

## ORGANISATIONAL TENACITY: OPTIMAL POSITIONING OF BUSINESS FIRMS

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### ABSTRACT

The paper highlighted approaches to organizational tenacity. A reliable system allows the entrepreneur to remain optimistic in the face of unpredicted challenges. As such, a critical understanding and choice of approaches to resilience building has become a necessity. This study therefore presented a discuss on approach strategies- the offensive and defensive approaches- towards facilitating the optimization of resilience. This paper put forward an argument for a combination approach and concluded that the management of tenacity goes beyond the maintenance and restoration of organizational functionality to strategically reinventing as circumstances change. The study recommended that organisations should discard the traditional stand-alone defensive disposition towards aligning its strategies in line with changes in the business environment, and adopt a holistic approach to resilience building.

**Key Words:** Tenacity; Defensive; Proactive.

### 1. INTRODUCTION

When disruptive changes occur, an organization's position must be one that strategically allows it to absorb these changes with the most minimal setback. Tenacity, which is the ability to overcome entrepreneurial challenges and persist in the face of unpleasant situations and unexpected results, rests on the decisions made by an entrepreneur or management. Resilience capacity enables them to adequately react to unexpected events and to capitalize on events that could potentially threaten an organization's survival (Lengnick-Hall, Beck, & Lengnick-Hall, 2011). With a view to understanding resilience, entrepreneurial firms were considered for this study because of their strategic relevance to economic development, as they comprise 70% to 90% of the business establishments in the manufacturing sector in Nigeria and SMEs provide over 90% of employment opportunities available in the manufacturing sector and account for about 70 % of aggregate employment created per annum" (Eniola & Ektebang, 2014).

Having a reliable process or system allows the entrepreneur to remain optimistic in the face of unpredicted challenges (Ayala & Manzano, 2014). Okonjo-Iweala in Ewurum and Ekpunobi, (2008) opines that strong entrepreneurial base drive economic prosperity in a modern economy; it empowers the populace, encouraging vertical and horizontal linkages. Chibundu (2006) in Nwokoye, Onwuka, Uwajumogu, and Ogbonna (2013) opine that domestic entrepreneurs stimulate private ownership, generate employment, help to diversify economic activities, and make significant contribution to export and domestic trade. Fasehun & Bewayo (2009) in their work recognized inadequate financial system as a cause of very poor entrepreneurial performance in Nigeria, arguing that the country needs more micro-finance banks and that the existing micro-finance banks should be more efficiently managed. Bankole (2011) recognized that there are quite a number of factors that are responsible for the poor state of entrepreneurial growth in Nigeria such as access to market, poor infrastructure, lack of government agencies, lack of adequate finance, poor information dissemination and lack of access to the right technology.

A major challenge may also stem from the inability of enterprises to create systems that can withstand uncertainty. These firms set out to succeed with one giant move of taking advantage of observed opportunities without committing resources to designing a reliable process that works, thus making them unprepared for disruptions often bound to occur. It is against this backdrop that this research examined the role played by process-based resilience in the sustenance of business performance in medium scale enterprises in Nigeria's north-central zone.

### 2. ORGANIZATIONAL TENACITY

Organisational tenacity is conceptualized as resilience in this study. Generally, two classifications of conceptualization of resilience can be identified in existing literature- resilience as an outcome and resilience as a proactive capability (Duchek, 2019). Based on these conceptualizations, three main perspectives on organizational resilience can be distinguished. While the older views reviewed above describe resilience as defensive (resistance and/or recovery), there is a contemporary view that expands the perspective. They described resilience rather, as an offensive/proactive response (anticipation and/or adaptation). Most resilience studies focus on only one of the three described perspectives, commonly

the recovery perspective, while some others refer generally to two different perspectives- precursor (anticipation) and recovery resilience (Boin & Van-Eaten 2013). Recently, a few other studies have started to include two or more perspectives in one resilience definition. McManus et al. (2008); Burnard & Ran (2011); Ortiz-de-Mandojana & Bansal (2016); Williams, Daniel, Sutcliffe, Shepard, and Zhao, (2017) and some others discuss different manifestations of resilience such as resilience a sort of resistance or adaptation (Limnios, Mazzarol, Ghadouani, & Schilizzi, 2014). Table 1 presents a summary of conceptual descriptions of resilience.

**Table 1 - Summary of Bibliography Regarding Resilience**

Author(s)	Contribution	Reference
Lengnick-Hall et al. (2011)	Ability of a company to participate in revolutionary activities, develop situation-specific solutions, and effectively absorb disruptive surprises.	Lengnick-Hall, C., Beck, T., & Lengnick-Hall, M. (2011). Developing a Capacity for Organizational Resilience through Strategic Human Resource Management. <i>Human Resource Management Review</i> , 21(3), pp. 243-255.
Annarelli and Nonino (2016)	The ability to foresee difficulties and unforeseen circumstances by using integrated operational management of both internal and external shocks and strategic awareness.	Annarelli, A., & Nonino, F. (2016). 'Strategic and operational management of organizational resilience: Current state of research and future directions', <i>Omega</i> , 62, pp. 1- 18.
Banahene, Anvuur, and Dainty (2014)	The ability to control the effects of risk and uncertainty, adjust to change, and take advantage of new possibilities.	Banahene, K., Anvuur, A., and Dainty, A. (2014). Conceptualising Organizational Resilience: An Investigation into Project Organising. In Raiden, A. & AboagyeNimo, E. (Ed.), <i>Proceeding of 30th Annual ARCOM Conference</i> , pp. 795- 804.
Lee, Vargo, & Seville (2013)	A complex socio-technical phenomenon pertaining to how people or groups of people manage uncertainty.	Lee, A., Vargo, J., & Seville, E. (2013). Developing a tool to Measure and Compare Organizations' Resilience. <i>Natural Hazards Review</i> , 14, pp. 29-41.
Xiao and Cao (2017)	An organization's reaction to a danger	Xiao, L. & Cao, H. (2017). Organizational Resilience: The Theoretical Model and Research Implication. <i>ITM Web of Conference</i> 12, 04021, ITA.

### **Resilience as an Outcome**

The first perspective- as an outcome, depicts resilience as the ability to resist adverse situations and/or the ability to recover after disturbances and return to a normal state (Horne & Orr, 1998; Robert, 2010). Horne and Orr (1998) aver that organizational resilience is a fundamental quality to respond productively to significant change that disrupts the expected pattern of event without engaging in an extended period of regressive behavior. In the view of Boin and Van-Eeten (2013), organizational resilience means "bouncing back to a state of normalcy". Organizational resilience is a firm's capacity to maintain or restore an acceptable level of functioning despite perturbations or failures (Robert, 2010). This perspective lays emphasis generally on coping strategies and a quick ability to resume expected performance levels (Lengnick-Hall, Tammy, & Lengnick-Hall, 2011). It implies that disturbances may have no significant impact as they fall within a firm's coping range and the firm is able to put up a form of resistance; or that a firm is able to recover from impacts that have exceeded the boundaries of a firm's coping range with emphasis on rapidity (Linnenluecke, Martina, Griffiths, & Winn 2012).

### **Preventive Resilience**

The second perspective focuses on the advancement of organizational processes and capabilities (Robb 2000; Lengnick-Hall & Beck 2005; Lengnick-Hall et al. 2011). Lengnick-Hall et al. (2011) define organizational resilience as a firm's ability to effectively absorb, develop situation-specific responses to, and ultimately engage in transformative activities to capitalize on disruptive surprises that potentially threaten organization survival. Vogus and Sutcliffe (2007) posit that

it is the maintenance of positive adjustment under challenging conditions such that the organization emerges from those conditions strengthened and more resourceful. Here, organizational resilience can be understood as actively and purposefully coping with unexpected events, as resilient organizations possess a set of capabilities that enables them to adapt, integrate, and reconfigure internal and external resources and competences to match the requirements of changing conditions.

This perspective incorporates the idea of anticipation into the description of organizational resilience. (Somers 2009; McManus Seville, Vargo, & Brunsdon, 2008; Rerup, 2001; Wildavsky, 1991). Wildavsky (1991) defines anticipation as the prediction and prevention of potential dangers before damage is done. Somers (2009) argued that resilience is more than mere survival as it involves identifying potential risks and taking proactive steps to ensure that an organization thrives in the face of adversity. Reinmoeller and Baardwijk (2005) describe resilience as the capability to self-renew through innovation over time.

### Optimal Resilience Positioning

The conceptualization of organization resilience in this study takes an offensive stance presenting a fusion of the advancement of organization processes, capabilities, and the notion of anticipation. This is a deviation from the popular traditional perspective which is defensive and reactive, incompatible with present day volatility in the business environment, keeps the firm passive and at the mercy of threats from the environment. As such, this perspective appears to be redundant as it focuses on coping mechanisms, thus keeping the organization lagging behind its environment. Kendra and Wachtendorf (2003) state that organizations achieve resilience through preparation, taking into account that preparation does not refer to a specific event but helps to develop capabilities and functions that are necessary to deal with any kind of unexpected event. The incorporation of anticipation and organizational capabilities advancement will create a system that enables the organisation to integrate, build, and reconfigure their resources and competencies and, therefore, maintain performance in the face of changing business environments. This study therefore describes organizational resilience as an organization's ability to proactively anticipate and make adjustments prior to and under challenging conditions by incorporating capabilities that enable them to adapt, integrate, and reconfigure internal and external resources and competences to match the requirements of changing conditions in the environment. Organizational resilience in this perspective has also been described as the incremental capacity of a firm to anticipate and to make adjustment to the environment (Ortiz-deMandojana & Bansal, 2015). The figure 1 below presents a pictorial view of the interactions amongst the indicators of each approach, and the flow of relationship amongst approaches.

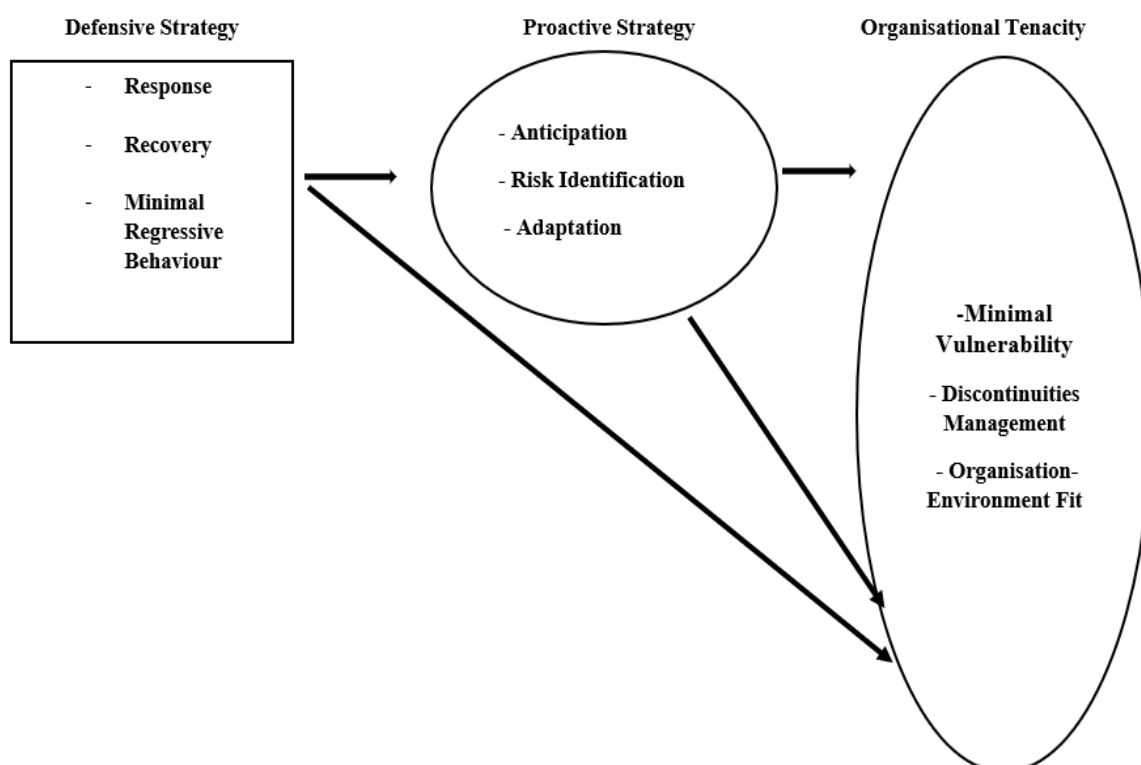


Figure 1: A combination Strategy

### 3. CONCLUSION

The management of resilience goes beyond the maintenance and restoration of organizational functionality to strategically reinventing as circumstances change. It indicates the need to make adjustments to any changes in the environment. It is therefore important that organisations remain alert and proactive in the face of uncertainty.

### 4. RECOMMENDATION

Organisations should discard the stand-alone defensive disposition towards aligning its strategies in line with changes in the business environment, and adopt a holistic approach that incorporates different facets of resilience management including the proactive approach.

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