Chapter 4
Entrepreneurial Resilience and Market Turbulence in SMEs:
Perspectives From the COVID–19 Pandemic Context

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ABSTRACT

Entrepreneurial resilience is a recent topic and is widespread in scientific research, especially when associated with periods of instability and crises. This chapter aims to analyze the relationship between the variables open-mindedness (OM), entrepreneurial resilience (ER), market turbulence (MT), and overall performance (OP) in SMEs located in the legal amazon. Data collection coincided with the pandemic of COVID-19, with 384 SME managers participating. The sample was analyzed using structural equation modeling (SEM). The results suggest mediation of the variable ER on the relationship between OM and OP, and moderation of the variable MT on OM and ER. The research's originality is attested by the model's

empirical relationships, research context, and adverse scenario provided by the COVID-19 expansion. The practical implications indicate that managers should pay more attention to the variables investigated through the creation of new skills and competencies necessary for entrepreneurial activity in periods of economic crisis and market turbulence.

INTRODUCTION

The war scenario caused by Covid-19 caused serious consequences to the population, organizations and the economy. Social isolation was essential to face the pandemic and mitigate the worsening effects. Despite this, Covid-19 still has implications that put the survival of small and medium-sized enterprises (SMEs) at risk.

The purpose of this article is to analyze the relationship between the variables open-mindedness (OM), entrepreneurial resilience (ER), market turbulence (MT) and overall performance (OP) in SMEs located in the Legal Amazon. For this, two specific objectives will be necessary: to investigate the relationship of the mediating variable ER between the variables OM and OP; and, test the construct MT as a moderating variable on the relationship between OM and ER.

The research environment will involve managers of SMEs installed in the Legal Amazon, a region that comprises all the states of Acre, Amapá, Amazonas, Mato Grosso, Pará, Rondônia, Roraima and Tocantins, and part of Maranhão. This area corresponds to about 60% of the Brazilian territory (IBGE, 2020).

The concept of the Legal Amazon arose in the 1950s with the objective of planning and economically developing a region rich in natural resources, biodiversity and ecosystems, which still includes an extensive area of the Cerrado biome and part of the Mato Grosso wetland (IBGE, 2020). Thus, most of the companies installed in the region depend on extractive and natural resources for survival, it is important to investigate the context of organizations located in this territorial area, especially in times of adversity.

The data collection coincided with the Covid-19 pandemic, being a period considered of limitations of mobility and displacement of the population, caused by social isolation. The natural consequence of quarantine, and, in some cases, lockdown, was a reduction in sales and commercial restrictions for most products / services. The environment of market turbulence and uncertainty was caused, mainly, by doubts about the speed of recovery of companies, generating a current and future scenario of economic crisis.

In addition, the moment requires actions by the government, aiming at the development of public policies that stimulate the generation of employment and

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