFESSOR FACULTY OF ACCOUNTANCY AND MANAGEMENT UNIVERSITI TUNKU ABDUL RAHMAN

