



EMPIRICAL STUDY ON THE ANTECEDENTS PREDICTING ORGANIZATIONAL RESILIENCE OF SMALL AND MEDIUM ENTERPRISES IN BANGLADESH

Estudo empírico sobre os antecedentes que preveem a resiliência organizacional de pequenas e médias empresas em Bangladesh

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ABSTRACT: Human values and affective traits were found to predict attitudes toward the use of different types of knowledge-based theory through creative climate. In this study (N =329), we aimed to gain a more comprehensive understanding of those predictors toward use in a structural equation model (SEM), provided a better overview of a possible structural path that drives to such antecedents for Small and Medium Enterprises (SMEs) in Bangladesh. Precisely, we predicted and found that the relations between the variables and impact of different variables were modeled and tested by applying SEM. Based on the questionnaires survey on SMEs in Bangladesh, this empirical study indicates that all the predictor variables significantly influence the endogenous variables except knowledge management (KM) and employee resilience (ER), and creative climate (CC) and organizational resilience (OR). The study provides several theoretical and practical implications for further research.

KEY WORDS: Creative climate; Knowledge management; Employee resilience; Organizational resilience

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ESTUDO EMPÍRICO SOBRE OS ANTECEDENTES QUE PREVEEM A RESILIÊNCIA ORGANIZACIONAL DE PEQUENAS E MÉDIAS EMPRESAS EM BANGLADESH

Empirical study on the antecedents predicting organizational resilience of small and medium enterprises in bangladesh

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RESUMO: Os valores humanos e os traços afetivos foram encontrados para prever atitudes em relação ao uso de diferentes tipos de teoria baseada em conhecimento através do clima criativo. Neste estudo (N = 329), objetivamos obter uma compreensão mais abrangente dos preditores para uso em um modelo de equações estruturais (SEM), proporcionou uma melhor visão de um possível caminho estrutural que leva a tais antecedentes para Pequenas e Médias Empresas. (PME) no Bangladesh. Precisamente, previmos e descobrimos que as relações entre as variáveis e o impacto de diferentes variáveis foram modeladas e testadas pela aplicação do SEM. Com base na pesquisa de questionários sobre PMEs em Bangladesh, este estudo empírico indica que todas as variáveis preditoras influenciam significativamente as variáveis endógenas, exceto a gestão do conhecimento (GC) e resiliência de funcionários (ER), clima criativo (CC) e resiliência organizacional (OR). O estudo fornece várias implicações teóricas e práticas para futuras pesquisas.

PALAVRAS-CHAVE: Clima criativo; Gestão do conhecimento; Resiliência de funcionários; Resiliência Organizacional

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INTRODUCTION

In today's competitive environment, organizations enlarge globally and face a lot of contests to meet their objectives. To survive and contend successfully in the dynamic atmosphere, organizations require proactive work climate for performing at high standards to yield for long-run sustainability of the organization (Majeed, 2011). To keep in line with it, CC is the essential element to the long-term success and subsistence of

organizations. Ultimately, most managers realize that a productive workforce and climate will provide a global, sustainable and competitive advantage for a learning organization. On the same lines, KM has attracted individual responsibility of employees' (Li et al., 2013). Recently, researchers have paid interests in this arena because of its acute role displayed in the competitive business world as well as OR (Linnenluecke, 2017). Empirical studies imitated that the antecedents predicting creative climate are KM, ER, and OR which practically mentioned in several studies. Besides, resilience in organizations and among employees is relevant in any context which introduces challenges and transcends a post-disaster context (Näswall et al., 2015). This little adaptation capability is undoubtedly a matter for the development of organizations in the modern edge. However, the ability of a knowledgeable resource in any organization to learn faster than those in other organizations establishes the only sustainable competitive advantage at the disposal of a learning organization (Geus, 1988). It is the link between learning organization and the success in changing the environment. To address this issue, According to Denyer (2017), OR is required for businesses to respond to the interruptions as well as positively adapt in the face of challenging conditions, leveraging prospects and delivering sustainable performance improvement. By addressing these rationales, this study intends to figure out how CC, KM, and EM directly influence OR rather than CC and KM affect OR through ER.

THEORETICAL BACKGROUND AND HYPOTHESES SUBSTANTIATION

Impact of creative climate on the relationship between employee and organizational resilience

Organizations need to shape a climate that stimulates creative climate. CC is the organizational appearances as perceived by its members (Ekvall, 1996). It also encourages people to generate new ideas and helps the organization to grow and increase its efficiency and at the same time it enables members to generate and implement creative ideas more effectively (Ekvall et al., 1983). Accordingly, OR is the ability of the organization to cope with modification through continuous replenishment of business operations to prevent deterioration and disuse (Scott, 2007). In today's rapidly-changing environment, ER is a critical resource for organizations. In this progress, ER plays a great role in this context (Näswall et al., 2013), as the definition of ER builds on the definition of OR, defined as —a function of an organization's overall situation awareness, management of keystone vulnerabilities, and adaptive capacity in a complex, dynamic, and interconnected environment. Therefore, the hypotheses of these relationships are:

- H2.** Creative climate significantly predicts employee resilience
- H4.** Creative climate has a positive impact on organizational resilience

Influence of knowledge management association with employee and organizational resilience

KM is one of the most important sources for the organization to achieve the sustainable competitive advantage and adaptation. Prior studies posited on developing resilience by focusing on individuals' knowledge and adaptability (Sutcliffe and Vogus, 2003), and self-enhancement skills and attachment style (Bonanno et al., 2002). In this connection, resilience in leaders has been shown to affect subordinates' and the organization's performance (Youssef, 2004). With the view in mind, KM as a strategy to manage organizational knowledge assets helps in management decision making, and enhances keenness and increase capacity for creative climate and innovation (Nowack et al., 2009). The process of KM, i.e., knowledge acquisition, distribution, interpretation and organizational retention, paves the way for enhanced organizational enactment (Lee and Choi, 2003) by solving the business hitches and exploring the potential growth opportunities. Nonaka (2007) mentioned that KM involves the acquisition, creation, and use of information for change that can culminate in innovation and, ultimately, organizational resilience (Hamel and Valikangas, 2003). To support this, Grant and Kinman (2012) also painted the inescapability of resilience for employees working in ardently challenging and different occupation. In this regard, to bridge this gap, we hypothesize:

- H1.** Knowledge management has a positive effect on employee resilience
- H3.** Knowledge management positive impacts organizational resilience
- H5.** Employee resilience influences organizational resilience significantly

Relationship between creative climate and knowledge management

Basically, climate for creativity investigates how the prevailing workplace environment supports creativity of SMEs in Bangladesh. To achieve this, researchers and practitioners need to understand the influence and relationship of CC on knowledge management. A part of this, Service and Boockholdt (1998) concluded that CC is related to and has a major impact on psychological processes particularly in knowledge-base organization. Consequently, these components exert a direct influence on the performance and outcomes of individuals, working groups and the organization. Study conducted among managers of information technology in Malaysia revealed that organizational CC had a positive and significant impact on KM (Samad, 2010). Furthermore, it is often investigated that creative organizational learning is increased from knowledge process capabilities that create, transfer, and use knowledge (Malhotra, 2004), and the result of increased organizational creativity is improved organizational performance . Based on the preceding discussion, we propose the following hypothesis:

H6. Creative climate significantly predicts knowledge management

To emulate a clear demonstration of the present investigation, we developed a conceptual framework (Figure 1) based on insights gained from the prior studies.

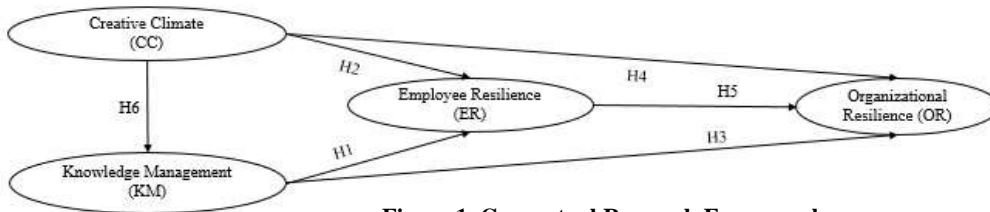


Figure 1 Conceptual Research Framework

RESEARCH DESIGN AND METHODOLOGY

Respondents’ demographic features

Detailed demographic characteristic of the respondents has been reported below the table (1):

Table 1 Participants’ Demographic Profile (N=329)

ables	Vari	Catego	Freq	ables	Vari	Catego	Freq
	ries	uecy			ries	uecy	
der	Gen	Mal	252	Edu	Mast		1
		Female	77			er Others	05
			3.0				2
			1				24
			86				8.0
	Age	Below 35	1	Ten	Below 10		2
		Years	7.0			Years	08
		Years	1		Years		1
			43				21
			3.0				7.0
	Size	Small	1				
		Medium	76	3.0			
			1				
			53				7.0

Survey instruments

A total of 480 questionnaires were delivered through the offline and online survey, but 343 responses were received. In the screening test, 13 responses were dropped out to address the issues of common method bias, missing data, outliers, and data normality. Survey instruments of creative climate (Kim and Yoon, 2015), knowledge management (Noruzy, Dalfard, Azhdari, Nazari-Shirkouhi, and Rezazadeh, 2013), employee resilience (Näswall et al., 2015) and Organizational resilience is adopted from Mafabi et al. (Mafabi et al., 2012) that consists of organizational competitiveness, organizational adaptiveness, and organizational value, were used in this research. Notably, a 5-point Likert scale has been used for the sake of uniformity in measuring the variables. The scales ranged from strongly agree (1) to strongly disagree (5). Microsoft Excel 2016, AMOS version-20, and IBM SPSS version-21 analytical tools were used to operate the data.

result shows that the structural model explains 13.9% (R^2_{KM}), 5.3% (R^2_{ER}), and 45.4% (R^2_{OR}) change in KM, ER, and OR. The magnitude of R^2 ranges from weak to substantial but not insignificant according to the rule of thumb set by Cohen (Cohen, 1988).

RESULTS AND DISCUSSION

As depicted in table 3 represents the findings in the structural model coefficients' weight. In H1, we hypothesize that knowledge management is not significantly linked with the employees' resilience. The estimated result ($\beta = -0.018, p < 0.05$) not supported. This result is found inconsistent with the findings of (Stephenson, 2010). The H2 reported that the creative climate reserves a significant influence on employees' resilience. In line with the hypothesis, the calculated results strengthen the proposition ($\beta = 0.237, p < 0.01$). Prior research results also supported the studied findings (Ekvall et al., 1983). The H3 proposes that knowledge management significantly predicts organizational resilience. The observed results unearthed that employees' engagement has a significant influence, $\beta = 0.507; p < 0.05$, on employees' resilience. The current findings are also found similar to the rest of the global findings (Mafabi et al., 2012). Again, H4 showed that creative climate is significant with organizational resilience. This estimated result is not supported ($\beta = 0.244, p > 0.05$). The H5 and H6 reported that employee resilience and creative climate are also predicting the organizational resilience and knowledge management accordingly. On the same lines, the calculated results ($\beta = 0.159, p < 0.01$ for H4 and $\beta = 0.337, p < 0.01$ for H5) strengthen the propositions.

Table 3 Path Analysis in a Structured Model

Hypothesis	Hyp	Path Relations	β	S	T	p.	Decision
			ER	-Stat.	value		
H1	mR	E < nM	0.018	0	0	0.085	Not Supported
H2	mR	E < rC	0.237	0	3	0.076	Supported
H3	rR	O < nM	0.507	1	1	0.78	Supported
H4	rR	O < rC	0.244	1	1	0.12	Not Supported
H5	rR	O < mR	0.159	0	1	0.141	Supported
H6	nM	K < rC	0.337	0	5	0.066	Supported

CONCLUSION

This study aims at finding the predictor variables of CC and KM in Bangladesh at different organizational units. The result shows that CC, ER, and KM significantly affect OR at different levels. Besides, CC, KM, and ER are also found to be significant predictors of OR. This result has some theoretical, academic and practical significance. Unlike many other studies, this study shows that KM is not significantly affecting ER and CC has an insignificant effect on OR which is a new direction for further research. Studies on CC, KM, and ER are relatively new; however, this study shows that they affect OR significantly. Therefore, professionals and practitioners require committing more resources on the adequate focus on KM and ER. Academics and researchers can do more research on KM practices, ER systems, and OR for further development. One of the limitations of this study is the sample size which is limited to generalize the universe. Also, moderation effect of demographic factors and mediating effects of above-considered variables mentioned in the structured model are apparently absent. Future studies suggested chalking out the mediating effect and moderating effect of third variables on the relationships between employee and organizational resilience.

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