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FINANCIAL RESILIENCE OF SMALL BUSINESSES

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PLAN A

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DECLARATION

I, Kembabazi Anitar declare that this dissertation is my original work and has never been submitted by any one in any academic institution for any award. Where the work of other authors has been referred to, due acknowledgement has been made.

Signature.....KA..... Date....26/08/2025.....

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APPROVAL

We certify that this dissertation has been developed and compiled under our supervision and it is ready for submission.

Signature..... Date..2/9/2025.....

Assoc. Prof. Mutebi Henry (PhD)

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Ms. Diana Kyomuhangi

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ABSTRACT

This study examined the relationship between resource bundling, resource leveraging, and resource structuring and financial resilience in small businesses in Mbarara District. The study employed a cross sectional research design and sampled 310 small businesses in Mbarara District where data was obtained using a questionnaire. The data collected was analyzed using the correlation and regression statistical techniques

The results showed that resource bundling had a positive and significant relationship with financial resilience. Also resource structuring was found to have a positive and significant relationship with financial resilience. Further, resource leveraging was found to have a positive and significant relationship with financial resilience. This implies that an improvement in resource bundling, resource structuring and resource leveraging leads to an improvement in financial resilience

The study recommends that businesses should continuously identify resources that do not add value to the organisation and remove them from the operations such that they are equipped with quality ones like up to date machinery and technologies which can be able to withstand times of uncertainty. Businesses need to always combine resources and ensure that they are interdependent. The human capital should be interdependent with other capitals that exist in the organisation such that they all move towards the achievement of a common purpose

CHAPTER ONE

INTRODUCTION

1.1 Background of the study

Globally Small businesses account for about 95% of all global businesses however they continue to struggle to access finance and be largely resilient (WTO, 2020). According to Bolt (2019), financial resilience refers to the capacity to survive in unforeseen or unpredictable events which could have a significant negative impact on their income and assets. In developed countries like UK, 70-80 per cent of Small businesses in 32 OECD countries registered a loss in revenue of 30-50 per cent and COVID-19 pandemic was the main reason for the drop in turnover. 11 percent of UK businesses said they had no cash reserves, and 7 percent said they had little to no confidence in their ability to survive the next three months, according to the ONS study (Ates, 2022). Seventy-eight percent of small enterprises in South Africa fail within the first five years of operation, which is higher than the global average (Van Scheers, 2019). According to Charman (2017), half of newly opened spaza shops fail within five years. In Uganda, it is estimated that about two in every three start-ups close within their first year of operation (Wanzu, Turyakira, Katumba, 2019). Just under a quarter (23.4%) of the small businesses surveyed are in the Western region, over a third (35%), and less than one in five (18.2%) are in Kampala. Of the small businesses surveyed, 67% fail, 31% struggle to stay afloat, and 7% work more and take on casual jobs (Sahler & Gray, 2020).

Small enterprises lack established business structures and strategies and operate in a highly dynamic environment. Small firms have a responsibility to acquire the competencies and abilities required to lessen the impact of any catastrophic catastrophes, like COVID-19 (Aidoo et al., 2021). As a result, different Small businesses have had differing measures in dealing with and enhancing financial resilience such as saving for the short and the long-term. Planning and budgeting are

crucial for maintaining financial resilience since they help build reserves for unforeseen events as well as longer-term needs. Also Small businesses' ability to acquire and manage resources whether tangible or intangible could potentially lead the firm to gain a competitive advantage over its competitors leading to financial resilience (La Rocca et al., 2019).

According to resource orchestration theory, a firm's ability to withstand setbacks can be attributed to the way it manages or coordinates its resources (Carnes et al., 2017; Sirmon et al., 2011). To maximize value generation and produce synergistic effects, resources need to be actively deployed, recombined, and controlled (Gruber et al., 2010; Sirmon et al., 2011). According to orchestration theory, resource management strategies that coordinate a company's capabilities and resources have an impact (Sirmon et al., 2007). To establish a portfolio that adds value for customers and gives businesses a competitive edge, they must specifically properly organize, package, and utilize resources (Carnes et al., 2017).

1.2 Statement of the problem

Small businesses are supposed to be resistant to the economic shocks since they are the major contributors to economic development in Uganda (Wanzu, Turyakira, Katumba, 2019). While the government of Uganda has made commendable efforts towards the development of the small business sector, Uganda's small businesses have had a number of economic shocks (PWC, 2020) and the unanswered question is whether enterprises emerge stronger after such economic shocks. In Uganda, World Bank (2021) indicated that over 89 percent of small businesses reported a decrease in turn over by about 49% due to their failure to manage shocks, uncertainties in their operations and about 70 per cent of small businesses close before celebrating their second birthday. Available statistics indicate that whereas the Uganda is ranked among the top three

entrepreneurial countries in the world in terms of enterprise creation, another dismal statistic shows that the country has the highest enterprise failure rate estimated at 50% (Lakuma, 2019). A UN Capital Development Fund (2020) study on the effects of COVID-19 on Ugandan small businesses found that only 15% of businesses were able to maintain operations during the lockdown for three months, 85% of them experienced financial difficulties after three months, and roughly 50% of unofficial businesses went out of business or fell below the poverty line within a month of the lockdown. According to the regional survey on small businesses (Mwesigwa, 2022), 65 % of the small businesses in Mbarara did not re-open after the COVID-19 pandemic. If this persists, the economy as a whole will be affected reducing the contribution of small business to the country's development. Small businesses are important contributors that cannot be overlooked especially, areas relating to their coping strategies and financial resilience pre-during and post-COVID-19 pandemic require urgent attention (Bhamra et al., 2011). This implies that the resilience of small businesses are affected by the capability to adjust their resources and remain effective in a constantly changing environment this trend needs to be addressed otherwise it could continue to undermine the role of small businesses in Uganda. Various studies in Uganda have focused on performance of small businesses rather than their resilience and the current study seeks to address this gap by establishing the relationship between resource orchestration and financial resilience of small businesses.

1.3. Purpose of the study

The purpose of the study was to establish the relationship between resource structuring, resource leveraging, resource bundling and financial resilience of small businesses after covid-19 in Mbarara District.

1.4. Study objectives

i. To establish the relationship between resource structuring and financial resilience of Small businesses in Mbarara District

ii. To establish the relationship between resource leveraging and financial resilience of small businesses in Mbarara District

iii. To establish the relationship between resource bundling and financial resilience of small businesses in Mbarara District

1.6 Research hypothesis

Ho1: There is a relationship between resource structuring and financial resilience of small businesses in Mbarara District.

Ho2: There is a relationship between resource leveraging and financial resilience of small businesses in Mbarara District.

Ho3: There is a relationship between resource bundling and financial resilience of small businesses in Mbarara District.

1.7 Scope of the study

1.7.1 Content scope

The study focused on the theoretical and empirical explanation on resource structuring, resource leveraging, resource bundling and financial resilience of small businesses in Mbarara District. Resource leveraging entails a series of procedures to utilize the firm's capabilities and seize particular market opportunities; resource bundling refers to integrating resources to form capabilities (Sirmon et al., 2011). In order to integrate resources and develop skills, managers must

take action to stabilize, enhance, and pioneer the resources they have on hand (Sirmon et al., 2007, 2011). This process is known as resource bundling. The ability to deal with and endure unexpected or unplanned events that could seriously interrupt one's income stream or, in the worst case scenario, completely destroy one's assets is known as financial resilience (Bolt, 2019).

1.7.2 Geographical scope

This study covered small businesses in Mbarara District. These were considered in the study in order to attain the necessary information for the study. The choice of Mbarara District was because according to the survey by Economic Policy Research Center (EPRC, 2022), only 45% of the small businesses re-opened after the COVID-19 pandemic, an indicator that the financial resilience of these firms was wanting.

1.7.3 Period scope

The research was based on a cross sectional research design where data collected from the population is at a specific point in time. Basing on this background, the research process covered a period of one year after Covid in 2024.

1.8 Significance of the study

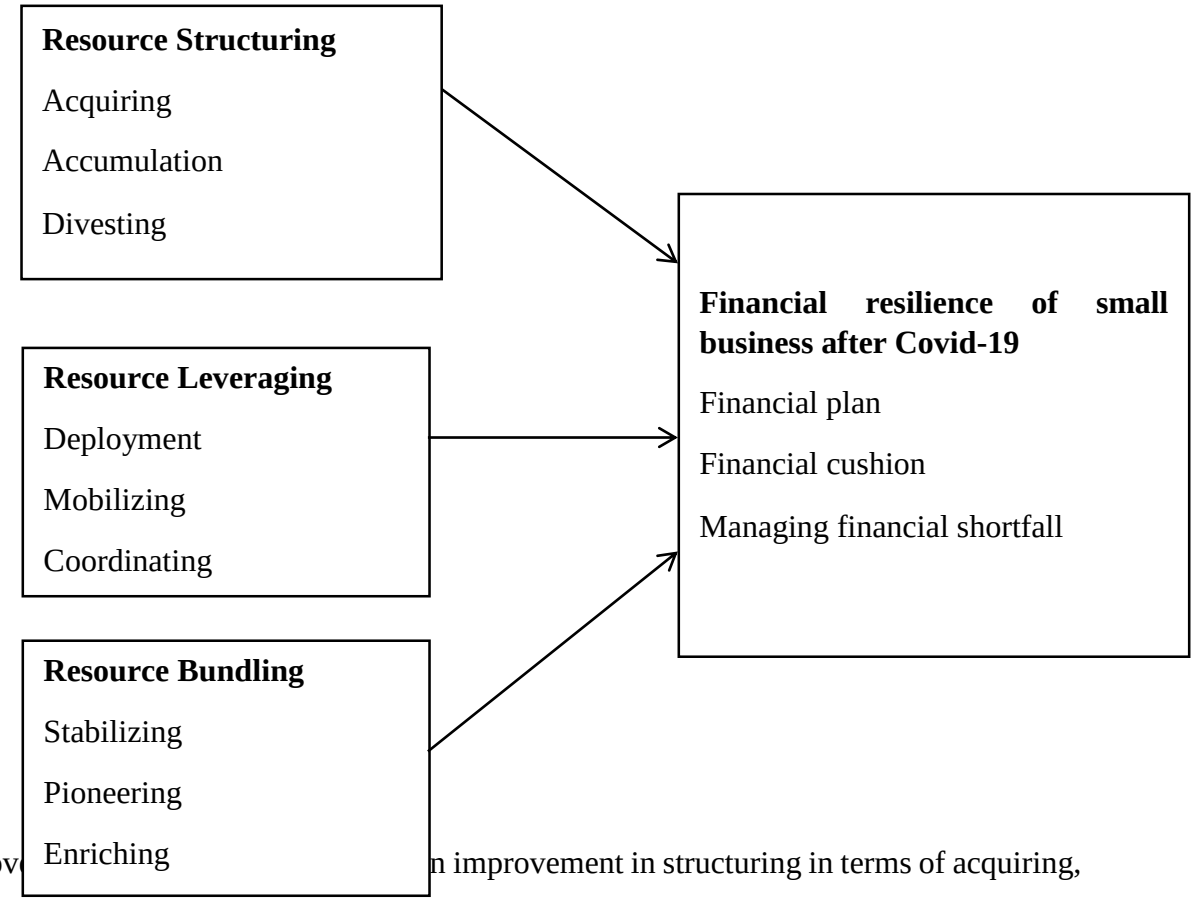
This study will aid in understanding how to take advantage of the resources available to strengthen the financial resilience of small businesses and as such, the entrepreneurs will be able to continuously run their enterprises without the fear of the unknown.

The study will aid to provide relevant information to the policy makers on what should be done for small businesses to ensure that they can stand the test of time without having to close down. This will essentially contribute to the overall development of the economy

The study will also be used as reference for future researchers who may be interested in learning more on the financial resilience of small businesses

1.9. Conceptual frame work

Resource orchestration



From the abov n improvement in structuring in terms of acquiring, accumulation and divesting resources will result into improvement in financial resilience. Also an improvement in leveraging in terms of deployment, mobilizing and coordinating will lead to better financial resilience. Bundling will also lead to financial resilience in terms of financial plan, financial cushion and managing financial shortfall.

CHAPTER TWO

LITERATURE REVIEW

2.1 Definition of variables

Resource Structuring

The process by which a company acquires the resources required to combine into capabilities that will be used to generate value is known as "structuring resources." Resources are acquired, accumulated, and/or divested during the structuring process (Barney, 1986). The process by which businesses get, amass, and dispose of resources is referred to as restructuring (Sirmon et al., 2007).

According to Hitt et al. (2020), structure is a process that includes locating and allocating resources that have high value, turning those resources into capabilities, and then making further investments to turn those capabilities into long-term value.

Resources are increased and obtained through internal growth and sales during restructuring. (Berseck, 2018)By creating new resources, expanding those that already exist, and getting rid of ineffective ones, structuring actions improve a company's endowment. Managers must actively coordinate their resource portfolio because enterprises have limited resources. Acquiring outside resources and selling off less promising resources are likewise related to structuring activity. According to Sirin et al. (2011), bundling action entails stabilizing to gradually enhance current capabilities, enriching current capabilities, and pioneering to generate new skills.

Resource Leveraging

Leveraging, according to Sirmon et al. (2007), is a series of actions used to capitalize on a company's strengths and seize certain market possibilities. In order for businesses to get the most out of their capabilities, Sirmon et al. distinguished three separate sub-processes of leveraging: mobilizing, coordinating, and deploying. Small business films identify which capabilities are necessary for particular strategies through these three sub-processes of leveraging, work together to create the capability configurations those strategies require, and then implement the leveraging strategies in the framework of the industry environment.

Resource Bundling

The process by which a company merges resources within its portfolio to build capabilities is another definition of bundling. The process of bundling differs according to the requirements of an organization, and distinct methods result in distinct capabilities (Tavassoli et al. 2017).

According to (Hamel & Prahalad, 1994), the company may combine a small number of resources to produce low order capabilities for tasks that require less complexity within the company, and conversely, the company may combine a large number of resources to produce high order capabilities for complex tasks that are meant to transform the company. Consequently, for both gradual and drastic organizational change, distinct bundling procedures are required (Sirmon et al., 2007). Furthermore, a company needs to combine several resource sets to develop the competencies needed to carry out the tasks required to meet its strategic objectives in order to develop its resource portfolio (Rothaermel & Hess, 2007). In order for businesses to grow organically through innovation, regardless of their stage of growth, they must constantly make small, incremental changes (stabilizing), expand present capabilities (enriching), and, occasionally, construct whole new capabilities (pioneering) (Sirmon et al., 2007).

Financial resilience

According to Bolt (2019), financial resilience refers to the capacity to survive in unforeseen or unpredictable events which could have a significant negative impact on their income and assets. Similarly, Caldera-Sanchez et al. (2016) indicate that financial resilience is the ability to reduce vulnerability and risk within a firm based on its strategic capability to recover quickly. Furthermore, according to McKnight and Rucci (2020), financial resilience is related to a person's capacity to handle financial shock or bounce back from financial setbacks.

According to Acquaah, Amoako-Gyampah, and Jayaram (2011), financial resilience refers to an organization's capacity to foresee, plan for, react to, and adjust to gradual changes as well as

unexpected, unplanned disruptions in order to thrive by developing appropriate economic policies meant to minimize budget deficits. The capacity to endure circumstances that affect the assets and income of small businesses is another definition of financial resilience (Bolt, 2019). Different approaches have been taken by numerous small enterprises to deal with unforeseen shocks; some have reduced staff wages and slashed expenditures. However, a small business's capacity to obtain and manage both tangible and intangible resources may provide it a competitive edge over rivals and foster the development of its financial resilience (La Rocca et al., 2019).

2.2 Theoretical review

Resource orchestration theory

Resource orchestration theory (ROT) was initially proposed in the 1950s (Chukwuemeka & Onuoha, 2018). According to this idea, in order for businesses to maintain performance and a competitive edge, they must be able to coordinate their resources in order to realize the combined effects of their interconnections rather than the isolated effects of their separate resources (Zaefarian et al., 2013). The resource orchestration hypothesis states that a firm's resilience in a crisis can be distinguished by the way its resources are coordinated (Berseck, 2018). According to Bigelow and Barney (2021) a resource orchestration is the totality of how businesses organize, combine, and use resources to produce value and financial stability. According to Chirico et al. (2011), resource orchestration theory offers a framework for comprehending how businesses can strategically manage their resources to increase financial resilience. Businesses can strengthen their capacity to endure financial difficulties, adjust to shifting conditions, and sustain their competitive advantage over time by skillfully orchestrating their resources. Several academic publications indicate the interest in coordinating resources to achieve different small business

goals. Kabue and Kilika (2016) hinted at further attempts to use resource orchestration theory to explain the route to financial resilience. Additionally, Ahmed et al. (2021a) used a number of academic studies to show how resource orchestration and organizational resilience are related and to make the claim that organizations that successfully orchestrate a combination of static and dynamic resources will see an increase in organizational resilience.

2.3 Empirical review

Resource structuring and financial resilience of small businesses

Resource structuring includes the owner-manager's procurement, accumulation, and disposal of resources (Dierickx & Cool, 1989; Makadok, 2001). A firm's intrinsic ability to orchestrate resources beyond the simple stock of resources at its disposal is required to achieve targeted small business resilience, as demonstrated by recent disruptive shocks and systemic events. These enterprises also need to possess and orchestrate dynamic blending capabilities. Furthermore, in order to build a new resource portfolio that will fit and allow them to thrive in the external environment, businesses must purchase, amass, and dispose pertinent strategic resources (Sirmon et al., 2011). During disruptive shocks, a corporation could invest in resources that turn out to be irrelevant to its market environment, according to Laaksonen and Peltoniemi (2018). This is due to the possibility that having resources does not guarantee success. Rather, the firm's natural dynamic capabilities modify the resources. Further firms may create and develop strategies to better withstand unexpected challenges, disruptions, and economic uncertainties since structuring resource and financial resilience can be an ongoing process that requires diligence and adaptability thus ultimately ensuring greater stability and resilience for long-term sustainability and success of small businesses.

Purchasing and increasing resources through internal development and divestiture are steps in the structuring of a resource portfolio (Berseck, 2018). Put differently, it is a procedure that includes identifying and allocating resources of high value, turning those resources into capabilities, and then making further investments to turn those skills into long-term value that builds a firm's resilience (Hitt et al., 2020). The process of acquisition entails a company's attempt to draw in or secure resources from non-homogeneous markets, such as expertise, excess capital, and tangible and intangible assets (Boss, 2014; Hitt et al., 2020). Through savings, investments, diversified income streams, and debt management can significantly contribute to financial resilience since the resources acquired can help firms to recover more quickly from unexpected setbacks and therefore building and managing these resources strategically can be the key component of achieving and maintaining financial resilience. Conversely, accumulating refers to a company's capacity to create resources internally through material and human resource investments, including knowledge capabilities and investments in human capital, or through building up resources within a homogeneous environment (Boss, 2014). Omar et al. (2020), among other literature researchers, examined how the Covid-19 lockout affected Malaysian businesses' survival plans. Their findings showed that asset acquisition and working capital restrictions implemented in pre-crisis resilience strategies helped the businesses withstand Covid interruptions. Additionally, the study demonstrated a relationship between organizational resilience and resource structuring. After looking through empirical research from the health and other sectors, Barasa et al. (2018) came to the conclusion that resilience exists inside organizations. In order to foster collaboration between them and attain financial resilience—which is equated with a system's capacity to accomplish its declared objectives during times of crisis—managers must thus integrate across various company divisions (Daily & Dalton, 1992).

Resource divestitures are frequently necessary, but they must be done cautiously to prevent losing strengths in addition to deficiencies (Nixon, Hitt, Lee, & Jeong, 2004). Furthermore, data points to the possibility that in order to generate value and resilience, divesting could need to be combined with fresh internal or external innovation initiatives. For instance, Morrow et al. (2007) discovered that businesses that made unusual and valuable purchases or internal innovations combined with divestiture were the most resilient to financial recovery following performance crises. In their 2015 study, Flammer and Ioannou examined how US corporations modified their strategic resource allocations during the 2007–2009 global financial crisis. They found that US corporations slashed capital expenditures and workforce, indicating a possible divestment strategy. Companies made up for this, though, by funding research and CSR projects. This suggests that enterprises' capacity to remain competitive both during and after recessions is facilitated by these organizational alternatives. A few empirical evidences connecting business resources to organizational resilience against systemic shocks were provided by the study.

While the company's exploitation efforts focus on improving the efficiency of its current operations, exploration initiatives seek to find new ways for the company to expand its product offerings or find new uses for its current resources. On the other hand, managers of non-resilient enterprises must identify and divest resources that no longer aid the company in creating value and developing a competitive advantage (Sirmon et al., 2010). Overall, the key is to strike a balance between divesting non-essential resources to free up capital and maintaining financial resilience to withstand economic challenges as well as valuable in making informed decisions regarding divestment and financial resilience.

H1a: There is a positive relationship between structuring and financial resilience of Small businesses in Mbarara District

Resource bundling and financial resilience of small businesses

Companies need to have a way to integrate resources for resilience because they are intrinsically static (Helfat & Martin, 2015). (Kamasak, 2017). Having rare, valuable, hard-to-replicate, and non-substitutable resources gives one the chance to gain a competitive edge (Barney, 1991), but in order to do so, the resources need to be combined into capabilities and used wisely (Eisenhardt & Martin, 2000; Sirmon et al., 2021).

The right set of capabilities developed through the managerial bundling of resources with the resource bundles designed to accomplish the desired changes are needed in order to make these changes fast and effectively. Stabilizing can be used to expand the manufacturing scope and market share of current products. It is intended to make small, gradual improvements to a company's current capabilities (Sirmon et al., 2017).As a result, it is unlikely that the companies will alter their approach to use those talents much; instead, they may make little adjustments. In order to increase efficiency over time, businesses that prioritize the stabilizing bundling process also frequently keep routines consistent (Kelly & Amburgey, 1991; Nelson & Winter, 1982).

However, enriching focuses on how a firm's capabilities evolve in response to changes in market competition and transactions. It aims to expand on current capabilities and add new talents to the repertoire (Sirmon et al., 2017). As a matter of fact, companies that prioritize enrichment are typically working to continually enhance their current skills in order to better compete in the emerging market (Day, 1994). Firms can benefit from more fast change and resilience by deploying new resources, re-bundling their current resources, and configuring them in novel ways to better respond to market changes (Li et al., 2014; Sirmon et al., 2017). To stay ahead of or catch up to competitors, the enhanced capabilities facilitate a quicker implementation of the new or modified plan. For instance, a company can enhance its capacity for business innovation by

learning new skills that enable it to create and launch new items in addition to improving its present line of goods (Kessler & Chakrabarti, 1996), both of which can help the company maintain its financial stability.

The goal of pioneering is to develop new skills that complement existing skills or replace some or all of them (Sirmon et al., 2017). Based on Schumpeterian logic, the innovative bundling process frequently yields capabilities that aid in the implementation and support of a novel entrepreneurial strategy (Sirmon et al., 2017; Smith & Di Gregorio, 2022). Businesses that possess more robust pioneering bundling procedures are able to take initiative and act swiftly, since innovative features may prove beneficial in establishing new ventures and breaking into untapped markets. By coordinating new assets in this manner, the company offers the strategic flexibility required to react to a constantly changing competitive landscape (Adner & Helfat, 2003; Hittetal., 1998, Sirmon et al., 2011). Businesses that have a more robust pioneering bundling are frequently more equipped to modify their approach and possess the know-how required to execute the new plan quickly.

H1b: There is a positive relationship between bundling and financial resilience of small businesses in Mbarara District

Resource Leveraging and financial resilience of small businesses

In light of COVID-19, you and your colleagues (2023) investigated utilizing resources and dynamic capabilities for organizational resilience. According to the empirical findings, both non-VRIN and VRIN (valuable, rare, inimitable, and non-substitutable) resources can help improve organizational resilience. According to Menéndez Blanco and Montes Botella (2016), resilience is a strategic approach that calls for both proactive and reactive procedures in addition to the capacity

to persevere in the face of adversity. Consequently, it's critical to research how businesses may strengthen their risk-averse capacities in order to manage the economic downturn brought on by the pandemic. The vast body of research on organizational resilience in the face of unexpected occurrences is expanded upon in this article (Mota et al., 2022; Hougaard et al., 2020; Xie, 2022). Nevertheless, prior research has not taken into account the crucial elements influencing OR in the event of unforeseen circumstances (Bhamra et al., 2011; Polyviou et al., 2020).

Floetgen, Strauss, Weking Hein, UrmetzerBohm, and Kremor (2021) conducted a study on the implementation of platform ecosystem resilience in response to the COVID-19 pandemic, focusing on the utilization of mobility platforms and their associated ecosystems to adapt to the new normal. The research employed a case survey methodology to examine a total of 171 mobility platforms and identified five distinct archetypes that illustrate how these platforms utilize their platform-based characteristics and ecosystem to establish resilience.

The study conducted by Pal and Maltila (2014), employing an exploratory research design, investigated the factors that lead to organizational resilience, with a particular focus on the impact of economic factors on small and medium-sized enterprises (SMEs). The research revealed that economic challenges have posed significant obstacles for SMEs, resulting in disruptions to their operations. The study also highlighted that SMEs have been able to leverage their resources to overcome these challenges and demonstrate resilience.

According to Morris et al. (2022), resource leveraging entails the capacity to identify a resource that is not being fully utilized, envision alternative ways in which the resource could be employed, or persuade the individuals who have authority over the resource to grant permission for its use. This process necessitates a combination of expertise, practical knowledge, and proficiency. According to Ramos (2016), organizations demonstrate exceptional proficiency in effectively

utilizing their available resources, which may encompass networks, plant and equipment, business partners, or other company assets. According to Morris et al. (2004), the capacity to identify an underutilized resource, envision alternative uses for it, or persuade those in charge of the resource to grant access necessitates perspicacity, proficiency, and expertise.

H1c: There is a positive relationship between leveraging and financial resilience of small businesses in Mbarara District

Resource orchestration and financial resilience of small businesses

SME Resilience to COVID-19: Insights from Non-Essential Service Providers in Nairobi was investigated by Eltigani, Kilika, and Gakenia (2021). In order to gather insights from in-depth interviews and conversations with owners and managers of six different SMEs that are deemed non-essential service providers and are not eligible for the Covid-19 cessation of movement waiver, this article employed an extractive thematic analysis technique. Through the ability to orchestrate dynamic resources, the article increased understanding of the resilience of SMEs. It aimed to determine whether highly resilient SMEs might be distinguished from non-resilient ones by their ability to orchestrate and possess dynamic resources. Business diversification, slack finance, intra-stakeholder cooperation, positive psychology, self-reinvention, technological leverage, and cost control were all included in the article as precursory resilience agents in Kenyan SMEs. SMEs are particularly susceptible to disruptive shocks because to the disproportionate impact of disruptive events on them (Bourletidis & Triantafyllopoulos, 2014; Branco et al., 2019).

For example, when Masago et al. (2020) examined SMEs in Kenya's Narok Town, they discovered that over half of the SMEs were considering closing if the circumstances continued. Suleiman (2020), on the other hand, used anecdotal evidence to support the idea of self-reinvention by noting

that certain Kenyan business sectors took advantage of the Covid-19 pandemic's opportunities and started producing masks and other essentials for Covid-19 prevention (RadovićMarković et al., 2017).

SMEs' crisis management methods, tactics, and success stories were examined by Bourletidis and Triantafyllopoulos (2014). Twenty SMEs from various economic sectors in Athens and Piraeus, Greece participated in their study, and the findings identified crucial success factors that separated resilient SMEs from those that failed. Campos (2016), who investigated SME resilience aspects in a post-disaster recovery environment in Davao City, Philippines, subsequently confirmed their work. Omar et al. (2020) evaluated how the Covid-19 lockout affected Malaysian SMEs' survival plans and discovered that cash flow reorganization and capital rationing were two pre-crisis resilience methods that helped the businesses get ready for Covid disruptions. The research findings highlight the significance of resource orchestrability in achieving firm-level resilience, and although the transmission mechanism was not entirely clear, it is assumed that resource re-configurability contributed to accelerating the transmission of policy decisions into resilience outcomes.

According to the resource orchestration procedures (Helfat 2007, Sirmon et al. 2011), comprehending resource structure is a crucial first step in building company resilience in a resource-demanding environment (Sirmon et al. 2007). More precisely, in a volatile and resource-scarce environment, how SMEs obtain vital resources is the greatest strategic concern (Wang and Clegg 2018). According to Sirmon et al. (2008), generating value requires that resource-related management activities be coordinated, combined, bundling and leveraging activities highlight resource utilization .Leveraging is the process of taking advantage of a company's potential by improving on structuring and bundling, which should result in taking advantage of market

opportunities through an entrepreneurial approach (Sirmon et al. 2011). According to Tavassoli et al. (2017), bundling refers to the entrepreneurial acts that transform acquired resources into capabilities, whereas leveraging comprises the coordination and deployment of the capabilities to gain a competitive advantage.

H1: There is a positive relationship between resource orchestration and financial resilience of Small businesses in Mbarara District

CHAPTER THREE

METHODOLOGY

3.1 Research Design

A cross-sectional survey design study was used to conduct this study; where by data was collected at one point in time. A survey design comprising of quantitative data collection method was adopted. The choice of the method was because of the limited time allocated to complete the programme. Besides, previous studies on financial resilience have used the approach successfully (Eltigani, Kilika, & Gakenia, 2021; Mcknight & Rucci, 2020; Pal & Maltila 2014).

3.2 Study Population and Sample Size

The unit of analysis was the firm and thus, the study population comprised of 1657 small businesses licensed by the Mbarara district commercial office as at June 2020. A sample size of 310 small businesses determined using the Krejcie and Morgan (1970) sample size determination table participated in this study. Responses were obtained from 310 small enterprises representing

a response rate of 100%. This was because the researcher needed to get an adequate sample to represent the population of the study

3.3 Sampling design and technique

In order to obtain the sample of businesses that were considered for this study, simple random sampling technique was used. This involved assigning a number to each business. These numbers were written on separate small pieces of paper, folded and placed in a box. The papers were then be picked one by one after shuffling, without replacement till the required sample size is attained. The picked elements participated in the study. One staff per business filled questionnaire and that shall be either the owner of the business or the manager.

3.4 Data Collection Instrument

Primary data was collected from respondents using a self-administered questionnaire. The questionnaire was designed using items developed and tested by previous scholars. The responses to the variables were anchored on a five (5) point Likert scale ranging from 1=strongly disagree to 5-strongly agree.

3.5 Measurement and operationalization of study variables

The measurement and operationalization of the variables under study is presented in the table below

Table 1: Measurement and operationalization of variables

Variable	Operationalization	Measurement
Resources structuring	the administration of a single firm's resource and capability portfolio Ahuja & Katila, (2001); Makri et al., (2010)	Items will be measured on a 5 point likert scale
Resource Leveraging	the use of resources and competencies inside a single business to generate income for owners and value for consumers Sirmon et al., (2011); Wendt et al., (2022)	Items will be measured on a 5 point likert scale
Resource Bundling	combining assets and skills to create or modify capabilities inside a single company Tavassoli et al. (2017); Hamel & Prahalad, (1994)	Items will be measured on a 5 point likert scale
Financial resilience	The capacity to survive in unforeseen or unpredictable events which could have a significant negative impact on income and assets of a business Caldera-Sanchez et al. (2016); Mcknight & Rucci (2020).	Items will be measured on a 5 point likert scale

3.6 Data quality control

Validity

According to Saunders et al. (2003), the degree to which research tools measure what they are supposed to assess is known as validity. The purpose of the content validity test is to verify that the measures contain a sufficient and representative sample of items that capture the idea. The content validity increases with the degree to which the scale items correspond to the domain of the idea being measured. Six experts—four academicians and two practitioners—were asked to evaluate the draft questionnaires throughout the questionnaire preparation stage in order to

determine whether the items were suitable for capturing the research variables. A content validity index was obtained using the following formula.

$$CVI = \frac{\text{Number of items rated relevant}}{\text{Total number of items}} \times 100\%$$

As recommended by Saunders et al. (2003), for the instrument to be valid, the CVI should be at least 0.7 and this was achieved. The average variance extracted (AVE) is a measure of the amount of variance that is captured by a construct in relation to the amount of variance due to measurement error. According to Fornell & Larcker (1981), the AVE should be above 0.5 to obtain valid results. The results are shown in the table below.

Table 2: Validity results

Variable	Number of items	CVI	AVE
Resource bundling	11	0.88	.567
Resource leveraging	13	0.92	.613
Resource structuring	14	0.94	.549
Financial resilience	9	0.95	.572

The degree to which a construct's operationalization gauges the claims made by the theory is known as construct validity. The study variables were operationalized in several dimensions using multiple items when creating the survey instrument, indicating that a construct validity test should be carried out. To identify components in the current data, a principal component analysis using the varimax rotation approach was utilized. The initial evaluation of the data's eligibility for factor analysis was conducted using the Keiser-Meyer-Olkin (KMO), Bartlett, and sample size adequacy tests. Field (2009) states that a statistically significant result for Bartlett's test of sphericity

(sig=.000) and a Keiser-Meyer-Olkin (KMO) of ≥.7 are required. The fact that both presumptions were satisfied suggests that the data was appropriate for factor analysis. The results are presented in the table below.

Table 3: KMO and Barlett test

	KMO	**Barlett test's test of sphericity approx. X^2**	**df**	**Sig.**
Resource bundling	.902	2271.851	55	.000
Resource structuring	.915	2707.501	78	.000
Resource leveraging	.899	3087.239	91	.000
Financial resilience	.873	1194.004	15	.000

The instrument's convergent validity was then assessed using factor analysis. Hair et al. (2010) state that the suggested cut-off for factor loadings is.5 and the extracted Eigen values ought to be one or higher. These presumptions were satisfied, indicating the validity and suitability of the instrument for the investigation. The results are presented in table 4, 5, 6 and 7 below.

Table 4: Validity for resource bundling

	Stabilizing	Enriching	Pioneering
Slightly altering its mix of resources	.619		
Making necessary investments in its supporting resources	.703		
Restoring weakened resources	.666		
Sustaining its underlying resources	.679		
Improving its resources (employees, machines, etc)		.643	

Adding better resources from our changing resource portfolio.		.667	
Replacing resources with incrementally higher quality ones		.609	
Using its resources more efficiently and effectively		.617	
Re-combining resources in novel ways			.719
Bundling new, complementary resources together			.805
Uniquely combining new, valuable resources with existing ones			.746
%ge variance explained	**37.628**	**10.264**	**27.065**
Cumulative %ge	**37.628**	**47.892**	**74.957**
Eigenvalue	**6.339**	**1.129**	**2.771**

Table 5: validity for resource structuring

	Acquiring	Accumulation	Divesting
Financial support	.705		
Business strategy advice	.734		
Social capital	.773		
Physical resources (e.g., technologies, equipment)	.702		
Corporate social responsibility	.631		
We build installations and equipment by ourselves when developing internal resources		.566	
We develop intangible resources within the firm when developing internal resources		.568	
We increase our employees' skill and knowledge through training when developing internal resources		.628	
We are effective at developing valuable assets internally		.632	
We lay off employees whose skills do not add value to the firm,			.700
We sell off non valuable equipment and facilities			.685
We divest underutilized resources			.673

We are effective at decommission less-valuable assets			.653
%ge variance	**32.893**	**24.589**	**15.889**
Cumulative %ge	**32.893**	**57.482**	**73.371**
Eigenvalue	**6.876**	**2.758**	**2.668**

Table 6: Validity for resource leveraging

	Deployment	Mobilizing	Coordinating
We are effective at deploying our capabilities to take advantage of specific market opportunities	.527		
We manage how and what we deliver to the customer, no one monitors us.	.544		
We work in high-performance teams; we have our own customers and own deliveries	.723		
We are constantly listening to the customer and he or she is also involved in the processes and influences what we should focus on	.790		
By strongly focusing on the customer, we learn, adapt and build relationship	.701		
We are effective at mobilizing our capabilities towards a common vision		.586	
It is very important to understand the solutions and needs of the customers.		.595	
Ask for forgiveness rather than ask for permission.		.705	
If something goes wrong, then no one is pointing anyone out		.673	
There are no failures, only lessons.		.544	
The customer relationship is ultimately managed by the teams.			.672
The teams work independently and therefore take responsibility, and normally deliver what the customer requires			.611
From our relationships with leading brands, we see an increased focus on tying together the entire customer experience			.671

With the increasing size of the company, the system developers are further away from the customers			.524
%ge variance	**24.867**	**18.538**	**26.794**
Cumulative %ge	**24.867**	**43.405**	**70.199**
Eigenvalue	**4.681**	**1.675**	**2.974**

Table 7: Validity for financial resilience

	Financial plan	Financial knowledge and behavior	Wealth protection
We try to save some money regularly, even if it is just a little	.583		
We have short and medium financial goals	.550		
We set long financial goals and strive to achieve them	.676		
We don't delay payments		.668	
We prepare future financial plans		.725	
We distribute money for personal and business purposes		.637	
We keep a close watch of financial affairs			.729
Before receiving money, we plan how the money will be used			.654
We have a budget			.670
%ge variance	**45.454**	**19.401**	**17.383**
Cumulative %ge	**45.454**	**64.885**	**82.238**
Eigenvalue	**4.891**	**3.267**	**1.877**

Reliability tests

A reliability test evaluates how well a questionnaire's items produce consistent answers over multiple trials with various populations under the same conditions (Miles &Huberman, 1994). Additionally, it shows how bias- and error-free the questionnaire is, which guarantees consistent assessment throughout time and among the different questionnaire items. The internal consistency of the 5-point scale employed in this study to evaluate the study variables' items was assessed using Cronbach's alpha coefficient (Cronbach, 1951). To increase the scale's reliability, items that were discovered to have an impact on its dependability were eliminated. The cut-off point for reliability is a Cronbach's alpha coefficient of 0.7 (Nunn ally, 1978). Composite reliability as a measure of internal consistency in scale items was also measured by getting the total amount of true score variance relative to the total scale score variance (Brunner & Süß, 2005). According to Fornell & Larcker (1981), the results should be 0.6 and above. The reliability results are indicated in the table below

Table 8: Reliability results

Variable	Cronbach's alpha coefficient	Composite reliability
Resource bundling	0.926	0.847
Resource leveraging	0.925	0.967
Resource structuring	0.936	0.944
Financial resilience	0.933	0.931

3.7 Data Processing, presentation and Analysis

The gathered data was first cleaned to find and remove errors. Next, the data was sorted into different categories, well coded, and the responses were put into the Statistical Package for Social Scientists (SPSS). From there, the data was processed and presented by creating frequency tables, which led to discussions and interpretations based on statistical opinions. The association between the variables was determined using the Pearson correlation analysis. In order to determine the predictive ability of resource orchestration on financial resilience, linear regression analysis was also carried out.

3.8 Ethical considerations

The researcher requested for an introduction letter from the faculty of graduate studies and research of Makerere University Business School. With the help of an introduction letter, the researcher introduced themselves to the respondents. The respondents were informed of the nature of the study to be carried out, the purpose of the study and reasons for the study to minimize the suspicion that members could have had towards the data collection exercise. More so the respondents were informed that their names are not required for the study and that the information provided would be treated with utmost confidentiality.

CHAPTER FOUR

PRESENTATION AND INTERPRETATION OF RESULTS

4.0 Introduction

This chapter presents the results on demographic characteristics, correlation analysis and regression analysis derived from the responses obtained in the data collection process. It addressed the following objectives

i. To establish the relationship between resource structuring and financial resilience of Small businesses in Mbarara District
ii. To establish the relationship between resource leveraging and financial resilience of small businesses in Mbarara District
iii. To establish the relationship between resource bundling and financial resilience of small businesses in Mbarara District

4.1 Demographic characteristics

In the questionnaire, a section on demographic characteristics required the respondents to indicate their gender, age, marital status and level of education. The responses are as in the sections below

4.1.2 Gender

Female respondents were the majority represented at 52.3% and the men were 47.7 of the total respondents. This implies that most of the small businesses in Mbarara District are either owned or managed by the female. This could be due to the assumption that women are good business managers and some men also prefer to have the women in their lives running businesses instead

of them. So when they are availed with capital, they also tend to extend it to the female to either own or manage their businesses.

Table 9: Gender of respondents

Item	Frequency	Percent
Male	148	47.7
Female	162	52.3

Source: primary data

4.1.2 Age

Respondents were mostly aged 25 to 30 years (54.8%), followed by those aged 30 and above (35.8%) and then those aged 18 to 24 (9.4%). Most people running small businesses are still in their youthful years and at that age, many of them have not developed the capacity to obtain sufficient capital to run bigger businesses. It is also complex to have sufficient funds at this age that can sustain a business through uncertainties.

Table 10: Age of respondents

Item	Frequency	Percent
18-24	29	9.4
25-30	170	54.8
30+	111	35.8

Source: primary data

4.1.3 Marital status

Married respondents were the majority in this study (52.3%) followed by the single (32.9) and then those who are divorced (14.8%). This could be because it is easier for married people to raise capital since there is likelihood that more than one person is involved in searching for resources to start a business. Mobilization of funds for sustainability is also easier when more than one person

is involved. For example acquiring a bank loan may be easier when one has a spouse as their guarantor than one who has to search around for people they may know.

Table 11: Marital status of respondents

tem	Frequency	Percent
Single	102	32.9
Married	162	52.3
Divorced	46	14.8

Source: primary data

4.1.4 Level of education

Majority of the respondents attained tertiary education (37.4%), followed by those that attained university education (30%), then those that have obtained secondary education (24.5%). The least number of respondents obtained primary education (8.1%). This implies that most of the people that own or manage small businesses have acquired a level of education that can help them understand how to plan and prepare a business to avoid effects of uncertainties.

Table 12: Level of education of respondents

Item	Frequency	Percent
Primary	25	8.1
Secondary	76	24.5
Tertiary	116	37.4
University	93	30.0

Source: primary data

4.2 Firm characteristics

The respondents were also required to indicate the firm characteristic and their responses are indicated in the section below

4.2.1 Type of ownership

Sole proprietorships formed the majority of the firms under study (43.2%), followed by cooperatives at 23.5% and then partnerships at 23.3%. the least number of firms were limited

liability companies (10%). Sole proprietorships are dependent on the owner for decision making and so should have the capacity to stay longer in business due to swift decision making. They are however also dependent on one person for resources which may limit sustainability.

Table 13: Business ownership

Item	Frequency	Percent
Sole proprietorship	134	43.2
Partnership	72	23.2
Co-operative	73	23.5
Limited liability Co.	31	10.0

Source: primary data

4.2.2 Business age

Most firms were aged 2 to t5 years (32.9%), followed by those aged 6 to 10 years (30.3%) and then those aged less than 2 years (20.3%). Only 16.5% were aged above 10 years. This indicates that most firms do not run past 5 years which means that even in the absence of uncertainty, small businesses are already struggling and so their operations can easily be disrupted if they face any uncertainties.

Table 14: Business age

Item	Frequency	Percent
less than 2 years	63	20.3
2-5 years	102	32.9
6-10 years	94	30.3
more than 10 years	51	16.5

Source: primary data

4.3 Correlation analysis

To ascertain the association between variables, correlation analysis was performed and the results are indicated in the table below

The results indicate that resource bundling has a positive and significant association with financial resilience. This means that improving resource bundling is associated with an improvement in financial resilience

The results further show that resource structuring and financial resilience are positively and significantly associated. This means that a positive change in resource structuring is associated with a positive change in financial resilience

Resource leveraging has a positive and significant association with financial resilience. This means that a positive change in resource leveraging is associated with a positive change in financial resilience.

Table 15: Correlation results

	1	2	3	4	5	6
Type of ownership -1	1					
age of the current business -2	.601**	1				
Resource bundling -3	.078	.045	1			
Resource structuring -4	.152**	.079	.628**	1		
Resource leveraging -5	-.021	-.071	.591**	.687**	1	
Financial resilience	.048	.033	.497**	.600**	.622**	1

**. Correlation is significant at the 0.01 level (2-tailed).

Source: primary data

4.4 Regression analysis

To establish the predictive power of variables regression analysis was also carried out and the results are presented below

Model 1 – the control variables of firm age and firm ownership were regressed on financial resilience. Results in model 1 show that the control variables explain 2.8% of variance in financial resilience of small businesses.

Model 2 – resource bundling was added in model 2. The results show that the addition of resource bundling to the equation, accounts for an extra 22.6% of the variance explained by the model. This implies that when resource bundling is improved, financial resilience improves by 22.6%.

Model 3 – resource structuring was added in model 3. The results show that the addition of resource structuring to the equation, accounts for an extra 13% of the variance explained by the model. This implies that when resource structuring is improved, financial resilience improved by 13%

Model 4 – resource leveraging was added in model 4. The results show that the addition of resource leveraging to the equation, accounts for an extra 6.6% of the variance explained by the model. This means that an improvement in resource leveraging leads to an improvement in financial resilience by 6.6%

Resource orchestration in terms of resource bundling, resource structuring and resource leveraging explains 44.2% of variance in financial resilience of small enterprises.

Table 16: Regression analysis

	Model 1			Model 2			Model 3			Model 4		
	B	Std. Error	Beta	B	Std. Error	Beta	B	Std. Error	Beta	B	Std. Error	Beta
Firm age	.127	.058	.154	.060	.051	.073	.009	.047	.011	.005	.044	.006
Firm ownership	-.131	.045	-.205	-.067	.040	-.105	-.026	.037	-.041	.030	.036	.047
Resource bundling				.473	.049	.483**	.194	.057	.198**	.097	.056	.099**
Resource structuring							.460	.057	.470**	.270	.062	.276**
Resource leveraging										.385	.064	.389**
R			.168[a]			.504[b]			.620[c]			.672[d]
R Square			.028			.255			.385			.451
Adjusted R Square			.022			.247			.377			.442
R Square Change			.028			.226			.130			.066
F Change			4.477			92.836			64.683			36.812
Sig. F Change			.012			.000			.000			.000

Source: primary data

CHAPTER FIVE

DISCUSSION, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction

This chapter discusses and concludes the findings of the study, recommendations and areas for further research on financial resilience of small businesses in Mbarara District

5.1 Discussion of findings

From the results it was established that resource bundling has a positive and significant relationship with financial resilience. This means that improving resource bundling leads to an improvement in financial resilience. When a small business continuously enriches and stabilizes its existing resources, it becomes possible to sustain itself through the hard times thus being resilient. This can be achieved through restoring weakened resources, sustaining its underlying resources and continuously improving its resources like employees and machines. For small businesses to remain resilient, they will need to replace resources with incrementally higher quality ones and use resources more efficiently and effectively it is also important to combine complementary resources together to improve their ability to stand the hard times that could arise. This is in line with Sirmon et al., (2021) who contend that although possessing uncommon, valuable, hard-to-replace, and non-substitutable resources gives one the chance to gain a competitive edge, these resources must be combined into capabilities and used wisely to gain the advantage.

It was also established that resource leveraging has a positive and significant relationship with financial resilience. This implies that an improvement in resource leveraging leads to an

improvement in financial resilience. Firms which accumulate resources through developing intangible resources within the firm, increasing employees' skill and knowledge through training when developing internal resources and are effective at developing valuable assets internally are likely to achieve their long term financial goals even with any obstacles that may come along. Also for firms to continue in operation without interruptions, they ought to lay off employees whose skills do not add value to the firm, sell off non valuable equipment and facilities, divest underutilized resources and effectively decommission less-valuable assets. This is in line with Morris et al. (2022), who asserts that resource leveraging which entails the capacity to identify a resource that is not being fully utilized, envision alternative ways in which the resource could be employed, or persuade the individuals who have authority over the resource to grant permission for its use helps a business to have sustainable operations. According to Ramos (2016), organizations which demonstrate exceptional proficiency in effectively utilizing their available resources, which may encompass networks, plant and equipment, business partners, or other company assets are likely to handle crisis effectively.

Further, it was established that there is a positive and significant relationship between resource structuring and financial resilience. This means that an improvement in resource structuring will lead to an improvement in financial resilience. Small businesses that are successful in combining their resources to pursue a shared objective and that comprehend the problems and requirements of their clients are likely to see financial success. In these types of firms, teams that operate autonomously are ultimately in charge of managing client relationships and fulfilling consumer demands. More so, these businesses are effective at deploying capabilities to take advantage of specific market opportunities. According to Berseck (2018) firms may create and develop strategies to better withstand unexpected challenges, disruptions, and economic uncertainties since

structuring resource and financial resilience can be an ongoing process that requires diligence and adaptability thus ultimately ensuring greater stability and resilience for long-term sustainability and success of small businesses.

5.2 Conclusion

The results aimed at establishing the relationship between resource orchestration and financial resilience and it can be concluded that;

For small businesses to remain resilient, they will need to replace resources with incrementally higher quality ones and use resources more efficiently and effectively it is also important to combine complementary resources together to improve their ability to stand the hard times that could arise.

Firms which accumulate resources through developing intangible resources within the firm, increasing employees' skill and knowledge through training when developing internal resources and are effective at developing valuable assets internally are likely to achieve their long term financial goals even with any obstacles that may come along.

Small business that are effective at mobilizing our capabilities towards a common vision, understand the solutions and needs of the customers will likely achieve their financial goals.

5.3 Recommendations

It is therefore recommended that

Policies that enable the combination of resources to ensure that they are interdependent should be made. This will ensure that human capital is interdependent with other capitals that exist in the

organisation such that they all move towards the achievement of a common purpose thus ensuring that there is financial resilience in the small businesses.

Managers should continuously identify resources that do not add value to the organisation and remove them from the operations such that they are equipped with quality ones like up to date machinery and technologies which can be able to withstand times of uncertainty

The Customer needs should be well understood by the owners of the businesses such that high quality services are provided to the right clientele. This can be done by ensuring that workers have proficient skills to serve the clients and capitalize on market opportunities.

5.4 Limitations

The findings are based on only Mbarara District as a scope and so may not be generalized to areas with different characteristics.

The study was a based on a cross sectional research design which collects data at one point in time and may not represent the long term effects of the variables on financial resilience

5.5 Areas for further study

Future studies may carry out the same study adopting a longitudinal research design to understand the effects of resource orchestration on financial resilience.

The study may also be carried out in larger firms to understand if the findings hold for businesses with more resource

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Questionnaire

MAKERERE UNIVERSITY

MAKERERE UNIVERSITY BUSINESS SCHOOL

Dear respondent,

I am a post graduate student, pursuing a Master's Degree in Business administration. I am undertaking a study ***on "Financial Resilience of Small Businesses"*** as a partial fulfillment for the award. Whatever response you give is purely for academic purposes and will be kept with utmost confidentiality. Thank you so much in advance.

SECTION Ai: BIO DATA OF RESPONDENTS

1. Gender of respondent:

1) Male ☐ 2). Female ☐

2. Age of respondents: 1. 18-24 ☐ 2. 25-30 ☐ 3. 30+ ☐

3. Marital status: 1. Single ☐ 2. Married ☐ 3. Divorced ☐

4. Level of Education : 1. Primary ☐ 2. Secondary ☐ 3. Tertiary ☐ 4. University ☐

Aii.Business characteristics

5. How old is this current business?

(1) Less than 2years ☐ (2) 2-5years ☐ (3) 6-10years ☐ (4) more than 10years ☐

6. What is the type of ownership?

(1) Sole Proprietorship ☐ (2) Partnership ☐ (3) Co-operative ☐ (4) Limited Liability Co. ☐

Section B: resource orchestration

Resource bundling

Please tick what applies to you. 1=strongly disagree, 2= disagree, 3=not sure, 4= agree, 5= strongly agree

	Our company consistently upholds the high caliber of its present competencies by;	Strongly Disagree	Disagree	Not sure	Agree	Strongly Agree
Stabilizing						
Rbs1	Modestly changing the resources it uses	1	2	3	4	5
Rbs2	putting in the required funds to support its resources	1	2	3	4	5
Rbs3	Restoring weakened resources.	1	2	3	4	5
Rbs4	Sustaining its underlying resources.	1	2	3	4	5
Enriching						
Rbe1	Improving its resources (employees, machines, etc)	1	2	3	4	5
Rbe2	Incorporating improved resources from our evolving inventory of resources.	1	2	3	4	5
Rbe3	substituting resources of progressively greater quality	1	2	3	4	5
Rbe4	Using its resources more efficiently and effectively	1	2	3	4	5
Pioneering						

Rbp1	Repurposing materials in creative ways	1	2	3	4	5
Rbp2	combining fresh, related content in one package	1	2	3	4	5
Rbp3	mixing significant new resources in a novel way with already-existing ones	1	2	3	4	5

Source: Yi, Li, Hitt, Liu & Wei (2016).

Resource structuring

Please tick what applies to you. 1=strongly disagree, 2= disagree, 3=not sure, 4= agree, 5= strongly agree

Resource acquiring						
	We ensure to acquire the following resources for the betterment of our business	Strongly Disagree	Disagree	Not sure	Agree	Strongly Agree
Ra1	Financial support	1	2	3	4	5
Ra2	Business strategy advice	1	2	3	4	5
Ra3	Social capital	1	2	3	4	5
Ra4	Physical resources (e.g., technologies, equipment	1	2	3	4	5
Ra5	Corporate social responsibility	1	2	3	4	5
Resource accumulation						

Rac1	When creating internal resources, we construct installations and equipment ourselves.	1	2	3	4	5
Rac2	When we build internal resources, we also develop intangible resources within the company.	1	2	3	4	5
Rac3	We provide training to our staff members to enhance their ability and expertise when creating internal resources.	1	2	3	4	5
Ra4	We are proficient in creating priceless assets internally.					
Divesting						
Di1	We fire workers whose abilities don't bring value to the company,	1	2	3	4	5
Di2	We sell off non valuable equipment and Facilities	1	2	3	4	5
Di3	We divest underutilized resources	1	2	3	4	5
Di4	We are effective at decommission less-valuable assets					

Source: Traboulsy (2023), carnes et al. (2016), Li, (2017)

Resource leveraging

Please tick what applies to you. 1=strongly disagree, 2= disagree, 3=not sure, 4= agree, 5= strongly agree

		Strongly Disagree	Disagree	Not sure	Agree	Strongly Agree
Deployment						
De1	We are proficient in applying our skills to capitalize on certain market opportunities.	1	2	3	4	5
De2	Nobody keeps an eye on us; we are in charge of what and how we deliver to the customer.	1	2	3	4	5
De3	We operate in high-achieving teams, with independent clients and deliveries.	1	2	3	4	5
De4	The customer is someone we are always listening to, and they also participate in the processes and have an impact on our priorities.	1	2	3	4	5
De5	By keeping the consumer first, we are able to learn, adapt, and develop relationships.	1	2	3	4	5
Mobilizing						
Mo1	We are proficient in directing our resources toward a shared goal.	1	2	3	4	5
Mo2	Understanding the demands and solutions of the clients is crucial.	1	2	3	4	5

	This necessitates a desire to acquire new knowledge.					
Mo3	Ask for forgiveness rather than ask for permission. You should have the guts to do things—that's our basic philosophy	1	2	3	4	5
Mo4	If something goes wrong, then no one is pointing anyone out	1	2	3	4	5
Mo5	There are no failures, only lessons.	1	2	3	4	5
Coordinating						
Co1	The teams are ultimately in charge of managing the customer relationship.	1	2	3	4	5
Co2	Because the teams are autonomous, they assume accountability and typically meet the needs of the client.	1	2	3	4	5
Co3	Our connections with top businesses indicate that there is a growing emphasis on connecting the whole consumer experience.	1	2	3	4	5
Co4	With the increasing size of the company, the system developers are further away from the customers	1	2	3	4	5

Source: Andersén and Ljungkvist (2020); Ljungkvist, Boers and Andersen (2021)

Section C: financial resilience

Please tick what applies to you. 1=strongly disagree, 2= disagree, 3=not sure, 4= agree, 5= strongly agree

s/n		Strongly Disagree	Disagree	Not sure	Agree	Strongly Agree
Financial plan						
Fp1	We try to save some money regularly, even if it is just a little	1	2	3	4	5
Fp2	We have short and medium financial goals	1	2	3	4	5
Fp3	We set long financial goals and strive to achieve them	1	2	3	4	5
Financial knowledge and behavior						
Fk1	We don't delay payments	1	2	3	4	5
Fk2	We prepare future financial plans					
Fk3	We distribute money for personal and business purposes					
Wealth protection						
Wp1	We closely monitor financial matters.	1	2	3	4	5
Wp2	Prior to receiving funds, we make plans for their use.	1	2	3	4	5
Wp3	We have a budget	1	2	3	4	5

Source; Purwidianti et al., 2022; hamid et al., 2023