

Entrepreneurial Orientation and Innovation: New Conceptual Framework for Resilience of Small and Medium Enterprises

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SMEs make a significant contribution to the economy of any country. However, they are not able to maintain their resilience due to adverse conditions in the environment. Although several theoretical approaches have been utilized to understand how to achieve organizational resilience, they have not been able to provide adequate and comprehensive explanations. Empirical evidence answering this problem is also rare. Thus, the main purpose of this paper is to propose a new conceptual framework to look at the puzzle from the lenses of resource-based view theory and dynamic capabilities theory. It is proposed to look at how entrepreneurial orientation as a strategic resource enhances organizational resilience in SMEs directly and indirectly through innovation which is identified as a dynamic capability. Theoretical background justifies the identification of concepts for the framework. Ten propositions are formulated based on the empirical evidence of past studies. As implications, this study will provide a starting point to develop a more applicable model to enhance resilience of SMEs. The execution of this framework will add new theoretical and empirical knowledge and offer practical implications for SME managers, practitioners, and society. Lack of empirical evidence is pointed out as a main reason for limitations.

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