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SURVIVAL STRATEGIES AND FAMILY ROLES IN MICRO-FAMILY FOOD BUSINESSES DURING COVID-19 PANDEMIC IN SELANGOR

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ABSTRACT:

Micro-, small, and medium-sized businesses (MSMEs), especially micro-family food businesses (MFFBs), are essential to Malaysia's economy. The COVID-19 pandemic has, however, posed significant challenges for these businesses, particularly in the Klang Valley. This study explores the unique struggles faced by MFFBs and the innovative strategies they employed to survive and thrive during the crisis, emphasizing the role of family dynamics in shaping these strategies. Using a qualitative approach, the research includes semi-structured interviews with six MFFB owners, selected through purposive sampling. Thematic analysis of the data revealed 15 key themes. The first four themes highlight the challenges of revenue loss, financial instability, potential closures, and employee-related issues. The next seven themes focus on the strategies MFFBs implemented, including benevolence, commitment to food quality, adaptability, takeaway management, strategic planning, menu diversification, and technology integration. Additionally, four themes—reliance, task division, deference, and responsibility—underscore the influential role of family members in decision-making. The study reveals that the family unit is not only a support system but also a driving force behind innovation and strategic responses. These findings enhance the understanding of how MFFBs, supported by strong family ties, demonstrate resilience and adaptability in navigating the challenges posed by the pandemic, offering insights into the critical role of familial involvement in MSME sustainability.

Keyword: Business challenges, business strategies, COVID-19, family role, micro-family food business.

INTRODUCTION

The global impact of the Coronavirus Disease (COVID-19) pandemic has affected various economic sectors, including the service sector, which contributes significantly to Malaysia's economy at 57.7%. The food and beverage (F&B) industry, integral to the economy, encountered unprecedented challenges during the pandemic, leading to closures of most food establishments during the Movement Control Order (MCO) in March 2020. This phenomenon not only impacted the overall economy but also affected small and medium-sized businesses (SMEs) globally, including the United States, Germany, Japan, Turkey, and Malaysia [1, 2]. In Malaysia, where micro-enterprises constitute 76.5% of all small and medium enterprise (SMEs), a significant portion of businesses, encountered challenges related to growth, succession, and continuity. Family businesses, facing unique concerns in leadership and long-term objectives, particularly in the hospitality and tourism industries, were susceptible to crises. The COVID-19 pandemic exacerbated vulnerabilities for micro-enterprises, leading to issues such as declining demand, financial losses, high employee turnover, and closure risks [3, 4].

In this context, micro-family food businesses (MFFBs) grapple with an existential dilemma, necessitating an in-depth exploration of their challenges, survival strategies, and the role of family dynamics. The research objective is to comprehensively understand these facets, offering insights to enhance MFFBs' resilience during crises and contribute to existing literature. Recognizing the need for more post-COVID-19 research, this study delves into challenges faced by micro-foodservice businesses in Selangor [5]. The study aims to comprehensively explore challenges, survival strategies, and the role of family dynamics in micro-family food businesses during the COVID-19 crisis, filling gaps in understanding the strategic practices used by MFFB owners in Malaysia. Despite attention to success criteria for small businesses, there is a notable lack of research on how SMEs, particularly family-owned businesses, navigate crises like the COVID-19 pandemic [6, 7].

The research provides insights into MFFBs' survival plans, contributing to our understanding of their role in the industry and economy. Identifying a playbook for MFFBs to develop operational

strategies during global economic crises lays the foundation for future research in the foodservice domain. Furthermore, it offers valuable insights for MFFB owners in addressing pandemic challenges, emphasizing the role of "family" and the potential influence of technology and innovation to remain competitive beyond the COVID-19 crisis. The subsequent sections detail the research methodology, findings, and identified themes. The paper concludes by summarizing the study findings, acknowledging limitations, and proposing future research directions.

MATERIAL AND METHOD

This study employed a basic qualitative research approach to gather information regarding survival strategies and family roles of micro-family food businesses, aiming to restore their business direction. Qualitative research, employing interviews, is suitable for extracting in-depth perspectives [8]. Additionally, it is intriguing for researchers exploring how individuals perceive, construct their worldview, and attribute significance to their experiences. Consequently, this research design presents an excellent opportunity for the researcher to collect precise data regarding MFFB owners' beliefs and motivations for sustaining their business operations during the COVID-19 crisis with an in-depth one-on-one interview.

The purposive sampling technique was employed to delve deeply into the phenomenon, selecting MFFB owners based on specific criteria for information-rich examples of successful business strategies [9]. The study focused on the most developed areas of Malaysia, particularly Selangor on the west coast of Peninsular Malaysia, mainly in the Klang Valley region. The participants were selected based on the criteria: (1) having over five years of business experience, (2) family ownership or familial connections (spouse, siblings, or relatives), (3) operating within a food premise, and (4) being situated within the Klang Valley region of Selangor.

In the qualitative research methodology, in-depth interviews were conducted as the primary data collection method [10]. The MFFB owners were chosen as participants that suited with the study's scope. By using ten open-ended semi-structured questions, the researcher extracted responses from participants. Follow-up questions were employed for clarification. For data analysis, six-phase thematic analysis was employed, which includes familiarisation, initial code generation, theme search, theme review, theme definition, and report production, were applied to categorise data based on participants' responses [11].

RESULTS AND DISCUSSION

In qualitative research, interviews conclude upon sufficient data collection. Despite arguments favouring a justifiable sample size of one, qualitative researchers typically choose a range of 3 to 50 individuals to account for potential data fluctuations [12]. The researcher adhered to the saturation principle, stating that no new codes emerged in the sixth interview. From the interviews, researchers analysed the transcripts resulting 15 emerging themes and categorised into 3 groups that aligned with the study objectives. The first 4 themes identified the challenges faced by the MFFB owners due to COVID-19, namely drop in revenue, instable financial, business closure and issues of employee. The next 7 themes developed for the strategies adopted, which are benevolence, food quality, changes of business operation, takeaway orders, effective market research, menu variety and technology adoption. Another 4 themes interpreted the roles of family in MFFB; reliance, dividing tasks, deference and responsibility.

Based on the findings, all participants agreed that they are facing challenges such as sales decline, financial instability, potential closure, and employee issues, experienced these issues during the COVID-19 pandemic. Prolonged lockdowns, as noted by [3], had severe consequences for corporate survival, intensifying financial instability in the foodservice sector. The concerns about business survival, potentially leading to closures, participants expressed their fears of permanent closure during the second wave of COVID-19. The economic impact of COVID-19 in 2020 distressingly affected micro and small businesses in the F&B sector [5]. Closure of businesses resulted in substantial job losses, in line with studies by [13].

However, the MFFB owners employed strategies crucial for business sustainability despite the difficulties. The acts of benevolence towards customers, emphasizing kindness, were the key in business according to [14]. Prioritizing food quality, despite pandemic-induced price hikes is important to meet

the customer preferences and safety concerns, as noted by [15]. Entrepreneurial adaptability was evident as MFFB owners shifted concepts, introducing innovations like online-ready-to-eat meals [16]. Emphasizing takeaways and home delivery reflected the resilience of smaller foodservice enterprises during crises, ensuring business continuity during different MCO phases [3]. Technology adoption, including online platforms and contactless payment facilitates the safe and convenient transactions [13].

On the other hand, the study revealed that MFFB owners prioritise supporting family members as the basic needs and the motivational role of family support. Parents' role as essential models and support systems, motivating entrepreneurs. Effective task division, predominantly by parents, sustained MFFBs, correlating with positive business performance [17]. Emphasizing respect among family members, participants stressed the need for a balanced approach to family and professional responsibilities. [18] highlighted the importance of distinguishing these roles to manage stress. Trust and commitment within family roles had implications for business sustainability, emphasising a proper business management [19]. Concerns over future leadership transitions, focusing on reputation and legacy were acknowledged, with participants preferring family involvement due to trust, dependence, and shared responsibility [14].

CONCLUSION

This study provides valuable insights for MFFBs to systematically handle and respond to future crises, contributing to continuous thriving from the insights and perceptions from MFFB owners about their challenges during COVID-19, adopted survival strategies, and the family's crucial roles in the business. Addressing a gap in existing literature, this study offers practical guidelines and survival strategies tailored specifically for MFFBs. The highlighted strategies are particularly beneficial for MFFB owners, providing practical applications for long-term feasibility and continuity. The identified playbook from this study serves as a guide for MFFB owners in implementing business operations strategies amid future global economic crises, contributing to a deeper understanding of the family's role in managing business strategies within the food industry. Future studies in related sectors are recommended to assess the instrument's applicability more broadly. This research could broaden its scope by examining the supply chain dynamics of MFFBs, emphasizing how disruptions and adaptations in the supply chain impact their operational strategies, family roles, and overall resilience in times of crises.

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