

# **External Environmental Determinism: How The COVID-19 Pandemic Impacted A Population Of Micro And Small Enterprises (MSEs)**

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## **Abstract:**

According to the Brazilian Institute of Geography and Statistics (IBGE), 99% of business organizations are small enterprises, accounting for 30% of the Gross Domestic Product (GDP). Within this organizational range, sectors like food and beverage are noteworthy. This article examines how the COVID-19 pandemic impacted micro and small enterprises (MSEs) in the food and beverage sector—specifically, businesses like bars, snack bars, and restaurants—using the Organizational Ecology Theory (OET). During the pandemic, public health restrictions had a major impact on these businesses, and, as non-essential services, they faced numerous restrictive measures that limited their activity. In a city in Paraná's central region, which includes the studied organizational population, 57 out of 165 establishments closed between 2020 and 2022, resulting in a mortality rate of 34.5%. This quantitative research used Likert scale questionnaires to evaluate how MSEs managed demographic, ecological, and environmental processes. Among the organizations analyzed, bars were fewer in number (24 out of 84 respondents) but were more significantly impacted by external environmental factors—were more impacted by external environmental variations during the pandemic, particularly in relation to factors influenced by governmental actions and political instability. Since these businesses predominantly operate in enclosed spaces, movement restrictions amplified their challenges during the pandemic. Snack bars and restaurants, however, demonstrated greater resource extraction capabilities within their niche, mitigating the external impacts for those that survived. Despite adversities, the organizations that continued to operate displayed evolutionary resilience, retaining those with desirable capabilities amid environmental fluctuations.

**Context:** The COVID-19 pandemic caused economic impacts across various sectors, including the food and beverage industry. Government restrictions implemented to contain the virus heightened various barriers related to organizational structures, competition, age of businesses, and more. According to the Association of Bars, Snack Bars, and Restaurants (Abrasel), over one million establishments in these sectors faced closures, with more than 300,000 establishments shutting down between 2020 and 2022 in Brazil. In the studied city, of the 165 organizations that made up the population before the initial restriction in March 2020, 57 had failed by the time of the government's relaxation of restrictions in March 2022. Using Organizational Ecology Theory (OET), which examines how organizations retain resilience in the face of external impacts and evolve under such pressures, this study investigates how bars, snack bars, and restaurants managed the difficulties imposed by the pandemic. The objective is to examine how the external environment affected these business activities within the population of similar businesses.

**Materials and Methods:** This article analyzes the impact of the COVID-19 pandemic on micro and small enterprises (MSEs) in the food and beverage sector, using Organizational Ecology Theory (OET). During the pandemic, sanitary restrictions significantly affected these companies. Centralized in a city in Paraná state's central region, 57 of 165 establishments closed between 2020 and 2022. The quantitative research employed five-point Likert scale questionnaires to assess MSEs' responses to demographic, ecological, and environmental processes. Bars were the most affected, while snack bars showed greater adaptability. Despite the challenges, the organizations that continued to operate demonstrated evolutionary resilience to external pressures.

**Results:** The different business segments within the population experienced external processes in distinct ways. While similar, factors such as competition, age, structural size, and regulatory measures impacted each segment differently. Findings indicated that bars were the most affected during the pandemic, with low structural capacity and young organizational age as barriers to be overcome amidst high external fluctuations, as outlined by OET-focused studies. While competition was not as severe, regulatory measures significantly impacted the remaining businesses, especially given the frequent changes enacted by public authorities during the studied period. Another finding of this research is that external forces demand the maintenance of resilient governmental actions and political instability—eliminating those without sufficient capability to remain active—

but managerial roles also have a form of influence. Increased managerial effort can help organizations navigate unstable periods and enhance resource extraction from existing niches.

Consequently, perspectives for overcoming barriers during the pandemic were found in the organizational population that managed to survive despite the selective scrutiny of the external environment.

**Conclusion:** Overcoming the barriers imposed by the pandemic depended on the resilience of MSEs and proactive management in a challenging external environment.

**Keywords:** Organizational Ecology Theory; COVID-19; Micro and Small Enterprises; environmental impact; food and beverage sector.

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## I. Introduction

The external environment in which organizations operate can act selectively towards them. This determinism affects not just a single organization but also impacts entire organizational populations (Hannan & Freeman, 2007). Macrosocial events, like the COVID-19 pandemic, can heighten the influence of external forces, with intensified public health restrictions had a major impact on these businesses in an effort to curb virus spread (Freesz & Pimentel, 2022). In terms of administrative theories focused on external analysis, *Organizational Ecology Theory* (OET) applies biological concepts to the administrative field, aiming to understand how organizational populations evolve based on external impacts (Baum, 2015).

External factors—social, political, and economic—consistently and directly impact organizational populations, influencing birth and mortality rates (Baum & Amburgey, 2000). Organizational populations are seen as *open systems*, composed of entities that interact with their external environment (Morgan, 2009). However, this interaction is limited due to the organizational inertia that restricts rational adaptation to external changes (Souza, 2011).

Hannan and Freeman (2007) emphasize that an organization's ability to extract resources from its environment determines its sustainability. Smaller entities are more vulnerable to failure as they face greater challenges in overcoming internal inertia and extracting resources. In Brazil, 99% of enterprises are small businesses, contributing 30% to the Gross Domestic Product (GDP) and generating 72% of formal employment (Sebrae, 2022).

Among these, the food and beverage sector, specifically bars, snack bars, and restaurants, has over one million formal establishments. However, approximately 300,000 closed during the pandemic from 2020 to 2022 (Abrasel, 2020; IBGE, 2022). In Pitanga, a municipality in central Paraná, 165 such establishments were operating before restrictions, but 57 of these closed by the end of the restrictions in March 2022, while 27 new ones opened (Municipal Department of Taxation, Pitanga).

This study aims to identify which activities among micro and small enterprises (MSEs) in the food and beverage sector were most affected by the pandemic's external impacts.

## II. Materials And Methods

This is a descriptive, quantitative, and cross-sectional study, with specific time periods considered, from the first severe restrictive measure (which prohibited the opening of non-essential activities) to the phase of complete relaxation of these measures in the Municipality, utilizing *Organizational Ecology Theory* (OET).

**Study Design:** Descriptive, quantitative, and cross-sectional.

**Study Location:** A city located in the central region of Paraná state, Brazil.

**Study Duration:** The research was conducted between August 2023 and April 2024.

**Sample Size:** 165 observed organizations.

**Sample Size Calculation:** The initial phase of the research (quantifying remaining organizations during the study period) was based on secondary sources, such as the Revenue and Taxation Department, JUCEPAR, among others. Quantifying the actual population size enabled a preliminary analysis to determine whether the general and specific objectives could be achieved. Thus, it was verified that the total number of observed existing organizations—one hundred and sixty-five—was sufficient to support the proposed analyses, with 84 respondents.

**Selection Disciplines and Methods:** A quantitative approach was chosen for its ability to generalize through the representativeness of the collected data transformed into information. The use of the quantitative method in the study allowed for external data to be validated in a generalizable manner for the population analyzed. The

descriptive research in the thesis aimed to address two perspectives: quantification during the mentioned periods in terms of birth and mortality rates, as well as the application of a survey method questionnaire with the managers of organizations that remained active during the period. The choice to apply the questionnaire only with managers who maintained their organizations is due to the fact that, in organizational ecology studies, where the movement of mortality and birth is constant, the focus is on organizations that remained active, concentrating on the capacities these entities demonstrated for their survival. A questionnaire using a five-point Likert scale was constructed to assess how external environmental variables are reflected in the studied population. This questionnaire allowed for reaching a profile, as well as providing a macro view of the population concerning demographic, ecological, and environmental processes.

### **Organizational Ecology Theory and External Environment**

**Analysis:** The existence of diverse types of organizations was a central question in Hannan and Freeman's (1977) study, which presented a perspective structured on premises rooted in evolutionary biology, marking the start of administrative literature applying biological concepts to management fields (Aldrich and Pfeffer, 1976).

According to Megginson (1998) and Oliveira (2013), external environmental variations can influence the emergence of different types of organizations and affect birth and mortality rates in populations. Therefore, OET focuses on studying external events, not through an adaptive perspective of organisms but through a deterministic one, selecting those that optimize the extraction of resources from the niche.

The concept of an open system employed in organizational ecology to understand the relationship between organizations and their external environment arises from the constant tensions between them, where both the external environment and organizations mutually shape each other (Morgan, 2009).

The environment can be understood as an external set of forces with constant dynamism and mutation, directly impacting organisms (Cunha, 1999). Miles (1980) explains that the environment can be understood in two ways: general and specific. The general environment exerts a direct or indirect influence on organizational populations similarly, while the specific environment has a direct connection, depending on resource domain within each niche, such as clientele, product/service range, among others.

According to Child and Smith (1987) and Baum (1997), the functionalism on which OET is based relies on environmental objectivism, i.e., a composition formed by real entities and conditions that tangibly impact organisms. This objectivity can influence and determine the organizational permanence of those demonstrating the ability to optimally extract resources from their environment, allowing them to overcome barriers such as competition, organizational structure, regulatory factors, and others that ensure their continuity.

Motta and Vasconcelos (2008) highlight the selective role of the external environment, noting that it retains organisms best suited to remain active in the face of environmental variations, thereby exhibiting evolutionary capacities. Organisms unable to keep up with external changes exhibit inertia.

Inertia represents a limiting factor between adaptive factors (emphasized by some administrative theories) and natural selection (as in OET), as Souza (2011) argues that when organisms fail to adapt to external environmental changes, the selection process intensifies. Inertia demonstrated by organisms facing environmental fluctuations becomes a barrier to their permanence within the population (Hannan and Freeman, 1977).

Pina and Cunha (1991) mention that the inertia organizations show towards external events may increase or decrease based on structural factors and age. Betton and Dess (1985) assert that inertia lessens within populations comprised of older entities, as, by overcoming barriers like social acceptance and competition, such entities enhance their survival chances and reduce inertia in response to external environments.

Organizational structures also influence inertia: groups with more robust structures more effectively overcome inertia, whereas populations of smaller organizations exhibit higher mortality rates compared to structurally larger organizations (DiMaggio and Powell, 1983). Competition factors within the population also condition organizational permanence or failure (Oliveira, 2013).

Thus, factors related to competition for resource extraction in a given niche lead some entities to explore new niches or even change their field of operation, altering competitive levels among populations (Baum, 1999).

The niche theory in organizational ecology highlights resource influence on birth, mortality, and organizational diversity rates in a population. Regarding organizational diversity and competitive processes within a niche, Hannan (2005) notes a correlation: the larger the niche, the lower the competition, and the greater the organizational diversity.

However, certain regulatory factors restrict niche exploration. Political instability, stringent government regulations, among other aspects, impact resource access (Baum, 2007). In environments of heightened political instability, birth and mortality rates fluctuate (Hannan and Freeman, 2007).

Likewise, Baum (1999), Carroll (1981), and Delacroix (1982) state that in politically turbulent

environments, new entities may benefit from government-released resources as an initial boost. However, as resources become scarcer, growth stabilizes or even declines. Furthermore, in highly regulated populations, entry rates decrease, and mortality rates rise, especially among smaller entities due to their reduced structure (Baum, 1999).

Thus, in Organizational Ecology Theory, external processes affecting populations are outlined as follows:

<b>Table 1</b>		
<i>Analysis Factor</i>		
ANALYSIS FACTOR		
DEMOGRAPHIC PROCESS	MAIN VARIABLES	VARIABLE PREDICTIONS
A) Age Dependency	Organizational Age	Younger organizations are more susceptible to failure. As they age, routines become more established, which increases the likelihood of survivals. As age increases, structural inertia also increases. Mortality rates decrease proportionally to organizational size.
B) Structural Size Dependency	Small Organizations are more susceptible to external environmental actions.	
ECOLOGICAL PROCESS	MAIN VARIABLES	VARIABLE FORECASTS
A) Competition	The existing niche in each external environment can enhance or reduce the competitive level; the survival of new organizations is conditioned by population density	The competition for resources drives organizations to compete for their utilization. It is interesting to note that this competition tends to occur primarily among organizations of similar size, as they share comparable market conditions and access to resources. This competitive scenario is influenced by population growth, which follows a gradual trajectory until reaching a peak. After this point, a reduction in population density is observed, occurring gradually. This dynamic can impact how organizations position themselves in the market, seeking innovation and efficiency to remain competitive in a constantly changing environment.
B) Population Density		
ENVIRONMENTAL PROCESS	MAIN VARIABLES	ABSORPTION OF VARIABLE
A) Political Turbulence B) Government Regulation	The greater the external political turbulence, the higher the rate of population failure; The greater its influence, the greater its impact on diversity	Taking advantage of such a period, organizations tend to benefit. However, after the cessation of this phase, organizations may face mortality; small organizations are the most susceptible to external regulation. Thus, organizational diversity increases when the regulatory impact rises.

Source: Baum (2007). Adapted by the author.

Using Organizational Ecological Theory to analyze how external impacts affected a population of micro and small enterprises operating in the food and beverage sector, this study seeks to understand how these organisms managed to remain active even in the face of constant instabilities. According to Baum (1999) and

Souza (2011), in organizational ecological studies, populations that manage to remain active after external impacts enter into constant evolutionary phases. Such population optimization allows them to extract the necessary resources from the niche in which they are inserted to stay active.

The dynamics of the external environment require the population to operate with its organisms in constant processes of dynamism (Balsini et al., 2005). It is worth noting that these existing phases do not follow a logical standard:

**Retention** - Organisms that demonstrate the necessary capabilities to operate in response to certain extrinsic movements can remain active; however, their permanence is not a guarantee of perpetuity, given that environmental inconsistency requires such organisms to act as dynamically as possible;

**Variations** - With each environmental change, incoming organisms show diversification in relation to those that managed to remain active;

**Selection** - Organisms undergo a constant selective sieve; overcoming external environmental barriers is part of the maintenance process within the population.

Wilson (1995) states that by adopting *open systems* theory for organizational populations, one can deduce that being part of a complex system of external environmental variations makes organizations weaker than these extrinsic movements. Following this line of thought, Machado da Silva et al. (1998) point out that social, economic, and political factors are processes that demonstrate strength in retaining, selecting, and varying the existing organizations in a given population.

Faced with constant external pressures, over which organizations have no control, the selection process accentuates the evolution of species (Hannan and Freeman, 1977). Thus, the natural selection process applied in Organizational Ecological Theory (OET) demonstrates that organizations become adjusted to the external environment. This fact has implications for administrative rationality and its inertia aspects, which are precedents that prevent them from achieving sustainability amid environmental changes. Environmental selection, therefore, presents itself as a limiting factor for the variations of organizational factors (Baum, 1999).

The evolutionary criteria are based on the replacement of organisms that did not have the conditions to remain active in the face of environmental impacts with new entrants; thus, the structural inertia that such organisms possess becomes a determinant for maintenance within the population (Lima et al., 2015). In their studies, Burrell and Morgan (1979) highlight that the variations arising within the population are the result of natural selection phenomena based on evolutionary criteria; thus, it is understood that this process is gradual and does not necessarily lead to a complexity of the organisms that remained active or of the entrants in the population.

Young organisms are viewed as sources of variation in populations, generated at the moment when existing organisms in that environment remain inert to external changes for an extended period (Aldrich, 1979). However, it is important to note that not all variations presented by young organisms will be positively integrated into the already established population. The inertia of organizations contradicts their capacity for flexibility in the face of external changes, such that abrupt modifications in organizational populations can only be seen with great frequency if the inertial characteristics of the organisms that compose them are reduced (Hannan and Freeman, 1993).

Santos (2013) emphasizes that incoming organisms reflect the environment at the time of their birth; thus, compared to other organisms that have succumbed to failure, they demonstrate better characteristics for operating within the population.

Organizational populations, according to Carroll and Hannan (1989), exhibit some restrictions regarding evolution (which makes such a process gradual depending on environmental variations, sometimes being dynamic):

- a) **Density:** As the population grows, resources diminish; with the reduction of resources, evolutionary criteria must overcome more barriers (such as increasing competition, heightened government regulations, and difficulties in overcoming their own structures);
- b) **Difficulty in Resource Extraction:** With the shrinking niche, extracting resources from the environment becomes a more complex process; factors related to the difficulty of controlling emerging technologies, for example, can be cited as limiting factors for population evolution;
- c) **Legitimation:** In small populations, evolution becomes more latent, as factors related to legitimation before social actors become more viable. However, in populations composed of diverse organisms, evolutionary criteria tend to exhibit lower latency, given the complex process of legitimation.

External interferences, such as economic, political, and social issues, are some factors that cause

impacts on populations; whether more or less present, these elements can affect both the diversification of organisms and the birth and mortality rates of organizational groups (Baum, 2007). The view of determinism of the external environment, used in OET, does not eliminate the role of organizational managers, although the restrictions imposed by extrinsic forces are viewed as present and constant (Bataglia; Merelles, 2009).

According to Baum, Hannan, and Freeman (2007), in populations composed of small-sized organisms, the presence of external impacts becomes more pronounced. This is due to the fact that, due to their small structure, such organizations have certain limitations in overcoming barriers over which they cannot demonstrate broad dominance.

### III. Research Methodology

This study employed a quantitative approach aimed at understanding how the remaining population of micro and small enterprises (MPEs) in the food and beverage sector in the municipality of Pitanga reflected environmental impacts during the pandemic period. The temporal scope of the study was defined between March 31, 2020 (the date of the first severe government regulation that mandated the temporary closure of non-essential activities, such as those in the bar, snack bar, and restaurant sectors) and March 18, 2022 (when, through a municipal decree, there was greater flexibility regarding restrictive measures on operating hours and the circulation of people).

The quantitative research utilized in the study allowed for generalization through the collected data, transforming it into information. Thus, to consider the studied elements, the approach utilized by Complementary Law 123/2006 regarding the size of companies was taken into account. Companies with up to nine employees were classified as micro-enterprises, and those with ten to forty-nine employees as small enterprises. By applying a questionnaire through a five-point Likert scale, it was possible to verify how the organisms that managed to maintain themselves within the population of MPEs reflected demographic, ecological, and environmental processes during the pandemic. In studies focused on organizational ecology, it is understood that organizations operating in similar activities demonstrate a certain equity regarding the impacts caused by the environment in which they are inserted (Hannan; Freeman, 1977).

The questionnaire was initially delivered digitally; however, due to low response rates, a physical approach was adopted for the managers. Utilizing two software programs, the questionnaire, composed of 49 questions, sought to address in detail how each sector reflected the events that occurred during the pandemic and correlated factors. The first software was aimed at plotting responses into spreadsheets for better visualization of the questionnaire as a whole. After that, a second statistical software generated reports of the planned data to transform them into information. Using these tools, the present research aimed to verify which sector had the greatest sensitivity during the pandemic from the perspective of Organizational Ecological Theory.

### Statistical Analysis

The research obtained a total of 84 respondents, with 64 responses coming from the digital questionnaire delivery and 17 from the physical method. Thus, within the population of MPEs operating in the food and beverage sector, we had the following breakdown regarding size, sector of activity, and organizational age:

Table 2  
Organizational Size

The organization has between 10 and 49 Employees or has revenue annual of up to R\$4.8 million?	Frequency	Percentage (%)
Micro	72	85,7
Small	12	14,3
Total	84	100

Source: Adapted by the author (2024)

Table 3  
Number Of Organizations By Sector

	Frequency	Percentage
Bar	24	28,6
Snack Bar	28	33,3
Valid		
Restaurant	32	38,1
Total	84	100,0

Source: Adapted by the author (2024)

Table

<i>Time Of Existence</i>	Year <u>organizational</u>	Frequency	Percentage
	1 <u>a 2 years</u>	5	6,0
	2 <u>a 5 years</u>	38	45,2
	5 or more years	41	48,8
	Total	84	100,0

Source: Adapted by the author (2024)

The responding population is primarily composed of micro-enterprises (seventy-two organizations), mainly consisting of restaurants (thirty-two entities) and predominantly comprising businesses that have been operating for more than five years (forty-one organizations). The survey identified the following factors as related to environmental impacts: age and organizational structure (demographic processes); competition and population density (ecological processes); political turbulence and government regulation (environmental processes). This approach allowed for an analysis of how each sector perceives these processes in a relatively similar population, providing an average response. Demographic processes are those related to variables centered on structural size and age. Demographically, younger organizations (one to two years) showed lower sensitivity to these factors.

As highlighted by Baum (1997), factors such as difficulty in assimilating external processes and challenges related to legitimacy due to the short operating time do not appear at elevated levels. Thus, it can be understood that new entrants are already born with characteristics aligned with the environment.

The snack bar sector showed a lower average in terms of demographic processes, indicating lower sensitivity to criteria related to elements of this process. Ecological processes are those related to population dynamics, involving variables such as competition and density (Hannan & Freeman, 2007).

Variables involving competition may be intensified according to environmental events, as explained by the aforementioned researchers. The existing environmental resources have increased in value, making them more costly to acquire and leading to greater competition for resources with more affordable prices. Overall, the population appears more sensitive to ecological factors for mid-aged organizations (two to five years), with factors related to density and competition representing obstacles to sustainability. This trend is similarly noted in bars and restaurants, where these external factors dominate. Governmental changes and regulation are also significant.

Temporary closures and other measures, such as the prohibition of customer circulation in non-essential establishments (bars, snack bars, and restaurants) in the Municipality of Pitanga, negatively impacted the micro and small enterprises (MSEs) studied. Despite other customer service options (such as increased home delivery), uncertainty factors impacted this population. Within the population, the snack bar sector was the least affected by environmental demands, showing alignment with the conditions imposed by the environment during this specific period. Bars, which typically operate in enclosed physical spaces, were the most impacted organizations.

Bars, which typically operate in enclosed physical spaces, were the most impacted the organizations, with the highest average responses obtained in the questionnaire.

#### IV. Results

It was possible to see that the different sectors within the population experienced external processes in varied ways; in other words, despite similarities, factors such as competition, age, structural size, and regulatory measures produce distinct effects in each sector within this MSE population. The findings indicated that bars were the most affected sector during the pandemic period, with limited structural capacity and short organizational age (as highlighted in TEO studies) posing barriers that had to be overcome in an environment with a high flux of changes. Another point is that competition within this population is not as severe, unlike regulatory measures, which appear to impact the remaining population more, particularly during the studied period, given the frequent changes issued by public authorities. Another finding was that although the external environment has sufficient force to require populations to maintain only organisms with the best survival qualities—eliminating and deactivating those that lack the necessary resilience—the managerial role has shown to influence this outcome, allowing for greater niche extraction despite the instability of the period. Thus, perspectives on overcoming barriers highlighted during the pandemic period are observed in the organizational population that managed to survive under the selective scrutiny of the external environment.

#### V. Final Considerations

The events arising from the pandemic period provide a broad field for administrative analysis of intrinsic phenomena within organizations. This study supports the principles discussed in ecological and organizational studies, which state that the external environment has enough influence to determine outcomes for populations. The research findings suggest that the similarity in the behavior of organisms within a specific

organizational set may reflect different impacts in relation to external environmental variables. The main objective was to investigate which sector among the MSE population in bars and snack bars was most affected during the pandemic, showing that bars were the sector most susceptible to external impacts. This research contributes to understanding that the selective role of the external environment may present varying aspects for elements within the same organizational set. Additionally, it verified how variables intensified during the pandemic period affected the remaining population.

Similar sectors can yield heterogeneous results in macro analyses. To align this article with the perspective of one of the cited authors concerning TEO processes, the study variables were: Age and organizational size (demographic process); competition and population density (ecological process); and political turbulence and government regulation (environmental processes).

Thus, regarding the average of these processes among the three sectors analyzed within the population, the demographic processes averaged 4.23 in the bar sector; the snack bar sector had an average of 4.0, and the restaurant sector averaged 4.23. This shows symmetry in relation to variables within this process for the bar and restaurant sectors. Regarding ecological processes, the bar sector showed a sensitivity average of 4.21; the snack bar sector averaged 3.96, and the restaurant sector averaged 4.01. Environmentally, the bar sector had the highest overall average in the analysis at 4.31; the snack bar sector had an average of 3.97, while the restaurant sector had an average of 4.06.

Researchers like Aldrich (1976), Baum (2007), Hannan, and Freeman (2007) noted in their studies that even among populations composed of similar organisms, external impacts may vary. The bar sector, although the smallest within the population, exhibited the highest sensitivity to the studied processes. Of the twenty-four organizations in this sector, six entered the population during the study period, while eighteen already existed pre-pandemic.

Demographically, Baum (2007) notes that small and new organizations are typically more susceptible to failure. The bar sector showed that structural and age-related barriers were prominent constraints during the study period.

Ecologically, Oliveira (2013) highlights that in highly unstable external environments—such as the pandemic period—factors related to population density and competition may exacerbate impacts on the population. Restaurants and snack bars could largely serve the same clientele as bars and had more flexible operations than this sector during the pandemic. Environmentally, the heightened sensitivity within this organizational sector can be attributed to its reliance on in-person operations, which faced significant operational limitations during restricted periods. The study found decrees that relaxed access to establishments; however, as infection rates rose, access was soon restricted again. These circumstances, combined with city entry blocks, made survival more complex. In addition to reduced sales, there was an increase in goods prices and a decrease in suppliers during this specific period.

The organizational collective that remained active despite constant external changes showed resilience against external challenges. These remaining entities did not stay inert to environmental pressures; despite intense external pressures, the population demonstrated growth, retaining those organisms capable of extracting the best resources available at that time. This research reinforces the importance of resilience among micro and small enterprises and offers insights that can guide future policies aimed at supporting such businesses during macro-level crises.

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