From 'Multifaceted Crises' to 'Perpetual Uncertainty': SMEs Navigating the New Normal

Topic: The resilience of SMEs has gained traction within small business research in recent years, particularly since the Covid-19 pandemic in 2020. While various studies have explored resilience in relation to individual crises, such as Hurricane Katrina in 2005 (Runyan, 2006), the 2008 Global Financial Crisis (Cowling et al., 2012), the 2011 London riots (Doern, 2017), or the 2011 Christchurch earthquake (De Vries and Hamilton, 2021), more recent research has discussed notions of a 'triple crisis' of Covid-19, global warming and a loss of biodiversity (Deakins, 2024), or 'multifaceted crises' (Dowell et al., 2023) of Covid-19, the cost of living crisis, the Russia-Ukraine conflict, climate change impacts, and Brexit in the UK. Although these more recent discussions of multifaceted crises draws attention to the multiple overlapping crises that SMEs face, this implies that these crises begin and end, but the reality for small businesses is that the environment in which they operate is becoming increasingly more uncertain, as the economic situation has become less stable through a constantly changing geopolitical landscape, such as the threat of global tariffs, and global impacts to supply chains due to the increasingly inter-dependency that exists between countries.

Applicability to the conference theme – 'Collaborating across Entrepreneurial Ecosystems: opportunities for inclusion, innovation, sustainability, resilience and growth'': This research aligns with the conference theme by exploring the ways in which SMEs can develop resilience to a period of perpetual uncertainty that has become a new normal situation for SMEs that face constantly changing working conditions. This includes the need to be sustainable and grow while developing resilience. This would also require effective collaboration across local ecosystems.

Aim: The aim of this research is twofold. Firstly, the paper sets out the case for changing the narrative on crisis management away from specific crises that impact on SMEs to a situation of perpetual uncertainty, as small businesses face consistent uncertainty from a series of challenges which has led to the need to re-evaluate their business models. Secondly, the research critically evaluates the resilience of SMEs to this period of perpetual uncertainty through a resource bricolage lens, investigating how businesses develop resilience through the application of the resources.

Methodology: Qualitative research is undertaken through semi-structured interviews with SME owner-managers, which allows for the experiences of SMEs to be investigated from the period of perpetual uncertainty, leading to a deeper understanding of the main issues that businesses face, the types of challenges that impact on businesses, and how resource bricolage activities can lead to resilience. The research focusses on the hospitality sector in the UK, which has been continuously impacted by changing economic conditions since Covid-19, through increased costs from inflation, access to the labour market, and changing regulations on sustainability, amongst others. Interviews were conducted with owner-managers with 30 hospitality SMEs in the UK in 2025. Maximum variation sampling was employed to ensure that interviewees reflected businesses of different sizes, different activities, and different locations. Interview data is analysed through thematic analysis and presented through the Gioia method.

Contribution: This paper contributes to a growing body of research on SME resilience, but aims to develop a new narrative around a period of perpetual uncertainty, rather than consider crises as individual events or multifaceted crises. Additionally, it presents a critical analysis of SME resilience through a resource bricolage lens, exploring the ways in which SMEs apply their resources to develop resilience by aiming to survive, underlining that this is likely to lead to incremental innovation, but less likely to see businesses engage in more advanced levels of innovation.

Implications for policy: Policy implications from this research outline that businesses need appropriate support to ensure that the business environment in which they operate can support their bricolage activities to develop resilience. The research outlines that policy is needed to support business across all aspects of resilience activities to ensure that businesses can apply their resources effectively to develop incremental innovation to support resilience, as well as going further by exploring opportunities for more advanced levels of innovation in which businesses can look to grow through periods of uncertainty.

Implications for practice: Practical implications of the research underline that businesses can be resilient in the face of perpetual uncertainty, and that, despite limited resource allocation, SMEs can apply resource bricolage activities to develop resilience and explore opportunities for growth. Developing a new narrative around perpetual uncertainty, practical implications of this research underline the need for SMEs to re-evaluate their business models to outline ways in which they can develop greater flexibility that can allow them to adapt to changing conditions, which can ensure greater resilience of the business.

References:

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