


# A Contingency Theory Approach to Understanding Small Retail Business Continuity During COVID-19

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*Small retail businesses are particularly vulnerable to turbulence caused from the COVID-19 pandemic. To consider what actions retailer owners/managers can take to maneuver during such trying times, this study investigated leadership qualities associated with managing during times of crisis. Through in-depth interviews with 12 small retail leaders, thematic data analysis revealed an emergence of contingent leadership, including an internal focus on cash flow and employees and an external focus on preserving key stakeholder relationships. Retail leaders displayed a resilient mindset, showing passion, agility, innovation, and relationship development. A conceptual model is proposed to further illustrate findings from the study.*

**Keywords:** contingency theory; COVID-19 pandemic; disaster; leadership; retail; small business

## INTRODUCTION

Small businesses are particularly vulnerable to turbulence caused by the COVID-19 pandemic. While no businesses are immune to the pandemic's effects, small businesses are most threatened due to their limited resources and their potential lack of planning and preparation for disaster (Josephson et al., 2017). Research is limited on the long-term or lasting impacts of COVID-19 on small businesses. However, early evidence indicates that the pandemic has been widely disruptive to business continuity and that businesses which are influenced by change in consumer behavior, especially retail businesses, are most at risk (Fairlie, 2020). Fairlie's (2020) early research at the onset of the COVID-19 pandemic indicates a bleak outlook for small businesses. Using Bureau of Labor Statistics (BLS) data, Fairlie (2020) shows that the number of small businesses plummeted from 15.0 million in February, 2020, to 11.7 million in April, 2020. This decrease of 3.3 million active business owners (22%) was the largest decrease considered on record. Retail businesses are the most fragile given the mandated operational restrictions and physical distance guidelines (Dua et al., 2020).

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While Fairlie's (2020) research highlights that small retail businesses are severely at risk according to employment statistics, there is no clear understanding of retail businesses that are able to thrive during this trying time and how owners are able to maneuver business continuity. Some recent research indicates that leadership qualities of the owner/manager play a strong role in business continuity during the COVID-19 pandemic (Blattner et al., 2021; Lombardi et al., 2021); however, this research is limited to businesses outside of the US (e.g., Lombardi et al., 2021) and research on workplace culture (e.g., Blattner et al., 2021). Therefore, the purpose of this research is to explore in depth the experiences of small retail leaders during COVID-19 particular to their qualities and strategies associated with managing during times of crisis. This understanding can provide rich practical information to small retail business owners and managers on strategic direction as part of crisis and contingency planning.

Contingency theory (Fiedler, 1951) is used as a lens to understand leadership qualities and strategies of small retail leaders during the COVID-19 pandemic. Contingency theory explains how leadership decisions and actions are contingent on the internal and external determinants based on situations that are present. Given the unexpected nature of the COVID-19 pandemic, contingency theory provides a framework to shed light on the responsive and flexible nature of small retail business leaders.

To provide an in-depth analysis of the experiences of small retail leaders, this study utilizes a qualitative approach (Matthews et al., 2019). This method provides rich information to advance the understanding of characteristics of business owners during the current crisis. Understanding leadership characteristics specific to the small retailer provides insights and builds a deeper understanding of these leaders. Fan and Zhan (2020) stress the recent and urgent need to be equipped for the COVID-19 disaster. Therefore, this study explores small retail business responses as the COVID-19 pandemic crisis unfolds and it provides discovery of small retail business leaders' actions taken during business uncertainty. By exploring the onset and the early periods of the COVID-19 pandemic, emerging data can aid in preparing for future crises.

## CONCEPTUAL FRAMEWORK AND LITERATURE REVIEW

### Contingency Theory

Contingency theory of leadership, first introduced by Fiedler (1951), is fundamentally concerned with organizational leadership and decision-making and helps to explain leadership decisions and actions which are contingent on any internal and external determinants in a particular situation. In essence, decisions that are made by contingent leaders are flexible in nature and present adaption to current situations as they arise. Thus, leadership characteristics are dependent on contextual factors and there is no "one size fits all" style of leadership (Blanchard, 2008). Instead, contingent leaders seek to have a rational understanding of the situation that arises and adjust their behavior, subsequently assuming a leadership style that is most appropriate for the situation at present (Bates, 2016).

Internal factors are factors that exist within an organization (e.g., resources, experience) and external factors occur outside the organization (e.g., natural disasters, changes in consumer trends); both are part of the decision-making process for contingent leaders. In an effort to understand organizational change, contingency theory has been utilized in several research studies to understand leadership behavior (Park, 2020; Vidal et al., 2017; Williams et al., 2017) and it is useful to understand small business leaders as their essential role centers on growth and survival (Dunne et al., 2016). The terrorist attacks of September 11, 2001, and the resulting impacts on tourism and the travel industry serve as examples of how disasters can impact business operations and, in turn, managerial responses. For example, this catastrophic event had severe impacts on air travel, lodging, and tourism, which have been well documented in the literature (Goodrich, 2002; Korstanje, 2011; Paraskevas & Arendell, 2007). Most importantly, given the unprecedented nature of the COVID-19 pandemic, contingency theory helps shed light on leadership responses during an unexpected disaster.

### **Small Business Leadership Responses to Disasters and the COVID-19 Pandemic**

While some businesses can capitalize on disasters, such as the COVID-19 pandemic (e.g., online shopping, remote learning; McKinsey, 2021), small businesses (i.e., <500 employees; Small Business Association, 2016) are seen as particularly vulnerable during times of crisis when compared to larger businesses (i.e., >500 employees; Josephson et al., 2017; Zhang et al., 2009). Larger businesses often have a greater pool of financial resources that can be devoted to a disaster recovery plan, whereas small business lack this luxury in resources (Zhang et al., 2009). Unfortunately, the impact of disasters on small businesses is a growing concern given the increased prevalence of natural disaster occurrences over the last five decades (Ritchie & Roser, 2018).

Literature on business responses to disaster indicate that several factors may influence small business continuity when struck by disaster. The nature of the disaster (i.e., large or sudden) can halt business continuity and future growth opportunities (Klomp & Valckx, 2014) either directly through loss of revenue or equipment (Ritchie & Roser, 2018) or indirectly by decreased property values or sustained environmental damages (Asgary et al., 2012). Responses to disaster may also be burdened by costs associated with infrastructure and essential items, which lowers small business owners' capacity to rebuild following disaster (Amadeo, 2018). While firm characteristics, such as size, resources available, and financial conditions, are important factors in how businesses respond and recover from unexpected disasters (Marshall et al., 2015), recent literature emphasizes the influence of business owner characteristics or leadership qualities in post-disaster business recovery (Morrish & Jones, 2020).

Research within the hospitality sector stresses the importance of particular leadership qualities that can help small businesses in weathering and overcoming the turbulence of the COVID-19 pandemic on business operations (Lombardi et al., 2021). Specifically, researchers found that when confronted with trauma or stress, leaders can benefit a business by providing nurturing behavior and organizing key resources to help the business flourish (Lombardi et al., 2021). Overall, research indicates that when leaders tend to invest their time and resources in creating a work environment that is resilient pre-disaster,

they can more easily pivot to focus on big-picture strategies within the organization.

Similarly, in their case study within the food service industry, authors indicate that a key to business continuity during the COVID-19 pandemic was a leader with high morale which fostered a strong company culture (Blattner et al., 2021). Moreover, Liguori and Pittz (2020) suggest practical and tactical responses for navigating COVID-19 risks based on collaboration, nimble problem solving, and a relentless focus on customers, while staying connected to the entrepreneurial ecosystem. Therefore, building on these sparse and early research streams, it is vital to further explore small retail leadership qualities that contribute to sustaining business continuity during the COVID-19 pandemic. Deeper research provides important implications for small retail leaders in overcoming future crises where overall business disruptions occur. Therefore, the following research question guides this qualitative research: *What are the experiences of small retail leaders during COVID-19 particular to their qualities and strategies associated with managing during times of crisis?*

## METHODS

Following IRB approval, an exploratory qualitative research study was conducted to investigate small retail business leaders during COVID-19. Qualitative research helps to shed light on the phenomenon and is a common methodology among social sciences when a lack of understanding occurs (Rashid et al., 2016). Through this qualitative approach, researchers took an inductive approach and captured an in-depth understanding of specific experiences as participants shared their personal points of view of first-hand situations and worked to make general observations (Kvale, 2006).

### Data Collection and Analysis

The sample for this study consisted of 12 small retail leaders in the Southeastern United States. According to Crouch and McKenzie (2016), this number of participants allows for researchers to have in-depth and extensive exploration of experiences and behaviors. The participants in this study varied in their personal characteristics, experiences, and general retail operations (Table 1). The Southeast was chosen due to its proximity to the study authors' home institutions. Additionally, the southern United States was anticipated to be hit especially hard in terms of death and economic loss due to the COVID-19 pandemic (Vestal, 2020). At the time of initial data collection, the state was under a state of emergency order. Social distancing and mask wearing were encouraged. Some of the most stringent COVID-19 business restrictions were lifted mid-May before data collection (TN Office of the Governor, 2021). Respondents reflected on their responses to the COVID-19 pandemic during a time of restrictions, including the closures for non-essential businesses, restrictions on indoor dining, and mask wearing. Small retail leaders were recruited through convenience sampling using the researchers' business connections and the researchers proceeded with snowball sampling for additional interviews. This sampling technique allowed researchers to sample from a diverse range of small retail businesses with varying years in business,

**TABLE 1:** Participant Descriptions

| <i>Pseudonym</i> | <i>Retail Channel</i>       | <i>Number of Employees at Location</i> | <i>Position Description</i> | <i>Gender</i> | <i>Years in Business</i> | <i>Products Sold</i>       |
|------------------|-----------------------------|--|-----------------------------|---------------|--------------------------|----------------------------|
| AT               | Pop-up and online           | Sole proprietor                        | Owner                       | Male          | 3 years                  | Woodworking                |
| SA               | Brick-and-mortar            | 9–14 employees                         | Owner/manager               | Male          | 15 years                 | Food and beverage          |
| YH               | Brick-and-mortar and online | 3 employees                            | Owner/manager               | Female        | 13 years                 | Yarn goods                 |
| VJ               | Online                      | Sole proprietor                        | Owner                       | Female        | 1 year                   | Vintage products           |
| AM               | Brick-and-mortar            | 10–12 employees                        | Manager                     | Male          | 5 years                  | Craft beer                 |
| AL               | Online                      | Sole proprietor                        | Owner                       | Female        | <1 year                  | Candles                    |
| CT               | Pop-up                      | 10–12 employees                        | Manager                     | Female        | 16 years                 | Fresh fruit and vegetables |
| KH               | Brick-and-mortar and online | 9 employees                            | Owner/manager               | Female        | 4 years                  | Apparel and accessories    |
| NR               | Brick-and-mortar            | 32 employees                           | Manager                     | Female        | 5 years                  | Home and apparel           |
| NB               | Brick-and-mortar            | 6 employees                            | Owner/manager               | Female        | 6 years                  | Apparel and accessories    |
| TI               | Online                      | Sole proprietor                        | Owner                       | Female        | <1 year                  | Candles                    |
| WT               | Brick-and-mortar and online | 3 employees                            | Owner/manager               | Female        | 1 year                   | Apparel and accessories    |

number of employees, and leader gender. Given the exploratory nature of this research, the sample size and method for establishing reliability and validity are in line with recommendations (Denzin, 2017; Hodges, 2011). Previous researchers have applied this method to understand challenges faced by business owners (Ha et al., 2020).

Data were collected through interviews that lasted between 40 and 75 min each and were conducted and recorded via Zoom with the participants' consent. Using a semi-structured interview protocol, participants were first asked, "can you tell us about your business" (McCracken, 1988) and the researcher proceeded to more detailed questions, including: "can you walk us through your experiences and how you had (or are having) to pivot your business during the COVID-19 crisis?", "What strategies did you implement that worked well (not well)?", and "How would you describe your leadership style when having to pivot during COVID-19?". Data were collected from June, 2020 to December, 2020. During this period of time, businesses were actively responding to the pandemic given the prevalent nature of the virus in the community.

Upon completion of each interview, audio data were transcribed verbatim and pseudonyms were used to maintain confidentiality of the participants. Following Spiggle's (1994) systematic approach to qualitative research interpretation, transcripts were manually analyzed independently by two

researchers through an iterative process. Transcripts were manually coded for common meanings and themes that emerged from the collection of interview data. This included a back-and-forth process between the interview transcripts to compare, contrast, and group themes according to common experiences. Researchers discussed their manual interpretation of the data to refine themes and achieve internal consistency of the interpretive data (Van Manen, 1990). The iterative process continued until data saturation was reached in the thematic analysis and no new data were collected.

## INTERPRETATION

### Participant Personas

Interestingly, participants varied in their general disaster response, with some “hoping [the pandemic] would just be temporary and it wouldn’t last very long” (AT) and others taking a long-term view in “transitioning from a brick-and-mortar shop to an online store” (YH). Participants were eager to meet consumers’ rapidly changing needs by quickly ordering masks (KH) for in-store shopping and bundling products together as kits or baskets to create a unique offering (NB). While some participants approached their disaster responses by playing it “day-by-day” (AM), others “wanted to try to be proactive about what could happen” (NR) and placed “themselves on a [increased] schedule” (VJ) to actively respond to consumers’ needs. Interestingly, none of the participants reported having a disaster management plan prior to the pandemic and, surprisingly, none of the participants felt the need to develop a disaster management plan to address future business disruptions.

### Emergence of Contingent Leadership

As the COVID-19 pandemic unfolded, actions taken by the small retail business leaders suggest the emergence of contingency leadership traits whereby leaders adjusted to contextual factors of the pandemic to manage internal and external factors during much uncertainty. Both internal factors within the organization (e.g., resources, experience) and external factors outside the organization (e.g., natural disasters, stakeholders outside the organization, and changing consumers) were continuously balanced as leaders worked to sustain their businesses.

### Internal Focus

Participants shared their early experiences of adjusting their internal resources (product inventory, finances, and labor) to adapt to the constraints of the pandemic as it began. AM, a brewery owner, explained the actions taken to sustain their supply chain with the proper inventory of materials used in production of craft beers:

We knew that there was going to be a problem with the supply of those 32-ounce cans and the lids...We needed to try and track down a pretty good supply. The factory manager and I about in a week tracked down at least half a pallet, which is

about 1200 cans out of Charlotte. We jumped in a truck and drove to Charlotte and completely loaded the truck up and drove back. That kept us going.

In addition to an internal focus on supply change needs, participants also discussed steps taken to support strained financial structures. KH explains:

Moving forward, [we] have private investors, so that's also nice to have their support. That's helpful...I kind of have them to fall back on but also, I had savings... I've cut some expenses and I've stopped paying myself to build up the savings account back up.

YH shared financial decisions needed to respond to the business slowdown, "I had to break my lease, which was hard for me because I know that was a commitment that I made, and I didn't see another path."

For many retailers, balancing labor needs and reducing staff while balancing business needs was a primary concern. NR shared changes implemented to support shortened work hours while strengthening on-line support:

Our store hours are shortened. I only have eight people here every day, which is crazy. Because I'm used to having about 20 people here a day. Because we'll do some overlapping shifts. Especially our most labor-intensive department...When we realized what was going to be happening, and we still had trucks coming too...I was receiving our goods and just kind of organizing things and keeping them squared away. We kind of came up with our game plan as far as servicing the guest online.

Focusing on decisions for the internal areas of maintaining production, changing in-store operations, modifying the capital structure, and focusing on employee retention were common themes among participants.

### **External Focus**

Recognizing that key external stakeholders (e.g., customers, investors, and suppliers) played a vital part of their business survival, participants provided insights on actions taken to bolster these business relationships. Discussing revised payment terms with their suppliers, NR explains:

A lot of our vendors let us cancel orders or not have to pay them right away. For example, last week, they were telling us this big chunk [of payments due]... [With] the money that has been coming in from our stores being open, we were able to write a significant check to pay those vendors [after normal due dates].

Ultimately, to protect key stakeholders, primarily investors, some retailers had to make tough decisions. KH explained the temporarily closing of her store ahead of the required shutdown:

I just decided to close the shop, one because people were not thinking about buying clothes and vacations are getting cancelled, contracts are getting canceled, everything was getting canceled... People were just not buying clothes and going to events.

These small retail leaders spent significant time understanding and responding to their customers' changing buying habits. AM explains how their

business responded to customer shifts in demands for buying in volume and curbside delivery:

So, we were able to curbside, which would be us to leave with the beer in a keg. We can fill kegs as well. . .they definitely started wanting more since a lot of people are staying in. . .I've even gone and set up a kegerator at a friend's house. . .We can actually leave the premises, walk it [the keg] to the car, and deliver it to them there.

Additionally, as the pandemic created more in-store restrictions, these small retail business leaders responded to changing customer shopping behaviors. Discussing a shift to curbside pick-up for older demographic customers, YH explains:

We even allowed them to come curbside and pick up things. If they didn't want to come to the store, we had their contact info. We would just fix the order up and just run it out to their car and hand it to them and they were on their merry way. That worked really well because a lot of my customers are older. A lot of them have their health compromised.

The foresight in shifting to changing customer needs was prevalent and provided an understanding of how these small retail businesses continued to support their customers' needs.

Moreover, community partners became more important as small retail leaders adjusted to the "new" environment with more collaborative effort between parties. KH shared the importance of starting their store in her hometown and how the community, in turn, supported their store. KH explains:

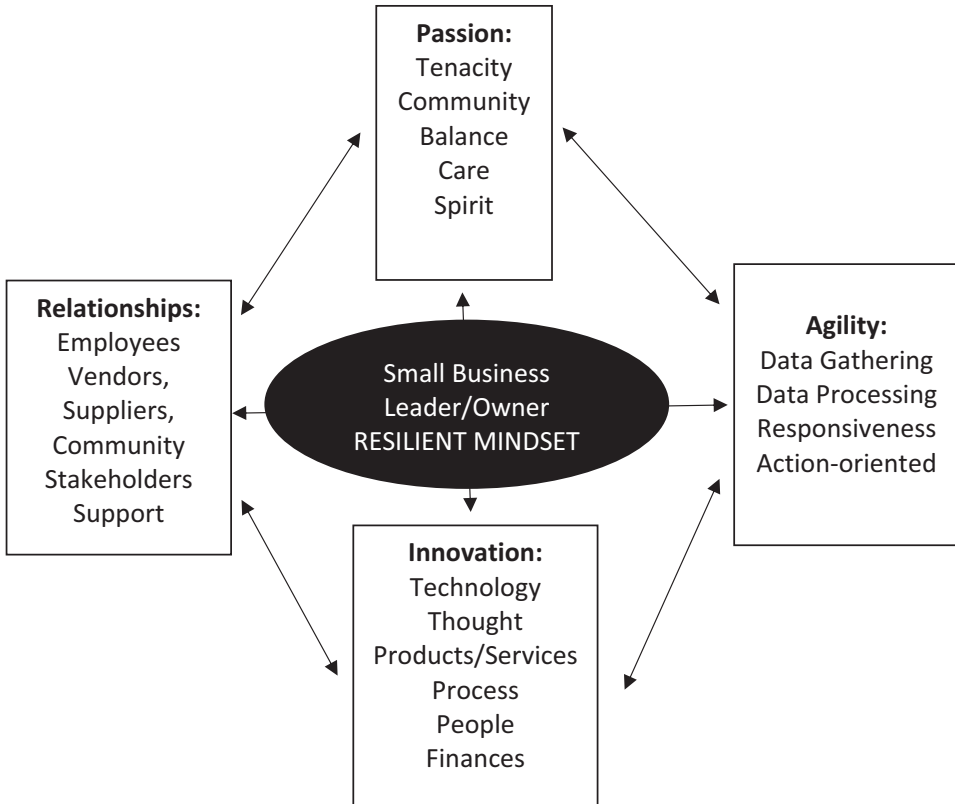
I wanted to have a store where I kind of grew up in my community. So, it's been good. That's been definitely been a great thing through all this, is that I feel like my community has really supported me and kind of been the foundation.

Strengthening the external relationships with suppliers, investors, customers, and ultimately the local community suggests a type of reciprocal goodwill that extends beyond tangible benefits with community support. Importantly, the research indicates that the tenets of contingency theory were supported in that retail managers successfully balanced internal and external needs while also adapting to circumstances of the pandemic in real time while underlining their responsiveness.

### **Resilient Mindset: Passion, Agility, Innovation, and Relationships (P.A.I.R.)**

In line with the participants' contingent leadership, research findings indicate that participants displayed resiliency and responded to crisis by standing firm to adversity and found creative means to overcome the challenges presented. Further extending the interpretation, a conceptual model was developed that highlights the resilient mindset of the small retail leaders in what we are calling the *P.A.I.R.* model. Pandemic retail leaders exhibited traits that were necessary to perform beyond the day-to-day tactical needs. The model highlights the factors required during crisis and suggests that the *resilient mindset* is a deeper pursuit of maintaining business success through the combination of passion, agility, innovation, and relationships (see Figure 1).





**Figure 1: Conceptual model: P.A.I.R. – passion, agility, innovation, and relationships.**

### Passion

Small retail leaders continued to display passion for their businesses even during the crisis. This passion embodied a sense of entrepreneurial spirit, tenacity, and drive when dealing with the issues presented day to day. KH expresses their drive to succeed:

What kept me motivated was that it's a dream of mine. That was kind of the easy part. [I] just kind of kept pushing. Keep faith and, you know, pushing on and just keep posting fun new stuff... just trying to keep focus and remind myself that this isn't going to last forever, hopefully.

Similarly, VJ explains their motivation as an entrepreneurial leader:

I would say I am naturally a leader. I like doing my own things. At first, I wasn't sure I would do something like this. I wasn't opposed to it since I had seen businesses starting up through my life. I think it chose me in a way.

Furthermore, small retail leaders explained their need to keep the situation in perspective while maintaining personal balance. VJ expounds:

The most stressful part of it is learning how to juggle a lot at once and figure out which ball you can drop with limited time. You need to make time for yourself.

That was stressful to me because sometimes I want to sit and relax but I want to work. (You must) separate yourself.

In addition to upholding their passion, small retail leaders focused on agility as part of their resilient mindset.

### **Agility**

Small retail leaders sought out ways to respond quickly as business needs changed during the pandemic. This involved gathering necessary data, processing it, and creating meaningful actions. In explaining ways in which information processing occurred, AM submits:

It was just (processing) as much information as we can. We would push out for everyone to see and read questions. If we could find the answer, if we didn't have the answer, try and find it. That's just kind of what we've always done. We'll try and find out what's going on.

NR explains how her company reacted to local safety guidelines imposed, "I would send the resources to the leadership team and use that information. Outside of (store) I just communicated with my other neighbors and kept being patient with them. My neighbors were the biggest help."

Beyond passion and agility, the small business owners/managers incorporated innovation across many internal and external practices.

### **Innovation**

Small retail leaders exhibited a number of innovative practices with their COVID-19 responses. A constant flow of ideation, creation, and delivery of new solutions for their businesses and customers persisted. Internal innovation centered on technology, practices, creative thinking, and services. In explaining new ways of thinking and communicating, CT expounds:

It's been incredibly challenging for me working from home and communicating with everyone...I trust my markets team to work out what they need, and I touch base. We do Tuesday morning staff meetings. That's the only time we are all kind of together in a sense. We are redoing everything we have to do and how we do it.

Likewise, SA explains adopting a new online retail format:

Once I made the decision, it was easy for me to be decisive about it. I wanted to bring my customers along with me to my new format entirely... it's almost like it gave me the push to do what I really kind of wanted to do anyway [move to an online format].

The research highlights the technology shift which, for many, included launching their store websites, "That was like the biggest blessing because just having that and at least having a presence online, gave me a little bit of income" (KH).

## Relationships

Sustaining relationships makes up the last part of the resilient mindset. Small retail leaders expressed a variety of ways in how this occurred. Specifically, VJ discussed an approach to understand their customers more deeply, "You learn more about what you like and the psychology behind consumers buying habits." Moreover, AM brings forth the importance of community in supporting small business. AM explains:

People are really looking for a local product whether it is beer or produce or a farmer's markets. If it can be made local there is a lot of support behind it. That really helps out and gives us a tie to the community and city as well.

In all cases, the reciprocal nature of small business and community support was important. AM summarizes:

I know one thing that we've heard, and I will say it constantly, but we've heard it definitely, more than a handful of times was from the old customers and new customers alike, that they felt very comfortable coming here that they said they had been to some other places, and they were really appreciative of our efforts.

In summary, the key components of passion, agility, innovation, and relationships make up the small retail leader resilient mindset.

Research shows that small retail leaders are constantly moving through these areas (passion, agility, innovation, and relationships) to steer their businesses through crises. Their passion for their businesses, agility in solutions, innovation in finding new ways to operate, and sustaining relationships were intangible traits of resiliency across internal and external functions. This research helps support how leaders incorporated shifts in small retail businesses during the pandemic to survive. Leaders learned something new and looked at the pandemic as an opportunity to enrich their organizational competencies (Lombardi et al., 2021).

## DISCUSSION AND CONCLUSIONS

Based on a variety of business leader personas included in the data, it was clear that although participants attempted to reach their changing customers through a variety of strategies and retail channels, all participants relied on their contingent leadership. In other words, retail leaders acted with in-the-moment decision-making abilities to tackle changes in business operations as a result of the pandemic. Surprisingly, small retail leaders did not have a disaster management plan and most expressed a lack of future need for one. In line with previous literature (Ha et al., 2020), it is possible that owner/managers' naïve outlook toward future disasters may occur due to their in-the-moment focus on day-to-day operations. As disasters are expected to increase over time (Ritchie & Roser, 2018), it may become necessary by law to implement a mandatory disaster management/action plan for all businesses. Such is the case in California where each business is responsible for developing and disseminating an Injury and Illness Prevention Program (IIPP) to all employees upon hire (California Department of Industrial Relations, 2021).

Interestingly, findings indicated that resilient leaders during the COVID-19 pandemic were contingent leaders. That is, small retail leaders were rapidly attuned to internal and external contextual factors that were incorporated into their decision-making during the pandemic. While there seems to be no specific best way to lead an organization during times of disaster or crisis, it is important for leaders to respond to unforeseen circumstances in a contingent manner (Bates, 2016). With a rational understanding of the COVID-19 pandemic, small retail leaders in this study were flexible in their leadership style to best handle the situation specific to their small business. Internally, small retail leaders focused on store inventory, financial resources, and employees as key elements for business continuity. Based on findings, it is recommended that small retail leaders develop and adopt these qualities and strategies to enhance business continuity. While outside the scope of this study, it is possible that U.S. Federal Unemployment subsidies and the Paycheck Protection Program (PPP) loans to small businesses may have influenced small business owners' internal responses. That is, additional financial support may have provided a luxury for small business owners to focus on product and people, with a possible reduction in anguish for the financial state of operations.

Importantly, small retail leaders had a strong focus on maintaining employee cohesion and safety, often commenting on their desire to physically protect employees from the virus while also maintaining their employment and income. While this may be challenging, it is recommended that small retail leaders focus on these aspects of relationship building. Aligned with previous disaster literature during the COVID-19 pandemic, business continuity was complemented with leaders' high morale and strong company culture (Blattner et al., 2021; Lombardi et al., 2021). In this case, prioritizing employees' needs as an internal resource is fundamental to business continuity in times of disaster and crisis.

In terms of external contextual factors, small retail leaders focused on supporting the needs of external stakeholder relationships, including customers, investors, and suppliers, to assist in overcoming business turbulence during the COVID-19 pandemic. As seen by the participants, and recommended for retailers, long-standing relationships were a cornerstone of capacity-building for business continuity, despite the obstacles. Similar to previous research findings on small business disaster recovery (Ha et al., 2020), small businesses during the COVID-19 pandemic prepared for disaster and recovery through strong business-to-business (e.g., small business to vendor) relationships and local community connections with customers. For instance, small retail leaders reported a smooth transition to decreased or delayed inventory through respectful relationships with vendors while understanding customers' shifting requirements for quick response. All respondents expressed their desire to pivot for customer needs, whether related to customer safety or product needs for acquisition. Thus, despite any business continuity disturbance caused from disaster or crisis, it remains vital for small retail leaders to focus on the changing needs of their target customers.

Contributing to the literature on small business leadership responses to disaster, particularly during the COVID-19 pandemic (e.g., Blattner et al., 2021; Lombardi et al., 2021), the conceptual model based on findings of this research highlights the key components that small retail business leaders can foster as a strategy to lead during times of disaster and crisis. Across participants, it was

clear that small retail leaders led with a strong passion for their work, showing affection toward their customers and employees. This passion fostered a strong endurance regardless of the obstacles small business owners/managers faced. Leaders also possessed a quick agility that allowed small businesses to remain receptive and reactive to the changing needs in the marketplace. Small retail leaders were receptive to the new normal experiences that allowed them to remain innovative and creative in their business strategy. With this innovative skillset, small retail business leaders utilized technology at hand and creatively offered products and services catered to the changing customer during the COVID-19 pandemic. Furthermore, relationship-building remains fundamental to overcoming turbulence and maintaining business continuity in times of disaster and crisis. This points to the notion that small retail business resilience is built through community support spanning across employees, vendors, and local customers. Notably, small retail business leaders should seek to continually foster their passion, work to develop agile responses, embrace innovation, and sustain and advance their close relationships across businesses and customers to contribute to the small retail leaders' resilient mindset.

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

Participants in this study were conveniently sampled. As such, the sample included a majority of small retail business leaders that led micro (<10 employees; Small Business Association, 2015) small businesses and were primarily in their infancy in development (i.e., the majority of businesses were open less than 5 years). Businesses with these characteristics may experience an increased lack of resources (e.g., employees, accumulated knowledge), which may have influenced their resilient mindset and thus the findings of this study.

As was evident throughout the pandemic, COVID-19 had varying levels of community spread differing across states, cities, and communities. Additionally, this study collected data over a period of 7 months. During the period of the COVID-19 pandemic, there were changes in local, state, and federal mandates and societal upheaval was heightened with issues related to Black Lives Matter (BLM), all increasingly collective shocks to social, political, and economic systems. Thus, the findings of this study must be contextualized. Due to the nature of this study, we did not investigate whether retail business size, type, or product category influenced small business responses or if there were retailers that may have benefited from the COVID-19 pandemic. An investigation of characteristics of different business and leaders, and if these characteristics encouraged business prosperity during the COVID-19 pandemic, would be worthy of future investigation. Furthermore, researchers failed to survey participants' business financial status (e.g., revenue, profit, and liquidity etc.) during the time of data collection. An understanding of the effectiveness of leadership qualities may be linked with financial outcomes. Lastly, the model developed from this study should be further refined and developed through additional qualitative interviews with other small business owners and through quantitative research. A mixed methods study would help to strengthen the leadership and retailing literature while also helping to refine a model that could be applied to understanding leadership in the context of future disasters.

## AUTHOR CONTRIBUTIONS

Childs and Sneed collaborated to plan the study and interviewed the research participants. Childs and Turner conducted the data analysis and were lead authors for the writing of the manuscript. Childs, Turner, Sneed, and Berry contributed to revising the article for publication.

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