

Editorial for the special issue on: organizational resilience and the entrepreneurial firm

Introduction

The topic of resilience has sparked a growth in scholarly attention and interest in recent years (van der Vegt *et al.*, 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 *et al.*, 2014; Corner *et al.*, 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 endeavors 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 and McNaughton, 2017; McKnight and Linnenluecke, 2016; Williams and 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 and Iseri-Say, 2012; Linnenluecke and Griffiths, 2010; Sutcliffe and 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 *et al.*, 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 and 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 *et al.*, 2011; Linnenluecke, 2017; Linnenluecke and Griffiths, 2015; Mamouni Limmios *et al.*, 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 small- and medium-sized enterprises (SMEs) (Bhamra, 2016; Doern, 2016; Parnell, 2015) to cope with uncertainty and environmental disruption (Fowler *et al.*, 2007). Additionally, there is limited research focusing specifically on entrepreneurial resilience, the response of 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.

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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 and Gray, 2017). As such, it is time to take stock of the existing literature and to examine methods for advancing the conversation toward conceptual certainty and multi-disciplinary integration of resilience and entrepreneurship (Bhamra, 2016; Kantur and Iseri-Say, 2012; Lengnick-Hall *et al.*, 2011; Linnenluecke, 2017; Sutcliffe and Vogus, 2003). Finally, 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 multi-dimensional 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 Korber 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, namely, 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 *et al.* (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 and Newey, 2018), or can be strategic in its development and use of resilience (Morais-Storz *et al.*, 2018).

The fourth paper by d'Andria *et al.* (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 5 (Martinelli *et al.*, 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 6 (Branicki *et al.*, 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 enable this paper to show how entrepreneurial and SME resilience interact to improve survival during crises.

Toward a future research agenda

The special issue articles, together with our reading of the wider literature, point to an evolving, but, to date, an 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 and Manzano, 2014; Battisti and Deakins, 2011), and the ability to mobilize the organization's resources, capabilities and employees (Lacho and Eness, 2011; Spillan and 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 and McKnight, 2015; McKnight and 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 and 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 *et al.*, 2013), innovation (e.g. Laforet, 2013) and entrepreneurship as a source of growth (Dahles and Susilowati, 2015). In this special issue, papers 5 (Martinelli *et al.*, 2018) and 6 (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 *et al.*, 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 Korber 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 and van Eeten, 2013; Lengnick-Hall *et al.*, 2011; Stephenson *et al.*, 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 *et al.*, 2008). Adopting a preparedness view of organizational resilience opens the door for research that monitors firms, sectors and institutions over longer periods of time.

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