

Editorial: Family business adversity management, crisis strategies and resilience roles

Crisis management is a way to evaluate sudden changes that require immediate responses. It involves taking necessary steps in order to resolve a matter regarding family business management decisions. This can include evaluating early warning signs that require the implementation of changes in the marketplace. It is important to develop proactive strategies to deal with crises, particularly in family businesses that are rooted in tradition. This helps minimize the effects of a crisis. By doing so, a person or entity within a family business can recover more quickly from a crisis. There are many ways to define resilience in terms of family business management. Resilience can be broadly defined as “bouncing back from adverse situations and preparing oneself to thrive and adapt positively, regenerating oneself through innovation” (Nautiyal and Pathak, 2024, p. 1). This definition emphasizes the need to return to normal and then exceed expectations in a family business. Another definition by Yilmaz *et al.* (2024, p. 60) is “a positive adjustment to adversity”. This shorter definition focuses on the adjustment principles in which family businesses are expected to make during a crisis.

Family businesses that adequately deal with challenges tend to maintain a healthy functioning. There are constant short-term crises that necessitate a sense of resilience in people within a family business. Family businesses are especially vulnerable to crises such as economic downturns and political changes. They experience more resource constraints that lead them to consider new strategies. Resilience-triggering events such as conflict necessitate a rethink.

Resilience is a combination of capabilities that enable a person to cope with change. These capabilities develop over time as people gain experience. Williams *et al.* (2017, p. 742) define resilience as “the process by which an actor (i.e. individual, organization, community) builds and uses its capability endowments to interact with the environment in a way that positively adjusts and maintains functioning prior to, during and following adversity”. Normally, there are different stages of the resilience process, from anticipation to copying and adaptation (Duchek, 2020). The anticipation stage refers to realizing that change may occur and putting together a plan to deal with the change. The coping stage refers to how people adjust in terms of work-life balance. The adaptation stage means how people alter their behaviour based on the change. By having a stage approach to diversity, it can enable threats to be identified and creative solutions proposed, thereby enabling new possibilities to be achieved by an individual.

Resilience can stem from repeated or isolated exposure to adversity. The cumulative impact on individuals can result in increased stress levels. Adversity refers to when a person faces an unfortunate event in a family business. This circumstance can result in difficulty and turmoil. To deal with adversity, entrepreneurs need to have hope. This means they are optimistic that the circumstances will change. An ability to bounce back can lead to better social well-being.

Resilience means having good outcomes despite changes to the development of a family business. Innovative family businesses that are resilient are able to cope with threats by identifying protective factors, thereby maintaining psychological and emotional stability despite hardship. Having a proactive personality can enable individuals to keep going. This stops them from dwelling on the past and helps them move forward in a positive direction.

The concept of resilience has become important in understanding how people cope with uncertainty. Due to different types of crises, from war to financial affecting people’s entrepreneurial intention, it is important to focus on the topic of resilience. Some family businesses are able to cope better than others with uncertainty. They may thrive from the



change and be able to start new businesses. Others may become depressed and not be able to function properly. Thus, the study of resilience is useful in determining how a system recovers.

Being resilient can enable family businesses to withstand failure in order to proceed (Ratten, 2020). During tough times, being resilient enables people to grow. Entrepreneurship involves different kinds of activities that incorporate some degree of risk and innovation. Entrepreneurs normally are high risk takers and have financial aspirations. This enables them to progress ideas whilst being open to new opportunities.

The disruptions in the family business environment can lead to entrepreneurship. This is due to restructuring taking place that leads to new opportunities. To meet new and unforeseen demand, entrepreneurs need to be resilient. The concept of resilience was initially used in studies of socio-ecological systems that adapted to environmental change (Holling, 1973). Systems that could absorb change in a positive way and move forward were deemed to be resilient. This was important in understanding how disasters were managed in communities. The idea of resilience meant that communities could withstand perturbations and recover. Surviving change is important, and this can be done via restructures. When there are chaotic circumstances, people need to create new coping mechanisms. This helps them to take the appropriate action and deal with change.

The process of transformation based on change can be a complex or simple process. The level of complexity is based on the perceptions of individuals involved with the change in a family business. Some transformation is considered simple when it adheres to certain rules. This means the concept of resilience refers to beneficial outcomes resulting from adaptation.

Family businesses that have the capacity to adapt are considered resilient. This means in challenging situations people need to cope with stress. This is important in competitive marketplaces where stress is part of the business culture. Those who deal with stress are likely to be able to overcome adversity. People who are resilient tend to have personality traits that include being optimistic and innovative. Being positive and committing to change is helpful. Individuals should be prepared before disruption occurs. This means learning from failure and adjusting to the new environment.

In conclusion, family businesses need to manage crisis and incorporate resilience strategies. This will help them deal with a range of changes that make it difficult for them to continue without changing. It is hoped by acknowledging the role of crises in family business better coping mechanisms can be acted upon. This will help turn the tide in terms of ensuring family businesses retain their sparkle and reenergize their management structures.

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References

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