

COVID-19 KNOWLEDGE MANAGEMENT ON SMES SURVIVAL

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ABSTRACT

The novel coronavirus (COVID-19) has adversely affected the global community and like most countries, Kenya has not been spared, Kenya's international trade performance, its financial and commodity markets, and the entire macroeconomic environment have all been affected (Gui2de EA., 2019). SMEs have been vulnerable to the effects of the covid-19 pandemic as seen in the report by the International Trade Centre, (2020) it was uncovered that two-thirds of these SMEs have had their operations strongly impacted by the pandemic with two-thirds of all businesses claiming that same in Africa. Moreover, informal businesses are at a higher risk of closing down and are more susceptible to the effects of the pandemic due to their reduced ability to access financing. SMEs in Kenya have been facing unprecedented income losses and uncertainties about their future because of business disruptions due to the outbreak of COVID-19. Most SMEs do not have financial reserves to meet expenses during emergencies. SMEs need Knowledge management support to access and adopt digital technologies as well as respond to the current pandemic situation and for long-term transformation (Diana, S. et al., 2020). To increase their understanding of consumer needs, the business environment, and the actions of their rivals, SMEs must engage in knowledge acquisition, which is the process of gathering information from a variety of sources (Koohang, et al., 2017). Knowledge management, a process of acquiring, converting, applying, and protecting knowledge assets, is crucial for value creation. The purpose of this paper is to integrate these Knowledge management processes (knowledge acquisition, knowledge conversion, knowledge application, and knowledge protection), into the SMEs to help them adapt and respond to the current pandemic. This paper seeks to discuss some knowledge management initiatives to help SMEs handle these critical issues of the COVID-19 pandemic that will help them to sustain livelihood in the pandemic and eventually encourage knowledge management initiatives such as avoiding misinformation, psych educational, and, developing competencies such as resilience, agility, and ambiguity tolerance in the SMEs that can work to tackle the pandemic crisis.

Keywords: COVID-19, Knowledge management, SMEs Survival

1.0 INTRODUCTION

On 26 March 2020, the WHO suggested some important strategies for governments to cope up with the pandemic. These were: enlarge, prepare, and mobilize the human services laborers; enforce frameworks to discover genuine cases; scale up the process of tests and increase accessibility; find out offices that can be changed into coronavirus healthcare centers; formulate policies to isolate cases; and reinforce government methods on smothering the infection (WHO, 2020). It was reported that uncontrolled estimates will prompt the rapid and

recalcitrant increase of positive cases and require a greater limit of medicinal services frameworks to react, while severe control estimates executed early will assist in bringing down the number of cases, and require comparatively lower strength of healthcare infrastructure (World Economic Forum, 2020). This paper explores the options available to decision-makers to mitigate the pandemic effect when confronted with one such event as the COVID-19 pandemic.

The significant role of Knowledge Management (KM) as a strategic knowledge resource during the Covid-19 crisis cannot be underscored. The management of information and knowledge has played a critical role in guiding decision-makers to make strategic decisions not only on behalf of organizations but for countries globally. It has been imperative for critical knowledge to be acquired and disseminated rapidly in order to respond to the crisis. Knowledge is the most valuable resource that any organization possesses, and the optimal use of its knowledge resources is critical in ensuring that it survives in uncertain times.

Kenya has about 1.6 million registered small and medium-sized enterprises constituting about 96 percent of all business enterprises in the country (Economic Survey, 2009). SMEs represent the largest sector in the economy employing up to 83% of Kenya's workforce and contributing up to 18.4% of the country's Gross Domestic Product (GDP) (Economic Survey, 2013). SMEs are therefore an important component of the economy, especially with regard to absorbing a large percentage of the workforce. Adoption of knowledge management practices to these entities is therefore critical so that they can continue with their economic contribution. Knowledge Management in SMEs will provide an opportunity for sharing information on how they can maneuver through the COVID-19 crisis as well as taking up significant lessons to embrace along that journey. While knowledge management is important during "normal" times, it becomes even more critical during times of uncertainty.

2.0 COVID 19 PANDEMIC

The year 2020 witnessed one of the worst pandemics of our time - the Coronavirus is also known as COVID-19, an infectious disease that emerged in 2019 (WHO, 2020). World Health Organization (WHO) declared the COVID-19 epidemic a public health emergency worldwide which led to governments across the world putting measures in place aimed at stopping or reducing the spread of the virus (Aluga, 2020). Measures instituted include but are not limited to closures of education and training institutions, public and private offices including hotels and restaurants, as well as strong encouragement by governments to request employers and organizations to ensure employees work from home. Lockdowns and curfews have also been put in place, as well as closures of borders and airspaces (Aluga, 2020). The first outbreak was traced to Wuhan City, China in December 2019, and symptoms of patients include common cold, fever, and respiratory symptoms such as dry cough and Pneumonia (WHO, 2020). It was not until January 2020 that China publicly announced the spread of the disease. It was confirmed that the disease could be transmitted from person to person as new cases were no longer related to the early cases linked to the seafood market in the city. Wuhan City was put under total lockdown with restrictions on mobility enforced (WHO). This led to an extraordinary economic impact on the country which inevitably affected the rest of the world as the export market dramatically declined. This further added doubt to the country's slow economic growth rate and increase in unemployment. Nonetheless, the government adopted

policies to support businesses and workers with most of the policies prioritizing employment (ILO, 2020) This impacted the economies of countries, as levels of unemployment and workers being laid began to increase (ECDPC, 2020). According to Africa Centre for Disease Control (2020), Africa reported its first case in Algeria followed by Egypt towards the end of February 2020. Other African countries started to report outbreaks with South Africa, Nigeria, Ethiopia, Kenya, and Tanzania being among them. China being Africa's major commercial partner with high volume air traffic and trade, the risk of the spread of the virus in the African continent increased (Nkengasong & Mankoula, 2020). As this was happening, many countries stepped up their preparedness by introducing strict regulations to manage the spread, as well as increased surveillance and capacity building for the front-line workers to detect and manage transmissions (Nkengasong & Mankoula, 2020). The socio-economic impact for Africa is expected to be worse due to the poor population, especially in the SMEs.

In Kenya, the first case of COVID-19 was reported by the Ministry of Health on March 12, 2020, in Nairobi County (Aluga, 2020). Soon the numbers started to rise week by week as more people were tested across the country. (World Bank Group, 2020). Due to an increase in the number of positive cases, Kenya like many other nations across the world followed suit and put policy measures in place to stop the spread and flatten the curve by closing schools, universities, places of work, borders, and airspaces (Mbogo, 2020). Inter-county movements were also banned; counties include Nairobi, Mombasa, Mandera, Kilifi, and Kwale (Kiragu, 2020). According to the World Bank Group (2020), these measures changed the way business was conducted and slowed down business operations in the country affecting all sectors including SMEs.

3.0 COVID 19 KNOWLEDGE MANAGEMENT FOR SMES SURVIVAL

3.1 Knowledge, acquisition, Conversion, and protection for SME survival

Largely, SMEs in Kenya promote learning at the individual level, collaboration, and teamwork at the group level, and provide strategic leadership for learning across the organization. Knowledge creation IN SMEs comprises of entry of new knowledge into the system, which includes knowledge development, discovery, and capture. The key knowledge is that which is specific to the target market. SMEs possess far fewer resources and face higher challenges to acquire the knowledge needed for a successful entry into developing economies. The specific experiential knowledge includes market-specific knowledge, On the SME, institutional, and opportunity recognition – market-specific knowledge. The creation of new knowledge in SMEs generates higher levels of innovative output, which is then manifested in maintaining business performance to cushion it from the effects of COVID. The process of knowledge conversion in SMEs involves the creation of tacit knowledge through informal sharing, moving from tacit to explicit, and enhancing explicit content by combining codified knowledge and using explicit knowledge to create new tacit knowledge through thinking and sharing. The most common method of knowledge transfer across companies in all industries is informal interactions between SMEs with experts, management, and practitioners through sustained mentoring and apprentice relationships, or through brief discussions by phone or video conferences. Besides, the transfer of knowledge requires SMEs to cooperate with each other to distribute knowledge and achieve mutual benefits (Syed-Ikhsan & Rowland, 2004). Knowledge sharing is all about disseminating and making available what is already known (Tiwana, 2000). Knowledge

sharing is critical to a SME's success as it leads to faster knowledge deployment to various segments of the organization that can greatly benefit from it (Syed-Ikhsan & Rowland, 2004). Hence, with this in mind, many SMEs wish to share knowledge, as they view cooperation with consumers as vital and without a doubt beneficial. Lastly, knowledge utilization includes activities and events connected with the application of knowledge to business processes. Research shows that knowledge utilization in enterprise results from the mutually dependent influences of organizational processes, control opportunities and control problems that arise through organizational structure. The effective utilization and application of knowledge are dependent on factors such as a clear understanding of roles, opportunities in using it, a need to take action, and an awareness of the benefits to be gained from formats application (Wong & Aspinwall, 2002).

SMEs irrespective of their size, need to develop three types of knowledge to internationalize successfully: (1) internationalization knowledge, about how to manage the increase in complexity and diversity associated with the overall foreign expansion through technology to create a global business village; (2) Business knowledge, about clients, markets, and competitors; and (3) Institutional knowledge, about government institutional frameworks, rules, norms, and values prevalent in the country of operation. (Fletcher & Harris, 2012)

Internationalization knowledge: relates to SME -specific general knowledge about how to manage the internationalization process, SME's capability and resources to engage in international operations. Eriksson et al. (1997) argue that a firm experience of organizing internationalization means knowing what knowledge is required in different situations and different settings connected with internationalization, and where to seek this knowledge. This Kind of knowledge is not specific to a country or to a mode of entry – e.g., general export procedures, and awareness of country differences. It also comprises the knowledge that enables the firm to deal with procedures such as financing, shipping, and forwarding or processing paperwork (Shamsuddoha, Ali & Ndubisi, 2009). In relation to tacitness, this knowledge is mainly tacit as it is difficult to teach and it can only be acquired through experience or imitation (Knight & Liesch, 2002). This experiential Knowledge source of an SME can be the cornerstone of the knowledge sourcing for its internationalization. It is conceptually relevant; For instance, SMEs consider a given new foreign market entry, to distinguish between previous experience and the one the SME can acquire while prospecting or operating in the target market, henceforth, learning by doing in the host environment. According to Eriksson et al. (1997) traditionally, learning by doing has been a pivotal aspect of the internationalization process over time, knowledge about foreign markets may reduce perceptions of the cost of further internationalization, which may lead to a more intense commitment to those markets and this can be a good knowledge management support pillar for SMEs in COVID 19. According to Fernhaber et al., (2019), Young SMEs' external sources of knowledge are likely important to overcome liabilities of foreignness. According to Ellis (2011), There's a comprehensive classification of external sources of knowledge in three different types depending on two variables: (i) the actor involved, the firm or its manager; and (ii) the nature of the link, tie or non-tie sources of knowledge Previous experience: SMEs can acquire knowledge at home before their first external experience. Such as knowledge to manage complexity, developed by having multiple operations at home, and knowledge to manage differences in competitive conditions, developed by operating in business-to-business industries (Cuervo-Cazurra, 2011). Inherited or congenital knowledge: SME management

teams can also be a source of international knowledge (Michailova & Wilson, 2008) thus, previous experience, as a source of knowledge, is related to the transfer of know-how from SMEs in one market to the other. SMEs can learn while exploring business opportunities in the target market, especially when facing new projects such as starting business operations externally. For example, market scanning and information utilization, and a forward-looking perspective to anticipate rising opportunities for SMEs in the marketplace, result in an increased level of market knowledge by pursuing new market opportunities (Matsuno, Mentzer & Özsome, 2002). This will surpass the unprecedented income losses from COVID-19. Business networks: where SMEs use tie sources of knowledge with other entities, either home or host. A business network includes actors engaged in a wide variety of interdependent relationships (Johansson & Vahlne, 2009) For example, home business networks let SMEs acquire knowledge to manage differences in institutional environments by allying with a foreign firm at home (Cuervo-Carurra, 2011), host business networks let SMEs learn about the market and institutional local conditions because of host partners involvement in that country and existing business relationships, because they may help to identify and exploit opportunities. This will have considerable knowledge management support to SMEs to understand how to handle the dynamics in the COVID-19 business environment.

Business knowledge: Its experiential knowledge about clients, markets, and competitors within the business vicinity (Eriksson et al., 1997). This knowledge is idiosyncratic to every location where the SMEs operate, as industry structure may differ across markets. External market knowledge can be considered critical when SMEs internationalize to relatively unknown developing economies, so being also needed for internationalization success. Although this experiential knowledge is mainly tacit, it could partially be explicit in memos, reports, and pertinent datasets. These secondary sources of information represent an opportunity for knowledge acquisition in a first foreign market entry.

Institutional knowledge: Relates to how business in the SMEs is done, rules, customs, and practices that are explicit and relatively easy to comprehend and adapt (Petersen et al., 2008) and therefore it is market-specific. Institutions are broadly regulative – e.g., laws, rules, normative – e.g., shared values and norms, and cognitive elements – e.g., common business practices – that provide stability and meaning to social life (Scott, 2002). Opportunity recognition knowledge: Is needed by SMEs to appropriately manage the process of international opportunity recognition and assessment. Some facets of the opportunity recognition process are based on individual and firms' qualities – e.g., entrepreneurial alertness (Baron & nsley, 2006) and entrepreneurial orientation respectively – and so they are context-free. Others facets are linked to the host country context e.g., customers and industry knowledge. This context-specific knowledge is key to identifying the existence of unsatisfied market needs or under-employed resources that can be allocated more efficiently, envisioning new suitable and efficient ways to attend the market, and evaluating such ideas in terms of market acceptability, financial viability, and availability of resources. Thus, some of this knowledge is context-free while some are specific to each host country. According to the knowledge tacitness, opportunity recognition knowledge is only explicit to some extent, basically on the facet which is country-specific. As in today's world information and data are abundant and freely available, SMEs with entrepreneurial alertness will have the opportunity to access the required information to discover business opportunities in a particular foreign market.

4.0 CONCLUSION

Many SMEs lack a Knowledge Management System that would facilitate the processes of knowledge acquisition, creation, storage, transfer, and utilization. The study recommends that SMEs should adopt a knowledge management strategy in running their business so that they can gain improved performance in the COVID-19 pandemic. When knowledge is recognized, acquired, and stored, SMEs can implement this knowledge to explore problems and create solutions, producing a structure for facilitating efficiency and effectiveness. In the modern dynamic and complex environment, SMEs need to acquire, create, share, save, and implement new knowledge in order to make strategic decisions that can lead to improvements in productivity, financial and general SME performance, innovation, work relationships, and customer satisfaction an adoptive measure to COVID 19. The study concludes that knowledge creation enabled the creation of new products and services to meet customer needs and satisfaction for increased loyalty. SMEs were encouraged to innovate for better services for better productivity and increased returns. SMEs were careful while hiring and put importance on hiring skilled employees for improved and better performance. SMEs put great importance on technological advancement and embraced technology in their daily running of the business. SME firms organized meetings to enable sharing of knowledge and the borrowing of better ideas to the enterprises. SMEs achieved technological advantage by encouraging knowledge sharing on current issues. SMEs involved all departments for a better exchange of views when implementing knowledge management. The study recommends that knowledge creation ought to enable the creation of new products and services to meet customer needs and satisfaction for increased loyalty. SMEs ought to be encouraged to innovate better services for better productivity and increased returns. SMEs ought to be careful while hiring and put importance on hiring skilled employees for improved and better performance. SMEs ought to send their employees for external training to increase their competence levels for better productivity. SME firms ought to organize meetings to enable sharing of knowledge and the borrowing of better ideas to the enterprises. SMEs ought to achieve a technological advantage by encouraging knowledge sharing on current issues. SMEs ought to take a rational decision as a key driver to knowledge implementation. SMEs ought to involve all departments for a better exchange of views when implementing knowledge management

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