Ta’awun and Marketing Agility of Firm Survivors

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Abstract

This study’s objective is to examine a model to shed light on what factors affect the marketing agility of SME survivors. Data was collected from SME survivors spread across five different districts on the island of Lombok, Indonesia. The sample firms were purposively selected, they were survivors of the pandemic with Muslim owners or managers. According to the study’s findings, knowledge assets strengthen marketing agility, but market turbulence does not moderate the effect. Regardless of market conditions, SMEs always use their assets to maintain their agility and resilience. In addition, internal human resource practices generate favourable atmospheres for internal learning. While ta’awun facilitates the transfer of knowledge from partners, this knowledge is further developed internally where employees have been prepared through internal practices. The practices and ta’awun become the keys to strengthening SMEs’ knowledge assets. However, older company age does not strengthen the influence of knowledge assets on marketing agility. Conversely, the older the company, the more difficult it is to develop and utilise knowledge assets to innovate and quickly adapt to market developments.

Keywords: ta’awun; marketing agility; knowledge assets; internal human resource practices

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1. Introduction

During the COVID-19 pandemic, small businesses around the globe faced an extraordinary market environment. Scholars (Aldao et al., 2021; Bhaskara and Filimonau, 2021; Ho et al., 2022; Pocinho et al. 2022; Park et al., 2022) argue that the pandemic differs from other crises as it engenders a more challenging and distressing market environment.
the pandemic, Nasar et al. (2022) and Baumöhl et al. (2020) argued that prior research on firm survivors mainly on SMEs in developed countries and only evaluated financial variables. It is paramount that further studies to focus on how SMEs in a developing country survive by examining marketing variables. This study therefore intended to uncover how SMEs are able to survive as they have strong marketing agility (MA).

The COVID-19 pandemic has created market turbulence (MT) where every company needs strong resources and competencies to maintain its business. Market conditions during a pandemic are not ordinary conditions but are rather extraordinary (Reed, 2021). An SME needs to develop its agility since it is this capability that enables companies to survive amidst market turmoil during a pandemic (Al-Omoush et al., 2020). Agility can be related to marketing efforts (i.e., marketing agility, or MA), which underlines small firms’ ability to respond quickly and appropriately (Zhou et al., 2019), especially during high MT. However, the question remains as to what factors enabled firm survivors to maintain marketing agility during the pandemic.

SMEs generally have various weaknesses and limitations in terms of resources and competence. They can rely on the help of their relations or colleagues to overcome these weaknesses. In Islam, helping each other between SMEs is called ta’awun, a common teaching that emphasises cooperation in running Muslim businesses (Sarif, 2019). However, there has not been much measurement and testing of the role of ta’awun among SMEs (Sulhaini et al, 2022). Furthermore, empirical research regarding the role of external cooperation in knowledge creation and development is still limited (Al-Omoush et al., 2020), especially in the context of SMEs in developing countries (Arshad & Arshad, 2018). In line with that, previous research related to knowledge assets (KAs) in the context of SMEs is still limited and fragmented (Seo et al., 2018; Arshad & Arshad, 2018; Duarte Alonso et al., 2022). According to Bibi et al. (2021), knowledge is a construct that is built socially and dynamically so that the process of its creation and development is through social relations/interactions within the company. KAs heavily depend on how the company facilitates and stimulates knowledge sharing internally among employees. Therefore, a strategy is needed in managing human resources that can encourage the development of the company’s KAs. Unfortunately, research on internal human resource practices (IHRPs) in relation to KAs is lacking (Sung and Choi, 2018).

Furthermore, MT has often been studied as a moderator of the relationship between various variables, because it is believed that the effect varies at various levels of market turmoil, but the authors did not find any previous research that tested the moderating effect of MT on the relationship between KAs and MA. However, Omar (2022) implies a contradiction in thinking regarding the role of organizational culture which leads to knowledge production/knowledge generation in a volatile market situation. Therefore, in an attempt to close all those gaps, this study aims to examine a model to shed light on what factors affect the MA of SME survivors and how ta-awun, MT and firm age moderate the effect of KAs on MA.

2. Literature Review
   Internal Human Resource Practices (IHRPs)
IHRPs refer to practices that maintain and strengthen employees’ confidence in themselves and the firm during market turbulence. The practices generate positive emotions while reducing employee perceptions of vulnerability and uncertainty. SMEs may quickly and efficiently redesign internal practices and mechanisms to build a mental bridge, instill core
values, show support and empower employees while treating them fairly (Gillespie et al., 2020). Also, IHRPs emphasise retaining talented and skillful employees in order to keep their valuable knowledge within for future growth (Wolff et al., 2015).

Meanwhile, knowledge assets refer to the level at which individuals accumulate and use knowledge (Seo et al., 2018). At the individual level, knowledge can be accumulated and developed. At the corporate level, knowledge will develop on a wider and stronger scale, and there will be enough to generate profits and strengthen competitiveness.

KAs can be the output of the knowledge transformation process and the accumulation of skills, knowledge and employee experience (Asiaei et al., 2021). Knowledge develops from individual work experience, and employee involvement in sharing knowledge makes them more creative, innovative and quick-thinking. Employees voluntarily develop their previous knowledge and upgrade their skills to develop new insights or knowledge (Hajizadeh & Zali, 2016).

Employees have an important role as learners, owners and users of knowledge. However, knowledge sharing is not inherently a natural human activity, as it usually starts and ends in the minds of individuals (Hume and Hume, 2015). Strategies are needed for the development of individual knowledge and its broader expansion to the organizational level. Strategies related to human resources are strategies that stimulate employees to work together to share knowledge and make sense of experience or collective knowledge. This way, the work environment becomes a learning environment for the development of broader knowledge (Jerez-Gómez et al., 2017).

Heffernan et al. (2016) found that favourable IHRPs intensify internal learning from which new ideas emerge. The practices strengthen mutual trust, internal cohesiveness and cooperation which are necessary for internal learning. The practices engender employees to share knowledge and co-create it further (Sung & Choi, 2018). Internal learning mechanisms characterized by mutual trust and interactive communication can help SMEs increase their stock of knowledge. IHRPs are seen as a reservoir of KAs and a key driver of knowledge circulation development and company updates.

H1: The stronger the SME’s IHRPS, the stronger its KAs.

**Moderating Role of Ta’awun**

Sarif (2015) defines ta’awun as mutual assistance or mutual cooperation that allows all humans to work together. Islam teaches people how to live to help each other in goodness and to not help each other in evil (Muafi, 2021). This spirit must be instilled in everyday life, including in business activities. Muslims help each other in goodness motivated by the worship of Allah SWT; they hope to receive the blessing of Allah SWT through a spirit of piety.

In business cooperation, ta’awun is driven by spirituality or religiosity, which prioritises serving each other for the good of the world and the hereafter: business continuity and hereafter happiness. Ta’awun is an orientation in cooperation that determines norms, rules, obligations and behavior that align with religious guidance in order to maintain integrity, fairness and the success of business and social activities (Sarif, 2019). Therefore, without ta’awun, selfishness, greed and short-term profits become business goals.

Ta’awun involves mutual cooperation, socialization, group cohesiveness and harmony based on religious teachings in business and social relations. These qualities allow for assistance in developing resources, including knowledge and expertise (Acheampong &
Hinson, 2019). With ta’awun, SMEs can overcome their weaknesses in financial resources, knowledge, expertise and competence in various fields. Because strong cooperation in social and business networks is the starting point for adaptation, SMEs can obtain skills, expertise, and knowledge from these external relations (Öberg, 2019). When a pandemic spreads, social and business cooperation can be a free source of information and knowledge, especially if the collaboration is based on ta’awun.

Esposito & Evangelista (2016) state that there are various obstacles to knowledge sharing between SMEs such as financial problems, organisational culture and technology. However, they state that SME networks need social interaction as an important tool for solving problems. They also state that SMEs must often protect their cash from the opportunistic behavior of their partners. This implies that the spirit of ta’awun is a must in collaboration between SMEs, helping each other in goodness instead of harming each other.

Knowledge assets require the integration of various knowledge sources both internal and external to the company. Companies that view KAs as a resource will develop strategies to guarantee their creation, development and renewal (Bibi et al., 2021). The accumulated knowledge at the individual level is developed, enriched, expanded and updated through social interactions both internal and external to the company leading it. External cooperation is also a vital source of new knowledge, and SMEs with strong external relations are more capable of surviving difficult times because they are able to develop knowledge assets (Al-Omoush et al., 2020). Help that is based on piety in business and social relations allows SMEs to gain important new knowledge in their efforts to maintain the continuity of their business during a pandemic.

Knowledge assets can develop due to the process of knowledge sharing from external sources. (Asiaei et al., 2021). SMEs can learn from and in their social network and business interactions, which further develops their internally-acquired knowledge. This process involves employees who have been prepared through IHRPs. Business partners and relatives act as a source of knowledge, the sharing of which is easier when driven by a passion to help (i.e., ta’awun). Knowledge-sharing mechanisms exist in business and social interactions to facilitate the co-creation of knowledge for SMEs (Sulhaini and Sulaimiah, 2017). When an SME worker sees a weakness in valuable knowledge and has limited skills in market research or R&D, he can expect help from his business partners, colleagues or relatives to overcome it.

H2: The stronger the ta’awun, the stronger the influence of IHRPs on KAs.

Knowledge Assets (KAs)
According to Bibi et al. (2021), knowledge is a multidimensional resource; it is intangible, dynamic and depends on context and its creation. Knowledge is a significant strategic asset for any business organisation to develop (Jones & Ratten, 2021). KAs are the sum total of all knowledge resources—organisational, human and social—that determine value creation processes, activities and capabilities (Lin et al., 2017; Asiaei et al., 2021). These assets are dynamic resources that can stimulate company innovation, responsiveness and flexibility in a sustainable manner (Asiaei et al., 2021). Meanwhile, the agility of a business organization depends on its resources (Elazhary et al., 2022). SMEs make small and large changes to their marketing activities by utilising their existing assets and resources. KAs result in a company’s ability to survive, and MA shows a company’s ability to combine and apply its knowledge appropriately (Vagnoni & Khoddami, 2016). Without adequate knowledge, it is impossible
for companies to anticipate and deal with changes, threats and opportunities (Morisse & Prigge, 2017).

SMEs with strong KAs will be able to quickly come up with solutions, innovate, develop new strategies for conducting marketing activities and adopt advanced technologies to meet consumer needs and expectations (Vázquez-Casielles et al., 2013). KAs are crucial for marketing success (García-Villaverde et al., 2017). In other words, the success of marketing efforts is the result of the creation and exploitation of knowledge (Mwaura, 2016; Haider & Kayani, 2021).

H3: The stronger the SME’s knowledge assets, the stronger the MA.

**Market Turbulence and Company Age as A Moderator**

Market turbulence (MT) is part of environmental turbulence, or ET (Ashrafi et al., 2019). ET is the uncertainty of changes in the company’s external environment, and it is a major source of potential loss or gain. So Rego et al. (2022) define environmental turbulence as the extent to which the company’s external environment is characterized by uncertainty and volatility (p.585). It is characterized as a dynamic, unpredictable, broad and highly volatile environmental condition (Reed, 2021). On the other hand, MT shows the level of market change (Ebrahimi et al., 2018). It involves highly dynamic market and external conditions where uncertainty and disruption may arise in demand or sales growth rates. When market turbulence is strong, demand can drop sharply, with sales and profits in the negative, and it is at this point that companies need more innovative tactics and strategies. MT can encourage companies, especially agile ones, to adjust their ways and develop new ways of marketing, serving new customers and segments.

Elazhary et al. (2022) explains that market turbulence can trigger rapid and unexpected changes regarding consumer needs, preferences and market competition. These changes can be a big threat to the company’s competitiveness. Unforeseen market changes demand dynamic capabilities that enable companies to manage emerging opportunities or impending threats. Agility is not needed in every condition, but it is needed in market conditions characterized by high uncertainty. Business organizations must be agile to navigate and succeed in a volatile, turbulent and uncertain environment (Walter, 2021). Kipley et al. (2018) imply that when major environmental changes occur, companies will be more vigilant and use their assets—including KAs—to monitor changes and respond strategically. Companies with good knowledge will be more capable and faster to adjust their marketing activities (Vagnoni & Khoddami, 2016).

Moreover, MT has often been studied as a moderator for the relationship between different variables, as people believe its influence varies at different levels of market turmoil. To the best of our knowledge, no previous study has examined the moderating role of market turbulence on the link between knowledge assets and marketing agility. However, Omar (2022) implies that there is a contradiction in thought among experts regarding the role of organizational culture (i.e., learning orientation), which leads to knowledge production and generation in volatile market situations. This contradiction regards how knowledge plays a role in a company’s capabilities during market turmoil. First, the idea states that in stable conditions, it is important for companies to increase their knowledge assets, but in very dynamic market conditions, accumulation of knowledge for long-term interests is not the right choice. Ebrahimi et al. (2018) found that MT has the impact of learning orientation on firm performance. Second, the idea believes that in a volatile market
situation, companies must strengthen their learning and refresh their KAs in order to respond to changes quickly and precisely. Huang et al. (2021) explain that in a highly dynamic market, companies need to improve or update their knowledge base and competencies. MT determines the extent to which a company needs to carry out various strategies to remain competitive. Under a volatile market environment, companies need to innovate quickly, take risks and be proactive in developing new approaches to marketing. In line with Huang et al., Ho et al. (2022) state that the knowledge base is the foundation for companies to develop strategic responses in a tumultuous environment. Lin et al. (2017) concludes that in high market turbulence, SMEs can use their knowledge to solve problems and find the most effective way to face new challenges.

**H4:** Market turbulence moderates the effect of KAs on MA.

Reed (2020) implies that the age of a company can also determine its agility; younger companies are more agile than older companies. In line with Reed, Shamout (2020) emphasises that age affects a company’s ability to increase its agility and affect its competitiveness. Company age can also affect performance, as it determines openness to new knowledge, approaches and strategies. Experience, company knowledge, and attitudes towards adopting innovation are all related to company age (Chan et al., 2017). Younger companies are generally more flexible because they can easily develop themselves and discard old ways of dealing with market changes. Older companies tend to be comfortable with the methods and knowledge they already have and don’t feel as strong a need to make big changes. They don’t develop the knowledge they have to develop their marketing agility. Meanwhile, younger companies tend to be more flexible in utilizing and developing knowledge assets to maintain marketing agility.

**H5:** Firm age negatively moderates the relationship between KAs and MA.

The research model, which demonstrates the relationship between the variables and hypotheses, can be seen in Figure 1 below.

![Figure 1. Research model](image-url)
3. Methods
Profile of Samples
The sample size was 215 SMEs spread across five districts on the island of Lombok. They were purposefully selected as survivors of the pandemic with Muslim owners or managers. Most respondents owned their own businesses while there were only a few family-owned and joint-venture businesses. 60% of the SMEs from the research sample belonged in the food or beverage businesses, and businesses with handcraft products amounted to 37%. Regarding the age of the owners, 20–30 was the largest age range at 41%, followed by 34% at 31–40, and only 25% were 41 years or older. The same phenomenon applies to company age, yielding a young majority; 64% of the SMEs were only 3–5 years old. Likewise, small SMEs were the majority, as the lowest range of 5–10 employees composed 76% of the total sample size. Furthermore, the value of SME sales shows that 64% were below 100 million Rupiah per year after the pandemic: a drastic change from 37% under 100 million Rupiah before the pandemic.

The Questionnaire
IHRPs were measured by adopting the relevant items proposed by Gilliespie et al. (2020) who suggested that the practices consisted of mental bridge, care and support and empower. Ta’awun was operationalised as developed by Sulhaini et al (2022) based on the views of Sarif and Ismail (2020). These authors explain that ta’awun is a spiritually-driven mutual cooperation characterized by goodness and integrity. Furthermore, MT was measured in accordance with the findings of Elazhary et al. (2022), whereas KAs was measured by adapting seven relevant items developed by Wu and Chen (2014). KAs comprised of human capital, relational capital and structural capital. MA was measured by adopting four items, i.e. market sensing, speed, flexibility and responsiveness, from Khan’s research (2020). Each variable used a Likert-type scale of 1–7 ranging from “strongly disagree” to “strongly agree.”

The questionnaire was developed by first conducting a literature review in order to gain a deeper understanding of each variable. The item adaptation process then began with a series of interviews with SMEs to ensure that the relevant items were adopted, and if necessary, adapted according to the conditions for SMEs in Lombok. For measurement, all variables used a Likert-type scale with a choice of 1–7 points ranging from “strongly disagree” to “strongly agree.”

4 Results
Confirmatory factor analysis (CFA) tested the validity and reliability of the scales. The results are summarized in Table 1. The recommended level of factor loading (λ) for each item is 0.5, and the threshold of the average variance extracted (AVE) for each construct is 0.5 (Hair et al., 2014). Furthermore, the common cut of value for Cronbach’s alpha (α) and composite reliability (CR) is 0.7 (Hair et al., 2014). Table 1 displays that all the recommended values are met, and the convergent validity was thus confirmed.
Table 1. Measurement result

<table>
<thead>
<tr>
<th>Construct</th>
<th>Number of items</th>
<th>λ</th>
<th>α</th>
<th>CR</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>IHRPS</td>
<td>9</td>
<td>0.682-0.798</td>
<td>0.929</td>
<td>0.893</td>
<td>0.627</td>
</tr>
<tr>
<td>KAs</td>
<td>7</td>
<td>0.598-0.864</td>
<td>0.849</td>
<td>0.839</td>
<td>0.571</td>
</tr>
<tr>
<td>Ta‘awun</td>
<td>4</td>
<td>0.577-0.938</td>
<td>0.860</td>
<td>0.873</td>
<td>0.638</td>
</tr>
<tr>
<td>MT</td>
<td>4</td>
<td>0.602-0.788</td>
<td>0.795</td>
<td>0.812</td>
<td>0.521</td>
</tr>
<tr>
<td>MA</td>
<td>4</td>
<td>0.553-0.853</td>
<td>0.811</td>
<td>0.822</td>
<td>0.542</td>
</tr>
</tbody>
</table>

Furthermore, in order to test discriminant validity, we followed the recommendation of Fornell and Larcker (1981). We compared the AVE of each construct with the shared variance and squared correlation between each pair of constructs and used 95% confidence intervals. Table 2 reveals the results, and in all cases, AVE is greater than the squared correlation. The results indicate that discriminant validity is assured.

<table>
<thead>
<tr>
<th>Variabel Laten</th>
<th>Mean</th>
<th>Standard Deviation</th>
<th>Variabel Laten</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ta‘awun (1)</td>
<td>6.62</td>
<td>0.61</td>
<td>0.799</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Knowledge Asset (2)</td>
<td>6.05</td>
<td>0.84</td>
<td>0.520</td>
<td>0.756</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal Human Resources Practices (3)</td>
<td>6.31</td>
<td>0.74</td>
<td>0.551</td>
<td>0.628</td>
<td>0.792</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marketing Agility (4)</td>
<td>6.16</td>
<td>0.84</td>
<td>0.232</td>
<td>0.555</td>
<td>0.420</td>
<td>0.736</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marketing Turbulence (5)</td>
<td>5.45</td>
<td>1.34</td>
<td>0.085</td>
<td>0.059</td>
<td>-0.004</td>
<td>0.035</td>
<td>0.722</td>
<td></td>
</tr>
</tbody>
</table>

Testing the robustness of the research model used the structural equation modeling software package, AMOS 22. The results suggest a good fit for the model as follows. Chi-Square: 459.947; P-value: 0.000; CMIN/DF:1.862; GFI: 0.850; AGFI: 0.802; NFI:0.848; CFI: 0.922; TLI:0.905; RMSEA:0.065. The results of the hypotheses test are indicated in Table 3.

Table 3. Results of hypotheses test

<table>
<thead>
<tr>
<th>Path</th>
<th>β</th>
<th>t value</th>
<th>conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>KAs ←— IHRPs</td>
<td>0.258</td>
<td>2.722*</td>
<td>supported</td>
</tr>
<tr>
<td>KAs ←— Ta‘awunxIHRPs</td>
<td>0.333</td>
<td>2.910*</td>
<td>supported</td>
</tr>
<tr>
<td>MA ←— KAs</td>
<td>0.518</td>
<td>5.783**</td>
<td>supported</td>
</tr>
<tr>
<td>MA ←— MTxKAs</td>
<td>0.045</td>
<td>0.844</td>
<td>Unsupported</td>
</tr>
<tr>
<td>MA ←— Age of FirmxKAs</td>
<td>-0.439</td>
<td>-4.154**</td>
<td>supported</td>
</tr>
</tbody>
</table>

Note: significant at *p <0.01   ** p<0.001

Furthermore, we tested the interaction coefficient to evaluate the moderation property of ta‘awun. The interaction coefficient of IHRPs and ta‘awun (ta‘awunxIHRPs) of 0.333 (p=0.004) was significant. Therefore, ta‘awun moderates the effect of IHRPs on KAs. The interaction coefficient of KAs and MT (MTxKAs) of 0.045 (p=0.844) was not significant, indicating that MT does not moderate the effect of Kas on MA. However, the link between KAs to MA was moderated by age of firm, as the interaction coefficient of KAs and age of
firm (age of firmxKAs) was -0.439 (p=-4.154).

5 Discussions
This study formulated five hypotheses, and only one hypothesis (H4) was not supported by the data.

Hypothesis 1 stated that the better the IHRPs, the stronger the KAs. This result confirms that SMEs that implement good internal practices are able to develop their knowledge assets. The assets are acquired and developed at the individual employee level but developed further at the organisational level. KAs can be the output of the knowledge transformation process, and the accumulation of expertise, skills, work experience and individual employee learning. KAs are then built socially and dynamically so that the process of creation and development is through social relationships within the company (Bibi et al., 2021). Therefore, the development of knowledge assets requires favourable internal practices that enhance employees roles in the development. Employees and IHRPs are key to the development of KAs. Internal practices emphasise bolstering mutual trust to strengthen internal cooperation in developing and sharing knowledge. The practices generate employees’ confidence in the employer or firm to be trustworthy and treat them well during the pandemic (Gillespie et al., 2020). Furthermore, these practices generate positive emotions and work atmospheres as the practices reduce employees’ perceptions of vulnerability and uncertainty. This facilitates strong internal cooperations, knowledge transfer among employees and the leveraging of knowledge assets. The knowledge improves employees’ abilities, which in turn help the employees to perform their tasks and contribute to attainment of firm goals. They should gain greater trust to help the organization achieve its goals (Sari et al., 2021).

The results confirm Hypothesis 2 and show that the effect of IHRPs on KAs is strengthened by ta’awun. Reciprocal relationships based on religious teachings, social or business-oriented, can be an additional source of strength and a learning arena for both employers and workers. Social relations based on mutual help with a spirit of worship are possible in the form of mutual assistance: not only for financial matters but also non-financial ones such as new information, knowledge related to technological developments, market opportunities and threats. This knowledge can be obtained from outside sources, and this knowledge is then further developed within the organisation. Employees can also learn from others’ experience from other business organisations (Sari et al., 2021). They learn from their own experiences, however they may not have rich and long experiences. They learn and gain divers and rich experiential knowledge of others outside their own firms when strong ta-awun exists.

Ta’awun makes it easier for SMEs to absorb important knowledge and develop it internally where IHRPs have prepared employees as knowledge absorbers and developers. Thus, the existence of the ta’awun spirit provides an opportunity for SMEs to strengthen the influence of IHRPs on the accumulation of knowledge assets.

Hypothesis 3 predicted a strong relationship between KAs and MA, and the results show a strong influential relationship between them. These results confirm that with adequate KAs, SMEs can strengthen their agility when the market experiences major changes. MA involves sense making regarding the market development; it requires KAs, based on which SMEs can quickly develop marketing decisions and actions (Kalaignanam et al., 2021).

Asiaei et al. (2021) concluded that KAs do not directly affect firms’ performance but go
through several causal stages. The current study examined the impact of KAs on MA, and all samples of the study were survivors of the COVID-19 pandemic. The results of the current study extend the conclusion from Asiaei and the other authors; knowledge assets are needed to survive since they strengthen marketing agility. KAs enable SMEs to respond quickly to market changes and make the right decisions in difficult times. This research shows that SME survivors develop their KAs first in order to improve MA and stay strong during the pandemic.

Knowledge is the most important asset in efforts to build responsiveness, agility, resilience and overall company performance. In the perspective of resource-based view (RBV), KAs are one of many knowledge resources that can influence the capability and success of every business organization. Meanwhile, SMEs’ capabilities are developed through the systematic integration of the processes for collecting, preserving and applying KAs (Asiaei et al., 2021). Knowledge is a driving force for building SME capabilities, including the ability to quickly respond to market changes (Bibi et al., 2021).

Hypotheses 4 and 5 discuss the role of different moderating variables for KA’s effect on MA. MT generates challenges and pressure, influencing SMEs’ decision-making processes and strategies and requiring the transformation of resources (Elazhary et al., 2022). However, the results of this study show that in the absence of market turmoil, SMEs make use of their knowledge assets to strengthen marketing agility. MT does not necessarily moderate the effect of KAs on MA. SMEs’ KAs have a strong influence on MA regardless of market conditions, and turbulent market conditions do not strengthen or weaken KAs’ effects on MA. MT does not have a significant influence on the efficacy of KAs in strengthening SMEs’ abilities to remain agile, tough and to survive crises. These results have at least underlined the opinion (Reed, 2021) which states that environmental turbulence is not inherently bad for SMEs. MT does not always bring negative consequences to them.

On the contrary, firm age moderates the effect of KAs on MA in a negative-significant way. As company age increases, agility decreases. In other words, older age corresponds with SMEs that are less likely to utilise knowledge assets as the basis for their marketing agility. Meanwhile, young SMEs—and perhaps relatively young owners as well—are more open-minded and able to leverage their knowledge to quickly and flexibly develop strategies during major market changes. Younger firms tend to be more agile, as they have greater KAs. It is easier for them to develop their knowledge and capability to survive challenging conditions. On the other hand, older companies tend to view their KAs as sufficient, as they have more experience. They do not see the need to make major changes even though the market environment creates new challenges or is not the same as before. They do not develop the knowledge to strengthen their marketing agility.

6. Conclusions

Conclusion

The aim of this research is to test a model to explain the factors that can strengthen the marketing agility of SME pandemic survivors. The primary contribution from this research is that knowledge assets strengthen marketing agility. However, the effect of KAs on MA is not affected by MT. Regardless of market conditions, SME survivors always use their KAs to maintain their agility and resilience. The sample firms are survivors of the COVID-19 pandemic who are agile and resilient in dealing with a deteriorating market situation. Strong development and utilisation of KAs may be traits that have been ingrained in the organisational culture before major market turmoil.
Moreover, the research results show that KAs are strengthened by IHRPs and ta’awun. This research has provided evidence regarding knowledge in the context of developing countries such as Indonesia, the largest Muslim country in the world. By creating a favourable learning atmosphere, IHRPs prepare the conditions and readiness of employees to be learners and developers. While ta’awun facilitates the transfer of knowledge from partners, colleagues and family, this knowledge is further developed internally when employees have been prepared through IHRPs. IHRPs and ta’awun are the keys to strengthening knowledge assets. However, the effect of KAs on MA is not strengthened by increasing firm age. Conversely, the older the firms, the more difficult it is for them to develop and utilise knowledge assets for innovation and adaptation. Older firms tend to stick to past knowledge, are less open-minded and are more reluctant to learn and gain new knowledge.

Managerial Implications

As the study suggests, knowledge assets play an important role in strengthening marketing agility. Ownership of knowledge is critical because it enables SMEs to quickly and accurately develop adaptive capabilities. This study involved SMEs that survived the COVID-19 pandemic, and the results showed that market turbulence had no effect whatsoever on the role of KAs in strengthening MA. Knowledge assets continue to have a strong influence on marketing agility despite deteriorating market conditions. This implies that the utilisation and development of KAs must be maintained either in stable or less volatile market conditions. Strengthening organisational culture (i.e., learning orientation that leads to the development of KAs) must be a priority regardless of market conditions. This is an approach to anticipating the risk of negative changes in the business environment because KAs are a determinant of SMEs’ agility and resilience. Thus, an old firm should keep focus to strengthen its organisational culture.

The importance of KAs is inseparable from the support from IHRPs and ta’awun. These two constructs guarantee the accumulation and generation of KAs, as well as the company’s agility and ability to survive in difficult times. Firms redesign IHRPs quickly and efficiently with the aim of strengthening mutual trust and preparing employees’ learning abilities. Internal learning is further enriched by the presence of strong ta’awun, which allows additional knowledge and other non-financial assistance to enter the company.

Limitations and Suggestions for Further Research

This research offers some new insights, but its limitations also offer opportunities for future studies. Several constructs can be incorporated into the research model: for example, learning orientation, technology adoption and digital marketing. We also recommend future investigations to test the model by using samples of exporting SMEs. This research employed cross-sectional data among SMEs in manufacturing businesses but does not provide understanding of how KAs strengthen SMEs’ MA and survival in international markets. The cross-sectional method of data collection may also limit the generalisation of the finding.

References


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