

Business resilience in an SME context: A literature review

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Overview

We define business resilience as a strategic objective intended to help an organisation survive and prosper. A highly resilient organisation is more adaptive, competitive, agile and robust than less resilient organisations and rebounds from adversity strengthened and more resourceful.

Resilience is clearly highly desirable in business organisations and as a result, business resilience is a growing field of research. To date, three main strands of business resilience research can be discerned, focusing on employees, business models, and organisational efforts to anticipate, prevent and respond to challenges. In fact, business resilience research to date has tended to focus quite strongly on large organisations, and assumed that findings are transferable to smaller businesses, which is not necessarily the case. Perhaps for this reason, resilience research focusing explicitly on SMEs is a small field, but one that is gaining momentum. This report explores academic and non-academic research into resilience in SMEs in particular, and identifies the key strands of work that have been done so far. It also identifies gaps in our knowledge which underpin an agenda for future research.

Key findings

- Research into resilience in SMEs to date has tended to focus upon the characteristics and capabilities of SMEs, and on the individual resilience of their leaders.
- SMEs have often been characterised as short-term in focus with a tendency to 'muddle through'. Some research identifies this as a weakness, while some presents it as an effective strategy for managing in an uncertain environment.
- SME resilience research has often characterised the leader of an SME as little more than a resource to underpin organisational resilience.
- Researchers have begun to consider practical strategies and interventions that might impact on the resilience of SMEs.
- Studies to date offer a strong focus on coaching, business training and the development of support networks. However, much still remains to be done, and continued focus on the identification and exploration of such initiatives and on their impacts is an obvious area for future research.

These findings inform phase 2 of the project, during which fieldwork in London will explore and benchmark resilience among SMEs, with the ultimate aim of developing flexible and relevant toolkits to support resilience in these organisations.

Policy and practice implications

More research on resilience strategies is needed to identify much-needed practical guidance, tailored for and relevant to SMEs, as they endeavour to become more resilient.

In addition to this, the review has highlighted three areas of SME resilience research which have not yet been studied in depth but which have the potential to improve knowledge around SME resilience strategies. These are:

1. Contextual aspects unique to SMEs that may work to their advantage in developing resilience, and which need to be better understood.
2. The link between leader resilience and organisation resilience, which should be explored, interrogated and clarified.
3. The connection between an SME's resilience and its geographical location.

Access the full paper here:

Find out more about Building Better Business Resilience study here:

<https://www.enterpriseresearch.ac.uk/sme-resilience-project-jpmorgan/>