



The resilience of the entrepreneur. Influence on the success of the business. A longitudinal analysis



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ABSTRACT

The literature regarding entrepreneurship suggests that the resilience of entrepreneur may help to explain entrepreneurial success. In this article, we test whether a connection exists between resilience dimensions and the success of established entrepreneurs in the Spanish tourism sector, and whether any gender-specific differences exist. Resilience of subjects was measured 5 years before the follow-up data was collected. The results show that the three dimensions of resilience (hardiness, resourcefulness and optimism) help to predict entrepreneurial success. The key factor in predicting the success of the entrepreneur is resourcefulness. This could be said about both men and women. However, the ability to predict entrepreneurial success of those who have hardiness and optimism is different for men and women. The influence of optimism on the success of their businesses is greater for women than for men.

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1. Introduction

Successful entrepreneurs establish their business goals and take timely decisions to achieve those goals in increasingly competitive and uncertain environments. The information available to entrepreneurs is often ambiguous, incomplete or is constantly changing. In these circumstances, resilient entrepreneurs, who show a high degree of tolerance for ambiguity and adapt quickly to change, may be better prepared to succeed. Entrepreneurs who have resilience are willing to work hard to achieve their goals, to adapt to changes in order to take advantage of the new situation and are able to learn from their mistakes (Cooper, Estes & Allen, 2004; London, 1993).

As suggested in previous studies (Ayala & Manzano, 2010; Markman & Baron, 2003; Markman, Baron & Balkin, 2005; Stoltz, 2000), resilience could be a key factor in the explanation of entrepreneurial success. However, previous empirical research has not been conclusive. Perhaps one of the main reasons for this has been the complexity of defining the construct

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of resilience (Luthar, Cicchetti & Becker, 2000) which has created considerable challenges when developing an operational definition of resilience.

Although several instruments have been used to measure resilience, there are only a few instruments intended to assess resilience in adults (Connor & Davidson, 2003; Karairmak, 2010; Windle, Bennert & Noyes, 2011). In this study, we use the Spanish adaptation of the Connor–Davidson Resilience Scale (CD-RISC) (Connor & Davidson, 2003). This instrument was developed using a representative sample of entrepreneurs and presents very good psychometric properties (Manzano & Ayala, 2013).

Resilience is a dynamic adaptation process that allows entrepreneurs to continue to look towards the future despite harsh market conditions, and despite the destabilizing events they must continually face. Resilience is the capacity an entrepreneur has in order to overcome particularly difficult circumstances. This capacity for adaptation and “bouncing back” in the face of adversity depends on the individual’s resources and their interaction with the environment (Windle et al., 2011). Resilience changes over time and can be developed and encouraged (Brewer & Hewstone, 2004). It is therefore reasonable to assume that the resilience of the entrepreneur changes as a result of their business requiring them to adjust their strategies and to develop skills for coping with different kinds of situations with optimism and courage. The predictive validity of resilience could then be called into question: does resilience have any predictive validity? The only way to find out if resilience has any predictive validity is through longitudinal studies in which the dependent and independent variables are kept apart (Hansemark, 2003; Ward, 1993).

The researchers have demonstrated that differences in personal characteristics between men and woman could influence the success of their businesses (Boden & Nucci, 1999; Danes et al., 2009; Danes, Stafford & Loy, 2007). On the other hand, the investigations into the relation between resilience and gender differences are not conclusive. Campbell-Sills, Forde & Stein (2009) encountered significant differences between the degree of resilience shown by men and women. However, Burns and Anstey (2010) or Karairmak (2010) have shown that there are no differences in the degree of resilience based on gender. Therefore, another research question arises: if the resilience has a predictive validity on the success of the entrepreneurs, is gender a discriminating factor in the predictive validity of resilience? To answer this question we again need to conduct longitudinal studies in which the measurement values of individual resilience are collected before measuring the success of the business.

2. Resilience of the entrepreneur and business success

Resilience refers to the human ability to adapt in the face of tragedy, trauma and other adversity (Bonanno, 2004; Connor & Davidson, 2003; Newman, 2005). Resilience is used to characterise individuals who are able to easily and quickly overcome setbacks related to their life and career aspirations (Zautra, Hall & Murray, 2010). Resilience is an important quality for entrepreneurs (Sutcliffe & Vogus, 2003). Resilience is the result of the interaction between entrepreneurs and their environment. It is a dynamic and evolving process through which entrepreneurs acquire the knowledge, abilities and skills to help them face the uncertain future with a positive attitude, with creativity and optimism, and by relying on their own resources. Entrepreneurs are resilient when faced with adverse circumstances and are able to develop and mobilize resources they often did not suspect they possessed. That is to say, resilience represents a real growth strategy for entrepreneurs.

Resilience is a multidimensional construct that comprises a network of favourable attitudes and behaviours. Resilience can be thought of as the amalgamation of a range of personal and behavioural qualities rather than a specific characteristic (Cooper, Estes & Allen, 2004; Lamond et al., 2008). As such, the construct of resilience has always been difficult to define (Luthar, Cicchetti & Becker, 2000), as difficult as it has been to develop an operational measure of resilience. Although a number of scales have been developed for measuring resilience, they are not widely validated (Windle et al., 2011). One exception is the Connor–Davidson Resilience Scale (CD-RISC; Connor & Davidson, 2003) which has been validated in numerous studies (Burns & Anstey, 2010; Karairmak, 2010; Lamond et al., 2008). The majority of researchers have demonstrated that the CD-RISC has a multifactorial structure (Burns & Anstey, 2010; Jorgensen & Seedat, 2008; Karairmak, 2010). Manzano and Ayala (2013) has shown that resourcefulness, hardiness and optimism are distinct factors in the entrepreneurs’ resilience. Hardiness refers to control of oneself, not to the control of the actions or support of others. It means that the entrepreneurs are not easily frustrated when facing adverse situations, they are audacious and they fight to achieve their goals (Kobasa, 1979). Resourcefulness refers to the resources, capabilities and skills the entrepreneur possesses in order to control the various adverse situations they have to face. Resourcefulness implies that the entrepreneurs believe in their own ability to control events and influence the outcome of situations in which they find themselves in (Powell & Baker, 2011). Another component of resilience is optimism. It refers to the capacity of the entrepreneur to maintain a positive attitude in difficult circumstances, situations where there is great uncertainty regarding the outcomes. It is the capacity of the entrepreneurs to learn from mistakes and see them as an opportunity rather than a failure (Fredrickson, 2001; Schneider, 2001).

Resilient entrepreneurs have a greater ability to renew themselves over time through innovation and adjust to diverse and turbulent changes in the environment (Reinmoeller & Baardwijk, 2005). Resilient entrepreneurs have a high degree of self-esteem, feel they are in control and are not afraid to fail. If this happens, despite adversity, they “rise again” stronger than before because they have learnt from the situation, because they have experienced and made mistakes, and because they have been able to change so as to adapt to the new circumstances of their environment (Cannon & Edmondson, 2005).

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