Resilient Agility in Volatile Economies: Institutional and Organizational Antecedents

By

Ismail Gölgeci[#]

Associate Professor, School of Business and Social Sciences, Department of Business Development and Technology, Aarhus University, 7400 Herning, Denmark. E-Mail: i.golgeci@btech.au.dk

Ahmad Arslan

Senior Research Fellow (International Business), Oulu Business School, University of Oulu, Oulu, Finland. E-mail: ahmad.arslan@oulu.fi

Desislava Dikova

Professor, Department of Global Business and Trade Institute for International Business, WU Wirtschaftsuniversität Wien, Vienna University of Economics and Business, A-1020 Vienna, Austria. E-mail: desislava.dikova@wu.ac.at

David M. Gligor

Associate Professor of Marketing, University of Mississippi, 236 Holman, Oxford, 38655, USA. E-mail: dgligor@bus.olemiss.edu

[#]Corresponding Author

Abstract

Purpose – The purpose of this paper is to scrutinize the interplay between resilience and agility in explicating the concept of resilient agility and discuss institutional and organizational antecedents of resilient agility in volatile economies.

Design/methodology/approach – We develop a conceptual framework that offers an original account of underlying means of ambidextrous capabilities for organizational change and behaviors in volatile economies and how firms stay both resilient and agile in such contexts.

Findings – We suggest that resilient agility, an ambidextrous capability of sensing and acting on environmental changes nimbly while withstanding unfavorable disruptions, can explain entrepreneurial firms' survival and prosperity. We then address institutional (instability and estrangement) and organizational (entrepreneurial orientation and bricolage) antecedents of resilient agility in volatile economies.

Originality/value – We highlight that unfavorable conditions in volatile economies might have bright sides for firms that can leverage them as entrepreneurial opportunities and propose that firms can achieve increased resilient agility when high levels of institutional instability and estrangement are matched with high levels of entrepreneurial orientation and bricolage.

Keywords
Resilient agility; Agility; Resilience; Institutional environment; Volatile economies; Organizational change

Introduction

The pace of change and the degree of global interconnectivity have grown to such an extent that firms increasingly need unique configurations of strategic capabilities (Teece, 2014). Resilience and agility are such strategic capabilities particularly relevant to firms in the contemporary global marketplace (Ismail, Poolton, and Sharifi, 2011; Lengnick-Hall and Beck, 2009; McCann, Selsky, and Lee, 2009). Resilience is commonly viewed as the ability to become strong or successful after a downfall, while agility simply denotes the ability of dexterous nimbleness. However, neither resilience nor agility alone may be the most effective option to both survive and prosper amid unprecedented complexity and unpredictability, as resilience often underpins survival devoid of prosperity (e.g., Bullough, Renko, and Myatt, 2014), and agility may lead to short-term prosperity at the expense of long-term survival (e.g., Doz and Kosonen, 2008).

Firms need ambidextrous capabilities to prosper while surviving, particularly in volatile and complex environments (Acemoglu et al., 2003; Christopher, 2000). Indeed, some firms do continue to survive and prosper in distinctly volatile countries like in Iraq, Venezuela, Nigeria, or Greece, despite all the risks associated with their external environments and the lack of institutional support (Darendeli and Hill, 2015; Uzo and Mair, 2014). What enables firms operating in volatile economies to be dynamically resilient within weak and fragile institutional regimes? This question highlights the main issue that we discuss in this paper by exploring the institutional and organizational antecedents of resilient agility, an ambidextrous capability consisting of resilience and agility, which enables firms to withstand turbulence and successfully navigate volatile economies.

Resilience and agility are viewed as intertwined in recent research on organizational capabilities (Ismail et al., 2011; Lengnick-Hall, Beck, and Lengnick-Hall, 2011). However, the nature and depth of this potential connection have not been fully appreciated. In addition, capabilities of firms operating in turbulent, trying, sometimes distressing conditions received scant attention (Miller and Le Breton-Miller, 2017). In particular, little is known about the drivers of resilient agility as a potentially vital capability to operate, survive, and prosper in volatile economies. This void can hinder the complete understanding of resilient agility in volatile contexts.

The primary goal of our paper is to scrutinize the interplay between resilience and agility in explicating the concept of resilient agility and discuss institutional and organizational antecedents of resilient agility in volatile economies. We focus on how unfavorable institutional factors trigger resilient agility when experienced by firms that are entrepreneurially oriented and apply bricolage. We seek to offer an original account of the underlying means of ambidextrous capabilities for organizational change and behaviors in volatile economies and explain how firms stay both resilient and agile in such context.

We contribute to the extant literature on resilience, agility, and strategic management. First, we introduce resilient agility as an ambidextrous capability that incorporates qualities of both resilience and agility. We emphasize the importance of resilient agility in rapidly evolving and highly volatile environments for firm survival and prosperity (Doz and Kosonen, 2010; Overby, Bharadwaj, and Sambamurthy, 2006). We then explain how specific combinations of institutional and organizational factors stimulate high levels of resilient agility. In so doing, we offer an account of resilient agility of firms in volatile economies from a relatively new angle, namely taking advantage of challenges and adversities through entrepreneurial orientation and bricolage.

The rest of the paper is structured as follows. First, we develop a new concept of resilient agility as an ambidextrous capability by drawing on the established concepts of resilience and agility. We, then, shortly discuss volatile economies to put resilient agility into a relevant context and put forth our propositions on institutional and organizational antecedents of resilient agility in volatile economies. Finally, we discuss the theoretical contributions of our framework and propose avenues for future research.

Resilient agility

The concepts of resilience and agility

Resilience is defined as to the firm's ability to absorb disturbance and, despite a significant change, maintain the integrity of the original. This definition suggests that the core premise of resilience is to maintain organizational integrity and cohesion in the aftermath of adverse change. Resilience has, therefore, been seen as a critical strategic quality for survival by earlier research (e.g., Shoss, Jiang, and Probst, 2018).

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As shown in Table 1, Martin (2012) conceptualizes resilience as having four elements underlying resistance, recovery, re-orientation, and renewal. Resistance is the sensitivity to and the stamina against disturbances and disruptions. Firms' stamina in the wake of adversities and disruptions sets the initial tone of how resilient a firm can be in the long run. Resistance help mitigate the destructive and harmful forms of organizational change.

Recovery denotes the degree of readjustment and restoration following an external shock. It enables regaining organizational form and stature following adverse events. After a disruption hits and the firm's operations and structure are impacted, the nature of the recovery processes is instrumental in shaping the way the firm deploys a path forward to improve its post-crisis status. Recovery is a vital factor for firms that are embroiled in internal and external threats to their survival (Huggins and Thompson, 2015).

Re-orientation indicates adaptive realignment and the pursuit of a new path of strategic action. Re-orientation helps firms to redirect their organizational change efforts toward positive directions. Re-orientation is particularly relevant in defining what is needed to move beyond the recovery and leverage challenges as an opportunity for further development and adaptation (Pike, Dawley, and Tomaney, 2010; Tejeiro Koller, 2016).

Finally, renewal refers to resuming pre-disruption path or hysteretic shift to a new growth trend (Martin, 2012). It is an onward looking element of resilience and also involves preparedness for future disruptions. Thus, renewal enables firms' successful revitalization and moving forward towards a positive future. It is also a part of the internal compass of firms (Bettinelli et al., 2017). These elements of resilience aggregate to the capability of effectively absorbing and responding to disruptive shocks (Lengnick-Hall and Beck, 2009).

Despite its particular relevance to firms in volatile economies, resilience alone cannot address the complexity of firm behavior in volatile contexts because it lacks the attributes of swiftness and seizing new opportunities that are vital for growth. The static qualities of resistance, robustness, and endurance that often characterize basic understanding of resilience (Shoss et al., 2018) are not viable options to both survive and prosper when facing unprecedented complexity and unpredictability. Accordingly, solely resilient firms may endure hardships; they may survive in the long run, but may not necessarily prosper (Volery, Mueller, and von Siemens, 2015). Likewise, resilience counters a severely disruptive and shocking change but may be ineffective against continuous and relentless change experienced in volatile contexts (Lengnick-Hall and Beck, 2009). Thus, we introduce the second capability component, agility.

Agility is defined as the ability of an enterprise to prosper in a competitive environment and respond quickly to the rapidly changing markets (Overby et al., 2006). Agility enables continuous alignment and realignment of specific tangible and intangible assets and competences as well as business models to serve rapidly changing, multiple reality environments (Doz and Kosonen, 2010). Agility is a multifaceted concept. Speed, alertness, flexibility, and responsiveness aspects of agility are salient and highly relevant to firm strategy and behavior (see Table 2).

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First, speed is about the timeliness of making an informed and resolute decision. Speed explains the temporal dynamics of firm behavior and enables enterprises to take advantage of opportunities quickly and gracefully and accelerates organizational change. However, a firm that fails to apply its own speed toward desired outcomes may become negligently hasty with improper responses to external change. Thus, agility transcends speed as it enables commanding speed to adapt to changes (Sherehiy, Karwowski, and Layer, 2007).

Second, alertness denotes identifying and discerning opportunities and threats as they arise and being prepared to make decisions and take actions (Gligor, 2013). It informs the way organizational change takes place (or not) in response to external change and enables quick and smooth deployment of resources and processes. Nonetheless, given the resources needed for alertness, it can be futile for enterprises operating in volatile contexts with few resources without realizing their potential via other elements of agility.

Third, flexibility denotes the range and extent of the malleability of the firm's structure, resources, and activities (Dunford et al., 2013). Flexibility enables calibrating the magnitude and speed of responses to external forces. Accordingly, flexible enterprises embrace the organizational culture of change that is supportive of experimentation, learning, and innovativeness (Sherehiy et al., 2007).

Finally, responsiveness underlies decision-making and implementation of organizational change. Responsive enterprises can embrace and handle asymmetry in different forms of market demand that are ever more specific to contexts in which such forms of demand arise. Responsiveness complements alertness in a crucial way. An enterprise can be alert and quick, but without being responsive in hazy environments, they cannot deploy their nimble capabilities against external shocks and fail to perform (Gligor, 2013).

Many agile firms may enjoy short terms success with quick maneuvers but lose in the long run if they lack resilience that is essential to face fundamental market shifts and severely adverse change (Doz and Kosonen, 2008). Sole reliance on agility may engender the deficit of long-term approach to business continuity and qualities that support longevity. Thus, we argue that agility combined with resilience (resilient agility) can better explain firm behavior that underlies both survival and prosperity in volatile economies.

The interplay between resilience and agility

Despite recent attention to the potential interplay between resilience and agility (Ismail et al., 2011; McCann et al., 2009), research has scarcely focused on the distinction and complementarities between the two concepts. Their widespread use and vague conceptualizations also add to the confusion (Gligor, Holcomb, and Stank, 2013; Kossek and Perrigino, 2016). Accordingly, scholars are often confused about the fundamental premises and tenets of resilience and agility. A closer examination of the concepts reveals that, despite some overlaps, these two concepts are markedly distinct (Lengnick-Hall and Beck, 2009).

First, while the fundamental tenets of resilience are resistance and recovery (Martin, 2012), the central tenets of agility are speed and acceleration (Gligor et al., 2013). Bending and bouncing back from adversity is essential for resilience to be realized (Shoss et al., 2018; Tugade and Fredrickson, 2004). However, agility underlines direction and speed of change to navigate in volatile contexts effectively (Christopher, 2000). This means the two concepts have different attributes and mechanisms underlying their manifestations.

Second, while resilience is mainly reactionary, agility is mostly proactive. Resilience is mainly about processes as a response to the impact of adverse or unexpected change (Shoss et al., 2018; Tugade and Fredrickson, 2004). However, agility is very much about alertness and anticipation for readiness to act quickly regardless of the external stimuli (Sherehiy et al., 2007). Thus, while agility can be self-initiated, resilience is gauged in terms of how one responds to adverse events.

Third, the desired outcomes of resilience and agility are predominantly different. While resilience underpins longevity, agility underpins prosperity. Resilient organizations are expected to withstand adversity and endure disruptions (Shoss et al., 2018). Agile organizations are not necessarily expected to survive in the long-term but be dynamic and effective amid external volatility.

Fourth, while resilience is often inward-looking, agility is typically outward-looking. Forces representing resilience are innately about firms' processes to survive external threats (Kossek and

Perrigino, 2016). Hence, the primary locus of attention with resilience is firms' continued existence through the manifestations of inherent resilience processes. Conversely, much of the research on agility concentrates on how organizations position themselves against the external environment in such forms as customer empowerment, customization (Sherehiy et al., 2007), and competition (Christopher, 2000).

Resilient agility as an ambidextrous capability for organizational change

Strategy research argues that simple solutions and ordinary capabilities are no longer sufficient to compete and sustain businesses amid unprecedented complexity, volatility, and hyper competition firms relentlessly face (Teece, 2014; Volery et al., 2015). Firms can no longer rely solely on unidimensional capabilities or capabilities of strictly specified utilities but instead are compelled to jointly apply such capabilities as efficiency and flexibility, adaptability and alignment, integration and responsiveness, and exploration and exploitation (Birkinshaw and Gupta, 2013). Thus, successful firms often pursue multiple orientations simultaneously and apply ambidextrous capabilities that enable firms to do two different things equally well, even if doing so may evoke inherent tensions (Birkinshaw and Gupta, 2013; Chang, 2016).

We define *resilient agility* as the firm's ability to sense and act on environmental changes nimbly while withstanding unfavorable conditions and upheavals. Resilient agility is an ambidextrous capability that allows firms to alternate how they deploy their resources to deal with changes, depending on the type of change: agile mechanisms to deal with everyday changes, and resilient mechanisms to cope with significant disruptions. The very essence of resilient agility is a shrewd combination of resilience and agility, addressing potential tensions in so doing, and an ambidextrous configuration of resources to endure and prosper in the face of various types of change (Doz and Kosonen, 2010; Lengnick-Hall and Beck, 2009).

Resilient agility denotes moving swiftly, flexibly, and decisively in anticipating, initiating, and leveraging opportunities and avoiding negative effects of change, while resisting, absorbing, responding, and even reinventing, in response to fast and/or disruptive change (McCann et al., 2009). As resilience is about bending without breaking (Shoss et al., 2018), the agility component involves the speed and the nature of bending and recovery as well as proactive processes to preempt disruptions. Most definitions of resilience highlight signs of positive adaptation after having gone through significant adversity (Sabatino, 2016; Tugade and Fredrickson, 2004). However, in hyper-volatile contexts dodging adversity before it hits or navigating it for a positive change through proactive and dynamic strategies can be at least as much, if not more than, effective as withstanding adversity after experiencing it. If prosperity does not nurture surviving, surviving may end up being a long experience of relative suffering. By the same token, prosperity may not be meaningful if it is not maintained by long-term survival.

Given the discussed premises of resilience and agility, neither concept alone is likely to support both surviving and prosperity in volatile contexts as effective as resilient agility. Resilience may exhibit shortcomings when it comes to vitality and prosperity amid volatility and environmental dynamism. Likewise, agility fails to encompass risk management processes and long-term persistence to hardships (Gligor et al., 2013). In this vein, just as exploration and exploitation complement each other to arrive a more holistic concept of ambidexterity (Raisch et al., 2009), resilience and agility complement each other to arrive at the more comprehensive and ambidextrous concept of resilient agility. Therefore, resilient agility concept can capture capabilities and processes for successfully operating in volatile contexts more holistically.

Considering that both agility and resilience are intertwined with change but differently, firms must possess the ambidextrous ability to utilize their resources to switch between *agile, change-capitalizing means* to *resilient, change-coping means*. That is, resilient agility is an ambidextrous capability that allows firms to alternate how they deploy their resources to deal with changes, depending on the type of change they encounter: agile mechanisms to leverage routine external low-magnitude changes as an opportunity and resilient mechanisms to cope with major disruptions.

Agility allows enterprises to meet their customers' needs successfully, but would not help when the firm is confronted with a major disruption. Similarly, resilience allows enterprises to successfully deal with major disruptions but has little use in capitalizing on daily changes in customers' orders. As such, firms seeking to gain a sustainable long-term advantage must develop resilient agility, which allows them to switch between an agile mode and a resilient mode, depending on the type of change experienced.

Given their different properties, resilience and agility may involve some tensions if they are to be deployed simultaneously. To illustrate, deploying agility to customize products for customers while the firm is experiencing a major disruption due to a natural disaster would likely create tensions within the firm as the firm should be in 'survival mode.' Reactive vs. proactive and long-term oriented vs. short-term orientation premises of resilience and agility may incite some tradeoffs or tensions in case of joint application. That said, ambidextrous capabilities embody orchestrating the complex tensions and trade-offs that ambidexterity requires (Raisch et al., 2009). Thus, resilient agility may allow alleviating and/or transcending potential tensions in applying resilience and agility for divergent goals and as positive transformational forces.

Antecedents of resilient agility in volatile economies

As firms are embedded in institutional environments, institutions and firm characteristics are reciprocally and dynamically intertwined (Garud, Hardy, and Maguire, 2007; George et al., 2015). We, therefore, explore contextual forces shaping organizational behavior and offer an alternative to the prevalent notion that negative institutional factors like instability or estrangement have predominantly negative effects on firms. We scrutinize whether they may trigger resilient agility under certain organizational conditions.

We focus on the main aspects of unfavorable institutional environments, namely *institutional instability* and *institutional estrangement*, and relevant organizational factors, i.e., *entrepreneurial orientation* and *bricolage* in volatile economies. *Institutional instability* denotes the unpredictability and fluctuation of institutional environments (Chase, 2009; Pike et al., 2010); *institutional estrangement* refers to distrust and disaffection of general populace to its institutional environment (Blanco, 2013); *entrepreneurial orientation* (EO) refers to the firm's disposition to accept and adopt entrepreneurial processes, practices, and decision-making activities (Lumpkin and Dess, 1996); and *bricolage* refers to making do with resources at hand particularly in constraint contexts (Baker and Nelson, 2005). We analyze them as antecedents of resilient agility to advance its context-bounded and institutionally-informed understanding. Our primary argument is that the mutual interaction between the institutional factors of volatile economies, EO, and bricolage can matter more to resilient agility than their standalone influences given the contingent nature of their interplay. In the interest of parsimony, we focus only on conditions that are argued to stimulate high levels of resilient agility.

Volatile economies

Volatile economies refer to national economies going through instability and adversity due to political fragility, rapid and arbitrary policy changes, and institutional voids and flaws (Chase, 2009; Pike et al., 2010). Their formal institutional environments could be classified into a variety of ways, including predatory, developmental, and welfare (Fainshmidt et al., 2016). The challenges of many volatile economies include unstable, extractive, and restrictive institutions (Acemoglu et al., 2003).

Volatile economies, whether they are emerging or developed, are the ones where the social, economic, and political environments are more unstable, and institutions are less favorable. They are characterized by a rapid and discontinuous change that often makes information inaccurate, unavailable to obtain, or quickly obsolete (Krasniqi and Desai, 2016). Such volatile economies are present in Asia, Africa, Latin America, and Europe (Hnatkovska and Loayza, 2003).

Volatile economies are not homogenous and may exhibit different characteristics, levels of economic development and varying degrees of volatility. For example, the dominance and interventions of formal institutions as well as some elements of informal institutions can extensively vary in these economies (Fainshmidt et al., 2016). We concentrate on volatile economies as a context of examining how institutional environment shapes resilient agility.

Institutional antecedents of resilient agility in volatile economies

Institutional instability. Countries with unstable institutions are characterized by the lack or insufficiency of high quality, coherent, instructive, and credible institutional norms and rules enforced on a consistent and equitable basis (Gates et al., 2006; Xin and Pearce, 1996). Institutional instability stems from the disequilibria in the dynamics among the key elements of institutions (Gates et al., 2006). It is entwined with institutional change that can take institutions toward either positive or negative direction (Krasniqi and Desai, 2016). Nonetheless, institutional instability has, more often than not, a negative connotation due to the uncertainty it breeds (Brunetti and Weder, 1998).

That said, institutional instability is not always bad for all firms. It may provide more room for discretion and differentiation due to blurred boundaries between organizational and institutional fields (Peng et al., 2009). Likewise, the habituation of and ensuing resistance to instability can serve as an underpinning force for firm behavior. Thus, despite its negative influence, institutional instability can offer firms an opportunity to devise innovative solutions. Likewise, if institutional instability stems from positive institutional change toward higher institutional quality, it may offer opportunities for firm growth and continuance (Sabatino, 2016).

Critical institutionalism perspective suggests that a complex interplay between modern and traditional, formal and informal arrangements in a society results in instability (Hall et al., 2014). Unequal power relationships among the actors shape resource access and management dynamics in fragile institutional environments (Hall et al., 2014). Hence, in many volatile economies with institutional instability, firms often lack access to required resources (McCarthy and Puffer, 2016). Time is a scarce resource in institutionally unstable countries. Firms racing against time might find predicting the course of institutional changes and responding to them difficult (Krasniqi and Desai, 2016). They, therefore, make creative, quick, and resourceful use of whatever resources available as a way to deal with institutional instability. These activities particularly signify bricolage and EO as entrepreneurial characteristics that match the institutional environments of firms in volatile economies (Mair and Marti, 2009; Peng et al., 2009; Uzo and Mair, 2014).

Institutional estrangement. Institutional estrangement stems from local actors' lack of identification with and affinity to formal and informal institutions due to a perception that such institutions disregard the values and priorities of their common constituents and fail to support their goals. Local actors in such contexts cannot find their voice in the formation and enforcement of these institutions (Xin and Pearce, 1996). Despite potential detrimental effects, the ensuing institutional estrangement could also serve as a bedrock for entrepreneurial characteristics needed to tackle institutional voids, survive detachment from local institutions, and be persistent and creative firms.

Firms in many volatile economies face serious challenges and adversities stemming from local institutions (Chase, 2009) that could lead to estrangement to those institutions. Some of these difficulties include restrictive legal structures, corruption, arbitrary and contradictory practices, illegal extraction, injustice, as well as confining and irrational social and professional norms (Acemoglu et al., 2003; Peng et al., 2009). Many of these challenges are detrimental to local actor's tendency to identify with and belong to their local institutions.

We argue that institutional estrangement can create conditions and experiences that motivate specific entrepreneurial qualities, and firms can leverage institutional estrangement as an opportunity. For example, in some volatile economies of Asia like Bangladesh, institutional estrangement can be very high due to institutional voids (Mair and Marti, 2009). In such countries, new and small firms often face resource shortages, because local institutions are not conducive to resource creation and utilization. Hence, when firms are estranged from the local institutions, bricolage can facilitate the effective use of resources at hand to substitute distrusted institutions, bypass unfavorable and unfair institutional rules, and achieve self-efficacy (Menkhaus, 2008; Titeca and De Herdt, 2011).

Studies on governance in Africa and Southeast Asia have discussed estrangement from state structures highlighted by the failure to deliver services like health and education (Titeca and De Herdt, 2011). They highlight a trend of a provision of such fundamental services through private firms in Kenya (Menkhaus, 2008) or for impoverished communities in India (George et al., 2015) as innovations that benefit the disenfranchised. Due to institutional dis-functioning and ensuing estrangement, private sector wealth creation emerges as only viable options in many volatile economies. We argue that, contingent on EO and bricolage, institutional estrangement stimulates firms in volatile economies to develop ambidextrous resilient agility to maneuver through the system and manage its hindrances.

Organizational antecedents of resilient agility in volatile economies

Entrepreneurial orientation. The essence of EO is the strategic disposition for creating new business in response to or via generating opportunities and changes in the environment (Lumpkin and Dess, 1996; Rauch et al., 2009). Nonetheless, the critical aspects of EO -innovativeness, risk-taking, proactiveness, competitive aggressiveness, and autonomy (Lumpkin and Dess, 1996)- may carry different weights in different contexts. Given penurious environments surrounding them (Garud et al., 2007; Mair and Marti, 2009), firms in volatile economies are likely to carry heavier weights on risk-taking and competitive aggressiveness to respond to constraints and uncertainties. Moreover, they aggressively engage with their competitors to create new ways of doing things and new things to do under hardships (Miller and Le Breton-Miller, 2017).

EO shapes how observant a firm is to its environment and decisive and quick in responding to opportunities (Rauch et al., 2009). Entrepreneurially-oriented firms are likely to be more proactive and effective in leveraging opportunities, tackling hardships, and flourishing in volatile and penurious environments (Mair and Marti, 2009). Entrepreneurially-oriented firms are also more likely to be alert, persistent, and implement decisions aggressively under pressure (Lumpkin and Dess, 1996).

Accordingly, EO establishes the ground and paves the way for higher resilient agility despite hostile and volatile environmental conditions (Christopher, 2000).

Openness to risk is pivotal in enabling resilient agility in volatile environments. Entrepreneurially-oriented firms have been found to see risk as an opportunity, are more aggressive toward external hardships, and exercise initiative and ingenuity despite institutional challenges (Miller and Le Breton-Miller, 2017). In this vein, cutting out structural and activity layers, decentralizing decision-making and application, empowering employees for entrepreneurial initiatives, deploying virtual network strategies, and incorporating e-business process can be seen as entrepreneurially-oriented activities underlying resilient agility in response to a variety of changes firms face in volatile economies (Overby et al., 2006; Teece, 2014).

Firms in many volatile economies have less tendency to seek institutional certainty due to a lack of trust in institutions (Blanco, 2013; McCarthy and Puffer, 2016). They rely on other tangible and intangible resources in the lack of local institutional stability as estranged entities (Darendeli and Hill, 2015). While institutional stability can be essential for stimulating innovation and firm growth, its shortage, in turn, tends to stimulate different attributes such as EO for the same way forward (Miller and Le Breton-Miller, 2017). Thus, EO can be a source of coping mechanisms against institutional instability and estrangement. It can facilitate turning the challenges of institutional instability and associated estrangement into an advantage for developing and deploying resilient agility to navigate volatile economies.

The discussion of EO in relation to resilient agility leads to a deduction that entrepreneurially-oriented firms are more likely to be alert and responsive to opportunities and threats, resolutely decisive and resistant to hardships and pressures, and proactive in creating and leveraging opportunities. In turn, institutional instability and estrangement could function as conditions that trigger the development of these capabilities in the pursuit of resilient agility.

Proposition 1: *Simultaneously high levels of institutional instability and entrepreneurial orientation are likely to stimulate high levels of resilient agility in firms in volatile economies.*

Proposition 2: *Simultaneously high levels of institutional estrangement and entrepreneurial orientation are likely to stimulate high levels of resilient agility in firms in volatile economies.*

Bricolage. Bricolage is an internally driven entrepreneurial process of reconfiguring and deploying what is at hand by defying constraints and employing creative means for the emergence of preferred output (Baker and Nelson, 2005; Fisher, 2012). Firms with higher adoption of bricolage can stay intact against adversaries and constraints and survive in such environments by demonstrating creative alternative approaches against penurious conditions in volatile economies. Such firms can engage in bricolage to quickly reconfigure resources at hand. Configuring whatever at hand results in speedier and more flexible processes than seeking the right resources and their right combinations in penurious resource environments.

Bricolage is necessary to be flexible and resilient against constraints and hardships and get favorable results under disruptive and/or unfavorable conditions (Baker and Nelson, 2005). Thus, firms engaging in bricolage are expected to survive environmental constraints by making do with what is at hand, even if it is not sufficient or completely suitable. This notion is exemplified in the context of Bangladesh where bricolage is utilized to address environmental constraints and institutional estrangement flexibly and swiftly and survive in a context that lacks market development (Mair and Marti, 2009).

Firms applying bricolage enact what they have at hand to utilize time as an advantage against more clumsy and fragile competitors. Thus, bricolage can foster resilient agility, as firms engaging in bricolage can promptly reconfigure and leverage available resources quickly as opportunities arise and withstand external shocks. Using whatever is at hand often engenders a lot faster processes and outcomes than trying to find and develop resources and plan, design, and engineer processes (Fisher, 2012). Thus, bricolage enables firms to be swift and flexible in taking actions and robust in responding to sudden and unexpected market demands (Fisher, 2012).

Bricolage's role in resilient agility can be even stronger in volatile economies in comparison to stable economies with more munificent resources. Firms can apply bricolage as a means of attaining resilient agility in economies with contradictory institutional rules where the cost for exploiting business opportunities is high but avoidable through third-way alternatives (Elert and Henrekson, 2016). Likewise, bricolage could be utilized to overcome traumatic situations that require immediate treatment of adversities faced (George et al., 2015). In highly volatile business contexts of many African countries, firms continue developing their businesses and configuring product/services amid scarcity, instability, and estrangement (Uzo and Mair, 2014). They absorb and get used to the presence of institutional instability as part of life and exercise bricolage to operate effectively and survive in that context (Hnatkovska and Loayza, 2003; McCarthy and Puffer, 2016). Thus, bricolage can be a pivotal entrepreneurial behavior that enables resilient agility in volatile economies.

Proposition 3: *Simultaneously high levels of institutional instability and bricolage are likely to stimulate high levels of resilient agility in firms in volatile economies.*

Proposition 4: *Simultaneously high levels of institutional estrangement and bricolage are likely to stimulate high levels of resilient agility in firms in volatile economies.*

Discussion and conclusions

Implications and contributions

The extant research offers inadequate insights into how firms continue to survive and prosper in harsh conditions they face in adverse contexts and times (Miller and Le Breton-Miller, 2017; Teece, 2014). In an age of unprecedented change, scholars and practitioners alike need a complete understanding of tackling shocks and disruptions and prosperity amid adversity. We contribute to theory by explicating the nature and drivers of firms' resilient agility in volatile economies.

First, we put forth resilient agility as a critical ambidextrous capability for organizational change incorporating both resilience and agility characteristics. Earlier research has focused either on agility or resilience separately, and only rarely together. Insights gained from the nature of resilient agility can be used to advance knowledge on survival and efficacy across various contexts and periods. Our paper highlights resilience and agility as joint requirements to survive and navigate volatility and build resilient agility.

Second, we advance a contextualized understanding of the antecedents of resilient agility in volatile economies by explaining how resilient agility is triggered by unfavorable institutional factors (instability and estrangement) and underpinned by distinct organizational factors (EO and bricolage). Extant research has not addressed the joint roles of contextual and entrepreneurship-related organizational factors in the pursuit of long-term functioning and survival. We fill this void, bring in concepts informing institutional environments of volatile economies, and explore the concept of resilient agility in the context in which it occurs. We probe into EO and bricolage as forces that may transform negative institutional factors into positive ones in the pursuit of resilient agility. As recent research shows (e.g., Bullough et al., 2014; George et al., 2015), entrepreneurial behavior could be necessary for agility, resilience, and survival in challenging and volatile contexts. We postulate that, while both widely applicable, EO and bricolage become especially pivotal for resilient agility in contexts characterized by institutional instability and estrangement. We further posit that resilient agility in volatile economies can be embodied by savvy and adept firms that are quick at finding alternative and handy solutions and evading institutional limitations and voids to survive hardships (Elert and Henrekson, 2016; Hansen et al., 2015). Their EO and bricolage can turn adverse aspects of institutional instability and estrangement into productive forces and foster resilient agility.

We comply with an emerging view that institutions in volatile economies are a double-edged sword, both a threat and opportunity to businesses (Mair and Marti, 2009; Miller and Le Breton-Miller, 2017). In this light, we study how unfavorable institutional factors may have a byproduct bright side to them through their interplay with EO and bricolage. Faced with harsh and unstable institutional conditions and fewer protections, firms need both resilience and agility (i.e., resilient agility) to survive and prosper. This viewpoint offers an account to the question of why new businesses emerge and prosper in volatile economies despite high turbulence and a plethora of daunting challenges. We argue that some actors embedded in volatile institutional fields become hardened and are acclimatized over time to unfavorable institutional factors and internalize constructive and dynamic means to leverage threats as opportunities. In this vein, institutional factors are not public goods with mechanically equivalent influences on all agents, but instead have varied influences due to divergent means applied by each agent embedded in the institutional environment (Hansen et al., 2015).

Future research

Several research directions could be derived from this study. First, resilient agility is an important construct that needs further exploration by researchers. As the current paper is conceptual, future research can empirically verify the propositions we put forward. In particular, our framework includes alternative institutional and organizational factors that can shape resilient agility. Hence, configurational analysis, which allows a more thorough understanding of how different combinations of conditions and different paths lead to a specific outcome, can account for the influence various institutional and organizational factors on an empirically grounded basis.

Moreover, resilient agility may have different applications in different volatile economies. For example, it can be an interesting research topic to analyze the differences in resilient agility of firms in volatile economies where the source of volatility is economic turbulence or austerity (e.g., Greece) compared to countries where the source of volatility is primarily conflicts or civil war (e.g., Libya). Such research is expected to offer interesting insights.

Beyond examining resilient agility in different types of volatile economies, the concept can be examined in relation to volatility in industry or technological contexts. In fact, volatility is not necessarily tied to a specific economy and can exist as a characteristic of other contexts such as shifting competitive landscape. Therefore, resilient agility could also be necessary in other contexts or circumstances such as in highly innovative industries, when facing disruptive technologies, or when there is a fierce rivalry among firms. Consequently, future research can extend the examination of resilient agility beyond volatile economies.

Furthermore, firms often evolve in external environments beyond institutions (Garud et al., 2007). Therefore, it is essential to consider the role of other environmental factors such as scarcity-munificence (the extent of resource abundance in a specific location). Likewise, culture is another major factor that plays a noteworthy role in business life, and concepts like cultural tightness-looseness as the enforcement of cultural factors could help uncover interesting insights about the contextual antecedents of resilient agility in different kind of economies. Time is ripe for studying these concepts jointly as essential pillars of resilient agility.

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Table 1 The key elements underlying resilience.

Element	Key function	The way of underlying organizational change	Main corresponding references
Resistance	Withstanding the effect of disruptions and maintaining stability in functioning in the aftermath of impact	Mitigating destructive change	(Elert and Henrekson, 2016; Martin, 2012)
Recovery	Regaining initial or more positive state	Regaining	(Huggins and Thompson, 2015; Martin, 2012)
Re-orientation	Defining direction and nature of positive change	Directing	(Martin, 2012; Pike et al., 2010)
Renewal	Creating a new path for positive change	Revitalizing	(Bettinelli et al., 2017; Martin, 2012)

Table 2 The key elements underlying agility.

Element	Key function	The way of underlying organizational change	Main corresponding references
Speed	Timing and pacing of actions in relation to competitors	Accelerating	(Gligor, 2013; Sherehiy et al., 2007)
Alertness	Sensing and discerning opportunities and threats	Informing	(Gligor, 2013; Gligor et al., 2013)
Flexibility	Resource configuration and deployment	Shaping	(Dunford et al., 2013; Gligor, 2013; Sherehiy et al., 2007)
Responsiveness	Decision-making and implementation	Directing	(Christopher, 2000; Gligor, 2013; Sherehiy et al., 2007)