

Entrepreneurial Orientation and Organizational Resilience: Role of Organizational Reconfiguration and Absorptive Capabilities

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Abstract

Entrepreneurship and organizational resilience are two crucial areas of research in the field of management and organizational studies. Despite the potential linkages between EO, organizational reconfiguration, absorptive capability, and resilience, few studies have examined these relationships simultaneously, especially among Small and Medium Enterprises (SMEs). This study addresses this gap by examining the mediating role of organisational reconfiguration and absorptive capability in the relationship between EO and organisational resilience. The study findings revealed that entrepreneurial orientation dimensions have a significant and positive impact on organizational resilience. This study highlights the importance of entrepreneurial orientation for organizational resilience among SMEs in Ghana. The results suggest that SMEs that are more entrepreneurial are better equipped to adapt to changes in the market, take calculated risks, be proactive, and seek new opportunities. The mediating analysis outcome indicates absorptive capabilities can fully mediate the association between entrepreneurial orientation and organizational resilience. However, organizational reconfiguration had no mediating effect on the association between entrepreneurial orientation and organizational resilience.

Keywords

Entrepreneurial Orientation, SMEs, Organizational Resilience, Organizational Reconfiguration, Absorptive Capabilities

1. Introduction

Entrepreneurship and organizational resilience are two crucial areas of research in the field of management and organizational studies. While entrepreneurship is concerned with the creation and growth of new and existing ventures (Kraus et al., 2021), organizational resilience focuses on the ability of organizations to adapt and recover from disruptive events (Hillmann & Guenther, 2021). Despite their apparent differences, both fields share a common goal of enhancing organizational performance, success and survival.

Recent studies have suggested that entrepreneurial orientation (EO)—a set of organizational characteristics that reflect a firm’s entrepreneurial mindset and behaviour—can play a critical role in enhancing organizational resilience. Entrepreneurial orientation refers to an organisation’s propensity to pursue opportunities, innovate, and take risks. A study by Covin and Slevin (1989) found that entrepreneurial orientation can improve an organization’s ability to respond to unexpected events by encouraging innovation and risk-taking. Similarly, a study by Miller (2011) found that entrepreneurial orientation can enhance organizational resilience by providing organizations with the flexibility to adapt to changing circumstances. However, the mechanisms through which EO contributes to organizational resilience remain underexplored.

A potential explanation is that EO promotes organizational reconfiguration and absorptive capability, two key dimensions of resilience. Organizational reconfiguration refers to the ability of organizations to modify their internal structures, processes, and resources in response to environmental changes. Absorptive capability, on the other hand, refers to the ability of organizations to identify, assimilate, and utilize new knowledge from their external environment.

Several studies have provided evidence for the link between EO and organizational reconfiguration. For example, Kuckertz and Wagner (2010) found that firms with higher levels of EO were more likely to engage in organizational changes such as downsizing, restructuring, and decentralization. Similarly, Covin and Slevin (1991) argued that firms with high levels of EO are more likely to experiment with new products, markets, and technologies, which can lead to changes in their internal structures and processes.

The absorptive capability has also been identified as a key driver of organizational resilience. Researchers have suggested that firms with high levels of absorptive capability are better able to respond to changes in their external environment by identifying and utilizing new information and knowledge (Cohen and Levinthal, 1990; Zahra and George, 2002). Moreover, studies have found that firms with high levels of absorptive capability are more likely to introduce new products and services, which can enhance their long-term resilience (Lane and Lubatkin, 1998; Lane et al., 2006).

Despite the potential linkages between EO, organizational reconfiguration,

absorptive capability, and resilience, few studies have examined these relationships simultaneously, especially among Small and Medium Enterprises (SMEs). This study addresses this gap by examining the mediating role of organisational reconfiguration and absorptive capability in the relationship between EO and organisational resilience. Specifically, we propose a conceptual model in which EO predicts organizational reconfiguration and absorptive capability, which in turn predicts organizational resilience. By examining the linkages between these constructs, this study has several implications for research and practice. The remainder of the study is arranged as follows, section literature review and theoretical background; Section 3 discusses the research methodology; Section 4 focuses on the outcome of data analysis, findings and implications and lastly Section 5 presents the conclusion.

2. Literature Review

2.1. Entrepreneurial Orientation and Organizational Resilience

Entrepreneurial orientation (EO) is a concept widely discussed in the literature on small and medium-sized enterprises (SMEs). It refers to the degree to which an organization exhibits entrepreneurial characteristics such as risk-taking, innovation, proactiveness, and opportunity-seeking. Several factors have been identified as antecedents of EO among SMEs. One of the most commonly studied factors is the founder's personality and traits. For instance, research has shown that entrepreneurs with high levels of self-efficacy, internal locus of control, and need for achievement are more likely to exhibit EO (Covin & Slevin, 1991; Lumpkin & Dess, 1996). In addition, organizational structure and leadership style can also affect EO. For instance, decentralized organizational structures and transformational leadership styles are positively associated with EO (Lumpkin & Dess, 2001; Rauch et al., 2009).

Several studies have found that EO positively affects organizational resilience. Organizational resilience is acknowledged to enrich the innovation and adaptability of organizations in response to unexpected events (Herbane, 2019). Additionally, a study by Seo & Park (2022) found that EO positively relates to organizational resilience, as it leads to greater proactiveness and innovation to unexpected events. In their study, they argued that EO could be used as a tool for organizations to become more resilient by promoting proactivity and innovation.

However, some studies have found that EO does not significantly impact organizational resilience. A study by Chen et al. (2023) found that EO is not significantly associated with organizational resilience, as it does not lead to greater innovation or adaptability to unexpected events. Similarly, a study by Guan et al. (2023) found that EO is not significantly associated with organizational resilience, as it does not lead to greater flexibility, adaptability, and proactiveness to unexpected events.

2.2. Organizational Reconfiguration

Organizational reconfigurations refer to the deliberate and significant changes in the structure, systems, processes, and strategies of an organization to better align with its goals and objectives in response to internal and external factors. Organizational reconfigurations involve different types of strategic change, such as downsizing, mergers and acquisitions, diversification, outsourcing, and restructuring. Downsizing is often used to reduce costs and improve organizational efficiency, but it may also have negative effects on employee morale and performance (Mishra et al., 2015). Mergers and acquisitions can create value through synergies and economies of scale, but they may also face challenges related to cultural differences, power struggles, and integration issues (Chen et al., 2019).

Diversification can enable firms to reduce risk and exploit new opportunities, but it may also dilute the focus and resources of the organization (Gupta & Gupta, 2015). Outsourcing can help organizations access specialized skills and resources, but it may also create dependency and reduce control (Stentoft et al., 2015). Restructuring involves the realignment of organizational units, processes, and systems to better support the organization's goals and objectives (Levasseur et al., 2015).

Organizational reconfigurations are driven by various factors, such as changes in the competitive environment, technological advancements, changes in customer preferences, financial pressures, and regulatory changes. The outcomes of organizational reconfigurations can vary depending on the type of change and the context of the organization. For example, mergers and acquisitions may result in higher financial performance, but the success of the integration process may depend on the cultural fit and leadership style (Chen et al., 2019). Diversification may lead to increased innovation and market expansion, but it may also create coordination and communication challenges (Gupta & Gupta, 2015).

The success of organizational reconfigurations is influenced by various factors, such as the organization's culture, leadership, employee involvement, communication, and planning. Strong leadership that communicates the need for change and involves employees in the reconfiguration process is critical for success (Brouwer & Delfmann, 2019). Open communication and clear planning are also essential for reducing uncertainty and resistance to change (Saxena & Srivastava, 2015). The organizational culture can also play a significant role in shaping the attitudes and behaviours of employees towards change (Dubey et al., 2017).

2.3. Theoretical Background

Dynamic Capability Theory

The dynamic capability view (DCV) of a firm emphasizes the importance of a firm's ability to adapt to changing environmental conditions, and absorptive capabilities are seen as a critical component of this adaptation process. DCV posits that absorptive capabilities enable firms to sense and respond to changes in the environment, and to transform their existing resources and capabilities to exploit new opportunities.

Dynamic capability theory was first introduced by Teece, Pisano, and Shuen (1997) as a way of explaining how firms can adapt to changing market conditions through the development and deployment of new resources and capabilities. According to Teece et al., dynamic capabilities are composed of three inter-related processes: sensing, seizing and transforming. Sensing involves the identification and interpretation of market signals, seizing involves the rapid deployment of existing resources and capabilities to address market opportunities and transforming involves the development of new resources and capabilities to create and capture value in new markets (Danneels, 2002).

Dynamic capability theory has become an important area of research in management, providing a framework for understanding how firms can adapt to changing market conditions through the development and deployment of new resources and capabilities. While empirical research has provided support for the importance of dynamic capabilities in firm performance and competitiveness, challenges remain in the measurement and operationalization of dynamic capabilities (Helfat & Peteraf, 2009).

Dynamic capability theory and organizational resilience are closely related concepts, as both are concerned with a firm's ability to adapt and respond to changing market conditions. In particular, dynamic capabilities can enhance a firm's resilience by enabling it to rapidly respond to new market opportunities or threats and to develop new resources and capabilities to address future challenges (Teece, 2014). Similarly, resilience can support dynamic capability development by enabling a firm to recover from disruptions or failures and to learn from these experiences to improve its capabilities and processes (Linnenluecke et al., 2013).

However, some scholars have raised concerns about the challenges associated with building and leveraging dynamic capabilities and organizational resilience in SMEs, particularly those with limited resources or capabilities. For example, Zahra et al. (2022) suggest that SMEs may struggle to develop dynamic capabilities due to a lack of managerial expertise or resources and that this can hinder their ability to respond to changing market conditions.

2.4. Hypotheses Development

Entrepreneurial Orientation and Organizational Resilience

Entrepreneurial orientation (EO) and organizational resilience (OR) are two concepts that have received significant attention in the field of management. EO is a strategic orientation characterized by a firm's willingness to take risks, innovate, and pursue opportunities in the market, while OR refers to a firm's ability to adapt and recover from disruptions, shocks, or crises. While both concepts have been studied extensively in isolation, the relationship between EO and OR remains underexplored.

From a dynamic capability view perspective, EO and OR can be seen as complementary capabilities that enable firms to respond to both opportunities and

threats dynamically and flexibly. EO can enable firms to develop new resources and capabilities, while OR can enable firms to protect and leverage their existing resources and capabilities in the face of disruptions or shocks. Thus, the combination of EO and OR can help firms achieve dynamic capabilities, which can in turn lead to sustained competitive advantage. Based on the above theory the study conceptualized there is a positive relationship between entrepreneurial orientation and organizational resilience.

H1: Innovation dimension of entrepreneurial orientation of firms has a positive and significant effect on organizational resilience.

H2: Risk-taking dimension of entrepreneurial orientation of firms has a positive and significant effect on organizational resilience.

H3: Proactiveness dimension of entrepreneurial orientation of firms has a positive and significant effect on organizational resilience.

2.5. Mediating Effect of Organizational Configuration

Organizational reconfiguration is another concept that has been linked to organizational resilience in SMEs. Organizational reconfiguration refers to an organization's ability to modify its structure, processes, and resources in response to changes in the environment (Hitt et al., 2001). It involves adapting to new conditions by altering existing processes, roles, and routines or creating new ones. Organizational reconfiguration can enhance organizational resilience by facilitating the development of dynamic capabilities that enable SMEs to respond to changes in the environment.

The mediating effect of organizational reconfiguration on the relationship between EO and organizational resilience has been investigated in several studies. For instance, Ismail et al. (2019) found that marketing capability mediated the relationship between EO and organizational resilience in SMEs. The study showed that SMEs with high EO were more likely to have a greater marketing capability, which in turn enhanced their organizational resilience. Similarly, Al-Hakimi et al. (2021) and Mulyana & Hendar (2020) found that organizational agility mediated the relationship between EO and organizational resilience in Chinese SMEs. The study showed that SMEs with high EO were more likely to have higher levels of organizational agility, which in turn enhanced their organizational resilience.

Moreover, several studies have found that organizational reconfiguration has a direct positive effect on organizational resilience. For instance, studies conducted by Chen et al. (2021) found that organizational reconfiguration had a direct positive effect on the ability of Chinese SMEs to recover from disruptions. Similarly, Xie et al. (2022) found that organizational reconfiguration had a direct positive effect on the ability of Korean SMEs to recover from financial crises.

In conclusion, the evidence suggests that organizational reconfiguration mediates the relationship between EO and organizational resilience in SMEs. Orga-

nizational reconfiguration enhances the ability of SMEs to respond to changes in the environment, thereby increasing their resilience. This finding underscores the importance of developing an entrepreneurial orientation among SMEs, which can facilitate the development of dynamic capabilities and enable them to respond to changes in the environment. SMEs that develop an entrepreneurial orientation and engage in organizational reconfiguration are better equipped to adapt to changing circumstances, maintain their performance, and sustain their competitive advantage. The hypotheses are stated below:

H4: The ability of enterprises to reconfigure their organizational resources can positively mediate the effect of innovation on organizational resilience.

H5: The ability of enterprises to reconfigure their organizational resources can positively mediate the effect of risk-taking on organizational resilience.

H6: The ability of enterprises to reconfigure their organizational resources can positively mediate the effect of innovation on organizational resilience.

2.6. Mediating Effect of Absorptive Capability

In today's rapidly changing business environment, entrepreneurs face a number of challenges to stay ahead of the competition. The concept of entrepreneurial orientation (EO) and organizational resilience (OR) have gained considerable attention in the entrepreneurship literature in recent years. EO reflects an organization's tendency to pursue innovative opportunities, take calculated risks, and be proactive in a competitive environment. OR, on the other hand, refers to an organization's ability to withstand and adapt to change, disruptions, and unforeseen circumstances. While the impact of EO and OR on an organization's performance has been widely studied, the role of absorptive capability (AC) in mediating this relationship remains unclear.

Studies examining the effect of absorptive capability on the relationship between entrepreneurial orientation and organizational resilience have found mix-outcomes. [Aghdaie, Zali, and Kalantar \(2017\)](#) found that AC plays a significant mediating role in the relationship between EO and OR. They argue that organizations with high levels of EO tend to be more open to external knowledge and better able to assimilate it, which in turn enhances their OR. Similarly, a study by [Iqbal, Butt, and Riaz \(2019\)](#) found that AC partially mediates the relationship between EO and OR. The authors suggest that organizations with high levels of EO are more likely to seek out new knowledge and utilize it effectively, which in turn enhances their ability to adapt to changing circumstances.

In contrast, some studies have found that AC does not mediate the relationship between EO and OR. [Lee, Choi, and Kim \(2016\)](#) found that while EO has a positive impact on AC and OR, AC does not mediate the relationship between EO and OR. The authors argue that while AC is important for innovation and knowledge management, it is not essential for OR. Similarly, a study by [Ali and Wang \(2019\)](#) found that while EO and OR have a positive impact on firm per-

formance, AC does not mediate the relationship between EO and OR.

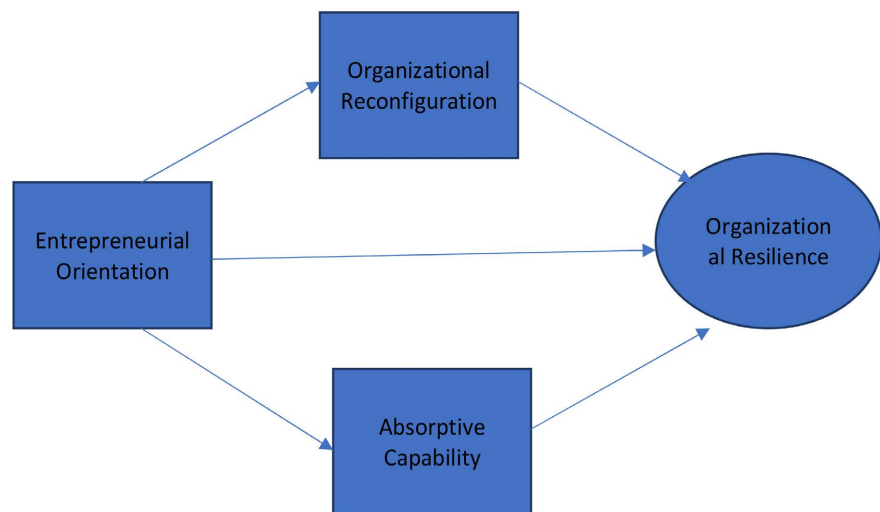
In summary, the literature on the mediating effect of AC on the relationship between EO and OR is mixed. While some studies suggest that AC plays a significant mediating role, others argue that it does not. Based on the above perspective hypotheses are stated:

H7: The absorptive capabilities of an enterprise can positively mediate the relationship between innovation and organizational resilience.

H8: The absorptive capabilities of an enterprise can positively mediate the relationship between risk-taking and organizational resilience.

H9: The absorptive capabilities of an enterprise can positively mediate the relationship between proactiveness and organizational resilience.

2.7. Conceptual Model



2.8. Methodology

Study Context: SMEs in Ghana

Small and medium-sized enterprises (SMEs) play a crucial role in the Ghanaian economy, contributing significantly to employment, economic growth, and poverty reduction. According to the Ghana Statistical Service, SMEs account for over 70% of businesses in Ghana and employ about 85% of the workforce in the country. The SME landscape in Ghana is diverse, with businesses ranging from micro-enterprises that employ a handful of people to larger SMEs with several hundred employees. The majority of SMEs are concentrated in the services sector, such as retail, wholesale, and hospitality, with agriculture and manufacturing also playing significant roles.

Access to finance is a significant challenge for many SMEs in Ghana. Despite efforts by the government and financial institutions to increase access to credit, many SMEs still struggle to obtain financing due to high-interest rates, collateral requirements, and a lack of credit history. This has led to many SMEs relying on informal sources of financing, such as personal savings, family and friends, and

money lenders.

In addition, the ravaging effect of the COVID-19 pandemic can be felt to date. The COVID-19 pandemic has had a severe impact on SMEs in Ghana, with many struggling to survive due to reduced demand, supply chain disruptions, and cash flow challenges.

A survey conducted by the Ghana Statistical Service in partnership with the United Nations Development Programme (UNDP) found that about 80% of SMEs in Ghana were negatively impacted by the pandemic. The survey also found that 91% of SMEs experienced a decrease in sales, and 63% had to reduce their workforce. The impact of the pandemic was more severe for micro-enterprises, with over 90% reporting a decrease in sales and about 67% reducing their workforce. The survey also found that access to finance was a significant challenge for SMEs, with over 60% of businesses reporting difficulties in accessing credit.

The Ghanaian government implemented various measures to support SMEs during the pandemic, including the establishment of the Coronavirus Alleviation Programme (CAP) Business Support Scheme. The scheme provided financial support to SMEs through a soft loan scheme, and over 90,000 businesses benefited from the program.

Despite the challenges posed by the pandemic, some SMEs in Ghana were able to adapt and innovate, leveraging digital technologies to reach customers and maintain business operations. For instance, some restaurants and food delivery businesses shifted to online platforms, while others expanded their product offerings to meet changing consumer needs.

2.9. Research Design and Sampling

This study adopts a quantitative research design to examine the relationship between entrepreneurial orientation and organizational resilience. A cross-sectional survey design is used to collect data from a sample of small and medium enterprises in Ghana. The study uses a survey questionnaire to collect data, as well as demographic variables such as company size and respondent characteristics.

The study targeted small and medium enterprises in Ghana. Using a purposive sampling approach, the study identified and collected data from SMEs located in the Greater Accra and Ashanti Region of Ghana. The selection criteria are instituted to avoid the inclusion of early-stage enterprises—firms that have been in operation for at least three years, have a minimum of ten employees and are willing to participate in the study were invited to complete a questionnaire designed for data collection.

2.10. Data Collection

The central theme of the study is to investigate the impact of entrepreneurial orientation and organizational resilience and further assess the mediating role of organizational reconfiguration and absorptive capabilities. Small and medium enterprises in Ghana are the focus of the study. The success and survival of the

SME sector is crucial to sustaining national economic development and well-being. Respondents were drawn from the Ghana Enterprise Agency's database (the Government agency responsible for SMEs). Contact information, such as email addresses and phone numbers, was obtained. The selected firms were contacted via email, with the purpose of explaining the purpose of the study and survey and inviting firms/SMEs to participate in the survey.

The questionnaire is adopted as the study's data collection tool. The measurement items are measured on a 7-point Likert scale. Several measures were implemented to ensure the questionnaire is free of issues of omitted variable bias and common method bias (Krishnan et al., 2006). After initial reliability and validity assessment through a pilot study, the questionnaire was sent out to respondents. A total of 400 questionnaires were distributed between December 2022 and February 2023. The survey had a response rate of 48% translating into 192 answered questionnaires.

3. Analysis and Result

3.1. Profile of Respondents

A total of 192 respondents were gathered from various SMEs. These respondents are well-equipped to provide adequate insights into the questions at hand. On average most of the respondents are founders of their respective enterprises. In addition, their business has been in operation for a minimum of 5 years. **Table 1** presents the profile and characteristics of respondents.

3.2. Descriptive Statistics

Table 2 shows the distribution and characteristics of the data. This section emphasizes the mean, standard deviation, and excess kurtosis. The minimum and maximum data points are also presented, in addition to the skewness of the data.

3.3. Model Assessment

Factor analysis is used to validate the predictors used to investigate the constructs under investigation. Item validation was carried out using factor analysis techniques in accordance with the procedures proposed by Hair Jr. et al. (2014). To be included in the final analysis, items must have a numeric value greater than 0.5. The valid data set was used to investigate the relationship between variables in the conceptual model.

The construct reliability and validity were assessed to determine the credibility of the field survey data. Cronbach's alpha and composite reliability techniques were used to assess scale reliability. These approaches are consistent with Hair Jr. et al. (2014). The average variance test was used to assess the validity of constructs. Judging from the outcome of the model assessment, it can be said the acquired data is reliable and valid for further empirical assessment. In addition, the factor loading indicates the indicator measuring the latent variable is reliable. **Table 3** presents the outcome of the factor analysis, reliability and validity tests.

Table 1. Profile of respondents.

	Frequency
Gender	
Male	114
Female	78
Respondents Age (in years)	
18 - 25	
26 - 30	-
31 - 35	87
36 - 40	56
41 - 45	21
46 - 50	9
>50	19
Educational Background	
Doctorate Degree	-
Master's Degree	81
Bachelor's Degree	79
High School Diploma	32
Work Experience (in years)	
<5	-
6 - 10	88
11 - 15	43
16 - 20	38
>20	23

Table 2. Descriptive statistics.

Constructs	Mean	Min	Max	Standard Deviation	Excess Kurtosis	Skewness
Entrepreneurial Orientation (EO)						
EO1	4.521	1.000	7.000	0.7488	0.836	-0.251
EO2	4.920	1.000	7.000	0.8014	0.991	-0.474
EO3	4.975	1.000	7.000	0.8668	0.697	-0.933
EO4	5.029	1.000	7.000	0.7689	1.095	0.139
EO5	4.847	1.000	7.000	0.7699	0.177	-1.166
EO6	4.982	1.000	7.000	0.8142	0.172	-1.538

Continued

Organizational Reconfiguration (ORC)	4.838						-1.272
ORC1	4.521	1.000	7.000	0.7274	2.004		-1.356
ORC2	4.339	1.000	7.000	0.7986	2.389		-1.415
ORC3	4.456	1.000	7.000	0.7712	3.699		-1.303
ORC4	4.339	1.000	7.000	0.8828	3.636		-1.122
ORC5	4.425	1.000	7.000	0.6885	2.795		-1.437
Absorptive Capabilities (AC)							
AC1	4.521	1.000	7.000	0.7274	3.023		-0.698
AC2	4.339	1.000	7.000	0.7598	2.701		-0.999
AC3	4.456	2.000	7.000	0.7288	2.911		-0.267
AC4	4.339	1.000	7.000	0.7615	2.186		-0.919
AC5	4.425	1.000	7.000	0.8288	1.065		-1.383
Organizational Resilience (ORS)							
ORS1	4.364	1.000	7.000	0.6929	1.829		-1.284
ORS2	4.636	1.000	7.000	0.7650	1.230		-0.912
ORS3	4.368	1.000	6.000	0.7376	0.449		0.662
ORS4	4.450	2.000	7.000	0.6248	2.231		-0.762
ORS5	4.476	1.000	5.000	0.5879	1.344		-1.018

Table 3. Factor loading, reliability and validity test outcome.

	Loadings	Alpha	Composite Reliability	Average Variance Extracted (AVE)
Entrepreneurial Orientation				
Risk Taking				
EO1	0.750			
EO2	0.759	0.876	0.818	0.786
EO3	0.672			
Proactiveness				
EO4	0.876	0.728	0.848	0.725
EO5	0.764			
EO6	0.684			

Continued

Innovation					
EO7	0.578	0.684	0.784		0.749
EO8	0.768				
EO9	0.729				
Organizational Reconfiguration					
ORC1	0.649	0.795	0.708		0.712
ORC2	0.745				
ORC3	0.659				
ORC4	0.826				
ORC5	0.671				
Absorptive Capabilities					
AC1	0.823	0.838	0.769		0.684
AC2	0.728				
AC3	0.705				
AC4	0.517				
AC5	0.808				
Organizational Resilience					
ORS1	0.530	0.660	0.602		0.782
ORS2	0.868				
ORS3	0.897				
ORS4	0.775				
ORS5	0.740				

3.4. Empirical Analysis

The study employed correlation and OLS regression analysis to examine the direct effect of entrepreneurial orientation and organizational resilience and further ascertain the indirect effect of organizational reconfiguration and absorptive capabilities. Although correlation does not equal causation, it provides insights into the association between measurement variables. The outcome further augments earlier construct reliability and validity outcomes—the correlation test show that there is no multicollinearity in the data. The outcome of the correlation test indicates there is a positive relationship association between examined variables. The outcome of the correlation test is presented in **Table 4**.

The study further performed an OLS regression analysis to examine the extent entrepreneurial orientation (innovation, risk taking and proactiveness) impacts organizational resilience among small and medium enterprises, especially in

Table 4. Outcome correlation test.

Variables	1	2	3	4	5	6
1) Organizational Resilience	-					
2) Risk Taking	0.328**	-				
3) Proactiveness	0.118	0.325*	-			
4) Innovation	0.285	0.080	0.501	-		
5) Organizational Reconfiguration	0.416*	0.110	0.103**	0.011	-	
6) Absorptive Capabilities	0.342*	0.184**	0.328	0.209	-0.221	-

Field data (2023) ⁺ $p < 0.10$, ^{*} $p < 0.05$, ^{**} $p < 0.01$, ^{***} $p < 0.001$ (two-tailed test).

Ghana. The mediating effect of organizational reconfiguration and absorptive capabilities are ascertained. The t-statistics test is conducted to test the hypotheses stated for the study. The outcome of the regression analysis indicates the dimensions of entrepreneurial orientation (i.e., risk taking, innovation and proactiveness) has a significant impact on organizational resilience. The direct effect of entrepreneurial orientation is confirmed by the R^2 value of 0.568 obtained. Specifically, the outcome of t-statistics indicates innovation, risk taking and proactiveness has a positive and significant influence on organizational resilience. The outcome of the t-statistics supports H1, H2, and H3.

The findings reveal organizational reconfiguration cannot mediate the association between dimensions of entrepreneurial orientation and organizational resilience. The outcome contradicts studies that argue the significant mediating effect of organizational reconfiguration on the effect of entrepreneurial orientation on organizational resilience. The attainment of this outcome can be attributed to several factors including the nature and dynamism of SME landscape in Ghana. Hypotheses H4, H5 and H6 were not supported by the outcome of the regression analysis.

Absorptive capabilities—firms' ability to acquire, assimilate and utilize novel knowledge to address firms' challenges is found to positively mediate the association between dimensions of entrepreneurial orientation and organizational resilience. The t-test outcome supports hypotheses 7, H8 and H9. **Table 5** presents summary of the OLS regression analysis.

4. Discussion

The results of this study are consistent with previous studies that have shown a positive relationship between entrepreneurial orientation and organizational resilience. Entrepreneurial orientation, which is characterized by innovation, risk-taking, proactiveness, and opportunity seeking, is essential for the success of SMEs in Ghana. Innovation is critical for SMEs to remain competitive and stay ahead of their competitors. This is particularly important in today's rapidly changing business environment where new technologies and business models

Table 5. Outcome of OLS regression analysis.

	Model I (Organizational Resilience)	Model II (Organizational Resilience)	Model III
Control Variables			
Firm Size	0.583 (12.138)		
Revenue	0.647 (9.165)		
Age	0.328 (2.369)		
Direct Effect			
Innovation		0.228 (5.912)	
Risk Taking		0.318 (4.789)	
Innovation		0.121 (12.783)	
Indirect Effect (Mediating Effect)			
Innovation → Organizational Reconfiguration → Organizational Resilience			0.321(1.051)
Risk Taking → Organizational Reconfiguration → Organizational Resilience			0.642 (1.879)
Proactiveness → Organizational Reconfiguration → Organizational Resilience			0.013 (0.989)
Innovation → Absorptive Capabilities → Organizational Resilience			0.142 (7.879)
Risk Taking → Absorptive Capabilities → Organizational Resilience			0.138 (6.930)
Proactiveness → Absorptive Capabilities → Organizational Resilience			0.283 (12.879)
R ²	0.244	0.568	0.764
ΔR ²		0.324	0.196

t-test are in parenthesis.

are emerging at a fast pace. SMEs that are innovative and constantly exploring new ideas and opportunities are better equipped to adapt to changes in the market and maintain their competitive advantage.

Risk-taking is another important aspect of entrepreneurial orientation that is crucial for organizational resilience. SMEs that are willing to take calculated risks are more likely to seize opportunities that arise and overcome the chal-

lenges they face. This is particularly important for SMEs in Ghana, where access to capital and other resources is often limited. Taking calculated risks can help SMEs to grow and expand their operations, which in turn makes them more resilient. Proactiveness is also essential for SMEs to become more resilient. SMEs that are proactive are better able to anticipate changes in the market and take action to mitigate potential risks. This is important for SMEs in Ghana, where economic and political instability can create significant challenges.

Opportunity seeking is the final aspect of entrepreneurial orientation that is important for organizational resilience. SMEs that are constantly seeking new opportunities are more likely to identify new markets and products that can help them to grow and become more resilient. In Ghana, where many SMEs operate in a highly competitive market, the ability to identify and capitalize on new opportunities can be the key to success.

The study found that entrepreneurial orientation positively influences absorptive capabilities, which in turn positively affects organizational resilience. This suggests that SMEs that are more entrepreneurial are better able to acquire and assimilate external knowledge and use it to enhance their operations. This is consistent with previous research that has shown that entrepreneurial orientation is positively related to a firm's ability to innovate and learn.

Furthermore, the study found that absorptive capabilities mediate the relationship between entrepreneurial orientation and organizational resilience. This suggests that the ability of SMEs to acquire, assimilate, and apply external knowledge plays a critical role in enhancing their resilience. By improving their absorptive capabilities, SMEs can better adapt to changes in the market, identify new opportunities, and overcome the challenges they face.

The results of this study suggest that there is no significant mediating effect of organizational reconfiguration on the relationship between entrepreneurial orientation and organizational resilience. This finding is somewhat surprising, as previous research has suggested that organizational reconfiguration is an important mechanism through which SMEs can enhance their resilience. Organizational reconfiguration refers to the process of changing the structure, systems, and processes of an organization in response to changes in the environment. This can involve changes in the way resources are allocated, the development of new products and services, or the adoption of new technologies. The idea is that by reconfiguring their organization, SMEs can better adapt to changes in the environment and enhance their resilience. However, our study found that entrepreneurial orientation directly and positively influenced organizational resilience, without the need for mediating factors such as organizational reconfiguration. This suggests that SMEs in Ghana that are more entrepreneurial are better able to adapt to changes in the environment, take calculated risks, be proactive, and seek new opportunities. This, in turn, makes them more resilient and better able to cope with the challenges they face.

The study also found that organizational resilience is critical for the survival

and growth of SMEs in Ghana. SMEs that are more resilient are better able to cope with the challenges they face and recover from setbacks. This is important for SMEs in Ghana, where external factors such as economic and political instability, limited access to resources, and intense competition can all impact their operations.

5. Conclusion

The purpose of the study is to investigate the effect of entrepreneurial orientation on organizational resilience of small and medium enterprises in Ghana. It further examines the mediating role of organizational reconfiguration and absorptive capabilities. Using survey data from section of small and medium enterprises in Ghana, the study findings revealed that entrepreneurial orientation dimensions have a significant and positive impact on organizational resilience. This study highlights the importance of entrepreneurial orientation for organizational resilience among SMEs in Ghana. The results suggest that SMEs that are more entrepreneurial are better equipped to adapt to changes in the market, take calculated risks, be proactive, and seek new opportunities. This, in turn, makes them more resilient and better able to cope with the challenges they face. Policymakers and stakeholders should encourage and support SMEs to adopt an entrepreneurial orientation as a means of promoting organizational resilience and ensuring their long-term success.

The study further states the important mediating role of absorptive capabilities in enhancing the relationship between entrepreneurial orientation and organizational resilience among SMEs in Ghana. The results suggest that SMEs that are more entrepreneurial are better able to acquire and assimilate external knowledge, which in turn enhances their organizational resilience.

However, the study found that entrepreneurial orientation directly and positively influences organizational resilience. This suggests that SMEs in Ghana that are more entrepreneurial are better equipped to adapt to changes in the market, take calculated risks, be proactive, and seek new opportunities, all of which contribute to enhancing their resilience. Policymakers and stakeholders should therefore focus on encouraging and supporting SMEs to adopt an entrepreneurial orientation, rather than solely focusing on organizational reconfiguration, as a means of promoting organizational resilience.

While the study contributes to theory and practice in the areas of entrepreneurship and organizational survival, some shortcomings must be addressed in future research. In the future, longitudinal studies should be conducted to determine the effect of time on the performance of these constructs. Future research can also look into the role of gender and entrepreneur ambidexterity.

Conflicts of Interest

The authors declare no conflicts of interest regarding the publication of this paper.

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