

## UNDERSTANDING DEFINITION OF BUSINESS RESILIENCE: A SYSTEMATIC LITERATURE REVIEW

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### Abstract

Business resilience in digital technology era is not comprehensively overviewed. Thus, it is important to construct the body of the research and contributes to the current state of knowledge to understand the definition of business resilience in disruptive era. This study employs a systematic LITERATURE REVIEW of 76 papers that are categorized into two stream propositions: resilience and adaptive capability in digital technology era, and non-adaptive resilient one. The result reveals that when the business process adapt to digital technology, become more resilient and competitively sustained, while other do not. Future research may focus on speed adaptation capability in connectivity era.

**Keywords:** Business Resilience; Entrepreneurship; Adaptive Capability; Digital Technology

### INTRODUCTION

Business resilience has been adapted in many organization for navigating survival (Purnomo et al., 2021), pace digitalization (Olsson & Bernhard, 2021), and exploit the new business model innovation (Huang & Farboudi Jahromi, 2021). This research has sustained interest among scholars (Ratten, 2020; Beech et al., 2020) especially in time of crisis. However, prior research has shown the undefined business resilience way of thinking especially during covid-19 pandemic and digital technology era. Although some authors attempt to identify an appropriate entrepreneurial capability and resilience (Manfield & Newey, 2018; Branicki, 2018) relationships with organizations (Zealand, 2020; Huang & Farboudi Jahromi, 2021), the definitions of business resilience in digital technology era are still remain questioned (Acciarini et al., 2021). Nevertheless, numerous studies have highlighted the important of organizational resilience and capability (Souza et al., 2017; Koronis & Ponis, 2018; Sinha & Ola, 2021) in many forms, resilience studies frequently contributed and intersected with entrepreneurship (Korber & McNaughton, 2018). However, literature on business resilience and digital technology is not comprehensively overviewed. This is important to delineate the existing body of research and draw the construction of these notions. Therefore, this study seeks to advance the knowledge of business resilience especially in digital technology era by systematically reviewing previous research into practical industry.

### LITERATURE REVIEW

Research into the practices of business resilience in many ways situated within the field of entrepreneurship and organization in response to resiliency of business (Walsh, 2019; Acciarini et al., 2021) and the role of adaptive capability in creating more resilient of business communities (Sinha & Ola, 2021) in response to a change in social, economic, and technological activities. At the same time, business model innovation forces many companies to restore its resiliency and commitment (Limited & Direction, 2021) towards goals and successful business organization. Some

scholars often use resilience as capability to adapt (Zhu et al., 2017) in digital transformation (Sousa-Zomer et al., 2020) and other refers to company strategic preparation (Köbnick et al., 2020) in facing industrial revolution 4.0. Both notions explain why some entrepreneurs perform better resilience than those non-adaptive resilient peers. Reflecting to the business resilience in digital trends, entrepreneurial orientation in the form of business innovativeness could foster the ability of entrepreneurs to compete in digital technology era (Ansong & Boateng, 2019). Based on the above perspectives, this research distinct two streams of proposition. The first stream focus on the adaptive capability of individual entrepreneurs and organization towards resiliency of business (Olsson & Bernhard, 2021), and the second explore the non-adaptive resilient and ignorance of digitalization (Rashid & Ratten, 2020). In addition, other literature explores business model innovation that enable individual and organizational entrepreneurs to aware of digital skill (Marcinkowski & Gawin, 2019) and reject digital ambiguity (Köbnick et al., 2020) and being-digital (Chen et al., 2021) in resilience business communities (Sinha & Ola, 2021).

This systematic LITERATURE REVIEW (SLR) finds that the understanding definitions of business resilience in digital technology era reviews are still limited in the amount of literature. Most papers discuss the resilience in entrepreneurial capability, dynamic capability, and sustainability in time of crisis such as covid-19 pandemic (Ratten, 2020) and natural disasters (Linnenluecke & McKnight, 2017). To this extent, the influence of digital technology on business resilience is poorly defined. Thus, the understanding definitions of business resilience in digital technology era must be construct from adaptation capability view of individual entrepreneurs and organization toward digitalization. Specifically, this research takes more a holistic view of resiliency in terms of business model innovation to conceptualize the digital eco-systems of current entrepreneurship activities. This SLR provide the overview of the current state of knowledge and contributes to the understanding definitions of business resilience in connectivity era.

## **RESEARCH METHODS**

This study employs SLR approach. A systematic LITERATURE REVIEW is characterized by major research avenues (Kraus et al., 2021) of the field of study that indicate the organizational resilience and highlight the important of knowledge (Sinha & Ola, 2021) and identify the factors that build-resilient (Portuguez Castro & Gómez Zermeño, 2020). To Achieve this goal, the researcher collects the publication that related to the topic of research and systematically analyze them by identifying the definition of each literature, finally define the business resilience in digital technology era. This study reviews the literature of business resilience and adaptation capability of individual and organizational entrepreneurs in digital technology era.

### *Data Collection and Analysis*

This paper reviews the article that is published in primary database - Emerald Insight and Web of Science. Most papers derived from Emerald Insight which contained resilience, entrepreneurship, and capability of business organization. The file selected then imported into Mendeley reference manager in the single folder, the initial data set of 76 publication started from 2015-2021 were reviewed especially in the abstract of these publication, findings, and conclusion. Papers were independently screened by researcher to ensure that all selected papers are reviewed perfectly. Before reviewing the article, the researcher conducts cross-check analysis of the article in Google Scholars to confirm the papers are relevant to the topic of research. Finally, the researcher read and code each selected paper to develop the construction model of the findings of research.

## **RESULTS AND DISCUSSIONS**

### *Antecedents of business resilience*

For many organizations resiliency of business is understood as the capacity of entrepreneur to better manage the organization. Resilience defined to positive adaptation of successful entrepreneur (Manfield & Newey, 2018). According to (Purnomo et al., 2021) business resilience is the ability to navigate the business and change the business model to resist disruption (Sinha & Ola, 2021) and adjust to survive (Fath et al., 2020). Sandra Bell (2019) in her research of organizational resilience define resilience as the ability of entrepreneurs to accept the risk between life and death. Market changes and dynamic environment issues such as economic instability and disruptive technology has increase the risk of business and uncertainty (Bell, 2019). Some researcher define resilience as resistance and adaptation to change (Sinha & Ola, 2021) in complex world during disaster events, and others increase their resilience through firm strategies to deal with unexpected events (Acciarini et al., 2021).

### *Resilience and adaptive capability in digital technology era*

Resilience is the way of company survive by optimizing the efficiency and adaptability of organization (Menéndez Blanco & Montes Botella, 2016). Blanco (2016) emphasize resilience as the strategy to anticipate and recognize the internal capability in both knowledge and learning to proactive and reactive towards measures. However, current business environment has regarded adaptive capability as preparation to respond disruption in its level of complexity (Birkie et al., 2017). Different organization may require different type of capabilities but overall resilience in business is a process to demonstrate individual capabilities and commitment to organization (Fath et al., 2020).

Quansah (2020) explore strategic adaptation of firms through strategic thinking and leadership to achieve higher competitive advantage in today's challenging time of business environment (Quansah & Hartz, 2021) and the adoption of technology may improve the companies capabilities by utilizing the existing technology based on digital readiness (Rozaq et al., 2020). Furthermore, digital technology is the root of survival opportunities for companies in terms of competitiveness (Lányi et al., 2021) thus, the relationship between business resilience and digital technology is conceptualized in accordance to successful entrepreneurial activity based on the utilization of firm resources and digitalization (Olsson & Bernhard, 2021).

### *Resilience and non-adaptive resilient in digital technology era*

Smaller set of publication by previous researcher explain some people start and develop the business by adopting digital technology and others do not (Korber & McNaughton, 2018) and this group is called non-adaptive resilient in digital technology era. Organizational resilience for some reasons remains fuzzy concepts or yet to be identified (Vakilzadeh & Haase, 2021) for some anticipation strategies such as environmental scanning, leadership adaptive behavior, and resources. In some cases, the strong business relations resilience able to sustain the firm competitiveness in family firms (Insight, 2020). Today, the rapid change in information technology has effected the relationship between people and technology (Senbeto & Hon, 2021), people and business (Franco et al., 2021), people and individual adaptation in digital transformation in order to stay competitive in the market (Kraus et al., 2021). Rejecting employee resilience in turbulent technology (Senbeto & Hon, 2021) may endanger business continuity to create resilience (Ferguson, 2019) and survival (Purnomo et al., 2021).

*Resilience and innovation in business model*

Although the business resilience categorized into adaptive capability and non-adaptive resilient, the discussion of resiliency of business is not over yet. Some scholars advance resilience into innovation in business model (Ansong & Boateng, 2019; Granig & Hilgarter, 2020; Huang & Farboudi Jahromi, 2021) to survive in digital era. Chen (2021) focuses to change in business model especially in value proposition that is offered to the market. The discussion take place on Chinese air conditioner manufacturer called Gee, that offer smart solution by integrating internet of things in ac remote to capture the customer value. The study of business model innovation in food service business done by (Bhattacharya et al., 2021) examining dine-in and take away restaurant to build resilience in time of crisis found digitalizing the menu for long-term service innovation. Meanwhile, website and social media also could impact firm competitiveness (Lányi et al., 2021). Thus, digitalization may create smart solution for business resilience (Chen et al., 2021).

**CONCLUSIONS**

This study systematically analyzes the literature of business resilience, entrepreneurship, and adaptive capability in digital technology era. The two streams of business resilience; adaptive capability and non-adaptive resilient in digital technology era could sustain and grow the business or perish. However, most of the publications reviewed define resilience in the context of business survival in time of crisis and natural disaster. Only small portion of those articles viewed resilience in digital technology concepts. Moreover, innovation in business models distinguish business resilience with adaptive capability and non-adaptive resilient one. Resilience in digital technology era allows individual and organizational entrepreneurs to continue the business process by creating smart solution as the value proposition offered and reduce the failure by navigating business survival. Finally, this research only focuses on the construction of both notions. In the future, speed adaptation capability of entrepreneurs toward utilization of digital technology in business activities could be addressed and examined.

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