

International Journal of Entrepreneurial Behavior and Research

Editorial for the Special Issue on:

Organizational resilience and the entrepreneurial firm

Guest Editors

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Abstract

Organizational resilience is increasingly seen as important to entrepreneurial firms to not only survive, but thrive in an uncertain world of global environmental change, rapid technological advances, economic uncertainty and changing socio-political conditions. However, the nature of the relationship between organizational resilience and entrepreneurship remains less well developed than other areas of resilience scholarship. This Special Issue with six papers contributes to a better understanding of how organizational resilience issues affect entrepreneurs and entrepreneurial firms is timely. The first paper offers a literature review on the relationship between organizational resilience and entrepreneurship. The second paper relates insights from the traditional resilience fields of psychology, ecology and engineering to entrepreneurial resilience, while the third paper examines what it means to be resilient in the face of modern day risks and how firms can develop strategic organizational resilience. The fourth paper takes a personal and insightful look at how one entrepreneur negotiated an arduous business takeover process and in turn developed resilience skills, followed by the fifth paper, which also examines individual entrepreneurship, this time in the retail sector following the 2012 Emilia earthquake in the

north of Italy. Paper six investigates the relationship between UK entrepreneurs, their organizations and organizational resilience, taking a multi-level approach. We conclude with a discussion of the limitations of the research contained within this Special Issue to identify opportunities for further research.

Introduction

The topic of resilience has sparked a growth in scholarly attention and interest in recent years (van der Vegt, Essens, Wahlström, & George, 2015). Resilience has been recognized as a critical factor in the entrepreneurial process, with increasing evidence to suggest that it plays a part in successful entrepreneurial outcomes (Bullough, Renko, & Myatt, 2014; Corner, Singh, & Pavlovich, 2017; Linnenluecke, 2017). Research on entrepreneurial resilience lends itself to a focus on the individual level of analysis (i.e., the individual entrepreneur and their endeavours to succeed) (Corner et al., 2017), but conceptual and empirical studies also point out that it is important to examine how entrepreneurial resilience is enacted within larger organizations and contributes to community-level resilience (Korber & McNaughton, 2017; McKnight & Linnenluecke, 2016; Williams & Shepherd, 2016). These emergent perspectives demonstrate that the value and scope of resilience for entrepreneurship can be productively applied to understanding processes and outcomes of entrepreneurship, in addition to providing prescriptions for management and business in general.

Organizational resilience, the capacity to respond, adapt, and transform in response to sudden adverse events, is often seen as a desirable characteristic for organizations seeking to prepare, recover, and adapt in the face of crises, shocks and other adverse events (Kantur & Iseri-Say, 2012; Linnenluecke & Griffiths, 2010; Sutcliffe & Vogus, 2003). The capacity to process significant setbacks appears to be of particular importance for entrepreneurial firms,

most of which face far reaching consequences from internal crises and external shocks, including resource depletion, productivity changes, and employee stress to name a few (Gill, Picou, & Ritchie, 2012; Graham, 2007). However, while organizational resilience seems to be accepted as an essential characteristic in many firms facing uncertain conditions (e.g., Bhamra, 2016; Sutcliffe & Vogus, 2003), there is still limited research that examines how organizational resilience emerges in the entrepreneurial firm.

Can resilience explain how small and entrepreneurial firms survive through adversity and thrive against the odds? Despite the promise of organizational resilience, questions remain as to its specification of constructs and variables, conceptual relationships, and dynamic boundaries (see, e.g., Bhamra, Dani, & Burnard, 2011; Linnenluecke, 2017; Linnenluecke & Griffiths, 2015; Mamouni Linnios, Mazzarol, Ghadouani, & Schilizzi, 2014; van der Vegt et al., 2015). Several factors motivated our original special call for research examining resilience in entrepreneurial firms. First, the impacts of disasters have prompted researchers to comment on the importance of understanding the context and process of resilience and flourishing in SMEs (Bhamra, 2016; Doern, 2016; Parnell, 2015) to cope with uncertainty and environmental disruption (Fowler, Kling, & Larson, 2007). Additionally, there is limited research focusing specifically on entrepreneurial resilience, the response of small and medium sized enterprises (SMEs) internal crises and external adversity (Doern, 2016; Herbane, 2010), and how resulting impacts relate to organizational recovery, responses, and ultimately, its resilience.

In addition, the growing literature on organizational resilience highlights a proliferation of constructs and definitions, indicating a dynamism for the topic. However, despite the advances in research examining resilience, research remains fragmented, which has been leading to conceptual and foundational confusion and difficulties with applying the concept in other research fields, such as entrepreneurship (Linnenluecke, 2017; McNaughton

& Gray, 2017). As such, it is time to take stock of the existing literature and to examine methods for advancing the conversation towards conceptual certainty and multi-disciplinary integration of resilience and entrepreneurship (Bhamra, 2016; Kantur & Iseri-Say, 2012; Lengnick-Hall, Beck, & Lengnick-Hall, 2011; Linnenluecke, 2017; Sutcliffe & Vogus, 2003). Last, we note that methodological and empirical evidence is required to advance any field. How to best measure and assess the presence or absence of resilience is a challenging question, also given the multidimensional nature of the concept. In this special issue, we set out to address some of the limitations described above by presenting scholarly research on organizational resilience in the entrepreneurial context.

Overview of special issue

We begin our special issue by examining the meaning and conceptualization of resilience for entrepreneurial firms. The first paper by Kober and McNaughton (2018) looks at the literature at the intersection of resilience and entrepreneurship and identifies six scholarly conversations on the topic. The authors use a systematic review process to identify the most important papers to guide the analysis, which points to organizational resilience as traits of firms or individuals; a trigger for entrepreneurship, an outcome of entrepreneurship and as impacting on failure, recovery and transformation. Importantly, the authors identify avenues for future researchers to incorporate research from other fields to ensure a more informed and nuanced investigation of the role of entrepreneurs in promoting a sustainable socio-ecological system.

The second paper by Manfield and Newey (2018) draws on resilience conceptualizations from three disciplines: psychology, ecology and engineering, to identify a number of key insights into how organizations can enact entrepreneurial resilience under different conditions. This paper identifies a capability portfolio that enacts either routine or

heuristic-based responses, depending on the severity of the threat. The severity of threats is identified through an absorption threshold point, which guides firms to switch between different resilient capabilities. As such, this paper directs firms to develop a broader range of resilience capabilities to be able to address different levels of environmental uncertainty.

The third paper by Morais-Storz, Stoud Platou, and Berild Norheim (2018) views resilience as a strategic concept, something that organizations can build deliberately and proactively to create value. It focuses on the role of metamorphosis and innovation to show that resilience goes beyond maintaining the status-quo or purely adapting to environmental uncertainty, to move organizations to a new position where they can shape the future. These second and third papers mostly focus on resilience as a firm level construct, something that can be embedded in the culture of the organization. Organizations can develop capabilities to embed and use resilience (Manfield & Newey, 2018), or can be strategic in its development and use of resilience (Morais-Storz, et al. 2018).

The fourth paper by d'Andria, Gabarret and Vedel (2018) identifies emotional and cognitive dimensions of managerial definitions, and examines how they connect to causation or effectuation as logics of actions as an entrepreneurial project unfolds. This paper focuses on the resilience exhibited by an individual entrepreneur through the long and arduous process of business takeover to overcome adversity. Its use of a blog presents an interesting take on narrative analysis. Still looking at the individual entrepreneur, paper five (Martinelli, Tagliazucchi, & Marchi, 2018) uses data from retail entrepreneurs impacted by the Emilia earthquake in the north of Italy. It evaluates the role of social capital and dynamic capabilities in supporting resilient action before, during and after the earthquake.

We wrap this special issue up with paper six (Branicki, Sullivan-Taylor, & Livschitz, 2018), which uses qualitative data from small UK firms to build a multi-level model of entrepreneurial and organizational resilience in SMEs. The contribution that SMEs make to

the economy, their vulnerability, and as home to start-ups and their entrepreneurial founders, enables this paper to show how entrepreneurial and SME resilience interact to improve survival during crises.

Towards a future research agenda

The special issue articles, together with our reading of the wider literature, point to an evolving, but to date immature field of research. Much like previous reviews in the area (Bhamra et al., 2011; Linnenluecke, 2017), we find that organizational resilience remains multi-dimensional, with diversity in conceptualization, and multi-disciplinary, in its provenance and approach. However, while this multi-dimensionality and diversity may complicate matters, there are silver linings to be found among scholars. In contrast to individual conceptualizations of organizational resilience as a capacity or response, organizational resilience *is* concerned with capabilities associated with strategic readiness or competitive or environmental dynamics, social and professional norms, and a plethora of behaviors and organizational processes required to actualize the changes or adaptations required (or forced unto the organization). Within this literature, the organizational process and resources, entrepreneurial and managerial agency, and social structures and relations are implicated as critical to organizational resilience. We note with optimism that our papers have recognized these inherent qualities, however, these advances must be balanced with caveats of limitations as well. We note here some issues of importance, two theoretical and one methodological, and how they create challenges and opportunities for future research.

The first challenge relates to how resilience is studied in connection to other concepts, such as the potential antecedents and outcomes of entrepreneurial success in adverse consequences. Empirical research suggests for example that responding to adverse events depends on entrepreneurial leadership (Ayala & Manzano, 2014; Battisti & Deakins, 2011),

and the ability to mobilize the organization's resources, capabilities, and employees (Lacho & Eness, 2011; Spillan & Hough, 2003). These structural moderators can extend outside the organization to include networks and other forms of community participation. For example, entrepreneurial responses in the aftermath of natural disasters can contribute to building community resilience by providing a community with crucial goods and services as well as employment opportunities (Linnenluecke & McKnight, 2015; McKnight & Linnenluecke, 2016). However, further work is needed to resolve what exactly is organizational resilience in the entrepreneurial context and how do entrepreneurs and SMEs build and implement resilient capabilities and practices (Boin & van Eeten, 2013). There is a growing body of important work investigating how internal and external networks can contribute to entrepreneurial resilience (e.g. Doerfel, Chewning, & Lai, 2013), innovation (e.g. Laforet, 2013) and entrepreneurship as a source of growth (Dahles & Susilowati, 2015). In this special issue, papers five (Martinelli, et al., 2018) and six (Branicki, et al., 2018) contribute to these emerging themes in the resilience literature.

The second challenge for future research is to overcome the context specific nature of studying resilience. Resilient organizations are often studied in the context of disaster management (e.g. Doerfel et al., 2013; Linnenluecke, Griffiths, & Winn, 2012; Seville, 2008). We suggest this is because disaster management provides a fertile ground for examining organizational resilience in an extremely uncertain situation that is not of the organization's making. Furthermore, the organization must make complex decisions and connect with communities, other organizations and government institutions for survival. The research in particular points to organizational resilience being a multi-level concept, in which individual, organizational, community, and other external factors are deeply entangled, particularly in the disaster management context (Seville, 2008). However, several strands have developed in isolation, limiting the literature's value to explain of the role of resilience

during economic fluctuations. Two papers in this special issue point to this, Manfield and Newey (2018) look at resilience as seen from different disciplinary backgrounds, while Kober and McNaughton (2018) identify the different conversations taking place within the organizational resilience literature. However, a recent systematic literature warns that integration without caution may lead to fragmented knowledge base and diversity in conceptualization (Linnenluecke, 2017). A second context problem is the excessive attention given to high-profile events like earthquakes, hurricanes (Johnston et al., 2012; Webb et al., 2000), terrorism (Godschalk, 2003), and economic crises (Smallbone et al., 2012), while not addressing economic fluctuations that need a more prolonged response over a business cycle.

The third challenge for future research can be found in the approaches used to study organizational resilience, namely the plethora of conceptual development (Bhamra et al., 2011) and theory building through descriptive qualitative research studies (Boin & van Eeten, 2013; Lengnick-Hall et al., 2011; Stephenson, Vargo, & Seville, 2010). This is evident in this special issue, but also in the larger body of literature on organizational resilience. While this is normal during the early stages of the development of a new field, there has been a reluctance to move to empirically testing research models through large-scale quantitative studies. Perhaps this is due to the complexities associated with gathering and comparing standard data from public and private organizations of varying sizes across multiple industries from different jurisdictions who experienced different adverse conditions associated with disaster management. A daunting task indeed.

Last, and building on the previous comment, further work is needed to study organizational resilience over time. The obvious constraint to this is an inability to predict where disasters will occur, and therefore for researchers to be able to study pre-disaster organizations. However, there is a move away from viewing organizational resilience as purely the ability to survive times of crisis to embracing organizational resilience as constant

preparedness requiring continuous monitoring of the firm's operating environment, pre-crisis planning and maintenance of internal and external networks (McManus, Seville, Vargo, & Brunson, 2008). Adopting a preparedness view of organizational resilience opens the door for research that monitors firms, sectors and institutions over longer periods of time.

Acknowledgements

We would like to thank Paul Jones, the paper contributors and the anonymous reviewers for the IJEBR who have made this special issue possible. We would also like to thank Katie Meissner for the assistance.

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