



**Resilience and coping with a long-term crisis: The cases of Cypriot and Greek micro and small firms**

Journal:	<i>European Business Review</i>
Manuscript ID	EBR-05-2021-0108.R1
Manuscript Type:	Article
Keywords:	Micro-small firms, Organizational resilience, Coping factors

## **Resilience and coping with a long-term crisis: The cases of Cypriot and Greek micro and small firms**

### **Abstract**

**Purpose** – The purpose of this study is to ascertain factors that enable micro and small firms to cope with the effects of a long-term crisis, and develop a model which guides conceptual understanding. The study's setting is represented by the global financial crisis and by Cyprus and Greece, two nations severely affected.

**Design/methodology/approach** – On-site, unstructured, face-to-face interviews were conducted among 135 micro and small firm leaders.

**Findings** – 16 different coping factors were identified as central to participants, resulting in the emergence of four key dimensions. Three dimensions, self-initiative, financial acumen, and human attributes are associated with entrepreneurs' skills, initiatives, passion, and networks, while one dimension, individual-firm advantage, considers firms' and individuals' valuable assets and resources, namely, image/reputation, quality, or location. Almost two-thirds of participants recognised a lack of collaboration beyond their suppliers within their industry. Several intergroup differences were revealed, including Cypriot participants' higher optimism concerning their firms' future.

**Originality/value** – The study responds to calls for research that illuminates the understanding of firms' ability to overcome inadequacies imposed by the socioeconomic environment in which they operate. To this end, a theoretical framework emphasising the vital significance of four dimensions is proposed. Apart from their conceptual insightfulness, the dimensions identify clear associations with resilience and coping, and can therefore be of practical value to micro-small sized-firms and their respective industry.

1  
2  
3 **Keywords:** Micro-small firms; crisis; organisational resilience; resilience; coping  
4  
5 factors.  
6  
7

## 8 9 10 **Introduction**

11  
12 Micro and small firms (MSFs) play a fundamental role in many economies. From a numerical  
13 perspective, in the European Union (EU), for instance, MSFs account for 99 percent of all  
14 businesses (European Commission, 2019a). Among other indicators, EU firms can be defined  
15 by their number of employees and annual revenue (European Commission, 2019b). Using the  
16 first indicator, micro firms employ less than 10 employees, and small firms between 10 and  
17 49 (European Commission, 2019b). Also, within the EU, MSFs make substantial  
18 socioeconomic contributions to their communities, providing more than 100 million jobs,  
19 adding value to their respective economies, and also accounting for over 50 percent of the  
20 EU's gross domestic product (European Commission, 2019a).  
21  
22

23  
24 While their significance is undisputable, when crises strike, smaller firms can be severely  
25 affected (Eggers, 2020; Kottika et al., 2020). One distinctive challenge that smaller firms  
26 have to confront is their lack of resources, preventing them from planning, responding, or  
27 recovering from a crisis (Runyan, 2006). Research conducted among small and medium  
28 enterprises (SMEs) reveals that, apart from financial shortcomings, firms' limited human,  
29 technological and managerial capabilities are key hurdles in their recovery during economic  
30 crises (e.g., Bourletidis and Triantafyllopoulos, 2014; Chu and Siu, 2001; Giannacourou,  
31 Kantaraki, and Christopoulou, 2015).  
32  
33

34  
35 This study is primarily concerned with MSFs operating in Cyprus and Greece, two  
36 countries that experienced the full impact of the financial crisis, including through harsh  
37 austerity measures (Nikolaou and Loizou, 2015; Papagiannis, 2018; Rapanos and  
38 Kaplanoglou, 2014). Having experienced a series of financial bailouts, Greece's case has  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 drawn the interest of many researchers (e.g., Doudaki et al., 2016; European Council, 2019;  
4  
5 Gibson, Hall, and Tavlás, 2012; Koutsoukis and Roukanas, 2011; Mitsakis, 2014; Tsilika et  
6  
7 al., 2020). While Greece's crisis was fundamentally due to fiscal imbalances, Cyprus's  
8  
9 private sector debt, partly due to exposures of key Cypriot banks in the Greek business  
10  
11 environment, was a fundamental culprit (Giannakopoulos, Koulouris, and Kokkinos, 2014;  
12  
13 Rapanos and Kaplanoglou, 2014). Further, before the full-blown crisis, Cyprus was  
14  
15 experiencing a credit boom and a property bubble (Clerides and Stephanou, 2009), which  
16  
17 further combined for the subsequent drastic worsening of its economic situation. The  
18  
19 resulting predicament forced Cyprus's government to request financial assistance (Rapanos  
20  
21 and Kaplanoglou, 2014). As a direct result of the crisis, both countries' economies  
22  
23 deteriorated, and high levels of unemployment and losses in gross domestic product  
24  
25 unparalleled in recent decades ensued (Rapanos and Kaplanoglou, 2014).  
26  
27  
28  
29  
30

31  
32 Apart from cultural closeness and geographic proximity, Cyprus and Greece share strong  
33  
34 economic ties, and are reciprocally the main destinations of their respective exports (OECD,  
35  
36 2018a, 2018b). More related to the present research, Cyprus and Greece have a significant  
37  
38 percentage of MSFs. Indeed, among all EU members states, Greece leads in micro  
39  
40 businesses, with these representing over 97 percent of all existing businesses, compared to  
41  
42 Cyprus's 93 percent. Small firms, on the other hand, constitute a much modest share, or 6.1  
43  
44 percent in the case of Cyprus and 2.3 percent in Greece (European Commission, 2019c).  
45  
46

47  
48 Despite the complexities of operating in challenging socioeconomic environments, only a  
49  
50 few studies have investigated how communities, organisations, or individuals "respond to  
51  
52 disruptive events or contextual changes and transform resources into action"  
53  
54 Williams, and Vorley, 2019, p. 403). This gap is especially pronounced among small  
55  
56 businesses, where research is needed to illuminate aspects associated with how both  
57  
58 businesses and entrepreneurs "learn from crisis events, manage barriers to learning and/or  
59  
60

1  
2  
3 incorporate change management” (Doern et al., 2019, p. 408). Moreover, Tsilika et al. (2020)  
4  
5 make a case for advancing the “understanding of SMEs’ capacity to overcome deficiencies  
6  
7 externally imposed by the socioeconomic environment” (p. 636).  
8  
9

10 Against this background, where there is an imperative need for small business operators to  
11  
12 find, understand, and exploit ways to successfully adapt and thrive in times of crises, and to  
13  
14 fill an extant research gap in this field, the present study has two core objectives. First, the  
15  
16 study empirically examines coping factors enabling MSFs’ survival, in this case, in the  
17  
18 aftermath of the 2007-2008 financial crisis. In this context, the study will ascertain the key  
19  
20 factors enabling firms to cope with the effects of the crisis. This research will make both an  
21  
22 empirical and conceptual contribution, thereby also responding to the need for increased  
23  
24 scholarly-based knowledge on small firms in the above dimensions (Doern et al., 2019;  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60

31 Furthermore, the study will identify the extent to which collaboration between firms is  
32  
33 sought as part of building resilience, and entrepreneurs’ perceptions of the future of their  
34  
35 firms. This line of research could reveal aspects and insights with practical value for firms  
36  
37 operating in similar dire conditions. The resulting findings could also inform representatives  
38  
39 of national and regional industry associations, and governments in the planning and execution  
40  
41 of measures and steps to support this extremely important group of businesses.  
42  
43  
44

45 Second, in gathering the viewpoints of key industry stakeholders, predominantly owners  
46  
47 of MSFs, the study seeks to build theoretical knowledge that provides useful pathways to  
48  
49 understand how best to cope with a long-term crisis. To inform this process, the study will  
50  
51 consider the conceptual foundation of coping theory, and organisational resilience.  
52  
53  
54 Furthermore, the inductive approach undertaken will result in the development of a  
55  
56 framework, with emerging insights and related implications for theory and practice.  
57  
58  
59  
60

1  
2  
3 The article's structure is presented as follows. First, the literature review highlights the  
4  
5 extant research on organisational resilience and coping theory; in both cases, knowledge gaps  
6  
7 are identified. Second, the methodology section presents various steps in the development of  
8  
9 the research, including sampling, criteria for participant recruitment, and analysis. Third, the  
10  
11 results/discussion section addresses the various research questions under examination.  
12  
13  
14 Fourth, the conclusions section summarises the study, discusses theoretical and practical  
15  
16 implications, identifies limitations, and suggests future research avenues.  
17  
18  
19  
20  
21

## 22 **Literature Review**

### 23 *Organisational resilience*

24  
25 This study aligns with contemporary research that emphasises the significance of  
26  
27 organisational resilience as a crucial element providing support and cushioning to firms  
28  
29 experiencing severe crises (e.g., Crichton, Ramsay, and Kelly, 2009; Herbane, 2019; Prayag,  
30  
31 Ozanne, and de Vries, 2020; Seville et al., 2008; Sobaih et al., 2021; Sullivan-Taylor and  
32  
33 Branicki, 2011). Consequently, conceptual principles of this domain will be discussed.  
34  
35  
36  
37

38 According to Seville, Van Optsal, and Vargo (2015), the ability of business organisations  
39  
40 to deal with volatility is a fundamental strategic competency and at the same time a  
41  
42 cornerstone to their competitiveness. Moreover, a fundamental issue that concerns both  
43  
44 decision makers and their organisations is how they can manage risk and maintain their  
45  
46 growth during crises (Chen, Xie, and Liu, 2021). Resilience in this context is more than  
47  
48 managing or minimising the effects of crises or disasters; it is about developing much-needed  
49  
50 agility "to adapt to unexpected challenges... and the capacity to seize opportunity from  
51  
52 adversity" (Seville et al., 2015, p. 6). Definitions of resilience abound; for instance, it has  
53  
54 been referred to as "the maintenance of positive adjustment under challenging conditions"  
55  
56 (Sutcliffe and Vogus, 2003, p. 95) in ways that an organisation can emerge from these more  
57  
58  
59  
60

1  
2  
3 resourceful and strengthened (Vogus and Sutcliffe, 2007). Extending from these premises,  
4  
5 organisational resilience ensues when specific competencies are enhanced (Sutcliffe and  
6  
7 Vogus, 2003). These competencies include processes that a) encourage mindfulness, and b)  
8  
9 improve capabilities to deploy and recombine resources in novel ways (Sutcliffe and Vogus,  
10  
11 2003). Thus, in a business setting, resilience is found through both organisational and  
12  
13 individual responses to discontinuities and turbulence (Burnard and Bahmra, 2011).  
14  
15 Therefore, resilience has significant relevance in the field of entrepreneurship (Korber and  
16  
17 McNaughton, 2018).  
18  
19

20  
21  
22 Nilakant et al. (2014) perceive two dimensions explicating resilience. The first, planned  
23  
24 resilience entails using predetermined, existing capabilities and planning that, together  
25  
26 illustrate risk management and business continuity, and are mainly part of pre-disaster  
27  
28 activities (Nilakant et al., 2014). Drawing on the work of Lee, Vargo, and Seville (2013),  
29  
30 Nilakant et al. (2014) posit that the second dimension, adaptive resilience, is revealed in post-  
31  
32 disaster stages, notably, as organisations acquire new capabilities that emerge through  
33  
34 dynamic responses to unplanned situations.  
35  
36  
37

38  
39 More recently, Chen et al.'s (2021) discussion of resilience among model companies  
40  
41 identified five dimensions, each demonstrated through the following results: 1) Capital:  
42  
43 organisations' debt service; 2) Strategic: product features; 3) Cultural: community sense; 4)  
44  
45 Relationship: relationship enhancement; and 5) Learning: organisations' learning ability.  
46  
47 Chen et al. (2021) recognise two key limitations in the extant academic research. The first  
48  
49 limitation is the missing unified scholarly view concerning the examination of organisational  
50  
51 resilience, while the second is the limited number of in-depth assessments of the dimensions  
52  
53 related to this construct.  
54  
55

56  
57 In the field of SME research, Herbane (2019) explains that while resilience is associated  
58  
59 with adaptation, recovery, and response to an unexpected shock, organisational resilience  
60

1  
2  
3 provides “an explanation for longer term strategic renewal in SMEs” (p. 479). Some authors  
4  
5 have made important inroads in the conceptual development of resilience, including in SME  
6  
7 research. In reviewing the pertinent literature, Burnard and Bhamra (2011) developed a  
8  
9 ‘resilient response framework.’ Departing from the event and threat to a business, the  
10  
11 framework suggests a critical period, where detection, activation, and enhanced monitoring  
12  
13 lead towards firms’ responses. In this context, the framework identifies a reciprocal  
14  
15 relationship between a resilient response and ‘positive adjustment’ (Burnard and Bhamra,  
16  
17 2011), notably, in responding to the turbulence caused by the threat.  
18  
19

20  
21  
22 Furthermore, positive adjustment represents an organisation’s “proactive approach during  
23  
24 the phases of detection and activation” (Burnard and Bhamra, 2011, p. 5590). In contrast, the  
25  
26 framework identifies a ‘negative adjustment’, which underlines that during the threatening  
27  
28 event, “control is restricted to a central authority and the organisation functions through its  
29  
30 traditional channels” (Burnard and Bhamra, 2011, p. 5584). A final section of Burnard’s and  
31  
32 Bhamra’s (2011) model illustrates that both positive and negative adjustments leads to  
33  
34 organisational learning, and in turn to enhanced monitoring, with implications for detection  
35  
36 and activation of the threat.  
37  
38

39  
40 Despite these efforts towards developing conceptual understanding, Alberti, Ferrario, and  
41  
42 Pizzurno (2018) identify several research gaps. For instance, while SMEs’ significance for  
43  
44 nations’ economies is unequivocal, Alberti et al. (2018) argue that these have been less  
45  
46 studied from a resilience perspective. Furthermore, limited research has empirically tested or  
47  
48 demonstrated such theories (Alberti et al., 2018). Consequently, little empirical evidence  
49  
50 exists on how organisations, including SMEs, attain levels of resilience (Alberti et al., 2018).  
51  
52  
53  
54

55  
56 *Coping theory*  
57  
58  
59  
60



1  
2  
3 Coping is a key concept for research and theory in the domains of adaptation and health,  
4  
5 where it is similarly linked to a personality characteristic and to process (Lazarus, 1993). Part  
6  
7 of the academic literature juxtaposes or draws parallels between both resilience and coping in  
8  
9 the context of confronting crises. For instance, Macpherson, Herbane, and Jones (2015)  
10  
11 suggest that, by embedding coping routines that complement a firm's dynamic capabilities,  
12  
13 long-term resilience can be created. Furthermore, in referring to reinvention, Herbane (2019)  
14  
15 posits that, increasingly, scholars are emphasising "the inseparability of resilience from the  
16  
17 aspirations of formal strategic planning" (p. 479), including in regard to coping routines such  
18  
19 as renewal, innovativeness, competition, and responsiveness. In turn, arguably, strategic  
20  
21 planning is intrinsically associated with coping. The seminal work of Lazarus and Folkman  
22  
23 (1984) illuminates such association. First, these authors conceptualise coping as behavioural  
24  
25 and cognitive efforts that are constantly changing "to manage specific external and/or internal  
26  
27 demands that are appraised as taxing or exceeding the resources of the person" (p. 141). More  
28  
29 associated with psychological models, coping can be defined as flexible, realistic acts and  
30  
31 thoughts that can solve problems and reduce stress (Lazarus and Folkman, 1984).  
32  
33  
34  
35  
36  
37

38 Furthermore, in discussing coping as a process, Lazarus and Folkman (1984) revealed  
39  
40 three key features. The first, assessment and observations, concerns what an individual  
41  
42 does/thinks, as opposed to what she/he usually does (Lazarus and Folkman, 1984). The  
43  
44 second feature underlines that what an individual does or thinks is evaluated within a specific  
45  
46 setting; in other words, to understand and evaluate coping, one needs to understand what an  
47  
48 individual is coping with (Lazarus and Folkman, 1984). Thirdly, a coping process highlights  
49  
50 changes in acts and thoughts associated with an unfolding stressful circumstance, or in the  
51  
52 changes in relationships between the person and the environment (Lazarus, 1993; Lazarus  
53  
54 and Folkman, 1984). Therefore, coping entails a shifting process, whereby, at specific times,  
55  
56 individuals might rely more significantly upon one type of coping, for instance, defensive  
57  
58  
59  
60

1  
2  
3 strategies, while at other times reliance might be heavier upon problem-solving strategies  
4  
5 (Lazarus and Folkman, 1984).  
6

7  
8 To some extent, academic discourses have also examined coping within a small firm  
9  
10 context. Among other authors, Macpherson et al. (2015) identified three coping routines  
11  
12 among small firms, namely, “the combination of coping mechanisms, the extension of  
13  
14 networks, and the reprisal of previously successful solutions” (p. 259). Nevertheless, given  
15  
16 the size of their studied sample (eight small firms), Macpherson et al. (2015) encourage  
17  
18 further research on routines that small firms adopt when they attempt “to cope with  
19  
20 uncertainty and to adapt dynamically to changing contexts” (p. 284). Zutshi et al. (2021)  
21  
22 identify yet another research gap in the SME literature, in that, while there are efforts to  
23  
24 understand SMEs’ coping with adversity, the emphasis tends to be on the digital technology  
25  
26 aspect as a structural tool. Consequently, and in specifically referring to the current COVID-  
27  
28 19 crisis, Zutshi et al. (2021) argue that the SME literature has fallen short of referring to  
29  
30 practical issues that go beyond financial difficulties, including resilience setbacks that have  
31  
32 emerged from this unprecedented event.  
33  
34  
35  
36  
37  
38  
39

40 Based upon the above literature, this study proposes the following overarching research  
41  
42 question:  
43  
44  
45  
46

47 How do MSFs confront the effects of a long-term crisis, in this case, the global financial  
48  
49 crisis? Under the umbrella of this main question, the following will be addressed:  
50  
51  
52  
53

- 54 • What are the key factors enabling resilience among the studied MSFs?
- 55 • How do they cope while operating under the impacts of a long-term crisis?
- 56
- 57
- 58
- 59
- 60

- To what extent is a collaboration with other businesses important to develop resilience or cope with the crisis?
- How do MSF owners-managers perceive the future of their firms in overcoming the crisis?
- To what extent do the participating groups, including firms of different sizes, geographic location, or gender differ when confronting the crisis?

## Methodology

The main objectives of this study are to ascertain factors that enable micro and small firms in Greece and Cyprus to deal with the effects of a long-term crisis, identifying coping mechanisms and resilience building that facilitate firms' survival. The desire to develop a model which guides conceptual understanding against these notions, reflects a constructivist framework (Jonassen, 1991). The constructivist paradigm facilitates true discovery, uncovering embedded meanings within words and text, mirroring the strengths of qualitative interviews (Ponterotto, 2002).

Accordingly, the study utilises a qualitative approach in both the data collection and analysis process, reflecting this constructivist framework, and in line with an inductive analysis approach. The inductive approach allows the study the opportunity to understand and identify emergent themes and rich stories in the dataset, facilitating the development of a framework that best illustrates the research findings (Bell et al., 2018; Thomas, 2006).

Building upon this notion, the study utilises qualitative interviews in the data collection process to elicit rich information from micro and small firm leaders. The approach is aligned with a purposive sampling methodology, where information-rich respondents who are best placed to provide insights and rich data in the areas of this study's focus (Patton, 2015) are strategically selected. According to Smith and Noble (2014), "purposeful sampling has

1  
2  
3 advantages... in that bias is reduced because the sample is constantly refined to meet the  
4 study aims” (p. 100). In line with Smith and Noble (2014), in the case of this study, the large  
5 number of participants intercepted allowed for the continued refinement of the sample.  
6  
7

8  
9 The study is concerned with gathering data from micro and small firms in Greece and  
10 Cyprus, which have been affected by the global financial crisis. Based upon this focus, the  
11 following purposive sampling criteria of the firm and respondent were utilised:  
12  
13  
14

- 15 • The firm 1: Micro and small firms.
- 16
- 17 • The firm 2: Geographic setting, or firms operating in Greece or Cyprus.
- 18
- 19 • The firm 3: Firms had been established at least five years before to the time of the  
20 study.  
21
- 22 • Participant: Direct leadership involvement in the firm, for instance as owner or  
23 manager.  
24  
25  
26  
27  
28  
29  
30  
31  
32

33  
34  
35 During the period from December 2016 to June 2018, 375 micro and small firm leaders  
36 were contacted to participate in this study. Correspondence was sent inviting firm owners-  
37 managers to participate in on-site, face-to-face interviews, where an information pack  
38 detailing the aims of the study along with university ethics approval, and an informed consent  
39 form were similarly included. In total, 135 respondents participated in the interviews,  
40 affording the study an overall response rate of 36 percent. While all interviews were also  
41 conducted during the above period, contact maintained with firms after June of 2018 allowed,  
42 where applicable, for clarifying details of the interviews.  
43  
44  
45  
46  
47  
48  
49  
50  
51

52  
53 Interviews ranged between 45 to 60 minutes in length where interviewees were able to, as  
54 per the nature of unstructured interviews, freely discuss any pertinent issues or opinions  
55 related to the financial crisis and how they have been able to cope with the negative effects of  
56  
57  
58  
59  
60

1  
2  
3 this crisis in their respective firms.  
4

5 The interviews, which were audio recorded with the agreement of participants, were then  
6 transcribed. The interviews were conducted in Greek, where members of the research team  
7 then translated these into English. The translated interviews were then cross-checked by a  
8 team of volunteering researchers, who provided feedback where appropriate. Qualitative  
9 content analysis was applied to analyse the qualitative data alongside a statistical analysis in  
10 the form of Pearson Chi-Square tests. In content analysis, recurrent categories and themes are  
11 identified from the dataset and through examining these patterns and meanings emerge from  
12 within the text (Zhang and Wildemuth, 2009). The approach requires the coding of text in a  
13 way that 'nodes' or thematic issues are identified.  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24

25 Content analysis was undertaken against approaches espoused by Gioia, Corley, and  
26 Hamilton (2012), where systematic coding of first-order initial terming followed by second-  
27 order dimensions and conceptualisations were conducted. The approach allows for the voice  
28 of informants as well as that of the researcher to be examined in tandem and facilitate  
29 rigorous identification of existing links in the data (Gioia et al., 2012). Cross-checking of  
30 coding and the nomenclature of themes was undertaken by the research team to ensure  
31 validity and accuracy in the process and subsequent findings. The approach further enhances  
32 the trustworthiness of the data and facilitates the development of robust interpretation of the  
33 data (Elo et al., 2014). NVivo version 12 was used to support the qualitative analysis. While  
34 the study is inductive in nature, Pearson Chi-Square tests were also utilised as an exploratory  
35 tool to identify associations in the thematic dataset (Field, 2013). Pearson's Chi-Square tests  
36 were undertaken through SPSS v26 software package.  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53

54 In line with Gioia et al.'s (2012) approach to qualitative content analysis, the study further  
55 embeds Locke's (2007) guidelines for the development of inductive theories, and applies a  
56 valid philosophical axiom as a base, alongside developing a substantial body of data that,  
57  
58  
59  
60

1  
2  
3 ultimately, facilitates the formulation of valid concepts. Furthermore, through the integration  
4  
5 of previous discourse in the building of theory, this study's resulting framework embeds and  
6  
7 reflects concepts based upon reality and the existent relationships (Locke, 2007).  
8  
9

### 10 11 12 *Demographic characteristics: Participants and MSFs*

13  
14 Table 1 highlights various dominant groups. For instance, more than 90 percent of  
15  
16 participants were owners of the firms; similarly, the large majority were males, with less than  
17  
18 20 percent of female participation. Nearly two-thirds of the firms were family-owned, and  
19  
20 while clear differences existed between firm size and country, overall, almost 75 percent are  
21  
22 micro-sized firms. All firms are well established, or at least 10 years old, which reflects the  
23  
24 merit of selecting these businesses as information-rich cases (Patton, 2015). Finally, retail  
25  
26 and hospitality/tourism were the most represented industries. In the next sections,  
27  
28 respondents' verbatim observations will be labelled with abbreviations (e.g., Cyprus 1: CY1,  
29  
30 Greece 1: GR1).  
31  
32  
33  
34  
35  
36  
37

38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60  
Table 1 Here

## 41 42 **Results and Discussion**

### 43 44 45 *Factors enabling coping and resilience*

46  
47 The inductive analysis revealed 16 different factors contributing to firms' resilience and  
48  
49 coping with the long-term financial crisis that was affecting their nations for nearly a decade.  
50  
51 These factors were 'distilled' (Gioia et al., 2012) into four distinctive dimensions (Figure 1).  
52  
53

54  
55 While previous SME research (Sullivan-Taylor and Branicki, 2011) highlights that  
56  
57 resourcefulness is a fundamental hurdle to firm resilience, in this study, participants did  
58  
59 evoke various forms of resourcefulness that unequivocally contributed to their resilience and  
60

1  
2  
3 coping with the effects of the crisis. In addition, drawing on the research note by Nilakant et  
4  
5 al. (2014), the findings lend support to discourses of planned and adaptive resilience, and  
6  
7 overall, to the notion of long-term strategic renewal predicated concerning organisational  
8  
9 resilience (Herbane, 2019).  
10

11  
12 First, the *individual-firm advantage dimension* emphasises the significance of the quality  
13  
14 of the firms' products, service, and work performance. The consistent delivery of quality was  
15  
16 also associated with firm owners' accumulated expertise, and the resulting reputation and  
17  
18 positive word-of-mouth promotion that ensued and continued to draw consumers. The aspect  
19  
20 of quality further supports contemporary research among small Greek firms (Sainis et al.,  
21  
22 2017), that similarly identified firms' quality efforts in their journey to satisfactory financial  
23  
24 performance.  
25  
26

27  
28 Earlier strategic decisions, such as location, or continuously accumulated knowledge,  
29  
30 further underscored resourceful ways to strengthen the firm and provide a vital cushion in  
31  
32 light of the severity of their situation. Thus, the first dimension also reveals relationships with  
33  
34 the planned resilience dimension (Nilakant et al., 2014), where arguably existing as well as  
35  
36 predetermined capabilities provide support at times of crisis. The following selected views  
37  
38 support the above points:  
39  
40  
41  
42  
43  
44

45  
46 CY3: The business has a long tradition in the local market. The business has  
47  
48 operated for many years and has established a very good reputation and benefits  
49  
50 from its good brand name. Having studied engineering, I have the know-how and  
51  
52 expertise to respond to the high expectations of my profession. I can offer  
53  
54 solutions, and accordingly guide my staff members.

55  
56 GR2: My family has expertise after many years of experience in the industry. My  
57  
58 father has raised animals all his adult life; I have been helping him since an early  
59  
60

1  
2  
3 age. We can guarantee the quality since we know exactly the type of food used  
4  
5 and the environment in which the animals were reared.  
6  
7  
8  
9

10 Figure 1 Here  
11  
12  
13

14 While the individual-firm advantage dimension is based upon earlier strategies and ways  
15 of operating, as well as gradually developing skills and expertise, the second revealed  
16 dimension, *self-initiative*, underpins the vital need to continue finding ways to remain  
17 competitive in a marketplace facing critical challenges through proactive behaviour. Related  
18 to this finding, recent research (Parker and Ameen, 2018) confirms the positive effects that  
19 proactive risk management, for instance, can have on firm resilience. In the present study,  
20 networking with industry representatives at trade shows and similar events, or receiving  
21 direct feedback from clients and consumers, supported firms and complemented the existing  
22 cushion represented by their quality performance, expertise, and reputation, thus, further  
23 developing resilience and coping strengths.  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36

37 Equally important was diversifying, innovating, scanning the markets and industry to  
38 understand or identify ongoing or new changes, and spending more time at the business. This  
39 last finding was also critically linked to the dire need of many firms to cut down on  
40 expenditures. Several parallels exist between the self-initiative dimension and the adaptive  
41 resilience dimension predicated in earlier research (Lee et al., 2013, in Nilakant et al., 2014),  
42 notably, in that firms, or in this case, the earlier capabilities to respond to the threatening  
43 environment dynamically built by owners and staff. Finally, the self-initiative dimension also  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60  
relates to the second and third features of coping as a process (Lazarus and Folkman, 1984),  
notably in that individuals' actions or thoughts are assessed within specific contexts, and  
these actions and thoughts are to change to adapt to unravelling stressful or challenging



1  
2  
3 situations (Lazarus, 1993; Lazarus and Folkman, 1984). Selected comments highlight the  
4  
5 relevance of the self-initiative dimension:  
6  
7  
8  
9

10 CY5: We decided to create an additional income stream for the business. We  
11  
12 import fertilisers from abroad... It is a profitable business since we are supplying  
13  
14 a large network of producers.  
15

16 GR74: We try to visit various exhibitions to get updated on possible products or trends  
17  
18 that could be useful to our business.  
19

20 GR11: We try to increase the range of products on offer at all times... We try to  
21  
22 encourage customers to try new flavours and products.  
23  
24  
25  
26  
27

28 The third dimension, *financial acumen*, further supports discourses of planned and  
29  
30 adaptive resilience (Nilakant et al., 2014), and those concerning long-term renewal of  
31  
32 enterprises (Herbane, 2019). This dimension also demonstrates the dramatic and painful,  
33  
34 though strongly needed, decisions to alleviate financial strains on their suppliers and  
35  
36 customers/consumers, thereby enabling the firm's survival. Adjusting pricing was therefore a  
37  
38 commonly observed practice, while having previously exercised caution and managed the  
39  
40 firm's finances successfully provided the firms with more stability and strength to cope with  
41  
42 potential downturns in cashflow or revenues. Nevertheless, in numerous cases, financial  
43  
44 acumen also meant reducing costs and expenditures that directly affected stakeholders of the  
45  
46 supply chain. More dramatically, as some comments illustrate, financial management also led  
47  
48 to loss of jobs, and to working more hours:  
49  
50  
51  
52  
53  
54

55 CY13: I had to reduce the staff's working hours period to balance the operational  
56  
57 expense with income. Also, I have increased my contribution to the business. I  
58  
59  
60

1  
2  
3 work more hours to support both the production, sales, and promotion of the  
4  
5 products.  
6

7  
8 CY23: We dropped our room rates significantly and offered special packages...  
9  
10 we were forced to lay off some employees in order to reduce expenses.

11  
12 GR32: We had to lay off some staff members during the crisis. Of 32 staff  
13  
14 members, only 18 employees are currently employed.  
15  
16

17  
18  
19 The fourth dimension, *human attributes*, underlines entrepreneurs' intrinsic  
20  
21 characteristics, or motivational factors (passion, drive), as well as the vital role of  
22  
23 close/strong ties in supporting entrepreneurs and firms, both hands-on and emotionally. The  
24  
25 following examples further reinforce the significance of these attributes:  
26  
27

28  
29  
30 CY7: Many family members work for the company, like my brother, his wife,  
31  
32 and myself. This is very beneficial as there are no external managers or assistants  
33  
34 to consider certain variables and take a decision.  
35  
36

37  
38 CY44: We are young, passionate and determined to continue the success of our  
39  
40 fathers.

41  
42 GR52: Family support is another area that has significantly helped the business.

43  
44 All members of the family support different sections of the business. I, my wife,  
45  
46 and my son, who is a lawyer in Athens, are actively involved in running the  
47  
48 business.  
49

50  
51  
52  
53  
54 These findings are partly aligned with contemporary research. For instance, in examining  
55  
56 factors helping firms overcome the aftermath of a natural disaster, Fraccastoro (2008)  
57  
58 identified that, as opposed to the age of the firm, passion was central in entrepreneurs'  
59  
60

1  
2  
3 motivation or drive to succeed amidst adversity. Furthermore, concerning the role of the  
4 family in supporting entrepreneurs and their business, Jack's (2005) research revealed that  
5 family links, or strong ties, which developed based upon family bonds, trust, and expectation,  
6 strongly contributed to family members' progression into entrepreneurial activities.  
7  
8  
9  
10

11  
12 Extending the scope of the analysis, Pearson's Chi-Square tests were undertaken to  
13 ascertain any potential differences between groups of participants. For instance, comparing  
14 participants from both countries, four statistically significant differences were noted (Table  
15 2). While Greek participants appeared to be more engaged in innovative activities, Cypriot  
16 respondents clearly emphasised the importance of adjusting prices, networking, and expertise  
17 as ways to cope with the crisis more.  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

28 Table 2 Here  
29  
30  
31  
32

33 Overall, the findings of this section lend support to conceptual notions of coping among  
34 small firms (Macpherson et al., 2015), where the amalgamation of coping mechanisms,  
35 expansion of networks, in the case of the study, constantly searching or referring to these, and  
36 revisiting earlier successful solutions prove successful in enabling firms' survival. The results  
37 also have direct links with Zutshi et al.'s (2021) review of recent COVID-19 research, where  
38 they revealed five steps for SMEs to cope with the crisis. Indeed, the self-initiative dimension  
39 has links with the second step, openness, which entails communication strategies, where  
40 challenges and resolutions are transmitted to the firm's stakeholders, thus, maintaining  
41 transparency and relationships (Zutshi et al., 2021). Furthermore, self-initiative is in tune with  
42 the innovation step, through diversifying and innovating in the business. Innovation entails  
43 the assemblage of the various pieces of the organisational jigsaw puzzle, including by  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 investing in transferable resources and skills, or learning about these, thereby elevating them  
4 from an individual to an organisational level (Zutshi et al., 2021).  
5  
6

7  
8 The dimensions observed through the data analysis are also linked to the framework  
9 proposed by Burnard and Bhamra (2011), concerning ‘proactive and negative adjustment’.  
10

11 Proactive adjustment is clearly illustrated by the suggested strategic approaches encapsulated  
12 in the self-initiative dimension, whereas negative adjustment can be observed in firms’  
13 reliance upon traditional channels (quality, reputation). Nevertheless, this reliance can  
14 represent vital support during a long-term crisis, providing vital financial breathing space  
15 while other steps or strategies are under development.  
16  
17  
18

19 Some of these findings resonate with Alexander’s (2013) report card concerning disaster  
20 risk reduction, which emphasises the role of knowledge, innovation, and education as pillars  
21 in building a culture of resilience and safety. Here, the work of Zutshi et al. (2021) is also  
22 useful. First, in referring to the ‘victory’ step for SME’s resilience to be enhanced in light of  
23 COVID-19, Zutshi et al. (2021) emphasise the significance of accepting threats in the  
24 external environment while the firm’s management identifies or exploits opportunities.  
25  
26  
27  
28

29  
30 Second, facing an extreme situation, SMEs need to consider a resilient approach. In this case,  
31 the ‘durability’ step highlights SMEs’ mindful execution and also unorthodox thinking, and is  
32 associated with firms’ strengths, weaknesses, opportunities, and threats (Zutshi et al., 2021).  
33  
34  
35  
36

37  
38 Thus, traditional channels of securing vital income are arguably part of a firm’s strengths and  
39 opportunities while it regroups and seeks to adapt to a long-term crisis through other strategic  
40 means.  
41  
42  
43  
44

#### 45 *Perceived importance of collaboration*

46  
47 Despite empirical evidence illuminating the value of collaborations among SMEs (e.g.,  
48 Ferreras-Méndez, Fernández-Mesa, and Alegre, 2019; Muscio, 2007; Sawang and Matthews,  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 2010; Srivastava and Tyll, 2020), in this study, a minority of participants acknowledged  
4  
5 involvement in this area other than strictly with members of the supply chain. This close  
6  
7 relationship with suppliers is aligned with research among SMEs (Sullivan-Taylor and  
8  
9 Branicki, 2011) that stresses the dependence of this group of businesses upon external  
10  
11 organisations that include the supply chain and customer base. While differences were  
12  
13 noticed between the two country groups concerning some of the emerging themes,  
14  
15 participants of both nations shared similar thoughts concerning collaboration, with 75.0 and  
16  
17 63.7 percent of Cypriot and Greek respondents, respectively, acknowledging a lack of  
18  
19 collaboration beyond their suppliers. The following observations demonstrate that for many,  
20  
21 collaboration was devoid of value and strategic sense, or did not fit within their business  
22  
23 context:  
24  
25  
26

27  
28  
29  
30  
31 CY34: Collaboration with others is unsustainable. We can barely survive, not to  
32  
33 mention collaborating with others. We only still have a business partnership with  
34  
35 selected suppliers.  
36  
37

38 GR39: It would be nice to collaborate with other businesses, however, I don't  
39  
40 think there is a culture to nurture any similar attempt.  
41  
42

43 GR91: It is not possible. We need to fight individually.  
44  
45  
46

47 Collaboration, another step Zutshi et al. (2021) identified, could be enabled through a  
48  
49 support system formed by relatives, friends, or neighbours, and in this research is depicted by  
50  
51 the self-initiative and human attributes dimensions. Together with the identification of skills  
52  
53 and expertise, collaboration could result in contributions and in positive impacts on a firm's  
54  
55 survival (Zutshi et al., 2021).  
56  
57  
58  
59  
60

### *How participants perceive the future of their firms*

To further extend discourses of resilience and coping among MSFs, this study also sought to ascertain how entrepreneurs perceived the future of their firms within the severe business environment they were confronting. As Table 2 indicates, a clear difference emerged between Cypriot and Greek participants, with the first group (86.4%) being much more optimistic than were their Greek counterparts (48.4%). One likely reason for such optimism was found in some of the comments that verbalised different responses and outcomes of the crisis for both nations. Moreover, while in the main there was a clear undertone of unhappiness and concern with the state of the economy, Cypriot participants recognised recent improvements, and partial abatement of the crisis; these developments appeared to instil more confidence regarding firms' future:

CY4: Today, the conditions in the market are much more favourable than the previous years. The banking system and the whole economy show signs of recovery, while people slowly dine more and increase their spending.

CY26: I believe we have finally surpassed the difficult period and there is fertile ground for business endeavours... people feel more relaxed than in the previous years and started again to go out more, shop, and spend money...

Thus, in this case, external factors, such as the steady improvement in the nation's economy, provided much-needed breathing space, with implications for planning, investments, and execution of new business activities. In contrast, Greek participants' perceptions evoked a different tone:

1  
2  
3 GR32: I am pessimistic. I used to believe that if you are doing a great job the  
4  
5 rewards will be high. However, it seems that everything is a matter of  
6  
7 coincidences or external factors.  
8

9  
10 GR89: I would like to be positive but can't see how this could be the case. I can't  
11  
12 even tell how the future of the country will be, let alone our sector.  
13

## 14 15 16 17 **Conclusions**

18  
19 This empirical investigation fulfilled two key objectives. First, by examining resilience and  
20  
21 coping among Cypriot and Greek MSFs facing the years following the global financial crisis,  
22  
23 the study made an empirical contribution to the small business literature. In addition, the  
24  
25 study responded to recent calls to scholarly investigate how small firms and entrepreneurs  
26  
27 learn from crisis situations (e.g., Doern et al., 2019), and for an enhanced understanding of  
28  
29 small and medium firms' ability to manage the threat of deficiencies that exist in the  
30  
31 socioeconomic environment (Tsilika et al., 2020). The study also complemented scholarly  
32  
33 discourses on SMEs facing the current COVID-19 crisis (e.g., Chen et al., 2021; Zutshi et al.,  
34  
35 2021).  
36  
37  
38

39  
40 Face-to-face, on-site, semi-structured interviews were carried out among 135 individuals,  
41  
42 predominantly business owners, between 2016 and 2018. The study considered various  
43  
44 conceptual tenets of the resilience and coping theory literature. The inductive analysis  
45  
46 revealed 16 themes or factors that participants perceived as critical in helping their firms  
47  
48 build resilience and cope with the ongoing crisis.  
49

50  
51 Second, the study set out to conceptually inform the research in various ways. For  
52  
53 example, apart from its links to academic discourses, extending from the revealed themes,  
54  
55 and adhering to notions of Gioia's methodology in seeking rigour in qualitative research and  
56  
57 Locke's (2007) approach towards inductive theories, four dimensions were developed. The  
58  
59  
60

1  
2  
3 following section will present the proposed theoretical framework resulting from both  
4  
5 empirical analysis and existing underpinning. Thus, overall, the study makes several  
6  
7 contributions, with theoretical and practical value.  
8  
9

### 10 11 12 *Theoretical Implications* 13

14  
15 Through the proposed framework, various theoretical implications emerge. First, the  
16  
17 framework depicts the ongoing and after-shocks of the financial crisis, for instance, the  
18  
19 overall vulnerability that is a characteristic among small businesses when such damaging  
20  
21 events occur (Eggers, 2020; Kottika et al., 2020). Second, based on the study's findings, and  
22  
23 in recognising various important contributions, the framework suggests various methods to  
24  
25 overcome the effects of the crisis. Three of the four dimensions were revealed through  
26  
27 participants' verbatim comments. Notably, an individual-firm advantage that reflected  
28  
29 quality, reputation, or accumulated knowledge, was coupled with participants' business  
30  
31 acumen, and human attributes. Nilakant et al. (2014) recognise these dimensions as  
32  
33 demonstrations of planned resilience (PR). In contrast, the fourth and final dimension of self-  
34  
35 initiative has associations with adaptive resilience (AR) where new capabilities to confront  
36  
37 unplanned or uncontrollable situations (Lee et al., 2013, in Nilakant et al., 2014) are  
38  
39 developed/acquired.  
40  
41  
42  
43  
44

45 Furthermore, three of the dimensions (individual-firm advantage, financial acumen, and  
46  
47 self-initiative) subscribe to principles of long-term strategic renewal (Herbane, 2019). In turn,  
48  
49 all four dimensions align with principles of changes in acts and thoughts (Lazarus, 1993;  
50  
51 Lazarus and Folkman, 1984). Consequently, and as observed in numerous verbatim  
52  
53 comments, all four dimensions have direct impacts on MSFs' resilience building and coping  
54  
55 capabilities. These outcomes have important implications for firms' future, in enabling  
56  
57 preparedness and in strengthening and enhancing their competitiveness. These dimensions  
58  
59  
60



1  
2  
3 further instil strategies and practices that adhere to the firm's long-term strategic renewal, as  
4 well as facilitate behavioural changes as demonstrated through acts and thoughts. Therefore,  
5 the revealed dimensions can equip MSFs to pursue their journey through the challenges that  
6 they will likely encounter, where arguably the current COVID-19 crisis represents the  
7 ultimate illustration of such an extreme situation. Thus, the framework can illuminate  
8 conceptual discourse concerning resilience and coping with a severe crisis, and while this  
9 study focused on MSFs, the framework could similarly have conceptual and practical value  
10 among firms of larger sizes.  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23

24 Figure 2 Here  
25  
26  
27  
28

### 29 *Practical Implications* 30

31 The results also have practical implications. First, the study extends from previous research  
32 (Branicki, Sullivan-Taylor, and Livschitz, 2018), which among other elements identified  
33 innovation, social connections or autonomy at the individual level, and expertise, planning,  
34 and resources at the firm level. For instance, two of the revealed dimensions, individual-firm  
35 advantage, and self-initiative, align with these elements, and unequivocally identify others  
36 that could be of benefit to firms and industry/government stakeholders. The significance of  
37 time, notably, in building expertise is fundamental.  
38  
39  
40  
41  
42  
43  
44  
45  
46

47 This study complements this discourse, ascertaining that accumulating knowledge is also  
48 vital and can have direct repercussions for the quality of the products/services, reputation as  
49 well as the image of the firm, and ultimately, overall competitiveness. In times of severe  
50 crises, these traits, capabilities, and resources, all of which have been developed through time  
51 and learning, enhance perceptions of consistency and expertise among consumers/customers.  
52  
53  
54  
55  
56  
57  
58  
59  
60

1  
2  
3 expertise or critical mass. Location is a strategic choice that the individual entrepreneur  
4 identifies, and that can also be an additional organisational aspect that supports and  
5 complements other key elements of the firm.  
6  
7  
8

9  
10 However, while self-initiative and individual-firm advantages are vital, without financial  
11 acumen or human attributes, firms would be severely vulnerable. Arguably, financial acumen  
12 could also be developed over time. The fact that all the participating firms have survived over  
13 a decade operating in uncertain or challenged socioeconomic environments, and that many  
14 were actively involved in making drastic changes (decreasing inventory purchases/supplies  
15 and staff) is clear evidence that, to some extent, time in the industry is a key resource.  
16  
17  
18  
19  
20  
21  
22  
23 Finally, passion, flexibility, and the support of family members were also perceived highly.  
24

25  
26 Overall, the study also demonstrates that the four different dimensions provide a clear  
27 practical and strategic path in the journey to withstanding severe crises. While these  
28 dimensions concern firms that are well-established in their respective industries, the results  
29 nevertheless have implications for new or future entrepreneurs. Moreover, to build resilience  
30 and cope with a challenging environment, new entrepreneurs could reflect upon the need of  
31 fulfilling aspects closely associated with these dimensions. In the absence of individual-firm  
32 advantages, they could nevertheless seek to achieve excellence in self-initiative and financial  
33 acumen, while exhibiting genuine passion and drive, developing flexibility, and considering  
34 the support of strong ties.  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49

#### 50 *Limitations and Future research*

51 Despite a strong contingent of interviewees from two different nations, from a diverse range  
52 of industries, and the resulting rich insights, various limitations are acknowledged in this  
53 study. The study, for instance, selected two nations that share geographic and cultural  
54 closeness; consequently, as opposed to European countries from other regions, their  
55  
56  
57  
58  
59  
60

1  
2  
3 circumstances might be unique to their socioeconomic and governing histories. Thus, future  
4  
5 research could consider nations that might be culturally or socioeconomically distant, which  
6  
7 could allow for potentially identifying other aspects that are equally critical in building  
8  
9 resilience and coping with a severe crisis. This aspect is more relevant nowadays, when the  
10  
11 world is grappling with the unprecedented COVID-19 crisis, and no clear pathways have  
12  
13 been fully identified to overcome this unprecedented event. Associated with this observation,  
14  
15 the study was also conducted before the COVID-19 event erupted worldwide. Thus, future  
16  
17 research could consider a comparative analysis pre-and post-COVID-19, which could reveal  
18  
19 alternative ways of coping and building resilience. This line of research could also attempt to  
20  
21 verify the validity of the proposed framework, either through expanding its applicability or  
22  
23 enhancing it should other factors enabling resilience and coping with a crisis emerge. Overall,  
24  
25 given the extreme significance of MSFs for Europe and the economies of other nations, there  
26  
27 is significant merit in examining the journey of MSFs through the multiple challenges faced  
28  
29 in the business environment.  
30  
31  
32  
33  
34  
35  
36  
37

## 38 **References**

- 39  
40 Alberti, F.G., Ferrario, S. and Pizzurno, E. (2018), “Resilience: resources and strategies of  
41  
42 SMEs in a new theoretical framework”, *International Journal of Learning and*  
43  
44 *Intellectual Capital*, Vol. 15 No. 2, pp. 165-188.
- 45  
46 Alexander, D. (2013), “An evaluation of medium-term recovery processes after the 6 April  
47  
48 2009 earthquake in L'Aquila, central Italy”, *Environmental Hazards*, Vol. 12 No. 1, pp.  
49  
50 60-73.  
51  
52  
53
- 54 Bell, E., Bryman, A. and Harley, B. (2018), *Business research methods* (5<sup>th</sup> ed.). Oxford, UK:  
55  
56 Oxford University Press.
- 57  
58 Bourletidis, K. and Triantafyllopoulos, Y. (2014), “SMEs survival in time of crisis: strategies,  
59  
60

- tactics and commercial success stories”, *Procedia-Social and Behavioral Sciences*, Vol. 148, pp. 639-644.
- Branicki, L.J., Sullivan-Taylor, B. and Livschitz, S.R. (2018), “How entrepreneurial resilience generates resilient SMEs”, *International Journal of Entrepreneurial Behavior and Research*, Vol. 24 No. 7, pp. 1244-1263.
- Burnard, K. and Bhamra, R. (2011), “Organisational resilience: development of a conceptual framework for organisational responses”, *International Journal of Production Research*, Vol. 49 No. 18, pp. 5581-5599.
- Chen, R., Xie, Y. and Liu, Y. (2021), “Defining, conceptualizing, and measuring organizational resilience: A multiple case study”, *Sustainability*, Vol. 13 No. 5, pp. 2517-2542.
- Chu, P. and Siu, W.S. (2001), “Coping with the Asian economic crisis: The rightsizing strategies of small-and medium-sized enterprises”, *International Journal of Human Resource Management*, Vol. 12 No. 5, pp. 845-858.
- Clerides, M. and Stephanou, S. (2009), “The financial crisis and the banking system in Cyprus”, *Cyprus Economic Policy Review*, Vol. 3 No. 1, pp. 27–50.
- Crichton, M.T., Ramsay, C.G. and Kelly, T. (2009), “Enhancing organizational resilience through emergency planning: learnings from cross-sectoral lessons”, *Journal of Contingencies and Crisis Management*, Vol. 17 No. 1, pp. 24-37.
- Doern, R., Williams, N. and Vorley, T. (2019), “Special issue on entrepreneurship and crises: business as usual? An introduction and review of the literature”, *Entrepreneurship and Regional Development*, Vol. 31 No. 5-6, pp. 400-412.
- Doudaki, V., Boubouka, A., Spyridou, L.P. and Tzalavras, C. (2016), “Dependency, (non) liability and austerity news frames of bailout Greece”, *European Journal of Communication*, Vol. 31 No. 4, pp. 426-445.

1  
2  
3 Eggers, F. (2020), “Masters of disasters? Challenges and opportunities for SMEs in times of  
4  
5 crisis”, Journal of Business Research, Vol. 116, pp. 199-208.

6  
7  
8 Elo, S., Kääriäinen, M., Kanste, O., Pölkki, T., Utriainen, K. and Kyngäs, H. (2014),  
9  
10 “Qualitative content analysis: A focus on trustworthiness”, SAGE Open, Vol. 4 No. 1,  
11  
12 pp. 1-10.

13  
14  
15 European Commission (2019a), ‘Internal market, industry, entrepreneurship and SMEs,’  
16  
17 Available at: [https://ec.europa.eu/growth/smes\\_en](https://ec.europa.eu/growth/smes_en)

18  
19 European Commission (2019b), ‘Annual report on European SMEs 2018/2019’, Available  
20  
21 at: [https://europeanstartupnetwork.eu/wp-content/uploads/2020/01/SME-Annual-](https://europeanstartupnetwork.eu/wp-content/uploads/2020/01/SME-Annual-report-2018-2019.pdf)  
22  
23 [report-2018-2019.pdf](https://europeanstartupnetwork.eu/wp-content/uploads/2020/01/SME-Annual-report-2018-2019.pdf)

24  
25  
26 European Commission (2019c), ‘2019 SBA fact sheet’, Available at:  
27  
28 <https://ec.europa.eu/docsroom/documents/38662>

29  
30  
31 European Council (2019), ‘Greece: the third economic adjustment programme’, Available at:  
32  
33 [https://www.consilium.europa.eu/en/policies/financial-assistance-eurozone-](https://www.consilium.europa.eu/en/policies/financial-assistance-eurozone-members/greece-programme/)  
34  
35 [members/greece-programme/](https://www.consilium.europa.eu/en/policies/financial-assistance-eurozone-members/greece-programme/)

36  
37  
38 Ferreras-Méndez, J.L., Fernández-Mesa, A. and Alegre, J. (2019), “Export performance in  
39  
40 SMEs: The importance of external knowledge search strategies and absorptive  
41  
42 capacity”, Management International Review, Vol. 59 No. 3, pp. 413-437.

43  
44  
45 Field, A. (2013), Discovering statistics using IBM SPSS statistics (4<sup>th</sup> ed.). London, UK:  
46  
47 Sage.

48  
49 Fraccastoro, K.A. (2008), “Entrepreneurial recovery from natural disaster: A consideration of  
50  
51 influential factors”, Journal of Business and Economics Research, Vol. 6 No. 12, pp. 1-  
52  
53 8.

54  
55  
56 Giannakopoulos, G., Koulouris, A., & Kokkinos, D. (2014), “Libraries in crisis: a glimpse  
57  
58  
59  
60

1  
2  
3 over Greece and Cyprus”, *Procedia Social and Behavioral Sciences*, Vol. 147, pp. 411-  
4  
5 417.

6  
7  
8 Giannacourou, M., Kantaraki, M., & Christopoulou, V. (2015), “The perception of crisis by  
9  
10 Greek SMEs and its impact on managerial practices”, *Procedia-Social and Behavioral*  
11  
12 *Sciences*, Vol. 175, pp. 546-551.

13  
14  
15 Gibson, H.D., Hall, S.G. and Tavlas, G.S. (2012), “The Greek financial crisis: Growing  
16  
17 imbalances and sovereign spreads”, *Journal of International Money and Finance*, Vol.  
18  
19 31 No. 3, pp. 498-516.

20  
21  
22 Gioia, D.A., Corley, K.G. and Hamilton, A.L. (2013), “Seeking qualitative rigor in  
23  
24 inductive research: Notes on the Gioia methodology”, *Organizational Research*  
25  
26 *Methods*, Vol. 16 No. 1, pp. 15-31.

27  
28  
29 Herbane, B. (2019), “Rethinking organizational resilience and strategic renewal in  
30  
31 SMEs”, *Entrepreneurship and Regional Development*, Vol. 31 No. 5-6, pp. 476-495.

32  
33 Jack, S.L. (2005), “The role, use and activation of strong and weak network ties: A  
34  
35 qualitative analysis”, *Journal of Management Studies*, Vol. 42 No. 6, pp. 1233-1259.

36  
37  
38 Jonassen, D.H. (1991), “Objectivism versus constructivism: Do we need a new philosophical  
39  
40 paradigm?”, *Educational Technology Research and Development*, Vol. 39 No. 3, pp. 5-  
41  
42 14.

43  
44  
45 Korber, S. and McNaughton, R.B. (2018), “Resilience and entrepreneurship: a systematic  
46  
47 literature review”, *International Journal of Entrepreneurial Behavior and Research*, Vol.  
48  
49 24 No. 7, pp. 1129-1254.

50  
51  
52 Kottika, E., Özsoymer, A., Rydén, P., Theodorakis, I.G., Kaminakis, K., Kottikas, K.G. and  
53  
54 Stathakopoulos, V. (2020), “We survived this! What managers could learn from SMEs  
55  
56 who successfully navigated the Greek economic crisis”, *Industrial Marketing*  
57  
58 *Management*, Vol. 88, pp. 352-365.

- 1  
2  
3 Koutsoukis, N.S. and Roukanas, S. (2011), “The Greek crisis that should have been  
4  
5 avoided”, *Scientific Bulletin-Economic Sciences*, Vol. 10 No. 1, pp. 21-27.  
6  
7  
8 Lazarus, R.S. (1993), “Coping theory and research: Past, present, and future”, *Psychosomatic  
9  
10 Medicine*, Vol. 55, pp. 2324-2347.  
11  
12 Lazarus, R.S. and Folkman, S. (1984), “Stress, appraisal, and coping”, New York: Springer.  
13  
14  
15 Lee, A.V., Vargo, J. and Seville, E. (2013), “Developing a tool to measure and compare  
16  
17 organizations’ resilience”, *Natural Hazards Review*, Vol. 14 No. 1, pp. 29-41.  
18  
19  
20 Locke, E.A. (2007), “The case for inductive theory building”, *Journal of Management*, Vol.  
21  
22 33 No. 6, pp. 867-890.  
23  
24 Macpherson, A., Herbane, B. and Jones, O. (2015), “Developing dynamic capabilities  
25  
26 through resource accretion: expanding the entrepreneurial solution  
27  
28 space”, *Entrepreneurship and Regional Development*, Vol. 27 No. 5-6, pp. 259-291.  
29  
30  
31 Mitsakis, F.V. (2014), “The impact of economic crisis in Greece: key facts and an overview  
32  
33 of the banking sector”, *Business and Economic Research*, Vol. 4 No. 1, pp. 250-267.  
34  
35  
36 Muscio, A. (2007), “The impact of absorptive capacity on SMEs' collaboration”, *Economics  
37  
38 of Innovation and New Technology*, Vol. 16 No. 8, pp. 653-668.  
39  
40  
41 Nikolaou, I.E. and Loizou, C. (2015), “The Green Public Procurement in the midst of the  
42  
43 economic crisis: is it a suitable policy tool?”, *Journal of Integrative Environmental  
44  
45 Sciences*, Vol. 12 No. 1, pp. 49-66.  
46  
47  
48 Nilakant, V., Walker, B., van Heugen, K., Baird, R. and De Vries, H. (2014), “Research note:  
49  
50 Conceptualising adaptive resilience using grounded theory”, *New Zealand Journal of  
51  
52 Employment Relations*, Vol. 39 No. 1, pp. 79-86.  
53  
54  
55 OECD (2018a), ‘Country profile – Greece’, Available at:  
56  
57 <https://oec.world/en/profile/country/grc>  
58  
59  
60 OECD (2018b), ‘Country profile – Cyprus’, Available at:

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60

<https://oec.world/en/profile/country/cyp>

- Papagiannis, G.D. (2018), “Entrepreneurship education programs: The contribution of courses, seminars and competitions to entrepreneurial activity decision and to entrepreneurial spirit and mindset of young people in Greece”, *Journal of Entrepreneurship Education*, Vol. 21 No. 1, pp. 1-21.
- Parker, H. and Ameen, K. (2018), “The role of resilience capabilities in shaping how firms respond to disruptions”, *Journal of Business Research*, Vol. 88, pp. 535-541.
- Patton, M.Q. (2015), *Qualitative research and evaluation methods: Integrating theory and practice* (4<sup>th</sup> ed.). Thousand Oaks, CA: Sage.
- Prayag, G., Ozanne, L.K. and de Vries, H. (2020), “Psychological capital, coping mechanisms and organizational resilience: Insights from the 2016 Kaikoura earthquake, New Zealand”, *Tourism Management Perspectives*, Vol. 34, No. 100637.
- Ponterotto, J.G. (2002), “Qualitative research methods: The fifth force in psychology”, *The Counseling Psychologist*, Vol. 30 No. 3, pp. 394-406.
- Rapanos, V.T. and Kaplanoglou, G. (2014), “Governance, growth and the recent economic crisis: The case of Greece and Cyprus”, *Cyprus Economic Policy Review*, Vol. 8 No. 1, pp. 3-34.
- Runyan, R.C. (2006), “Small business in the face of crisis: identifying barriers to recovery from a natural disaster 1”, *Journal of Contingencies and Crisis Management*, Vol. 14 No. 1, pp. 12-26.
- Sainis, G., Haritos, G., Kriemadis, T. and Fowler, M. (2017), “The quality journey for Greek SMEs and their financial performance”, *Production and Manufacturing Research*, Vol. 5 No. 1, pp. 306-327.
- Sawang, S. and Matthews, J. (2010), “Positive relationships among collaboration for



1  
2  
3 innovation, past innovation abandonment and future product introduction in  
4  
5 manufacturing SMEs”, *Interdisciplinary Journal of Contemporary Research in*  
6  
7 *Business*, Vol. 2 No. 6, pp. 106-117.

8  
9  
10 Seville, E., Brunson, D., Dantas, A., Le Masurier, J., Wilkinson, S. and Vargo, J. (2008),  
11  
12 “Organisational resilience: Researching the reality of New Zealand  
13  
14 organisations”, *Journal of Business Continuity and Emergency Planning*, Vol. 2 No. 3,  
15  
16 pp. 258-266.

17  
18  
19 Seville, E., Van Opstal, D. and Vargo, J. (2015), “A primer in resiliency: seven principles for  
20  
21 managing the unexpected”, *Global Business and Organizational Excellence*, Vol. 34  
22  
23 No. 3, pp. 6-18.

24  
25  
26 Smith, J. and Noble, H. (2014), “Bias in research”, *Evidence-based Nursing*, Vol. 17 No. 4,  
27  
28 pp. 100-101.

29  
30  
31 Sobaih, A.E.E., Elshaer, I., Hasanein, A.M. and Abdelaziz, A.S. (2021), “Responses to  
32  
33 COVID-19: The role of performance in the relationship between small hospitality  
34  
35 enterprises’ resilience and sustainable tourism development”, *International Journal of*  
36  
37 *Hospitality Management*, Vol. 94, 102824.

38  
39  
40 Srivastava, M. and Tyll, L. (2020), “The effect of industry-specific networking behaviour on  
41  
42 the internationalization performance of Czech SMEs”, *European Business Review*, Vol.  
43  
44 33 No. 2, pp. 361-382.

45  
46  
47 Sullivan-Taylor, B. and Branicki, L. (2011), “Creating resilient SMEs: why one size might  
48  
49 not fit all”, *International Journal of Production Research*, Vol. 49 No. 18, pp. 5565-  
50  
51 5579.

52  
53  
54 Sutcliffe, K.M. and Vogus, T.J. (2003), *Organizing for resilience*. In: K.S. Cameron, J.E.  
55  
56 Dutton and R.E. Quinn (eds.), *Positive organizational scholarship: foundations of a new*  
57  
58 *discipline* (pp. 94-110). San Francisco, USA: Berrett-Koehler.

1  
2  
3 Thomas, D.R. (2006), “A general inductive approach for analyzing qualitative evaluation  
4  
5 data”, American Journal of Evaluation, Vol. 27 No. 2, pp. 237-246.  
6  
7

8 Tsilika, T., Kakouris, A., Apostolopoulos, N. and Dermatis, Z. (2020), “Entrepreneurial  
9  
10 bricolage in the aftermath of a shock. Insights from Greek SMEs”, Journal of Small  
11  
12 Business and Entrepreneurship, Vol. 32 No. 6, pp. 635-652.  
13  
14

15 Vogus, T.J. and Sutcliffe, K.M. (2007), Organizational resilience: towards a theory and  
16  
17 research agenda. In: IEEE International Conference on Systems, Man and Cybernetics,  
18  
19 ISIC, 7–10 October, Montreal, 3418-3422.  
20  
21

22 Zhang, Y. and Wildemuth, B.M. (2009), Qualitative analysis of content. In B.M. Wildemuth  
23  
24 (ed.), Applications of social research methods to questions of information and library  
25  
26 science (pp. 308-319). Westport, CT: Libraries Unlimited.  
27  
28

29 Zutshi, A., Mendy, J., Sharma, G.D., Thomas, A. and Sarker, T. (2021), “From challenges to  
30  
31 creativity: Enhancing SMEs’ resilience in the context of COVID-19”, Sustainability,  
32  
33 Vol. 13 No. 12, pp. 6542-6558.  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60

**Table 1:** Demographic characteristics of the respondents and their firms

<b>Characteristics</b>	<b>Greece</b>		<b>Cyprus</b>		<b>Totals</b>	
<b>Size of the firm (in full-time employees)</b>	<b>n=91</b>	<b>%</b>	<b>n=44</b>	<b>%</b>	<b>n=135</b>	<b>%*</b>
0	48	52.7	5	11.4	53	39.3
1-9	28	30.8	18	40.9	46	34.0
10-49	15	16.5	21	47.7	36	26.7
<b>Age of the firms</b>	<b>n=91</b>	<b>%</b>	<b>n=44</b>	<b>%</b>	<b>n=135</b>	<b>%</b>
10-20 years	36	39.6	15	34.1	51	37.8
21-40 years	34	37.4	23	52.3	57	42.2
41+	21	23.0	6	13.6	27	20.0
<b>Industry in which firms are involved in</b>	<b>n=91</b>	<b>%</b>	<b>n=44</b>	<b>%*</b>	<b>n=135</b>	<b>%</b>
Retail	35	38.5	13	29.5	48	35.6
Hospitality/tourism	17	18.7	18	41.0	35	25.9
Food production	16	17.5	3	6.8	19	14.1
Winery/distillery	8	8.8	1	2.3	9	6.7
Repair shop	3	3.3	3	6.8	6	4.4
Travel agent	6	6.6	0	0.0	6	4.4
Miscellaneous (e.g., transportation)	6	6.6	6	13.6	12	8.9
<b>Type of business</b>	<b>n=91</b>	<b>%</b>	<b>n=44</b>	<b>%</b>	<b>n=135</b>	<b>%</b>
Family firm	61	67.0	25	56.8	86	63.7
Non-family firm	30	33.0	19	43.2	49	36.3
<b>Role of the participant</b>	<b>n=91</b>	<b>%</b>	<b>n=44</b>	<b>%</b>	<b>n=135</b>	<b>%</b>
Owner	88	96.7	40	90.9	128	94.8
Manager / Director	3	3.3	4	9.1	7	5.2
<b>Gender of the participant</b>	<b>n=91</b>	<b>%</b>	<b>n=44</b>	<b>%</b>	<b>n=135</b>	<b>%</b>
Male	73	80.2	36	81.8	109	80.7
Female	18	19.8	8	18.2	26	19.3

\* Where applicable, percentages were rounded off.

**Table 2:** Intergroup differences – Chi-Square tests

Tested items	Findings	Chi-Square test results
Innovation and country	A higher percentage of Greek participants (34.1%) indicated the importance of innovating as a way to cope with the crisis.	$(\chi^2 (1, n=135) = 6.222, (p=0.013))$
Adjusting prices and country	A much higher percentage of Cypriot respondents (75%) recognized adjusting prices as a way to cope with the crisis.	$(\chi^2 (1, n=135) = 14.908, (p=0.001))$
Networking, interacting, learning from others and country	A higher percentage of Cypriot participants (84.1%) mentioned the importance of networking, interacting with industry stakeholders (e.g., at events), and learning from others (e.g., customer reviews, recommendations) as a way to cope with the crisis.	$(\chi^2 (1, n=135) = 7.039, (p=0.008))$
Expertise, experience of the firm's owners/staff and country	A higher percentage of Cypriot respondents (84.1%) acknowledged the importance of their accumulated expertise, and experience, as well as those of members of their staff as a factor to cope with the crisis.	$(\chi^2 (1, n=135) = 4.835, (p=0.028))$
Perceived future and country	A much higher percentage of Cypriot respondents (86.4%) declared their optimism regarding the future of their firms moving forward in the existing business environment.	$(\chi^2 (2, n=135) = 17.373, (p=0.001))$

**Figure 1:** Factors enabling firms to cope with a major crisis  
Adopting the Gioia's Methodology (Gioia et al., 2012)

First-order codes	Second-order themes		Dimensions			
Quality of products, services, firm performance	Key static and intrinsically valuable characteristics	Individual-firm advantage				
Expertise, experience of the firm's owners/staff						
Earned reputation						
Accumulated knowledge						
Location of the business						
Networking, interacting, learning from others	Key action-related resources and activities	Self-initiative				
Diversifying the business's proposition						
Innovating in the business						
Scanning, understanding, learning about the market						
Working longer hours at the business	Avoiding further financial downturns	Financial acumen				
Adjusting pricing (e.g., lowering prices, discounts)						
Reducing costs, expenditures, shedding jobs						
Being lean (no debts, borrowing)	Individual/group characteristics and ties	Human attributes				
Passion, drive						
Flexibility						
The support of the family members						
Inductive analysis - Themes	Greece		Cyprus		Totals	
	n=91	%	n=44	%	n=135	%
Quality of products, services, firm performance	77	84.6	33	75.0	110	81.5
Expertise, experience of the firm's owners/staff	60	65.9	37	84.1	97	71.9
Networking, interacting, learning from others	56	61.5	37	84.1	93	68.9
Earned reputation	60	65.9	28	63.6	88	65.2
Adjusting pricing (e.g., lowering prices, discounts)	36	39.6	33	75.0	69	51.1
Scanning, understanding, learning about the market	42	46.2	23	52.3	65	48.1
The support of the family firm's members	43	47.3	19	43.2	62	45.9
Reducing costs, expenditures	42	46.2	20	45.5	62	45.9
Accumulated knowledge	35	38.5	21	47.7	56	41.5
Diversifying the business's proposition	42	46.2	13	29.5	55	40.7
Location of the business	33	36.3	22	50.0	55	40.7
Working longer hours at the business	25	27.5	13	29.5	38	28.1
Innovating in the business	31	34.1	6	13.6	37	27.4
Passion, drive	29	31.9	4	9.1	33	24.4
Being lean (no debts, borrowing)	20	22.0	9	20.5	29	21.5
Flexibility	12	13.2	8	18.2	20	14.8

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60

**Figure 2:** Proposed theoretical framework – Resilience and coping among MSFs  
Sources: Lazarus (1993), Lazarus and Folkman (1984), Lee, Vargo, and Seville (2013), Nilakant et al. (2014), Herbane (2019)

