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When Crisis Support Fails: Relational Substitution and Strategic Continuity in South African SMEs

Carin Loubser-Strydom [1] and Klavdij Logožar [2,*]

[1] Business School, Faculty of Economics and Management Sciences, North-West University, Potchefstroom 2531, South Africa; carinls@vox.co.za
[2] Faculty of Economics and Business, University of Maribor, 2000 Maribor, Slovenia
* Correspondence: klavdij.logozar@um.si

Abstract

Small and medium-sized enterprises (SMEs) are particularly vulnerable when crisis support systems are delayed, unreliable, or difficult to access. This study examines how South African SMEs maintained strategic continuity during COVID-19 by developing the concept of relational substitution, defined as a process in which owner-managers compensate for weak formal support by internalizing continuity work within the employment relationship. The study is based on a secondary qualitative analysis of 16 semi-structured interviews with SME owners in the Western Cape, South Africa, complemented by a targeted evidence review to inform boundary-condition assessment. The findings show that owner-managers assembled relational continuity bundles that combined labor flexibility, retention intent, transparent communication, and visible well-being support. Owners presented these bundles as efforts to sustain cooperation, trust, and operational functioning when enacted through fairness logics such as voice, transparency, equal sacrifice, and relational care. The study contributes to SME resilience and management and organization studies by distinguishing relational substitution from sustainable human resource management, organizational justice, relational leadership, and institutional fragility, and by specifying the firm-level and institutional conditions under which this mechanism is more likely to support strategic continuity.

Keywords: small and medium-sized enterprises; strategic continuity; relational substitution; SME resilience; crisis support; institutional fragility; South Africa

1. Introduction

COVID-19 placed small and medium-sized enterprises (SMEs) under severe pressure to maintain strategic continuity. Recent research shows that SME resilience during crises depends on the interaction of firm-level resources, crisis characteristics, support access, and adaptive managerial responses (Amin et al., 2025; Audretsch et al., 2025; Koporcic et al., 2026), while people-management practices remain central to maintaining continuity when disruption affects staffing, work organization, and employee cooperation (Balocco et al., 2019; McPhail et al., 2024; Yahya et al., 2020). Sudden revenue declines, liquidity constraints, and operational restrictions forced owner-managers to make rapid decisions about staffing (Martínez-Garcia et al., 2018), cost containment, and continuity, while formal support mechanisms were often delayed, difficult to access, or uncertain. Evidence from the early pandemic period shows that SMEs experienced acute financial stress and uncertainty, making rapid labor-related decisions central to survival (Bartik et al., 2020; Meyer et al.,

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2022). More recent evidence shows that government financial aid, digital tools, local grant funding, and wage-support schemes influenced SME survival and resilience during COVID-19, but their effects depended on access, reliability, and firms' ability to mobilize these supports under crisis conditions (Audretsch et al., 2025; Ford et al., 2024; Miocevic & Srhoj, 2023). However, these decisions were not purely operational. In SMEs, where owners often work closely with employees and rely on key staff for continuity, crisis response depends not only on financial adaptation but also on maintaining trust, legitimacy and workforce commitment.

This paper theorizes relational substitution as a micro-mechanism of strategic continuity in owner-managed SMEs. Existing research on strategic change, crisis response, and organizational resilience has examined disruption, recovery, adaptation, and continuity planning, but has paid less attention to how small firms preserve continuity when institutional support is formally available but fails in practice. In such contexts, the burden of continuity shifts to the owner–employee relationship. The theoretical gap is therefore not simply about how SMEs manage people during crises, but about how owner-managers compensate for institutional fragility by using relational practices to sustain cooperation, legitimacy, and operational functioning.

The South African SME context highlights this mechanism. During COVID-19, firms faced severe demand restrictions, liquidity pressures, and uneven access to wage-support mechanisms such as the Unemployment Insurance Fund (UIF) and the Temporary Employer/Employee Relief Scheme (TERS). These mechanisms existed in principle, but their practical value depended on administrative capacity, delivery speed, and employer access. South Africa, therefore, provides a theoretically useful setting for examining how strategic continuity is maintained when formal crisis-support infrastructure is fragile, and owner-managers must absorb part of the institutional burden internally.

This paper introduces the concept of relational substitution to explain this process. Relational substitution occurs when owner-managers compensate for delayed, unreliable or inaccessible formal support by assembling relational continuity bundles, which include labor flexibility, retention intent, transparent communication and visible well-being support. These bundles support strategic continuity when implemented through fairness logics such as voice, transparency, equal sacrifice and relational care. Fairness does not eliminate hardship; rather, it helps convert constrained employment trade-offs into decisions that owner-managers seek to frame as legitimate enough to sustain cooperation, trust and operational continuity. Relational substitution differs from related concepts in that it does not primarily describe sustainable human resource management (HRM) practices, fairness perceptions, relational leadership, SME resilience outcomes, or institutional fragility. Instead, it explains the firm-level response through which owner-managers internalize part of the continuity burden when formal crisis support is unreliable and use relational practices to keep the business functioning.

Based on a secondary qualitative analysis of 16 interviews with SME owners in the Western Cape, South Africa, this study examines how owner-managers maintained strategic continuity during COVID-19 amid institutional fragility. It explores how relational continuity bundles were assembled, how fairness logics were used to legitimize difficult trade-offs, and under which firm-level and institutional conditions relational substitution can support continuity beyond the focal context.

RQ1: How did South African SME owner-managers sustain strategic continuity when formal crisis-support mechanisms were delayed, unreliable or difficult to access?

RQ2: What relational continuity bundles did owner-managers assemble to compensate for institutional and resource constraints during COVID-19?

RQ3: How did fairness logics shape whether these bundles were framed as legitimate continuity responses?

RQ4: Under what firm-level and institutional boundary conditions is relational substitution likely to support SME strategic continuity?

The paper is structured as follows. Section 2 develops the conceptual foundation, including strategic continuity, institutional fragility, relational continuity bundles and fairness logics. Section 3 outlines the qualitative secondary analysis and the targeted scoping review used to inform the boundary-condition assessment. Section 4 presents the findings. Section 5 discusses the theoretical contribution of relational substitution as a micro-mechanism of strategic continuity and develops implications for owner-managed SMEs and crisis-support policy. Section 6 concludes and outlines limitations and directions for future research.

2. Literature Review

This section develops the conceptual foundation for theorizing relational substitution as a mechanism of strategic continuity in SMEs. It first links strategic continuity and organizational resilience to the challenge of maintaining employee cooperation during disruption. It then positions sustainable HRM as a sensitizing lens for identifying relational continuity practices, conceptualizes fairness as a mechanism legitimizing difficult employment decisions, and explains how institutional fragility affects the feasibility of such responses.

The literature review is organized analytically around a gap in existing crisis and SME resilience research. Previous studies address key aspects of the problem: SME resilience research examines how small firms adapt and recover during disruptions; sustainable HRM identifies people-management practices that maintain human and social resources; organizational justice explores how fairness influences the legitimacy of difficult decisions; relational leadership emphasizes care, communication, and trust; and institutional perspectives explain why formal support systems vary in reliability and accessibility. However, these perspectives do not fully explain the firm-level process by which owner-managers compensate for unreliable formal support by internalizing continuity work within the employment relationship. This gap motivates the concept of relational substitution.

2.1. Strategic Continuity, Organizational Resilience and People Management in SMEs

Crises threaten strategic continuity by disrupting resources, routines, demand conditions, and stakeholder relationships. For SMEs, these threats are especially acute because smaller firms often have limited financial slack, narrower managerial capacity, and greater dependence on a few key employees. Recent evidence confirms that SMEs are generally less resilient than larger firms during economic crises, particularly when financial constraints, demand shocks, and input disruptions interact (Amin et al., 2025). An umbrella review of SME resilience research similarly shows that resilience in times of crisis depends not on a single capability but on the interaction among preparedness, resource constraints, crisis characteristics, and coping strategies (Koporcic et al., 2026). Organizational resilience in this context is therefore not only a matter of financial survival or operational adaptation; it also depends on preserving the human and relational conditions that enable the firm to continue operating, adapt under constraints, and recover after disruption.

This study uses the term strategic continuity to refer to the ability of owner-managed SMEs to maintain operational functioning, employee cooperation, and adaptive capacity when external support is uncertain or delayed. This interpretation aligns with recent crisis management research showing that SME outcomes depend on combinations of strategic responses and contextual conditions rather than isolated actions (Graham & Matikonis, 2025). The central question is therefore not whether SMEs adopt ideal HRM practices, but

how owners use feasible relational practices to keep the firm operating when strategic choices are severely constrained.

This creates an analytical gap in SME resilience research. Existing studies often treat continuity as the outcome of adaptation, preparedness, or resource availability. This study instead examines the relational process by which continuity is pursued when formal support is unreliable, and owner-managers must maintain cooperation while making difficult employment trade-offs. Strategic continuity is therefore treated not only as an outcome but also as a relational accomplishment under institutional constraint.

2.2. Relational Continuity Bundles and Fairness Logics

Sustainable HRM offers a useful sensitizing lens for identifying people-management practices that may support strategic continuity. Instead of using sustainable HRM to make a broad corporate social responsibility (CSR) or triple-bottom-line (TBL) (Elkington, 1998; Nehme et al., 2022) claim, this study uses it more specifically to identify practices through which SMEs preserve human and social resources under severe continuity threats (Aust et al., 2020; Ehnert et al., 2016; Sorribes et al., 2021). In crisis conditions, short-term cost containment may be unavoidable, but poorly communicated austerity can undermine the trust, commitment and employee cooperation needed for recovery. People-management practices are thus strategically relevant when they protect not only labor capacity but also the relational resources required for continuity.

However, sustainable HRM alone does not explain relational substitution. It helps identify the types of people-management practices that may preserve human and social resources, but it does not specify when such practices become substitutes for weak or unreliable crisis-support systems. Similarly, organizational justice explains why fairness, voice, consistency, and respectful treatment matter for the legitimacy of difficult decisions, but it does not explain why fairness becomes a continuity mechanism when institutional support fails. The contribution of relational substitution lies in linking these two insights: people-management practices become strategically significant when fairness-mediated implementation allows owner-managers to absorb part of the continuity burden within the employment relationship.

Previous research identifies four domains as particularly relevant in crisis conditions: flexibility and adaptive work design, employment retention and income protection, well-being support, and capability building (Aust et al., 2020; Mishra, 2017; Sorribes et al., 2021). In SMEs, however, these practices rarely operate as isolated "best practices"; instead, they are combined into relational continuity bundles shaped by owner discretion, resource constraints and institutional support. These bundles are important because their effects depend on complementarity: combinations of human resource actions often influence outcomes more strongly than any single practice (Delery & Doty, 1996; Lepak et al., 2006). Recent evidence on SME crisis management similarly suggests that performance under crisis conditions is shaped by configurations of strategic responses and contextual constraints rather than by isolated managerial actions (Graham & Matikonis, 2025).

The practices that make up such bundles are well established in prior research. Flexible work and adaptive work design can maintain activity while controlling costs, but their feasibility varies across occupations and sectors (Griep et al., 2025; International Labour Organization, 2020). Retention and income-protection measures preserve firm-specific knowledge and operational readiness, but depend on liquidity, owner discretion and wage-support capacity (Martínez-Garcia et al., 2018; Sorribes et al., 2021). Well-being support can signal care and sustain morale, particularly when uncertainty increases psychological risk (Elnahla & Neilson, 2021; Gaitens et al., 2021 Sumner & Kinsella, 2021; Yahya et al., 2020). Capability building and multi-skilled staffing can support adaptation by enabling task redistribution and service redesign (Jonge & Peeters, 2025; Masri & Suliman, 2019).

Fairness is the key mechanism linking relational continuity bundles to continuity. During disruption, employees assess not only the material consequences of decisions, such as reduced hours, delayed income or job insecurity, but also how decisions are explained, justified and enacted. Organizational justice theory distinguishes between the distributive, procedural, and interactional dimensions of fairness and shows that fair processes and respectful treatment shape the perceived legitimacy and acceptance of difficult decisions (Colquitt, 2001; Colquitt et al., 2012).

In SMEs, where employment relationships are often relational, and the operational impact of disengagement can be immediate, fairness logics help convert difficult trade-offs into decisions that remain sufficiently legitimate to sustain cooperation. Voice, transparency, equal sacrifice, procedural consistency, and relational care do not remove hardship; rather, they shape whether hardship is seen as arbitrary coercion or as a necessary part of collective crisis response.

This leads to the paper's central mechanism: relational substitution. When formal crisis support is delayed, unreliable, or difficult to access, owner-managers may compensate by assembling relational continuity bundles and implementing them through fairness logics. Fairness, therefore, explains why similar employment practices may either stabilize or destabilize continuity, depending on how they are enacted, justified, and interpreted. Relational substitution is distinct from sustainable HRM, organizational justice, relational leadership, and SME resilience. Sustainable HRM identifies responsible people-management practices; organizational justice explains fairness and legitimacy mechanisms; relational leadership highlights care-based leadership behavior; and SME resilience describes adaptation, survival, and continuity outcomes. Relational substitution, instead, explains the process by which owner-managers internalize part of the continuity burden when formal support is unreliable and use fairness-mediated relational practices to sustain operational functioning. The concept thus connects practice bundles, fairness logics, and institutional fragility into a single mechanism of strategic continuity.

2.3. Institutional Fragility and Support-System Reliability

Relational continuity bundles do not operate in an institutional vacuum. A single practice, such as reduced hours, may protect cash flow but can damage trust if employees perceive it as arbitrary or unsupported. The same practice is more likely to sustain cooperation when combined with retention intent, transparent explanation, visible care, and credible external support.

Crisis HRM is not implemented in isolation. Comparative and institutional HRM research shows that national institutional arrangements affect both the availability and legitimacy of human resource practices, creating systematic constraints and enabling conditions for firms' people management choices (Brewster et al., 2018; Jackson & Deeg, 2008; Whitley, 2000). Institutional support mechanisms also influence whether relational continuity bundles can function as strategic continuity mechanisms. The UIF provides temporary relief for unemployment and related conditions and was central to the TERS during the COVID-19 pandemic. However, support mechanisms may be limited by administrative complexity and delivery capacity, affecting both employee outcomes and organizational perceptions of fairness.

Recent studies reinforce this point by showing that public support can strengthen SME survival and resilience, but only when firms can access and use it effectively. Government financial aid and digital tools were associated with higher firm survival during the COVID-19 pandemic (Audretsch et al., 2025), while local grant funding supported SME resilience in the wake of COVID-19 (Ford et al., 2024). Research on governmental wage subsidies further indicates that such schemes can enhance SME resilience and recovery, but their

value depends on how effectively they stabilize employment and bridge crisis-related income pressures (Miocevic & Srhoj, 2023). These studies support the present paper's focus on support-system reliability as a boundary condition for relational substitution.

This institutional perspective clarifies the contribution of relational substitution. Institutional fragility explains why formal crisis-support systems may fail in practice, but it does not fully explain how firms respond internally when such failures occur. This study, therefore, treats institutional fragility not merely as contextual background, but as a trigger that shifts part of the continuity burden from public support systems to the owner–employee relationship. Relational substitution captures this shift and specifies how owner-managers attempt to manage it through continuity bundles and fairness logics.

This study adopts an institutional perspective to explain why the same relational continuity bundle can have different strategic effects across contexts. Where wage-support systems are reliable, reduced hours or temporary wage adjustments may be framed as a shared sacrifice. Where support is delayed or administratively inaccessible, similar practices may be regarded as employer failure or coercion, intensifying fairness tensions. Institutional fragility, therefore, shapes not only what SMEs can do but also how employment decisions are interpreted. Accordingly, boundary conditions operate at two levels. At the firm level, strategic continuity depends on financial slack, staffing flexibility, owner discretion, and relational trust. At the institutional level, it depends on labor regulation, wage-support delivery, administrative capacity, compliance requirements, and enforcement credibility. Relational substitution becomes most apparent when formal support exists in principle but is delayed, unreliable, or difficult to access.

COVID-19 is a particularly revealing case of strategic disruption because it combined a collapse in demand, mobility restrictions, health risks, workforce anxiety, and uneven institutional support. Such conditions highlight how SMEs attempt to preserve strategic continuity when normal routines and external support mechanisms are disrupted (Lu & Zhou, 2024).

Figure 1 summarizes the conceptual mechanism developed in this literature review. It identifies institutional fragility and support-system reliability as contextual conditions that increase pressure for strategic continuity in SMEs. Relational substitution is depicted as the firm-level response, in which owner-managers assemble relational continuity bundles and implement them using fairness logics. The figure does not present a general crisis-management process, but instead summarizes the specific theoretical mechanism examined in this study: the shift from weak formal support to fairness-mediated relational continuity work within owner-managed SMEs.

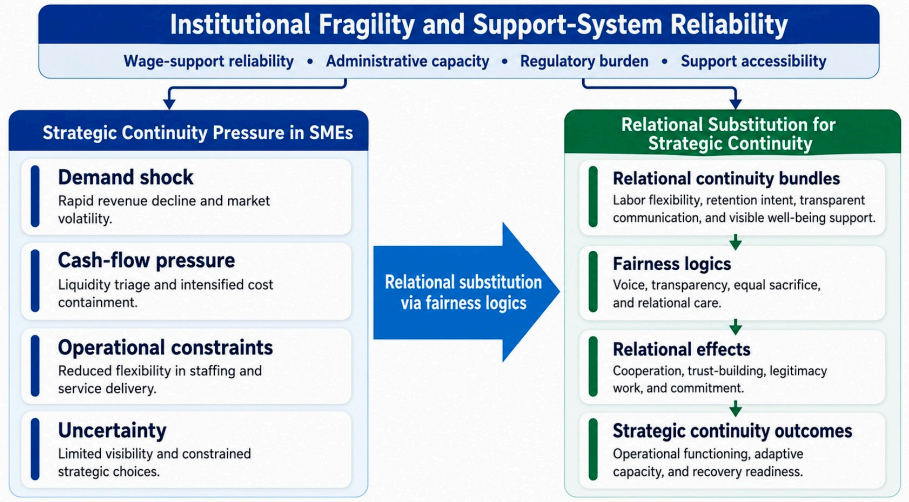

Figure 1. Relational substitution and strategic continuity under institutional fragility. Source: Authors' own elaboration.

The next section explains how qualitative secondary analysis was used to identify relational continuity bundles, trace the fairness logics through which they were implemented, and assess the boundary conditions under which they may support strategic continuity beyond the focal setting.

3. Methodology

3.1. Research Design

This study uses a qualitative research design based on secondary analysis of an existing interview dataset. It aims to explain how SMEs maintained strategic continuity during COVID-19 by identifying (1) relational continuity bundles, (2) fairness logics that owner-managers used to legitimize difficult employment trade-offs, and (3) firm-level and institutional boundary conditions influencing the feasibility of relational substitution. The study is theoretically informed by research on strategic continuity, organizational resilience, sustainable HRM, and organizational justice, but empirically adopts a hybrid logic: literature-informed sensitizing categories guided the analysis, while the specific bundles and fairness configurations were refined inductively through within-case and cross-case comparison.

Secondary qualitative analysis was chosen because the study aims to reinterpret an existing, information-rich qualitative dataset through a narrower theoretical lens, rather than collect new data to measure prevalence. The original interviews were not treated as a general SME survey but as owner-manager accounts of crisis decision-making, staffing pressures, communication practices, support measures, retrenchment risks, and external assistance mechanisms. This made the dataset suitable for mechanism development, as it contained detailed accounts of how owner-managers interpreted continuity problems, justified difficult employment decisions, and described the relational work required to keep their firms operating under constraint.

This design is appropriate because the paper aims to trace a mechanism rather than estimate prevalence or statistically test causal effects. The analysis examines how owner-managers sought to convert constrained employment decisions into continuity responses that they associated with cooperation, trust, legitimacy, and operational functioning. The mechanism-focused logic aligns with the paper's central theoretical intervention: relational substitution as a micro-mechanism of strategic continuity. Accordingly, the findings are interpreted as evidence of owner-manager sensemaking and legitimacy work, not as direct evidence of employee perceptions or measurable employee-level outcomes.

3.2. Data Source and Sample

The empirical material comprises 16 semi-structured interviews conducted from 2022 to 2023 with SME owners in the Western Cape, South Africa, as part of an earlier study (Strydom, 2024). The original study examined SME survival during COVID-19 and developed a broader survival framework. In this paper, the same dataset is re-analyzed from a specific strategic continuity perspective, focusing on relational practices, fairness logics, and institutional constraints that shape continuity under disruption. All transcripts were de-identified before analysis, and quotes are reported using anonymized interview identifiers (e.g., INT01–INT16) to ensure confidentiality.

The original study employed semi-structured, face-to-face interviews with SME owners, conducted at locations convenient for participants, usually at their business premises or offices. The interviews included demographic questions and open-ended prompts on business disruption, staffing, leadership, support practices, and external assistance mechanisms (see Appendix A), and typically lasted 60–75 min. Interviews were audio-recorded and supplemented with researcher notes. Participants were recruited through snowball

sampling and professional network referrals, an approach appropriate for SME research in contexts where direct access is often challenging due to sensitivity, time constraints, and data protection concerns.

The original dataset is compatible with the current research questions because its design, scope, and data collection methods addressed the same crisis context and produced material directly relevant to strategic continuity. Although the primary study focused more broadly on SME survival, the interview guide included prompts about business disruption, workforce changes, retrenchments, leadership responses, support practices, external assistance, and survival strategies. These topics align closely with the present study's focus on relational continuity bundles, fairness logics, and institutional boundary conditions. Therefore, the secondary analysis does not impose an unrelated framework on the data; instead, it offers a more focused theoretical interpretation of empirical material already generated about owner-manager crisis responses.

The sample of 16 interviews is appropriate because the study seeks conceptual depth, information richness, and mechanism development rather than statistical representativeness. All participants were owner-managers who directly experienced the strategic continuity problem examined here: they had to make decisions about staffing, communication, support, and cost containment while keeping their firms operational during disruption. The sample was therefore assessed for analytical sufficiency rather than numerical breadth. It provided sufficient variation across owner accounts, continuity pressures, relational practices, and experiences of institutional support to identify recurring bundles and boundary conditions. Because the dataset consists of owner-manager accounts, the analysis does not directly measure employee perceptions; instead, it examines how owner-managers described, justified, and interpreted their own continuity practices.

3.3. Analytical Procedure

The analysis draws on the strategic-continuity logic outlined in the literature review. Instead of adopting the TBL as the main framework, the paper uses sustainable HRM as a sensitizing lens to identify people-management practices that may support continuity during disruption. The analytical focus is therefore structured around three interrelated dimensions:

1. Strategic continuity pressures, such as cash-flow collapse, operational restrictions, demand shock, and staffing disruption;
2. Relational continuity bundles, including flexibility, retention intent, transparent communication, and visible well-being support; and
3. Fairness logics, encompassing voice, transparency, equal sacrifice, relational care, and procedural consistency.

To enhance explanatory precision, the study also uses a fairness and organizational justice lens as a mechanism-focused interpretive framework. This lens examines how owners made difficult employment decisions—such as reduced hours, temporary income adjustments, and selective retrenchments—through procedural choices, transparency, employee voice, consistency, and respect. Thus, fairness is conceptualized not only as an outcome but also as a practical mechanism through which owner-managers sought to maintain legitimacy and relational commitment while implementing strategic continuity responses.

The coding framework linked strategic continuity pressures, relational continuity bundles, fairness logics, and institutional fragility; the complete coding anchors are provided in Appendix C.1.

The analysis followed a structured qualitative procedure to trace relational substitution as a mechanism of strategic continuity. First, the transcripts were coded using literature-informed sensitizing categories related to continuity pressures, people manage-

ment practices, fairness logics, and institutional constraints. Second, the analysis proceeded inductively across cases to identify how these elements combined to form recurring bundles of relational continuity. Third, within-case summaries and cross-case comparisons assessed how owner-managers described these bundles as supporting cooperation, legitimacy, and operational continuity under constraint. Finally, the resulting patterns were mapped against institutional and firm-level boundary conditions. The full coding anchors and analytical procedure are reported in Appendix C.2.

Because the original study addressed SME survival broadly, this article re-analyzes the material for a narrower but compatible theoretical purpose: explaining how owner-managers used relational practices to compensate for unreliable or delayed formal support. This reinterpretation is justified because the interviews included substantial material on staffing decisions, employee treatment, communication, support practices, retrenchment pressures, and external assistance mechanisms. However, since the original protocol was not designed exclusively for the present research questions, the analysis is treated as a mechanism development study based on owner-manager accounts rather than a direct test of employee-level outcomes. Trustworthiness was enhanced through consistent within-case summaries, cross-case comparisons, traceable links between themes and supporting quotations, and explicit statements of boundary conditions.

Researcher bias was mitigated by combining deductive and inductive coding, retaining negative and boundary cases in the analysis, comparing interpretations across cases, and grounding each analytical claim in traceable interview evidence. The targeted evidence review served as an additional benchmarking tool to reduce interpretive overreach, particularly when assessing the transferability and boundary conditions of relational substitution.

A targeted evidence review was used solely to inform the boundary-condition assessment; details of the search logic and the 14 retained studies are provided in Appendix B.

4. Findings

The analysis identifies three related findings that explain how owner-managers used relational substitution to maintain strategic continuity under institutional fragility. First, continuity pressure increased when formal support was delayed, uncertain, or difficult to access. Second, owners assembled relational continuity bundles instead of relying on isolated people-management actions. Third, these bundles supported continuity when implemented through fairness logics that owners associated with cooperation, trust, and legitimacy. Table 1 presents the recurring relational continuity bundles as an analytical synthesis rather than a descriptive list of practices. It links each bundle to the core practices through which it was enacted, the relational substitution mechanism by which owner-managers framed the practice as legitimate, its contribution to strategic continuity, and an illustrative interview quotation.

Because the evidence is based on owner-manager accounts, the strategic continuity contributions summarized in Table 1 should be interpreted as owner-reported effects rather than direct measures of employee perceptions or outcomes. Nevertheless, the table shows two cross-cutting empirical patterns. First, the bundles were relational rather than purely operational: cost containment was repeatedly combined with retention intent, communication, or visible care. Second, their continuity value depended on fairness logics, as the same employment adjustment could either support or undermine strategic continuity depending on how owner-managers explained, shared, and implemented it.

Table 1. Relational continuity bundles as relational substitution mechanisms supporting strategic continuity.

Relational Continuity Bundle	Core Practices	Relational Substitution Mechanism	Strategic Continuity Contribution	Example Quote
Flexibility and job-sharing	Short-time work, roster redesign, reduced shift density, partial remote work	Equal sacrifice and consistency	Reduces payroll pressure while preserving staffing coverage and skill continuity	"...we had to be fair to give everybody a few hours..." (INT11)
Retention-first buffering	Full or partial pay continuity, retained earnings, bridging gaps before subsidy payout	Humane obligation and relational fairness	Preserves employee availability, loyalty and operational readiness	"...staff that could go home with their full salaries..." (INT02)
Transparency and voice	Frequent communication, explaining constraints, asking staff for input	Procedural fairness and trust maintenance	Reduces conflict and increases owner-reported acceptance of difficult adjustments	"Ask your staff their suggestions... be open and communicative..." (INT12)
Symbolic care and well-being support	Vitamins, PPE, staff lunches, emotional support	Interactional fairness and visible care	Sustains morale, commitment and willingness to continue	"...staff lunches... to show them... we care for each other." (INT14)
Crisis-driven informal adaptation	Informal activity to restore minimal income under institutional failure	Necessity framing and self-help legitimacy	Restores minimal activity when formal support fails	"...my government did not help me... I had to help myself..." (INT07)

Source: Compiled by authors.

4.1. Strategic Continuity Pressure and Institutional Support Failure

Across cases, the continuity threat began with immediate cash-flow collapse, reduced demand and high fixed-cost exposure. Owners described a rapid shift to daily liquidity triage– reducing staffing levels, cutting shifts, and scaling operations to match drastically reduced customer volumes. One owner captured this shock bluntly: "My business still had 100% of the expenses with 10% of income... with hard work... cost-cutting exercises and perseverance we are still standing." (INT14).

Continuity management was therefore not purely technical. Owners also bore the relational burden of maintaining staff cooperation while reducing costs during prolonged uncertainty. This burden intensified when formal support mechanisms were slow, inaccessible, or described as unreliable. One owner expressed this institutional credibility gap directly: "There was a whole lot of talk, but talk is cheap—where is the evidence?" (INT01). In the most resource-constrained cases, the failure of support systems pushed owners towards self-help strategies: "...my government did not help me... I had to help myself..." (INT07). These accounts illustrate the first element of relational substitution: when external support is weak, the burden of continuity shifts inward to the owner–employee relationship.

4.2. Relational Continuity Bundles as Strategic Substitution

Rather than relying on individual human resource practices, SMEs assembled bundles of interdependent actions. These bundles typically combined: (a) flexibility practices (short time, rosters, skeleton staffing), (b) retention intent (avoiding layoffs where feasible and buffering wage gaps), and (c) well-being practices that were often low-cost but symbolically meaningful (e.g., vitamins, personal protective equipment, staff lunches).

Several owners emphasized retention as an active choice despite financial pressure. One described maintaining salary continuity even when hours were reduced: "...at least we had staff that could go home with their full salaries..." (INT02). Others highlighted

symbolic care as a morale stabilizer: "...bought them all vitamins... started staff lunches on a Friday... to show them during Covid we care for each other." (INT14).

These bundles served as strategic substitutes, partially compensating for weak or uncertain institutional support. Flexibility reduced payroll pressure, retention-first buffering preserved operational readiness, and visible care helped maintain morale when material guarantees were limited. Their strategic value lay not in any single practice, but in the combination: cost containment was paired with signals that employees remained part of the firm's recovery path rather than expendable inputs.

4.3. Fairness Logics Made Relational Substitution Legitimate

Owners repeatedly framed painful adjustments (reduced hours, shift reductions, selective retrenchment risks, or temporary wage compromises) using fairness-centered logics that emphasized transparency, accommodation, and procedural consistency. In many cases, owners did not necessarily disclose full financial details; instead, they focused on maintaining legitimacy through explanation and respectful treatment.

One owner described the operationalization of fairness through distributive balance: "...we had to be fair to give everybody a few hours to work every day." (INT11). Another emphasized the role of voice and procedural clarity in preventing conflict: "Ask your staff their suggestions... be open and communicative... explain... we can no longer afford 8 staff..." (INT12).

In this sense, fairness logics served as the mechanism that made relational substitution credible. Reduced hours, wage compromises or informal adaptation could easily have been interpreted as employer failure or coercion. These measures were more likely to remain acceptable when owners presented them as necessary, framed them as shared, and ensured procedural consistency. This pattern aligns with evidence that employees assess hardship decisions partly on the basis of the fairness of explanations, procedures, and interpersonal treatment, especially when pay, hours, or job security are affected (Greenberg, 1990, 2004). The finding, therefore, supports the paper's core mechanism: relational substitution sustains strategic continuity only when employment trade-offs are implemented through fairness logics that preserve legitimacy and cooperation. Because the data are based on owner-manager accounts, this finding is interpreted as evidence of owner-led legitimacy work rather than direct evidence of employee perceptions.

The findings show that SMEs managed crisis conditions through relational continuity bundles that partially substituted for unreliable formal crisis support. These bundles did not automatically sustain continuity; they became effective when implemented through fairness logics that owners associated with the preservation of legitimacy, cooperation, and trust. Institutional constraints did not merely form the background; they shifted part of the burden of continuity onto owner-managers and shaped the extent to which relational substitution could support strategic continuity.

Selected within-case profiles are provided in Appendix D to illustrate how the mechanism appeared across contrasting cases.

5. Discussion: Applied Contribution, Boundary Conditions, and Implications

This study contributes to applied research on SME resilience and strategic continuity by developing relational substitution as a practical mechanism for continuity in owner-managed firms operating under institutional fragility. The findings show that owner-managed SMEs did not maintain continuity through operational adaptation alone. When formal crisis support was delayed, unreliable, or difficult to access, owners compensated by assembling relational continuity bundles that combined flexibility, retention intent, transparent communication, and visible care. These bundles supported strategic continuity

when implemented through fairness logics that owner-managers associated with sustaining cooperation, legitimacy, and trust.

5.1. Relational Substitution as an Applied Continuity Mechanism

First, the study contributes by reframing people management decisions as part of strategic continuity in owner-managed SMEs. For owner-managers, continuity during disruption depends not only on cost reduction, operational adjustment, or access to public support, but also on preserving employee cooperation when choices are constrained. Employment decisions are therefore not peripheral human resource actions; they are relational mechanisms through which small firms continue to operate when external support is uncertain.

Second, the study specifies how relational substitution operates through bundles rather than isolated practices. Labor flexibility, retention intent, communication, and visible care had continuity value when combined. Reduced hours alone could signal insecurity; reduced hours combined with transparent explanation, retention intent, and visible support were more likely to be interpreted as part of a shared continuity effort. This bundle logic explains why similar employment practices may either stabilize or destabilize continuity depending on their configuration and interpretation.

Third, the study shows that fairness is the legitimizing mechanism enabling relational substitution. Fairness-centered logics—voice, transparency, equal sacrifice, consistency, and relational care—served as a bridge between painful employment trade-offs and owner-reported employee acceptance. Fairness did not remove hardship; rather, it shaped whether hardship was framed as arbitrary coercion or as a necessary part of collective strategic continuity.

Taken together, these findings define relational substitution as an applied continuity mechanism. This mechanism explains how owner-managed SMEs compensate for unreliable or delayed crisis-support infrastructure by using fairness-mediated relational continuity bundles to preserve cooperation, trust, and operational functioning. This shifts the practical focus from whether SMEs adopt ideal HRM practices to how owner-managers can combine feasible relational actions when resources are limited, legitimacy is fragile, and institutional support is uneven.

5.2. Boundary Conditions for Relational Substitution

The findings also clarify why relational substitution is boundary-dependent. From an institutional perspective, the same people-management action can have different meanings and be feasible in different national systems with distinct regulatory, enforcement, and administrative capacities (Brewster et al., 2018; Jackson & Deeg, 2008; Whitley, 2000). At the firm level, strategic continuity depends on financial slack, owner discretion, staffing flexibility and relational trust. At the institutional level, continuity is shaped by labor regulation, wage-support schemes, administrative capacity and enforcement credibility. Relational substitution is therefore most feasible when owners have sufficient internal capacity to absorb temporary shocks and when institutional support is reliable enough to reduce the burden placed on the employment relationship.

Table 2 summarizes this boundary condition assessment by distinguishing the firm-level and institutional conditions that enable or constrain relational substitution. The assessment underlying Table 2 is informed by the targeted evidence review summarized in Appendix B.

Table 2. Boundary conditions assessment.

Boundary Condition	Enables Relational Substitution When…	Limits Relational Substitution When…
Financial slack and retained earnings	Owners have sufficient buffers to maintain pay, bridge wage-support delays, or avoid immediate layoffs.	Liquidity is exhausted, margins are too thin, or owners cannot absorb labor-cost pressure.
Staffing flexibility and task redistribution	Work can be reorganized through rosters, short-time work, job-sharing, remote work, or multi-skilled staffing.	Tasks require fixed physical presence, specialized roles, or staffing levels that cannot be safely reduced.
Relational trust and fairness capacity	Owners can explain constraints, enable voice, signal shared sacrifice, and maintain dignity in difficult decisions.	Prior trust is weak, communication is opaque, or employment decisions are perceived as arbitrary or biased.
Support-system reliability and administrative capacity	Wage-support schemes are accessible, timely, predictable, and administratively manageable for SMEs.	Support is delayed, inaccessible, overly bureaucratic, or, according to owners, unreliable or difficult to access.

Note: The table summarizes the main boundary conditions identified from the interviews and the targeted evidence review. The extended practice-level matrix is provided in Appendix E. Source: Compiled by authors.

Table 2 shows that relational substitution depends on both internal and external capacity. Communication, voice, and visible care are relatively portable because they depend primarily on managerial capability and relational trust. Pay buffering and retention-oriented measures are more strongly influenced by financial slack, wage-support reliability, and administrative capacity. Where support systems function reliably, flexibility measures may be framed as shared sacrifice; where support is delayed or inconsistent, similar measures may be framed by owners as risking interpretations of employer failure or coercion.

The broader relevance of relational substitution should therefore be assessed across both national institutions and firm-level conditions. It is most significant where owners have some financial slack, employees can be redeployed, relational trust already exists, and public support systems reduce rather than increase the burden on the employment relationship.

5.3. Implications for SME Continuity Practice and Policy

For SME owners, the findings suggest that continuity planning should include the relational conditions necessary to maintain employee cooperation during disruption. Labor flexibility, retention intent, transparent communication and visible support should be treated as an integrated bundle rather than as separate human resource responses. Low-cost measures, such as regular check-ins, communication updates, PPE, and symbolic morale practices, can have strategic value when embedded in fair procedures and accompanied by credible explanations. Pre-existing procedures for reduced hours, redundancies and emergency communication can also improve strategic readiness by making difficult decisions more predictable and procedurally fair.

Relational leadership is also important. Care-based framing, respectful treatment and visible concern can help stabilize trust when material support is limited (Grego-Planer, 2022; Luu, 2019; Tan et al., 2025). This does not mean that relational care can compensate for all resource shortages; rather, it shows that the way owners communicate and implement difficult decisions influences whether employees remain willing to cooperate during disruption.

These findings build on previous research on SME crisis support and resilience. Recent studies indicate that government financial aid, digital tools, and local grant funding can enhance SME survival and resilience during and after COVID-19 (Audretsch et al., 2025; Ford et al., 2024). Research on government wage subsidies also shows that these programs can strengthen SME resilience and recovery by supporting continuity of employment during crises (Miocevic & Srhoj, 2023). The present study extends this literature by identifying a more micro-level organizational mechanism: when support is delayed, administratively complex, or unreliable, the continuity burden shifts back to the owner–employee relationship. In these situations, employment support is not only an external financial resource; it also influences whether owner-managers can maintain retention-oriented practices and present difficult employment adjustments as fair, temporary, and collectively necessary.

For institutional actors, the findings suggest that wage-support schemes should be understood not only as macroeconomic stabilization tools but also as strategic continuity infrastructure for SMEs. This interpretation builds on prior research showing that government financial aid, local grant funding, and wage-subsidy schemes support SME survival, resilience, and recovery during crisis conditions (Audretsch et al., 2025; Ford et al., 2024; Miocevic & Srhoj, 2023). The present study extends this work by showing that delivery speed, administrative simplicity, predictability, and accessibility also affect whether SMEs can maintain retention-oriented measures and whether reduced hours, delayed income, or temporary wage compromises can be framed as shared crisis responses rather than employer failure. Improving administrative capacity and reducing compliance frictions can support SME strategic continuity by lessening the relational burden on owner-managers and employees. More broadly, crisis policy design should be evaluated not only by uptake rates or aggregate employment effects, but also by whether support systems help preserve trust, sustain employment relationships, and prevent avoidable deterioration of SME continuity during systemic shocks.

6. Conclusions

This study examined how South African SMEs used relational continuity bundles to maintain strategic continuity during COVID-19 when formal crisis support was delayed, unreliable, or difficult to access. The findings show that SMEs managed crisis conditions primarily through bundles that combined labor flexibility, retention intent, transparent communication, and visible well-being support. These bundles were stabilized by fairness-centered implementation logics, such as voice, transparency, equal sacrifice, and care-based relational framing, which helped convert difficult employment trade-offs into owner-framed continuity responses intended to preserve legitimacy and cooperation.

The study contributes to research on strategic change and SME resilience by developing relational substitution as a micro-mechanism of strategic continuity. This mechanism explains how owner-managed SMEs compensate for institutional fragility by using fairness-mediated relational practices to sustain cooperation, trust, and operational functioning. The findings show that continuity in small firms is preserved not only through operational adaptation but also through owners' relational capacity to keep employees engaged when strategic choices are constrained.

Overall, the study suggests that strategic continuity in SMEs depends less on idealized best practices and more on feasible bundle combinations, credible fairness logics, and reliable support systems. For owner-managers, this means including relational practices in strategic continuity planning. For policymakers, it means regarding wage-support delivery and administrative reliability as continuity infrastructure, not merely economic relief. When support is delayed or difficult to access, the relational burden shifts back to owner-managers

and employees, increasing the risk that necessary employment adjustments undermine trust and cooperation.

This study has several limitations. First, it is based on a secondary analysis of 16 interviews with SME owners from a single regional context in South Africa, which limits the potential for direct generalization. Second, the data reflect owner accounts rather than employee perceptions, so fairness is inferred from managerial narratives rather than triangulated across stakeholders. Accordingly, the study explains owner-manager legitimacy work rather than directly measuring employee acceptance, commitment, or trust. Third, the targeted evidence review enables a structured assessment of boundary conditions, but it does not replace matched comparative fieldwork across institutional settings.

Future research could build on this work by collecting multi-actor evidence from owners, employees, and policy actors; comparing SMEs across institutional environments using a common qualitative design; and testing whether the bundles identified here are associated with measurable resilience outcomes, such as retention, recovery speed, and post-crisis strategic continuity.

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Abbreviations

The following abbreviations are used in this manuscript:

CSR	Corporate social responsibility
HRM	Human resource management
SMEs	Small and medium-sized enterprises
TBL	Triple-bottom-line
TERS	Temporary Employer/Employee Relief Scheme
UIF	Unemployment Insurance Fund

Appendix A. Summary of the Original Semi-Structured Interview Protocol

The original data used in the primary study were collected through semi-structured interviews with SME owners in the Western Cape, South Africa. The interview guide

was designed to explore SME survival during COVID-19 and combined factual business questions with open-ended prompts on disruption, leadership, coping strategies, and support mechanisms. For the purposes of the present study, the original protocol is important because it contained substantial material relevant to staffing decisions, employee treatment, communication practices, and external support during crisis conditions.

Appendix A.1. Participant and Business Profile

The interviews began with demographic and background questions to establish profiles of each participant and their business. These included:

- age,
- highest level of education,
- duration of entrepreneurship in the current business,
- industry,
- business location,
- and the number of permanent employees.

Appendix A.2. Business Background and Pre-Crisis Conditions

Participants were asked to describe the founding and structure of the business, the industry in which it operated, and the products or services offered. They were also asked about challenges experienced before COVID-19, allowing the study to distinguish pre-existing vulnerabilities from crisis-specific shocks.

Appendix A.3. COVID-19 Disruption and Business Challenges

A central part of the interview focused on the specific challenges experienced during COVID-19, including:

- the unique effects of the pandemic on the SME,
- operational disruption,
- workforce changes,
- and whether retrenchments occurred.

Participants were also asked to explain how they responded to these challenges and whether their leadership approach contributed to survival.

Appendix A.4. Staffing Decisions and Employee-Related Practices

Although the original guide was not designed exclusively as an HRM instrument, it included several prompts that generated data directly relevant to the present secondary analysis. In particular, questions on:

- employee numbers before and during COVID-19,
- retrenchments,
- survival strategies,
- leadership responses,
- and contributing factors to survival

elicited rich accounts of staffing decisions, communication, support practices, and owner rationales for difficult trade-offs. These responses formed the basis for the present article's analysis of relational continuity bundles and fairness logics as relational substitution.

Appendix A.5. Perceptions of Success, Survival, and Resilience

Participants were also asked how they defined business health, success, and survival before and after lockdown, and whether these concepts should be understood differently in the wake of a pandemic. These questions were important because they revealed how

owners interpreted survival not only in financial terms, but also in relational, operational, and strategic terms.

Appendix A.6. External Support and Assistance Mechanisms

The guide included questions on whether debt-relief programs, Western Cape Government interventions, or other ecosystem supports helped the business survive. Participants were also invited to reflect on whether the Western Cape's entrepreneurial ecosystem provided adequate support. These sections generated evidence relevant to the current paper's analysis of institutional supports, administrative constraints, and the role of external assistance mechanisms in shaping the feasibility of strategic continuity under institutional fragility.

Appendix A.7. Reflective Closing Questions

The interview concluded with reflective prompts asking participants:

- which factors contributed most to survival,
- what advice they would give to other SMEs facing disruptive economic events,
- and whether they wished to add any final comments.

These responses often yielded broader interpretations of leadership, responsibility, staff treatment, and resilience under crisis.

Appendix A.8. Relevance to the Present Secondary Analysis

The original protocol was therefore sufficiently rich to support a secondary analysis focused on responsible people management during crisis conditions. Although the primary study was framed around SME survival, the interview guide generated substantial material on employee-related practices, fairness perceptions, leadership communication, support actions, and external assistance. These data enabled reinterpretation of the interviews through the analytical lenses of relational continuity, organizational justice, and institutional fragility.

Appendix B. Targeted Evidence Base for Institutional Fragility and Relational Substitution

The scoping review was conducted to assess the broader relevance of the crisis-time relational continuity bundles identified in the South African interview material and to inform the boundary-condition assessment in Table 2. Its purpose was not to produce a full systematic review, but to develop a targeted benchmarking evidence base for interpreting the feasibility, legitimacy, and broader relevance of the bundles identified in the qualitative secondary analysis.

Appendix B.1. Review Logic

Because the study addressed multiple but related research questions, the review process was organized into RQ-specific evidence streams rather than as a single undifferentiated search. In practice, this meant that separate Consensus-assisted syntheses were used to identify literature relevant to:

1. employee well-being and organizational justice in SMEs in developing-country crisis contexts, and
2. SME relational continuity responses to COVID-19 in South Africa, particularly in relation to job retention, support practices, communication, and fairness.

Appendix B.2. Evidence Streams and Final Studies Retained

Two targeted Consensus-assisted evidence sets were retained for the present article:

Evidence stream 1: Developing-country SME well-being and organizational justice during crises.

This synthesis addressed the question: *How do SMEs in developing countries manage employee well-being and organizational justice during crises?*

The final evidence set retained 7 peer-reviewed studies: Jalil et al. (2023), Lee et al. (2023), Zakhem et al. (2022), Chen and Wu (2025), Sarfraz et al. (2018), Ngo et al. (2023), and Burdziej et al. (2024).

Evidence stream 2: South African SME relational continuity responses to COVID-19.

This synthesis addressed the question: *What evidence exists on SME relational continuity responses to COVID-19 in South Africa (employee well-being, fairness, job retention)?*

The final evidence set retained 7 peer-reviewed studies: Marx et al. (2025), Fubah and Moos (2022), Mahomed et al. (2022), Posel et al. (2021), Zake et al. (2024), Enwereji (2022), and Dhanpat et al. (2022).

Taken together, these two evidence streams yielded a final targeted benchmarking set of 14 studies used in the present article.

Appendix B.3. Role of Database Logic and Screening

The targeted evidence synthesis was informed by database-style search logic, focusing on combinations of the following concepts: crisis strategic continuity under institutional fragility, COVID-19, SMEs, job retention, employee well-being, organizational justice, support practices, and institutional conditions. The retained studies were limited to peer-reviewed sources directly relevant to employee-management responses under crisis conditions. Non-peer-reviewed sources, non-English papers, and studies without clear relevance to SMEs or employee relations were excluded.

Appendix B.4. Use in the Present Study

The retained studies were not used to create a second comparative dataset. Instead, they served as a structured benchmarking evidence base for interpreting whether the relational continuity bundles emerging from the South African interview material appeared:

- more broadly feasible across contexts,
- more dependent on institutional supports,
- or more strongly associated with fairness, communication, support, and resilience-related outcomes.

Appendix B.5. Contribution to the Boundary-Condition Assessment

Across the 14 retained studies, recurring mechanisms included:

- supportive and wellbeing-oriented relational continuity,
- autonomy and flexibility,
- communication and informational support,
- CSR/internal CSR,
- organizational justice,
- job retention pressures,
- and the institutional limits of wage-support or continuity arrangements.

These recurring themes informed the boundary-condition assessment presented in Table 2, particularly regarding which crisis relational continuity bundles appear relatively portable and which depend more strongly on administrative capacity, regulatory structures, and support-system reliability.

Appendix C. Coding and Analysis Procedure for Relational Substitution and Strategic Continuity

Appendix C.1. Coding Procedure

Table A1. Coding anchors for relational substitution and strategic continuity.

Construct	Definition (In This Study)	Analytical Role	Operational Indicators (Coding Anchors)	Illustrative Quote
Strategic continuity pressure	The immediate pressure on the SME to remain operational under disruption, liquidity stress and uncertainty.	Continuity threat	Cost-cutting, short-time work, scaling down, retained earnings use, pivoting, demand management, liquidity prioritization.	"My business still had 100% of the expenses with 10% of income. . . with hard work. . . cost-cutting exercises and perseverance we are still standing." (INT14)
Relational continuity resource	Actions and relational conditions that helped sustain employees' psychological, physical and financial stability, and their willingness to continue cooperating during crisis.	Continuity resource	Mental support, reassurance, practical help (food, vitamins), stable pay, humane treatment, health/safety measures.	"As a boss, I had to be their 'therapist', to help them emotionally with the stress." (INT03)
Relational substitution mechanism	The rationales owners use to justify trade-offs as 'fair enough' under constraint.	Crisis-governance mechanism	Transparency; voice and explanation; consistency; equal sacrifice; humane implementation; proportionality; 'greater good' reasoning.	". . .we had to be fair to give everybody a few hours to work every day." (INT11)
Relational continuity bundles	Recurring combinations of people-management practices used to preserve continuity rather than isolated human resource actions.	Continuity work	Flexibility (rosters/WFH), retention (pay continuity), communication, targeted support (welfare, morale).	". . .we paid out full salaries, not in line with hours worked. . . reclaimed some of it later via TERS and UIF. . ." (INT02)
Institutional fragility and support-system reliability	External supports and frictions shaping what SMEs can realistically do (state capacity, access to wage subsidies, administrative burden, compliance rules).	Boundary condition	UIF/TERS access or delay, regulatory enforcement, administrative capacity, employer eligibility, policy trust.	"There was a whole lot of talk, but talk is cheap—where is the evidence?" (INT01)
Crisis definition (shock conditions)	A disruption characterized by suddenness, uncertainty, demand restrictions, mobility limits, and intensified survival trade-offs.	Contextual trigger	Lockdown restrictions, demand shock, compliance burden, operational closure, forced improvisation.	". . .I worked when I was supposed to stay at home and die of hunger. . ." (INT07)

Source: Compiled by authors.

Appendix C.2. Analytical Procedure

Step 1: Literature-informed coding scaffold.

A provisional coding scaffold was developed based on the literature to identify four broad domains relevant to people management under crisis continuity conditions: (a) flexible work arrangements and adaptive work design, (b) employment retention measures, (c) transparent communication practices, and (d) targeted employee well-being support.

Step 2: Exploratory coding of bundles and fairness logics.

The transcripts were re-read inductively to identify how these domains were combined in practice and how owners justified their actions. In parallel, the data were coded for

fairness and justice mechanisms (e.g., voice, transparency, equal sacrifice, consistency, accommodation, respectful treatment), capturing how owners framed and legitimized employment trade-offs under crisis constraints.

Step 3: Within-case synthesis.

Each interview was summarized as a structured vignette that captured context, the continuity threat, the people-management bundle enacted, the fairness logic, and the outcome, supported by one or more illustrative quotes. This step ensured that cross-case comparisons remained grounded in coherent case narratives rather than fragmented codes.

Step 4: Cross-case patterning and bundle typology.

Cases were compared to identify recurring configurations of bundle elements and fairness logics. This comparative step produced an empirically grounded typology of people-management bundles, explaining how different configurations of these bundles supported crisis continuity and resilience under varying constraints.

Step 5: Boundary-condition mapping.

The resulting bundle typology and supporting evidence were mapped to institutional conditions to distinguish broadly feasible bundles from those that rely heavily on contextual supports. This step linked the qualitative findings to the third research question by identifying when fairness-mediated crisis continuity is more likely to transfer across contexts and when it depends on institutional support.

Appendix D. Within-Case Profiles of Relational Substitution

Table A2. Selected within-case profiles of relational substitution in South African SMEs.

Case (ID)	Context and Disruption Intensity	Continuity Threat	Bundle(s) Applied	Fairness Logic Used	Outcome (Reported)	Supporting Quote
INT02 (DBN001)	Contract-based business; severe uncertainty; household financial exposure	Income reduction pressure	Retention-first buffering	Humane obligation; empathy	Maintained pay continuity and loyalty	"Empathy for my staff. . . at least we had staff that could go home with their full salaries. . ." (INT02)
INT01 (BVL001)	Training/services; strong regulatory constraints; low trust in support delivery	Demand shock and administrative burden	Retention buffering and transparency critique	Accountability logic; institutional legitimacy concern	Staff paid; frustration with institutional support	"Talk is cheap—where is the evidence?" (INT01)
INT12 (STR001)	Essential fuel/retail; sharp demand drop; prolonged uncertainty	Cash-flow squeeze and staff conflict risk	Flexibility and transparency/voice	Procedural fairness (explain and accommodate)	Continued operations; managed rosters	"Be open and communicative. . . explain. . . I am trying to accommodate you. . ." (INT12)
INT14 (SW002)	Multi-partner business; delayed wage support; mixed workforce	Revenue collapse; payroll exposure	Flexibility and targeted well-being	Care climate and humane implementation	Morale support and continuity despite pressure	"Started staff lunches. . . to show them. . . we care for each other." (INT14)
INT07 (MC001)	Micro-service provider; no institutional relief; extreme livelihood pressure	Near-zero income	Crisis-driven informal adaptation	Moral necessity (self-help legitimacy)	Income continuity via safe service delivery	". . .I worked when I was supposed to stay at home and die of hunger. . ." (INT07)

Source: Compiled by authors.

Appendix E. Extended Boundary-Condition Matrix

Table A3. Boundary conditions matrix.

Practice Domain	Sub-Practice	Portability Rating	Why (Institutional Dependency)	Institutional and Organizational Conditions for Feasibility
Flexible work arrangements	Rosters, short-time work, and job-sharing	High	Mostly internal managerial choice; low external dependency	Works when tasks can be redistributed and staff's physical presence is critical to business operations and continuity
Flexible work arrangements	WFH enabled by laptops/dongles	Medium	Requires capital expenditure and digital readiness	Transferable only where digital infrastructure and role suitability exist and business output can be digital
Retention measures	Pay continuity using retained earnings	Medium	Depends on financial buffers and margins	Requires retained earnings, workforce dependency and owner willingness to allocate financial buffers to staff retention
Retention measures	Wage subsidy-supported retention	Low–Medium	High dependence on policy speed, eligibility and administrative reliability	Requires reliable wage-support delivery, accurate payout, low bureaucracy and accessible claims processes
Communication practices	Open explanation of constraints, having regular staff meetings	High	Institution-light; mainly leadership skill	Improves perceived fairness even when outcomes are negative, provided communication is transparent and regular
Communication practices	Voice mechanisms (staff input), consider staff solutions	High	Institution-light; requires trust and psychological safety	Best where owners treat staff as valued partners rather than solely as labor inputs
Well-being support	Symbolic morale rituals (e.g., lunches)	High	Low cost; culture-based	Highly transferable; strengthens a care climate under stress
Well-being support	Psychological support ('owner as therapist, morning prayers')	Medium	Owner capability/time; emotional labor	Works where relational norms and shared cultural expectations support such practices
Downsizing decisions	Humane layoffs/procedural compliance, adherence to existing company policies	Medium	Constrained by labor law and dispute institutions	Requires procedural clarity, dignity protection and unbiased implementation to prevent trust collapse

Note: Portability ratings reflect the degree of external institutional dependency (low to high) based on evidence from the interviews and the targeted scoping review. Source: Compiled by authors.

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