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Thriving in Turmoil: Unraveling the Interplay of Resources, Resilience, and Performance among SMEs in Times of Economic Vulnerability

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Abstract
This research endeavours to contribute to the existing body of scholarly work by elucidating the pivotal role of social networks in bolstering the resilience of Small and Medium-sized Enterprises (SMEs) amid the propagation of COVID-19. Despite the considerable research on the interplay between networks and firms' performance, extant literature still needs to comprehensively elucidate how social networks influence organizational performance, particularly within the context of the personal dis-contact phase observed in Pakistan. Moreover, the crucial nexus between resilience, social networks, and firm performance still needs to be adequately explored. Consequently, this paper seeks to address these gaps by introducing a novel conceptual framework termed the Resource-Resilience-Performance framework. This framework aims to delineate the intricate mechanisms through which social networks, as a valuable resource, facilitate the adaptive capabilities of SMEs, thereby fostering resilience and ultimately enhancing sustainability amidst crises. Employing a deductive approach, this study adopts a survey strategy to gather data from 410 SME owner-managers, focusing on the third phase of the COVID-19 pandemic in Pakistan. Data collection is executed through an adaptive questionnaire. Subsequently, an analysis is conducted using SmartPLS with the Bootstrapping approach. The findings reveal that formal and informal social ties are crucial in providing SME owners with valuable information from their social networks. These networks serve as a support mechanism, aiding managers in making informed decisions amidst adversities and granting them a competitive edge over their counterparts. Given the unavailability of a comprehensive and up-to-date list of SMEs in Pakistan during the pandemic, the snowball sampling technique was utilized. Consequently, the generalizability of the findings may be questioned. However, there remains potential to establish a directory of SMEs and employ probability sampling techniques in future studies. This research contributes to social network theory by enriching our understanding of its application during the pandemic. Furthermore, it empirically demonstrates the instrumental role of social networks in providing support during crises, offering guidance to managers on cultivating robust social ties as a proactive strategy for navigating future uncertainties. Ultimately, this study underscores the significance of social capital as an immunizing factor for SMEs operating in developing countries, particularly within the context of Pakistan.
Keywords: Social networks, Resilience, SME performance, COVID-19, Owner-managers

1. Introduction

Economic crises are an inevitable aspect of global economic systems (Mayhew & Anand, 2020), leaving behind valuable lessons to be learned (Pavelescu, 2020). The recent emergence of the COVID-19 pandemic in November 2020 has significantly impacted both global health and economic structures, prompting a reevaluation of proactive measures for future crises. Prior research has consistently highlighted the heightened vulnerability of small businesses compared to their larger counterparts (Lamm, 2014). Small ventures, particularly during times of crisis, face a myriad of challenges, such as cash shortages (Aladejebi, 2020), employee layoffs (Bartik et al., 2020; Hasan & Sadat, 2023), and supply chain disruptions (Panwar, 2022; Namadi, 2023), underscoring their heightened sensitivity towards maintaining performance sustainability.

Despite the extensive breadth of Research on SMEs during crises, a notable imbalance persists in the existing literature. While the majority of studies focus on assessing the impacts of crises on various organizational functions (He et al., 2020; Rababah et al., 2020; Carracedo et al., 2021; Atayah et al., 2022; Sun et al., 2022; Abigail, 2023), limited attention has been directed towards examining resilient SMEs (Hamouche et al., 2021; Ustaoglu & Yildiz, 2023). Resilience, as a concept, is multifaceted (Chen et al., 2021; Nudzor, 2023), encompassing an organization's capacity to navigate uncertain circumstances (McManus et al., 2008) and the ability to rebound from setbacks (Ketter, 2022; Sayvaya & Phommason, 2023; Munir et al., 2024).

Empirical evidence suggests that resilient SMEs outperform their counterparts (Abeysekara et al., 2019; Xiong, 2024), with sustainability attributed to various factors, including distinctive resources (Jiang et al., 2019; Cizakca, 2024). This paper focuses on two fundamental resources: formal and informal networks. While not directly controlled by organizations, these resources can be leveraged to gain a competitive advantage during crises (Van Laere & Heene, 2003; Karim & Said, 2024). Thus, this paper endeavours to elucidate the role of formal and informal networks in fostering resilience among SMEs, ultimately leading to sustainable performance, drawing from the perspectives of Resource-Based Theory (RBT) and Social Network Theory (SNT). RBT posits that distinct resources drive performance disparities among organizations (Barney, 1991), characterized by their uniqueness, rarity, and inability to be imitated. Similarly, SNT suggests that managers with robust social connections navigate business affairs more effectively (Moliterno & Mahony, 2011; Ibrahim & Reasheed, 2024), enabling informed decision-making, particularly in uncertain contexts (Chow & Chan, 2008). The amalgamation of RBT and SNT provides the theoretical framework for this study.

Building upon identified gaps, this paper introduces a Resource-Resilience-Performance (RRP) framework and endeavours to test its applicability during the economic crises precipitated by the ongoing pandemic. By formulating an RRP framework, this study contributes to the literature on RBV and SNT, seeking to address the following questions: (i) What factors contribute to performance disparities among organizations? (ii) How do resources facilitate performance sustainability during crises?

The subsequent sections of this paper are structured methodically. After reviewing past studies in the literature section, hypotheses are developed for further testing. The methodology of this study is then outlined, followed by the presentation and discussion of key findings. Finally, the paper concludes with a synthesis of key findings, addresses raised questions and highlights potential limitations and avenues for future research.

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2. Literature Review and Hypothesis Development

2.1. Social Network Theory

Social Network Theory (SNT) is anchored on the premise of human interactions serving as valuable resources. A higher number of network ties equates to a more significant accumulation of Social Capital (SC), as proposed by Berraies et al. (2020). Social capital comprises three dimensions: structural, relational, and cognitive (Nahapiet & Ghoshal, 1998). Structural social capital underscores the importance of communication channels in accessing information from diverse relationships (Chowdhury et al., 2019). Relational social capital hinges on trust among social actors (Jeong et al., 2021; Iqbal & Abbas, 2024), whereas cognitive social capital pertains to shared understanding among individuals (Chowdhury et al., 2019; Aydemir, 2024). This paper mainly focuses on the relational dimension of SC.

2.2. Social Networks

Social networks denote the array of social ties among high-level executives of organizations (Olanrewaju et al., 2020). External social networks, or contacts beyond the organizational sphere (CollinsClark, 2003), are recognized as pivotal in accessing pertinent information (Gulati et al., 2000). Executives can enhance their SC by fostering personal connections with stakeholders of the firm, a practice shown to yield significant differences (Fernandez-Perez et al., 2013; Quader, 2024). According to SNT, managers who effectively engage with their workforce are more likely to advance in their careers, leading to overall greater life satisfaction. Managers' success is directly correlated with the size and quality of their networks (Peng-Luo, 2000).

The scope and strength of connections within a network are pivotal aspects of any social system (Cross & Cummings, 2004). Each node within a network serves as a potential communication channel, thus bearing significance for managers (Anderson, 2008). Furthermore, the strength of ties is critical within social networks. Nurturing enduring ties grounded in shared history, common beliefs, and trust facilitates information processing (Fernandez-Perez et al., 2013; Ruth, 2024). All connections within a network must be assessed, with tie strength emerging as a pivotal consideration.

Consequently, information flows among various actors within the network (Haythornthwaite, 1996). The size and density of ties between nodes also influence the operational dynamics of social networks (Burt, 1992). For instance, a senior manager may cultivate an extensive social network with clients but maintain minimal contact with other actors. Nonetheless, tie strength within a network significantly impacts its management (Granovetter, 1973).

2.3. Firm Performance

Firm performance encompasses qualitative and quantitative aspects of team contributions to the success of divisions and the organization. Individual performance must translate into tangible impacts on company success. Managers bear responsibility for business success, thus necessitating prudent decision-making to yield positive outcomes (Bayram, 2006). Firm performance can be assessed through subjective and objective measures. Subjective evaluation entails non-financial metrics such as efficiency, quality enhancement, customer retention, value addition, product development, quality of work-life, and social responsibility. Objective measures encompass financial metrics like return on investment, return on sales, and return on equity. Additionally, subjective, non-financial metrics such as customer satisfaction, ethical conduct, and stakeholder satisfaction are used to gauge firm performance (Jusoh-Parnell, 2008).

2.4. Organizational Organizational Resilience

Resilience evokes diverse interpretations from a conceptual standpoint (Melián-Alzola et al., 2020). Duchek et al. (2020) define resilience as the recovery process in response to adverse events, while Luther (2006) perceives it as maintaining positivity during adversity. Luther categorizes resilience into adversity and adaptation. The multifaceted nature of resilience is evident through various conceptualizations.

2.5. Social Networks and Firm Performance

The external social network of managers comprises contacts outside their organizationorganization. It is widely acknowledged that external social networks significantly influence access to relevant information and resources (Fernandez-Perez et al., 2013). According to SNT, a firm's external networks are vital for success (Leenders & Gabbay, 1999). Collaborating with suppliers and other stakeholders enables firms to develop competitive products and services (Lee et al., 2001). Managers can leverage each other's networks to access resources, quality information, and knowledge. Network partnerships foster customer and brand loyalty, facilitate supplier access, quality materials, efficient service, and reliable distribution, reducing ambiguity and enhancing efficiency (Acquaah, 2007). Relationships among managers, suppliers, customers, and competitors are integral to successful business management networks (Hsu et al., 2012).

Extensive research exists in the realm of management sciences on managerial networks. Managerial income is positively correlated with the size of social networks (Barros & Santos, 2009). Ingram and Roberts (2000) suggest that friendships between entrepreneurs and stakeholders benefit businesses. Park and Luo's (2001) research indicates that sales can be boosted through customer and brand loyalty development. Consequently, organizations benefit from management network linkages and partnerships with top managers at other firms, granting more accessible access to data, resources, and knowledge.

Building upon the discourse above, this paper hypothesizes that social networks are distinct resources contributing to performance sustainability. Accordingly, the following hypotheses are formulated:

H1a. Formal networks contribute to sustaining financial performance among Pakistani SMEs during crises.

H1b. Formal networks contribute to sustaining operational performance among Pakistani SMEs during crises.

H1c. Formal networks contribute to sustaining market performance among Pakistani SMEs during crises.

H2a. Informal networks contribute to sustaining financial performance among Pakistani SMEs during crises.

H2b. Informal networks contribute to sustaining operational performance among Pakistani SMEs during crises.

H2c. Informal networks contribute to sustaining market performance among Pakistani SMEs during crises.

2.6. Organizational Organizational Resilience and Firm Performance

Individuals, groups, and organizations confront and adapt to uncertainty, and resilience plays a pivotal role in enhancing organizational and crisis performance (Akgün & Keskin, 2014). By activating response and recovery measures, resilience enables organizations to mitigate the impact of disruptions (Kantur & İşeri-Say, 2012). OrganizationalOrganizational resilience facilitates adaptation to new circumstances, potentially enhancing operational performance (Kuntz et al., 2018). Additionally, resilience aids organizations in adapting to market dynamics. Acquaah et al. (2011) noted that firms facing intensified

competition and evolving customer preferences tend to fulfil commitments more swiftly. They also underscored the importance of flexibility through adjustments in capacity, product mix, and design, alongside maintaining financial reserves to navigate unforeseen circumstances.

Consequently, resilience emerges as a critical determinant of sustained organizational performance (Abeysekara et al., 2019). Tukamuhabwa et al. (2015) posited that resilience capability is dynamic and positively impacts operational performance. Akgün and Keskin (2014) elucidated that product innovation mediates organizational resilience and firm success. Moreover, Li et al. (2017) highlighted the significant influence of supply chain preparedness, responsiveness, and agility on financial performance. Building upon the preceding discourse, this paper formulates the following hypotheses:

H3a. OrganizationalOrganizational resilience sustains the financial performance of Pakistani SMEs during crises.

H3b. OrganizationalOrganizational resilience sustains the operational performance of Pakistani SMEs during crises.

H3c. OrganizationalOrganizational resilience sustains the market performance of Pakistani SMEs during crises.

Given the incorporation of resilience as a mediator in the RRP framework, the following hypotheses are posited for mediation analysis:

H4a. OrganizationalOrganizational resilience mediates the relationship between formal networks and financial performance.

H4b. OrganizationalOrganizational resilience mediates the relationship between formal networks and operational performance.

H4c. OrganizationalOrganizational resilience mediates the relationship between formal networks and market performance.

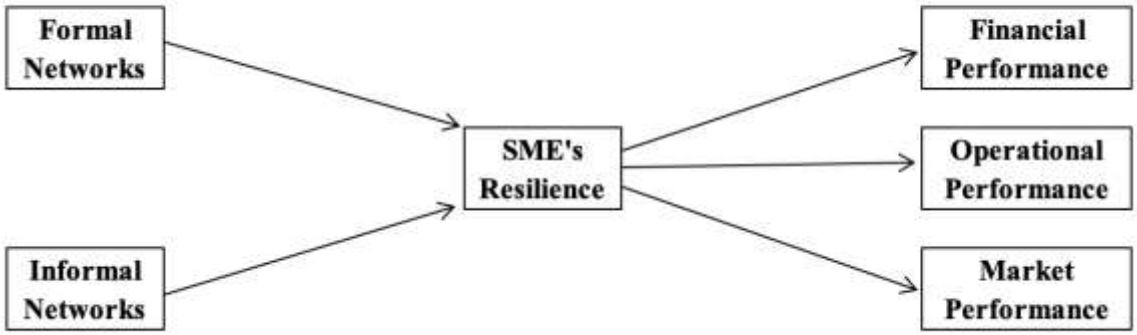
H5a. OrganizationalOrganizational resilience mediates the relationship between informal networks and financial performance.

H5b. OrganizationalOrganizational resilience mediates the relationship between informal networks and operational performance.

H5c. OrganizationalOrganizational resilience mediates the relationship between informal networks and market performance.

The framework of this study is presented in Figure 1 presented below.

Figure 1: Resource-Resilience-Performance Framework



3. Research Methodology

This survey research adopts quantitative methods targeting Small and Medium-sized Enterprises (SMEs), focusing on the service and trade sectors operating within the Punjab Province of Pakistan. Punjab province is selected primarily due to its significant contribution, comprising approximately 65% of Pakistani SMEs (Rasheed & Siddiqui, 2018). However, manufacturing SMEs are excluded from the study, with the units of analysis being the owner-managers of SMEs, deemed better positioned to provide pertinent information regarding business performance (Udriyah et al., 2019).

3.1. Sample and Data Collection

The sample comprises 410 SMEs from the service and trade sectors. Two key reasons justify the selection of these sectors. Firstly, the service and trade sectors exhibit greater vulnerability than the manufacturing sector (Shafi et al., 2020). Secondly, collectively, these sectors account for over 50% of the existing SMEs (Shafi et al., 2020). Thus, the vulnerability and dependency in these sectors influenced their inclusion in the study.

Table 1: Summary of Response Rate

S#	Detail of Responses	Frequency	%
1	questionnaires distributed (Total)	480	100
2	questionnaires received (Total)	431	89.79
3	Rejected questionnaires; (S# '04+05')	21	4.87
4	Material incompletion	14	3.25
5	Outliers or non-serious responses	7	1.62
6	Final usable questionnaires (S# '2-3')	410	85.42

Source: Author's Calculation

The scope of this survey is confined to SMEs, specifically unregistered firms in Pakistan, in contrast to listed firms on the stock exchange. Following Hutzschenreuter (2009), SMEs are categorized based on employment size. Accordingly, small firms employ fewer than ten individuals, while medium-sized firms have an employment size ranging from 10 to 49. Large firms, on

the other hand, employ more than 50 individuals. Additionally, firms under three years old are excluded from the sample to assess the impact of COVID-19 on SMEs' performance accurately.

Initially, the sample consisted of 480 respondents, reflecting the uncertainty prevailing during a pandemic. However, 431 questionnaires were returned, of which 410 were deemed suitable for inclusion in the data analysis (refer to Table 1).

3.2. Measures

Aligned with the positivism philosophy, this survey examined the relationships between formal networks, informal networks, SMEs' resilience, and performance. Formal and informal networks were assessed using four and three items adapted from Watson (2007). SMEs' resilience was measured with three items from Nkundabanyanga et al. (2019). Furthermore, three performance dimensions were considered: financial, operational, and market performance. To evaluate financial, operational, and market performance, scales comprising five, four, and five items, respectively, were drawn from the studies of Wang & Wang (2012) and Gunday et al. (2011). All items were rated using a seven-point Likert scale ranging from "1= strongly disagree" to "7=strongly agree". (Refer to Appendix I for detailed measurement items)

4. Results and discussion

Before the principal analysis, a pilot test was carried out to measure the instrument's reliability and validity. The pilot sample contained 100 respondents, representing nearly 25% of the primary survey sample. The pilot test's findings proved the measure's fitness in terms of reliability and validity.

4.1. Respondents Profile

In this paper, the respondents' characteristics include gender, age, business experience, and the number of employees. According to statistics provided in Table 2, the sample size seems dominated by men with middle-aged individuals. Around 50% of respondents possess more than ten years of experience. However, the share of micro, small, and medium-sized organizations is 25%, 30%, and 44%, respectively.

Table 2: Respondents' Profile

Variables	Categories	Frequencies	%
	Male	367	89.5
Gender	Female	43	10.5
	Total	410	100
	18-34 (years)	73	17.8
Age	35-54 (years)	188	45.9
	55 (years & above)	149	36.3
	Total	410	100
Total Business Experience	0-5 (years)	70	17.1
	6-10 years)	123	30
	11-20 (years)	118	28.8
	21 (years & above)	99	24.1
	Total	410	100
Number of employees	less than 10	104	25.4
	5 to 49	125	30.5
	50 to 250	181	44.1
	Total	410	100

4.2. Descriptive Statistics

Table 3 outlines the six constructs utilized in this study, their respective averages, and extreme values. The maximum value for all constructs is seven, denoting using a seven-point Likert scale, consistent with Joshi et al. (2015). The informal network exhibits the highest average value among the provided averages, while market performance registers the lowest average value. Moreover, it is noteworthy that all variables surpass the average expected market performance rating.

Table 3: Descriptive Statistics

Variables	N	Min-Value	Max-value	Mean	Std. Deviation
Financial performance	410	01	07	4.581	2.113
Operational Performance	410	01	07	4.012	2.172
Market Performance	410	01	07	3.213	2.135
Formal Networks	410	01	07	4.572	2.198
Informal Networks	410	01	07	4.928	2.123
OrganizationalOrganizational Resilience	410	01	07	4.336	2.090

4.3. Measurement Model Analysis

In addition to descriptive analysis, regression analysis has been conducted in two phases. The first phase entails measurement model analysis, examining the relationships between constructs and their corresponding items. Table 4 presents the Average Variance Extracted (AVE) values for each construct, all exceeding 0.5, thus confirming convergent validity. Face validity was ensured during questionnaire translation. However, content validity was assessed through cross-loadings, with a threshold set at 0.6. All items surpass this threshold and have been retained for further analysis.

Table 4: Convergent Validity Assessment

Variables	Items	Loadings	Cronbach's Alpha	CR	AVE
Financial Performance	F.P_1	0.791			
	F.P_2	0.732			
	F.P_3	0.723	0.881	0.910	0.674
	F.P_4	0.855			
	F.P_5	0.864			
Operational Performance	O.P_1	0.813			
	O.P_2	0.772	0.814	0.885	0.642
	O.P_3	0.767			
	O.P_4	0.866			
Market Performance	M.P_1	0.711			
	M.P_2	0.793			
	M.P_3	0.747	0.830	0.883	0.601
	M.P_4	0.786			
	M.P_5	0.831			
Formal Network	F.N_1	0.822			
	F.N_2	0.864	0.791	0.881	0.712
	F.N_3	0.831			
	F.N_4	0.715			
Formal Network	IF.N_1	0.826			
	IF.N_2	0.767	0.792	0.730	0.691
	IF.N_3	0.634			
OrganizationalOrganizational Resilience	O.R_1	0.83			
	O.R_2	0.861	0.797	0.880	0.738
	O.R_3	0.853			
	O.R_4	0.730			

O.R=Organizational Resilience; F.P=Financial Performance; F.N=Formal Network; IF.N=Informal Network; M.P=Market Performance; O.P=Operational Performance

However, discriminant validity was assessed using the Fornell-Larcker Criterion (Table 5). Moreover, Hair et al. (2010) argue that discriminant validity confirms that two distinct constructs differ. For this analysis, the criteria proposed by Fornell and Larcker
(1981) were applied. As depicted in Table 5, the bold values along the diagonal exceed those
In their respective rows and columns. Therefore, discriminant validity is confirmed.

In summary, the measurement model analysis has proved that the questionnaire used for this survey is reliable and consistent.

Table 5: Fornell-Larcker Criterion Assessment

	O.R	F.P	F.N	M.P	IF.N	O.P
O.R	0.842					
F.P	0.720	0.824				
F.N	0.622	0.681	0.845			
M.P	0.625	0.692	0.597	0.778		
IF.N	0.674	0.782	0.694	0.702	0.936	
O.P	0.603	0.674	0.653	0.733	0.710	0.804

O.R=Organizational Resilience; F.P=Financial Performance; F.N=Formal Network; IF.N=Informal Network; M.P=Market Performance; O.P=Operational Performance

The following section describes the second data analysis phase, structural model analysis.

4.4. Structural Model Analysis

Table. 6 presents the findings of direct paths in structural model analysis wherein the association between latent constructs are examined. According to statistics, all direct paths are significant except those related to market performance. The relationships have been proven at a 1% level of significance.

Table 6: Path Analysis

Sr. #	Code	Direct Paths	Original Sample (O)	Standard Error (SE)	T. Statistics (|O/SE|)	P-Values	Decision
1	H_{1a}:	F.N -> F.P	0.314	0.071	4.423	0.000***	Established
2	$H_{1b::}$	F.N -> O.P	0.264	0.071	3.718	0.001***	Established
3	$H_{1c:}$	F.N -> M.P	0.013	0.072	0.181	0.125	Rejected
4	H_{xx}:	F.N -> O.R	0.284	0.091	3.121	0.001***	Established
5	H_{2a}:	IF.N -> F.P	0.441	0.082	5.378	0.00***	Established
6	H_{2b}:	IF.N -> O.P	0.432	0.071	6.085	0.000***	Established
7	H_{2c}:	IF.N -> M.P	0.011	0.083	0.133	0.251	Rejected
8	H_{xx}:	IFN -> O.R	0.496	0.091	5.451	0.000***	Established
9	H_{3a}:	O.R -> F.P	0.181	0.062	2.919	0.005***	Established
10	H_{3b}:	O.R-> O.P	0.256	0.063	4.063	0.000***	Established
11	H_{3c}:	O.R -> M.P	0.012	0.064	0.188	0.332	Rejected

*"***:P<0.01; **:P<0.05; *:P<0.1"*

4.5. Mediation Analysis

The theoretical framework comprises six interconnected constructs based on RBV and SNT (figure 1), wherein organizational resilience serves as a mediator. A mediator surfaces between a dependent and independent variable and enhances the understanding of that relation (Sekaran, 2003). This research is added to answer the question of how resources make SMEs sustainable.

Table 7: A mediation analysis

Total effects		Direct Effects		Indirect effects				
Path Coefficients	T-values	Path Coefficients	T-values	Code	HypothesizedHypothesized Path	Path Coefficients	T-values	Bootstrapping
0.781	22.131	0.441	5.801	H_{4a}:	F.N -> O.R -> F.P	0.210	4.45	Partial Mediation
0.714	18.532	0.433	6.092	H_{4b}:	F.N -> O.R -> O.P	0.123	2.65	Partial Mediation
0.130	0.393	0.405	1.023	H_{4c}:	F.N -> O.R -> M.P	0.163	1.26	No Mediation
0.375	5.124	0.315	4.642	H_{5a}:	IFN -> O.R -> F.P	0.381	2.07	Partial Mediation
0.227	3.545	0.153	2.751	H_{5b}:	IFN -> O.R -> O.P	0.442	2.66	Partial Mediation
0.078	0.632	0.230	1.170	H_{5c}:	IFN -> O.R -> M.P	0.436	1.49	No Mediation

O.R=Organizational Resilience; F.P=Financial Performance; F.N=Formal Network; IF.N=Informal Network; M.P=Market Performance; O.P=Operational Performance

The first pathway in Table 7 illustrates the hypothesized mediation of organizational resilience between formal networks and financial performance (F.N -> O.R -> F.P). The statistical analysis reveals a significant total effect (H4a: $\beta = 0.781$, $t = 22.131$). The total effect encompasses both direct and indirect effects, offering insights into the impact of the exogenous variable on the endogenous variable in the presence of a mediator (Ringle & Sarstedt, 2016). Moreover, the direct effect is also significant ($\beta = 0.441$, $t = 5.801$). Furthermore, the pathway of the indirect effect is supported ($\beta = 0.210$, $t = 4.45$). Consequently, it is deduced that the relationship operates directly and through the mediator, thus establishing partial mediation.

Similarly, the other hypothesized pathways in Table 7 (i.e., H4b, H5a, H5b) exhibit partial mediation. However, the pathways coded by H4c and H5c reveal no mediation. This implies that formal and informal networks contribute to financial and operational performance by enhancing SMEs' resilience during crises. However, these networks do not predict market performance.

5. Discussion

The prior studies proved that a firm's resources determine its performance. The findings in this study are consistent with the works of (Parnell & Carraher, 2001 Hooley et al., 2005 Laosirihongthong et al., 2014). Specifically, resources that are not directly controlled could be exploited for competitive advantage (Bayer & Servan-Schreiber, 2011). This study, however, proves that owners' social networks are a source of resilience for SMEs during a crisis. A resilient organizationorganization has more potential to bounce back in the face of crisis (Koronis & Ponis, 2018). Indeed, sustaining the performance becomes a challenge for particularly small, adversely affected organizations.

Moreover, the findings indicate that resources contribute to sustaining SMEs' internal performance. The nexus between resources, resilience and internal performance could be interpreted as SMEs must adapt to environmental changes. This capability of quick adaptation resembles the features of resilience. Thus, resilience becomes the source of competitive advantage. However, market performance is not derived from resources during a crisis. This part of the findings is interesting. Infect, market performance is the external aspect of an organization. As uncertainty prevails, external, uncontrolled resources, i.e., formal and informal networks, fail to sustain external performance.

5.1. Implications for Theory

The findings underscore the pivotal role of managers' social networks in bolstering business performance, particularly in times of crisis. This study holds significance for businesses navigating through challenging circumstances as the increasingly volatile environment heightens the occurrence of uncertain events. By shedding light on the mechanisms for fortifying small businesses against setbacks, this research contributes to the existing literature on Resource-Based View (RBV) and Social Network Theory (SNT), particularly in crisis contexts.

5.2. Implications for Practice

From a practical standpoint, this study offers actionable insights for SME managers, advocating for the cultivation of robust formal and informal social networks. Furthermore, it guides regulatory bodies, such as small and medium enterprise development authorities (SMEDA), to foster a culture of interconnectedness within the SME ecosystem.

5.3. Limitations and Suggestions for Future Study

While this research provides valuable insights, it has limitations. First, the reliance on cross-sectional rather than longitudinal data limits the depth of analysis. Second, using a non-probability sampling design raises concerns regarding the generalizability of the findings. Third, the study primarily focuses on the third phase of the pandemic, overlooking other phases. Lastly, the data collected from two provinces may be subject to criticism.

For future research endeavors, efforts could be directed towards compiling a directory of SMEs to facilitate the adoption of probability sampling methods and enhance generalizability. Additionally, further exploration is warranted to elucidate the determinants of market performance during crises.

5.4. Conclusion

This study addresses two fundamental questions: the role of resources in sustaining performance and how these resources contribute to performance. A survey conducted during the severity of the COVID-19 pandemic's third phase, involving 410 SME owner-managers revealed that social networks serve as valuable resources for SMEs, fostering resilience and potentially conferring competitive advantage amidst uncertainties.

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Appendix-I

Table 1; Measurement Items

Items	Source
Financial Performance	
"My business's average return on investment is better than key competitors."	Wang & Wang (2012), Gunday et al., (2011)
"The average profit of my business is better than that of key competitors."	
"The profit growth of my business is better than that of key competitors."	
"My business's average return is higher than that."	
"The average cash flow of my business is better than that of key competitors."	
Operational Performance	
"The quality development of my business is better than that of key competitors."	Gunday et al., (2011), Wang & Wang (2012)
"My business's cost management is better than that of key competitors."	
"The responsiveness of my business is better than that of key competitors."	
"The productivity of my business is better than that of key competitors."	
Market Performance	
"My business satisfies its customers better as compared to key competitors."	Gunday et al., (2011)
"The total sales level of my business is better than that of key competitors."	
"My business's market share is better than that of key competitors."	
"Growth in sales for my business is better than that of key competitors."	
"Value creation for my business is better than that of key competitors."	
Formal Network	
"I have many close business partners."	Watson (2007)
"I have close relationships with banks."	
"I have established excellent working relationships with local government offices."	
"I have close relationships with business consultants."	
Informal Network	
"I have a strong relationship with friends and family."	Watson (2007)
"I have established a close relationship with local businesses."	
"I have a strong relationship with others in the industry."	
OrganizationalOrganizational Resilience	
"My business deals with financial shocks well."	Nkundabanyanga et al., (2019)
"Most of the operations of my business are insured against shocks and uncertainties."	
"My business easily adjusts its operating procedures in case of need."	
"We are capable of spotting opportunities in our operating environment with ease."	