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Special Issue on Entrepreneurship and Crises: Business as Usual?

An Introduction and Review of the Literature

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Abstract

This article reviews the literature on entrepreneurship and crises, capturing where we have been and where we are now, and begins to discuss where we might go next. It centres around how we have come to understand the relationship between entrepreneurship and crises through the application of certain crisis definitions, concepts, typologies, the crisis event sequence, methodologies and empirical settings. It also examines how crises affect entrepreneurship and how entrepreneurship affects crises. The article then introduces in some detail the five manuscripts selected for the special issue and the contributions they make towards developing our understanding of the relationship between entrepreneurship and crises. It notes the advances, gaps and opportunities that emerge from the literature review and special issue papers, and concludes with a way forward for developing further our understanding in this area.

Key words: Entrepreneurship, small businesses, crises, disasters, crisis management, resilience

Introduction

Crises have become a central aspect of public and academic discourse. The volume, nature and impact of recent crisis events explains why. From the global financial crisis (2007-2008), to natural disasters like the Christchurch earthquake (2011), Hurricanes Katrina (2005), Harvey (2017) and Irma (2017), acts of terrorism such as 9/11 (2001) or London Bridge/Borough Market stabbings (2017), and the conflicts in Syria and Sudan, crises are complex and their effects far-reaching, felt by different groups of actors.

This special issue advances growing interest in the relationship between entrepreneurial activity and crises. The collection of papers we have assembled identifies gaps and explores new directions in this field, focusing on from where crises originate, how they play out and in particular how they impact on entrepreneurs, their organizations, communities, and the industries and economies in which they operate. In bringing together contemporary research on these topics, we seek to address questions such as, what do crisis events like the ones above mean for entrepreneurship? How has crisis research informed our understanding of entrepreneurship and crises? Does entrepreneurial activity influence crisis events and how? Can entrepreneurship research provide a new perspective on studying crises?

While crises have become somewhat commonplace, we show in this special issue that entrepreneurial activity in the context of a crisis is not so much 'business as usual', as it is 'uncommon', 'unusual' or represents a new kind of usual, necessitating a different approach towards doing business. Our intention is that this special issue serves as a resource for all those interested in the relationship between entrepreneurship and crises, and becomes a starting point for some. With this introduction to the special issue we capture what we know about this relationship in terms of where we have been, where we are now, and where we might go next.

Entrepreneurship and Crises

Crisis research is far from new, but rather a prominent and growing area of study since the 1980s (Buchanan and Denyer 2013). Within the field of entrepreneurship, the number of studies focused on crises has increased substantively over the last decade (e.g., Herbane 2010; Smallbone, Deakins, Battisti, and Kitching 2012; Bullough, Renko, and Myatt 2014; Williams and Vorley 2015; Davidsson and Gordon 2015; Doern 2016; Williams and Shepherd 2016; Simón-Moya Revuelto-Taboada, and Ribeiro-Soriano 2016; Grube and Storr 2018). How we

have come to understand the relationship between entrepreneurship and crises, has been influenced by the application of certain crisis definitions, concepts, typologies, the crisis event sequence, methodologies and empirical settings. We can also learn more by looking at how crises affect entrepreneurship and how entrepreneurship affects crises. We discuss each in turn.

Defining a Crisis

Several definitions of a ‘crisis’ have been proposed and adopted, each of which has added to our understanding of crises nonetheless. Most definitions describe a crisis as an extreme, unexpected or unpredictable event that requires an urgent response from organizations and creates challenges for them – by interfering with its operations, creating ambiguity in its decision-making processes, threatening its goals and values, damaging its public image and bottom line (Hermann 1963; Fink 1986; Hills 1998; Dutton 1988; Quarantelli 1988). From our reading of the literature, Pearson and Clair’s (1998) definition of a crisis, and variations of it, is the most commonly used in general business and management, organizational and entrepreneurship research (e.g., Herbane 2010; Doern 2016). Similar to their predecessors, Pearson and Clair (1998, 66) defined a crisis as “a low-probability, high-impact situation that is perceived by critical stakeholders to threaten the viability of the organization”.

The emphasis in definitions on low probability, unexpected or unpredictable events has been seen by some scholars as limiting the scope of crisis research, prompting calls to extend conceptualizations of crises to more expected or every day occurrences and to those that evolve over time (Bazerman and Watkins 2004; Weick et al. 1999). To this end, Williams et al. (2017) have defined a crisis as a ‘process’, such that over time there is a weakening or degeneration that can culminate in an event that disrupts the actor’s (i.e., individual, organization, and/or community) normal functioning. This weakening or degeneration in turn may result from daily disturbances that must be overcome by the organization (e.g., strategic drift) and/or extreme low-probability events (e.g., natural disasters). A process-based definition of a crisis has not yet been adopted in entrepreneurship research. Nevertheless, it has the potential to capture more fully the kinds of crises entrepreneurs face (from the unexpected to the everyday), how they come in to being, and the opportunities or challenges they bring.

Typologies of Crisis

We have also come to understand crises through different typologies, which describe the predictability of a crisis, scale, and origins. That is, in addition to classifying crises as above, either in terms of extreme unexpected unpredictable events or as more mundane everyday disturbances, sudden or gradual, crises have also been categorized as ‘major’ or ‘minor’ (Hannah, Uhl-Bien, Avolio, and Cavarretta 2009), ‘internal’ or ‘external’ and as ‘technical/economic’ in nature or ‘people/social/organizational’ centric (Mitroff, Pauchant, and Shrivastava 1987). A technical or economic breakdown might consist of an industrial accident or economic crisis, whereas a riot or act of terrorism is more social in nature, human induced (Quarantelli 1982, 1993, 1985). A natural disaster constitutes an extreme event or major crisis, whereas an employee illness represents a more minor everyday one (Giorski 1998). Consequently, all of these events, however they might seem to an observer, can constitute crises of varying magnitudes to the individuals, organizations, or communities that experience them and elicit varying degrees of response.

Linnenluecke (2017) observed that over the 1980s and 1990s the emphasis in business and management research was primarily on internal disruptions, mainly in response to large-scale industrial accidents like at the Chernobyl nuclear power station or in the case of the Exxon Valdez oil spill. These events called in to question the reliability of complex intra-organizational processes and the need to avoid small failures and malfunctions that could escalate into high-consequence events. After the 9/11 terrorist attacks in the United States however, a notable shift took place in research towards external crises and their consequences (ibid).

Within the area of entrepreneurship specifically, crisis-based research has typically centred around external, extreme major crisis situations, particularly the economically-oriented (e.g., Williams and Vorley 2015; Smallbone et al. 2012; Cowling et al. 2012; Parker et al. 2012). While there has been some scholarship on entrepreneurship in the midst and wake of natural disasters (Monllor and Murphy 2017; Grube and Storr 2017; Williams and Shepherd 2016), the effects of human-induced crises on entrepreneurship are less frequently studied (e.g., Doern 2016). Research on internal crises are rare and those on personal crises experienced by entrepreneurs rarer still, even though they may have significant implications for businesses. The focus of this special issue is on a range of different crisis situations that may affect the entrepreneurial activities of individuals, organizations, and places.

Crisis Concepts

Two concepts central to our understanding of a crisis, and the relationship between entrepreneurship and crises specifically, are ‘crisis management’ and ‘resilience’. According to Linnenluecke (2017), within business and management research both concepts developed around the same time (e.g., through the work of Shrivastava 1994, 1995; Pearson and Clair 1998; Weick 1993; Weick and Roberts 1993; Wildavsky 1988; Perrow 1984; Staw et al. 1981; Meyer 1982). A recent conceptual paper by Williams et al. (2017) found a number of similarities and differences between these two streams of research and, within these, opportunities for integrating and advancing our understanding of adversity.

Crisis management has focused on how actors go about minimizing the impact of a crisis (Spillan and Hough 2003; Caponigro 2000). It involves actors’ attempts (i.e., individuals, organizations, communities) to bring a disrupted or weakened system at any stage of crisis back into alignment (Williams et al. 2017). It has been distinguished from risk management, a concept concerned more in research and practice with identifying potential problems that may lead to a crisis (Barton and Hardigree 1995; Moore 2004).

There are only a few studies on crisis management in the field of entrepreneurship and these tend to be concerned with the actions that entrepreneurs or small businesses take to mitigate the negative effects of a crisis (e.g., Runyan 2006; Herbane 2010; Smallbone et al. 2012; Doern 2016). Smallbone et al. (2012), for instance, examined the organizational responses of small firms in New Zealand and the United Kingdom to the 2007 global financial crisis; responses that led to changes in sales, marketing and employment practices. In addition, small businesses and entrepreneurs remain under-researched groups within the crisis management literature (Herbane 2010), an area dominated by work on large and/or high-reliability organizations (Perrow 1984; Shrivastava 1986). Furthermore, in some cases entrepreneurs may not take action to mitigate the negative effects of a crisis, exiting instead or carrying on in a ‘business as usual’ fashion – e.g., when the crisis is macroeconomic in nature rather than an environmental jolt, and businesses are at early stages of the start-up process (Davidsson and Gordon 2016).

Also critical to our understanding of a crisis is the concept of ‘resilience’. Whereas a crisis entails a sudden or gradual disruption to an organization and crisis management is about bringing the organization back to normal functioning, resilience captures the organization’s

ability to maintain ‘reliable’ functioning throughout the disruption (Williams et al. 2017). Resilience takes into account the processes by which different actors build up and utilise resources before, during and after a crisis (Williams et al. 2017; Hobfoll 2001). Resilience enables organizations and employees to respond to adversity or recover more quickly following adversity, to develop more ‘unusual’ ways of doing business and bounce back (Sutcliffe and Vogus 2003; Vogus and Sutcliffe 2007; Luthans et al. 2010; Shin et al. 2012; Linnenluecke 2017). Another aspect of resilience is embodied in the notion of bricolage, the ability to create order out of disorder and fashion a solution on the spot, from the resources available (Levi-Strauss 1962; Weick 1993; Mallak 1998).

A handful of studies have examined crises and resilience in the context of entrepreneurship (e.g., Bullough, Renko, and Myatt 2014; Williams and Vorley 2015; Williams and Shepherd 2016; Doern 2017; Monllor and Murphy 2007; Martinelli, Tagliazucchi, and Marchi 2018). A recent review revealed a tendency for studies in this area to concentrate on the period before the crisis and the capabilities or resources possessed by entrepreneurs and organizations to withstand events or adjust (see Korber and McNaughton 2017). Simón-Moya et al.’s (2016) research on new firm survival, for example, revealed that greater training, experience and resources made opportunity-driven entrepreneurs more likely to manage during periods of crisis and resilient than their counterparts, necessity entrepreneurs. A smaller number of studies have examined how individuals, organizations or communities respond to disruptive events or contextual changes and transform resources into action, like Bullough et al.’s (2014) work on resilience during war time. Here the authors found that individuals can develop entrepreneurial intentions out of adversity. In a departure from these studies, Martinelli et al. (2018) investigated the resilience of entrepreneurs across several periods relating to a crisis, before, during and after an earthquake. They revealed that resilient entrepreneurs were those who created change and opportunities with the resources they had at hand. Moreover, the resources entrepreneurs required to be resilient during the emergency phase differed from those needed in subsequent stages of recovery.

More work needs to be done to understand whether, why or, how, as Korber and McNaughton (2017) suggest, entrepreneurs respond to crises, how resilience protects them from crises (if at all), or how entrepreneurs facilitate the resilience of other actors like communities. It has been maintained that the literature on entrepreneurship and resilience to date does little to

advance entrepreneurship research and further neglects to draw important insights from the field (ibid). Therefore, we assert that while the contributions above form the basis of an important and emerging body of research, there remains a need to build on these foundations to critically develop the concepts of crisis management and resilience in entrepreneurship.

The Crisis Event Sequence

There is also merit in examining a crisis from the perspective of the crisis event sequence. The crisis event sequence describes the progression of an event and its structure, believed to be broadly comparable across different kinds of crises (Turner 1976). Buchanan and Denyer (2013) highlight in their review paper that most often crisis research centres around different segments of the sequence rather than on the sequence in its entirety. The six-phase event sequence is presented in Figure 1.

[Figure 1 near here]

Research on the first segment of the sequence tends to concentrate on pre-crisis planning, resilience, and the incubation of crises (Turner and Pidgeon 1997). The second segment is more about the precipitating crisis event and crisis detection (Weick 1993), while emphasis in the third segment is on crisis management and the decision-making processes around crisis containment (Pauchant and Mitroff 1992; Weick and Sutcliffe 2007). Research on the fourth and fifth segments investigates why the crisis occurred (Brown 2000) and on organizational learning/barriers to learning respectively (e.g., Elliot and Smith 2006). The sixth segment of the crisis event sequence is about implementing crisis inquiry recommendations and taking a change management perspective (e.g., Perrow 2007).

Most research on entrepreneurship and crises falls in to the first and third segments of the crisis event sequence. In the former case, the emphasis tends to be on entrepreneurship and resilience (e.g., Bullough, Renko, and Myatt 2014; Simón-Moya, Revuelto-Taboada, and Ribeiro-Soriano 2016) and crisis planning in small businesses which has been shown to be limited (e.g., Herbane 2013; Spillan and Hough 2003; Runyan 2006), rather than crisis incubation. In the latter case, a few studies can be grouped in to the third segment based on their investigations of crisis containment (e.g., Grube and Storr 2017; Williams and Shepherd 2016; Smallbone et al. 2012). This suggests that these segments may lend themselves to the study of

entrepreneurship more readily but also that several parts of the crisis event sequence remain unexplored and wide open to investigations from an entrepreneurship perspective.

Buchanan and Denyer (2013) argue that while there is a tendency in research to study only part of the crisis event sequence, our understanding of crises would be enhanced by looking at the whole sequence as a process, providing further insights into the path dependencies of different crises and profiles of crisis event sequences. This would be facilitated by longitudinal research designs and an emphasis on the periods prior to, during and after the crisis, something which, again, few studies in entrepreneurship have manage to achieve (for an exception see Martinelli, Tagliazucchi, and Marchi 2018). This brings us to the next section on methodology.

Methodological Approaches and Empirical Settings

We have also come to understand crises in relation to research designs. Arguably, crisis research has made the adoption of case studies and small research samples mainstream, unlike general business, management and organizational research where these designs are less visible and valued (Buchanan and Denyer 2013; Linnenluecke 2017). Case studies are well suited to capturing the temporal, unfolding nature of crises, more of the crisis event sequence effectively. At the same time, not all crisis-based case studies are longitudinal studies as crises may be difficult to anticipate and follow through, requiring significant resources on the part of researchers. Buchanan and Denyer (2013) have proposed that in these instances, proxy longitudinal case studies can be created from a combination of data sources including the media, documentaries, archives and online sources, to reconstruct the path dependencies of crises.

While cases studies have been conducted on entrepreneur and small business experiences of crises (Herbane 2010), and in relation to specific crisis events like the earthquake in Haiti and business emergence in this context (see Williams and Shepherd 2016), surveys seem to be the most common means of collecting data (e.g., Spillan and Hough 2003; Smallbone et al. 2012; Herbane 2013; Irvine and Anderson 2004; Bullough et al. 2014). Surveys have been used to investigate whether small businesses have experienced a crisis, had crisis management plans or teams in place (Spillan and Hough 2003; Herbane 2013), or crises have affected small business performance and responses (Smallbone et al. 2012). These studies tend to be cross-sectional rather than longitudinal in nature and reliant on individual reports. Qualitative interviews have

also been used to retrospectively understand the experiences of entrepreneurs and small businesses affected by crises (e.g., Runyan 2006; Doern 2016; Williams and Vorley 2015).

Methodological approaches can also be influenced by context, with some places or crises lending themselves to specific research designs. Moreover, the context itself (i.e., in terms of setting, location or organisation) informs the kinds of crises studied (Smith, 2006). This might explain the number of studies on entrepreneurship and natural disasters based in the United States, where hurricanes, tornadoes, flooding and earthquakes across the country are commonplace, and frequent discussions take place on the role played by the Federal Emergency Management Agency (FEMA) in the recovery of communities (e.g., Runyan 2006; Grube and Storr 2017; Dutta 2017). In presenting a variety of methodologies across different contexts, this special issue explores lessons around how individual and organizational responses, as well as the role of policy, can help return businesses and localities to a path of growth after a crisis.

How Do Crises Affect Entrepreneurship and How Does Entrepreneurship Affect Crises?

Lastly, we can learn more about the relationship between entrepreneurship and crises by examining how one affects the other. To begin, the consequences of crises for entrepreneurship, new ventures and small businesses, have been found to be negative and positive.

The negative effects of a crisis for entrepreneurship are widely discussed and have included business failure, contraction and/or resource losses. This was the experience of many small rural businesses in the UK tourism industry following the foot and mouth disease outbreak in 2001 which affected farms across the British countryside (Irvine and Anderson 2004); many closed, while others reduce the volume of their business, staff numbers and profitability. This was also the case for small businesses in the London 2011 riots who suffered from vandalism, looting and arson which damaged premises and led to a loss of contents, sales and staff (Doern 2016). After Hurricane Katrina, many small businesses in the U.S. had similar experiences and cash flow interruptions resulting in financial hardship (Runyan 2006). A few studies have also brought our attention to the personal, emotional and psychological effects of crises on entrepreneurs who report poor health in the aftermath (e.g., Doern 2016; Quarantelli 1993).

In addition to the negative effects, crises can provide the impetus for developing new opportunities and resource gains (Brünjes and Revilla Diez 2013). While crises such as conflict situations have been mostly found to impact negatively on entrepreneurial intentions (Bullough

et al. 2014), in some cases they can lead to resource voids that create opportunities for starting a business or ‘disaster entrepreneurship’ (Linnenluecke and McKnight 2017). They can further promote ingenuity and the development of alternative products/services (Irvine and Anderson 2004) or even fuel business expansion (Doern 2016). Importantly, crises can uncover opportunities and fulfill goals for entrepreneurs that are not only commercial in nature but social as well, focused on alleviating the suffering of victims (Williams and Shepherd 2016; Grube and Storr 2017). This last point brings us to how entrepreneurship affects crises.

Entrepreneurship can reduce the negative effects of crises. Grube and Storr (2018) have shown that because entrepreneurs are often embedded in their communities, they are well positioned to address the needs of these individuals. This might involve supplying communities with critical resources in the aftermath of a crisis, in the form of products and services, or donating materials, money and time to victims (Grube and Storr 2018; Linnenluecke and McKnight 2017). In this way entrepreneurs contribute to business continuity by maintaining the flow of goods and services (Herbane 2010), building the confidence of other business owners and the community at large in the process (Chamlee-Wright and Storr 2008). Business continuity not only minimizes the impact of a crisis, but maximizes recovery in the aftermath of a crisis, both for firms and community-wide economic activity (Boin and McConnell 2007). Entrepreneurs have also been found to fill institutional gaps where disaster recovery systems fail (Williams and Shepherd, 2016; Linnenluecke and McKnight 2017) and to reconfigure social and economic infrastructure within communities (Dutta 2017). Our special issue continues to build on the different ways in which entrepreneurship and crises may influence one another.

More than Business as Usual

We received 19 submissions to the special issue, five of which appear here. Submissions came from 50 authors, in 12 countries. The papers were read independently by the editorial team and sent out to reviewers (a list of our 27 reviewers can be found in the Appendix). Those papers that progressed to the review stage went through 2-3 cycles of revision. We are grateful to all those who submitted papers and to our reviewers without whose constructive comments, this special issue would not have been possible. We are pleased to present here five quality papers. In selecting the five papers that comprise this special issue, we sought to advance our understanding of the relationship between entrepreneurship and crises. Our aim was to showcase different crisis

concepts, types of crises and stages of crisis, as well as contexts of study (United Kingdom, Russia, Pakistan, Chile) and research approaches/methodologies. We also highlight responses to crises at the individual, organizational, local and regional levels. We introduce the papers here, covering what they investigated, found, and the contributions they make to advancing our understanding of the relationship between entrepreneurship and crises. Each shows that the pursuit of entrepreneurial activity in the context of a crisis is more than ‘business as usual’.

In the first article, “Living on the Slopes: Entrepreneurial Preparedness in a Context under Continuous Threat”, Pablo Muñoz, Jonathan Kimmitt, Ewald Kibler and Steffen Farny present the novel setting of an ‘expected’ and ‘continuous’ crisis, where the crisis has been somewhat normalized. This is a departure from earlier studies that concentrate on unexpected and one-off crises. Based on a two-stage exploratory study pre- and post- Calbuco Volcano eruptions in Chile in 2015 and 2016, the authors investigate how entrepreneurs rebuilt their businesses or searched for new opportunities. This kind of entrepreneurial behavior, the authors theorize, depends on ‘entrepreneurial preparedness in a context of continuous threat’ and its four central attributes: anchored reflectiveness, situated experience, breaking through and reaching out. This study extends the concept of entrepreneurial preparedness and highlights the important role that community resources play in recovery from a crisis. It shows that resourcefulness can lead to novelty in entrepreneurial response if human and social capital can be utilized within the locality. It demonstrates that certain kinds of crises can be anticipated, enabling entrepreneurs to make proactive decisions in contexts with relatively predictable threats.

The second article, “Entrepreneurship through Bricolage: A Study of Displaced Entrepreneurs at Times of War and Conflict”, by Caleb Kwong, Humera Manzoor, Mehboob Rashid and Cherry WM Cheung focuses on the context of displacement where people are forced to flee their homeland and are unable to return due to threats of persecution, war or violence. Unlike the previous paper, displacement involves leaving resources and connections essential to entrepreneurship behind. As such, the authors argue that bricolage theory needs to be extended to account for issues such as displacement. Drawing on the experiences of six displaced entrepreneurs in Pakistan, the authors investigate the kinds of resources these individuals utilize to revive their entrepreneurial careers following displacement, the role of bricolage in mobilizing resources, and how bricolage affects the nature/outcomes of their entrepreneurial activities. They find that displaced entrepreneurs use both internal bricolage strategies (within the organization)

and external bricolage strategies (outside of the organization) to either re-establish their previous businesses or develop new endeavours in the host location. To compensate for a lack of local knowledge, networks and resources, entrepreneurs rely on reconfigurations of their pre-existing competencies and utilize pre-established and clandestine networks. The authors draw out a number of interesting implications for policy, including how governments can enable those displaced by a crisis such as war to access forms of support.

In the third article, “Expect the Unexpected: Examining the Shaping Role of Entrepreneurial Orientation on Causal and Effectual Decision-Making Logic During Economic Crisis”, Anastasiia Laskovaia, Louis Marino, Galina Shirokova and William Wales investigate the effects of decision-making logic and entrepreneurial orientation on firm performance during a period of economic crisis in Russia between 2015 and 2016. They survey 447 Russian SMEs and employ regression analysis to investigate whether causal logic (a planned decision-making approach) and effectual logic (an emergent decision-making approach) provide similar paths to performance and examine the impact of firm level entrepreneurial orientation (EO) on the relationship between managers’ predominant decision-making logic and firm performance. They find that during a crisis, firms tend to over-commit to an effectual approach and that entrepreneurially oriented SMEs (i.e., those with a stronger EO) will realize a more positive relationship between the use of a causal logic and firm performance. At the same time, they may experience a more negative relationship between effectual logic and firm performance beyond a certain level. Therefore, despite calls for businesses, particularly SMEs, to take a flexible and emergent approach to crisis situations, the study highlights the importance and utility of a planned approach. It also shows how EO can moderate strategic decision-making following a crisis.

Brahim Herbane’s paper, the fourth article, “Rethinking Organizational Resilience and Strategic Renewal in SMEs”, investigates how SMEs vary in the formalization of their activities intended to achieve strategic growth and resilience in the face of different kinds of acute operational interruptions. Based on a survey of 265 SMEs in the United Kingdom and cluster analysis, the author examines whether firms differ in their strategic planning and crisis management planning activities and how they are affected by firm location, personal networks, external crisis events, and entrepreneurs’ attitudes towards the prevention of crises. Contrary to other papers in the special issue, this study does not revolve around a specific crisis situation.

What's more, whereas the previous paper focused on planned versus emergent responses to a crisis, this one looks at the incidence of different kinds of organizational planning. The author identifies four clusters of firms based on their formalization activities: Attentive Interventionists, Light Planners, Rooted Strategists and Reliant Neighbours. These clusters differ in terms of the level of planning firms devoted to strategic growth and resilience and the perceived value of each. For example, Attentive Interventionists engage in high levels of formalization, in both strategic and resilience planning, while Light Planners do not. Most firms practised the former ('rooted strategists'). The study concludes that both forms of planning are critical to short-term survival and long-term development, protecting businesses from organizational disruptions.

In the fifth and final study, "Knowledge diversity and Entrepreneurship Following an Economic Crisis: An Empirical Study of Regional Resilience in Great Britain", Paul Bishop looks at how following the global financial crisis of 2007-2008 regional knowledge stock and diversity affected firm creation and recovery across several parts of Great Britain. The author refers to knowledge stock as a pool of accumulated ideas drawn upon by entrepreneurs to develop innovative new products, services and processes and knowledge diversity as unrelated industries with different product and knowledge bases that may generate new opportunities for combining knowledge across sectors. Whereas the other papers in the special issue focus on business survival and growth in relation to crises, the emphasis in this study is on business creation. In addition, while the previous papers are concerned with the resources entrepreneurs and businesses create in times of crisis, this paper is about the resources available for entrepreneurship at industry and regional levels. Relying on data from 380 local authorities and districts of Great Britain over the period 2004-14 and the results of spatial econometric models, the author investigates whether firm creation following the crisis is positively related to the knowledge stock, the diversity of that stock and a range of regional-specific factors. Using the knowledge spillover theory of entrepreneurship (KSTE), the study finds that knowledge intensive services and unrelated diversity are of particular importance to the new firm birth rates, with the latter generating the type of entrepreneurship that facilitates rapid structural change and new development paths following an exogenous economic shock. The paper shows that joined-up policies are required to create conditions which support the long-term development of entrepreneurship, as opposed to short-term fixes. Policy makers need to see entrepreneurship as a key factor in enhancing local economic development and adaptation to crises in these areas.

Conclusions and Looking Forward

Our review of the literature has shown that current thinking about the relationship between entrepreneurship and crises has been shaped, for better or worse, by how we as researchers define and classify crises, by the crisis concepts and related segments of the crisis event sequence we have focused on or had access to, as well as the contexts we study and the methods employed. We have learned that whether and how entrepreneurs respond to a crisis may depend on several factors including experience, stage of business development, the type or stage of the crisis impacting on the business, and resources, both in terms of how resources are utilized as well as the suitability of resources for the stage of the crisis.

We have also identified critical gaps in the literature. Studies on entrepreneurship and crises are limited in scope due to the absence of process definitions of crises and a predisposition towards studying external crises. Few studies have concentrated on internal crises, human-induced crises and especially personal crises experienced by the entrepreneur, providing new opportunities for research. Few have taken in to account the entire crisis event sequence or considered the implications of such for entrepreneurship. Most existing studies are concerned with pre-crisis planning and the post-crisis response. In turn, research is needed on how entrepreneurs and small businesses learn from crisis events, manage barriers to learning and/or incorporate change management. Studies on resilience and crisis management need to be more definitive in terms of their contributions to entrepreneurship and with regards to how they are informed by current thinking in the field. Context-wise there is scope to learn more about entrepreneurship and crises in developing and emerging economies and the role played by institutions in these settings. Finally, longitudinal research while challenging is needed, in real time or by proxy, as Buchanan and Denyer (2013) recommend. Such research might help uncover how entrepreneurial activity unfolds or changes according to the nature and stage of crisis.

The papers in this special issue begin to address some of these issues. They show how in studying entrepreneurship in relation to crises we may extend our understanding of entrepreneurship specific concepts like entrepreneurial preparedness and entrepreneurial orientation. Collectively, they advance our knowledge of crises somewhat by providing new insights into bricolage theory, both across different crisis situations and levels of analysis, and by

drawing explanations from entrepreneurship centric theories (e.g., the knowledge spillover theory of entrepreneurship). The papers bring together different bodies of literature from strategic to crisis management, telling us something about planning in small businesses in particular (e.g., how crises might inform planning in these firms along with other factors, how planning might serve their resilience and recovery following a crisis, what kinds of planning are useful for small businesses in crisis and when). Similar to previous studies, these articles focus primarily on resilience, crisis planning and response. However, they also provide new paths for understanding responses over time. A couple shed new light on learning from a crisis and the implications for entrepreneurial processes like business creation and growth. They also show how opportunities can be created out of a crisis, for new businesses and new collaborations at the individual, organizational and local or regional levels. Taken together, the studies in this special issue demonstrate how the different contexts in which firms create resources are important and not just in terms of planning for a crisis, but in relation to managing or emerging from a crisis.

Additionally, each paper in the special issue illustrates how entrepreneurial activity in the context of crises is more than ‘business as usual’ for entrepreneurs. In the first two studies, ‘business as usual’ is not an option for those entrepreneurs affected by the Calbuco Volcano in Chile forced to rebuild their ventures (by ‘bouncing back’) and search for new opportunities (by ‘bouncing forward’) or the displaced entrepreneurs in Pakistan required not only to rebuild, but in a new context, with new resources. In the third study on Russian SMEs following an economic crisis, we learned about the potential downsides of moving too far away from a business as usual approach when decision-making style changed from planned to emergent and not necessarily for the better. The fourth study on SMEs in the UK paved the way for a new kind of business as usual where firms could enhance their resilience by formalizing and converging strategic and crisis management plans. The finding that most businesses neglect to plan for a crisis highlights the importance of the planning and learning phases of the crisis event while in the other studies responses are more centred around recovery. The fifth study shows that regions also need to adopt a new kind of business as usual approach or policy that fosters a diverse knowledge base in local business environments to improve start-up rates and enhance adaptation to crises long-term.

The aim of this special issue has been to examine and build on existing research around entrepreneurship and crises, providing a platform for new analysis and research. From economic crises to natural disasters and conflict, there are lessons to be learned regarding how

entrepreneurs anticipate, react, manage and even grow when turbulence occurs. The papers go beyond existing studies by developing new understanding in terms of how entrepreneurs, organizations, localities and regions engage in pre-crisis planning and post-crisis strategies.

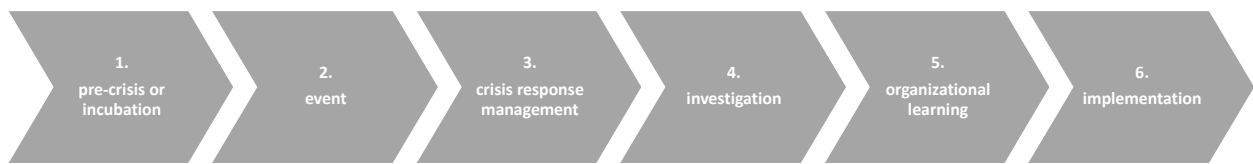
Certainly, there is more work to be done. There is merit, for instance, in examining more internal, gradual, every-day or personal crises within entrepreneurship. If the entrepreneur becomes seriously ill or a key employee leaves, what then are the implications for the business or what plans can be made? Also, although some crises impact on a locality, many are international in nature. Future research may be directed towards examining the differential impacts of and responses to international crises and how they can be ameliorated across borders. Beyond the responses of entrepreneurs or organizations to crisis, other institutional actors can be particularly important for the recovery of crisis hit places and future socio-economic development. As ever, the challenge is to enhance and augment the ability of entrepreneurs and organizations to be more resilient and better able to respond to crises, without distracting them from the economically and socially productive nature of their activities.

Clearly, different types of crises demand different responses, and as the nature of crises evolve there will remain a need to strive for new ways to prepare and respond. Crises are not going away. We continue live in precarious times, and recognizing this is the first step to minimizing the negative impacts. In developing the special issue, we hope we have illuminated the growing body of research on entrepreneurship and crises and identified directions for future research by underscoring some prominent research gaps and questions. We also hope this introduction sets the tone for the excellent papers to follow, and that collectively they inspire further research in this interesting and dynamic area of study shaped by the perspective of entrepreneurship.

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Figure 1: Six-phase Event Sequence (adapted from Buchanan and Denyer 2013)



Appendix: List of Special Issue Reviewers

1. Vicky Bamiatzi, University of Liverpool
2. Steve Bradley, Baylor University
3. Amanda Bullough, University of Delaware
4. Mark Casson, University of Reading
5. Christy M. Corey, University of New Orleans
6. Jean Clarke, EMLYON Business School
7. David Deakins, Lancaster University
8. Paolo Di Caro, University of Catania
9. Adnan Efendic, University of Sarajevo
10. Emil Evenhuis, University of Cambridge
11. Laura Grube, Beloit College
12. Al James, Newcastle University
13. Besnik Krasniqi, University of Prishtina
14. Anne Miner, Wisconsin School of Business
15. Javier Monllor, DePaul University
16. Patrick Murphy, DePaul University
17. Kristina Nyström, KTH Royal Institute of Technology
18. Lee Pugalys, University of Technology Sydney
19. Chengli Shu, University of Adelaide
20. James Simmie, Oxford Brookes University
21. Smita Singh, Auckland University of Technology
22. Bryan Stinchfield, Franklin and Marshall College
23. Sandra Sydnor, Purdue University
24. Virgil Henry Storr, George Mason University
25. Piers Thompson, Nottingham Trent University
26. Robert Wapshott, University of Sheffield
27. Mirela Xheneti, University of Sussex

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