

# Chapter 8

## Entrepreneurship Resiliency Throughout the COVID–19 Pandemic: The Case of Small–Medium Enterprises in Lebanon

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### ABSTRACT

*Entrepreneurs are increasingly turning to digital transformation to bolster their organizations' overall resiliency, and academics and practitioners alike are taking note. Organizational resilience and digital transformation have been studied extensively in the literature. This research used quantitative and structural equation modelling (SEM) to investigate the connections between digital transformation, innovation, and organizational resilience via a questionnaire survey with 203 entrepreneurs in Lebanon. According to the findings, the digital transformation of businesses improves their ability to withstand external threats. This study also demonstrates three ways to achieve organizational resilience: digital transformation, innovation, and company diversification. Entrepreneurial innovation positively impacts organizational resilience. The chapter concludes by stressing the relevance of the practical significance of digital transformation for businesses to implement it and create greater organizational resilience properly.*

### INTRODUCTION

In today's economic environment, the connection between organizational practices and innovation is critical. This study investigates if workforce agility, a unique organizational feature, influences inven-

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tive performance in a managerial economics viewpoint that emphasizes the importance of behavioral reasons and human attitudes in the innovation process. Time agility and task agility, in particular, have a significant impact. In both cases, greater agility is linked to better employee dedication, which promotes new ideas and inventiveness (Liu et al., 2021).

Vakilzadh & Haase (2021) found conditional relationships between worker agility and innovation in five MENA nations using a sample of roughly 300 private-sector companies. Organizations with more flexible staff are more willing to experiment with new ideas. Task agility, particularly process innovation, has a significant association with this. On the other hand, Agility-related practices tend to have a lower impact in businesses where specialized and technical knowledge is more important for innovation. This favorable impact on creativity may result from increased workplace motivation and employee engagement due to managers' impressions of a strong internal working atmosphere and employee commitment. The ramifications for management and policy are examined

## **BACKGROUND**

When the digital and physical worlds collide, businesses are forced to deal with extreme change and shocks of uncertainty. Al Hakimi et al (2021a) examined the effect of uncertainty threats on the vulnerability of organizations and the need of improving the assessment of vulnerability and resilience management of organizations during transformation. More than half of the companies embracing the digital transformation approach are not as good as they were before the transformation, and some may still be at danger of bankruptcy, according to Al-Hakimi et al (2021a).

Organizations will be able to successfully tackle the dilemmas they confront in the course of digital transformation by re-creating their original organizational capacity and forming an ambidextrous capability (i.e., dynamic capability). An organization's digital transformation serves as a catalyst for the development of dynamic capabilities and represents an innovation process for integrating internal and external resources, processes and structure. Innovation refers to the reconfiguration of the organization's current assets whereas exploitation innovation refers to the improvement of the organization's existing resources and capabilities. Innovation that is both adaptable to the current situation as well as building on prior successes is what is meant by the term adaptive innovation (Sharma et al., 2021).

An organization's "ambidexterity" refers to its capacity to simultaneously investigate and exploit new opportunities while also adapting to changing market conditions. As a result, the idea of dynamic capacity sheds light on the connection between digital transformation and organizational resilience. In this study, we investigate the impact mechanisms between digital transformation, ambidextrous innovation, and organizational resilience based on the literature on digital business strategies, innovation management, and organizational resilience. This research used quantitative and structural equation modeling (SEM) to examine the role of innovation in the link between diversification, digital transformation, and entrepreneurial resilience. In this study, it was discovered that digital transformation and business diversification boost organizational resilience. Organizational resilience is boosted by innovation as a result of digital transformation, as well Al-Hakimi et al (2021b).

The findings of this research will help businesses better understand how to achieve organizational resilience via digital transformation, and they will provide management and policy recommendations for businesses

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