The Intersection Of Resilience And Entrepreneurship

The textbook definition of community resilience is the ability of a community to absorb desolate impacts and return back to normality despite encountering many problems. (Bruneau, et al., 2003) Resilience is evoked increasingly in entrepreneurial individuals and organisations (Ayala & Manzano, 2014). It is often argued that Entrepreneurialism contributes to the resilience of communities, regions and economies (Boettke, et al., 2007). However, the intersection of resilience and entrepreneurship is fragmented in literature in several conversations that often draw on distinct notions of these two constructs. One of them being the cognitive and entrepreneurial traits and forms, such as social entrepreneurs, are said to be capable of fostering the ability of firms to adjust to new circumstances and contribute to long-term sustainability through innovation. (Biggs., et al., 2010). Entrepreneurship plays an important role in social transformation for sustainability (Belz & Binder, 2017). Over the years, entrepreneurship has been recognised as a catalyst towards growth and economic development. The emergence of the free market determined the change in the structure of business entities, in particular the ownership model. Constant changes mean that entrepreneurs are facing more significant economic problems that may threaten the development of their initiatives and, as a consequence, social development. In this essay, with the help of scholarly articles I will be looking at whether entrepreneurship has the power to foster community resilience in times of crisis and if not then why.

There is a general agreement that community resilience is enabled and enhanced by allowing for an environment that fosters a culture of innovation and diversity to be created (Buikstra, et al., 2010). Entrepreneurs, recognise and pursue opportunities to change the world. There are many examples of the past when entrepreneurship has fostered community resilience in times of crisis for example a study taken in some of the most remote areas in the UK (Outer Hebrides, Shetlands and Orkneys) (Caroline Morrison, 2017) that have seen the highest amounts of depopulations over the last few years (ONS,2011), 16 renewable energy projects were examined, 14 were operational, 1 in process of planning and 1 that had failed, in the end of the findings each person interviewed in some way implied that they had a desire to create community resilience. Their main goals were either to increase employment, reduce the dwindling population, becoming socially active or having an identity and something to be proud of. And although the community on these islands have always been socially aware, they all realised the value of collective focus to increase social capital. In this case the crisis was not something serious, but it still is a growing problem for the community and thanks to these energy companies and their entrepreneurial mindsets they were able to slowly turn this community around for the better, in order to reduce costs, they utilised local skills. Not all employees that participated were paid employees, a large majority of them were volunteers (Caroline Morrison, 2017). Because of this project a ‘community of learning’ ethos had been applied to the community, it has built the capabilities of individuals especially the volunteers, but because of it they are now fully skilled in tech and engineering giving them a reason to stay on the island and maintain the population.in this case ‘social entrepreneurship’ has been a success in fostering community resilience in a time of crisis.

Disaster entrepreneurship is a good example of when entrepreneurship has the power to foster community resilience in times of crisis. The definition for disaster entrepreneurship is the efforts

of the private sector to maintain and create value in the immediate after math of a natural disaster by exploiting business opportunities and providing goods and services required by community stakeholders. (Storr, et al., 2008) A typology created by Russel Dynes (Dynes, 1974) on public sector organisations, which states that we combine disaster entrepreneurship in two different dimensions. The first one is whether a firm undertakes a structural expansion to engage. This was supported by Procter and Gamble following the Hurricane Isaac disaster, where the company responded to New Orleans and its surrounding communities by giving out products that disaster victims may need, these included water purifiers, batteries and personal hygiene products from their most popular brands such as Pantene and pampers. (Tripplepundit, 2019) the company expanded their firm activities in order to help foster resilience. The second dimension reflects that the disaster entrepreneurship undertakes a role change. This dimension was also supported when Dell teamed up with HP and Microsoft to donate its products in japan after Fukishima, they majorly helped with communication efforts, 250 laptops with long lasting batteries were donated, and 100 laptops were sent to be used with Microsoft's free mobile connection to provide volunteer centres with internet access, company employees also volunteered their time travelling to japan to clean the streets and provided school children with more than 1000 backpacks filled with supplies and books. (Tripplepundit, 2019). A role change involves a firm undertaking new or adapted roles (Kamoche et al,2003). Another crisis that supports this statement is the attack on the twin towers on 9/11, when the terrorist attack happened a parallel centre was established in a nearby high school as an improvised arrangement to continue operations and assist the community (Kendra & watchorf, 2003). Because of this community resilience properties of robustness, redundancy, rapidity (responding in a timely fashion) and resourcefulness (identify problems and mobilize resources) were strengthened in the areas they need to be built back up in and weakened in areas such as redundancy through entrepreneurship and the aid that it had given these communities. This is one of the reasons why entrepreneurship has the power to foster community resilience.

Not all disaster entrepreneurship will be positively associated with community resilience as not all firms may have larger community interests in mind. Entrepreneurship can only contribute to community resilience only when it encourages a communities ability to recover from the crisis. (Stewart, et al., 2009)

Small and medium sized enterprises often have no disaster response in place (Herbane, et al., 2004) which can make it hard for them to be able to foster community resilience due to the fact that they may not be able to cope with the situation themselves never mind a whole community. At times like this business continuity focuses on keeping the business open whilst the disaster is taking place or reopening it shortly after in order to satisfy post disaster demand for goods and services (ISO,2019) SME's often do not have the funds to have a business continuity plan set out for a disaster which is a main problem when it comes to them helping out at a time of crisis as studies have shown that business continuity helps firms mitigate against losses, maintaining revenue and profitability (Herbane, et al., 2004). SME's still attempt to pursue commercial opportunities through less formal means, such as drawing upon local relationships, knowledge and social networks within the community to re-establish their trading normalities. (storr,2014). This is why they are less likely to be able to foster community resilience during a time of crisis as compared to large scale businesses such as multinationals as they do not have the same amounts of pre disaster and post disaster planning. (Herbane, et al., 2004) However small SME's, in particular contracting firms will usually request mutual assistance from neighbouring companies to magnify the size of their workforce and speed up large scale restoration efforts (McNight, 2017). Emergent organisational arrangements can't always be identified before a

disaster due to the fact they are created in response to the disaster which is why SME's may find it difficult to be able to foster community resilience as they will not have enough funds or knowledge in these situations to help the community, their main goal will usually be to just keep trading. (Demangeot & Sankaran, 2017)

Improvisation is another way entrepreneurship tries to foster community resilience at a time of crisis even though there is little evidence on it there is still proof that some private sector firms carry out roles and activities in demand (Norris, et al., 2008) A prime example of this is during hurricane Katrina and Walmart's quick response to the situation, the local store improvised and set up a tent in the parking lot offering basic supplies including pharmacy services, once part of the store was renovated they turned it into 'Walmart express a quick response service for all affected. (horwitz,2008). However even though it was successful in this case, improvisation carries many risks if the firm cannot deliver, a prime example of this is Carnival cruise lines, they signed a contract with the government during hurricane Katrina to provide shelter on their cruise ships and only charge the government the opportunity cost of it, these costs worked out to be a lot higher than the usual rates they would charge customers. (McNight, 2017) So even through the firm may have the power to foster the resilience, it may not always end the right way for the firm itself which contradicts the power they thought they had as even though they think they are capable of it the demand for their services may not always meet their operational needs (Bakas, 2017). So, in this case Entrepreneurship may not have the power to foster the community resilience at a time of crisis.

In conclusion, I fully support this statement as yes entrepreneurship has the power to foster community resilience in a time of crisis but only when it has a strong plan in place for it as if it doesn't it can backfire and make the firm go bust, prime example being carnival cruise lines. Any firm attempting to foster community resilience will know that there are many risks with trying to help out but if you are a strong frim and your cashflow and revenue are in a healthy and stable position it's a lot easier to foster the community resilience than it is for a firm that's only just started out or is still fairly small with no continuity plan in place. However, when a communities' disaster response plan functions as it has been planned firms can have very little opportunity to actually help out, so therefore there are many factors that will affect the firm actually being able to help out as even if a firm is able to offer their services their help may not be needed. At a time of crisis, opportunities will be provided and spur entrepreneurial action, community resilience is related to a community's way of life and well-being as well as their functioning so entrepreneurship may not always be able to foster it as it depends on the community itself and whether they are able to accept the help or reject it. So overall, yes, entrepreneurship has the power to foster community resilience at a time of crisis despite the risks and funds there will always be a way a business can help out due to the fact things such as volunteering can make a big impact by itself so no continuity plans, revenue or even profitability is needed to do something as simple as volunteering but it can make a big difference in setting the community back on its feet and any good entrepreneur will always know that if you win the heart of the people you will gain loyal customers which will help the business in the long run.