



Entrepreneurial Resource Reconfiguration under Economic Disruption: Toward a Theory of Venture Adaptive Capacity

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Abstract

Economic disruptions can rapidly undermine the suitability of entrepreneurial ventures' existing resource configurations, yet existing research provides limited explanation of how resource-constrained ventures reconstruct their resource architecture under such conditions. This conceptual article develops a middle-range theory of Entrepreneurial Resource Reconfiguration (ERR) to address the resource-level mechanism linking economic disruption to sustained entrepreneurial adaptation. Integrating insights from environmental jolts, dynamic capabilities, resource orchestration, entrepreneurial learning, and crisis research, the framework conceptualizes Resource–Environment Misfit (REM) as the condition through which disruption activates reconfiguration. ERR operates through four complementary mechanisms—resource release, redeployment, recombination, and selective acquisition—which enable ventures to reconstruct inadequate resource configurations. Repeated and effective reconfiguration subsequently develops Venture Adaptive Capacity (VAC), expressed through configuration responsiveness, resource mobility, and adaptive recombability, while resource accessibility, learning rigidity, and relational resource access condition this relationship. The framework advances adaptation theory by specifying a bounded causal architecture connecting disruption, misfit, resource-level action, and emergent adaptive capacity, and provides propositions for longitudinal, construct-validation, and cross-context empirical research.

Keywords

entrepreneurial resource reconfiguration; venture adaptive capacity; resource–environment misfit; dynamic capabilities; resource orchestration; economic disruption

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1. Introduction

Entrepreneurial ventures rarely enter periods of economic disruption with resources configured for the conditions that subsequently emerge. Sudden contractions in demand, interruptions in financing, rising input costs, supply-chain instability, technological displacement, and shifts in customer behaviour can quickly undermine assumptions on which prior resource allocations were based. Environmental jolts are especially consequential because they alter established relationships between organizations and their environments, often requiring responses that exceed routine adjustment (Meyer, 1982). For entrepreneurial ventures, these pressures are amplified by limited organizational slack, restricted access to external capital, and substantial dependence on founder-level judgement. Evidence from recent crises demonstrates that disruptions affect entrepreneurial ventures simultaneously through financing constraints, market uncertainty, operational interruptions, and changing competitive conditions (Belitski et al., 2022; Brown & Rocha, 2020; Brown et al., 2020; Eggers, 2020).

Yet exposure to similar disruptions does not produce uniform entrepreneurial responses. Some ventures rapidly redirect resources, modify operating priorities, access alternative partners, and reconstruct their business activities, whereas others remain committed to increasingly unsuitable resource configurations. This heterogeneity presents an important theoretical puzzle. Research on environmental jolts and organizational adaptation has long established that major environmental changes can stimulate strategic transformation, but threat conditions can also narrow information processing and reinforce organizational rigidity (Meyer, 1982; Staw et al., 1981). More recent evidence similarly indicates that ventures possessing stronger dynamic capabilities are better able to maintain performance following environmental shocks, while differences in capability configurations help explain variation between organizational survival and failure (Colombo et al., 2021; Dejardin et al., 2023; Gupta et al., 2024). What remains less clear is how entrepreneurial ventures actually alter their resource configurations when existing arrangements cease to fit newly emerging economic conditions.

Dynamic capability theory offers an important starting point. Firms confronting rapidly changing environments must be able to integrate, build, and reconfigure internal and external competences (Teece et al., 1997). Subsequent research conceptualizes dynamic capabilities as identifiable organizational processes (Eisenhardt & Martin, 2000) and distinguishes them from ordinary capabilities concerned primarily with maintaining existing operations (Winter, 2003). Teece (2007) further identifies sensing, seizing, and reconfiguring as central microfoundations of organizational adaptation. Entrepreneurship scholarship has extended this logic by showing that capability development and entrepreneurial action are mutually connected under uncertainty (Zahra et al., 2006). However, the broad reconfiguration logic of dynamic capability theory leaves considerable room to explain what resource-constrained ventures specifically do with their resources once disruption renders existing configurations inadequate.

Resource management and orchestration research moves closer to this issue by shifting attention from resource possession to managerial actions involving resource structuring, bundling, and leveraging (Sirmon et al., 2007, 2011). Reconfiguration research further demonstrates that organizations can adapt by adding, redeploying, recombining, or divesting resources and organizational units (Karim & Capron, 2016). Empirical evidence also indicates that technological change can trigger substantial resource reconfiguration as firms reconsider the usefulness and location of existing resources (Chaturvedi & Prescott, 2022). Nevertheless, this literature has not sufficiently specified how such processes operate within entrepreneurial ventures facing acute economic disruption, where entrepreneurs must simultaneously cope with resource scarcity, limited time, and uncertain access to external resources.

Entrepreneurial resilience research provides another adjacent explanation. Resilience has been associated with persistence, coping, recovery, opportunity reconstruction, and continued functioning under adversity (Ayala & Manzano, 2014; Branicki et al., 2018; Corner et al., 2017). Recent work increasingly conceptualizes resilience as an organizational capability involving anticipation, coping, adaptation, and renewal rather than simple recovery (Duchek, 2020; Shepherd & Williams, 2023; Su & Junge, 2023). However, explaining why ventures withstand disruption is not equivalent to explaining how they reconstruct the resource architecture required for continued adaptation. Similarly, strategic flexibility describes an ability to alter strategic courses, but does not fully specify the resource-level mechanisms through which entrepreneurial adaptation becomes sustainable (Hensellek et al., 2023).

A central question concerns how entrepreneurial resource reconfiguration enables ventures to develop adaptive capacity under economic disruption. Economic disruption can generate resource–environment misfit when existing combinations and deployments of financial, human, technological, relational, and operational resources no longer support viable action. Entrepreneurial adaptation then depends on Entrepreneurial Resource Reconfiguration (ERR), involving the deliberate release, redeployment, recombination, and selective acquisition of resources in response to disruption-induced misfit.

The paper develops three theoretical contributions. First, it introduces resource–environment misfit as the mechanism connecting economic disruption with the need for resource reconfiguration. Second, it conceptualizes ERR as a distinct entrepreneurial process through which resource-constrained ventures actively reconstruct their resource base rather than merely absorb shocks. Third, it develops Venture Adaptive Capacity (VAC) as the venture-level capacity to repeatedly achieve workable alignment between changing environmental demands and evolving resource configurations. By connecting economic disruption, resource misfit, entrepreneurial reconfiguration, and adaptive capacity, the proposed middle-range theory seeks to explain not merely why some ventures survive disruption, but how they reconstruct the resource foundations required to remain viable as economic conditions change.

2. Theoretical Foundations

2.1 Economic Disruption, Environmental Jolts, and Entrepreneurial Uncertainty

Research on organizational adaptation has long recognized that major environmental changes can destabilize established strategic arrangements. Meyer (1982) introduced the notion of environmental jolts to describe sudden and consequential external changes that disrupt prevailing organizational assumptions, structures, and routines. Related work on strategy–environment fit similarly showed that environmental conditions shape strategic choices and organizational responses, particularly when uncertainty increases and previously effective strategies become less appropriate (Miller & Friesen, 1983). In small-firm research, Covin and Slevin (1989) further demonstrated that hostile environments intensify competitive pressure, resource scarcity, and strategic vulnerability, making entrepreneurial adaptation more consequential.

These perspectives are useful, but economic disruption should be distinguished from environmental dynamism. Environmental dynamism refers to continuing variation in markets, technology, competition, and institutions, requiring organizations to monitor and adjust to ongoing change. Economic disruption, by contrast, refers here to an external disturbance sufficiently consequential to undermine the viability of an existing resource configuration. It therefore involves more than elevated uncertainty: it creates a material mismatch between what the venture currently controls and what the changed environment requires.

Entrepreneurial decision-making becomes particularly difficult under such conditions because opportunities and outcomes cannot be assessed with reliable probabilities (McMullen & Shepherd, 2006). Yet disruption does not necessarily stimulate adaptive action. Threat-rigidity theory suggests an important counter-logic: severe threats may narrow information processing, increase centralized control, and reinforce reliance on familiar routines rather than experimentation (Staw et al., 1981). Economic disruption may therefore create a paradoxical condition in which the need for resource reconfiguration increases precisely when organizational cognition becomes more rigid. Explaining how entrepreneurial ventures overcome this tendency requires moving from the characteristics of disruption toward the capabilities and resource processes through which adaptation occurs.

2.2 Dynamic Capabilities and Entrepreneurial Adaptation

Dynamic capability theory provides one of the most influential explanations of how organizations respond to changing environments. Teece et al. (1997) define dynamic capabilities in terms of the firm's ability to integrate, build, and reconfigure internal and external competences in response to rapidly changing conditions. This perspective shifts attention away from static resource endowments toward the capacity to transform organizational competences as environmental requirements evolve. Eisenhardt and Martin (2000) subsequently refined this argument by treating dynamic capabilities as identifiable organizational processes, such as product development, alliance formation, strategic decision-making, and resource recombination, rather than as vague higher-order attributes.

Winter (2003) further distinguished dynamic capabilities from ordinary capabilities. Ordinary capabilities allow firms to perform existing activities, whereas dynamic capabilities alter the way those activities and resource bases are configured. This distinction is central to entrepreneurial ventures because disruption frequently makes operational competence insufficient; ventures must not only execute existing routines effectively but also alter the resource system on which those routines depend. Teece (2007) elaborated this process through the microfoundations of sensing, seizing, and reconfiguring, emphasizing that sustained adaptation requires identifying environmental changes, committing resources to emerging opportunities, and transforming organizational assets and structures.

Entrepreneurship research extends this logic by recognizing that entrepreneurial action and capability development are mutually reinforcing. Zahra et al. (2006) argue that dynamic capabilities in entrepreneurial firms emerge through interactions among managerial choices, opportunity pursuit, learning, and environmental change. This perspective is especially relevant for ventures operating with limited slack, where founders often directly influence capability renewal.

However, dynamic capability theory remains deliberately broad. It establishes why organizations must renew capabilities and identifies reconfiguration as a central adaptive process, but it provides less specificity regarding how resource-constrained entrepreneurial ventures actually reconstruct their resource configurations following economic disruption. The critical issue is therefore not simply whether ventures possess dynamic capabilities, but how entrepreneurs decide which resources should be released, redeployed, recombined, retained, or newly accessed when disruption renders the existing configuration inadequate.

2.3 Resource Orchestration and Resource Reconfiguration

Resource-based explanations traditionally emphasized the possession of valuable, rare, and difficult-to-imitate resources. Subsequent scholarship increasingly recognized that resource ownership alone cannot explain performance variation because similar resource endowments may generate very different outcomes depending on how managers deploy them. Sirmon et al. (2007) addressed this limitation by conceptualizing resource management as a process through which managers structure the firm's resource portfolio,

bundle resources into capabilities, and leverage those capabilities to create value. This shifted the theoretical emphasis from what firms possess toward what decision-makers do with what they possess.

Sirmon et al. (2011) developed this logic further through resource orchestration theory, integrating resource management with asset orchestration to explain how managers structure, bundle, and leverage resources across organizational life-cycle stages. Resource orchestration therefore provides a more process-oriented account of strategic adaptation. Nevertheless, under severe disruption, orchestration may require more than improving the use of an existing portfolio. The composition and location of resources themselves may need to change.

Karim and Capron (2016) make this distinction explicit by conceptualizing reconfiguration through actions such as adding, redeploying, recombining, and divesting resources and business units. Their work highlights that adaptation can involve changing both the elements of the resource base and the relationships among those elements. Chaturvedi and Prescott (2022) further demonstrate that technological change creates conditions under which firms must actively reconfigure resources rather than merely exploit existing resource arrangements.

Building on the development from resource possession to resource management, resource orchestration, and resource reconfiguration, this paper applies reconfiguration logic to the specific constraints of entrepreneurial ventures. It identifies four mechanisms: release, redeployment, recombination, and selective acquisition. Release reduces commitment to obsolete, costly, or constraining resources. Redeployment shifts valuable resources to alternative uses, markets, or activities. Recombination reorganizes existing resources into new configurations, while selective acquisition brings in external resources when internal adjustments are insufficient.

Importantly, Entrepreneurial Resource Reconfiguration is not treated as synonymous with dynamic capability. Dynamic capability represents a broader theoretical family explaining organizational renewal, whereas ERR is conceptualized here as a specific entrepreneurial mechanism through which ventures alter resource composition and deployment under disruption-induced constraints.

2.4 Entrepreneurial Action, Learning, and Flexibility under Uncertainty

Resource reconfiguration is not a mechanical response to environmental pressure. Entrepreneurs must interpret ambiguous signals, evaluate competing uses of scarce resources, and make decisions despite incomplete information. Organizational learning theory provides an important foundation for understanding this judgement. March (1991) distinguishes exploration from exploitation, emphasizing that long-term adaptation requires organizations to balance experimentation with the refinement of existing competencies. Yet learning can itself become constraining. Levinthal and March (1993) show that organizations may develop learning myopia when accumulated experience reinforces established routines and narrows attention to familiar alternatives.

Entrepreneurial learning research similarly suggests that experience has no automatic adaptive value. Politis (2005) argues that entrepreneurial learning depends on how experience is transformed into knowledge, rather than on experience alone. Peterson and Wu (2021) further show that entrepreneurial learning may be strengthened by strategic foresight but weakened when prior experience produces overconfidence or excessive reliance on historical patterns. Under disruption, this distinction becomes critical because entrepreneurs must recognize when previously successful resource arrangements have become maladaptive.

Entrepreneurial action theory also explains why judgement matters under uncertainty. McMullen and Shepherd (2006) emphasize that entrepreneurial action requires decisions despite uncertainty about opportunities and outcomes. Sarasvathy's (2001) effectuation logic complements this perspective by showing how entrepreneurs may act through available means, stakeholder commitments, and emerging contingencies rather than prediction-based planning. Such reasoning is highly compatible with resource reconfiguration because entrepreneurs must frequently adapt what they control before they can confidently anticipate future conditions.

Strategic flexibility provides an additional bridge between judgement and action. Hensellek et al. (2023) demonstrate that entrepreneurial leadership and strategic flexibility are closely related to venture performance, reinforcing the importance of the ability to change strategic courses as conditions evolve. However, flexibility alone does not specify which resources should be changed or how such changes become operationally feasible.

Taken together, these theoretical traditions explain important components of entrepreneurial adaptation but remain incomplete when considered separately. Environmental disruption explains why existing arrangements may become inadequate; dynamic capability theory explains the need for organizational renewal; resource orchestration specifies how resources are managed; and entrepreneurial learning explains how decision-makers interpret uncertainty. What remains insufficiently integrated is the causal sequence through which economic disruption produces resource–environment misfit, misfit motivates entrepreneurial resource reconfiguration, and reconfiguration generates venture adaptive capacity.

These theoretical perspectives provide complementary explanations of entrepreneurial adaptation, but their integration leaves an unresolved resource-level mechanism connecting economic disruption, resource misfit, reconfiguration, and the development of adaptive capacity.

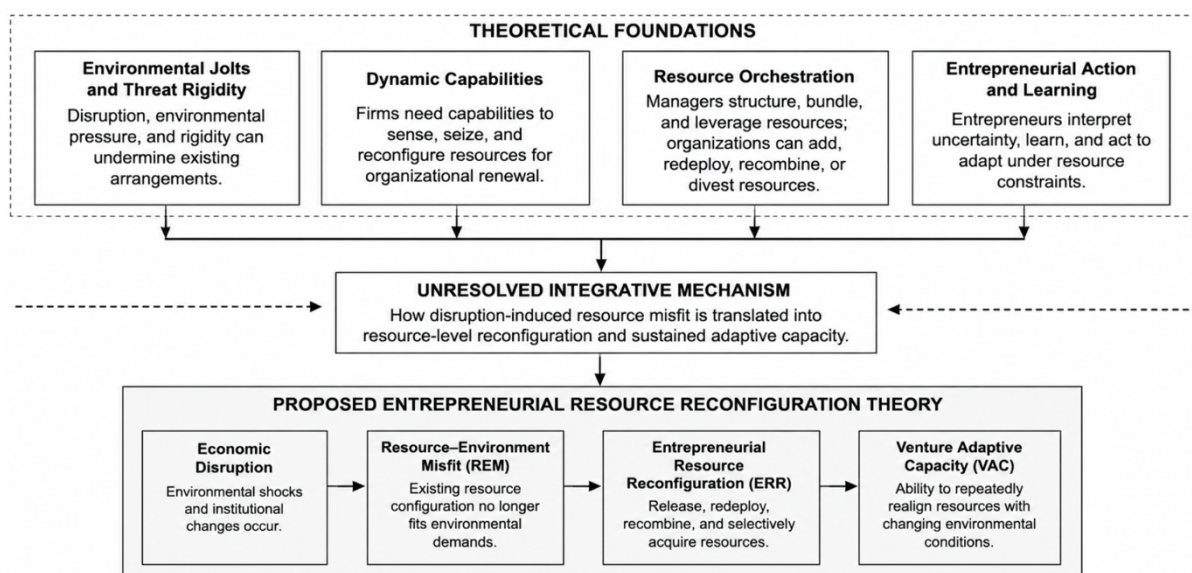


Figure 1. Theoretical Foundations and Integrative Gap of Entrepreneurial Resource Reconfiguration
Source: Developed by the author based on Meyer (1982), Staw et al. (1981), Teece et al. (1997), Sirmon et al. (2007, 2011), and McMullen and Shepherd (2006).

Figure 1 positions ERR theory at the intersection of four complementary theoretical streams. Each explains a distinct aspect of adaptation, but none fully specifies how disruption-induced resource misfit becomes resource-level change. The proposed integration addresses this gap by connecting environmental disruption with resource–environment misfit, entrepreneurial resource reconfiguration, and the subsequent development of venture adaptive capacity within resource-constrained entrepreneurial ventures.

3. Domain Specification

A middle-range theory requires explicit boundaries concerning the actors, conditions, and processes it seeks to explain. The proposed theory therefore does not treat resource reconfiguration as a universal organizational response to environmental change. Its explanatory domain is deliberately restricted to entrepreneurial ventures experiencing economic disruption that materially alters the suitability of their existing resource configurations.

3.1 Unit of Analysis

The primary unit of analysis is the entrepreneurial venture, particularly start-ups, young firms, and small and medium-sized enterprises (SMEs) in which founders or entrepreneurs retain substantial influence over strategic resource decisions. These ventures provide a theoretically distinctive setting because they commonly operate with constrained financial, human, technological, and relational resources, while possessing less organizational slack than established firms. Economic shocks can therefore create disproportionate consequences because resource losses or allocation errors cannot easily be absorbed through redundant organizational capacity. Evidence from crisis contexts demonstrates that SMEs frequently encounter simultaneous pressures involving financing, demand, operations, and access to external resources (Belitski et al., 2022; Brown et al., 2020; Eggers, 2020).

The venture level is analytically distinct from the individual entrepreneur. Although entrepreneurial judgement initiates many reconfiguration decisions, the focal phenomenon concerns changes in the venture's resource architecture rather than entrepreneurs' psychological characteristics. This distinction prevents Entrepreneurial Resource Reconfiguration (ERR) from being conflated with individual entrepreneurial resilience, which has frequently been examined through persistence, psychological resources, and coping with adversity (Ayala & Manzano, 2014; Haddoud et al., 2022).

3.2 Contextual Domain

The theory applies specifically to economic disruption, rather than environmental turbulence in general. Economic disruption is defined as an external disturbance sufficiently consequential to impair the strategic suitability of a venture's existing resource configuration. Relevant conditions include demand shocks, financing disruptions, sudden input-cost escalation, supply disruptions, structural market contraction, and severe technological-economic displacement. Such events resemble environmental jolts in their capacity to destabilize established organizational arrangements (Meyer, 1982), but the proposed theory focuses specifically on their consequences for entrepreneurial resource configurations.

Economic disruption is therefore distinguished from ordinary environmental dynamism. Continuous competitive or technological change may be accommodated through incremental adjustment, whereas disruption creates a more substantial discontinuity between existing resources and emerging environmental requirements.

3.3 Temporal Domain

The theory adopts a process-oriented temporal logic. Its explanatory sequence begins with a pre-disruption resource configuration, followed by economic disruption, recognition of resource–environment misfit, resource reconfiguration, and the emergence of a new adaptive configuration. This temporal orientation reflects the broader insight that organizational adaptation develops through sequences of actions and adjustments rather than through isolated responses (Colombo et al., 2021; Teece, 2007).

Accordingly, the proposed framework is not a cross-sectional performance theory. It seeks to explain how resource configurations change over time and how repeated reconfiguration contributes to Venture Adaptive Capacity (VAC).

The theoretical domain follows a temporal process in which an established resource configuration encounters economic disruption, develops recognized misfit, undergoes entrepreneurial reconfiguration, and reaches a newly aligned adaptive configuration.

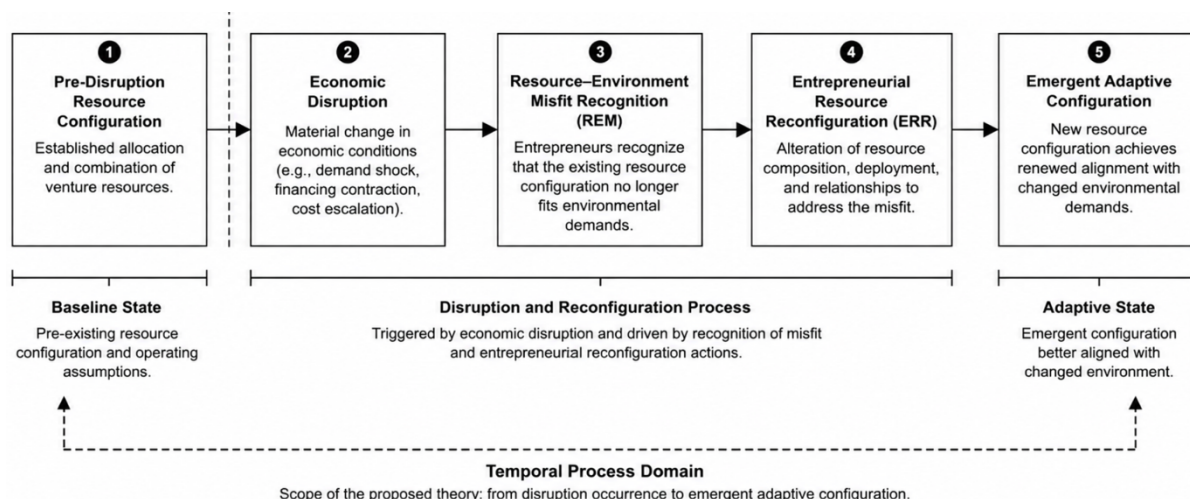


Figure 2. Temporal Process Domain of Entrepreneurial Resource Reconfiguration under Economic Disruption

Source: Developed by the author based on Meyer (1982), Teece (2007), Karim and Capron (2016), and Colombo et al. (2021).

Figure 2 defines the temporal boundaries of the proposed theory by separating the pre-disruption baseline from disruption-driven adaptation. Economic disruption initiates a process in which entrepreneurs recognize resource–environment misfit and reconfigure existing or accessible resources. The resulting adaptive configuration represents renewed alignment rather than restoration of the original state, emphasizing resource transformation over static resource–performance relationships within the specified theoretical domain.

3.4 Explicit Exclusions

Several phenomena fall outside the proposed theoretical domain. The theory does not seek to explain incremental change in relatively stable environments, entrepreneurs' psychological resilience, organizational resilience in its entirety, corporate restructuring in large established corporations, routine resource allocation, or scaling under normal growth conditions. Scaling, for example, involves distinctive problems of expansion, coordination, and capability development (Coviello et al., 2024; Jansen et al., 2023), whereas the present theory concerns resource reconstruction triggered by disruption-induced misfit.

These exclusions are theoretically consequential rather than merely definitional. By restricting the organizational context, triggering conditions, temporal sequence, and focal mechanism, the framework maintains the explanatory specificity required of a middle-range theory. The proposed theory is bounded by organizational context, disruption conditions, causal mechanisms, temporal scope, and focal outcomes, thereby distinguishing its explanatory domain from broader theories of organizational adaptation.

Table 1. Domain Boundaries of Entrepreneurial Resource Reconfiguration Theory

Domain Dimension	Included Domain	Excluded Domain	Boundary Rationale
Unit of analysis	Start-ups, young firms, and entrepreneur-led SMEs in which founders retain	Large established corporations; individual entrepreneurs	Resource-constrained ventures face limited slack and concentrated resource decision-making, making

Domain Dimension	Included Domain	Excluded Domain	Boundary Rationale
	substantial influence over strategic resource decisions	treated as psychological units	disruption-induced reconfiguration theoretically distinctive (Belitski et al., 2022; Eggers, 2020).
Environmental condition	Economic disruptions that materially undermine the suitability of existing resource configurations	Routine environmental variation, ordinary competitive dynamism, and incremental change	The theory concerns consequential discontinuities that invalidate established resource arrangements rather than continuous environmental variation (Meyer, 1982).
Triggering condition	Resource–Environment Misfit (REM) generated by economic disruption	Resource changes motivated solely by efficiency improvement, expansion, or normal growth	Reconfiguration becomes theoretically relevant when existing resource arrangements no longer adequately support viable venture action.
Focal process	Deliberate resource release, redeployment, recombination, and selective acquisition	Routine budgeting, ordinary resource allocation, and large-scale corporate restructuring	ERR alters resource composition, deployment, and interdependence rather than merely improving utilization of an unchanged resource portfolio (Karim & Capron, 2016).
Temporal scope	Pre-disruption resource configuration through misfit recognition, reconfiguration, and emergent adaptive configuration	Static and cross-sectional resource–performance relationships	The theory explains adaptation as a temporal transformation of resource configurations following disruption rather than as a static association (Teece, 2007).
Focal outcome	Venture Adaptive Capacity (VAC): repeated resource–environment realignment under changing conditions	Psychological resilience, general organizational resilience, normal scaling, growth, or performance per se	VAC captures an emergent capacity for repeated adaptive alignment rather than recovery, expansion, strategic flexibility, or performance alone.

Source: Developed by the author based on Meyer (1982), Teece (2007), Karim and Capron (2016), Belitski et al. (2022), and Eggers (2020).

Table 1 establishes the theory's boundary conditions by specifying where its causal explanation applies and where it does not. These boundaries prevent ERR from becoming an overly general account of organizational adaptation. They locate the theory specifically within resource-constrained entrepreneurial ventures confronting consequential economic disruption, where resource–environment misfit triggers deliberate reconfiguration and repeated realignment ultimately develops Venture Adaptive Capacity over time.

4. Theory Building: Entrepreneurial Resource Reconfiguration and Venture Adaptive Capacity

4.1 Economic Disruption and Resource–Environment Misfit

Economic disruption matters theoretically not simply because it increases uncertainty, but because it can invalidate the resource assumptions on which entrepreneurial activity previously depended. Environmental jolts can alter relationships between organizations and

their environments sufficiently to render established structures and responses inappropriate (Meyer, 1982). For entrepreneurial ventures, this problem is intensified by limited resource buffers. Crisis research shows that SMEs may simultaneously experience declining demand, supply interruptions, financing constraints, and changes in competitive conditions, thereby affecting both the availability and usefulness of resources (Belitski et al., 2022; Eggers, 2020). Evidence from high-technology ventures similarly indicates that environmental jolts create substantial performance differences depending on ventures' capacity to modify existing capabilities (Colombo et al., 2021).

The immediate consequence of such disruption is conceptualized as Resource–Environment Misfit (REM), a condition in which a venture's existing configuration of financial, human, technological, relational, and operational resources no longer adequately supports viable action under emerging economic conditions. REM differs from resource scarcity because even resource-rich ventures may experience misfit when resources remain tied to declining markets, obsolete technologies, unsuitable capabilities, or unsustainable cost structures. Resource-constrained ventures, conversely, may maintain viable alignment when their limited resources remain suitable for emerging conditions.

This distinction establishes an important causal mechanism. Economic disruption does not directly cause resource reconfiguration. Rather, disruption alters environmental requirements, thereby reducing the strategic suitability of the existing resource configuration. Reconfiguration becomes theoretically relevant when entrepreneurs recognize that this emerging misfit cannot be resolved through routine adjustment.

Proposition 1 (P1).

Economic disruption increases resource–environment misfit by reducing the strategic suitability of a venture's existing resource configuration.

4.2 From Resource Misfit to Entrepreneurial Resource Reconfiguration

Resource–environment misfit creates pressure for change, but does not guarantee an adaptive response. Entrepreneurs may initially attempt to preserve existing configurations through cost reduction, intensified exploitation, temporary financing, or incremental operational adjustments. Such responses may remain effective when misfit is limited. As misfit becomes more consequential, however, routine adaptation becomes progressively inadequate because the problem lies not merely in resource efficiency but in the suitability of the underlying resource configuration.

The resource management perspective suggests that organizational outcomes depend on how managers structure, bundle, and leverage resources rather than on resource possession alone (Sirmon et al., 2007, 2011). Reconfiguration extends this logic by recognizing that changing environments may require resources to be added, redeployed, recombined, or divested (Karim & Capron, 2016). Empirical research on technological change similarly demonstrates that firms alter resource configurations when established resources lose strategic relevance or new combinations become necessary (Chaturvedi & Prescott, 2022).

Entrepreneurial Resource Reconfiguration (ERR) refers to a venture-level process in which entrepreneurs deliberately modify the composition, deployment, and interdependence of available and accessible resources in response to disruption-induced resource–environment misfit. Its deliberate nature distinguishes ERR from resource changes resulting from involuntary losses or organizational contraction.

Nevertheless, recognition of misfit may be delayed or resisted. Under severe threat, entrepreneurs can become increasingly committed to familiar routines, existing customers, or previously successful resource combinations. ERR therefore represents an active

departure from resource rigidity: the entrepreneur accepts that preserving the existing configuration may be more threatening to venture viability than changing it.

Proposition 2 (P2).

Resource–environment misfit increases the likelihood and intensity of entrepreneurial resource reconfiguration when existing resource configurations can no longer support viable venture action.

4.3 Four Mechanisms of Entrepreneurial Resource Reconfiguration

ERR involves four interdependent mechanisms: resource release, resource redeployment, resource recombination, and selective resource acquisition. These mechanisms adapt the broader reconfiguration logic developed by Karim and Capron (2016) to entrepreneurial ventures operating under resource constraints.

Resource release involves deliberately reducing commitment to resources that have become costly, redundant, obsolete, or strategically constraining. Release may involve discontinuing activities, withdrawing resources from declining products, terminating ineffective contractual arrangements, or relinquishing assets that restrict strategic movement. Its purpose is not simply cost reduction. The theoretical function of release is to reduce resource rigidity by freeing financial, managerial, operational, or organizational capacity for alternative uses. Without release, legacy commitments may continue consuming resources needed for adaptation.

Resource redeployment occurs when resources retain potential value but no longer generate adequate value in their existing use. Entrepreneurs may move employees between functions, redirect production capacity, shift marketing expenditure toward emerging customer segments, or apply technological assets to different activities. Redeployment therefore preserves resource value while changing its strategic location. This is particularly important for ventures that cannot readily replace existing resources.

Resource recombination changes relationships among existing resources to produce a configuration better suited to altered conditions. Entrepreneurs may combine existing knowledge with new distribution arrangements, integrate digital technologies into previously offline processes, or combine employee capabilities across conventional functional boundaries. Recombination is theoretically significant for resource-constrained ventures because adaptation can occur without proportionate increases in resource ownership. The central question becomes not merely what the venture possesses, but what new productive combinations can be constructed from accessible resources (Sirmon et al., 2007, 2011).

Selective resource acquisition becomes necessary when internal reconfiguration cannot sufficiently restore resource–environment fit. Ventures may strategically acquire capital, technological knowledge, specialized expertise, supply alternatives, partnerships, or market access. Selectivity is critical, as excessive acquisition may deepen resource commitments and rigidity under persistent uncertainty. Moreover, entrepreneurial finance research demonstrates that access to external capital frequently deteriorates during crises, restricting ventures' ability to pursue adaptive responses (Brown & Rocha, 2020; Brown et al., 2020). Bootstrapping may partially compensate for these constraints, but its feasibility varies substantially across ventures (Block et al., 2022).

The four mechanisms are complementary rather than sequentially mandatory. Ventures may move recursively among them as environmental conditions and resource requirements evolve.

Proposition 3 (P3).

Entrepreneurial resource reconfiguration is more adaptive when ventures combine resource release, redeployment, recombination, and selective acquisition rather than relying predominantly on a single reconfiguration mechanism.

Entrepreneurial resource reconfiguration operates through complementary mechanisms that alter resource commitments, uses, combinations, and access, allowing ventures to reconstruct resource configurations when existing arrangements become inadequate under economic disruption.

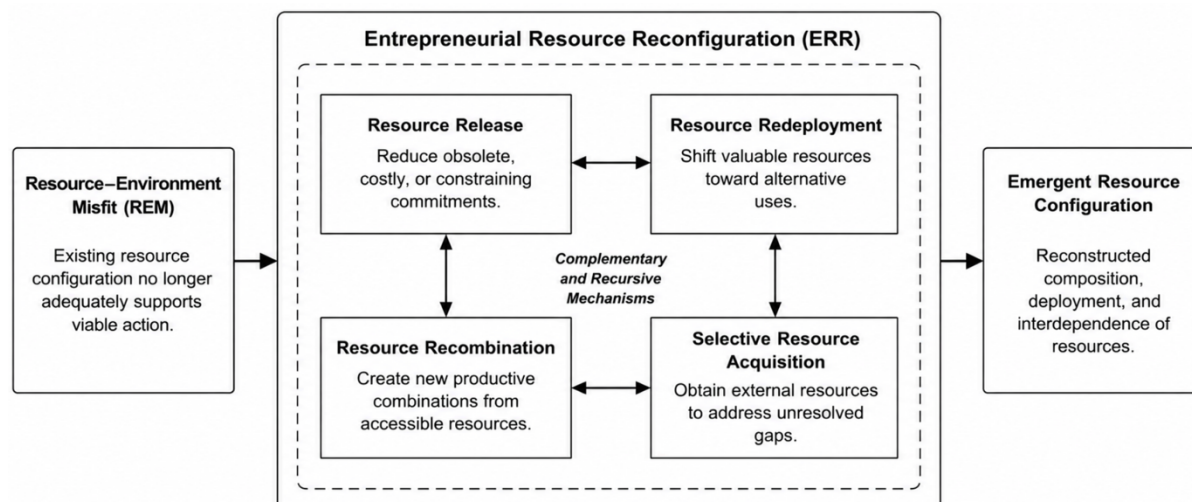


Figure 3. Mechanism Architecture of Entrepreneurial Resource Reconfiguration
 Source: Developed by the author based on Sirmon et al. (2007, 2011), Karim and Capron (2016), and Chaturvedi and Prescott (2022).

Figure 3 depicts ERR as a system of complementary and recursive mechanisms rather than a fixed sequence of actions. Resource release reduces constraining commitments, redeployment redirects valuable resources, recombination creates alternative productive arrangements, and selective acquisition addresses unresolved resource gaps. Their interaction enables ventures to transform disruption-induced resource–environment misfit into an emergent resource configuration better suited to altered economic conditions.

4.4 From Resource Reconfiguration to Venture Adaptive Capacity

Successful reconfiguration does not imply restoration of the pre-disruption organization. Indeed, attempting to reconstruct the previous state may be maladaptive when disruption has permanently altered market or technological conditions. The relevant theoretical outcome is instead whether the venture develops an enhanced capacity to continually realign its resources with evolving environmental requirements.

Venture Adaptive Capacity (VAC) refers to a venture-level capacity for repeatedly establishing workable alignment between changing environmental demands and evolving resource configurations without returning to pre-disruption conditions. VAC emerges from resource reconfiguration over time rather than representing any single resource configuration.

Three characteristics constitute VAC. Configuration responsiveness refers to the venture's capacity to recognize when its current resource arrangement has become inadequate and initiate timely modification. Resource mobility captures the capacity to shift resources across activities and uses rather than leaving them locked into legacy commitments. Adaptive recombinaibility concerns the capacity to repeatedly construct new productive combinations from internal and externally accessible resources.

VAC must be distinguished from adjacent constructs. Resilience principally concerns maintaining, recovering, or renewing functioning under adversity (Duchek, 2020; Shepherd & Williams, 2023). Strategic flexibility concerns the ability to alter strategic options and courses of action (Hensellek et al., 2023). Dynamic capabilities represent a broader organizational capacity for sensing, seizing, and transforming resources and competences

(Teece, 2007). VAC is narrower: it concerns the emergent capacity of an entrepreneurial venture to repeatedly establish viable resource–environment alignment as environmental requirements change.

ERR therefore generates more than a one-time adaptive configuration. Repeated release, redeployment, recombination, and selective acquisition can make the venture progressively more capable of reconstructing resource arrangements in subsequent episodes of change.

Proposition 4 (P4).

Entrepreneurial resource reconfiguration strengthens venture adaptive capacity by increasing resource mobility, recombining ability, and responsiveness to changing economic demands.

4.5 Why Reconfiguration Does Not Always Produce Adaptation: Boundary Conditions

Reconfiguration can consume scarce resources without producing a viable configuration. Three boundary conditions specify when ERR is more likely to generate VAC.

The first is resource accessibility. Some minimum capacity to retain, mobilize, or access financial, human, technological, and operational resources is necessary for meaningful reconfiguration. When resource constraints become extreme, release can become depletion, while acquisition becomes infeasible. Evidence from entrepreneurial finance during crisis periods demonstrates how contractions in external financing restrict venture responses (Brown & Rocha, 2020; Brown et al., 2020), although bootstrapping can provide alternative resource pathways for some ventures (Block et al., 2022). Resource accessibility therefore determines the feasible range of reconfiguration.

The second boundary condition is entrepreneurial learning flexibility. Entrepreneurs must be willing to revise assumptions concerning the value and appropriate deployment of resources. Exploration can generate alternative configurations, whereas excessive exploitation may reinforce established resource arrangements (March, 1991). Experience may improve judgement, but it can also generate learning myopia and path dependence when previous success becomes the dominant basis for interpreting novel conditions (Levinthal & March, 1993). Entrepreneurial experience consequently supports reconfiguration only when transformed into revised knowledge rather than reproduced as established routines (Politis, 2005; Peterson & Wu, 2021).

The third condition is relational resource access. Entrepreneurial ventures do not need to own every resource required for adaptation. Networks can provide information, expertise, legitimacy, financing, suppliers, technologies, and market connections. Social capital has been shown to strengthen entrepreneurial performance under severe disruption (Dimitriadis, 2021), while stakeholder engagement can enhance the relationship between entrepreneurial resilience and venture success (Santoro et al., 2020). Relational access therefore expands the resource set available for recombination and selective acquisition.

Proposition 5 (P5).

The positive relationship between entrepreneurial resource reconfiguration and venture adaptive capacity is strengthened by greater resource accessibility and relational resource access, but weakened by learning rigidity.

4.6 The Proposed Middle-Range Theory

The proposed Entrepreneurial Resource Reconfiguration Theory integrates these relationships into a bounded causal explanation. Economic disruption initiates the process by reducing the suitability of existing resources, producing Resource–Environment Misfit. When routine adjustment becomes insufficient, entrepreneurs respond through Entrepreneurial Resource Reconfiguration, involving resource release, redeployment,

recombination, and selective acquisition. Successful and repeated reconfiguration subsequently develops Venture Adaptive Capacity, expressed through configuration responsiveness, resource mobility, and adaptive reconfigurability. Resource accessibility, learning flexibility or rigidity, and relational resource access define the principal conditions under which this mechanism becomes more or less effective.

The proposed theory integrates disruption, resource misfit, reconfiguration mechanisms, adaptive capacity, and boundary conditions into a bounded causal architecture explaining how entrepreneurial ventures reconstruct resource alignment under changing economic conditions.

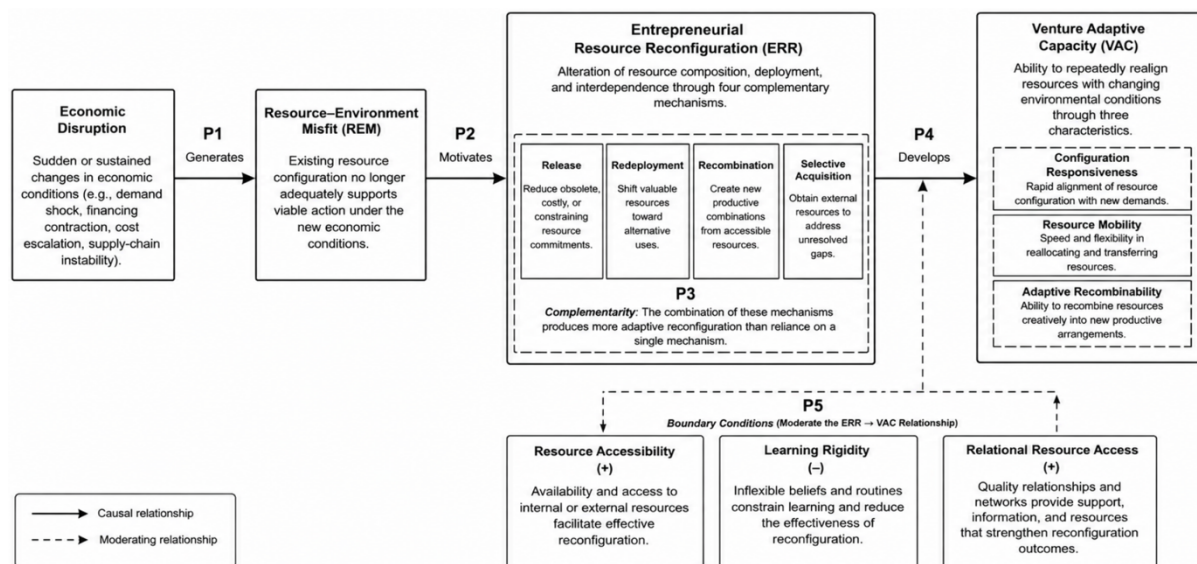


Figure 4. A Middle-Range Theory of Entrepreneurial Resource Reconfiguration under Economic Disruption

Source: Developed by the author.

Figure 4 integrates the proposed causal architecture and its five propositions. Economic disruption generates resource–environment misfit, which stimulates ERR through complementary reconfiguration mechanisms and subsequently develops VAC. Resource accessibility and relational resource access strengthen the ERR–VAC relationship, whereas learning rigidity weakens it. The model therefore specifies both the core adaptive mechanism and the conditions shaping its effectiveness across entrepreneurial ventures.

The proposed causal architecture rests on four conceptually distinct constructs, each representing a specific stage or function through which entrepreneurial ventures respond to disruption-induced changes in resource requirements.

Table 2. Core Constructs of the Proposed Theory

Construct	Definition in the Proposed Theory	Analytical Role	Defining Properties
Economic Disruption	An external disturbance sufficiently consequential to undermine the strategic suitability of a venture's existing resource configuration	Exogenous shock that shifts environmental requirements and disrupts established resource configurations	External, consequential, and discontinuous, rendering prior resource assumptions obsolete.
Resource–Environment Misfit (REM)	A condition in which the venture's existing resource configuration no longer supports viable action under changed environmental conditions	Mediating problem statetranslating economic disruption into pressure for substantive resource change	Configuration-based; relational; context-dependent; concerns resource suitability rather than resource quantity

Construct	Definition in the Proposed Theory	Analytical Role	Defining Properties
Entrepreneurial Resource Reconfiguration (ERR)	The deliberate venture-level alteration of resource composition, deployment, and interdependence in response to disruption-induced REM	Focal adaptive mechanism through which entrepreneurs reconstruct inadequate resource configurations	Deliberate; venture-level; enacted through release, redeployment, recombination, and selective acquisition
Venture Adaptive Capacity (VAC)	The venture-level capacity to repeatedly establish workable alignment between evolving resource configurations and changing environmental demands without restoring the pre-disruption state	Emergent theoretical outcome generated through repeated and effective resource reconfiguration	Configuration responsiveness; resource mobility; adaptive recombination; repeated resource–environment realignment

Source: Developed by the author based on Meyer (1982), Teece et al. (1997), Teece (2007), Sirmon et al. (2007, 2011), Karim and Capron (2016), and Colombo et al. (2021).

Table 2 clarifies the conceptual division of labor within the proposed theory. Economic Disruption initiates environmental change, REM captures the resulting configuration problem, ERR specifies the entrepreneurial mechanism for reconstructing resources, and VAC represents the capacity emerging from repeated reconfiguration. This separation preserves causal ordering while preventing the central constructs from collapsing into broader concepts of uncertainty, resource scarcity, dynamic capability, or resilience.

The five propositions translate the proposed framework into explicit causal claims, connecting disruption, resource–environment misfit, reconfiguration mechanisms, adaptive capacity, and the conditions that strengthen or constrain these relationships.

Table 3. Proposition Architecture of Entrepreneurial Resource Reconfiguration Theory

Proposition & Theoretical Relationship	Causal Logic	Principal Theoretical Grounding
P1 Economic Disruption → Resource–Environment Misfit (REM)	Disruption shifts environmental requirements, reducing the strategic fit of existing resource configurations.	Environmental jolts and crisis-induced organizational disruption (Meyer, 1982; Eggers, 2020; Colombo et al., 2021; Belitski et al., 2022)
P2 REM → Entrepreneurial Resource Reconfiguration (ERR)	As misfit intensifies, routine adjustment becomes inadequate, prompting deliberate changes in resource composition, deployment, and interdependence.	Resource management, orchestration, and reconfiguration (Sirmon et al., 2007, 2011; Karim & Capron, 2016; Chaturvedi & Prescott, 2022)
P3 Complementarity among ERR Mechanisms → Adaptive Reconfiguration	Combining release, redeployment, recombination, and selective acquisition broadens adaptive capacity by addressing multiple dimensions of resource–environment misfit.	Resource orchestration and resource reconfiguration (Sirmon et al., 2011; Karim & Capron, 2016; Chaturvedi & Prescott, 2022)
P4 ERR → Venture Adaptive Capacity (VAC)	Repeated effective reconfiguration builds configuration responsiveness, resource mobility, and adaptive recombination, enabling recurrent resource–environment alignment.	Dynamic capabilities and organizational reconfiguration (Teece, 2007; Karim & Capron, 2016; Colombo et al., 2021)

P5	Boundary Conditions × ERR → VAC	Resource accessibility and relational resource access expand feasible reconfiguration, whereas learning rigidity restricts recognition and implementation of alternative resource configurations.	Organizational learning, entrepreneurial finance, and relational resources (March, 1991; Levinthal & March, 1993; Brown & Rocha, 2020; Dimitriadis, 2021; Peterson & Wu, 2021; Block et al., 2022)
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Source: Developed by the author based on the theoretical relationships and supporting literature synthesized in Sections 2–4.

Table 3 reveals a layered causal architecture rather than five equivalent relationships. P1 and P2 explain how disruption activates reconfiguration, P3 specifies how ERR operates internally, and P4 identifies its capacity-building consequence. P5 then establishes conditionality by explaining why comparable reconfiguration efforts may generate different levels of VAC across ventures with different resource, learning, and relational conditions.

5. Discussion

The proposed theory shifts attention from whether entrepreneurial ventures possess adaptive capabilities to the mechanisms through which they reconstruct their resource configurations when economic disruption undermines established resource–environment alignment. Its central contribution lies in connecting economic disruption, Resource–Environment Misfit (REM), Entrepreneurial Resource Reconfiguration (ERR), and Venture Adaptive Capacity (VAC) within a bounded process explanation. This integration contributes to dynamic capability theory, resource orchestration theory, and entrepreneurship and crisis research while clarifying VAC as an outcome concept distinct from adjacent constructs.

5.1 Theoretical Contribution to Dynamic Capability Theory

The proposed framework extends rather than replaces dynamic capability theory. Dynamic capability scholarship establishes that firms facing changing environments must integrate, build, and reconfigure resources and competences (Teece et al., 1997). Subsequent developments conceptualize dynamic capabilities as identifiable organizational processes (Eisenhardt & Martin, 2000), connect capability development to entrepreneurial action (Zahra et al., 2006), and specify sensing, seizing, and reconfiguring as central mechanisms of strategic renewal (Teece, 2007). These contributions explain why transformation becomes necessary and provide a general architecture for understanding organizational adaptation.

The present theory focuses more narrowly on the reconfiguration black box. Reconfiguration is often invoked as an adaptive requirement without specifying which resources are altered, why a particular configuration becomes inadequate, or through which entrepreneurial actions an alternative configuration emerges. Introducing REM addresses the first causal problem by identifying the condition that makes reconfiguration necessary: disruption has reduced the strategic suitability of the existing combination and deployment of resources. ERR then specifies how entrepreneurs respond through four distinct but interdependent activities—resource release, redeployment, recombination, and selective acquisition.

This specification also prevents ERR from becoming a relabeling of dynamic capabilities. Dynamic capability remains the broader theoretical explanation of organizational transformation; ERR describes a particular venture-level mechanism activated under disruption-induced resource misfit. The theory consequently contributes a more granular explanation of how resource-constrained ventures operationalize reconfiguration when environmental requirements change faster than existing resource arrangements can accommodate.

5.2 Contribution to Resource Orchestration Theory

The second contribution concerns resource orchestration. Resource management research shifted attention from resource possession to managerial processes of structuring, bundling, and leveraging resources (Sirmon et al., 2007). Resource orchestration extended this perspective by explaining how managers coordinate resource portfolios and capabilities across organizational conditions and life-cycle stages (Sirmon et al., 2011). Reconfiguration research further identified adding, redeploying, recombining, and divesting resources as mechanisms of organizational change (Karim & Capron, 2016).

The proposed framework extends this literature through a disruption-specific reconfiguration logic. Economic disruption can create resource–environment misfit, making existing resource commitments progressively less viable and increasing the need for architectural change. The process involves misfit recognition, followed by resource release, redeployment, recombination, selective acquisition, and adaptive alignment.

These mechanisms represent distinct forms of reconfiguration. Release reduces rigidity associated with obsolete or constraining commitments. Redeployment shifts valuable resources toward alternative uses. Recombination creates new productive relationships among accessible resources, while selective acquisition addresses resource gaps that cannot be resolved internally. Such distinctions are particularly relevant to entrepreneurial ventures, where resource constraints often prevent wholesale replacement of the existing resource base.

The framework complements resource orchestration by explaining how the resource portfolio itself is reconstructed when disruption undermines existing configurations. REM provides the triggering condition for reconfiguration, while VAC captures the adaptive capacity emerging from this process over time.

5.3 Contribution to Entrepreneurship and Crisis Literature

Research on entrepreneurial adversity has extensively examined resilience, survival, coping, financing, and performance. Entrepreneurial resilience has been linked to persistence and business success (Ayala & Manzano, 2014), resilience development within SMEs (Branicki et al., 2018), and responses to venture failure (Corner et al., 2017). Crisis studies also document financing constraints, uncertainty, and resource limitations faced by entrepreneurial ventures (Brown & Rocha, 2020; Brown et al., 2020; Block et al., 2022), alongside adaptation, continuity, and growth during severe disruption (Hadjielias et al., 2022; Purnomo et al., 2021; Shepherd & Williams, 2023).

The proposed theory shifts attention from why some entrepreneurs survive disruption to how ventures reconstruct their resource architecture to remain adaptive as conditions change. Survival represents neither the central mechanism nor the final theoretical outcome.

Temporary survival does not necessarily indicate an ability to respond to subsequent change. Similarly, entrepreneurial persistence does not demonstrate that financial, human, technological, operational, and relational resources have been reorganized into a viable configuration. Positioning adaptation at the resource-configuration level enables ERR to connect entrepreneurial judgement with organizational transformation without using resilience as an overarching explanation for heterogeneous crisis responses. ERR consequently addresses an explanatory problem that is distinct from, while complementary to, resilience research.

5.4 Distinguishing Venture Adaptive Capacity

VAC represents the principal theoretical outcome of ERR and requires conceptual separation from established constructs. It does not describe recovery to a prior state. Instead, VAC captures the capacity to repeatedly construct workable resource–environment alignment as

environmental requirements evolve. This emphasis is consistent with adaptation as an ongoing organizational challenge while avoiding conceptual equivalence with resilience, strategic flexibility, or dynamic capability.

VAC occupies a distinct conceptual position within adaptation research because its explanatory focus lies specifically in repeated resource–environment realignment rather than recovery, strategic optionality, or general organizational transformation alone.

Table 4. Venture Adaptive Capacity and Adjacent Constructs

Construct	Primary Adaptive Focus	Principal Mechanism	Distinction from VAC
Entrepreneurial Resilience	Withstanding adversity, maintaining functioning, recovering, and renewing following disruptive events	Coping, persistence, recovery, and resilience-building processes	Resilience centers on endurance and recovery under adversity; VAC concerns the repeated reconstruction of workable resource–environment alignment, without requiring restoration of the pre-disruption state (Duchek, 2020; Shepherd & Williams, 2023).
Strategic Flexibility	Maintaining and altering strategic courses or options as conditions change	Strategic alternatives, responsive decision-making, and flexible commitment	Strategic flexibility concerns the venture’s capacity to change strategic direction; VAC specifies whether its underlying resources can be repeatedly realigned to make adaptive action operationally viable (Hensellek et al., 2023).
Dynamic Capability	Renewing and transforming organizational resources and competences under changing environments	Sensing, seizing, and transforming/reconfiguring	Dynamic capability provides a broader theory of organizational renewal; VAC is a narrower emergent capacity reflecting repeated resource–environment alignment developed through entrepreneurial resource reconfiguration (Teece et al., 1997; Teece, 2007).
Venture Adaptive Capacity (VAC)	Repeatedly achieving workable alignment between evolving resource configurations and changing environmental demands	Configuration responsiveness, resource mobility, and adaptive recombina bility developed through repeated ERR	VAC is distinguished by resource-level realignment as both its unit of adaptive action and outcome logic; it emphasizes recurrent adaptive viability rather than recovery, strategic optionality, or organizational renewal in general.

Source: Developed by the author based on Teece et al. (1997), Teece (2007), Duchek (2020), Hensellek et al. (2023), and Shepherd and Williams (2023).

Table 4 delineates VAC from adjacent constructs by locating its explanatory focus at the resource–environment interface. Unlike resilience, strategic flexibility, and dynamic capability, VAC captures the capacity for recurrent resource realignment developed through repeated ERR, strengthening responsiveness, mobility, and recombina bility across successive environmental changes.

Resilience emphasizes adversity and recovery or continued functioning (Duchek, 2020; Shepherd & Williams, 2023), whereas strategic flexibility emphasizes the availability and alteration of strategic courses (Hensellek et al., 2023). Dynamic capability encompasses the broader transformation of organizational resources and competences (Teece, 2007). VAC is more bounded: its defining property is the venture's capacity for repeated resource–

environment realignment. This conceptual boundary is essential because VAC is proposed not as another label for adaptability, but as an emergent venture-level capacity produced through repeated resource reconfiguration.

5.5 Future Research Agenda

Three research priorities emerge from the proposed theory. First, construct validation should establish whether ERR and VAC are empirically distinct from dynamic capabilities, strategic flexibility, and resilience. Scale development should assess the four ERR mechanisms, namely release, redeployment, recombination, and selective acquisition, alongside the VAC dimensions of configuration responsiveness, resource mobility, and adaptive recombina-bility.

Second, process validation requires longitudinal research. Comparative case studies and process tracing could examine ventures before, during, and after disruption to assess the proposed sequence from disruption to REM, ERR, and VAC. Such designs can distinguish temporary adjustment from the development of sustained adaptive capacity.

Third, boundary testing should assess the applicability of ERR across institutional and industrial contexts. Cross-country and cross-industry studies could examine whether resource accessibility and relational resource access strengthen the relationship between ERR and VAC, while learning rigidity weakens it. These research directions can refine the proposed middle-range theory while preserving its intended explanatory boundaries.

6. Conclusion

Economic disruption creates challenges for entrepreneurial ventures beyond heightened uncertainty or temporary performance decline. Demand shocks, financing constraints, supply interruptions, cost escalation, and technological-economic displacement can reduce the usefulness of existing resources. When available and accessible resources no longer correspond to emerging environmental requirements, the venture's resource configuration loses strategic fit. Resource–Environment Misfit (REM) captures this condition and explains how economic disruption creates pressure for substantive organizational adaptation.

The proposed middle-range theory positions adaptation beyond entrepreneurial resilience and the possession of dynamic capabilities. Resilience supports responses to adversity, while dynamic capabilities provide a broader explanation of organizational renewal under changing conditions. Neither fully specifies how resource-constrained ventures reconstruct inadequate resource arrangements. Entrepreneurial Resource Reconfiguration (ERR) addresses this gap as the deliberate alteration of resource composition, deployment, and interdependence in response to disruption-induced misfit.

ERR involves four complementary mechanisms. Ventures release obsolete or constraining resources, redeploy resources that retain value in alternative uses, recombine accessible resources into new productive configurations, and selectively acquire external resources when internal rearrangement is insufficient. Repeated and effective reconfiguration develops Venture Adaptive Capacity (VAC), defined as the capacity to repeatedly establish workable alignment between evolving resource configurations and changing environmental demands without restoring the pre-disruption state.

The resulting theoretical logic connects economic disruption, resource–environment misfit, entrepreneurial resource reconfiguration, and venture adaptive capacity, framing entrepreneurial adaptation as a problem of resource architecture rather than resource possession alone. The capacity to navigate economic disruption therefore depends less on the quantity of resources possessed than on how effectively a venture reconstructs the configuration of resources it owns, controls, and can access as economic conditions change.

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