

# iscte

INSTITUTO  
UNIVERSITÁRIO  
DE LISBOA

---

## **Revisiting Small and Medium-Sized Enterprises' Innovation and Resilience during COVID-19: The Tourism Sector**

Inês Teixeira da Cunha

MSc in Business Administration

Supervisor:

PhD, Álvaro Lopes Dias, Invited Auxiliar Professor,  
ISCTE-IUL

October, 2021



# iscte

BUSINESS  
SCHOOL

---

Department of Marketing, Operations and Management

## **Revisiting Small and Medium-Sized Enterprises' Innovation and Resilience during COVID-19: The Tourism Sector**

Inês Teixeira da Cunha

MSc in Business Administration

Supervisor:

PhD, Álvaro Lopes Dias, Invited Auxiliar Professor,  
ISCTE-IUL

October, 2021



## **Acknowledgments**

Our success depends, not only on us but also on the people we have around us. My academic journey and this dissertation are not an exception. So, I will use the following lines to thank some of the most important people who contributed to making this possible.

Firstly, I have to thank Professor Álvaro Dias, who guide me throughout the whole thesis process. I have to say that he had always a word of motivation for me, which was a very important factor among many others.

Secondly, I have to mention some people who I met at ISCTE Business School. Starting with my Master's Degree work group. Thank you, guys, for being such challenging colleagues. We always pushed each other to be and make better during our academic year, professionally and personally.

A special thanks to Vanessa, Laura, and Raquel. These three human beings have been helping me many times and cheered me in many others. Thank you, girls. I will also leave here a kind word to Gonçalo, Inês, Rafael, and all the people I met during these years.

Finally, I have to mention my family. Thank you! The biggest appreciation is going to my mother, Clara, and my brother, Miguel. Every day I try to keep the best of you. Thank you for being there for me, regardless of everything. Nevertheless, I will dedicate this thesis to my grandmother Alexandrina and my grandfather Armando. I will never be able to express my gratitude.



## Resumo

Diariamente, as empresas estão expostas a vários riscos provenientes do ambiente onde estão inseridas, sendo as Pequenas e Médias Empresas (PMEs) as mais afetadas. Este estudo enfatiza a inovação e a resiliência como os pontos de partida para perceber de que maneira são estas influenciadas por fatores externos e independentes da vontade dos gestores. Até hoje, assistimos a vários fatores extremos que condicionaram negócios e empresários deste tipo de empresas, como por exemplo a Crise Financeira de 2008. Contudo, no final de 2019 observámos o início de uma Pandemia Mundial – COVID-19, cujas consequências se fizeram sentir a partir de 2020. Desta forma, esta investigação procura compreender em que medida esta pandemia influenciou a resiliência e a inovação das PME na área do Turismo. Desta forma, foram levantadas oito hipóteses com base em quatro variáveis independentes: *Access to Finance*, *Risk Taking*, *Working Conditions* e *Personal Network*. O estudo destas variáveis foi desenvolvido a partir de um questionário online e de entrevistas em profundidade. Após a análise dos resultados, é possível inferir que a Pandemia da COVID-19 resultou em consequências nunca observadas em crises anteriores, pelo que o estudo mostrou que: 1) as *Personal Network* de uma empresa influenciam positivamente a sua resiliência; 2) *Risk Taking* influencia a inovação e a resiliência destas PMEs.

Palavras-chave: Inovação, Resiliência, Pandemia COVID-19, PMEs, Turismo, Portugal





## **Abstract**

Every day, companies are exposed to various risks arising from their environment, and Small and Medium Enterprises (SMEs) are the most affected. This study emphasizes innovation and resilience as the starting points to understand how they are influenced by external factors which are independent of the managers' will. To date, we have seen several extreme factors that have conditioned businesses and entrepreneurs of this type of companies, such as the Financial Crisis of 2008. However, last year we saw the beginning of a Worldwide Pandemic: COVID-19 Pandemic. Thus, this research seeks to understand the extent to which this pandemic influenced the resilience and innovation of SMEs in the Tourism area. Thus, eight hypotheses were raised based on four independent variables: Access to Finance, Risk Taking, Working Conditions, and Personal Network. The study of these variables was developed from an online questionnaire and in-depth interviews. After analyzing the results, it is possible to infer that the COVID-19 Pandemic resulted in consequences never observed in previous crises, to such an extent that the study showed that: 1) a company's Network positively influence its resilience; 2) Risk-Taking influences innovation and resilience of these SMEs.

**Keywords:** Innovation, Resilience, COVID-19 Pandemic, SMETs, Tourism, Portugal



# Contents

|   |           |
|---|-----------|
| Acknowledgments.....  | i         |
| Resumo .....  | iii       |
| Abstract .....  | v         |
| Figure List .....   | ix        |
| Tables List.....  | xi        |
| Abbreviations List .....  | xiii      |
| <b>1. Introduction .....</b>  | <b>1</b>  |
| <b>1.1 Contextualization and Problem Discussion.....</b>            | <b>1</b>  |
| <b>1.2 Purpose and Delimitations .....</b>                          | <b>3</b>  |
| <b>1.4 Investigation Structure.....</b>                             | <b>3</b>  |
| <b>2. Literature Review .....</b>                                   | <b>5</b>  |
| <b>2.1 COVID-19 Pandemic Impacts in global economies.....</b>       | <b>5</b>  |
| <b>2.1.1 COVID-19 Pandemic and its effects on economies .....</b>   | <b>5</b>  |
| <b>2.2 Portuguese Tourism Sector importance and SMETs.....</b>      | <b>7</b>  |
| <b>2.2.1. The importance of the Portuguese Tourism Sector .....</b> | <b>8</b>  |
| <b>2.2.2 COVID-19 impacts in SMETs .....</b>                        | <b>9</b>  |
| <b>2.3 Conceptual Framework.....</b>                                | <b>12</b> |
| <b>2.3.1 Resilience and Innovation .....</b>                        | <b>12</b> |
| <b>2.3.2 Access to Finance .....</b>                                | <b>13</b> |
| <b>2.3.3 Risk-Taking .....</b>                                      | <b>14</b> |
| <b>2.3.4 Working Conditions.....</b>                                | <b>15</b> |
| <b>2.3.5 Personal Network.....</b>                                  | <b>16</b> |
| <b>2.3.6 Conceptual Model .....</b>                                 | <b>17</b> |
| <b>3. Methodology.....</b>  | <b>19</b> |
| <b>3.1 Research Approach and Design .....</b>                       | <b>19</b> |
| <b>3.1.1 Sample Characterization .....</b>                          | <b>20</b> |
| <b>3.2 Quantitative Study.....</b>                                  | <b>22</b> |
| <b>3.3 Qualitative Study .....</b>                                  | <b>23</b> |
| <b>4. Results.....</b>  | <b>25</b> |
| <b>4.1 Qualitative Study Results.....</b>                           | <b>25</b> |
| <b>4.2 Quantitative Study Results .....</b>                         | <b>26</b> |
| <b>4.2.1 Validity and Reliability.....</b>                          | <b>27</b> |
| <b>4.3 Structural Model.....</b>                                    | <b>28</b> |

|  |           |
|--|-----------|
| <b>4.4 Hypotheses Test .....</b>                         | <b>28</b> |
| <b>5. Discussion .....</b>                               | <b>31</b> |
| <b>6. Conclusion .....</b>                               | <b>37</b> |
| <b>6.1 Theoretical Contributions.....</b>                | <b>37</b> |
| <b>6.2 Managerial Implications .....</b>                 | <b>37</b> |
| <b>6.3 Limitations and Future Research.....</b>          | <b>38</b> |
| <b>References .....</b>                                  | <b>39</b> |
| <b>Appendix A - Entrevista em Profundidade:.....</b>     | <b>48</b> |
| <b>Appendix B – Survey .....</b>                         | <b>48</b> |
| <b>Appendix C – Variables, Items, and authors: .....</b> | <b>52</b> |

## **Figure List**

|   |    |
|---|----|
| Figure 2. 1 – Conceptual Framework .....  | 17 |
| Figure 4. 1 - Research Model with PLS-algorithm and bootstrapping results. .... | 28 |



## Tables List

|   |    |
|---|----|
| Table 3.1 - Number of employees of each SMET.....   | 21 |
| Table 3.2 - Country where each SMET is located .....  | 21 |
| Table 3.3 - Portuguese region where each SMET is located.....   | 21 |
| Table 3.4 - Number of innovative products/services launched during 2020.....  | 22 |
| Table 3.5- Methodology overview .....   | 23 |
| Table 4.1– Cronbach Alpha, Composite Reliability, Average Variance, Correlations, and<br>Discriminant Validity..... | 27 |
| Table 4.2 - Structural model assessment.....  | 29 |
| Table 4.3 – Hypotheses Testing.....   | 29 |





## **Abbreviations List**

AF – Access to Finance

WC – Working Conditions

RI – Risk

NW – Personal Network

INNOV – Innovation

RES – Resilience

SMEs – Small and Medium-Sized Enterprises

SMETs – Small and Medium-Sized Enterprises within the Tourism Sector



# **1. Introduction**

## **1.1 Contextualization and Problem Discussion**

Since the beginning of 2020, we have been seeing the rise of a global crisis unlike any other in a generation. The COVID-19 Pandemic has already resulted in widespread illness, death, and the recession of global economies (Financial Times, 2020). Thus, the theme of this dissertation emerged from the spread of the coronavirus at the beginning of 2020 around the world, which has had several negative consequences for all economies and countries (Chetty, Friedman, Hendren & Stepner, 2020).

The forecast for 2020 shows a decrease in Gross Domestic Product (GDP) and an increase in unemployment and debt (Tomé, Hatch & Gromova, 2020). Moreover, the international tourism industry is mostly composed of Micro, Small and Medium-Sized Enterprises (SMEs) and, in the European Union (EU), they represent 99% of all business entities (Parliament, 2021). Thus, this dissertation will focus on SMEs, the key responsible for making economies grow. However, there are sectors of activity more affected than others, and according to a recent study of the EY-Parthenon (2020), the Tourism Sector is currently the most affected one around the world, besides that being the largest export economic activity in the country chosen as the field of study, according to Turismo de Portugal. For these reasons, the focus of this dissertation will be the impact of the coronavirus pandemic on SMEs, during the spread of COVID19, but only within the Portuguese Tourism Sector (SMETs).

The study will also be focused on the importance of innovation and resilience within this pandemic context, since “innovation has become increasingly important for the survival of SMEs and for establishing a competitive advantage over their competitors” (Arenhardt, Simonetto & Rodrigues, 2018, p. 22). Some authors go further and note that it has a significant impact on firms’ performance (Aksoy, 2017), while others defend that it is one of the main concerns of managers (Adla, Gallego-Roquelaure & Calamel, 2019). The opinion of the authors is almost unanimous regarding resilience. Summing up, companies that want to survive and foster success must develop their resilience capacity, because it will be crucial to achieve sustainability in the long term, when reacting to unexpected events (Giancotti & Mauro, 2020). The truth is that consumers’ preferences are repeatedly changing, and these companies must deliver services in such a cost-effective way that makes them capable to satisfy their customers and, at the same time, be profitable (Rajnoha & Lorincova, 2015). Moreover, this is a fast-growing industry and it is becoming even more competitive than it was. Therefore, companies must innovate and be more resilient, during periods of economic turmoil.

Due to the reality caused by COVID-19 Pandemic, Antonioli and Montresor (2019) believe that innovation is affected by the stage of the business cycle we are in, which is characterized, at this time, as a difficult and unique economic moment. Thus, nowadays innovation can be experiencing low levels (Povolná, 2019). It is important to mention that innovation in the Tourism Sector has been studied by several authors. In recent studies, Divisekera and Nguyen (2018) argue that most of the literature regarding this subject focuses on its needs, drivers, and obstacles, as well as its determinants. For Tajeddini (2010), we can observe innovation within SMETs in a variety of ways, such as developing new strategies or encouraging employees to come up with new ideas. Others support the idea that a crisis influences the innovation process in the Tourism Sector as much as it influences the management perception of the future (Campo, Díaz & Yagüe, 2014), which means that if the perception of the manager is negative, his predisposition to innovate will be lower. Moreover, most studies on tourism innovation are “descriptive and (or) analytical, and the need for more empirical research and quantitative evidence has widely been emphasized” (Divisekera & Nguyen, 2018, p. 158).

Despite the numerous studies focused on SMETs innovation and resilience, as mentioned above, none of them embrace these two variables in a similar context to the COVID-19 pandemic due to the simple reason that it is a unique situation. Therefore, the emerging of some studies in this field is expectable, within the COVID-19 Pandemic context. However, they don't fully reflect the management and economic effects of this crisis in SMETs. Furthermore, firstly, its consequences become, to be related to a health crisis and then turned out to be an economic issue (Al-Fadly, 2020), which made various authors believe that this crisis is much worse for economies than it was, for example, the 2008 Financial Crisis (Kukanja, Planinc & Sikosek, 2020). This points out the gap that this dissertation aims to fill: the few studies regarding SMETs innovation and resilience during this unique, and never seen pandemic crisis.

The literature reveals several aspects that may influence SMETs resilience and innovation. Among these aspects, the following is highlighted in this thesis: 1) the access that these companies have to finance (Access to Finance) (Lee, Sameen & Cowling, 2015); 2) the level of risk that these companies and their managers can pursue and how they deal with uncertainty times (Beliaeva, Shirokova, Wales & Gafforova, 2018); 3) the working conditions in which employees are working (Psychogios, Nyfoudi, Theodorakopoulos, Szamosi & Prouska, 2019); and 4) the personal network of each business (Herbane, 2019a). Many other aspects can influence the innovation and resilience of Portuguese SMETs. However, for the current study, these are the four fundamental aspects that will be analyzed. It is also important

to highlight that even selecting four aspects, each company reality is a singular one and some outcomes can vary across them.

## **1.2 Purpose and Delimitations**

This study aims to fill the existing gap pointed out by Hall et al. (2020) in the literature regarding rethinking the Tourism Sector, namely its innovation during a crisis while adding resilience as a concept that works together with the innovative process. This is important since it will make managers rethink old strategies and models that have been used until now. The COVID-19 Pandemic can be seen as an opportunity to rethink this sector of activity and, thus, to innovate differently (Hall et al., 2020). At the end of the crisis, the improvements will remain and they will be an enormous advantage (Tomé et al., 2020). Hence, with a deeper study focusing on certain variables, it will be possible to identify the main challenges that those entities are facing to innovate while being resilient during this specific moment and to propose viable solutions.

Based on the subject of this investigation and to achieve its purpose, several theoretical and empirical objectives were established. Starting from the research question “What does influence innovation and resilience on Small and Medium-Sized Enterprises within Tourism, in a pandemic context?”, the general objective is to understand the factors that influence these variables the most, in a pandemic scenario, in SMEs within the Tourism Sector, specifically with the spread of COVID-19 Pandemic. Starting from the objective, what this dissertation brings new is not the factors that influence innovation and resilience, but the influence of those factors within this unique and never seen pandemic context. Specifically, it aims to understand if Access to Finance (AF), Risk-Taking (RI), Working Conditions (WC), and Personal Network (NW) influence Innovation (INNOV) and Resilience (RES) of SMETs, during the coronavirus pandemic.

The main delimitations of the study are mainly related to the methodological decisions taken, which have implications in terms of approach, data collection, results, and conclusions reached.

## **1.4 Investigation Structure**

To achieve what is being projected, this dissertation is structured in seven chapters. The first chapter identifies the research topic through a contextualization, a description of the problem and its relevance, the research purpose, and, finally, the structure of the study. Afterwards, the Literature Review will provide a reflective understanding of the principal concepts related to the topic. Further in this chapter, the research question will be placed.

Before writing about the employed methodology, a chapter concerning the Conceptual Framework will appear. Here it is possible to find the hypotheses formulation. Finally, the methodology is presented in the fourth chapter, which includes the research approach and design, data analysis method, survey content, and sample characterization. Afterward, it is important to discuss the results found, thus, across the fifth and sixth chapters, the study's results are shown and discussed, after the assessment of the validity of the research hypotheses. Lastly, in chapter seven is possible to read about the study's main conclusions and implications, as well as the research's limitations and recommendations for future research for the management sector.

## **2. Literature Review**

The following section aims to provide an overview of the literature available on the main topics related to the research problem. Namely, the COVID-19 Pandemic and its impacts on economies, SMETs and the importance of the Portuguese Tourism Sector, pandemic impacts in SMETs, and finally the innovation and resilience role for these enterprises.

### **2.1 COVID-19 Pandemic Impacts in global economies**

This section aims to briefly contextualize the COVID-19 Pandemic and its effects on economies.

#### **2.1.1 COVID-19 Pandemic and its effects on economies**

COVID-19 disease is an infectious disease caused by a coronavirus discovered in the middle of December 2019 in Wuhan, China. Some authors believe that it was caused by a spillover of an animal coronavirus and adapted to human-to-human transmission. It was declared a public health emergency of international concern in January 2020 and an ongoing pandemic in March of the same year (Liu, Kuo & Shih, 2020). This virus reached Europe through France, in January 2020, and the first positive case was detected two months later in the country chosen as the field of study - Portugal (Spiteri et al., 2020). Nowadays, it is still very present in society. Nevertheless, there is already a large percentage of the population vaccinated against this virus.

This disease is characterized by severe acute respiratory syndrome (SARS-CoV-2). It is believed that the virus spreads through the air but also contaminated surfaces. However, there is still no certainty and consensus about these facts. According to World Health Organization (2020), the most common symptoms are fever, dry cough, and tiredness. Though, it may evolve into severe pneumonia in several cases. The majority of people infected with this virus experience slight to moderate respiratory illness and recover without special treatment. Older people and the ones with medical problems, such as cardiovascular disease, diabetes, chronic respiratory disease, and cancer are more likely to have serious complications (WHO, 2020). Some authors go further and confirm that some infected patients have shown neurological symptoms, such as headache, languidness, unstable walking, and malaise (Wang et al., 2020). Besides, a new symptom was also diagnosed, the loss of taste and smell (Gautier & Ravussin, 2020). The WHO President, Tedros Adhanom Ghebreyesus, affirmed that “we do not fully know the long-term effects of COVID-19 infection” (2020), which enhances all the uncertainty around this pandemic. As of August of 2021, more than 205 million cases affected by this virus have been confirmed in the world, as well as 4,33 million deaths already (WHO, 2021).

COVID-19 has been affecting the world in every way possible: businesses, communities and organizations, financial markets, and the global economy. Governments have been forced to demand shutdowns, apply travel restrictions, and force quarantines, which has led to the closing of many businesses, such as restaurants or street stores (Nicola et al., 2020). These containment measures entailed long-term economic costs (Deb, Furceri, Ostry & Tawk, 2020). Despite the global consequences, these were necessary measures which nevertheless dictated the beginning of a distressful economic moment. Some questions have been made, such as how rapid will the economic damage spread? How bad will it be? How long will it last? And, possibly, the most critical one, what can governments and businesses do? (Baldwin et al., 2020)

Although there were many other pandemics in human history, the COVID-19 Pandemic is different in what concerns economic impacts because previous pandemics hit countries that were, at the time, far less economically centered (Baldwin et al., 2020). However, nowadays countries are much more economically dependent between them and connected, so when one economy is affected the others will be as well. The economy of China was the first to feel the impact, and consequently will be the first to recover. However and simultaneously, it is the economy with the larger percentage of connections around the world with other economies, and that means a huge spread of such consequences (Baldwin et al., 2020). The United States of America and the European zone were in a more fragile situation. In the top-ten of countries most affected by the disease, in 2020, it was possible to see the US, China, Japan, Germany, Britain, France, and Italy (Baldwin et al., 2020).

Regarding some specific economic effects, we can think of them separately and divide them into economic effects emerging from different causes. Firstly, the manufacturing sector is seriously affected by COVID-19 and brings many negative economic consequences, namely due to direct supply disruptions which will influence production and due to demand disturbances, caused by people having less purchasing power or because they expect to see prices falling (Baldwin et al., 2020). Sicker employees also impact GDP because the country will produce less, as well as some public and private containment measures. Closed schools, travel restrictions, and quarantines are some examples of the measures that are having an impact on GDP (Baldwin et al., 2020). Fundamentally, the direct economic impact of human reaction to the virus is vast and obvious and, in this spectrum, it is not only impacted the population in general but also Governments. For these authors, Governments sometimes adopt measures that are capable to cause even more catastrophic costs, taking as an example the 1970s oil shock and the tariff hike by the Trump administration, resulting in reduced imports. Additional factors that influence the country's economy are factory closures, travel prohibitions or border closings. All



of these contribute to reducing exports which affect international trading and, therefore, global economies directly (Baldwin et al., 2020).

Fernandes (2020) shows, through his studies, that countries with more service-oriented economies will probably suffer more when compared to economies that are industrial-oriented. In the particular case of Portugal – the field of study - it is important to bear in mind that the country was still recovering from a difficult economic moment that began in 2008 and led to an increase in social inequality. Thus, Portugal is feeling the effects of two big crises in a short period of a decade. In this country, the main effects of COVID-19 have been related to the labor market: the unemployment rate grew and job security decreased. However, people were not affected in the same way: low paid and less protected people were the most vulnerable, as well as young people starting their professional careers (Fernandes, 2020). Numbers speak for themselves, and since the beginning of March 2020 more than 100 000 people are unemployed and others have very low incomes (Almeida & Santos, 2020). However, the real estate and the manufacturing industries were also vastly affected. In what concerns companies' activities, studies show they are decreasing and affected by low levels of liquidity, being accommodations and food services the most affected ones in this category and where recovery is expected to be slower. Not only some of them were obliged to stop their activities, but also to definitively close doors (Manteu, Monteiro & Sequeira, 2020).

Regarding Europe, many countries already have policies and measures to help their businesses and consequently their economies (Nicola et al., 2020). Some specific actions that may help minimize all of the described above are monetary and fiscal policies, special facilities to keep lending money to small businesses, and fiscal measures to reduce the number of people affected by quarantines with short incomes or the risk of having their contracts prematurely terminated (Baldwin et al., 2020). However, Portugal cannot use the same strategies used in past crises due to the reduction of tourism demand and to the impossibility of making cuts in the health sector, as the country did in the past as a measure of economic recovery (Shaaban, Peleteiro & Martins, 2020).

## **2.2 Portuguese Tourism Sector importance and SMETs**

To better understand Small and Medium-Sized Enterprises, it is important to acknowledge its definition among several authors but also according to official sources. Finally, it is important to contextualize the Tourism Sector within Portugal.

### **2.2.1. The importance of the Portuguese Tourism Sector**

Tourism is a vast concept. It can be experienced in many ways. Holloway and Humphreys (2020) support that this concept represents the dislocations and activities performed by people in a destination outside the places where they live and work. For example, staying in hotels, meals made in restaurants, tours, or visits to museums are considered to be tourism. Tourism can be also seen through a mobility approach, which enhances the way tourism can be perceived by the dimensions of space and time and, at the same time, is seen as a declaration of power and privilege (Higgins-Desbiolles et al., 2019). This way of seeing tourism as a privilege goes in line with the idea that it is currently becoming a lifestyle (Hall, 2008). The countries' goals, when betting in this industry, are focused on improving its performance and competitiveness by chasing new opportunities and profit more. However, it is an activity that can be quite damaging to the environment, so in a world with limited resources, it is fundamental to make this industry offer more benefits and value to society (Higgins-Desbiolles et al., 2019).

According to the World Tourism Organization (2020), in 2018 and for the ninth consecutive year, tourism had sustained growth, being one of the fastest-growing economic sectors in the world. It has become one of the principal economic activities nowadays, surpassing other large industries (Vieira et al., 2020). Thus, it is the sector that contributes the most to the creation of jobs and new businesses, making growth micro and macroeconomies. But the reality seems to differ between developed and non-developed countries. Cárdenas-García, Sánchez-Rivero, and Pulido-Fernández (2015) defend that this positive relationship between economic growth and the high levels of tourism only exists in developed countries, and that does not happen in the non-developed ones. Besides, in 2017, Tourism of Portugal wrote a document named *Estratégia Turismo 2017*, which enhances, by the words of Manuel Caldeira Cabral (2017) the emergence of policies that affirm tourism as an innovative sector, such as Tourism 4.0 and entrepreneurship programs in Tourism Universities.

However, in countries where this sector brings economic prosperity, there is no doubt that innovation increases the productivity and performance of tourism enterprises through the different touristic experiences (Hjalager, 2015). In addition, it is an extremely volatile sector, vulnerable to political, economic, social, and environmental changes (Kukanja, Planinc & Sikosek, 2020).

Portugal is one of the best tourism destinations in Europe, both for foreign and domestic tourists, due to its natural, cultural, and historical heritage: wide physiographic diversity, landscapes, gastronomy, patrimony, environments, cultures, and the integration into the European Union and the Euro (Estevão, Nunes, Ferreira & Fernandes, 2018). This sector is of

great importance for the economy of Portugal. Hotels, travel agencies, airlines, passenger transportation services, tours, restaurants, and leisure industries are the most relevant businesses within this sector (Bento, 2016). It has been growing faster than expected and becoming the most important source of GDP growth in many countries. Portugal is not an exception and, in 2017, earnings from this activity grew by 16%, accounting for twice the pace of tourists' increase (8%) (Tomé, 2018).

Many factors contributed to this rapid growth, one of them was the development of the internet and online platforms, which made some processes easier and friendlier for consumers. For some authors, younger generations are the ones who have been contributing the most to this increasing progress. More generally, the economic, cultural, and social development of society has been influencing the space that tourism occupies (Vieira et al., 2020).

### **2.2.2 COVID-19 impacts in SMETs**

This point aims to introduce what a SMETs is and at the same time highlight the main consequences that COVID-19 had on these enterprises.

#### **2.2.2.1. SMEs and SMETs**

SMEs are enterprises with less than 250 employees (European Commission, 2015). Additionally, and according to data from the National Statistical Institute in Portugal (INE), an enterprise with less than 10 people is called a micro company, with less than 50 people is a small company, and with less than 250 is a medium business. Besides its size, there are many authors with different views on what concerns their characteristics compared with large companies, such as the behavior of the manager/owner and the stage of the company's development (Arenhardt et al., 2018). Regarding the behavior of the owner, Ayandibu and Houghton (2017) defend that in these situations the decision-making system becomes more informal and flexible. Nonetheless, they add that it is also possible to distinguish micro, small, and medium enterprises according to income tax purposes, net assets, or capital gain taxes.

For the European Union, there are two main criteria to differentiate SMEs from large companies, which are their dimension but also their resources, because "if a company has access to additional resources, it may not be eligible for SME status" (Europeia, 2015, p. 4). According to the same source, there are 3 different categories within the SME status, which relates to a different type of relationship that one company can have with another. Then, an autonomous company is an independent company that has one or more minor partnerships with other companies, which means the other companies have less than 25% of the autonomous one. On

the other hand, if the holdings of other companies are between 25% and 50% it is a partner company, and finally, if the holdings of other companies are more than 50% it is an associated company. “This distinction is necessary to establish a clear picture of a company’s economic situation and to exclude those that are not true SMEs” (European Commission, 2015, p. 7).

Buffa, Franch, and Rizio (2018) defend that those small businesses are flexible and have a strong ability to develop relationships which can be important to gain incentives (economic ones, for example) to complement their resources, which is a very important detail for their growth. However, Mittal, Khan, Romero & Wuest (2018) support that the participation among employees in what concerns the business is low. They also argue that usually SMEs have fear in the time of investing in new ideas, which makes them not being the early adopters of a given idea.

Despite this fact, SMEs embody 90% of all firms worldwide (Thorgren & Williams, 2020) and are usually the major contributor to employment in most countries (Ayandibu & Houghton, 2017). This is supported by the Annual Report on European SMEs of the European Commission written by Muller et al. (2019): 99,8% of the enterprises in Europe, that Portugal is part of, were SMEs, and they were responsible for 66,6% of the employment in that continent. This idea is quite consensual throughout the existing literature. It is not by accident that these enterprises are called “the backbone of the European economy” (Juergensen, Guimón & Narula, 2020, p. 200).

Following the same logic, a SMETs is a Small and Medium-Sized enterprise, however with the specificity that it is incorporated within the Tourism sector.

#### **2.2.2.2. Impacts on Portuguese SMETs**

SMETs are, in general, highly adaptable and self-reliant; nevertheless, in this specific pandemic crisis, the situation is beyond their control (Kukanja, Planinc & Sikosek, 2020), perhaps because the problems they are facing have been changing from a health crisis to an economic crisis (Al-Fadly, 2020).

The majority of authors believe that the COVID-19 Pandemic consequences are much worse for economies than it was, for example, the 2008 Financial Crisis (Kukanja, Planinc & Sikosek, 2020). No sector did not suffer any costs due to this pandemic, however, the tourism industry was the most harmed due to many factors. In addition, it is important to mention that this pandemic came during a period in which the liquidity of touristic firms is usually experiencing low levels due to the seasonality demand (Fernandes, 2020).

If tourism is a vulnerable sector, so are SMETs. This type of enterprise is characterized as a labor-intensive industry and that makes them very vulnerable to market changes. These enterprises survive through low-profit margins and so small sales losses can have a huge impact on their profitability (Kukanja, Planinc & Sikosek, 2020). Furthermore, SMEs in general, which also englobe SMEs within the tourism sector, experience lower levels of preparation, higher susceptibility, and higher dependence on governments compared with multinationals (Lu et al., 2020).

During this pandemic, three of the main issues that these firms faced were related to lack of cash flow, the interruption of supply chains, and the low market demand. This lack of cash flow can be explained by the obligation that firms have to continue to pay fixed expenditures, such as salaries, rents, or loans (Lu et al., 2020). In what concerns supply chains, the disruption of chains suffered by SMETs conducted to a substantially reduced production. Finally, market demand is one more significant factor for the prosperity of these enterprises. During quarantines, lockdowns, and even with only some contingency measures, the physical movement was restricted which negatively impacted consumer confidence at the time of purchasing goods and services in physical places. Thus, a reduction in private consumption spending was seen (Lu et al., 2020).

It is also possible to look into these three issues and organize them in a timeline, which suggests that businesses experienced a four-phase process after the crisis arrived. The first phase occurred when businesses see a cash-flow reduction. The second phase comes with the disruption of the supply chain, as already mentioned, and the third was when businesses reopen however under many restrictions, such as during a lockdown, a partial lockdown, or the obligation to ensure the required social distancing. All of this merge in a completely new situation for managers and workers. Finally, the last phase is workforce reduction (Al-Fadly, 2020).

However, there may be other reasons coming from a different nature, such as people's decisions. People, in general, have been showing a behavioral loop to shape the spread of this disease. Nevertheless, this behavior suffers many trade-offs, influenced by what individuals value the most at each different moment: money, time, relationships, health, and many others. As a consequence of these factors, many firms are facing abrupt declines in revenues, and some of them even risk insolvency (Secinaro, Calandra & Biancone, 2020). The transition to remote work was one more factor that, for some specific businesses, had a negative impact (Al-Fadly, 2020).

Nevertheless, the managers' attitude and mindset play an extremely important role when facing situations like this. On a micro level, SMEs were generally pessimistic about their short-term development. On the other hand, from a macro level point of view, SMEs' expectations for the economy as a whole were better. And regardless of their losses, SMEs' managers still had confidence in governments to help them go through this pandemic (Lu et al., 2020). Moreover, turbulent times can also be seen as opportunities for some entrepreneurs who can identify major trends during and after this pandemic and, at the same time, forecast what our society needs (Syriopoulos, 2020).

## **2.3 Conceptual Framework**

This point will present more key concepts about the study, the research model, and the respective variables.

### **2.3.1 Resilience and Innovation**

Nowadays, Small and Medium-Sized Enterprises (SMEs) managers/owners must consider innovation as a key to their strategy due to the competitive advantage this can bring to the business (Domi, Keco, Capelleras & Mehmeti, 2019), and that reveals what innovation brings to peoples' lives and their businesses: a new way to improve, to be better, and to do better when facing new challenges.

Resilience is a vast concept and can be seen through different levels. For Luthans et al. (2010), resilience is related to the employees' ability to bounce back in the face of enormous issues. On the other hand, and from a psychological standpoint, resilience is a skill revealed when managing difficulties successfully (Tarba et al., 2019). In addition, Cooper, Flint-Taylor, and Pearn (2013) believe that this concept is connected to positive emotions and the capacity to deal with stressful situations and environments. However, it cannot be only a single action itself, but a bunch of them that neutralize threats, including elasticity, learning, and rejuvenation (Mithani, 2020). Martina K. Linnenluecke (2017) perceives resilience as a key to overcoming external threats within organizations, such as unexpected events and extreme variations that shock organizations. The same author reveals that some organizations are not even capable to survive, while others become stronger. Resilience is the reason why some companies have the power to respond faster to unfamiliar events (Linnenluecke, 2017), and that is why it is seen as a crisis management tool for business stability and adaptability (Sharma, Thomas & Paul, 2021).

Innovation is a determinant factor of competitive advantage for SMEs (Falihat et al., 2020). It makes the pursuit of new ideas and opportunities easier (Su, Xie & Wang, 2015)

because it relates to the introduction of new techniques, products, and/or systems, as well as new strategies to compete within the market (Vaillant & Lafuente, 2019). For Martínez-Román Romero (2017), innovation has two different dimensions: the personal characteristics of the entrepreneur and the characteristics of the organization itself. The first one is regarding the entrepreneurs' beliefs and predispositions and the second one concerns the culture of the company. The latter is the one with the major influence on the innovation process, according to these authors.

The following points will put in evidence which factors have been influencing innovation and resilience the most, according to the literature.

### **2.3.2 Access to Finance**

Access to finance can be intended as the part of investment and working capital subsidized by formal finance (Kumarasamy & Singh, 2018) and it can take different types: grant funding, equity funding, and debt funding. It is seen as an intangible asset due to its lack of physical substance (Paper, 2019). Despite the fact that it has been increasingly improving, studies still show that this remains one of the main obstacles for SMEs (Sibanda et al., 2018), regardless of the World Bank has stated that one of its objectives is to invest in different strategic sectors, including tourism (Carrillo-Hidalgo & Pulido-Fernández, 2019). It seems a far reality for the majority of SMEs.

Financial development and economic growth are coupled. Tourism is a highly volatile sector which makes it suffer high financial risks (Serrasqueiro & Nunes, 2016). SMEs, but especially SMETs, find it difficult to get commercial bank financing due to many factors: lack of collateral, small cash flows, high-risk premiums or underdeveloped bank relationships (Rupeika-Apoga & Solovjova, 2017). As well as difficulties in obtaining credit from suppliers and financial institutions (Rivera, 2019). Consequently, SMETs finance themselves namely with retained earnings, instead of debt due to the high costs of the bank loans (Serrasqueiro & Nunes, 2016).

Adegboye & Iweriebor (2018) believe that ease of access to finance is the biggest positive contribution to innovation among SMEs due to the leverage gained to bounce back the uncertainty with innovation. Among other factors, such as the expansion of operations, investing in production facilities and new staff, innovation is also a positive consequence of financing (Fowowe, 2017). In this sense, the following hypothesis was created:

**H1:** Access to Finance influences SMETs Innovation.

In addition, to undertake the challenges of a crisis and manage a chaotic business scenario, different resources are needed to convert these situations into opportunities. One of the resources needed is the financial one, which works as a shock absorber of a crisis's negative impacts (Giancotti et al., 2020). Another reason pointed out by these authors is that financial resources may allow employees to stay in the company and prevent layoffs. Huang & Farboudi Jahromi (2021) stated that access to finance is a critical factor for business resilience in normal times, and even more during difficult times, such as the COVID-19 pandemic. In this regard, the idea that financing is a good condition to bounce back from some situations is also an indicator that it contributes to SMETs' resilience (Adegboye & Iweriebor, 2018). Thus, the following hypothesis was built:

**H2:** Access to Finance influences SMETs Resilience.

### **2.3.3 Risk-Taking**

Firms that take risks are willing to accept these risks to exploit innovative opportunities and gain competitive advantages (Hock-Doepgen, Claus, Kraus & Cheng, 2020). Recent studies from Hudakova, Masar, Luskova, and Patak (2018) show the key risks SMEs should take from the authors' point of view. The first three are market risks, financial risks, and economic risks. However, it seems that depending on the circumstances and the characteristics of the manager/owner, the behavior through risks could be different. For example, an experienced manager may risk more than an inexperienced one (Tipu, 2017).

In addition, firms which are privilege enough to take on more risk, also have the greatest opportunities, thus are more likely to be the most innovative ones (Nanda & Rhodes-Kropf, 2017). Likewise, Games & Rendi (2019) state that the risk taken by firms is a way of reducing negative outcomes from innovations. The same authors believe that risk taken can influence employees' predisposition towards innovation, which consequently will influence the innovation of the company as a whole. In addition, a study conducted by Pikkemaat (2008) indicates that a risk aversion behavior is a barrier to SMETs innovation. Thus, the following hypothesis was stated:

**H3:** A risk-taking attitude influences SMETs Innovation.



Additionally, entrepreneurs who are exposed to risks are much more proactive in what concerns sustaining growth, compared with the ones who don't. Besides, experience – which is associated with resilience - contributes to managers learning the best interpretations to go through a risky situation (Herbane, 2019). The majority of the time, resilience is evident when firms are exposed to some external threat, which may arrive from a risk taken by them (Linnenluecke, 2017). Therefore, firms need to mitigate risks to be resilient and consequently it will be constructed a resilient mindset (Giancotti et al., 2020). Due to this, the following hypothesis was stated:

**H4:** A risk-taking attitude influences SMETs Resilience.

### **2.3.4 Working Conditions**

The European Commission (2013) detailed that workers within a good workplace are the most excited to make their contribution to SME's goals. A good work environment is a great contributor to workers' mental and physical well-being. Companies usually focus their resources to improve social security as it is seen as a key area between employees in what concerns good conditions at work (Držajić & Vega, 2018). Other companies believe that pressure on competitiveness, realized by innovation, leads firms to create an environment for innovative work teams (Mizla, 2013). The question that must be raised is: what is a good environment, and which working conditions must be met to stimulate innovation? For Hoyrup et al. (2012) employees' initiatives and autonomy are as important as the structure and conditions at work. The same authors believe that good working conditions is the firms' possibility to provide knowledge and learning processes to their workers, because "learning can produce innovation" (p.4). Therefore, the following hypothesis was created:

**H5:** The company's working conditions influence SMETs Innovation.

Moreover, if good working conditions contribute to the individual well-being of each employee, it will consequently contribute to increase their individual's resilience spirit. In addition, when the literature mentions working conditions, not only is it referring to the possibility of learning but also the level of income of each employee, which is another relevant influence for resilience within a business (Athota & Malik, 2019). The same authors also stated that conditions at work are also measured through the level of stress experienced by employees and their response, which will also influence resilience. However, at the same time, they believe

that resilience skills may reduce workplace stress. In the same way, Ojo et al. (2021) consider that good conditions do influence employees' resilience. These authors highlighted that a decent leadership is one factor that contributes to employees considering having good conditions at work. Thus, the following hypothesis was formulated:

**H6:** The company's working conditions influence SMETs Resilience.

### **2.3.5 Personal Network**

Personal Network are social relationships associated with the sharing of knowledge and resources capable of making a business grow, or recover after a crisis, and can be measured through social capital, for example (Herbane, 2019a). Ooms, Werker, and Caniëls (2018) believe that geographical proximity, institutional proximity, cognitive, and social proximity can be determinant factors in what concerns building a network. Other authors go further and affirm that "friendship is viewed as the ultimate level of relationship in the trusted network" in a business context (Udomkit & Schreier, 2017, p. 4). The same authors also specified that a strong network differs in the level of closeness, trust, mutual respect, and commitment.

The concept of networking is crucial and a key success factor for SMEs, as Gronum, Verreyne & Kastle (2012) considered. Thus, these authors believe the network' impact on firm innovation, means more resources and knowledge. Moreover, Ioanid, Deselnicu & Militaru (2018) defend that network bring benefits to the innovation process. So, this type of enterprise needs to build strong network due to its small and medium-size, concluding that a weak network is a limitation of many SMETs to pursue competitive advantage (Lopes et al., 2021). Thus, we hypothesize the following:

**H7:** The company's personal network influences SMETs Innovation.

On one hand, Iborra, Safón, and Dolz (2019) argue that to be resilient is to be able to recover from a difficult and stressful event. On the other hand, Sadri et al. (2018) show that strong network, as well as higher levels of social capital, have a positive impact on the recovery of entities from disasters. If those social relationships mean that a manager/owner has more resources available to recover from a crisis (Herbane, 2019a), they can, at the same time, increase the resilience of that firm and increase the probability of that company to prosper after a period of crisis. This author suggests that one of the biggest influents of resilience is personal network, which goes in line with the idea that strong network supports companies during a crisis

and help them recover faster reducing uncertainty through appropriate strategies, better agility, and adaptability (Giancotti et al., 2020). Thus, we stated the below hypothesisis:

**H8:** The company’s personal network influences SMETs Resilience.

### 2.3.6 Conceptual Model

Concerning the theoretical concepts discussed above as well as the hypotheses presented in this chapter, the following conceptual framework was developed to analyze the subject in more detail.

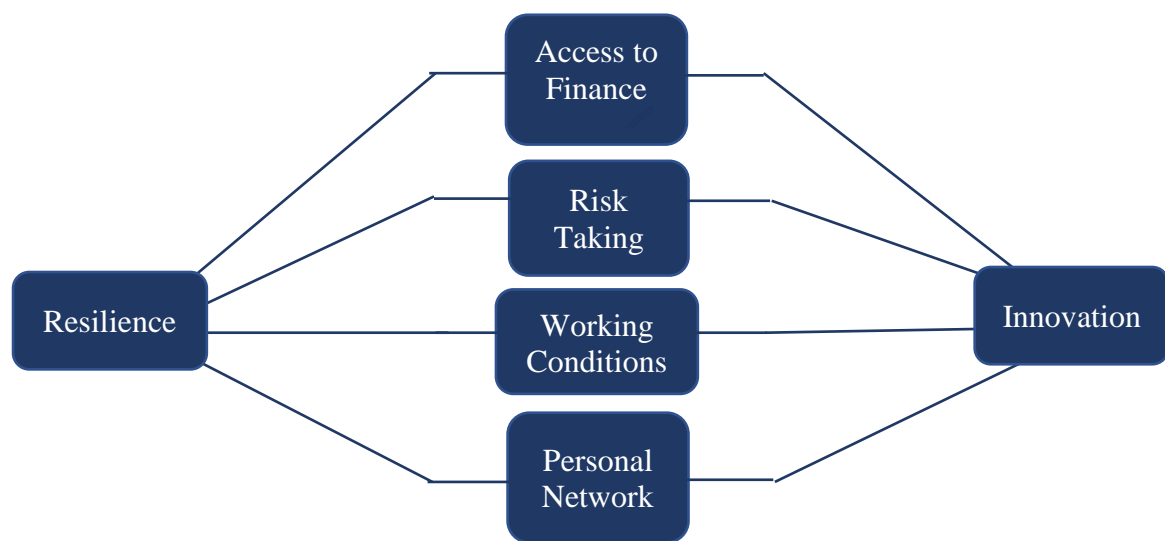


Figure 2. 1 – Conceptual Framework

The proposed model allows us to understand if there is any influence of the variables Access to Finance, Risk Taking, Working Conditions, and Personal Network on SMETs’ innovation and resilience.



### **3. Methodology**

This chapter aims to explain in detail the methodology followed throughout this study.

#### **3.1 Research Approach and Design**

In this study, an investigation model was built to find an answer for the research question and all hypotheses already listed above in the Conceptual Framework Chapter.

This is a deductive study, meaning that the stated hypotheses are based on theories and literature that already exists (Woiceshyn & Daellenbach, 2018). The deduction method consists of starting from the general into the particular, which is translated in starting from a theory that will lead to a hypothesis construction. The method also covers the testing of these hypotheses (Locke, 2007).

The present study uses the two main types of information collection, namely primary data and secondary data. Secondary data is the data used by someone else rather than the author of that data, who did that for primary use. This concept leads us to what primary data is: data collected by someone for his use (Willey et al., 2017). On one hand, in this study, the primary data covers the online questionnaire and interviews that have been made. On the other hand, the secondary resources consisted of bibliographic research that encompasses scientific articles, magazines, books, and websites.

In what concerns data collection, we can identify two different types of data: qualitative data and quantitative data. This thesis englobes both of them by using a mixed-method. The quantitative research aims to quantify data and it is focused essentially on objectivity. It is used based on a population sample and the respective results are processed into a specific software (Almeida et al., 2017). In this thesis, an online questionnaire was used as quantitative method and was sent to the managing directors of SMETs or owners of the same type of enterprise. The data gathered from the questionnaire responses was analyzed with the PLS software. Appendix C (p. 39) provides the variables which are being studied with the survey, each item that will be used, the measures of each independent variable, and the respective authors. Additionally, the study combines this with a qualitative method, a method that allows a deeper understanding of concepts that cannot be quantified (Almeida et al., 2017). In the particular case of this thesis, in-depth interviews with content analysis and a sample of entrepreneurs allowed to better understand and go deeper on how these business people think. In summary, the quantitative method provides certainty and the qualitative one provides depth to this study.

Regarding the type of investigation, this study is characterized as being a predictive investigation due to the testing of several variables to understand if, and how, they influence

innovation and resilience of SMETs during a severe crisis, such as the COVID-19 Pandemic. Moreover, it is a sequential explanatory investigation due to the use of qualitative data supporting the quantitative one (Creswell, 2007).

Focusing on the sampling technique, this can be separated into probabilistic or non-probabilistic. The probabilistic sample technique ensures that the probability of selecting a determined population member is equal to selecting all the others, which is the same as saying that the selection is made randomly. Contrary, the non-probabilistic sample technique is not based on a random selection, but on a selection based on the characteristics of the investigation itself, so some population members are more likely to be selected than others (Patrick & Osadebe, 2017). Regarding this study, a non-probabilistic technique was used due to the selection of the population based on specific characteristics defined in the present thesis.

Additionally, the sample used was chosen by convenience. A convenience sample is a sample whose selection criteria is related to pre-defined characteristics formulated by the investigator, for example, age or gender related (Peterson & Merunka, 2014). Those are characteristics that will be advantageous for the theme of the study, making it easier to find out a trusted outcome. Finally, this method concerning collecting data from a population, a sample group, is called the data collection method. And regarding this field, this study will use a quantitative and a qualitative method to try to achieve the investigation purpose (Codó, 2009). To sum up, this thesis will use a non-probabilistic convenience sample.

To collect data, an online questionnaire was built (Appendix B) posted through Google Forms platform. This questionnaire was sent to the managing directors of SMETs or owners of these types of businesses. The target population of the survey, within SMETs, are hostels, restaurants, tours, and museums, in Portugal (the field of study chosen).

### **3.1.1 Sample Characterization**

The population of this study is comprised of: 1) Small and Medium-Sized Enterprises in Portugal and 2) SMEs within the Tourism Sector. The focus in this sector of activity is justified by the fact that it was the most affected sector during this pandemic, as is explained above in the study's introduction.

Both questionnaires and interviews reached each participant throughout a database previously constructed by the author's thesis, containing the email addresses of each respondent. Interviews were scheduled by email with different entrepreneurs from the ones who answered the questionnaire. The survey has a total of 26 questions and 103 responses. To characterize this sample, it was decided to analyze the sociodemographic variables: number of

employees of each SMET, country, and region where each SMET is located, and the number of innovative products/services launched during 2020.

From the total of 103 questionnaires answered by SMETs, the majority of them have between 0 and 10 employees, corresponding to 68,9% of the total (n = 71). Regarding between 11-50 and 51-250 employees, the results show a total of 26,2% (n = 27) and 4,9% (n = 5), respectively.

Table 3.1 - Number of employees of each SMET

|                | Number of employees of each SMET |
|----------------|----------------------------------|
| Between 0-10   | 68,9%                            |
| Between 11-50  | 26,2%                            |
| Between 51-250 | 4,9%                             |

Moreover, 100% of the respondents have their offices within Portugal. 97,1 % have offices exclusively in Portugal (n = 101) and 2,9% have offices not only in Portugal but also in another European Union's country (n = 3).

Table 3.2 - Country where each SMET is located

|                              | Country where each SMET is located |
|------------------------------|------------------------------------|
| Portugal                     | 97,1%                              |
| Portugal and another country | 2,9%                               |

In Portugal, the main part of the sample population has offices in Lisbon, representing 34% of the inquiries (n = 35). The other regions also have some offices based, such as Madeira Island (8,7%), Algarve (13,6%), Alentejo (6,8%), the center of Portugal (13,6%), Açores Island (8,7%), and Porto (14,6%).

Table 3.3 - Portuguese region where each SMET is located

|                    | Portuguese region where each SMET is located |
|--------------------|--|
| Madeira Island     | 8,7%   |
| Açores Island      | 8,7%   |
| Algarve            | 13,6%  |
| Alentejo           | 6,8%   |
| Lisbon             | 34%  |
| Center of Portugal | 13,6%  |
| Porto              | 14,6%  |

Finally, the survey shows that a large number of enterprises did not innovate during 2020, namely 23,3% (n = 24). However, the majority of SMETs, 62.1%, had between 1 and 5 innovation products/services during this specific year (n = 65). The rest of them, say that they had between 5 and 10 or even more than 10 innovative products/services, corresponding to 7,8% (n = 8) and 6,8% (n = 7), respectively.

Table 3.4 - Number of innovative products/services launched during 2020

|              | Number of innovative products/services launched during 2020 |
|--------------|---|
| Between 1-5  | 62,1%   |
| Between 5-10 | 7,8%  |
| More than 10 | 6,8%  |
| None         | 23,3%   |

### 3.2 Quantitative Study

To collect data to carry out the present study, an online questionnaire was constructed. The target population of the survey is the small and medium-sized enterprises in Tourism (SMETs), such as hotels, restaurants, tours, and museums, in Portugal. The survey aims to reach SMETs that had high levels of innovation since the beginning of 2020, but also the ones with low levels of innovation during this pandemic scenario. Thus, it was possible to understand what the differences between the both are and what is missing in the ones that do not innovate. The questions were based on surveys from other authors, however some changes were made. For instance, it was necessary to eliminate some of the questions when studying a specific variable, some statements were rephrased and all of them translated into Portuguese because the respondents were Portuguese SMETs.

Before starting to build the questionnaires, a literature review was written having in mind the variables and subjects that would take part of the online survey. Besides, the use of other authors' questions regarding each variable in the study enhances the reliability and quality of the results. Additionally, there are some features pointed out by Codó (2009) that make a successful questionnaire: good planning of the sample, the fact that it must not be too long, the phrase construction, which should be appropriate for the specific survey target, clarity, and previously instructions on how to fill it.

The questionnaire used in the present study is mostly composed by closed questions, regardless some exceptions. Nevertheless, there are some introductory questions, for example, where are the SMETs located. All other questions which are applied to each variable were



measured on specific authors' scales that can be consulted in Appendix C. Regarding the treatment of the data, it was used the PLS software. Once more, Appendix C provides the variables which are being studied with the survey, each item that will be used, the measures of each independent variable, and the respective authors.

Lastly, it is important to highlight that the survey respected all the inherent ethics: it guarantees the confidentiality and anonymity of each respondent, which increased their confidence to be the most honest possible (Codó, 2009). Besides, all the participants were well informed about the purpose and uses of this study, as well as their voluntary participation.

### 3.3 Qualitative Study

To increase the quality and depth of the data collection, in-depth interviews were carried out, with content analysis and a sample of entrepreneurs. This type of interview allows the investigator to inquiry participants about their beliefs and opinions. They also give the possibility to ask the participants to clarify or elaborate on some specific topic (Dester, 2020).

Through this second method, it was possible to understand the way managers think over a deeper analysis, and not only by numbers. In this methodological approach, the strategy used was data saturation, which allowed the study to have the most diverse and useful information possible. The target population of this method was SMETs in Portugal, but different from the ones used in the questionnaire.

The questions that composed the interview are all related to the questions from the questionnaire. Moreover, due to COVID-19, all interviews were conducted by phone call and recorded with the agreement of each participant.

Table 3.5- Methodology overview

|                               |                                 |
|-------------------------------|---------------------------------|
| <b>Research Approach</b>      | Deductive                       |
| <b>Research Design</b>        | Quantitative and Qualitative    |
| <b>Data Source</b>            | Primary and Secondary           |
| <b>Strategy</b>               | Explanatory                     |
| <b>Data Collection Method</b> | Questionnaire & Interviews      |
| <b>Sampling Method</b>        | Non-probabilistic & Convenience |
| <b>Data Analysis Method</b>   | Statistics                      |
| <b>Quality Criteria</b>       | Reliability & Validity          |



## **4. Results**

The dissertation combines a quantitative method with a qualitative one, using a mixed-method. The quantitative method is an online questionnaire and the qualitative one consists of in-depth interviews, with content analysis, with a sample of entrepreneurs. Through this second method, was possible to understand the way they think over a deeper analysis, and not only superficial. In this methodological approach, the strategy used was data saturation, which allow having the more diverse and useful information. The target population for both methods is Portuguese SMETs.

### **4.1 Qualitative Study Results**

The conclusions drawn from the interviews were in accordance with the quantitative results.

All 5 interviewees agreed that financing was not a contributor to their business innovation during the COVID-19 Pandemic. The Manager of Restaurant A, located in Lisbon, mentioned two clear reasons for that. Firstly, “the huge cost of time that we spend waiting for that financial help, and the fact that many of these businesses were not able to have this privilege due to being small”. In his opinion, even though they did not have financial help, many of these enterprises were able to innovate as well, and that is why he does not consider this correlation to be real. Similarly, he also considers that financing did not have any influence on their business’s resilience. The main reason referred was the fact that the most evident moment where resilience was crucial was during lockdowns and, with this point, the interviewees wanted to say that this time was the moment when other things, instead of money, were more important to continue in the business. In the opinion of the Manager of Restaurant B, in Açores Island, “the thing that influenced resilience the most during this time was my mindset, as a Manager, during quarantine. Money would solve some problems, but would not create resilience”.

In what concerns risk-taking and how that attitude influences, or not, innovation and resilience, all the respondents shared the same opinion. All of them agreed that taking risks forced them, as Managers, and their employees to be more innovative. Moreover, the Manager of Restaurant B highlighted that it is inevitable that innovative ideas come from risky actions because it is almost certain that this is what it takes to go through that kind of situation. In what concerns resilience, their opinions did not change. In the words of the Manager of Restaurant B, “entrepreneurs will increase their experience only if they are willing to be exposed to risks”, which will inevitably contribute to build a resilient mindset. This Manager concluded by saying that for the ones that play it safe, there is no need to be resilient because they are in their comfort zone.

However, contrary to this, interviewees do not consider significant working conditions to be significant influent in innovation and/or resilience. Even though the majority of them recognized that this factor helps in many parameters, such as the ability to preserve human resources, which is an indicator of good conditions for that specific work, they do now find it enough to assume that this is capable of influencing the innovation or resilience of SMETs. However, it was clear that none of them has a well-organized opinion about this relation.

But if working conditions were not clear for them, the opposite happened with business's network influences in innovation and resilience. The Manager of Restaurant B argued that this crisis was transversal to the whole supply chain, thus it was the cooperation among all participants and good relationships between them that make it possible to bounce back from such difficult times. Therefore, and influenced by companies and people around them, all the interviewees have no doubts that their resilience increased a lot when working with people with whom they identify professionally.

## **4.2 Quantitative Study Results**

A Structural Equation Modeling (SEM) was used to test the conceptual model of this study. This technique combines factor analysis with regression and the main goal is to design paths between variables to build and then accept, or reject, a theory. Namely, the Partial Least Squares (PLS) method was used through SmartPLS software (Ringle et al., 2014).

Appendix C provides the variables that were being studied within the survey, each item used, the measures of each independent variable, and the respective authors. Not only the Likert Scale was used (based on 5-points: 1= strongly agree; 2= agree; 3= don't know; 4= disagree; and 5= strongly disagree), but the following scales were also used: 1) 1= "not at all" and 7= "to a great extent" (Henri, 2006); 2) 0 = absent (Score: 0 – 7) (Herbane, 2019a).

In the present study, the following data analysis methods were used: Cronbach alpha's reliability test, Composite Reliability test, Average Variance Extracted, R-Squared, Fornell & Larcker Criterion, Heterotrait-Monotrait Ratio, Structural Path Coefficients, and Collinearity Statistics. They will be mentioned in more detail in the following pages.

To achieve the proposed objectives, a quantitative method it was used, namely an online questionnaire, with a non-probabilistic convenience sample. Then, it was sent to the managing directors of SMETs or owners of the business, such as hotels, restaurants, tours, and museums, in Portugal.

### 4.2.1 Validity and Reliability

We used a Structural Equation Modelling (SEM) to test the conceptual model, namely a variance-based on the SEM technique - a partial least squares (PLS) - using SmartPLS Software (Ringle et al., 2015).

Firstly, we measured the reliability and validity of the measurement model, and secondly, we assessed the structural model.

In what concerns the quality of the measurement model, we examined the following indicators: reliability, convergent validity, internal consistency reliability, and discriminant validity (Hair et al., 2017).

Internal consistency reliability was confirmed because all the constructs' Cronbach Alphas (CA) and Composite Reliability (CR) values exceeded the cut-off of 0.7 (with a minimum value of 0.712 and 0.812, respectively) (Hair et al., 2017), which enhances an adequate internal consistency (Table 4.1).

The results showed that the standardized factor loadings of all items were above 0.6 (with a minimum value of 0.62) and were all significant at  $p < 0.001$ , which provided evidence for the individual indicator reliability (Hair et al., 2017).

Table 4.1– Cronbach Alpha, Composite Reliability, Average Variance, Correlations, and Discriminant Validity.

|       | CA    | CR    | AVE   | AF           | INNOV        | NW           | RES          | RI           | WC           |
|-------|-------|-------|-------|--------------|--------------|--------------|--------------|--------------|--------------|
| AF    | 0.753 | 0.888 | 0.799 | <b>0.894</b> | 0.144        | 0.100        | 0.206        | 0.168        | 0.089        |
| INNOV | 0.920 | 0.944 | 0.807 | 0.123        | <b>0.898</b> | 0.263        | 0.215        | 0.331        | 0.128        |
| NW    | 0.712 | 0.845 | 0.732 | 0.075        | 0.201        | <b>0.856</b> | 0.204        | 0.175        | 0.390        |
| RES   | 0.891 | 0.914 | 0.606 | 0.174        | 0.198        | 0.159        | <b>0.778</b> | 0.259        | 0.187        |
| RI    | 0.772 | 0.864 | 0.681 | 0.019        | 0.309        | -0.061       | 0.238        | <b>0.825</b> | 0.143        |
| WC    | 0.785 | 0.812 | 0.517 | -0.057       | 0.095        | 0.250        | -0.144       | 0.105        | <b>0.719</b> |

Note: CA – Cronbach Alpha, CR – Composite Reliability, AVE – Average Variance. Bold numbers in diagonal are the square roots of AVE. Below the diagonal elements are the correlations between the constructs. Above the diagonal elements are the Heterotrait-Monotrait ratios.

Convergent validity was also confirmed by observing CR values higher than 0.70 and by all Average Variance (AVE) values that exceeded 0.50 (Bagozzi & Yi, 1988). Regarding the discriminant validity, this one was evaluated using the Fornell & Larcker criterion and the Heterotrait-Monotrait ratio (HTMT) criterion (Hair et al., 2017; Henseler et al., 2015). The first criterion requires that the construct's square root of AVE (revealed on the diagonal with bold values in Table 4.1) is greater than its biggest correlation with any construct (Fornell & Larcker, 1981). Table 4.1 shows that this criterion was accomplished for all constructs. Regarding the

second criterion, we can observe that the HTMT is all below the conservative threshold value of 0.85, providing even more evidence of discriminant validity (Hair et al., 2017; Henseler et al., 2015).

### 4.3 Structural Model

Before assessing the structural model, we analyzed the collinearity (Hair et al., 2017), with values between 1.00 and 1.15, which is below the indicative critical value of 5 projected by Hair et al., (2017). Consequently, these values showed that there is no collinearity.

The coefficient of determination R-Squared ( $R^2$ ) for the two endogenous variables of resilience and innovation were 15.6% and 15.4%, respectively. Thus, these values exceeded the threshold value of 10% (Falk & Miller, 1992). The Q-Squared ( $Q^2$ ) values for all endogenous variables (0.109 and 0.060) were above zero which revealed, once again, the relevance of the model. (Hair et al., 2017). In figure 4.1 it is possible to see the path coefficients out of parentheses and the p-values in parentheses.

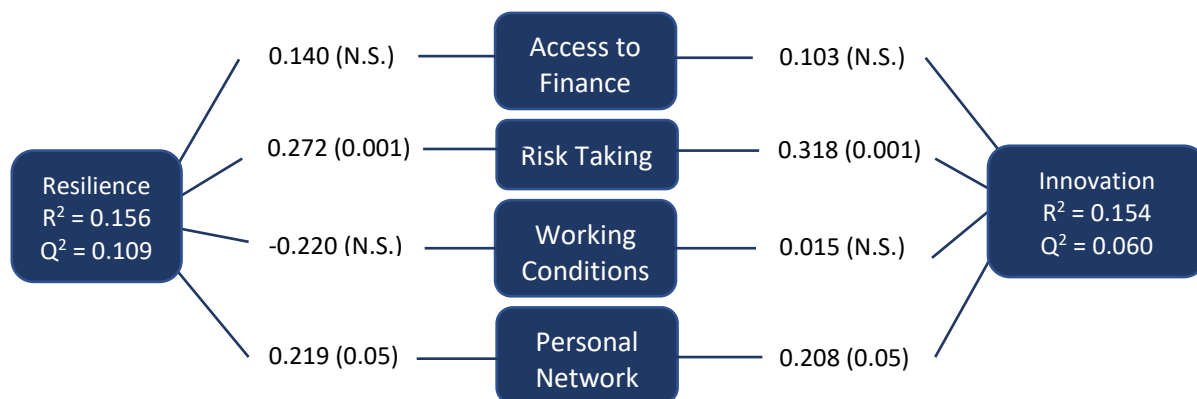


Figure 4. 1 - Research Model with PLS-algorithm and bootstrapping results.

### 4.4 Hypotheses Test

On one hand, table 4.2 shows that risk has a significant positive effect on innovation ( $\beta = 0.318$ ,  $p > 0.001$ ) and on resilience ( $\beta = 0.272$ ,  $p > 0.01$ ). Also, that personal network has a significant effect on innovation ( $\beta = 0.208$ ,  $p < 0.05$ ).

On the other hand, the same table shows that access to finance and working conditions do not influence innovation or resilience and that personal network does not have any impact on resilience.

Table 4.2 - Structural model assessment.

|                   | <b>Path Coefficient</b> | <b>Standard Deviation</b> | <b>T Statistics</b> | <b>P Values</b>     |
|-------------------|-------------------------|---------------------------|---------------------|---------------------|
| <b>AF - INNOV</b> | 0.103                   | 0.099                     | 1.038               | N.S.                |
| <b>AF - RES</b>   | 0.140                   | 0.110                     | 1.278               | N.S.                |
| <b>NW – INNOV</b> | <b>0.208</b>            | <b>0.104</b>              | <b>2.000</b>        | <b>p &lt; 0.05</b>  |
| <b>NW - RES</b>   | 0.219                   | 0.128                     | 1.720               | N.S.                |
| <b>RI - INNOV</b> | <b>0.318</b>            | <b>0.090</b>              | <b>3.545</b>        | <b>p &gt; 0.001</b> |
| <b>RI - RES</b>   | <b>0.272</b>            | <b>0.098</b>              | <b>2.774</b>        | <b>p &gt; 0.01</b>  |
| <b>WC - INNOV</b> | 0.015                   | 0.114                     | 0.135               | N.S.                |
| <b>WC - RES</b>   | -0.220                  | 0.215                     | 1.020               | N.S.                |

After the analysis of the results, it is possible to accept or reject each hypothesis. Therefore, in the following table, it is possible to see each hypothesis and the correspondent value of  $\beta$ , as well as the statistical significance to support the decisions (accept/reject) regarding each hypothesis.

Table 4.3 – Hypotheses Testing

| <b>Hypotheses</b>  | <b><math>\beta</math></b> | <b>P-value</b>      | <b>Accepted/Rejected</b> |
|--|---------------------------|---------------------|--------------------------|
| H1: Access to Finance influences SMETs Innovation.               | 0.103                     | N.S.                | Rejected                 |
| H2: Access to Finance influences SMETs Resilience.               | 0.140                     | N.S.                | Rejected                 |
| H3: A risk-taking attitude influences SMETs Innovation.          | <b>0.318</b>              | <b>p &gt; 0.001</b> | <b>Accepted</b>          |
| H4: A risk-taking attitude influences SMETs Resilience.          | <b>0.272</b>              | <b>p &gt; 0.01</b>  | <b>Accepted</b>          |
| H5: The company's working conditions influence SMETs Innovation. | 0.015                     | N.S.                | Rejected                 |
| H6: The company's working conditions influence SMETs Resilience. | -0.220                    | N.S.                | Rejected                 |
| H7: The company's personal network influences SMETs Innovation.  | <b>0.208</b>              | <b>p &lt; 0.05</b>  | <b>Accepted</b>          |
| H8: The company's personal network influences SMETs Resilience.  | 0.219                     | N.S.                | Rejected                 |

The model examines the influence of AF, NW, RI, and WC into INNOV and RES.





## 5. Discussion

This chapter aims to critically analyze the results presented above while bearing in mind the literature review and the research question. Here, it is discussed what influenced SMETs' innovation and resilience the most, during this COVID-19 Pandemic crisis, which is the general objective of this study.

It is important to highlight some findings that came up from the questionnaire and the interviews made to SMETs managers/owners. More than 50% of the respondents to the questionnaire revealed that employees are not penalized if they have new ideas without success. Moreover, almost half of them said that innovation is promptly accepted when managing a project, despite of being a slightly pessimistic about their short-term development (Lu et al., 2020). Still, regarding innovation, the study results show that almost 50% of the respondents stated that despite the risk associated, their enterprises promote innovation among their culture and, finally, nearly a half of the respondents said that, as managers, they are continually looking for new ideas, products, and services. These are some of the results from the questionnaire, which are corroborated by all the interviews done about this topic due to the consensus found among the interviewees in these topics, such as the opinion of the Manager of Restaurant A. He stated that, nowadays, businesses that don't innovate will close in the long term. Thus, it seems that entrepreneurs are conscious and share the same opinion as the author's, that innovation brings competitive advantage to businesses (Domi, Keco, Capelleras & Mehmeti, 2019), by increasing the productivity and performance of tourism enterprises (Hjalager, 2015).

Regarding resilience, the questionnaire's responses put in evidence that more than 50% of the managers of the sample used have pre-defined practices to handle a crisis, which contributes to help firms bounce from difficulties (Shin et al., 2012). However, only a few, approximately 28%, said that test these procedures, even though more than half of the respondents said that all employees are aware of contingency plans for incidents. In addition, a few of them have specific training to put these plans into practice. This combined with the fact that this crisis came during a period in which the liquidity of the tourism sector is usually low (due to the seasonality demand) contributed to test the firm's resilience. These are some of the reasons that made many authors believe that COVID-19 Pandemic consequences are much worse for economies, than it was, for example, the 2008 Financial Crisis (Kukanja, Planinc & Sikosek, 2020). The main challenges that obliged companies to be resilient were: lack of cash flows, interruption of supply chains, and low market demand (Lu et al., 2020). Once more, the conclusions drawn from the qualitative method were unanimous and similar to the questionnaire's results.

As already stated, what this dissertation brings new are not the factors that influence innovation and resilience, but the behavior of those factors within this unique and never seen pandemic context. Divisekera & Nguyen (2018) make it clear that the existing literature is not enough to deal with this COVID-19 Pandemic situation. So, the present study aimed to understand if Access to Finance (Acce\_Fin), Risk-Taking (Risk), Working Conditions (Work Cond), and Personal Network (NetW) influence Innovation (Innov) and Resilience (Resil) of SMETs, during the Coronavirus Pandemic. Hence, some hypotheses were rejected and others accepted. It makes sense that this study rejects some of the hypotheses because there is no similar crisis like this one, so there are very specific and new constraints never considered. Moreover, as Al-Fadly (2020) stated, it is also important to bear in mind that this crisis is a unique situation perhaps since it began as a health crisis and then escalated into an economic crisis. In the opinion of Baldwin et al. (2020), this crisis is different from the previous ones due to the others had affected countries that were far less economically centered and dependent from each other, at that time.

In sum, and answering directly to the research question, what influences innovation and resilience on SMETs in this unique pandemic crisis is: 1) a risk-taking attitude, which influences both variables, and 2) company's personal network, which influences innovation. Those relationships are positive ones, which means firms that adopt a risk-taking attitude will find innovation and resilience easier to pursue. Besides, the ones with a quality network will find it also easier to innovate.

Taking into account all the hypotheses created above, Rupeika-Apoga & Solovjova (2017), Adegboye & Iweriebor (2018), and Fowowe (2017) believe that financing contributes positively to SMEs innovation. Fowowe (2017) defends that with good financing conditions it is easier to develop new products and services and, therefore, to innovate. Adegboye & Iweriebor (2018) came to the same conclusion when arguing that this factor is the biggest influence concerning an innovation mindset. Thus, it was defined, as **H1**, that access to finance influences SMETs innovation. However, the results of the present study are not in accordance with the authors' conclusions. The study's quantitative results show from the values of  $\beta$  and p-value ( $\beta = 0.103$ ,  $p = N.S.$ ) that access to finance does not influence, positively or negatively, the innovation of these enterprises. To better understand this finding, interviews were made with some top managers of SMETs in Portugal. From the point of view of the Manager of Restaurant A, financing was not a contributor to innovation, for two main reasons. The first one was the huge cost of time that businesses have spent waiting for it and the second one is the fact

that many of them were not able to access to it due to being a small business. They have, nonetheless, innovated.

It is not only defended that access to finance influences innovation but it also influences resilience. Huang & Farboudi Jahromi (2021), Adegboye & Iweriebor (2018), and Giacotti et al. (2020) defend that resilience is influenced by the financing conditions that each SME has. Namely, Huang & Farboudi Jahromi (2021) argue that during difficult times, such as this pandemic crisis, the access of SMEs to finance is even more important compared with more economic prosperous times. Adegboye & Iweriebor (2018) complete this idea by saying that finance is a way to overcome these moments and financial resources are crucial to businesses' recovery (Giacotti et al., 2020). However, the following hypothesis was rejected: **H2**: Access to Finance influences SMETs resilience. This study rejects H2 because the conclusions are not in accordance with the authors' ideas. The quantitative results show a non-significative p-value and a  $\beta$  equal to 0.140, which indicates that access to finance does not influence the resilience of SMETs. Moreover, all interviewees agreed that access to finance does not influence business's resilience in this specific COVID-19 Pandemic, since the most evident moment where was crucial to be resilient is related with lockdowns and when the restrictions were first lifted. The Manager of Restaurant B, in Açores, stated that even though liquidity is important, during this time what influenced resilience were the owner's mindset during quarantines, while businesses were closed, and after that, when they started reopening, although with plenty of restrictions. Money would solve some problems, but not this specific one, he said.

Even though neither innovation nor resilience seems to be influenced by financial help, Nanda & Rhodes-Kropf (2017), Games & Redni (2019), and Pikkemaat (2008) believe that both variables are impacted by a risk-taking attitude. Nanda & Rhodes-Kropf (2017) consider that taking risks is a privilege that not all firms have. Consequently, being risk-averse is a huge barrier to innovation (Pikkemaat, 2008). Therefore, the ones which have that privilege can grab the greatest opportunities and, consequently, are more willing to innovate. Moreover, as a complement of this idea, Games & Redni (2019) believe that a risk-taking mindset by the firm motivates its employees and, thus, they are more predisposed to have innovative ideas. So, the third hypothesis was defined as the following: **H3**: A risk-taking attitude influences SMETs innovation. This goes in line with the opinion of the Manager of Restaurant A, who believes that the COVID-19 Pandemic forced him, as Manager, and all of his employees, to be much more innovative. Moreover, he believes that this is linked with the need of taking risks and sees that as something that will be mandatory for every touristic business to survive in the future. Similarly, the Manager of Restaurant B reveals that they were inexperienced when they opened

their restaurant, so for them to build this business was a risky attitude in itself. Everything that proceeded to this was also risky and, inevitably, innovative ideas came out with this mindset. Finally, in the present study's results, it is verified by the value of  $\beta$  (0.318) and the p-value ( $p < 0.001$ ) that there is a significant positive influence between a risk-taking attitude and the innovation of these enterprises.

As already mentioned, having a risk-taking attitude influencing resilience was another idea defended by many authors. Thus, a hypothesis was built as being the **H4**: A risk-taking attitude influences SMETs resilience. Herbane (2019) stated that workers who are exposed to risks are much more proactive compared to those who don't, which enhances their resilience behavior. Therefore, this skill is put in evidence when facing risks (Linnenluecke, 2017) and, simultaneously, while pursuing and mitigating risks, they are building a resilient mentality (Giancotti et al., 2020). Furthermore, when companies adopt a risk-taking attitude they automatically start to gain experience, which also helps to build a resilient mindset and behavior, by being much more prepared for each specific and new situation. Moreover, the results of this study are in accordance with this. The study's quantitative results show from the values of  $\beta$  and p-value ( $\beta = 0.272$ ,  $p > 0.001$ ) that there is a significant positive influence between a risk-taking attitude and SMETs resilience. In what concerns the qualitative study, the Manager of Restaurant B shares the same opinion as to the one related to innovation, thus he agrees that a risk-taking attitude influences SMETs resilience in the way that businesses will be able to improve and increase its experience only if taking risks. For the ones that play it safe, there is no need to be resilient because they are in their comfort zone and everything can be predicted easily.

However, when speaking about working conditions and their influence on SMETs innovation and resilience, the literature is not in line with the findings of the present study. The fifth hypothesis states that the company's working conditions influence SMETs innovation, showing a positive relation. The studies of Držajić & Vega (2018), Mizla (2013), and Hoyrup et al. (2012) support this idea, thus **H5** was build: The company's working conditions influence SMETs innovation. More specifically, these authors believe that good working conditions are essentially related to having the possibility to learn and to make the work a positive place for the mental and physical well-being of workers. On one hand, Držajić & Vega (2018) believe that improving social security is one of the main contributors to good conditions at work. On the other hand, Hoyrup et al. (2012) employees' autonomy is one of the most relevant factors. Yet, the interviews carried out showed that in the entrepreneur's opinion, good working conditions during times like these are also related to giving guidelines, training, and preparation

to appropriate procedures in case of crisis and difficulties. The majority of the interviewees believe that with this type of concern, companies are better prepared to preserve their human resources, which contributes to the parameter of working conditions. However, they do not find this enough to consider that good working conditions have a positive influence on innovation, considering this relation not significant. Likewise, with the quantitative results of the present study, this hypothesis was rejected. The p value shows a non-significative value and  $\beta$  equals 0.114, which indicates that working conditions do not influence innovation.

Even though the fifth hypothesis was rejected, the authors' opinions were enough to build the sixth hypothesis, defended by Athota & Malik (2019) and Ojo et al. (2021). **H6** was stated as: The company's working conditions influence SMETs resilience. Athota & Malik (2019) believe that we can measure the working conditions by the level at which of stress that workers experience, which consequently will influence their resilience. Ojo et al. (2021) emphasized this positive relation but mentioned that the existence of a good team leader is the main factor for employees to consider the working place a good environment. However, this hypothesis was rejected by the quantitative results of the present study. The value of p is not significant and the value of  $\beta$  does not support this statement. Furthermore, none of the top managers interviewed seemed to have a clear, constructed idea and opinion regarding this relation between good working conditions and resilience.

Another hypothesis was proposed at the beginning of this study. **H7** was stated as: The company's personal network influences SMETs innovation. Gronum, Verreynne & Kastle (2012), Ioanid, Deselnicu & Militaru (2018), and Lopes et al. (2021) are some of the authors who defend this relation. Gronum, Verreynne & Kastle (2012) consider that a good network is crucial to every business, namely in what concerns innovation due to the availability of more resources and knowledge that a huge and quality network means. This idea is corroborated by Ioanid, Deselnicu & Militaru (2018). Moreover, the companies' size (small and medium) is a factor that makes it almost mandatory for these enterprises to have a strong network, otherwise, it will be hard for them to innovate and gain some competitive advantage (Lopes et al., 2021). The quantitative results of the present study, also enhanced this relation, showing  $\beta = 0.208$  and a significant p-value  $> 0.001$ , the present study accepts H7. Additionally, the interviews carried out show that the majority of the top management believes that a business's network influences innovation. The Manager of Restaurant B justifies this with the fact that this crisis was transversal to the whole supply chain. Thus, many supply chain participants had difficulties. Likewise, the entrepreneur believes that good relationship within the personal network of the

business were probably built before COVID-19 Pandemic. Therefore, it is a solid and long relationship.

The last hypothesis stated is the one that predicts a positive influence of a company's personal network on SMETs resilience. Iborra, Safón, and Dolz (2019), Sadri et al. (2018), Herbane (2019), and Giacotti et al. (2020) are the authors who defend this theory through their studies. Therefore, it was stated as **H8**: The company's personal network influences SMETs resilience. These authors share the idea that a good network helps in the recovery from great disasters because those relationships mean that the enterprise has more resources and knowledge available to overcome that specific situation. These are factors that increase the resilience of a company. However, the results of this study are not in agreement with this literature. This study's quantitative results show from the values of  $\beta$  and p-value ( $\beta = 0.219$ ,  $p = N.S.$ ) that the company's personal network does not influence, positively or negatively, the resilience of SMETs. To provide even more credibility to the questionnaire's results, interviews were conducted with some top managers of SMETs in Portugal. Similarly, all managers interviewed agreed that company's personal network do not influence SMETs resilience. Thus, H8 was rejected by the findings of the studies.

## **6. Conclusion**

This sixth chapter is a review of the most important findings of this dissertation while putting in evidence the objectives stated at the beginning. Moreover, the contribution of this study to future research is presented, as well as its limitations and managerial implications.

### **6.1 Theoretical Contributions**

What this dissertation brings new is the addressing of innovation and resilience of SMETs during a unique crisis, never seen before, and at the same time, an economic and health issue. There are already many studies and findings around what influences these two important business characteristics, not only for multinationals but also for SMEs, and even within the Tourism sector. However, the present study brings all of these into something new – the COVID-19 Pandemic crisis, showing that the circumstances and the social context can change everything.

The study showed that what influences SMETs innovation and resilience during this time differs from what was already found before the pandemic. Even the 2008 Financial Crisis did not have this huge impact on economies and businesses and therefore the results of the study accepted some known ideas but rejected others.

It was concluded that financial help was not preponderant to companies' innovation and resilience due to the constraints caused by quarantines and lockdowns when worse issues have appeared. Another idea already stated in the literature and not corroborated by this study was the positive relationship between good working conditions and, once again, SMETs' innovation and resilience. Finally, even though the study found the company's personal network very useful for innovation, it is not the case for resilience. The study concluded that during the COVID-19 Pandemic, companies did not feel influenced by their network behavior, as it happens in other crises and as it was theoretically expected. Moreover, the present dissertation proved that a risk-taking attitude and the SMETs network were important factors for innovation/resilience and innovation, respectively.

Concluding, this study made it clear that what influences SMETs' innovation and resilience during any other already witnessed crisis (for example, the 2008 Financial Crisis) was not the same as what influenced them during the COVID-19 Pandemic.

### **6.2 Managerial Implications**

Considering the findings of this study, it is possible to set a list of guidelines for today's managers of SMETs. However, the following lines will highlight the two principal ones. Firstly,

it is undoubted that managers must encourage a risk-taking attitude amongst all employees. The competitiveness is increasing every year within this sector, and even more among SMEs, thus, companies which prefer to play it safe will not be able to foster better opportunities or be competitive in the market. This mindset leads to an innovative and a resilient culture will be constructed, therefore the managers who fail to understand this will probably see their businesses closing in the long term.

The second thing to keep in mind is that managers must have a good relationship with their professional network. Relationships and people are the most important resource that a company can have, not only in prosperous times but also during the hardest periods. Thus, it is suggested that this is a crucial point when making business: to nurture all the relationships beyond business lines from day one. Value is not added unless managers remember this even when they do not need it the most. Good relationships are something that takes time to build, so they must consider this from the beginning.

In addition to these two main points, it is crucial that managers encourage their employees to think outside of the box and therefore to contribute to the launch of new products and services. To implement this, it is important to keep in mind that many of these innovations will fail, however that is a necessary consequence to make others successful.

### **6.3 Limitations and Future Research**

Nevertheless, it is possible to mention some limitations, such as the sample size used in the questionnaire. The study counted only 103 contributions due to the specificity of the sample characterization. For future researches, it is suggested to amplify this sample. In addition, it is suggested not to use the convenience method when choosing the sample, as it was in this study. It was not possible to use tools, such as the margin of error or the confidence level, to measure the accuracy of the results due to the use of a convenience method.

Besides, not only the quantitative study but also the qualitative one showed that the variable “working conditions” can be, in future studies, considered with more details and better analyzed, since the results of both methods were not conclusive. It may be considered also a limitation of the fact that this study is focused only on one industry – Tourism – thus, it is not possible to generalize the results to other sectors that also have been affected by COVID-19. So, it would be a good opportunity for researchers to use this study to start investigating the same topic but in different sectors of activity. Finally, it would be interesting to expand the field of study to more countries, rather than only Portugal, and for a longer period.



## References

- Adegboye, A. C., & Iweriebor, S. (2018). Does access to finance enhance SME innovation and productivity in Nigeria? Evidence from the world bank enterprise survey. *African Development Review*, 30(4), 449–461. <https://doi.org/10.1111/1467-8268.12351>
- Adla, L., Gallego-Roquelaure, V., & Calamel, L. (2019). Human resource management and innovation in SMEs. *Personnel Review*. <https://doi.org/10.1108/PR-09-2018-0328>
- Aksoy, H. (2017). How do innovation culture, marketing innovation and product innovation affect the market performance of small and medium-sized enterprises (SMEs)? *Technology in Society*, 51, 133–141. <https://doi.org/10.1016/j.techsoc.2017.08.005>
- Al-Fadly, A. (2020). Impact of covid-19 on smes and employment. *Entrepreneurship and Sustainability Issues*, 8(2), 629–648. [https://doi.org/10.9770/jesi.2020.8.2\(38\)](https://doi.org/10.9770/jesi.2020.8.2(38))
- Almeida, F., & Santos, J. D. (2020). *The effects of COVID-19 on job security and unemployment in Portugal*.
- Almeida, F., Superior, I., Gaya, P., Queirós, A., & Faria, D. (2017). *Strengths and Limitations of Qualitative and Quantitative Research Methods Innovation and Entrepreneurship View project Observatory of Portuguese Academic Spin-offs View project European Journal of Education Studies STRENGTHS AND LIMITATIONS OF QUALITATIV*. 369–387. <https://doi.org/10.5281/zenodo.887089>
- Antonioli, D., & Montresor, S. (2019). Innovation persistence in times of crisis: an analysis of Italian firms. *Small Business Economics*, Ruttan 1997. <https://doi.org/10.1007/s11187-019-00231-z>
- Arenhardt, D. L., Simonetto, E. de O., & Rodrigues, G. O. (2018). Importance of Innovation for European SMEs: Perception of Experts. *Dimensión Empresarial*, 16(2). <https://doi.org/10.15665/dem.v16i2.1450>
- Athota, V. S., & Malik, A. (2019). Managing employee well-being and resilience for innovation: Evidence from knowledge-intensive service industries. In *Managing Employee Well-being and Resilience for Innovation: Evidence from Knowledge-intensive Service Industries*. <https://doi.org/10.1007/9783030061883>
- Ayandibu, A. O., & Houghton, J. (2017). The role of Small and Medium Scale Enterprise in local economic development (LED). *Journal of Business and Retail Management Research*, 11(2), 133–139.
- Baldwin, R., Mauro, B. W. di, Boone, L., Haugh, D., Pain, N., Salins, V., McKibbin, W., Fernando, R., Arezki, R., Nguyen, H., Tomiura, E., Beck, T., Cecchetti, S. G., Schoenholtz, K. L., Mann, C. L., Meninno, R., Wolff, G., Voth, J., Gráda, C. Ó., ... Wyplosz, C. (2020). The

economic effects of a pandemic. In *Economics in the Time of COVID-19*. <https://voxeu.org/content/economics-time-covid-19>

Beliaeva, T., Shirokova, G., Wales, W., & Gafforova, E. (2018). Benefiting from economic crisis? Strategic orientation effects, trade-offs, and configurations with resource availability on SME performance. *International Entrepreneurship and Management Journal*, 16(1), 165–194. <https://doi.org/10.1007/s11365-018-0499-2>

Bento, J. P. C. (2016). Tourism and economic growth in Portugal: an empirical investigation of causal links. *Tourism & Management Studies*, 12(1), 164–171. <https://doi.org/10.18089/tms.2016.12117>

Brouder, P., Teoh, S., Salazar, N. B., Mostafanezhad, M., Pung, J. M., Lapointe, D., Higgins Desbiolles, F., Haywood, M., Hall, C. M., & Clausen, H. B. (2020). Reflections and discussions: tourism matters in the new normal post COVID-19. In *Tourism Geographies* (Vol. 22, Issue 3, pp. 735–746). Routledge. <https://doi.org/10.1080/14616688.2020.1770325>

Buffa, F., Franch, M., & Rizio, D. (2018). Environmental management practices for sustainable business models in small and medium sized hotel enterprises. *Journal of Cleaner Production*, 194, 656–664. <https://doi.org/10.1016/j.jclepro.2018.05.143>

Campo, S., Díaz, A. M., & Yagüe, M. J. (2014). Hotel innovation and performance in times of crisis. *International Journal of Contemporary Hospitality Management*, 26(8), 1292–1311. <https://doi.org/10.1108/IJCHM-08-2013-0373>

Cárdenas-García, P. J., Sánchez-Rivero, M., & Pulido-Fernández, J. I. (2015). Does Tourism Growth Influence Economic Development? *Journal of Travel Research*, 54(2), 206–221. <https://doi.org/10.1177/0047287513514297>

Carrillo-Hidalgo, I., & Pulido-Fernández, J. I. (2019). The role of the world bank in the inclusive financing of tourism as an instrument of sustainable development. *Sustainability (Switzerland)*, 12(1). <https://doi.org/10.3390/su12010285>

Chetty, R., Friedman, J. N., Hendren, N., & Stepner, M. (2020). The Economic Impacts of COVID-19: Evidence from a New Public Database Built from Private Sector Data. *Opportunity Insights*.

Codó, E. (2009). Interviews and Questionnaires. *The Blackwell Guide to Research Methods in Bilingualism and Multilingualism*, March 2009, 158–176. <https://doi.org/10.1002/9781444301120.ch9>

Creswell, J. W. (2007). Introduction to Mixed-Methods Research. *Research Methods in Public Administration and Nonprofit Management*, 415–425. <https://doi.org/10.4324/9781315181158-36>

Deb, P., Furceri, D., Ostry, J. D., & Tawk, N. (2020). The economic effects of COVID-19 containment measures. *Covid Economics: Vetted and Real-Time Papers*, 24, 32–35.

Dester, A. (2020). *Exploring the effects that an on-site psychologist(s) has on students: A qualitative study on private tertiary institution students using in-depth interviews*. 148, 148–162.

Divisekera, S., & Nguyen, V. K. (2018). Determinants of innovation in tourism evidence from Australia. *Tourism Management*, 67, 157–167. <https://doi.org/10.1016/j.tourman.2018.01.010>

Domi, S., Keco, R., Capelleras, J. L., & Mehmeti, G. (2019). Effects of innovativeness and innovation behavior on tourism smes performance: The case of albania. *Economics and Sociology*, 12(3), 67–85. <https://doi.org/10.14254/2071-789X.2019/12-3/5>

Držajić, K., & Vega, F. (2018). Working Conditions As a Factor of Productivity in Smes. *Radni Uslovi Kao Faktor Produktivnosti U Malim I Srednjim Preduzećima.*, 8(1), 118–133. <http://10.0.28.83/EMC1801118D%0Ahttp://search.ebscohost.com/login.aspx?direct=true&db=bth&AN=131822944&site=ehost-live>

Estevão, C., Nunes, S., Ferreira, J., & Fernandes, C. (2018). Tourism sector competitiveness in Portugal: applying Porter's Diamond. *Tourism & Management Studies*, 14(1), 30–44. <https://doi.org/10.18089/tms.2018.14103>

Europeia, U. (2015). *Guia do utilizador relativo à definição de PME*. <https://doi.org/10.2873/418863>

EY-Parthenon Portugal. (2020). *A crise económica da COVID-19. Factos e perspetivas, Desafios e respostas* (Issue 1). [https://assets.ey.com/content/dam/ey-sites/ey-com/pt\\_pt/topics/covid-19/ey-caderno-de-notas-a-crise-economica-da-covid-19-v1-edicao.pdf](https://assets.ey.com/content/dam/ey-sites/ey-com/pt_pt/topics/covid-19/ey-caderno-de-notas-a-crise-economica-da-covid-19-v1-edicao.pdf)

Falahat, M., Ramayah, T., Soto-Acosta, P., & Lee, Y. Y. (2020). SMEs internationalization: The role of product innovation, market intelligence, pricing and marketing communication capabilities as drivers of SMEs' international performance. *Technological Forecasting and Social Change*, 152(January 2020), 119908. <https://doi.org/10.1016/j.techfore.2020.119908>

Fernandes, N. (2020). Economic effects of coronavirus outbreak ( COVID-19 ) on the world economy Nuno Fernandes Full Professor of Finance IESE Business School Spain. *SSRN Electronic Journal, ISSN 1556-5068, Elsevier BV*, 0–29.

Fowowe, B. (2017). Access to finance and firm performance: Evidence from African countries. *Review of Development Finance*, 7(1), 6–17.

<https://doi.org/10.1016/j.rdf.2017.01.006>

Games, D., & Rendi, R. P. (2019). The effects of knowledge management and risk taking on SME financial performance in creative industries in an emerging market: the mediating effect of innovation outcomes. *Journal of Global Entrepreneurship Research*, 9(1), 1–14. <https://doi.org/10.1186/s40497-019-0167-1>

Gautier, J. F., & Ravussin, Y. (2020). A New Symptom of COVID-19: Loss of Taste and Smell. *Obesity*, 28(5), 848. <https://doi.org/10.1002/oby.22809>

Giancotti, M., Mauro, M., & Giancotti, M. (2020). Building and improving the resilience of enterprises in a time of crisis: from a systematic scoping review to a new conceptual framework. *Economia Aziendale Online*, 11(3), 307–339. <https://doi.org/10.13132/2038-5498/11.3.307-339>

Gronum, S., Verreyne, M. L., & Kastle, T. (2012). The Role of Networks in Small and Medium-Sized Enterprise Innovation and Firm Performance. *Journal of Small Business Management*, 50(2), 257–282. <https://doi.org/10.1111/j.1540-627X.2012.00353.x>

Henri, J. F. (2006). Management control systems and strategy: A resource-based perspective. *Accounting, Organizations and Society*, 31(6), 529–558. <https://doi.org/10.1016/j.aos.2005.07.001>

Herbane, B. (2019a). Rethinking organizational resilience and strategic renewal in SMEs. *Entrepreneurship and Regional Development*, 31(5–6), 476–495. <https://doi.org/10.1080/08985626.2018.1541594>

Herbane, B. (2019b). Rethinking organizational resilience and strategic renewal in SMEs. *Entrepreneurship and Regional Development*, 31(5–6), 476–495. <https://doi.org/10.1080/08985626.2018.1541594>

Higgins-Desbiolles, F., Carnicelli, S., Krolikowski, C., Wijesinghe, G., & Boluk, K. (2019). Degrowing tourism: rethinking tourism. *Journal of Sustainable Tourism*, 27(12), 1926–1944. <https://doi.org/10.1080/09669582.2019.1601732>

Hjalager, A. M. (2015). 100 Innovations That Transformed Tourism. *Journal of Travel Research*, 54(1), 3–21. <https://doi.org/10.1177/0047287513516390>

Hock-Doepgen, M., Clauss, T., Kraus, S., & Cheng, C. F. (2020). Knowledge management capabilities and organizational risk-taking for business model innovation in SMEs. *Journal of Business Research*, March, 1–15. <https://doi.org/10.1016/j.jbusres.2019.12.001>

Hoyrup, S., Bonnafous-Boucher, M., Hasse, C., Lotz, M., & Moller, K. (2012). Innovation Competency — An Essential Organizational Asset. In *Employee-Driven Innovation*. [https://doi.org/10.1057/9781137014764\\_6](https://doi.org/10.1057/9781137014764_6)

Huang, A., & Farboudi Jahromi, M. (2021). Resilience building in service firms during and post COVID-19. *Service Industries Journal*, 41(1–2), 138–167. <https://doi.org/10.1080/02642069.2020.1862092>

Hudakova, M., Masar, M., Luskova, M., & Patak, M. R. (2018). The Dependence of Perceived Business Risks on the Size of SMEs. *Journal of Competitiveness*, 10(4), 54–69. <https://doi.org/10.7441/joc.2018.04.04>

Iborra, M., Safón, V., & Dolz, C. (2019). What explains resilience of SMEs? Ambidexterity capability and strategic consistency. *Long Range Planning*, December, 101947. <https://doi.org/10.1016/j.lrp.2019.101947>

Ioanid, A., Deselnicu, D. C., & Militaru, G. (2018). The impact of social networks on SMEs' innovation potential. *Procedia Manufacturing*, 22, 936–941. <https://doi.org/10.1016/j.promfg.2018.03.133>

Juergensen, J., Guimón, J., & Narula, R. (2020). European SMEs amidst the COVID-19 crisis: assessing impact and policy responses. *Journal of Industrial and Business Economics*, 47(3), 499–510. <https://doi.org/10.1007/s40812-020-00169-4>

Kukanja, M., Planinc, T., & Sikošek, M. (2020). Crisis Management Practices in Tourism SMEs during the Covid-19 Pandemic. *Organizacija*, 53(4), 346–361. <https://doi.org/10.2478/orga-2020-0023>

Kumarasamy, D., & Singh, P. (2018). Access to Finance, Financial Development and Firm Ability to Export: Experience from Asia–Pacific Countries. *Asian Economic Journal*, 32(1), 15–38. <https://doi.org/10.1111/asej.12140>

Lee, N., Sameen, H., & Cowling, M. (2015). Access to finance for innovative SMEs since the financial crisis. *Research Policy*, 44(2), 370–380. <https://doi.org/10.1016/j.respol.2014.09.008>

Linnenluecke, M. K. (2017). Resilience in Business and Management Research: A Review of Influential Publications and a Research Agenda. In *International Journal of Management Reviews* (Vol. 19, Issue 1, pp. 4–30). <https://doi.org/10.1111/ijmr.12076>

Liu, Y. C., Kuo, R. L., & Shih, S. R. (2020). COVID-19: The first documented coronavirus pandemic in history. *Biomedical Journal*, 43(4), 328–333. <https://doi.org/10.1016/j.bj.2020.04.007>

Locke, E. A. (2007). The case for inductive theory building. *Journal of Management*, 33(6), 867–890. <https://doi.org/10.1177/0149206307307636>

Lopes, J. M., Oliveira, M., Lopes, J., & Zaman, U. (2021). Networks, innovation and knowledge transfer in tourism industry: An empirical study of smes in portugal. *Social Sciences*,

10(5). <https://doi.org/10.3390/socsci10050159>

Lu, Y., Wu, J., Peng, J., & Lu, L. (2020). The perceived impact of the Covid-19 epidemic: evidence from a sample of 4807 SMEs in Sichuan Province, China. *Environmental Hazards*, 19(4), 323–340. <https://doi.org/10.1080/17477891.2020.1763902>

Manteu, C., Monteiro, N., & Sequeira, A. (2020). *The Short-Term Impact of the COVID-19 pandemic on Portuguese companies*.

Martínez-Román, J. A., & Romero, I. (2017). Determinants of innovativeness in SMEs: disentangling core innovation and technology adoption capabilities. *Review of Managerial Science*, 11(3), 543–569. <https://doi.org/10.1007/s11846-016-0196-x>

MITHANI, M. A. (2020). Adaptation in the face of the new normal. *Academy of Management Perspectives*, 34(4), 508–530. <https://doi.org/10.5465/AMP.2019.0054>

Mittal, S., Khan, M. A., Romero, D., & Wuest, T. (2018). A critical review of smart manufacturing & Industry 4.0 maturity models: Implications for small and medium-sized enterprises (SMEs). In *Journal of Manufacturing Systems* (Vol. 49, pp. 194–214). Elsevier B.V. <https://doi.org/10.1016/j.jmsy.2018.10.005>

Mizla, M. (2013). *Innovation paradoxes and SMEs*. 5.

Muller, P., Robin, N., Jessie, W., Schroder, J., Braun, H., Becker, L. S., Farrenkopf, J., Ruiz, F. A., Caboz, S., Ivanova, M., Lange, A., Lonkeu, O. K., Muhlshlegel, T. S., Pedersen, B., Privitera, M., Bomans, J., Bogen, E., & Cooney, T. (2019). *Annual Report on European SMEs 2018/2019 - Research & Development and Innovation by SMEs*. <https://ec.europa.eu/docsroom/documents/38365/attachments/2/translations/en/renditions/native>

Nanda, R., & Rhodes-Kropf, M. (2017). Financing risk and innovation. *Management Science*, 63(4), 901–918. <https://doi.org/10.1287/mnsc.2015.2350>

Nicola, M., Alsafi, Z., Sohrabi, C., Kerwan, A., Al-Jabir, A., Iosifidis, C., Agha, M., & Agha, R. (2020). *The socio-economic implications of the coronavirus pandemic (COVID-19): A review*.

Ojo, A. O., Fawehinmi, O., & Yusliza, M. Y. (2021). Examining the predictors of resilience and work engagement during the covid-19 pandemic. *Sustainability (Switzerland)*, 13(5), 1–18. <https://doi.org/10.3390/su13052902>

Ooms, W., Werker, C., & Caniëls, M. (2018). Personal and social proximity empowering collaborations: The glue of knowledge networks. *Industry and Innovation*, 25(9), 833–840. <https://doi.org/10.1080/13662716.2018.1493983>

Paper, E. (2019). *Fostering the use of Intangibles to strengthen SME access to finance*.

81–97. <https://doi.org/10.1787/155dc1a2-en>

Parliament, E. (2021). *Pequenas e médias empresas*. 1–6. [https://www.europarl.europa.eu/ftu/pdf/pt/FTU\\_2.4.2.pdf#:~:text=As micro%2C pequenas e médias empresas %28PME%29 constituem,areconstrução e o reforço da resiliência das PME.](https://www.europarl.europa.eu/ftu/pdf/pt/FTU_2.4.2.pdf#:~:text=As%20pequenas%20e%20m%C3%A9dias%20empresas%20constituem,areconstru%C3%A7%C3%A3o%20e%20o%20refor%C3%A7o%20da%20resili%C3%BAncia%20das%20PME.)

Patrick, P., & Osadebe, U. (2017). Evaluation of Undergraduate Students' Performance in Test and Measurement Achievement Test with Samples from Probabilistic and Non-Probabilistic Sampling Procedures. *Asian Journal of Assessment in Teaching and Learning*, 7, 26–31. <https://doi.org/10.37134/ajatel.vol7.3.2017>

Peterson, R. A., & Merunka, D. R. (2014). Convenience samples of college students and research reproducibility. *Journal of Business Research*, 67(5), 1035–1041. <https://doi.org/10.1016/j.jbusres.2013.08.010>

Pikkemaat, B. (2008). Innovation in Small and Medium-Sized Tourism Enterprises in Tyrol, Austria. *The International Journal of Entrepreneurship and Innovation*, 9(3), 187–197. <https://doi.org/10.5367/000000008785096601>

Portugal, T. de. (2017). *Estratégia Turismo 2027. Estratégia 2027*, 66.

Povolná, L. (2019). Innovation strategy in Small and Medium Sized Enterprises (SMEs) in the context of growth and recession indicators. *Journal of Open Innovation: Technology, Market, and Complexity*, 5(2), 32. <https://doi.org/10.3390/JOITMC5020032>

Psychogios, A., Nyfoudi, M., Theodorakopoulos, N., Szamosi, L. T., & Prouska, R. (2019). Many Hands Lighter Work? Deciphering the Relationship between Adverse Working Conditions and Organization Citizenship Behaviours in Small and Medium-sized Enterprises during a Severe Economic Crisis. *British Journal of Management*, 30(3), 519–537. <https://doi.org/10.1111/1467-8551.12245>

Rajnoha, R., & Lorincova, S. (2015). Strategic Management of Business Performance Based on Innovations and Information Support in Specific Conditions of Slovakia. *Journal of Competitiveness*, 7(1), 3–21. <https://doi.org/10.7441/joc.2015.01.01>

Ringle, C. M., Da Silva, D., & Bido, D. D. S. (2014). *Structural equation modeling with the Smart PLS Abstract*. 13(2), 56–73. <https://doi.org/10.5585/remark.v13i2.2717>

Rivera, J. P. R. (2019). Greater access to finance as driving factor for sustainable development among tourism-related SMEs in the Philippines: An empirical framework John Paolo R. Rivera 1. *Journal of Asia Pacific Studies*, 37, 37–45.

Rupeika-Apoga, R., & Solovjova, I. (2017). Access to finance for latvian SMEs. *European Research Studies Journal*, 20(3), 57–68. <https://doi.org/10.35808/ersj/695>

Sadri, A. M., Ukkusuri, S. V., Lee, S., Clawson, R., Aldrich, D., Nelson, M. S., Seipel,

J., & Kelly, D. (2018). The role of social capital, personal networks, and emergency responders in post-disaster recovery and resilience: a study of rural communities in Indiana. *Natural Hazards*, 90(3), 1377–1406. <https://doi.org/10.1007/s11069-017-3103-0>

Secinaro, S., Calandra, D., & Biancone, P. Pietro. (2020). Reflection on Coronavirus Accounting Impact on Small and Medium Sized Enterprises (SMEs) in Europe. *International Journal of Business and Management*, 15(7), 48. <https://doi.org/10.5539/ijbm.v15n7p48>

Serrasqueiro, Z., & Nunes, P. M. (2016). Determinants of growth in Portuguese small and medium-sized hotels: Empirical evidence using panel data models. *Tourism Economics*, 22(2), 375–396. <https://doi.org/10.5367/te.2014.0423>

Shaaban, A. N., Peleteiro, B., & Martins, M. R. O. (2020). *COVID-19: What Is Next for Portugal*.

Sharma, G. D., Thomas, A., & Paul, J. (2021). Reviving tourism industry post-COVID-19: A resilience-based framework. *Tourism Management Perspectives*, 37(October 2020), 100786. <https://doi.org/10.1016/j.tmp.2020.100786>

Sibanda, K., Hove-Sibanda, P., & Shava, H. (2018). The impact of SME access to finance and performance on exporting behaviour at firm level: A case of furniture manufacturing SMEs in Zimbabwe. *Acta Commercii*, 18(1), 1–13. <https://doi.org/10.4102/ac.v18i1.554>

Spiteri, G., Fielding, J., Diercke, M., Campese, C., Enouf, V., Gaymard, A., Bella, A., Sognamiglio, P., Moros, M. J. S., Riutort, A. N., Demina, Y. V., Mahieu, R., Broas, M., Bengnér, M., Buda, S., Schilling, J., Filleul, L., Lepoutre, A., Saura, C., ... Ciancio, B. C. (2020). First cases of coronavirus disease 2019 (COVID-19) in the WHO European Region, 24 January to 21 February 2020. *Eurosurveillance*, 25(9), 1. <https://doi.org/10.2807/1560-7917.ES.2020.25.9.2000178>

Su, Z., Xie, E., & Wang, D. (2015). Entrepreneurial orientation, managerial networking, and new venture performance in China. *Journal of Small Business Management*, 53(1), 228–248. <https://doi.org/10.1111/jsbm.12069>

Syriopoulos, K. (2020). THE IMPACT OF COVID-19 ON ENTREPRENEURSHIP AND SMES - ProQuest. *Journal of International Academy for Case Studies*, 26(2), 5822.

Tajeddini, K. (2010). Effect of customer orientation and entrepreneurial orientation on innovativeness: Evidence from the hotel industry in Switzerland. *Tourism Management*, 31(2), 221–231. <https://doi.org/10.1016/j.tourman.2009.02.013>

Tarba, S. Y., Cooper, S. C. L., Ahammad, M. F., Khan, Z., & Rao-Nicholson, R. (2019). Resilience in Organizations: An Editorial. *Applied Psychology*, 68(4), 579–582.



<https://doi.org/10.1111/apps.12223>

Thorgren, S., & Williams, T. A. (2020). Staying alive during an unfolding crisis: How SMEs ward off impending disaster. *Journal of Business Venturing Insights*, 14(July), e00187. <https://doi.org/10.1016/j.jbvi.2020.e00187>

Tipu, S. A. A. (2017). Entrepreneurial risk taking: themes from the literature and pointers for future research. *International Journal of Organizational Analysis*, 25(3), 432–455. <https://doi.org/10.1108/IJOA-08-2015-0898>

Tomé, E., Hatch, A., & Gromova, E. (2020). Did the Bubble Burst ? The Portuguese Economy During COVID-19. *Management & Marketing. Challenges for the Knowledge Society*, 15, 477–495. <https://doi.org/10.2478/mmcks-2020-0028>. Introduction

Udomkit, N., & Schreier, C. (2017). Tie the Ties: The Significance of the Binding Networks in SMEs' Internationalization Process. *Journal of Asia-Pacific Business*, 18(1), 4–20. <https://doi.org/10.1080/10599231.2017.1272992>

Vaillant, Y., & Lafuente, E. (2019). Entrepreneurial experience and the innovativeness of serial entrepreneurs. *Management Decision*, 57(11), 2869–2889. <https://doi.org/10.1108/MD-06-2017-0592>

Vieira, J., Frade, R., Ascenso, R., Prates, I., & Martinho, F. (2020). Generation Z and Key-Factors on E-Commerce: A Study on the Portuguese Tourism Sector. *Administrative Sciences*, 10(4), 103. <https://doi.org/10.3390/admsci10040103>

Wang, H. Y., Li, X. L., Yan, Z. R., Sun, X. P., Han, J., & Zhang, B. W. (2020). Potential neurological symptoms of COVID-19. *Therapeutic Advances in Neurological Disorders*, 13, 1–2. <https://doi.org/10.1177/1756286420917830>

Willey, J. Z., Moon, Y. P., Kulick, E. R., Cheung, Y. K., Wright, C. B., Sacco, R. L., & Elkind, M. S. V. (2017). Secondary Data Analysis: A Method of which the Time Has Come Melissa. *Neuroepidemiology*, 49(1–2), 24–30. <https://doi.org/10.1159/000479695>

Woiceshyn, J., & Daellenbach, U. (2018). Evaluating inductive vs deductive research in management studies. *Qualitative Research in Organizations and Management: An International Journal*, 13(2), 183–195. <https://doi.org/10.1108/qrom-06-2017-1538>

## **Appendixes**

### **Appendix A - Entrevista em Profundidade:**

1. Em que medida o seu restaurante/Museu aceita a Inovação? Considera que é algo intrínseco na cultura do seu negócio/museu?
2. Como é que o seu restaurante/museu reagiu a esta pandemia? E neste momento como é que está a lidar com a situação? Considera que estava preparado para isto?
3. Como foi o processo de obtenção de financiamento?
4. Como é que o seu restaurante/museu gere os riscos do negócio? Os seus funcionários estão envolvidos nas políticas do negócio?
5. Considera que o seu restaurante/museu teve a capacidade de diminuir as consequências da pandemia? Porque?
6. De que forma encara o risco sendo o Gerente do restaurante? Considera-se avesso ao risco ou bem pelo contrário? Porque?
7. Consegue enumerar-me algumas medidas que o restaurante/museu tenha tomado como consequência desta crise? Ex. Despedimentos, cortes salariais, etc...
8. Acredita que a rede de contactos do seu restaurante/museu foi importante neste tipo de situação? Por exemplo, no que toca a relação com fornecedores.

### **Appendix B – Survey**

#### **A realidade no setor do Turismo em Portugal durante a pandemia da COVID-19**

Caro/a Participante,

O meu nome é Inês Cunha, aluna do 2º ano de Mestrado de Gestão de Empresas, na ISCTE Business School, em Lisboa, e gostava de o/a convidar a responder a este questionário que faz parte da minha Dissertação. Muito obrigada, desde já, pela sua contribuição para este estudo.

O objetivo geral do estudo é perceber quais são os fatores que mais influenciam a inovação e a resiliência dos negócios ligados ao Turismo em contexto pandémico, em Portugal, nomeadamente com o surgimento da pandemia da COVID-19.

Tomar-lhe-á cerca de 5 minutos responder ao questionário e é totalmente anónimo. Reforço que o estudo será usado unicamente para fins académicos.

Para qualquer esclarecimento ou para receber informação adicional sobre o estudo, por favor contacte: itcaa@iscte-iul.pt

Muito obrigada pela sua disponibilidade!

1- Quantos funcionários têm?

- entre 0 – 10
- entre 11 – 50
- entre 51 – 250
- mais de 250

2- Indique o país onde estão presentes.

Portugal

Portugal e também noutro país da Europa

Se escolheu a segunda opção, indique o(s) outro(s) países onde estão presentes.

3- Se está presente em Portugal, por favor indique a região.

Porto e Norte

Centro

Lisboa e Vale do Tejo

Alentejo

Algarve

Arquipélago dos Açores

Arquipélago da Madeira

- 4- Indique o número de novos produtos/serviços/melhorias que lançou durante o ano de 2020 (antes e durante a pandemia).

Nenhum

Entre 1 e 5

Entre 5 e 10

Mais do que 10

### **Inovação**

Relativamente ao local onde trabalha, por favor avalie cada uma das seguintes afirmações de 1 a 7, considerando que 1 significa “discordo totalmente” e 7 significa “concordo totalmente”.

- 5- Os funcionários não são penalizados se tiverem novas ideias que não tiveram sucesso.  
6- Inovação é prontamente aceite na gestão de um projeto.  
7- A Inovação Técnica (resultados de pesquisa) é prontamente aceite.  
8- Apesar do risco e da resistência, a empresa promove a inovação.  
9- Os Gestores procuram continuamente inovar a partir de novas ideias.

### **Acesso ao Financiamento**

- 10- Tentaram obter financiamento nos últimos 7 meses?

Sim

Não

- 11- Se respondeu “Sim” e se teve dificuldades em obter esse financiamento, selecione o nível de dificuldade que experienciou.

Tivemos dificuldades em obter financiamento à primeira tentativa, mas conseguimos obter parte do valor.

Tivemos dificuldade em obter financiamento à primeira tentativa, mas conseguimos obter o valor na sua totalidade.

Não conseguimos obter o financiamento solicitado à primeira tentativa.

Não conseguimos obter financiamento, mesmo com mais do que uma tentativa.

Conseguimos obter financiamento à primeira tentativa.

## **Resiliência**

Relativamente ao local onde trabalha, por favor avalie cada uma das seguintes afirmações de 1 a 7, considerando que 1 significa “discordo totalmente” e 7 significa “concordo totalmente”.

- 12- Realizamos e colocamos em prática planos para lidar com este tipo de incidentes.
- 13- Testamos regularmente estes mesmos planos.
- 14- Os funcionários têm conhecimento dos planos de contingência da empresa e como esta responde a grandes incidentes.
- 15- Proporcionamos formação específica para a ocorrência de incidentes.
- 16- São atribuídas funções aos funcionários para as atividades de planeamento de incidentes.
- 17- Introduzimos o plano de gestão de incidentes devido aos seus contratos com clientes e/ou fornecedores.
- 18- Temos certificação para a gestão de risco.

## **Condições de Trabalho**

Relativamente ao local onde trabalha, por favor avalie cada uma das seguintes afirmações de 1 a 7, considerando que 1 significa “não de todo” e 7 significa “quase sempre” e considerando um cenário pós-pandémico.

- 19- Não existiu redução de recursos financeiros (salários, recompensas, formações).
- 20- Não houve dispensa de funcionários.
- 21- Não houve aumento do volume de trabalho por funcionário.
- 22- Não existiram atitudes negativas por parte do empregador/gerente (gritos, críticas excessivas, abuso físico e mental, ameaças).
- 23- Não surgiu um medo generalizado por parte dos funcionários de perderem os seus empregos.

## **Rede de Contactos Pessoais**

Relativamente ao local onde trabalha, por favor avalie cada uma das seguintes afirmações de 1 a 5, considerando que 1 significa "concordo totalmente", 2 significa "concordo", 3 significa "não sei", 4 significa "discordo" e 5 significa "discordo totalmente".

24- A capacidade de recuperação depois de uma grande interrupção depende de recursos que são gerados a partir de redes de contactos pessoais.

25- Podemos contar com a boa vontade das suas redes no apoio à recuperação de uma interrupção severa.

26- Temos uma rede de contactos de grande dimensão.

### Appendix C – Variables, Items, and authors:

#### Dependet Variables – Innovation and Resilience

| Independent Varibales | Items  | Authors   |
|-----------------------|--|---|
| Innovation            | <p>1. People are penalized for new ideas that don't work;</p> <p>2. Innovation is readily accepted in program/project management;</p> <p>3. Technical innovation (research results) is readily accepted;</p> <p>4. Innovation is perceived as too risky and is resisted;</p> <p>5. Management actively seeks innovation and ideas.</p> | <p>(Henri, 2006)</p> <p>1= "not at all" and 7= "to a great extent".</p> <p>The higher the number the higher the degree.</p> <p>It has been changed to 1 = "totally disagree" and 7 = "totally agree".</p> |

|                          |  |  |
|--------------------------|--|--|
| <p>Access to Finance</p> | <p>1. Have you tried to obtain finance for your business in the past 7 months? ;</p> <p>2. If yes... Did you have difficulties obtaining this finance from the first source? (Choose which level of difficulty).</p> | <p>(Lee, Sameen &amp; Cowling, 2015), with an adaption in the period of time (7 months instead of 12 months).</p> <p>Question 1: Yes or No</p> <p>Question 2: 1= Firms which had trouble getting finance from the first source they tried; 2= Firms which did not get all the finance they needed from the first source they tried; 3= Firms which did not manage to get any finance from the first source they tried; 4= Whether firms fail to obtain finance from any source.</p> <p>We decided to add option number 5 = The company managed to obtain financing on his first attempt.</p> |
| <p>Resilience</p>        | <p>1. We carry out planning to deal with major incidents;</p> <p>2. We test our plans for dealing with major incidents;</p> <p>3. Our employees are aware of our plans and how we</p>                                | <p>(Herbane, 2019a)</p> <p>0 = absent (Score: 0 – 7)</p> <p>The higher the number the higher the degree.</p>   |

|                    |  |   |
|--------------------|--|---|
|                    | <p>would respond to a major incident;</p> <p>4. We provide and/or use specific training for incident planning;</p> <p>5. Employees have assigned roles for incident planning activities;</p> <p>6. The business introduced incident planning because of our contracts with customers and/or suppliers;</p> <p>7. The business has certification for risk management.</p> | <p>It has been changed to 1 = “totally disagree” and 7 = “totally agree.”</p>   |
| <p>Risk-Taking</p> | <p>1. In general, the top managers of my firm have a strong proclivity for high-risk projects (with chances of very high returns);</p> <p>2. In general, the top managers of my firm believe that owing to the nature of the environment, bold, wide-ranging acts are necessary to achieve the firm’s objectives;</p> <p>3. When confronted with decision-making</p>     | <p>(Beliaeva, Shirokova, Wales &amp; Gafforova, 2018)</p> <p>Based on the Likert scale adapted from Covin and Slevin (1989) and Lumpkin and Dess (2001). Ranging from 1= “not at all” to 7= “almost every day”.</p> |



|                    |  |   |
|--------------------|--|---|
|                    | <p>situations involving uncertainty, my firm typically adopts a bold, aggressive posture in order to maximize the probability of exploiting potential opportunities.</p>   |   |
| Working Conditions | <ol style="list-style-type: none"> <li>1. Cuts in financial resources (salaries, bonuses, resources for training and development);</li> <li>2. Layoffs;</li> <li>3. Increased amount of work per person (workload);</li> <li>4. Negative attitudes from the side of employer/manager (yelling, excessive criticism, mobbing – physical and mental abuse, threatening);</li> <li>5. Fear of losing your job.</li> </ol> | <p>(Psychogios, Nyfoudi, Theodorakopoulos, Szamosi &amp; Prouska, 2019)</p> <p>Based on the Likert scale ranging from 1= “not at all” to 7= “almost every day”.</p> |
| Personal Network   | <ol style="list-style-type: none"> <li>1. The business’s ability to recover from a major interruption is reliant on resources that originate from my personal network of social relationships;</li> <li>2. I can rely on goodwill from my network to</li> </ol>  | <p>(Herbane, 2019a)</p> <p>Based on the Likert Scale of 1= strongly agree; 2= agree; 3= don’t know; 4= disagree; and 5= strongly disagree.</p>                      |

|  |   |  |
|--|---|--|
|  | support recovery from a major incident;<br>3.Do you think that you have a large personal network? |  |
|--|---|--|