Conference Theme – (01) Managing on the Edge
Competitive Session

Survival of the fittest! Impact of psychological ownership on
organisational resilience – Evidence from New Zealand

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**ABSTRACT:**
The two major earthquakes impacting Christchurch in New Zealand amounted to an estimated cost of US$34 billion. Small and medium enterprises (SMEs) play a crucial role in the New Zealand economy and research has highlighted that 67 per cent of SMEs in the region were adversely affected by these earthquakes. Those SMEs which survived were truly resilient as they not only managed the unexpected but managed on the edge. Through a multiple case study approach we examine SMEs that were impacted by the earthquakes and found an interesting relationship between psychological ownership and organisational resilience. Our findings provide insight into different aspects relating to the concept of psychological ownership and offer directions for future research.

**Keywords:** thinking outside the square, volatility, risk, flexibility, cross discipline

‘Unexpected events often audit our resilience. They affect how much we stretch without breaking and then how well we recover.’

Weick and Sutcliffe (2007: 1)

**MANAGING THE UNEXPECTED AND MANAGING ON THE EDGE**

“How well prepared is our organisation to manage the unexpected, i.e., a natural disaster such as a major earthquake?” This is a question which occupies the minds of many business owners/managers in New Zealand today due to what the country has witnessed over the last two years. We are referring to Christchurch in New Zealand – a city which has endured massive disturbances (economically and psychologically) since 22nd of February 2011. A series of earthquakes, the biggest a magnitude 7.1 in September 2010 and a much more damaging magnitude 6.3 in February 2011, caused immense damage to the Central Business District (CBD) and many suburban areas (Canterbury Development Corporation Report, 2013). The combined effect of these earthquakes along with significant aftershocks has seen more than 1000 commercial buildings being demolished and 7057 residential dwellings being replaced (Canterbury Earthquake Recovery Authority, 2012). Following the disastrous
February 2011 earthquake Christchurch’s CBD (CBD) was cordoned (Bowden, 2011), in what became known as the “Red Zone” and was completely unusable. This resulted in the closure or relocation of many businesses, employing around 50,000 people, outside the CBD and caused a decline in economic activity (Canterbury Development Corporation Report, 2013). The earthquakes impacting Christchurch accounted for US$34 billion in economic damages and this is a significant amount considering the small size of New Zealand. These organisations (large, small and medium) in Christchurch were clearly not only managing the unexpected but also managing on the edge.

Organisations across the world continually struggle to thrive through major disruptions (Stephenson, Seville, Vargo, & Roger, 2010) natural (hurricanes, tornadoes, earthquakes, or tsunamis) or man-made (Global Financial Crisis) have a direct effect on their ability to function (Juttner, 2005). Those organisations which are capable of surviving through these uncertain times are referred to as “resilient organisations.” So the concept of organisational resilience continues to gain momentum in academia in order to explain and improve organisational resilience (Stephenson et al. 2010; Burnard & Bhamra, 2011).

Currently, the concepts of risk, crisis management, business continuity planning, and organisational leadership are integrated to explain organisational resilience (Stephenson et al. 2010). The recent literature on organisational resilience (Barnett and Pratt 2000; Sutcliffe & Vogus, 2003; Seville et al. 2006; Weick & Sutcliffe, 2007; McManus, 2008; Stephenson et al. 2010; Powley, 2009; Burnard & Bhamra, 2011 & Vargo & Seville 2011) indicates that a very important tenet highlighted across the literature is the notion of commitment to improving resilience and embedded within this concept of commitment is the element of ownership.

Management literature has previously argued that ownership acts as a source of competitive advantage for organisations (Brown, 1989; Pierce, Kostova, & Dirks, 2001) and recent studies have highlighted how family businesses perform better in difficult times (Kachaner, Stalk, & Bloch, 2012). However, previous research has been limited to larger organisations. Small and medium enterprises (SMEs) form an important part of a country’s economy but Sullivan-Taylor and Branicki (2011) draw attention to the lack of research relating to organisational
resilience with regards to SMEs. This provides us with a necessary premise to explore the relationship between ownership and organisational resilience in SMEs.

In this paper, we begin by exploring the literature on ownership and organisational resilience. Based on a review of the literature we propose a framework which suggests the concept of psychological ownership plays an important part in building greater organisational resilience. Our research focuses on SMEs as they play a significant role in New Zealand’s economy. Previous research has highlighted that around 67 per cent of SME business owners have been adversely affected by the Christchurch earthquakes (Inland Revenue, 2012). For our study we examined seven SMEs affected by the earthquakes in order to assess the validity of our proposed relationship between psychological ownership and organisational resilience. From the research, we identify deeper elements related to psychological ownership which assisted these SMEs in surviving through adversity. Like all researches, our research also had its share of limitations which are specified. We also provide directions for future research with regards to organisational resilience because by creating resilient organisations we can create resilient communities as both are two sides of the same coin (Stephenson et al. 2010).

OWNERSHIP AND RESILIENCE - EXPLORING THE VALUABLE BOND

As Sartre mentions in his treatise on “being and nothingness” highlighting “to have” is one of the categories of human existence alongside “to do” and “to be”. It cannot be put in better words than his own ‘the totality of my possession reflects the totality of my being… I am what I have…’ (1969: 591). Management scholars and practitioners over the past few decades have studied and explained the concept of ownership. Ownership as a concept is comprises of two different elements – legal and psychological (Pierce, Kostova & Dirks, 2001). Legal ownership has been suggested as formal ownership commonly defined in law – a legal right to a possession (Pierce & Jussila, 2011). Therefore, legal ownership offers rights in relation to control, financial interests and information. However, on the other end of the spectrum lies psychological ownership which can often be described as an expression of relationship with objects by using pronouns such as my, mine, ours, yours and theirs. As Etzioni (1991) has argued, legal and psychological ownership can exist independent of each
other. Although firms are typically classified in terms of legal ownership (e.g. partnerships, listed companies etc.), it can be inferred that the concept of legal ownership is limited in capturing the dynamics of the relationship between an organisation and its owner/manager. Therefore, in this paper we focus on psychological ownership – a feeling of possession over a given object, independent of any legal or formal rights of ownership (Mayhew, Ashkanasy, Bramble & Gardner, 2007). It is hard to arrive at a universal definition of psychological ownership as it extends beyond the scope of rigid context as ownership is a “dual creation, part attitude, part object, part in the mind, part ‘real’” (Etzioni, 1991). It can be argued that the relationship between self and possessions is a fundamental component within the domain of psychological ownership. Additionally, the degree of control exercised over an object will also result in a feeling of ownership (Prelinger, 1959; Sartre, 1969; Lewis & Brook, 1974; Furby, 1978; Pierce & Jussila, 2011). Further assertion by Csikszentmihalyi and Rochberg-Halton (1981) suggests that investment of the self into the creation, enhancement, or acquisition of an object (an organisation in this case) is an important contributor to the development of psychological ownership (Pierce & Jussila, 2011). This highlights that feelings of psychological ownership are stronger when an individual undergoes these experiences; therefore, in the case of failure of an organisation an individual may experience a sense of loss of some part of the personality (James, 1890). This raises a question – does the extent of psychological ownership impact the ability of an organisation to survive through adverse events?

Research continues to grow in the field of academia with regard to examining organisational resilience in order to build resilient organisations. The ability of an organisation to carry on its functions after a turbulence or discontinuity is referred to as resilience (Burnard & Bhamra, 2011). Within organisational literature, resilience remains a multidimensional concept resulting in a diverse literature base incorporating ideas from risk and crisis management and business continuity planning (Burnard & Bhamra, 2011). We concur with Lengnick-Hall and Beck (2005) who have suggested resilience is required by organisations in situations which create vulnerability; therefore, creating the need for an unusual response. Researchers have
developed various frameworks of organisational resilience (Tierney and Bruneau, 2007; McManus, 2008; Wedewatta, Ingirie, and Amaratunga, 2010; Gibson and Tarrant, 2010) and more recently a conceptual framework by Burnard and Bhamra (2011). Burnard and Bhamra’s (2011) framework has explained organisational resilience by depicting its various stages – detection, activation, and enhanced monitoring (Burnard & Bhamra, 2011). McManus (2008) and Stephenson (2010) provide a list of Key Resilience Indicators (KRI’s) from their studies. These KRIs have been categorised differently but refer to similar aspects within organisations such as situational awareness and monitoring, management of stakeholders and resources, and resilience ethos (passionate owners).

All the existing research relating to organisational resilience have sighted that commitment plays an important role in building more resilient organisations (Horne, 1997; Horne & Orr, 1998; Weick & Sutcliffe, 2007; McManus, 2008; Stephenson, 2010; Kantur & Iseri-Say, 2012). The works of Vogus and Sutcliffe (2007) and Weick and Sutcliffe (2007) who studied ‘High Reliability Organisations’ argue that the senior management teams were committed to improving resilience by being mindful through learning from mistakes and making resources available in order to address resilience. Additionally, commitment from all parts of the organisation including employees is essential to create a resilient organisation (Horne, 1997; Kantur & Iseri-Say, 2012). In organisations where there is little to distinguish between an owner and employee, for example self-employed or entrepreneurial businesses, we can say that there is greater sense of resilience due to heightened feelings of psychological ownership. Moreover, this can also be related to SMEs due to greater degree of control exercised by the owner/manager and highlights the important aspect relating to psychological ownership.

Therefore, in Figure 1 we propose a framework which links the concept of psychological ownership to organisational resilience. We suggest that heightened feelings of psychological ownership are responsible for the kind of commitment that enables the survival of the
organisation in times of adversity. This commitment to survival in turn contributes to a greater resilience being exhibited by the organisation. In order to evaluate the proposed model we have chosen to study SMEs in Christchurch, New Zealand. The first reason for choosing SMEs is due to the lack of research relating to organisational resilience on SMEs. Secondly, much can be gained by identifying what makes SMEs resilient due to the vital role they play in New Zealand’s economy (Vargo & Seville, 2011).

IN PERSPECTIVE: SMALL AND MEDIUM ENTERPRISES

Large businesses dominate the research in relation to organisational resilience; however, the vital role of SMEs in a country’s economy cannot be ignored (Robbins, Pantuosco, Parker, & Fuller, 2000). The advantages SMEs have over bigger firms can be in relation to being more flexible which leads to faster response times and better relations with customers (Ismail, Poolton, Sharifi, 2011). SMEs also have less bureaucracy, faster decision making, effective internal communication, and the ability to adapt quickly to new routines and strategies (Vossen, 1998). However, SMEs are more vulnerable to unpredictable changes due to the nature of their size (Acs, Audretsch, Carlsson, 1990); hence, suffering most in times of crisis (Ingiringe, Joness & Proverbs, 2008). Larger organisations are more likely to have a plan in place for extreme eventualities than smaller organisations (Ghobadian & Gallear; 1997; Peck, 2006) which highlights that there is a higher probability of SMEs ceasing to trade after various sorts of disaster (Storey, 1994).

By employing 43.3 per cent of New Zealand’s working population and contributing an estimated 50.6 per cent of the economy’s total value added output (Ministry of Economic Development, 2012) SMEs are crucial for the economic growth of New Zealand. The definition of SMEs in New Zealand varies from that of larger economies due to the small size of New Zealand (Hatton, Seville & Vargo, 2012). The New Zealand Ministry of Economic Development has defined SMEs as those organisations having less than 50 full time equivalent employees. Following the 2010 and 2011 earthquakes, research undertaken by Inland Revenue to assess the impact of adverse events on SME tax compliance found that
these earthquakes had lowered Canterbury’s contribution to New Zealand’s business turnover (GST) from 11.7 per cent in March 2010 to 11.4 per cent in March 2011.

RESEARCH METHOD AND ANALYSIS

Many studies examining organisational resilience have utilised case-focused research (Meyer, 1982; Gittell, Camron, Lim & Rivas, 2006; McManus, 2008) as these studies identify key capacities/capabilities impacting organisational performance following adverse events (Linnenluecke and Griffiths, 2012). The purpose of this research was to understand the dynamics related to organisational resilience in a particular context (Yin, 2003; Huberman & Miles, 2002); therefore, we have utilised a case study approach. The research question developed from the literature review was – does psychological ownership impact organisational resilience?

In order to identify if a relationship exists between the two theoretical constructs – psychological ownership and organisational resilience, we selected different SMEs across Christchurch which were impacted by the earthquakes. Following Pettigrew’s (1988) suggestion we utilise theoretical sampling in choosing the SMEs in order to transparently observe what is of interest to the research (Huberman & Miles, 2002). Multiple data collection methods were used such as interviews with SME owners/managers, archival sources (newspaper & media reports) and direct observations to ensure triangulation of data for stronger implications from the data (Huberman & Miles, 2002) towards our proposed relationship between psychological ownership and organisational resilience. The use of multiple investigators (Pettigrew, 1988) ensured complementary insights added richness to the data through different perspectives (Huberman & Miles, 2002). It is important to highlight the overlap between data collection and data analysis as recommended by researchers (Glaser and Strauss, 1967; Van Maanen, 1988; Gersick, 1988; Huberman & Miles, 2002).

Additionally, we also utilised field notes (Burgleman, 1983; Van Maanen, 1988) by recording ongoing thoughts and observations and the internet to identify relevant material for each SME. Detailed case study write-ups were available for each case which allowed us to do within-case analysis (Gersick, 1988; Pettigrew, 1988) in order to become thoroughly familiar
with each case (Huberman & Miles, 2002). Moreover, we also conducted analysis for cross-case patterns by identifying similarities and differences between the cases (Huberman & Miles, 2002). By constantly comparing data with relevant theory of psychological ownership and organisational resilience, we were able to develop a close fit between the data and theory. For the purpose of this research, we identified that saturation (See Huberman & Miles, 2002) was reached after examining 7 different SMEs across Christchurch. In Figure 2, we provide a snapshot of each stage of our research including details of the data collection and analysis techniques utilised.

INSERT FIGURE 2 ABOUT HERE

FINDINGS

The aim of this research was to determine if there is an evidence of a link between psychological ownership and organisational resilience. After a thorough literature review, we proposed a model and evaluated it by examining seven SMEs impacted by the Christchurch earthquake. In Table 1 we summarise the findings after analysing the data gathered from these different SMEs.

INSERT TABLE 1 ABOUT HERE

Our findings support the proposed relationship between psychological ownership and organisational resilience; here are examples from the data providing the evidence:

SME 3: The co-owner said ‘we focused on keeping things going and accepted lower income.’ (Interview)

SME 5: Co-owner (name withheld) promised to rebuild and now he has… (The Press)

SME 6: Co-owner (name withheld) said she was determined to keep the business open. (Stuff.co.nz)
The SMEs we examined mainly comprised on two or more owners who jointly managed it. During the interviews we also found that the location of where these SMEs operated from also impacted the kind of response they had in terms of recovering. The data analysis also revealed three important aspects relating to commitment for survival – reliance on organisation, financial stability, and brand equity. These aspects operationalize the concept of psychological ownership as they influenced the heightened degree of psychological ownership; henceforth, contributing to greater resilience within the SMEs studied.

Reliance on organisation: Five SME owners/managers were reliant on the organisation as it was their main source of income and they identified themselves with it. This was one of the main reasons why it was necessary for the owners/managers to ensure the organisation was fully or partially functional as soon as possible.

Financial Commitment: An important aspect that made three of the SMEs able to function within a few weeks after the earthquake related to financial commitment, i.e. the presence of sufficient funds to ensure they were able to carry on functioning by making the necessary resources available to all staff. This included securing new premises, making salary/wage payments to staff, and buying new equipment/resources. However, it is important to mention that these three SMEs also had offices/branches in different cities in New Zealand which allowed for this to happen.

Brand Equity: A much discussed topic in the field of marketing (Keller, 1993), brand equity was identified as an important contributor towards commitment for survival. Five of the seven SME owners/managers which were impacted by the earthquakes asserted they wanted to come back to business as soon as possible to ensure that they did not lose the equity by being inactive. For these SME owners/managers it was very important that it was not the case of ‘out of sight and out of mind.’ One of the SME owner/manager had leased a prime location within two weeks after the February earthquake and was fully functional within 12 weeks after the earthquake. The prime reason indicated in the interview was that they wanted their clients to know they were ‘up and functioning.’ The SME in the services industry highlighted
that it was advantageous for them to be functional as their competitors were not operational; therefore, enhancing their brand equity. This is true as one SME owner who moved his shop stated he lost income as ‘no-one knew where the new shop was.’

By analysing these seven different SMEs we were able to get a deeper understanding of what contributes to greater commitment for survival in adversity. In Figure 3 we offer a more comprehensive framework linking psychological ownership to organisational resilience.

DISCUSSION

It is evident from continued observation of SMEs in Christchurch that they have to adapt and change in the face of ongoing difficulties stemming from the earthquakes. The earthquakes themselves were definite events but the consequences reverberate forwards and continued research into their progress should contribute to our understanding of resilience and psychological ownership. As argued by Linnenluecke and Griffiths (2012) being resilient is one of the desired characteristics of organisations and exactly what promotes resilience in organisations is still open to inquiry. By reviewing the relevant literature on psychological ownership and organisational resilience, we were able to propose a framework which links these two concepts. Our findings support our proposed framework and also provide us with additional insights into the aspects of psychological ownership that created greater resilience – reliance on organisation, financial stability, and brand equity. As highlighted in Figure 3, these three aspects can be related to psychological ownership from the literature.

Reliance on organisation: Belk (1988) suggests that the psychological ownership can be understood as the “extended self.” It reiterates Sartre’s (1969) assertion of “I am what I have…” by highlighting that an individual perceives objects as being part of the self (Prelinger, 1959). Additionally, we can argue that this sense of reliance on organisation was exhibited strongly in SMEs where individuals identified themselves by these organisations (Belk, 1988; Rochberg-Halton, 1984). Therefore, in relation to organisational resilience it
clearly highlights an important connection where an individual, owner/manager, has the urge to ensure survival of the organisation as they have a strong sense of possession.

Financial Commitment: Parker, Wall and Jackson (1997) argue that a feeling of responsibility or concern for an object can also be used to explain psychological ownership. Although this view is contended by Pierce et al. (2001) by arguing that feeling of responsibility is only a catalyst for psychological ownership, it definitely results in investment of self (Pierce, Kostova & Dirks, 2003). We argue that this investment of self extends to organisations when dealing with adverse situations. As identified in our findings, the owners/managers experience a strong feeling of responsibility to ensure the business was functional and due to the aspect of financial stability they were able to commit/invest additional resources (money).

Brand Equity: As highlighted previously, the investment of one’s self in the creation and enhancement of an object is an important contributor to the development of psychological ownership (Csikszentmihalyi and Rochberg-Halton, 1981). The amount of time, energy and effort invested by an individual in the object contributes strongly towards the feeling of ownership due to the amount of time spent (Holmes, 1967). This view is supported by Pierce et al. (2003) who suggest that the formation of the object is a result of the individual’s efforts. From our findings this can be related to the concept of brand equity as the owners/managers of the SMEs had spent considerable time, energy, and effort to ensure the organisations had achieved a brand equity. This highlights that the SMEs which had greater brand equity had greater resilience to ensure this brand equity was not lost.

Limitations of this research

The first limitation of our research is that it examined organisational resilience based on inputs from owners/managers. Throughout the data we found owners/managers using the word “we” to point out it was a joint effort along with their employees. Management literature has pointed out that employees are an important element within organisations; as Luthans and Avolio (2009) suggest resiliency exhibited by individuals plays a significant role in building organisational resilience. This research has not captured employee behaviour or responses to the adversity, mainly due to the nature of the calamity and impact it had on their
day to day lives. The second limitation of our research is the sample we examined. We studied SMEs which employed three or more staff members; therefore, we did not examine sole traders to assess how they survived after the earthquake.

**FUTURE RESEARCH RECOMMENDATIONS**

Although our research has analysed the impact of an adverse event retrospectively, we argue that this research offers an important step forward towards identifying characteristics of resilient organisations. As recommended and identified by previous researchers (Horne, 1997; Horne & Orr, 1998; Weick & Sutcliffe, 2007; McManus, 2008; Stephenson, 2010; Kantur & Iseri-Say, 2012), commitment is an essential element in building resilient organisations. Our framework highlights how psychological ownership can play a significant role in commitment for survival; therefore, making an organisation resilient. As the scope of this research was limited to SMEs we recommend that future research can study larger organisations utilising the model developed in figure 3. Moreover, as research continues to emerge relating to collective psychological ownership (Pierce & Jussila, 2011) it will be valuable to examine if it will have similar connotations for organisational resilience, particularly examining aspects relating to psychological ownership concepts highlighted by Mayhew et al. (2007) – organisational-based and job-based psychological ownership.

**CONCLUSION**

Organisations that survive through adverse events become more resilient and what rightly captures the essential nature of organisational resilience is Friedrich Nietzsche’s quote suggesting ‘that which does not kill us, makes us stronger.’ Cultivating the features of resilience are essential to create organisations which can survive through adverse events – natural and man-made. As the concept of organisational resilience continues to be the focus of organisational research, we developed a framework after reviewing the literature on psychological ownership and organisational resilience. By empirically examining the framework we provided evidence that a strong relationship exists between psychological ownership and organisational resilience. This takes us a step closer towards better understanding the characteristics of resilient organisations.
REFERENCES


Figure 1: Psychological Ownership and Organisational Resilience – The Proposed Model

OWNERSHIP

PSYCHOLOGICAL

MINE/OURS

COMMITMENT FOR SURVIVAL

GREATER RESILIENCE

LEGAL

Prelinger (1959)
James (1890)
Sartre (1969)
Lewis & Brook (1974)
Furby (1978)
Etzioni (1991)
Pierce, Kostova & Dirks (2001)
Pierce & Jussila (2011)

Weick & Sutcliffe (2007)
Vogue & Sutcliffe (2008)
McManus (2008)
Stephenson (2010)
Kantur & Iseri-Say (2012)

Tierney and Bruneau (2007)
McManus (2008)
Stephenson (2010)
Wedewatta, Ingirige, & Amaratunga (2010)
Gibson & Tarrant, 2010
Burnard & Bhamra (2011)
Kantur & Iseri-Say (2012)
**Figure 2: Research Method (Adopted from Huberman & Miles, 2002)**

- **Research Question**: Does psychological ownership impact organisational resilience?
- **Research Sample**: Small & medium enterprises impacted by the Christchurch earthquakes
- **Data Collection Strategy**
  - Interviews
  - Archival Data (newspapers/media reports)
  - Observations
  - Multiple Investigators
- **Data Analysis**
  - Within case analysis
  - Cross case patterns
- **Comparison with literature**
  - Tabulation of data for each construct.
  - Compared with similar & conflicting literature.
- **Outcome**
  - Saturation (6 cases)
  - Model in figure - 3
Figure 3: The link between Psychological Ownership and Organisational Resilience

OWNERSHIP

PSYCHOLOGICAL

MINE/OURS

COMMITMENT FOR SURVIVAL

GREATER RESILIENCE

The organisation is an extension of self – I am what I have.

Failure of organisation will cause shrinkage of one’s personality.

Investment of self in the creation and enhancement of the organisation.

Reliance on organisation

Financial Commitment

Brand Equity
Table 1: Psychological Ownership – Organisational Resilience Link: Summary of findings

<table>
<thead>
<tr>
<th>SME – INDUSTRY</th>
<th>EXCERPTS FROM THE DATA</th>
<th>COMMENTS ON LINK BETWEEN PSYCHOLOGICAL OWNERSHIP AND RESILIENCE</th>
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<tbody>
<tr>
<td>SME 1 - Professional</td>
<td>“The effect on us was profound, that we lost a staff member, we didn’t have any information, and we just had to start from square one.” (Interview) (The firm) director and shareholder (name withheld) had little time for hesitation in the days after February 22 lethal earthquake. The firm reopened because it wanted to keep servicing its clients… (The Press) Within days of the disastrous February 22 earthquake, (the firm) made a decision to take an office premises (Company Newsletter).</td>
<td>This business was one those severely affected by February earthquake as their office was in the CBD. They even lost a staff member which had profound psychological impact on all staff. The ability of the owners/managers to clearly identify what had to be done immediately to ensure the business was functional clearly highlights their resilience. From our analysis we identified three important aspects relating to their resilience: reliance on organisation, financial commitment, and brand equity.</td>
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<td>SME 2 - Professional</td>
<td>“Co-owners (names withheld) secured a six-year lease for the (location 1 withheld) building within a week after the February earthquake, and took a temporary lease in (location 2 withheld) so the business could keep running until construction work at (location 1) building had been completed. (The Press)</td>
<td>The owner of this SME mentioned to us in the interview that he had made a decision not to send staff back into the building after the February earthquake due to its structural integrity within an hour after the earthquake. He said that was the right decision considering the circumstances. The owner also stopped paying all creditors so he</td>
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</table>
The company was extremely busy as it did a lot of work for clients based outside Christchurch, or companies with a national spread which meant even if their Christchurch offices had been affected by the quake, the work kept coming. (The Press)

“We have got enough money to keep you employed for three months…” (Interview)

“We were operational within two weeks…we sent a couple of staff to Auckland because they were really nervous about it.” (Interview)

“The first thing we did was to put the sign up, just to make sure everyone knew we were still alive.” (Interview)

SME 3- Horticulture

“About 50 per cent of the sales fell over and the whole site was shutdown”

“The shop was moved to the other site but lost a great deal of custom as no-one knew where the new shop was or that a new one was even open. Many retail customers were themselves dislocated as were wholesale customers…”

“There was total loss of production and sales for three weeks and it could give staff certainty and pay them wages. It was clear he could take such a decision because he had sufficient financial resources available. Moreover, we found from the interview it was important for the owner to get the business functioning as it had a brand name. For this business we found aspects relating to financial commitment and brand equity contributed to its resilience.

This was a hybrid family business and had its business operating from two shops. Our interview with the owners revealed the extent of impact on their business. As a family business it was their source of livelihood and it was important for them to keep it alive. It had many clients from within the CBD which was cordoned and meant none of those clients were operating. By absorbing the costs and taking personal loans they kept the business alive.
| SME 4 – Recreation | has taken two years to start to get back to normal activity levels.”  
“We focussed on just keeping things going and accepted lower income until we get back to normal – just absorbed it personally.” | Reliance on the organisation and brand equity contributed to making this business more resilient.  
Even though there was no public access to the site of the business, the manager and her staff could get in there. The manager/owners had a big commitment to the business because they see it as part of who they are. This business mainly had volunteers and lots of community support to keep them going after the earthquake. The owners of this business were reliant on the organisation and this contributed to making it resilient.  
The manager said: “big issue was that the access road for the public to the firm was closed completely because of the danger of falling rocks so there was no income for three weeks. But the business picked up quite quickly once the road was opened outside and is now better than ever.”  
“What really helped was the government subsidy for wages – that meant we could keep paying the core workforce during the shutdown period.”  
“We had a good relationship with the local community and no doubt our appeal for help was reciprocated as many members of the public turned up with offerings of help.” (Interview) |
| SME 5 – Hospitality | Co-owner (name withheld) promised to rebuild and now he has… (The Press)  
Co-owner (name withheld) said it was seven years to the day that his parents bought the inn and despite a frustrating year, it was rewarding to see it restored. (The Press) | The damage was so great that the owners were going to walk away at first. But after some discussion and the initial shock wore off they decided to have a go at reviving the business – they felt a commitment to the local community and to the historical traditions of the place. |
<table>
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<tr>
<th>SME 6 – Hospitality</th>
<th>The firm) rebuilt with impressive speed and determination. (Avenues Magazine)</th>
<th>Reliance on organisation and brand equity were reasons why the owners/managers were keen to get back to business.</th>
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<tr>
<td>Co-owner (name withheld) said she was determined to keep the business open.</td>
<td>This is a business that grew because of local demand for its products. Situated in a distinct community, the owners felt a commitment to their community and to their business, which provided them with their living. The buildings were badly damaged in the February quake but they managed to keep operating minimally – their customers still wanted what they produced; hence, they felt a commitment to them. But they could only operate like this for a short time before the buildings were demolished. They relocated to the premises of one of the other small business (SME4) and came to an arrangement where they could now operate. So this was a win-win for both businesses. This move has embedded them even more into the local community. We saw aspects of reliance on the organisation and brand equity as main contributors towards resilience of this business.</td>
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<td>Regarding the condition of the business premises the co-owner said “I’d say the building is due to demolition, but until then we’ll just keep trucking along.” (Stuff.co.nz) “We are on track… Mother nature hasn’t been behaving but that hasn’t set us back.” (Firm’s Facebook page) “I see (owners) as an inspiration and an example of dogged determination in adversity for whom giving up was never an option” (Bay Harbour News).</td>
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<td>SME 7 –</td>
<td>The owner/manager of this company said: “The building was</td>
<td>The impact this SME suffered after the February earthquake was</td>
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<tr>
<td>Services</td>
<td>barely affected and we were outside the exclusion zone. Our staff were great and assisted as much as possible.”</td>
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<tr>
<td>—</td>
<td>“clients were affected (in many cases badly)”</td>
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<tr>
<td>—</td>
<td>“our competitors’ businesses were interrupted so we benefited”</td>
<td></td>
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<tr>
<td>(Interview)</td>
<td>less compared to other SMEs. It was operational two weeks after the earthquake because it was outside the cordoned CBD zone.</td>
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<td>However, many of its clients were within the CBD which impacted its business. The owner of this business made sure the business survived because of financial commitment and its brand equity.</td>
<td></td>
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</tbody>
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