**Strategies for Resilience in Entrepreneurship:**

**Building Resources for Small Business Survival After a Crisis**

Rachel Doern

Institute of Management Studies

Goldsmiths, University of London

Email: r.doern@gold.ac.uk

**KEYWORDS:** Crises, Resilience, Riots, Entrepreneurship, Small Businesses, Qualitative

**Citation:**

Doern, R. (2017, forthcoming). Strategies for resilience in entrepreneurship: Building resources for small business survival after a crisis. In Vorley, T. and Williams, N (Eds.), *Creating Resilient Economies: Entrepreneurship, Growth and Development in Uncertain Times*, Edward Elgar.

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*Rachel Doern, Goldsmiths University of London*

**Abstract**

This chapter examines the recovery strategies of small businesses in the aftermath of a crisis, specifically, the England riots of 2011, and the resources integral to such. Drawing on qualitative interviews with owner-managers of 15 businesses affected by the rioting in London, this chapter builds on resilience research and draws from Conservation of Resources Theory to highlight the importance of devising strategies that both utilise existing resources and invest in new resources. Recovery strategies were found to be social, economic and personal in nature.

**Introduction**

“*We’re not making a million pounds. We’re just day-to-day activities. Since 2003, seven years, we didn’t even go on holiday. My little girl says, ‘Daddy, we have a shop, we have money, we have a passport, and why don’t we get on an airplane?’ … I say, ‘OK darling, from next year, every single year, we go on holiday’. I told her, ‘Baby I promise’ … It’s just, you know, it [the riots] changes a lot of things in your life. This is going to be huge”* (OM5).

This quotation, taken from an interview with the owner-manager of small shop in London (UK) damaged in the summer riots of 2011, captures an emergent emotional distance towards the business. This chapter examines this strategy and others adopted by owner-managers of small businesses impacted by the riots that followed the killing of Mark Duggan (a 29-year old black male) by police on Thursday 4th August. Over 2,000 commercial premises across London and other English cities were looted, vandalised and/or burned down (Reading the Riots, 2012).

Riots are social, human-induced, conflict-orientated crises (Barton, 1970) which, like other crises, negatively impact businesses by creating ambiguity and decision making time pressures (Pearson and Claire, 1998).While much has been written about crisis planning and post-crisis management (e.g., Fink, 1986; Offer, 1998; Pedone, 1997), little is known about the kinds of strategies small businesses employ to minimise losses incurred, the role of resources in recovery, and how these strategies can, if at all, make businesses more resilient. Instead, studies on small business recovery after a crisis tend to concentrate on identifying the characteristics of firm survival (e.g., Alesch et al., 2001; Tierney et al., 1996; Dahlhamer and Tierney, 1998) and barriers to recovery (Irvine and Anderson, 2004; Runyan, 2006; Herbane, 2010).

Resilience has been defined as the ability - after a trauma, disruption or adversity generally - to bounce back or adapt in a positive fashion, to maintain healthy functioning in the process (Bonanno, 2004; Luthans, 2002; Luthar, Cicchetti and Becker, 2000), or show good recovery (Masten, 1994, 2001). While this chapter draws on the broader resilience literature to highlight the importance of resources for recovery in the aftermath of a crisis, it pays particular attention to the Conservation of Resources Theory (Hobfoll, 1988, 1989, 2001) to explain *why* these resources are important for resilience. The study featured here is based on qualitative interviews with 15 owner-managers of small businesses across London that were victimised during the riots. It makes several contributions to entrepreneurship research. First, it reveals the kinds of strategies small businesses adopt following a crisis and the resources they protect or build. Second, it shows how these strategies may enhance resilience (or vulnerability). Third, it introduces COR theory to the field of entrepreneurship, which provides an alternative to other theories that emphasise the value of resources for firms, such as the resource based view. Fourth, it highlights the importance of personal recovery strategies and resources alongside the social and economic following a crisis, and suggests how small businesses and policy makers might better prepare for a crisis.

**Literature review**

Resilience is a relatively new topic to entrepreneurship and has been discussed in relation to entrepreneurial teams, business start-ups, family and rural businesses, and in the contexts of disruptive business model innovations, economic recessions and other external shocks (e.g., Williams and Vorley, 2014; Saridakis, 2012; Smallbone et al., 2012; Glover 2012; Blatt, 2009; Dewald and Bowen, 2009). Resilience, in the context of entrepreneurship, is conceived as business survival or growth following a crisis and is often measured by an increase in sales or profits or in terms of adopting positive/creative strategies (e.g., expanding the customer base, hiring more staff, investing in the business). Small businesses are generally regarded as less resilient than large businesses because they have fewer resources, less bargaining power, and are less able to spread risk over a larger customer base or product line (Smallbone et al., 2012). Equally, they can be more flexible or adaptive in the face of adversity, in terms of adjusting inputs, products or prices (Reid, 2007).

While we know that an abundance of certain resources may make businesses more resilient, and that resources are important for business continuity generally following a crisis (Herbane et al., 2004), it is unclear just *why* or *how* this is the case. Thus, although in psychology there is a rich understanding of the relationship between resources and resilience (e.g., Hjemdal et al., 2006; Masten et al., 2004), in the field of entrepreneurship such understanding is largely absent. Additionally, studies on resilience in the field of entrepreneurship tend to neglect the critical human element, which is somewhat problematic when looking at small businesses where in the motivations and energies of owner-managers are entwined with the business. This individual element is something that Conservation of Resources (COR) Theory can bring to the entrepreneurship literature. Further, COR theory can explain why resources are important and bolster resilience.

According to COR theory, people are motivated to create resources and the act of doing so makes them more resilient (Hobfoll, 2002). The theory has been used to explain the link between threats to, or losses of, resources and resulting stress. It suggests that resources - including but not limited to physical objects (such as a business), conditions (such as seniority), personality characteristics that buffer against stress (such as self-esteem), and energies that help with the acquisition of resources (such as money, time or knowledge) - are valuable and should be protected. People can protect their resources and minimise the effects of potential losses to such during times of adversity by ensuring they have previously built up an abundance of such resources. This offsets future losses, strengthens resilience and leads to ‘gain spirals’ – i.e., the likelihood of acquiring more resources in the future (Hobfoll, 2001). When resources are limited or suddenly lost however, the individual is more vulnerable and may experience stress; recovery may be more difficult and loss spirals may result – i.e., they are more likely to incur losses in the future (e.g., Hobfoll, 2001; Hobfoll and Lilly, 1993).

COR theory has been applied mostly to studies of stress management, burnout/wellbeing at work and work-family conflict (e.g., Hobfoll and Shirom, 2001; Grandey and Cropanzano, 1999; Westman and Eden, 1997), where resource losses and psychological distress are mostly gradual. Nevertheless, its basic tenets are supported by other studies where resource losses and psychological distress are sudden or acute, as in the case of a natural disaster or act of terrorism (e.g., see Ironson et al., 1997; Hobfoll, Tracy and Galea, 2006). In this study, COR theory helps explain the relationships between an adverse event (the riots), strategies owner-managers adopt for minimising losses, and resilience. The application of COR theory is extended here to highlight the importance of resources for not only small business owner-managers, but also their businesses. Thus, entrepreneurship provides a unique context in which to study both individual *and* organizational resilience simultaneously.

**Methodology**

The research approach adopted was phenomenological, part of the interpretivist tradition (Holstein and Gubrium, 1994). For phenomenologists, “the world and the objects we perceive exist to us through the meanings we give to them, through an act of interpretation” (Berglund, 2007, p. 77). It has been used in other studies on entrepreneurship to understand entrepreneurial risk, learning and failure (Berglund and Hellstrom, 2002; Cope, 2011) and more recently crises (Doern, 2016). These studies share a focus on the perspective of the entrepreneur and his/her experiences.

The research sample consisted of owner-managers from 15 small businesses in London directly affected by the riots through looting, vandalism and arson. As with other phenomenological (and indeed crisis–focused) studies, the research sample was small (Buchanan and Denyer, 2013), allowing for a deep level of analysis (Hycner, 1985; King, 2004), theory building and theoretical generalization (e.g. Buchanan, 2012; Eisenhardt and Graebner, 2007), and the sampling strategy included only those with direct experience of the research phenomenon (the riots) (Hycner, 1985). Small businesses were identified by referral, media stories, or via visible damage, and were drawn from the main riot-affected areas (Tottenham, Wood Green, Croydon, Hackney, Clapham Junction, Peckham, Ealing, Blackheath, and Islington). The businesses included sold clothing, food and beverages, recreational goods, and/or items for the home. Two were less than two years old, while about half were over 15 years old. All had fewer than 50 employees while the majority were micro-businesses with fewer than 10 employees. Most owner-managers were male (a fifth were women), and over the age of 40. More than half were white British (see Table 1).

<INSERT TABLE 1 ABOUT HERE>

In-depth semi-structured interviews began two months after the riots, between October and December of 2011, taking advantage of the opportunity to collect data close to the events (e.g., Runyan, 2006). Participants were asked about their background and goals prior to the riots, how events unfolded in terms of where they were, when and how they were made aware of the riots, what happened to their businesses, how they responded, what motivated them to carry on, and what factors facilitated/inhibited their recovery. They were also asked what they believed were the causes of the riots, whether they might happen again, and what they had learned. All interviews were recorded and transcribed, and lasted between 45 minutes and two hours.

The purpose of the study was tounderstand more about the strategies employed by small businesses following a crisis to minimise losses, the role of resources in these strategies and how, if at all, these strategies make businesses more resilient. A resource has been defined as anything of value to an individual that contributes to their well-being (Hobfall, 2001; Dewe, Driscoll and Cooper, 2012). This definition is extended here to include anything of value to the owner-manager that contributes not only to their well-being but also the well-being of their business. Data analysis was informed partly by the wider resilience literature and by Conservation of Resources theory. Transcripts were examined by addressing these analytical questions: 1) What do owner-managers do in order to minimise losses? 2) In each case, do owner-managers utilise existing resources or invest in additional resources? 3) Do businesses lack resources or do owner-managers neglect to utilise the resources available to them? 4) How, if at all, do these strategies lead to resource losses or gains?

The analysis began by repeatedly going through each transcript to identify themes (King, 2004), before reducing the data and drawing comparisons both within and across cases using data matrices (Nadin and Cassell, 2004).Some time was spent establishing the meaningfulness of individual accounts, examining each in detail by drawing from Interpretive Phenomenological Analysis (Smith, 1996). This technique develops interpretations of experiences from participant accounts, rather than “simple descriptions of true experience” (King et al., 2002, p. 332).

**Findings**

Three types of recovery strategies were identified from the data: *social*, *economic* and *personal* (see Table 2 for those that enhance resource gains and resilience). This section describes each strategy and gives examples from the data. It also discusses whether or not these strategies drew on existing resources or if resources were lacking and why, if owner-managers were actively investing in additional resources, and how if at all recovery strategies led to resources gains or losses.

<INSERT TABLE 2 ABOUT HERE>

***Social recovery strategies***

Following the riots, most participants relied on their existing social resources, networks of friends and family for support. Some drew further support from professional associations, local councils or government representatives, and many took comfort from the words and actions of both people and businesses in their local communities. Like the owner-manager of one small shop in North London (OM9), who spoke about working in his community for over 40 years. After his business was looted, members of his local Church came to assist: “He [one community member] comes straight through the door and said, ‘What are we going to do? Alright let’s get cracking!’ On the Sunday afternoon they all came out of church in their Sunday best to do some work around here”. Not everyone was so lucky. In a few cases, the social resources of participants were limited either because these individuals were not so deeply embedded in the local community or because they were afraid to ask for help. In the latter instance one owner-manager said: “So you’re off in this vacuum of I really need support, but I can’t really ask people for the support that I need because it’s too much. So you want to just say, somebody just fix all of this, but there’s no fixing this thing” (OM10a).

Only a handful of participants were actively building their social resources following the riots. A few spoke about how this was being achieved by generating publicity. One owner-manager of a high-end clothing shop said it was his strategy to let members of his local community know what had happened and that he needed their support: “We have three weeks of bad trading and it’s game over so luckily we were resourceful and we made sure that a lot of people were aware we had been affected and they needed to support us … The people who live here. Because I am a great believer that if you don’t support your local retailer, then they don’t survive” (OM14). Similarly, another said: “[W]e took a business decision to make sure we didn’t turn anything away … because the publicity, not only for us, but for the riots, if we do it well and people want to hear what we say … then it keeps the riots and things in the public eye” (OM2). Prior research suggests that such proactive attempts to draw resources to businesses strengthens organizational resilience (Mallak, 1998), while the act of engaging in new relationships enhances individual resilience (Bonanno, 2005).

The social strategies outlined above led, in turn, to a number of resource gains for both small businesses impacted by the riots and the owner-managers responsible for them. They produced economic and knowledge resources for the businesses, including financial assistance, building materials, information/advice, and practical support, and sped up business recovery. A few benefitted significantly from fundraising activities initiated by their communities. One business owner without adequate insurance said: “The local people … they really want to help me, so they … created the webpage [to raise money] … So it makes you feel very very comfortable and you want to like, ‘I want to come back to this shop’” (OM5). Social resources boosted the morale of owner-managers, giving them the energy to carry on. One (Roy) said, “Although the riots might have been the catalyst to stopping me altogether … A lot of encouragement from local people [helped me carry on]” (OM11). It also protected their self-esteem, buffering them against stress (Rosenberg, 1979), and elevated their status in the community: “I got an award, ‘Best Community Retailer of the Year’ … It was a big award” (OM5). Only a couple mentioned that social interactions were time consuming and drained their energy, leading to resource losses. “Everybody is like, ‘Shit, [name of participant], what happened?’ It’s like I’m tired of telling people. I just scream … So I close the door” (OM1).

***Economic recovery strategies***

Many participants drew on existing economic resources such as personal savings or bank overdrafts to keep businesses operational and compensate for losses caused by paying for repairs and the sudden reduction in turnover. A few had other businesses from which they could draw resources. Unlike with social resources, owner-managers spoke with more desperation and frustration about using their economic resources: “I had an overdraft with HSBC only £3,000, now it increases up to £20,000. I’m using £20,000. Because you’re stuck! I have to use it. There’s no choice. Because business is day to day trading and [if at] one point you stop, you will come up to the neck” (OM5).

For a number of reasons, most felt their economic resources were in short supply. First, some businesses were already suffering prior to the riots due to the recent recession and increased competition. This heightened concerns about the viability of businesses following the riots, as financial reserves were small. Second, not all businesses were fully insured (three in total), making them particularly vulnerable. Third, even those who were insured had to deal with insurance companies that were bureaucratic, slow to pay or unwilling to cover all of their losses, adding to their vulnerability. Fourth, some of those who tried to acquire funding or financial relief from local government (i.e., business rate reductions) were unsuccessful. Fifth, not everyone applied for funding quickly or confidently (e.g., “I felt reluctant to [apply for financial support]”, OM12; “[T]hey made it so complicated … and in the end it became so problematic you thought, ‘Sod it’”, OM14).

Following the riots, most owner-managers were actively trying to build up their economic resources. Several spoke enthusiastically about the High Street Fund, a charity set up by the private sector to help small businesses affected by the riots: “The High Street Fund has been brilliant. The first time ever, I thought, ‘I’m going to tap in to that. I’m not just going to stand on my own if there’s an opportunity. I’m going to investigate it’” (OM14). They sung the praises of the fund for being a “proactive”, “efficient”, “no-quibble” source. Additionally, a few owner-managers successfully obtained business rate reductions: “We applied for business rate reduction. We got a quarter’s worth of relief. So to coincide with us opening now, now we have that, which for us is good. Initially they [the council] just wanted to give us two weeks” (OM10a).Such persistence is critical to survival following a hardship (Flach, 2003). Other strategies reported by owner-managers included in-store promotions or business expansion. One participant described how he used his new fame to expand into a department store chain: “By this time I was a media star. I said, ‘The publicity I could bring you’. I said, ‘We could actually bring you thousands of new customers’” (OM6). Like building new relationships, this kind of creativity shows the owner-managers’ capacity for generative experiences (Bonanno et al., 2001; Luthans, 2002), a feature of individual resilience.

Economic recovery strategies led to a number of resource gains. That is, in utilising existing economic resources or investing in new resources owner-managers were able to begin rebuilding their businesses and work towards bringing them back to normal by replacing fittings, fixtures or stock, paying bills, covering loss of turnover, and keeping staff employed. One said: “Without the High Street Fund I wouldn’t have been able to pay the rent” (OM15). Also, as with social recovery strategies, where economic strategies were successful, they had the effect of increasing owner-managers’ energy and self-esteem. Nevertheless, a few implied these strategies also led to personal losses of time and energy: “It’s like you’ve got two businesses, the business that’s running and the business you’ve got to sort out with insurance” (OM2). Another explained, “I nearly cracked up over it all, chasing people and trying to get things done” (OM11). It has been argued that psychological stress may be produced when resource losses are threatened or incurred, and when investments in resources do not lead to resource gains (Hobfoll, 1989). Findings here further suggest that, following a crisis, the act of investing in resources may also be stress inducing for owner-managers.

***Personal recovery strategies***

Many participants drew on existing personal resources such as an inner strength, self-determination and/or self-belief following the riots. Several attributed business continuity to a strong desire to prove to themselves and the rioters that they would not be defeated: “I suppose the biggest motivator is … wanting to, to show whoever perpetrated the crime that I can bounce back” (OM12). For others, their determination to carry on came from life experience: “I haven’t told you half the *shit*, I’ve gone through in life … [W]hat the hell, it’s a shop” (OM6). Another made reference to both factors: “Well, I’m not going to be driven out by the riots … I had, six years ago, there was a big fire, the whole of the building around me was all burned down and the shop was flooded and we lived in temporary accommodation for 18 months and we worked through it all” (OM9).

There were few accounts of failing to use existing personal resources or reports relating to a lack of such personal resources. Nevertheless, as noted earlier, a few owner-managers complained of low energy levels, which was partly the product of investing in other social and economic strategies, particularly continuous dealings with members of the public or media, and a rise in workload. The literature on resilience (e.g., Bonanno, 2005) does not consider these potentially negative effects.

There was evidence that owner-managers were actively trying to increase personal resources through strategies such as counting blessings, adopting a problem solving mentality, emotion regulation and emotional distancing or withdrawal. Many appreciated that the riots could have been worse: “I’m a lot better off than some people in the way their businesses have been burned out and that sort of thing. It would not be possible then, to start again. You know, I kind of look at it from that angle as well, that I should be grateful that I am able actually to carry on, and pick myself up, and go on” (OM11). By counting blessings, positive emotions (e.g., gratitude) are generated which in turn build psychological resources and resilience that buffer against depression (Fredrickson et al., 2003).Resilience may also be enhanced when individuals demonstrate problem-solving skills (Bonanno, 2004). This quality was present in some accounts: “I have a habit like, if anything happen to me, I worry, one hour, two hours, and then, I’m always like, ‘How can I overcome that?” (OM5). Some owner-managers were also building reserves by focusing on the positive and/or minimizing the negative. “The people that did [this], that stole from me, I’m not going to waste any time, any emotion on them” (OM11). Finally, a couple spoke about how the riots had created a wedge between themselves and their businesses: “[W]e’re less precious about [our location] … If there comes a time where we can’t be sustainable anymore, then we’ve done 20 years here and I think we’ve proven … that yes, something interesting and positive can thrive within a disadvantaged area … We’ve taken a hit and we’re trying to pull things together as best as we can” (OM10a).

Personal recovery strategies that entailed using existing resources or building new resources led to a number of resource gains. As with both social and economic strategies, they provided entrepreneurs with the energy to continue; they also helped owner-managers identify what was important. For instance, several reported they had to be strong for family and staff. Emotion regulation and withdrawal helped in the short-term to conserve energy: “I had to think what to do as quick as possible because if I don’t do it, I get more down. I get more depression” (OM1). However, in the longer-term, distancing oneself from the business might also reduce the willingness to invest energy, time and passion in it. Not dealing with or learning from negative emotions can also lead to problems. One participant resorted to hiding her stock daily as she feared more riots would occur and wondered whether if she and her business partner should have received counselling.

**Discussion**

The purpose of this study was to understand the kinds of strategies small businesses adopt following a crisis, the role of resources in these strategies and how they may create resilience. Three categories of recovery strategies, *social*, *economic* and *personal*, were identified. Conservation of Resources (COR) theory posits that strategies for conserving resources are successful when people use existing resources or seek to create new resources (Hobfoll, 1989, 2001). In turn, these strategies help to minimise or offset the losses incurred by a crisis. There was evidence in the current study that, after the riots, owner-managers drew on existing resources where possible - e.g., social networks, personal savings and inner strength. These resources provided short-term relief and the motivation to focus on recovery. Nevertheless, in all cases, owner-managers did not rely solely on existing resources. Rather, they invested in additional resources - e.g., creating new social resources by generating publicity, new economic resources through expansion or new personal resources by focusing on the positive and counting blessings. This investment in resources occurred where they lacked resources, were left vulnerable by the suddenness of the riots, and were unprepared or constrained for reasons relating to the size of the business. Prior research also shows small businesses tend not to be prepared for a crisis and are more focused on the post-crisis phase (Runyan, 2006; Irvine and Anderson, 2004). This can make them more vulnerable.

COR theory suggests that when resources are abundant, resistance to stress and resilience are enhanced, and more resources may be acquired leading to ‘gain spirals’ (Hobfoll, 2001). One example from the current study concerns an owner-manager (OM9) who spoke about the strong social network he had built up within his local community and through such, how he had acquired emotional and physical support, as well as access to building materials. Moreover, his business had previously recovered from a crisis (a fire and flooding), that gave him the experience, the inner strength and determination, to succeed after the riots. This case shows that resources accumulated prior to the riots led to resource gains for both the individual and the business following the riots. By developing resources, individuals/organizations can, when needed, increase their knowledge, speed of learning, response repertoires and even their ability to improvise (Weick and Sutcliffe, 2007, p. 68). Thus, the owner-manager in question was able to draw from a broad response repertoire, reducing his losses and stress, and ultimately enhancing resilience. It can also be said that an abundance of resources in one area can substitute for limitations in another. This was observed in those instances where businesses did not have adequate economic resources such as insurance but were able to carry on because they had built up social resources that led to community fund-raising.

Not all participants however, had an abundance of resources or were proactive in acquiring them. For example, one owner-manager (OM10a) said she could not rely on existing social networks for support due to the skilled nature her work. She was unable to quickly access money from her insurance company, and was reluctant to apply for a loan or funding. In contrast to the previous case, this individual had a more narrow range of responses in her repertoire from which to draw. She adopted a strategy of emotional distancing as a means of conserving her personal resources. Her business took a long time to reopen and she experienced significant economic and personal losses. She was less resistant to stress; she continued to feel angry and fearful and questioned her future in the business. Thus, existing resource limitations, in conjunction with the nature of the business and a limited resource building approach made this participant more vulnerable to the effects of the riots. As with other studies (e.g., see Hobfoll, 2001), these findings show that when losses are experienced without resource gains, the experience of psychological distress is more likely.

COR theory argues that recovery strategies are unsuccessful when resources are lacking, people do not use the resources available or create new resources (Hobfoll, 1989, 2001). This can lead to additional losses, stress, vulnerability and fewer resources in the future – ‘loss spirals’ (ibid). When businesses are vulnerable, it is more likely they will experience future losses (Anderson, 1995). Where resources were limited in this study, as observed in the case above, it took longer to repair damages and reopen the business. As a result, businesses may have lost contact with customers and good will (see Herbane, Elliot and Swartz, 2004). Limited resources also increased the workload and psychological vulnerability of owner-managers. In the words of one individual, "If I don’t do it [recover quickly], I get more down” (OM1). A quick recovery can minimise the negative psychological effects of a crisis, which may be particularly salient following riots (Aguilera, 1978). (See Figure 1).

<INSERT FIGURE 1 ABOUT HERE>

COR theory does not explain all of the findings however. Specifically, it does not account for situations in which participants were actively trying to create new resources but were constrained or unsuccessful in their attempts, nor does it account for the implications. For example, while several participants in the current study actively pursued financial relief, some found the processes overly bureaucratic, which delayed their recovery and created frustration. Second, it does not take into consideration situations in which resource limitations in one area further deplete resources in another. For example, limited financial or social resources had a knock-on effect for some, depleting time and energy, leading to negative emotions that can make it more difficult for entrepreneurs to attract resources in turn (Baron, 2008). Third, post-crisis recovery strategies may be unsuccessful and lead to further losses when they deliberately deplete resources (e.g., by withdrawing effort via emotional distancing) or resource losses occur as an unintended consequence (of chasing up insurers or doing repairs). Future losses or ‘loss spirals’ may result. Finally, while COR theory places an emphasis on being proactive and assumes people are motivated to create and protect resources (Hobfoll, 2002), this tendency was not always apparent here. Instead, there were instances of being more reactive than proactive (e.g., where social and economic resources were received rather than actively sought). Therefore, further research is needed in order to explore these issues in full.

**Conclusions**

This study makes several contributions to our understanding of resilience in entrepreneurship. First, it identifies different kinds of strategies small businesses adopt following a crisis, the resources these strategies serve to protect or build, and the role they play in making businesses and entrepreneurs more resilient (or vulnerable). These strategies were found to be *social*, *economic* and *personal* in nature. Second, it introduces a new theory, Conservation of Resources (Hobfoll, 1989, 2001), to the field of entrepreneurship to develop our understanding of crises in this context. The theory sheds light on why resources are valuable to small businesses during the recovery phase and how they may facilitate resilience. It shows that when small businesses possess an abundance of resources they can offset the losses incurred from a crisis and provide a buffer against stress. On the other hand, resource limitations may lead to more losses and stress unless an outside intervention fills this resource gap, at least in the short term (e.g., community fund-raising or government/private sector funding). Third, the study highlights the importance of personal recovery strategies and resources alongside the social and economic. While previous literature places an emphasis on the role networks and financial reserves play in business survival following a crisis (Smallbone et al., 2012), personal resources such as self-determination, and the recovery strategies used to protect and build them (e.g., counting blessings, emotion regulation), have been over-looked.

One key limitation of the study is that it took place a couple of months after the London riots. While this captured the data close to the event (Runyan, 2006), it is a short time-frame for assessing business recovery, especially as many participants were still waiting for funding or insurance payments. However, a second round of data collection was carried out two years later which should, once analysed, provide a fuller picture of recovery. It will also reveal whether and how strategies adopted by owner-managers evolved, and if they were successful in terms of leading to longer term resource gains and resilience. Future research should seek to further develop and test the model (Figure 1) on different small business populations under similar or different crisis situations. There is also more scope for investigating the interdependencies between the different groups of strategies or kinds of resources identified, and the knock-on effects of such, where resource limitations in one area further deplete resources in another. Future research should also compare the effects of proactive and reactive strategies used by entrepreneurs and the implications for business survival.

The findings have a number of implications for practitioners and policy makers. First, they suggest entrepreneurs need to invest continually in resources, not just in the aftermath of a crisis, to prepare for the unexpected. These resources can buffer against the loss and stress that may follow crises and help them acquire additional resources. The findings should encourage entrepreneurs to ask for help, draw on the support provided, and importantly, to move on quickly in order to minimise stress and other losses to the business. Policy makers also need to actquickly in order to support small businesses affected by a crisis, particularly those affected by large-scale crises with significant social and economic repercussions - providing financial assistance, advice and emotional support. These efforts will likely help fill resource gaps common to small businesses, show businesses they are valued and enhance the self-belief of owner-managers, giving them the energy to carry on. Practically speaking, policy makers should also ensure that processes for attaining support following a crisis are simple and clear. Finally, they should recognise other kinds of difficulties faced by small businesses in terms of workload and psychological strain and provide appropriate support. Outside interventions might make the difference between business survival and failure for resource-limited or depleted individuals and businesses, whilst offering those with more abundant resources the respite they need in order to accumulate further resources (Westman and Eden, 1997).

**Table 1 Profile of participants**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Participant code | Business type | Bus  age (yrs) | Bus  Size (employee numbers) | Bus  damage  Looting (L), vandalism (V) and/or arson (A) | OM ethnicity | OM  Age (approx.  yrs) | OM gender | OM  Previously  owned business |
| OM1 | Clothing | 15 | 4/5 | LVA | Indian | 45 | M | Y |
| OM2 | Furniture | 50+ | 15-20 | LVA | W British | 55 | M | N |
| OM3 | Clothing | 6 | 7 | LV | B British | 40 | M | N |
| OM4 | Services | 40+ | 1 | LV | W British | 60+ | M | Y |
| OM5 | Convenience | 11 | 3 | LV | Other | 40 | M | N |
| OM6 | Supplies | 15 | 30 | LVA | W British | 55+ | M | Y |
| OM7 | Electronics | 50+ | >10 | LV | W British | 60+ | M | N |
| OM8 | Bar | 1 | >10(temp) | LV | African | 45 | M | Y |
| OM9 | Supplies | 50+ | 2 | LV | W British | 60+ | M | N |
| OM10ab | Clothing | 20 | 2 | LV | B British | 30/55 | FF | N |
| OM11 | Electronics | 40+ | 1 | LV | W British | 60+ | M | N |
| OM12 | Clothing | 9 | 6 | LV | W British | 40+ | F | N |
| OM13ab | Bar | 30 | 4 | LV | W Euro/  W British | 45/55 | FM | N |
| OM14 | Clothing | 12 | 5/6 | LV | W British | 45 | M | Y |
| OM15 | Recreational | 1.5 | 5 | LV | W British | 45 | M | Y |

**Table 2 Recovery strategies for enhancing resource gains and resilience after a crisis**

|  |  |  |  |
| --- | --- | --- | --- |
| Strategies for resilience | Strategies reliant on  existing resources | Strategies reliant on  building resources | Resource gains |
| Social | Drawing resources from networks of friends, family, local community members (people/businesses), professional associations, local councils, government representatives | Generating publicity in order to draw additional attention and resources to the business | Boosting energy, self-esteem and/or status, providing financial assistance, building materials, information/advice, and practical or hands-on support |
| Economic | Drawing resources from personal savings, credit cards, bank overdrafts, or other businesses | Applying for funding or business relief, devising in-store promotions or engaging in expansion | Rebuilding businesses by replacing damaged or stolen fittings, fixtures or stock, paying the rent and other bills, covering loss of turnover, keeping staff employed; also boosting energy and esteem |
| Personal | Drawing from own resources such as inner strength, self-determination and/or self-belief | Counting blessings, adopting a problem solving mentality, engaging in emotion regulation, emotional distancing or withdrawal | Boosting energy, focusing on what is important and the tasks ahead, conserving energy |

**Figure 1: A model of the processes by which recovery strategies elicited by small businesses in the immediate aftermath of a crisis may lead to their resilience or vulnerability**

RESOURCE GAINS

Strategies involve utilising existing resources, building new resources

RESILIENCE

Increases response repertoire and flexibility, increases the likelihood of bouncing back

Distress to entrepreneur and business minimised

CRISIS EVENT

UK Riots

RECOVERY STRATEGIES

*Social*

*Economic*

*Personal*

VULNERABILITY

Narrows response repertoire, diminishes flexibility, increases the possibility of future losses

Distress to entrepreneur and business enhanced

RESOURCE LOSSES

Strategies neglect to utilise existing resources or build new resources, or resources are already lacking

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