

The Impact of Post Covid-19 On The Business Sustainability of Dhofar Automotive - An Investigation

Syeda Umme Habiba¹, Mohammad Javad Hesam¹, Nusrat Jahan, and Sheuly Nath¹

¹Middle East College, Muscat, Oman

ABSTRACT

The Nobel covid-19 had devastating effects on every business sector let it be the food, fashion, clothing, or automotive industries. Oman like other countries took all the necessary steps required to minimize the spread of the virus by implementing policies and regulations around the Sultanate. The study highly focuses on the impact of COVID-19 on the automobile industry by taking Dhofar Automotive as an example to present the research objectives. Both primary and secondary sources are used to collect data for this project. Primary data is collected using interviews and questionnaires by interviewing the managers and circulating the online questionnaire among the employees of Dhofar Automotive. The secondary data i.e., the financial data was collected from financial reports, published in journal articles, newspaper articles, websites, and books. The qualitative analysis is done through thematic and descriptive analysis. The SWOT and PESTEL analysis were also conducted to analyze the qualitative data. The quantitative analysis of the statistical data like dates, GDP, growth rate, economic rate, etc. is conducted. The data analysis is done using SPSS and MS excel tools. This study aims to determine the impact of covid on the selected automobile company, how it managed to survive over 3 years of the pandemic, how it sustained its business, how the company determined the most profitable year in the pandemic, micro and macro factors that influenced their activities and possibly suggests some IT tools that the company can implement to develop and sustain in the future.

Objectives

The objectives of this study are:

- To evaluate the company's sustainability during the COVID-19 phase.
- To examine the company's three-year report during the COVID-19 phase.
- To determine the profitable year for the company during the pandemic years.
- To find out the MICRO & MACRO factors affecting the company during COVID.
- To suggest IT tools for enhancing business sustainability during uncertain events.

Methology

Research Design

The study aims at the perspective of the managers and employees on how the pandemic affected the company's business sustainability. The research design used in this study is a hybrid approach, with both quantitative and qualitative data collected by utilizing hypothesis testing of data collection methods, i.e., both primary and secondary sources.

Population of the Study

Employees at Dhofar Automotive are regarded as a population, ranging from cashiers to team leaders, managers,

technicians, mechanics, and cleaners, as these individuals play a significant part in the organization's day-to-day operations. The managers will be interviewed whereas the employees will be given a survey to complete. The individuals involved in Dhofar Automotive's business operations would be the target audience. The study sample will comprise two managers from the top level, i.e., the general manager, and the national service manager. As these professionals are in charge of the day-to-day operations of the firm, their opinions, attitudes, and concepts are very important when it comes to the study that is on business sustainability.

Results

Business sustainability can be achieved in many ways as per the nature of the business. In the case of Dhofar Automotive, a business sustainability framework is recommended for the enhancement of sustainability in the post-pandemic period. The proposed framework is illustrated in below figure 6:

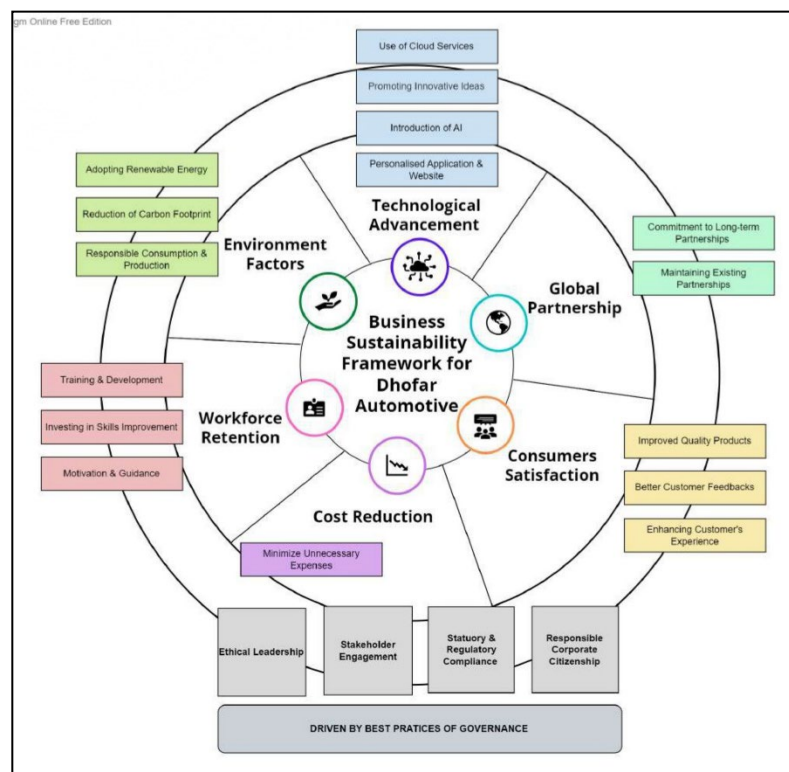


Figure 6. Recommended Business Sustainability Framework for Dhofar Automotive

The main six elements that may aid in the business sustainability of Dhofar Automotive are:

- Technological advancement may be achieved using cloud services, promoting innovative ideas, the introduction of Artificial Intelligence such as Augmented Reality (AR) and Virtual Reality (VR), and the use of personalized applications and websites. To minimize human errors, robots can be implemented in various business operations.
- Global sustainable partnerships may be achieved by commitment to long-term partnerships and maintaining existing partnerships. As the company lacks automated vehicles, the company may build further relations with international brands that possess innovations like automated vehicles. These vehicles can be put into auto-pilot mode allowing the drivers to rest.
- Improved consumer satisfaction to sustain a business may be attained by providing high-quality products, better customer service, and by enhancing customer experience.
- Cost reduction is important for business sustainability and can be accomplished by minimizing unnecessary expenses.

- Workforce retention is another important element and can be achieved by investing in training and development, skills improvement, motivation, and guidance.
- Environmental factors such as adopting renewable energy (solar panels), reduction of carbon footprint, and responsible consumption and production may aid in the sustainability of the business.
- Business sustainability can be attained by the elements mentioned above, but to make it more successful, all the elements must be driven by the best practices of governance in terms of ethical leadership, stakeholder engagement, statutory and regulatory compliance, and responsible corporate citizenship.
- Dhofar Automotive may also implement strategies such as opening new branches all over Oman to increase profits and market share.

Discussion

Business Sustainability

According to Bansal and DesJardine (2014), business sustainability can be defined as “the ability of firms to respond to their short-term financial needs without compromising their (or other's) ability to meet their future needs”. According to Alqassabi (2019), small and medium enterprises (SMEs) drive today’s economy toward innovation, economic growth, development, and employment. They contribute to more than 55% of the GDP in the OECD Countries (OECD, 2021). To promote Oman's vision for 2040, it is vital for business owners to clearly understand the purpose and manage the workflow of their business. Management, cooperation, investment, innovation, and future planning are some of the key aspects that kept many businesses still running after the pandemic. Oman’s economy has seen a quick but steady rise after the covid-19 pandemic hinting at a strong and stable business and cooperative sustainability process.

Importance of Business Sustainability

- Brand recognition competitive advantage
- Increase efficiency
- Availability of new opportunities
- Satisfy the customers

Ways of Sustaining Business

- Leadership Quality
- Innovation
- Economic Factors
- Corporate Governance
- Creating Shared Value

Pros & Cons of Business Sustainability

Pros of business sustainability

- Increased sales, attracts new customers
- Better customer relations
- Brand recognition
- Better business reputation
- Cost Savings
- Enhanced profit leads to reduced operational costs

Cons of business sustainability

- Increase in prices
- High expectations of people
- Lack of capital investment
- Increase in capital cost

- High cost of labor
- Hardships & increased competition
- Increased taxation

Business Sustainability Frameworks

Conceptual Framework for Business Sustainability - Usha & Devakumar

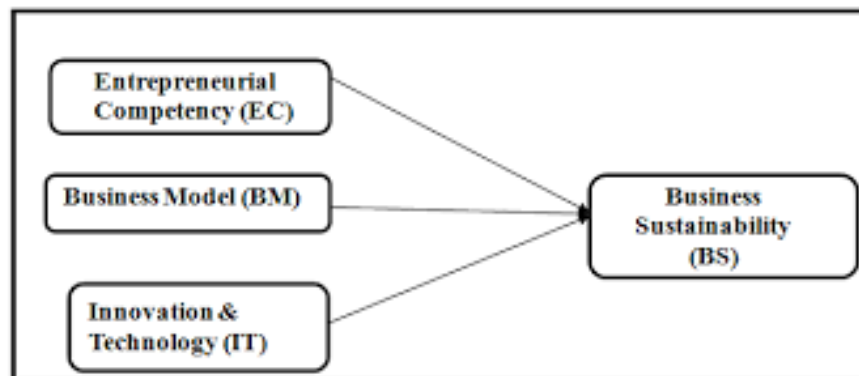


Figure 1. Conceptual Framework for Business Sustainability

Note. From Conceptual Framework for Business Sustainability, by Usha & Devakumar, 2018, (<https://doi.org/10.5958/2321-5763.2018.00072.0>).

A conceptual framework for business sustainability developed by Usha and Devakumar (2018) shows the three main elements that may influence business sustainability, which are Entrepreneurial Competency (EC), Business Model (BM), and Innovation and Technology (IT). Entrepreneurs need to pay attention to every department and improve the quality and standards as time passes by to maintain sustainable growth (Siwan et al., as cited in Usha & Devakumar, 2018). Entrepreneurial competence has been highlighted as one of the key factors that would have a substantial influence on the long-term viability of businesses. Data gathering and processing become easier through the implementation of innovative business models as per the needs of the company. It helps to boost company performance which in turn leads to sustainable growth (David et al., as cited in Usha & Devakumar, 2018). As a result, the innovativeness of a company's business model has been highlighted as a crucial aspect in ensuring the long-term viability of both the framework and the firm itself. The usage of technology in entrepreneurship leads to new developments in goods for medium-sized businesses' growth (Matejun, as cited in Usha & Devakumar, 2018). The long-term growth and sustainability of any enterprise depend on its capacity to foster an environment where innovation and technology may flourish from the bottom or roots of the company. The researchers Usha & Devakumar (2018) have thus developed a paradigm that considers innovation and technology (IT) as a crucial aspect of company sustainability, alongside entrepreneurship competence and the business model.

Impact of COVID-19

The total impact and effects of covid-19 cannot be just measured by the lives that were lost to it. The outbreak was first reported in December 2019 in Wuhan, Hubei Province of China. Later the origin of the outbreak was linked to the Huanan seafood wholesale market. News of people being infected with pneumonia for unknown reasons was reported and the number of patients rapidly increased (Ciottia et al., 2019). The disease then spread like wildfire leading to global concerns, the closing down of borders, reduction in the economy while costing thousands of deaths on the other side. This urged virologists to prioritize covid-19 based research up to 10-20% worldwide. Billions of euros were donated for the research which aided the findings and helped in the rapid production of vaccines (Harper et al., 2020). Hettiarachchi et al. (2022) studied the impact of covid-19 on areas such as education, training, environment, healthcare, economy, and daily life behavior. The authors found that all the sectors were affected, some positively and others negatively. The covid-19 pandemic has affected economies and businesses all around the globe.

Impact of COVID-19 in Oman

Since the declaration of the pandemic by the World Health Organization (WHO), the Ministry of Health of Oman has taken up countless precautions and measures to control the outburst of the virus (Thumiki & Jurcic, 2021). With the help of community participation, the ministry was able to spread awareness to various cities, villages, and committees. Magd and Karyamsetty (2021), conducted a survey in Oman providing statistical analysis on how the pandemic situation has proven to be an opportunity for certain companies to implement CSR and sustainability actions. The survey result showed that companies around Oman have innovatively implemented CSR that benefited not only the companies but also the society, economy, and environment. Technological globalization has allowed consumers in Oman to venture out from their traditional form of shopping to online platforms. This gives rise to the E-commerce and M-commerce market in Oman (Al-Hawari et al., 2021).

The pandemic had a devastating effect and led to the destruction of many businesses in Oman. This led to the complete closure of businesses, imports, and export causing a standstill moment for the economy. Then came the tough times of lockdowns and curfews which caused further damage to the somewhat existing small businesses (Bansal & DesJardine, 2014). In the long run, the sustainability of companies and organizations was challenged. To cope with these challenges, many businesses around the world started innovative ways to market their products. For example, fashion brands have chosen innovative ways to sell their products by mass production of cloth masks which showcase their unique brand.

According to a news article by Kharouf and Pillai (2020), the increasing impact of covid-19 had led to a lowering in oil prices, and an exodus of the highly skilled expatriate population, thus, posing various challenges to the country's economic conditions. The new article also provides us with statistical comparisons of condition pre and post covid economic conditions in Oman. Current research shows that the rate of the expatriate population has dropped by 6.8% in recent years which has greatly affected the economy. Khan (2023), states that Oman has recorded a strong recovery of the economy from the impact of covid in terms of an improved economy, elevated oil prices, increase in GDP, high hydrocarbon production, and removal of pandemic restrictions which has led to a boost in the overall economy of the country (Deelishya, 2022).

The hypothesis for this study is:

Null Hypothesis, H_0 : The COVID-19 pandemic affected the business sustainability of Dhofar Automotive.

Alternative Hypothesis, H_a : The COVID-19 pandemic didn't affect the business sustainability of Dhofar Automotive.

Conclusion

The research on the impact of the COVID-19 pandemic on the company's sustainability highlights the massive negative effect that is caused on the continuity of the company by uncertain events like pandemics and calamities.

The entity had a vastly negative impact of the pandemic on the sustainability of its operations during the three phases. However, the entity could easily overcome the challenges of the deadly pandemic and sustain itself in the industry as it is under an established group in Oman, i.e., Zubair Automotive Group, and it is partnered with international brands like Chrysler, Dodge, Jeep, etc. The research investigated the company's strategies to implement Information Technology (IT) approaches for continuing their business operations even during the lockdown phases of the pandemic. Dhofar Automotive was swift in implementing technological approaches to sustain the business and continue its operations even during the closure.

The study's goal is to investigate the influence of the coronavirus pandemic on Dhofar Automotive's business sustainability and the ways the firm used to keep operating at that time. Analyzing the business operations of the company, Dhofar Automotive during the three years to find out the most productive year during the pandemic is also one of the objectives of the study. This research also focuses on analyzing the MICRO & MACRO factors affecting the business environment of the company. This study additionally tries to provide information technology innovations to help the firm survive the impending unforeseeable events. The research objectives are oriented to the research questions of this study.

Limitations

The completion of this project was a roller coaster ride. The limitations of the study include: The project concentrates on only one automotive company, that is, Dhofar Automotive Oman as it was difficult to find data and due to the non-availability of time comparative study could not be performed. One of the major limitations was that due to limited research on the impact of covid-19 on business sustainability in the automobile industry, the study could not provide strong literature on the mentioned topic. The study focuses only on three business sustainability frameworks to base the recommendations while various other models need to be considered to understand the drivers of sustainability in a better way. The financial reports of Dhofar Automotive were not available on the Muscat Stock Exchange which is why the quantitative analysis of the financial data of the company could not be presented.

Acknowledgments

First and foremost, we thank Almighty God for blessing us all with vast knowledge and health, which allowed us to pursue and complete the research. We would like to express our heartfelt gratitude and appreciation to our families, who provided us with all the resources required throughout the project/s completion. We are grateful to our acquaintances and colleagues for their encouragement and motivation to complete the task, as well as for their important recommendations that helped us examine our topic from various perceptions. We are immensely thankful to Middle East College for providing us with the resources that enabled us to undertake and achieve our project objectives. We appreciate and are truly grateful for the assistance of the Department of Management Studies' head and other faculty members for providing us with valuable resources that assisted us in the completion of the project. We would like to take this opportunity to extend our sincere thanks to our project supervisor, Ms. Badriya Al Balushi for always encouraging, advising, evaluating, and providing quick feedback, which allowed us to enhance our work and finish the entire project within the given timeframe.

References

- Bansal, P., & DesJardine, M. R. (2014). Business sustainability: It is about time. *Strategic Organization*, 12(1), 70–78. <https://doi.org/10.1177/1476127013520265>
- Ciottia, M., Angelettib, S., Minieric, M., Giovannettie, M., Benvenutof, D., Pascarellag, S., Sagnellih, C., Bianchig, M., Bernardinic, S., & Ciccozzi, M. (2019). COVID-19 Outbreak: An Overview. *Antimicrobial Section / Review*, 6(4), 215-223. <https://doi.10.1159/000507423>
- Harper, L., Kalfa, N., Beckers, G.M.A., Kaefer, M., Nieuwhof-Leppink, A.J., Fossum, M., Herbst, K.W., & Bagli, D. (2020). The impact of COVID-19 on research. *Journal of Pediatric Urology*, 715-716. <https://doi.org/10.1016/j.jpuro.2020.07.002>

Hettiarachchi, P. P. R., Hemachandra, C. K., Kulathunga, M. S., Wickramasinghe, U. K., Rathnayake, R. M. B. C., & Arachchige, U. S. P. R. (2022). Impact of the Covid-19 pandemic in daily life. *Journal of Research Technology & Engineering*, 3(1), 27-36.

https://www.researchgate.net/publication/357732612_Impact_of_the_Covid-19_pandemic_in_daily_life

Magd, H. A. E., & Karyamsetty, H. J. (2021). Assessing the significance of Corporate social responsibility actions to achieve sustainable business and organizational performance during the COVID-19 pandemic in Oman. *The 1st Business and Entrepreneurship International Conference*, 1-16.

<https://www.researchgate.net/publication/352845638>

Thumiki, V. R. R., & Jurcic, A. (2021). Impact of COVID-19 Crisis on Knowledge Management Practices in Sultanate of Oman. *The Electronic Journal of Knowledge Management*, 19(3), 213-225. www.ejkm.com

Usha, N., & Devakumar, G. (2018). An analysis on the critical parameters influencing sustainability for Agri-Business Industry: A systematic review and conceptual framework. *Asian Journal of Management*, 9(1), 464-470. <https://doi.org/10.5958/2321-5763.2018.00072.0>