



How was the SME's Performance in Oman during Covid-19?

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ABSTRACT

The paper examines the performance and the challenges faced by SMEs in Oman during Covid-19. The data was collected through primary and secondary sources. A questionnaire of 100 respondents was used. Descriptive analysis and Chi-squared test have been employed in the data analysis. The main findings of the study showed despite the adverse effect of the pandemic, the SMEs in Oman have performed well and indicated a resilient and adaptable strategy to cope with the virus. The reason for this could be attributed to their ability to quickly transition to remote work and online operations. During such a challenging period, some businesses managed to thrive due to their ability to identify opportunities and leverage them. Moreover, the study revealed that financial stability and preparedness are key to navigating the pandemic's uncertainties, as businesses focus on risk management, budget planning, and saving money. In response to unexpected disruptions, businesses have become more cautious and strategic in their financial decisions. SME resilience against future crises is enhanced as a result of SMEs adopting more prudent financial practices. The key challenges faced by SMEs during Covid-19 included delivery delays, reduced income for consumers, and regulation changes. The SMEs in Oman devised several risk management strategies, such as maintaining backup plans and setting aside funds, reflect a forward-thinking approach. The findings indicate that businesses in Oman are actively seeking ways to minimize disruptions to their operations and mitigate potential risks. Long-term resilience can be built by such strategic thinking.

Keywords: Small and Medium-sized Enterprises, Covid-19, Oman

JEL Classifications: L25, L26, M13, O16

1. INTRODUCTION

Covid-19 is considered the worst global crisis since World War II. The virus is highly contagious and has spread throughout the entire world without any variation. There are many aspects to Covid-19, but it is first and foremost a health crisis. Short- and medium-term implications are profound, as well as long-term ones. Tens of millions are out of work due to this virus, which caused a substantial short-term economic contraction (Engidaw, 2022). SMEs can and should play a crucial role in preventing unemployment, poverty, and food insecurity rates from skyrocketing at any time (Engidaw, 2022). The experiences of past policies adopted in the gulf emphasize the need to address the underlying causes of labour market segmentation, rather than attempting to remedy them later. Instead of micro-interventions, a more flexible regime would narrow the gap between nationals and

foreigners in labour prices and rights (Engidaw, 2022). A number of other measures taken by the Omani government early in the pandemic were similar to those taken elsewhere in the world. In the beginning, all non-essential shops were closed. Travel restrictions, flights to and within domestically and internationally. Schools were closed for 4 months, and only food stores and pharmacies were allowed to remain open. Government offices operated on 30% staffing. Tourist sites were closed, restaurants only served takeaway food, and tourists were asked to leave the country. All these restrictions have impacted the SMEs in Oman massively (Engidaw, 2022).

There are very few studies addressed the impact of Covid-19 on SMEs in Oman (Du et al., 2022), Bartik et al. (2020). These studies have not covered a large spectrum of SMEs in Oman and focused on a specific sector.

The aim of this paper is to fill the gap and examine how was the SMEs performance during Covid-19 in Oman including a relatively large number of SMEs. It also intends to identify the challenges faced by SMEs during Covid-19 and assess the effectiveness of the strategies adopted by SMEs in Oman during the crisis.

The remaining of the paper will be structured as follows. Section 2 explains the Literature Review. Section 3 outlines the methodology. Section 4 presents the data analysis and discussions. Section 5 provides the main findings and the conclusion.

2. THEORETICAL FRAMEWORK

2.1. Definition

There are many definitions of SMEs in the world. The SMEs are defined in The European Union (EU) context as companies with fewer than 50 employees, while medium-sized enterprises refer to companies with fewer than 250 employees (Liberto, 2023). The SMEs in Canada have different classification. Canada's government for example are 1–4 employees in a micro business. 5–99 employees in small businesses, 100–499 employees in medium-sized businesses and more than 500 employees for large companies. It is estimated that 98% of employers in Canada are in small businesses in 2022. In small businesses, 10.3 million people were employed, 3 times more than in medium-sized businesses (Liberto, 2023).

In the Sultanate, Small and Medium Enterprises (SMEs) are classified based on employee numbers and turnover. As a general rule, small and medium companies can be divided into three categories: micro businesses, small businesses, and medium businesses. Micro Enterprises: Between 1 and 5 employees and annual turnover of <OMR 100,000. Small Enterprises: Between 6 and 25 employees and annual turnover between OMR 100,000 and <OMR 500,000. Medium Enterprises: Between 26 and 99 and annual turnover between employees OMR 500,000 and <OMR 3,000,000. (Bank Nizwa, 2023).

Based on statistics released by the National Centre for Statistics and Information (NCSI), the number of SMEs registered with the Authority for Small and Medium Enterprises Development increased by 46.8% to reach 81,460 at the end of July 2022, up from 55,491 in 2021. In Muscat Governorate, there were 27,400 small and medium enterprises, which represented 33.6% of the total number of SMEs. There were 12, 538 SMEs in North Al Batinah Governorate, 9,104 SMEs in Al Dakhiliyah Governorate, 8,584 SMEs in Dhofar Governorate, 5,975 SMEs in South Al Batinah Governorate, 5,563 SMEs in North Al Sharqiyah, 4,928 in South Al Sharqiyah, 4,110 SMEs in Al Dhahirah Governorate and 1,617 SMEs in Al Buraimi Governorate. There were 1,234 SMEs in the Al Wusta Governorate and 408 in the Musandam Governorate. (Bitwize, 2022) Large multinational companies and mega corporations do dominate the developed world, but small and medium-sized enterprises contribute more than 50% of the GDP to the country. Oma's SME sector accounts for 13-14% of the economy. There is, however, a great deal of potential for further growth (SMEF, 2017).

2.2. SMEs Challenges in Oman

There are several challenges faced by Small and Medium-sized Enterprises (SMEs) in Oman during the COVID-19 which are:

2.3. Financial Strain

As a result of the pandemic, consumers' demand was reduced and business operations were disrupted, resulting in financial strain for SMEs. Rent, utilities, and employee salaries were among the costs that many businesses could not cover as revenues declined (Fairlie, 2020). Real estate: Real estate transactions, rent collection and property deals were significantly impacted in this sector (Hesham and Venkat, 2020). Education: Despite the pandemic, the online education sector remained relatively unaffected by the transition to traditional methods (Hesham and Venkat, 2020). Omantel has announced its 6-month financial results for the period ending 30th June 2020, achieving a net profit of R.O 100.5 Million (before non-controlling interests), a decline of 20.5% from R.O 126.5 Million in 2019. As a result of the unavoidable impacts of COVID-19 pandemic, the Group's net profit declined by 27% year-on-year (YoY) in the second quarter of 2020. As compared to 2019, the Group's consolidated revenues reached R.O 1242 Million in the first half of 2020, up from R.O 1258 Million. Also, COVID 19 has a significant impact on Bahrain economy, which can only be boosted up if Bahrain business class is prosperous. The purpose of this study is to analyze the levels of COVID 19 effects and identify possible solutions. The GDP rate for Bahrain is expected to grow significantly in the coming years, according to statista.com. In 2021, staista.com estimates that GDP will be 2.25%, which is a very attractive figure. As a result of our research, we will find out how the Bahrain business community can survive during and after crises related to COVID Pandemic, as well as its aftershock effects at micro and macro levels. Additionally, this paper investigates ways to increase the prosperity of Bahraini businesses of all sizes, particularly those in the middle and lower classes (Abdeldayem and Dulaimi, 2021). A viral infection caused by the SARS-CoV-2 virus is Coronavirus disease (COVID-19). A mild to moderate respiratory illness is usually the result of the virus, and most people recover without needing special treatment. Some people, however, will become seriously ill and require medical attention. A serious illness is more likely to develop in older people and those with underlying medical conditions such as cardiovascular disease, diabetes, chronic respiratory disease, or cancer. Regardless of age, anyone can become seriously ill or die from COVID-19 (Coronavirus, 2020). Low-income countries will need help managing the economic consequences of the pandemic and debt relief assistance from the international community and the United States to prevent further financial and economic distress and impediments to development efforts (World Bank, 2020).

2.4. Supply Chain Disruptions

Lockdowns and transportation restrictions disrupted global supply chains. Costs and delays increased for SMEs that depended on imported materials or goods (World Economic Forum, 2020). Agriculture and fisheries: The COVID-19 outbreak has impacted the retail market in Oman, which had the highest fish catch among Gulf countries last year (Hesham and Venkat, 2020). Manufacturing: In response to the pandemic, local manufacturers devised alternative strategies to function (Hesham and Venkat, 2020).

Global supply chains continue to face significant challenges as a result of the pandemic. The flow of raw materials and finished goods is slowed or even temporarily stopped by national lockdowns even in 2022, disrupting manufacturing. Despite this, supply chains have not necessarily faced any new challenges as a result of the pandemic. Several previously unnoticed vulnerabilities were exposed, including staff shortages and closures. It has, however, amplified and accelerated problems in the supply chain that already existed. In late 2020 and again in September 2022, Ernst and Young LLP (EY US) conducted two surveys. A range of industries were represented in the survey, including consumer products, retail, life sciences, industrial products, automotive, and high-tech companies with more than \$1 billion in revenue. The survey found that following the COVID-19 pandemic, enterprises intend to revamp their supply chain strategies to make them more resilient, sustainable, and collaborative with customers and suppliers. In order to achieve this, they will invest more in supply chain technologies such as artificial intelligence and analytics, robotic process automation, and control towers, while retraining workers at the same time (Harapko, 2023).

2.5. Lack of Management Skills

Management was one of the main challenges during Covid-19 as SMEs struggled to manage their shipments, deliver on time, etc... Logistics and transportation: Despite the Sultanate's positive port performance, Oman continues to strive to become a regional hub for logistics and transportation (Hesham and Venkat, 2020). Aviation: With the Sultanate playing a valuable role in the country, it is imperative that the recovery plan be pursued to resume flights in Sultanate (Hesham and Venkat, 2020). Tourism and hospitality: The country's tourism industry relies heavily on domestic and international tourists to grow and contribute to its income. The disease has greatly affected tourism because of their absence (Hesham and Venkat, 2020). Closed borders: Companies that ship raw materials from countries considered hot zones of the virus have had to shut down operations. There was a trade-off with suppliers from countries like China even before the Pandemic. It is almost impossible for the situation to improve anytime soon as politics play a role in determining where the virus originated. Because of this, most logistics companies have closed their borders to trade with the countries in question. Because of this, most countries in between the trading routes cannot benefit from partnerships. Hotels and accommodations accounted for the majority of these cases (Mueller, 2020).

2.6. Based on the Above Literature Review and Research Objectives, The Study Developed the Following Hypotheses

Null hypotheses (H_0): Covid-19 did not affect the SMEs performance in Oman.

Researcher hypotheses (H_1): Covid-19 has severely affected the SMEs performance in Oman.

3. METHODOLOGY

The study used a questionnaire design. To assess the impact of Covid-19 on the performance of SMEs in Oman. The data

for the study was collected using a questionnaire. Statistical analysis: Researchers can identify trends, correlations, and statistical significance by analyzing quantitative data rigorously using statistical analysis. Findings must be reliable in order to be considered reliable (Dawadi et al., 2021). Comparative Analysis: Surveys allow for the comparison of responses based on factors such as business size, industry, and location. It can be helpful in identifying patterns and differences in business performance during COVID-19 (Dawadi et al., 2021). Quantifying Findings: The quantification of responses makes it easier to draw conclusions and make recommendations based on various aspects of business performance (Dawadi et al., 2021).

3.1. Data Collection Methods

Collecting research data through Primary sources, like questionnaires or surveys, serves distinct purposes and offers various benefits. Here's a justification for using Primary Sources (Questionnaires/Surveys): Firsthand Information: Information from primary sources can be accessed directly from the source. Data can be collected directly from respondents with questionnaires and surveys, ensuring their authenticity and relevance (Academy and Academy, 2023). Specific Insights: There are insights that can only be gained from primary sources. People's opinions, attitudes, and personal experiences can be collected directly from them, providing unique perspectives that secondary sources might not be able to provide (Academy and Academy, 2023). Fresh Data: Data collected through primary sources provide up-to-date information, which is especially helpful when studying trends, opinions, or behaviors that may change over time (Academy and Academy, 2023). The paper has used 12 questions in the questionnaire about the financial performance of the businesses during Covid-19, and if the businesses were forced to temporarily close or not, and if the businesses adapted to work remotely or not, And the strategies the business used to overcome the challenges.

3.2. Sampling Frame

The paper used 100 respondents of stratified random sampling for better representation of the SMEs in Oman. A stratified random sampling (also known as proportional random sampling and quota random sampling) involves dividing the entire population into homogenous groups (strata) for the purpose of sampling (Qualtrics, 2023). As a result of the percentages provided, we are able to analyze the gender distribution within the studied population. Among the respondents, it was found that:

70% of respondents are male, compared to 30% of female respondents, according to the summary analysis. The gender distribution in the survey may have influenced how certain questions or topics were perceived or responded to. As gender can sometimes influence how individuals perceive and respond to issues related to managing small businesses during the COVID-19 pandemic, it may also be relevant to take gender-specific perspectives and experiences into account when interpreting the overall results of the survey.

3.3. Data Analysis Approach

In this research for data analysis techniques, Descriptive Analysis have been used to identify trends and relationships in current

and historical data. Often referred to as the simplest form of data analysis, it describes trends and relationships without digging too deep. The research will display information in tables and graphs so that it becomes clearer. In addition, to perform statistical analysis, we will use the Chi-squared test. Chi-squared tests have been used to analyze categorical data and determine if two or more variables are significantly associated. The Chi-squared test is useful for assessing the correlation between performance indicators and outcomes during the Covid-19 pandemics in Oman. Through the application of this test, we can gain valuable insight into how the pandemic impacted various businesses and identify any significant patterns or trends.

4. EMPIRICAL FINDINGS AND DISCUSSION

Table 1 shows the following observations, 24% of respondents reported that COVID-19 restrictions forced them to temporarily close their small businesses for an extended period of time. COVID-19 restrictions forced 54% of respondents to temporarily close their small businesses for a short period of time. 13% of respondents stated that their businesses remained open throughout the pandemic. Closures did not affect our business: 9% of respondents stated that their operations continued unaffected.

Positive outcomes have been reported by 23% of respondents during the pandemic. The impact was limited, but some positive outcomes were experienced: 56% of respondents indicated that the impact was limited, but some positive outcomes were experienced. Among respondents, 13% did not perceive positive outcomes as significant. There was an 8% response rate indicating that the question was inapplicable. Overall, the majority had a limited impact.

An excellent financial performance was rated by 14% of respondents. A good financial performance was rated by 42% of respondents. 25% of respondents rated their business's financial performance as fair. Among respondents, 19% rated their business's financial performance as poor. This shows that SMEs in Oman have not been affected by the financial performance during COVID-19.

In order to analyze how the pandemic affected the demand for products and services among the respondents, we should analyze the percentages provided for the question "What impact did the pandemic have on your customers' demand for your products/services?" This distribution can be seen in the data: 18% Indicated an outstanding decrease in demand, 31% Indicated a moderate decrease in demand, 32% Indicated a slight decrease in demand, 9% Indicated no significant impact on demand and 10% Indicated an increase in demand. It was reported by a significant percentage of respondents (18%) that customer demand decreased significantly during the pandemic. Businesses faced significant challenges in maintaining revenue and profitability as a result of a severe drop in demand for their products and services. Furthermore, 31% of respondents indicated that their business observed a "moderate decrease" in customer demand, indicating that the impact was less severe than that of the businesses with an outstanding decrease in demand. In addition, 32% of respondents indicated that customer demand had "slightly decreased." The decrease in demand may have affected operations and financial performance to some degree for some businesses. In the wake of the pandemic, 10% of respondents reported increased customer demand. A change in consumer behavior or a demand for essential or digital products may have contributed to an increase in demand for this group's products or services. A relatively small percentage of businesses were minimally affected by the pandemic in terms of

Table 1: Impact of Covid-19 on SMEs performing in Oman

Evaluating SMEs financial performance during COVID-19	Frequency	Percent	Chi-square
How often your business close due to COVID-19 restrictions?			
Long period	24	24	
Short period	54	54	
Continued operating	13	13	49.680 ^a
No effect	9	9	
Total	100	100	
Impact of COVID-19 on SMEs outcomes.			
Significant positive outcomes	23	23	
A limited impact	56	56	55.920 ^a
Negative impact	13	13	
Inapplicable	8	8	
Total	100	100	
SMEs overall financial performance during COVID-19.			
Excellent	14	14	
Good	42	42	17.840 ^a
Fair	25	25	
Poor	19	19	
Total	100	100	
Impact of the pandemic on customers' demand.			
Large decrease in demand	18	18	
Moderate decrease in demand	31	31	
Slight decrease in demand no significant impact on demand	32	32	24.500 ^b
Increase in demand	9	9	
Total	100	100	

customer demand, with only 9% reporting “no significant impact” on customer demand.

Overall, the research shows that the pandemic has impacted customer demand for products and services in varying degrees, However due to the short closure of businesses, The financial performance of its SMEs was good.

Table 2 shows the following observations, during the pandemic, 28% of respondents said all their employees were able to work remotely successfully. Remote work arrangements were partially implemented: 48% of respondents reported partial implementation of remote work arrangements. 15% of respondents reported that COVID-19 had no significant impact on their work arrangements.

According to 9% of respondents, remote work was not relevant to their business, perhaps because it was not applicable to the question.

As a result of our proactive strategies, 38% of respondents reported that their SMEs have implemented proactive strategies

to overcome COVID-19 challenges. In response to COVID-19, 44% of respondents adjusted their existing strategies. We did not adopt any specific strategies in response to the pandemic: 13% of respondents reported that they did not adopt any specific strategies. The question was inapplicable to 5% of respondents, possibly indicating that no specific strategy was needed.

The Effectiveness of Strategies to Mitigate COVID-19 Impact is that the mitigation strategies of 21% of respondents were exceptionally effective in addressing COVID-19. According to 39% of respondents, their strategies were moderately effective. Somewhat ineffective: 29% of respondents indicated that their strategies were somewhat ineffective. The question was inapplicable to 3% of respondents. Strategies that were ineffective were reported by 8% of respondents.

COVID-19 strategies did not achieve the expected results for 5% of respondents. The outcomes of their strategies were not achieved by 18% of respondents. The success of their strategies was neutral for 59% of respondents. 13% of

Table 2: Assessment of the strategies of SMEs in Oman during Covid-19's challenges

Effectiveness and success of COVID-19 coping strategies in SMEs		Frequency	Percent	Chi-square
Coping strategies during Covid-19.	All employees were able to work remotely successfully	28	28	35.760 ^a
	Work arrangements for remote workers were partially implemented	48	48	
	Work arrangements did not change significantly	15	15	
	Inapplicable	9	9	
	Total	100	100	
Is your SMEs implementing any specific strategies to overcome COVID-19's challenges?	Proactive strategies have been implemented	38	38	42.960 ^a
	Existing strategies have been adjusted	44	44	
	No specific strategy implemented	13	13	
	Inapplicable	5	5	
	Total	100	100	
Effectiveness of the strategies	Exceptionally effective	21	21	43.800 ^b
	Effective to a moderate extent	39	39	
	Ineffective to a certain extent	29	29	
	Inapplicable	3	3	
	Ineffective	8	8	
	Total	100	100	
Success of the strategies	Strongly disagree	5	5	101.200 ^b
	Disagree	18	18	
	Neutral	59	59	
	Agree	13	13	
	Strongly agree	5	5	
	Total	100	100	

Table 3: SMEs performance and the closure during Covid-19

	Firm closure				
Extended period of time	1	11	3	9	24
	4.2%	45.8%	12.5%	37.5%	100.0%
Short period	6	22	20	6	54
	11.1%	40.7%	37.0%	11.1%	100.0%
Continued throughout	5	6	1	1	13
	38.5%	46.2%	7.7%	7.7%	100.0%
Not affected	2	3	1	3	9
	22.2%	33.3%	11.1%	33.3%	100.0%
Total	14	14	25	19	100
	14.0%	25.0%	19.0%	100.0%	
Chi-square value	23.11				
Sig-value	0.006				
Spearman correlation	-0.224				
Sign value	0.023				

Table 4: SMEs performance and adapting remote working during Covid-19

Adapting remote working					
Remote working was successful	5	13	6	4	28
	17.9%	46.4%	21.4%	14.3%	100.0%
Remote working partially implemented	4	23	16	5	48
	8.3%	47.9%	33.3%	10.4%	100.0%
No change in work arrangements	2	5	2	6	15
	13.3%	33.3%	13.3%	40.0%	100.0%
NA	3	1	1	4	9
	33.3%	11.1%	11.1%	44.4%	100.0%
Total	14	42	25	19	100
14.0%	42.0%	25.0%	19.0%	100.0%	
Chi-square value			18.374		
Sig-value					
Spearman correlation			0.031		
Sign value					
			0.143		
			0.154		

Table 5: SMEs performance and strategies adopted during Covid-19

Are Covid strategies adopted					
Have been implemented	7	16	12	3	38
	18.4%	42.1%	31.6%	7.9%	100.0%
Adjusting existing strategy	6	19	11	8	44
	13.6%	43.2%	25.0%	18.2%	100.0%
No specific strategy adopted	1	6	1	5	13
	7.7%	46.2%	7.7%	38.5%	100.0%
NA	0	1	1	3	5
	0.0%	20.0%	20.0%	60.0%	100.0%
Total	14	42	25	19	100
14.0%	42.0%	25.0%	19.0%	100.0%	
Chi-square value			14.011		
Sig-value					
Spearman correlation			0.122		
Sign value					
			0.209		
			0.037		

Table 6: SMEs performance and effectiveness during Covid-19

Effectiveness of strategy					
Very effective	2	13	4	2	21
	9.5%	61.9%	19.0%	9.5%	100.0%
Modeltely effective	5	14	11	9	39
	12.8%	35.9%	28.2%	23.1%	100.0%
Effective to some extent	5	12	9	3	29
	17.2%	41.4%	31.0%	10.3%	100.0%
ineffective	0	0	1	2	3
	0.0%	0.0%	33.3%	66.7%	100.0%
NA	2	3	0	3	8
	25.0%	37.5%	0.0%	37.5%	100.0%
Total	14	42	25	19	100
14.0%	42.0%	25.0%	19.0%	100.0%	
Chi-square value			15.766		
Sig-value					
Spearman correlation			0.202		
Sign value					
			0.061		
			0.547		

respondents agreed that their strategies were successful. 5% of respondents strongly agreed that their strategies succeeded in achieving expectations.

COVID-19's challenges appear to have resulted in a majority of respondents adjusting their existing strategies or implementing proactive strategies. These strategies were, however, viewed

Table 7: SMEs performance and successful strategies during Covid-19

	Were the strategies successful in achieving overall outcomes expected				
Strongly disagree	1	2	1	1	5
	20.0%	40.0%	20.0%	20.0%	100.0%
Disagree	2	10	3	3	18
	11.1%	55.6%	16.7%	16.7%	100.0%
Neutral	6	21	19	13	59
	10.2%	35.6%	32.2%	22.0%	100.0%
Agree	4	6	1	2	13
	30.8%	46.2%	7.7%	15.4%	100.0%
Strongly agree	1	3	1	0	5
	20.0%	60.0%	20.0%	0.0%	100.0%
Total	14	42	25	19	100
14.0%	42.0%	25.0%	19.0%	100.0%	
Chi-square value			10.164		
Sig-value			0.602		
Spearman correlation			-0.086		
Sign value			0.397		

differently by researchers, with some finding them particularly effective and others finding them ineffective in varying degrees. The success of their strategies in achieving their expected outcomes was also neutral for a significant portion of respondents.

4.1. Qualitative Analysis

Regarding the lessons and strategies that SMEs adopted the managing of SME, Based on the responses we got we can conclude that most answers around 80% were in the meaning of that the person should save money, keep money for backup. The other 10% said that they wished they had a plan and that's what they learned that they should always be ready in case anything happens. And 2% said that they did E-commerce so the sales increase in Covid-19 and they have benefited. 6% said that they should be prepared for anything that can happen and always be ready. And 2% said that they did not learn anything. In summary, small businesses responded by reevaluating their operations and financial strategies, embracing adaptability and innovation, and prioritizing their readiness for future uncertainties. In order to overcome these challenges, those who succeeded often resorted to saving money, diversifying their income streams and always be prepared.

During the COVID-19 pandemic the additional challenges according to the survey are, Although 46.9% did not face any challenges yet there are lots of people who did. The 53.1% of the people who had additional challenges were that 30% of them had financial issues like low income, they do not have enough cash and that is why they recommended us to save more money in case anything happens. 15.8% of them had delivery issues and delays, both from the suppliers because there were restrictions and delays to deliver their product or service to the customers. 3.3% of them had high demand but the regulations were their barrier since it kept on changing every day. Lastly, the last 4% lacked getting their materials in general since also there were strict rules and regulations.

The lessons or insights that the SMEs learned were based on the responses in the survey conducted, around 26.7% stated that they should have did budget planning and to make plans to deal with

any crises that might happen in the future. 49.6% said that the lessons they learned is that they should save their money in case anything happens and they needed the cash for it 17.4% said that they learned how to make and deal with risk management since most of them are entrepreneurs and have their own businesses. And the last 6.3% said that they did not learn anything.

4.2. Factors Impacted SMEs Performance During Covid-19

In table 3, based on Chi-square there is a dependence between the performance of SMEs and degree of closure of the firms. Spearman rank correlation showed that there is a negative impact (Sig <0.05) which means that the more the closure the poor of the performance. The coefficient of correlation is among to 22.4%.

In table 4, based on the Chi-squared test, the relationship between adapting to remote working and business performance is statistically significant. Performance was associated with successful remote working, while partial implementation and no change in work arrangements were associated with fair performance. According to Spearman correlations, remote working is associated with improved business performance in a weak (but positive) way, while there is no significant correlation between the two.

In table 5, based on the Chi-squared test, COVID-19 strategies have a statistically significant impact on business performance. Performance is associated with implementing strategies and adjusting existing strategies, respectively. Based on the Spearman correlation, business performance tends to improve as strategy implementation or adjustment increases, although the relationship is weak.

In table 6, based on the Chi-squared test, COVID-19 strategies have a statistically significant relationship with business performance. Performance is strongly correlated with very effective strategies, while performance is strongly correlated with ineffective strategies. Spearman correlation indicates a positive but weak relationship between strategy effectiveness and business performance,

suggesting that though the relationship is weak, business performance tends to improve as strategy effectiveness increases.

In table 7, based on the Chi-squared test, the relationship between perceived success of COVID-19 strategies and business performance is statistically significant. Business performance is positively correlated with positive perceptions of strategy success, while poorer performance is negatively correlated with negative perceptions. Based on the Spearman correlation, the relationship is moderately positive, suggesting that business performance improves as perceived strategy success increases.

5. DISCUSSION

Based on our research and literature review, we have a clear picture of the impact of COVID-19 on SMEs, both locally and globally. Oman's SMEs are resilient and adaptable to challenges similar to the global trend of businesses quickly transitioning to remote work and online operations.

Financial strain faced by SMEs in Oman is similar to challenges businesses faced during the pandemic. Our findings substantiate the importance of financial prudence and preparedness, which underscore the need for risk management and budget planning.

The challenges faced by SMEs in Oman, such as delivery delays and evolving regulations, reflect those faced by businesses worldwide. Businesses need to adopt comprehensive strategies, such as risk management, to ensure their long-term resilience in light of these interconnected challenges.

Supply chain disruptions were prevalent both in Oman and globally, emphasizing the vulnerability of global supply chains. Similarly, the literature review indicates that businesses are actively looking for ways to improve resilience through their supply chain strategies.

Lack of management skills during the pandemic has had a significant impact on businesses, particularly in logistics and transportation, aviation, tourism, and hospitality. To effectively manage disruptions, businesses need to equip themselves with the necessary skills and knowledge.

Our research findings are consistent with the impact of COVID-19 on businesses in the broader global context. Based on our research and the literature review, SMEs and businesses must be adaptable, financially prudent, develop comprehensive strategies, and invest in technology to remain resilient to unforeseen challenges.

6. CONCLUSION

Using the research findings and the literature review, we provide a comprehensive understanding of how COVID-19 impacts Oman's SMEs and their global counterparts. The findings shed light on the resilience, adaptability, financial challenges, multifaceted obstacles, and disruptions of supply chains faced by SMEs during the pandemic.

There was remarkable resilience and adaptability among Oman's SMEs during the COVID-19 pandemic, with the majority reporting good performance. Their success can be attributed to their rapid adaptation to remote work and online operations, illustrating a global trend where businesses have adapted their business models to meet changing needs. SMEs faced financial challenges during the pandemic, echoing the broader global experience. Both research findings and literature emphasize the importance of financial prudence, risk management, and budget planning as tools for navigating uncertainty. Deliveries delays, income decreases, and evolving regulations faced by SMEs in Oman, mirror the multifaceted challenges faced by businesses worldwide. As a result, long-term resilience requires comprehensive strategies, particularly in risk management. Supply chain disruptions have emerged as a common issue, highlighting the vulnerability of global supply chains. According to the literature review, businesses should revamp supply chain strategies to enhance resilience as part of a proactive approach. Businesses during the pandemic suffered from inadequate management skills, especially in logistics, transportation, aviation, tourism, and hospitality. Consequently, businesses need to be equipped with the necessary skills and knowledge to manage disruptions effectively.

In conclusion, the research and literature review findings provide a holistic view of SMEs' challenges and strategies during COVID-19. For SMEs and businesses to remain resilient, they emphasize the importance of adaptability, financial prudence, comprehensive risk management, and technology investments. As a result, policymakers and business leaders can develop strategies to enhance SMEs' resilience and preparedness to handle future crises.

From the information contained in the paragraph, it appears that SMEs in Oman faced challenges as well as opportunities during the Covid-19 pandemic. These recommendations are directed to the SMEs management and also it will help these SMEs strengthen their resilience and navigate future uncertainties: Diversify business models: Although SMEs reported good performance during the pandemic after adapting online work from home, diversifying business models is essential for SMEs. Incorporate digitalization, develop e-commerce platforms, and explore multiple revenue streams. As a result, they will be able to remain flexible in the face of changing market conditions. Enhance risk management: Small and medium-sized businesses should strengthen their risk assessment and contingency planning capabilities based on the findings of a study that found businesses focused on risk management and budget planning. Make sure that they develop comprehensive risk management strategies in order to effectively address potential disruptions in the future. Resilience: Due to low incomes and delivery delays, stress the importance of financial preparedness for SMEs. Keep sufficient emergency funds to deal with unexpected challenges and sudden downturns. With this financial buffer, you'll be able to stay stable and flexible during unsettling times. Staying informed and adaptable: SMEs should stay informed about relevant policies and guidelines due to changing government regulations during the pandemic. Keep them informed of any potential changes by establishing communication channels with relevant government agencies. Successful business

management requires adaptability and responsiveness to regulatory changes. Invest in employee well-being and skill development: Employee well-being has been highlighted by the pandemic. Support remote work arrangements and mental and physical health investments by SMEs. Provide them with the necessary tools to deal with challenging situations by investing in skill development programs. Collaboration and networking: Collaborate with SMEs to facilitate collaboration. As they navigate challenges and grow their businesses together through a network of support, they can gain valuable insights, experience, and partnerships. Sustainable practices: SME operations should be integrated with sustainability practices. Through these practices, cost efficiency can be improved, reputations can be enhanced, and customer loyalty can be increased. In addition to providing benefits to the environment, sustainable approaches can also contribute to the long-term resilience of businesses. Continuous monitoring and evaluation: Maintain a continuous monitoring of SMEs' performance and market changes. Continual evaluation of their strategies will enable them to remain competitive and resilient by making timely adjustments and improvements.

For SMEs to succeed, they need to be proactive, agile, and prepared for uncertainty. Small and medium-sized companies in Oman can benefit from these recommendations by strengthening their resilience, mitigating risks, and capturing opportunities despite challenging economic conditions.

Among the limitations of the findings and recommendations is the potential bias in the responses to the research questionnaire. Business owners and managers may tend to provide more positive responses about their performance during the Covid-19 pandemic as a result of a self-reporting bias. During the pandemic, these businesses tended to emphasize their positive aspects or avoided revealing any vulnerabilities or challenges they faced. Consequently, some of the difficulties and hardships faced by SMEs may be underreported in the data collected about Covid-19's impact on their performance. The researchers could utilize additional data collection methods, such as interviews or focus groups, in the future in order to gain a better understanding of the SMEs' experiences during the pandemic. It may be possible to validate the self-reported questionnaire responses by taking a qualitative approach to understand the challenges and strategies adopted by SMEs in Oman. Another limitation is that there is only 100 respondent for this research.

As a result of the Covid-19 pandemic, SMEs in Oman faced both challenges and opportunities. Small and medium-sized enterprises can navigate future uncertainties more successfully and emerge stronger from crisis situations by implementing the recommended strategies and maintaining their adaptability. It is without a doubt that these experiences will shape the future of these businesses, helping them to be innovative and resilient when faced with challenges. And lastly the area for future research I would recommend is that "How was the Business performance for large sectors during Covid-19 in Oman?" Because large sectors play a big role in the economy and the GDP of Oman, and this research only talked about SMEs so its important to take it into consideration.

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