

Economic Resilience of SME Businesses in Post-Crisis Lebanon: Challenges, Strategies, and Opportunities for Entrepreneurs

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ABSTRACT

This study examines the determinants of business resilience in post-crisis Lebanon using a mixed-methods approach combining survey data (n=100) and eight semi-structured interviews. Quantitative results revealed that strategic adaptation, external support, preparedness, and innovation networks significantly enhance resilience, while internal factors showed limited impact. Qualitative insights further emphasized the importance of collaboration, government and financial assistance, and adaptive strategies in navigating crises. The findings validate all three hypotheses, offering both theoretical and practical implications for policymakers and entrepreneurs seeking to strengthen economic recovery mechanisms in fragile contexts.

Keywords: Business Resilience, Strategic Adaptation, External Support, Collaboration, Lebanon

INTRODUCTION

Background of the Study

In the last decade, Lebanon has experienced an unprecedented multifaceted crisis that triggered political, economic, and social instability. With the situation becoming progressively worse in the country, Lebanese citizens started enduring social unrest, inability to meet their basic needs, and limitations in their entrepreneurial endeavors (Makdisi & Amine, 2022). As explained by Elia et al. (2023), Lebanon was known for its strong economy, supported by a robust banking sector and high levels of trade. However, with the compounding effects of political tensions, corruption, and instability, the Lebanese pound experienced the highest devaluation to date, accompanied by inflation which hindered citizens from meeting their basic needs.

From a business perspective, and particularly for small and medium-sized enterprises (SMEs), the situation has not only challenged their financial continuity but also their ability to compete with other more financially-abled companies, their alignment with market trends, and their access to resources (Makdissi et al., 2024). As a result of the multifaceted crisis, Lebanese entrepreneurs are unable to balance the difference in exchange rates and scarcity of foreign currency – particularly the US dollar – and have to navigate regulatory uncertainties that affected their purchasing power and development potential. Nevertheless, even with these challenges, some Lebanese entrepreneurs were able to navigate this complex reality and adapt to the new conditions of the market (Hamdar et al., 2017).

Hallegate (2014) in an official policy research paper defined economic resilience as an economy's ability to revert back to its original condition and functions after being affected by a crisis. This concept aims at helping regions be better prepared to anticipate, navigate, and bounce back from various types of shocks and disruptions that can impact their development and stability. For Lebanon, this concept emerges as a core pillar from a business perspective, as it aids businesses achieve resilience post-crisis, contributing to the current literature on post-crisis rehabilitation and yielding practical implications for relevant stakeholders in policy-making and recovery strategies.

Across the literature, empirical evidence concerning economic resilience show that key factors like adaptive leadership, access to resources, organizational agility, and technological development are essential to help businesses navigate times of crises and bounce back to their original state (Dajani & Ahmed, 2022; Saezow & Sukhabot, 2025; Sott & Bender, 2025). However, the literature is scarce when it comes to the specific scope of Lebanon, a developing economy with unique political, social, and economic conditions. Therefore, bridging this gap by focusing on strategies, challenges and success factors associated with economic resilience in Lebanese businesses post-crisis is essential to highlight the core significance of resilience.

Significance of the Study

This study presents multifaceted economic, social, and political significance. First, this study highlights key insights and strategies that can aid Lebanese entrepreneurs in building economic resilience when faced with multi-layered crises in Lebanon, allowing them to expect and navigate future crises more efficiently.

Second, this study is also significant because it helps relevant stakeholders like policymakers, Lebanese entrepreneurs, and governmental entities develop robust resilience mechanisms to create relevant resilience mechanisms during times of crises. With the evidence-based insights associated with this study, targeted interventions like regulatory reforms and risk assessment mechanisms can be generated to help Lebanese businesses during times of crisis.

Third, while this study acknowledges the widespread use and application of the “economic resilience” concept, its application in the Lebanese setting is still underexplored. With the highly volatile conditions that are faced by Lebanese businesses, understanding this concept and knowing how to apply it is essential to help entrepreneurs recuperate after a crisis and contribute to national economic recovery.

Last but not least, this study contributes to the socio-economic development of the Lebanese business sector, especially with the identified opportunities that can help relevant stakeholders create jobs, innovative approaches, and new ways to approach a crisis. By focusing on resilience methods, this study helps the process of economic rebuilding in Lebanon, despite the significant challenging contexts.

Research Questions

The purpose of this study is to address economic resilience in Lebanon post-crisis from a business perspective, identifying key strategies and opportunities that can help Lebanese entrepreneurs overcome the imposed challenges of this situation. Based on this view, the following main research question is created:

How do businesses in post-crisis Lebanon demonstrate economic resilience and adapt to ongoing challenges?

Building on this research question, the following sub-questions are created to tackle all of its dimensions:

Table 1. Research Sub-Questions.

Research Sub-Questions	
1.	What are the key internal and external factors influencing business resilience in Lebanon?
2.	What strategies have entrepreneurs implemented to ensure business continuity and growth?
3.	How do businesses leverage innovation, technology, and networks to overcome economic challenges?
4.	What role do government policies, financial institutions, and support programs play in supporting business resilience?
5.	How do Lebanese businesses measure and evaluate their resilience and preparedness for future crises?

These sub-questions are crafted to understand resilience strategies employed at the strategic and operational level of the organization, also considering key external contributors like technological advancement, governmental policies, and financial institutions to understand this context.

Study Aims and Objectives

The primary aim of this study is to highlight key economic resilience strategies that are employed by Lebanese organization after the multifaceted crisis that affected the country. This is to identify key strategies and opportunities for Lebanese businesses, helping them overcome key challenges and sustain successful operations despite external pressures.

Table 2. Research Objectives.

Objective Number	Objective
1	To identify the key internal and external factors that influence the economic resilience of businesses in post-crisis Lebanon.
2	To examine the strategies and practices adopted by entrepreneurs to ensure business continuity and adaptability.

3	To assess the role of innovation, technology adoption, and network utilization in enhancing business resilience.
4	To evaluate the impact of government policies, financial support programs, and institutional frameworks on business survival and growth.
5	To provide recommendations for entrepreneurs, policymakers, and stakeholders to strengthen economic resilience in Lebanon.

LITERATURE REVIEW

Understanding Economic Resilience

In an official World Trade Policy development report, Rose (2010) defined resilience from a general perspective and from an economic-focused point of view. Generally, resilience is the ability of a system to keep its function when shocked. Economically, this concept can be defined as the efficient use of remaining or available resources to maximize production/operations during challenging times. Hallegatte (2014) further added to this definition, specifying that economic resilience also encompasses the ability to restructure and rebuild depending on changing conditions. When applied to the business context, this concept describes how companies can navigate challenging conditions by adapting their operations and working on their flexibility and adaptability to maximize their resources and optimize their outcomes (Kalogiannidis et al., 2022).

Across the literature, several academics have highlighted the importance of economic resilience, not only to withstand the challenges and difficulties imposed by external pressures but to turn this period to opportunities for innovation and sustainable growth. For example, Bachtiar et al. (2023) revealed that a business needs capability and strategy to survive, with resilience being a core element during times of crisis. The study highlighted three major stages in the resilience process: awareness, adaptation, and action. These stages were concluded as indispensable for achieving sustainable growth and capitalizing on new opportunities despite the hardships. Similarly, Jackson and Ferris (2015) add to this argument by highlighting an essential comparison of perspectives between proactive and reactive resilience. According to the authors, proactive initiatives involve strategic steps that cover planning, investment, and changes in operations. As for reactive mechanisms, they include quick and efficient adjustments that resolve issues associated with operational disruptions.

A recent report by the World Bank Group (2022) has highlighted the impact of COVID-19 pandemic and global political and social inequalities on developing economies and particularly small to medium enterprises (SMEs). After what was described by the report as “the largest global economic crisis in more than a century”, economic resilience became more important than ever, determining whether these businesses can survive, adjust, and move forward despite the global crisis. Ermawati (2025) further emphasize the added challenges faced by SMEs compared to bigger companies, especially concerning the limited financial resources, institutional support, and ability to access the needed resources. Therefore, applying and understanding resilience in these contexts becomes essential for such organizations.

Factors Influencing Business Resilience

Across the literature, researchers have highlighted two types of factors, internal and external, that affect and shape the resilience strategies and approaches adopted by businesses during times of crisis. This section of the review addresses both types, including key factors like leadership practices, innovation, financial planning, and collaboration.

Internal Factors

The first internal factor highlighted by Chiwisa (2024) is leadership. The author highlighted that while there is no one-size-fits all to effective leadership in times of crisis due to the individuality of each company and its operations, adaptive leadership is essential to foster a culture of innovation and advancement. Musaigwa (2023) further add to this argument, stating that leaders who focus on creating appropriate contingency plans and risk assessment strategies to predict change and adopt a proactive approach during challenging times can effectively and efficiently advance the company and reallocate the company's resources accordingly.

Strategic adaptation is another key enabler of economic resilience. Researchers Saah et al. (2024) asserted that SMEs are the backbone and the main stimulus of economic development of their respective economies and global markets as well. Focusing on SME owners and managers in South Africa, the authors revealed that adaptive management is key to enhance resilience and growth of SMEs in today's highly unpredictable and dynamic business environment. Joussen et al. (2024) further added to this argument, stating that poor adaptation in a company would inevitably lead to the failure of the business. Their findings imply that the adoption of adaptive management

principles allows SMEs to navigate through uncertainties better and capitalize on new opportunities, showing resilience abilities.

Another component that is commonly highlighted by academics as an internal factor is financial planning and effective resource management. Starting with Okeke et al. (2024), the authors highlighted the role of SMEs as vital contributors to global economies, despite their added financial challenges that threaten their sustainable stability. The authors highlighted two key financial and resource planning strategies: strategic budgeting and revenue management. The study revealed that strategic budgeting initiatives like zero-based budgeting, activity-based budgeting and rolling budgets are essential to help SMEs allocate their resources in a flexible manner and ensure that their cash flow management is optimized. Meanwhile, the authors highlighted key revenue management strategies like the use of pricing approaches, sales channel diversification and customer segmentation to optimize the company's revenue streams and maximize profitability during sensitive times. Similarly, Satpathy et al. (2024) further stress on the importance of such strategies in creating dynamic forecasting models that help SMEs predict financial challenges and be ready to make informed decisions. By focusing on this interplay, SMEs can better manage risks and achieve financial predictability.

The last internal factor that was emphasized across the literature is innovation and technology. Academics Awad and Martín-Rojas (2024) stressed that digital transformation is a key enabler for resilience, as these technologies can facilitate organizational learning and innovation, subsequently augmenting the resilience of SMEs. A focused study by Merhej and Baroud (2020) on the fragile economy of Lebanon reveals that technology and digital economy are key for the country's recovery after the economic crisis and the COVID-19 pandemic. Innovation can aid SMEs in Lebanon by giving them the competitive advantage needed to develop their digital presence, transcending the local economy and its restraints.

External Factors

Next, the literature also highlights key external factors that influence business resilience. For example, the empirical findings by Wulf and Butel (2017) show that sharing knowledge between partners in collaborative relationships can strengthen resilience and support strategic decision-making, especially in relation to innovation management and business sustainability. The authors found that an organization's network position and connections, as well as the governance and richness of its business ecosystem in the industry can affect its ability to share knowledge, innovate, and therefore build strong resilience. Hafeez et al. (2025) focus on the case of SMEs, highlighting their ability to benefit from industry networks and network actors' collaborations to optimize their knowledge exploration and exploitation, allowing them to be better equipped for supply chain disruptions.

Another key external factor highlighted across the literature involves government policies and institutional support. For example, Crawford et al. (2023) emphasize the importance of external institutional support, mainly through financial incentives, regulatory support, and jurisdictional policies to help companies, and particularly SMEs manage challenging crises. The authors also emphasized the importance of fostering greater awareness among SMEs to optimize access to existing financial incentives from the government. However, researcher Schinasi (2006) in an official report for the International Money Fund (IMF) warned from the negative repercussions associated with weak governance and lack of governmental financial stability on business resilience. The author argued that without the proper policy coordination, companies and entrepreneurs risk being left without the proper institutional support, leading to fragmented access to resources and risks of failure during challenging times.

Last but not least, one of the most impactful external factors, especially in the case of Lebanon, is the access to finance and banking stability. As explained by Michelson (2025) and Hoffman et al. (2022), credit availability is crucial for businesses during a financial crisis, as it can help them sustain their operations long enough to overcome this obstacle. This factor is particularly relatable in the Lebanese context, as the Lebanese banking sector has experienced an unprecedented collapse that debilitated its ability to provide capital for companies. As a result, businesses have struggled to access their own savings, or apply to loans to aid their financial situation.

Business Resilience in Post-Crisis Contexts: Lebanon

In Lebanon, the 2019-2020 financial collapse and the 2020 Beirut Port explosion have led to serious strains for operating businesses in the region. Al Maalouf and Mouawad (2025) introduced a dynamic resilience model that focuses on operational flexibility, technological adaptation, and strategic diversification to help Lebanese businesses build supply chain resilience and capitalize on new market opportunities that can trigger innovation and reform.

The UNDP (2021) also detailed the harsh conditions imposed on Lebanese businesses during the financial crisis and following the 2020 explosion, explaining that managers and entrepreneurs had to reinvent their operations, relying on internal adjustments that included cost-cutting, flexible employment measures, and local sourcing, all to optimize their capital and try to diminish additional costs that hinder their operations.

A report by the World Bank (2022) further added to this argument, highlighting that the dual economic impact of the COVID-19 outbreak alongside the massive explosion in the Port of Beirut in 2020 have led to the plummeting of Lebanon's nominal GDP from approximately USD52 billion in 2019 to USD23.1 billion in 2021, marking an unprecedented financial crisis that affected citizens' disposable incomes. As a result, resilience in the business sector got affected, leading to the closure of thousands of businesses due to internal and external uncertainties.

Nonetheless, empirical studies across the literature concerning economic resilience in post-crisis context focusing on Lebanon are still lacking, especially concerning the relationship between strategies, opportunities, and potential challenges.

Gaps in the Literature and Hypotheses Development

The literature review surrounding the concept of economic resilience of businesses in post-crisis Lebanon remains underexplored and limited. The literature addresses economic resilience as an isolated concept thoroughly, also tackling key internal and external approaches to ensure resilience in SMEs. However, the available empirical evidence lacks a focused view on the unique scope of Lebanon, which presents critical economic, political, and social conditions that prompt further investigation to understand the factors impacting business sustainability. The majority of the literature focuses on SMEs in developed economies, equipped with robust structural and institutional support that help entrepreneurs navigate challenging times of crisis. In addition, resilience factors are prominently discussed in isolation rather than being combined under a single framework that focuses on the internal and external types.

Building on these identified gaps, this study aims at focus on economic resilience in SMEs in post-crisis Lebanon to identify key strategies, collaborations, and challenges that may hinder their ability to recuperate after challenging times of crisis.

Therefore, the following research hypotheses are crafted to address the identified gaps:

Table 3. Research Hypotheses.

Hypothesis	Description / Focus
H1	Businesses in Lebanon that adapt their strategies are more likely to demonstrate resilience in a post-crisis environment.
H2	Collaboration with other businesses or networks positively influences business resilience.
H3	Access to government policies, financial support, or institutional programs improves business sustainability.

METHODOLOGY

Research Design

This study adopts a mixed-methods approach to tackle this multi-layered topic, using a quantitative survey and qualitative semi-structured interviews. This mixed approach ensures that the insights generated are multifaceted, supported by statistically relevant analyses and in-depth explorations and perspectives pertaining to the research questions.

Target Population and Sampling Strategy

For the quantitative aspect of this study, 100 small and medium business owners, entrepreneurs and self-employed individuals are recruited. As for the qualitative aspect of the study, 8 semi-structured interviews were conducted with relevant stakeholders in the field: 2 policymaker/governmental officials, 2 banking representatives, 2 business owners, and 2 industry association leaders.

To generate actionable recommendations and evidence-based insights, this study leveraged a purposive sampling strategy to recruit participants. This approach ensures that the chosen participants are knowledgeable and have the appropriate experience related to the complex topic at hand.

Data Collection Tool and Variables Measured

Quantitative Data Collection

The quantitative survey featured two major sections: Section A for demographics and Section B related to business resilience strategies. The Likert-scale survey targeted the following variables:

Table 4. Quantitative Variables.

Category	Variables Included	Reason for Use
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1. Business Resilience Capacity	Maintaining operations, financial planning, adaptability, innovation	To assess the internal factors and strategies enabling businesses to survive and adapt in a post-crisis environment.
2. Strategic Adaptation	Introduction of new products/services, strategic pivots, cost management	To measure how proactive strategies contribute to business sustainability.
3. External Support and Networks	Collaboration with other businesses, engagement with networks, government policies and programs	To evaluate the influence of external factors and social capital on resilience.
4. Socio-Economic Impact	Contribution to local employment, perceived role in economic stability	To capture businesses' broader impact on the local economy and community development.

Qualitative Data Collection

The quantitative data was complemented with subjective insights captured from semi-structured interviews with eight relevant stakeholders in the field. The interviews lasted fifteen minutes each and were conducted either in person or virtually depending on participants' preferences with consented recording. Three major questions led the discussion:

Table 5. Interview Questions.

Interview Questions
1. How has the post-crisis environment in Lebanon affected businesses and what challenges have they faced?
2. What strategies, adaptations, or support mechanisms have been most effective in enhancing business resilience?
3. How do you perceive the role of networks, government policies, financial institutions, or other external factors in supporting business sustainability and preparedness for future crises?

Data Analysis

Statistical analyses using SPSS was employed to analyze the data collected from the quantitative surveys, focusing on descriptive statistics and inferential tests such as correlation and regression analyses. As for the qualitative insights, they underwent a thematic analysis to highlight key themes and patterns that further support the statistical findings.

Ethical Considerations

With the presence of human participants, this study was careful to adhere to the highest ethical guidelines. All participants were required to sign a mandatory informed consent that ensured their voluntary participation in the study. All data collected was also kept anonymous and confidential. Lastly, participants were made aware of the study's purpose, intervention, and their ability to withdraw at any point without facing repercussions.

RESULTS AND FINDINGS

In this section of the analysis, the quantitative and qualitative insights generated from the study are laid out, aiming at providing a clear understanding of economic resilience in businesses post-crisis in Lebanon.

Quantitative Findings

Descriptive Statistics

To begin with, Table 6 below shows that the majority of the SME owners and entrepreneurs are in the service (42%) and retail (34%) sectors, with a smaller percentage operating in manufacturing and agriculture, reflecting a more service-driven economy. In terms of experience, the majority of participants have been active in their respective sectors for 1-3 years, highlighting the fact that they launched operations post-crisis. In addition, 27% of the participants have operated for over 7 years, also showing resilience despite the hardships.

Table 6. Descriptive Findings.

Category	Variable	Frequency	Percentage (%)
Type of Business	Services	42	42.0
	Retail	34	34.0
	Manufacturing	13	13.0
	Other	8	8.0
	Agriculture	3	3.0
Years in Operation	1-3 years	38	38.0
	7+ years	27	27.0
	4-6 years	26	26.0

	<1 year	9	9.0
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Reliability

Next, the quantitative findings addressed the reliability of the scales, demonstrating good to excellent internal consistency with acceptable Cronbach's Alpha values. Out of all the scales, the internal factors were the most reliable ($\alpha = 0.871$), while the overall survey showed moderate reliability ($\alpha = 0.599$), suggesting acceptable consistency for the results.

Table 7. Reliability Findings.

Scale	Cronbach's Alpha	No. of Items	Interpretation
All Items (Overall Survey)	0.599	12	Moderate reliability
Internal Factors	0.871	4	Excellent reliability
Strategic Adaptation	0.784	2	Good reliability
Innovation Networks	0.782	2	Good reliability
External Support	0.841	2	Very good reliability

Factor Analysis

The study then carried out a factor analysis (Table 8). The results showed that the data is suitable for dimensional reduction ($KMO = 0.668$; Bartlett's $p < .001$). The five components: operational stability, financial planning, adaptation strategies, external support, and crisis preparedness represent almost 80% of the total variance, showing the core elements of SMEs' economic resilience in Lebanon post-crisis.

Table 8 below that the items with strongest loadings are "Crisis Planning" (0.978), "Banking Support" (0.913), and "Technology Adoption" (0.908), suggesting their importance in sustaining resilience post-crisis. in addition, the mean score of 3.82 for "Overall Resilience" highlights the strong ability of Lebanese SMEs to adapt their operations post-crisis.

Table 8. Factor Analysis Findings.

Test / Output	Key Result	Interpretation
KMO Measure	0.668	Moderate sampling adequacy; suitable for factor analysis
Bartlett's Test of Sphericity	$\chi^2 (66) = 456.553, p < .001$	Significant – data appropriate for factor extraction
No. of Components Extracted	5	Five key underlying factors identified
Cumulative Variance Explained	79.68%	Strong total variance captured by extracted factors
Highest Factor Loadings	Q11 (Crisis Planning = .978), Q6 (Technology Adoption = .908), Q9 (Banking Support = .913)	Strong indicators of their respective factors
Overall Resilience (Descriptive)	Mean = 3.82, SD = 0.59	Respondents show moderately high resilience

Regression Statistics

Starting with the regression model, the findings confirmed its significance ($F (5,94) = 13.072, p < .001$), explaining 41% of the variance in overall resilience among Lebanese SMEs (Table 9).

Table 9. Model Summary.

Model Statistics	Value	Interpretation
R	0.640	Moderate positive relationship between predictors and resilience
R Square	0.410	Model explains 41% of the variance in overall resilience
Adjusted R Square	0.379	Indicates good model fit
F (5, 94)	13.072, $p < .001$	Model is statistically significant
Std. Error of Estimate	0.467	Acceptable prediction accuracy
Collinearity (VIF)	1.02–1.05	No multicollinearity issues

For the regression results, the strongest predictors of resilience were marked as "Strategic Adaptation" ($\beta = 0.429, p < .001$) and "External Support" ($\beta = 0.400, p < .001$), suggesting that adaptive strategies and institutional support are key elements to help companies adapt and stay resilience after going through a crisis. The results also highlighted "Innovation Networks" and "Preparedness" as secondary yet supportive roles with marginal

significance ($p=.050$). In addition, “Internal Factors” did not yield statistically significant results, suggesting that a company’s internal operations alone are not enough to help a company overcome challenges and guarantee resilience, needing added factors like external collaboration and adaptive strategies.

Table 10. Regression Findings.

Predictor Variable	B	Beta	t	Sig.	Interpretation
Internal Factors	0.021	0.019	0.230	0.819	Not significant
Strategic Adaptation	0.452	0.429	5.275	0.000	Strong positive effect
Innovation Networks	0.174	0.160	1.972	0.050	Marginally significant
External Support	0.362	0.400	4.980	0.000	Strong positive effect
Preparedness	0.153	0.154	1.924	0.050	Marginally significant

Qualitative Findings

To complement the quantitative findings and add depth to the insights generated from this study, qualitative interviews with eight different stakeholders related to SMEs in Lebanon were interviewed: two policymakers, two banking representatives, two business owners, and two industry association leaders. The interviews generated three major themes that are discussed in this section: Challenges faced in the post-crisis environment, adaptive strategies for resilience, and the role of external support systems.

Challenges in the Post-Crisis Environment

All interviewed participants acknowledged that their businesses have been seriously affected and hindered by the Lebanese crisis, highlighting key challenges like inflation, limited access to capital, lack of trust in institutions, and currency devaluation. For example, a business owner highlighted that: “after the financial crisis in 2019 and the major inflation that hit our country, I was unable to sustain my operations because not only I had a limited cashflow but I also couldn’t plan ahead due to constant price changes. One day we would wake up with the Lebanese Pound exchanged at a rate and the next day it’s a completely different rate. This affected our profitability and sales”.

Another notable challenge, financial instability, was mainly highlighted by banking representatives. One respondent shared that “a lot of businesses in Lebanon lost their accounts due to the financial collapse that hit Lebanese banks. We couldn’t provide businessowners with their own savings and money, leading to serious tension and pressure in the sector. How can you tell a business owner who worked their entire life to save money that they don’t have access to it anymore? Chaotic is the least I can say about the situation”.

Last but not least, regulatory uncertainties and a lack of governmental strategies were also highlighted as key challenges. For example, one government official argued that “the country lacks contingency planning or risk mitigation strategies that can help companies, especially SMEs, survive during times of crisis. As a result, many business owners had to depend on themselves to overcome their operational problems, and not all them succeeded”.

Adaptive Strategies and Resilience

Nevertheless, despite the major challenges and problems that affected Lebanese entrepreneurs and SMEs, all of them described adaptive strategies that allowed them to rebuild and recuperate after the crisis, and maintain resilience even with ongoing issues. One industry leader specified that “I realized that there is no one to help me. If I wanted to succeed, I needed to figure out a solution on my own. This is why the first thing I did was shift my operations to remote work completely, cutting down major costs of operations. I also realized that during this time, I cannot expand my operations to reach new customers, so I had to work on retaining my existing ones in the meantime to stay operating while the situation subsides”.

Another key strategy involved innovation and collaboration. For an entrepreneur in retail, “I reached out to my peers and fellow businesspeople across the industry, aiming at joining forces by combining and sharing resources, workspaces, and any other asset to survive during this time”. A banking representative further added to this argument, stating that “the bank I work for started creating individualized and informal payment plans to help customers navigate their cash flow management without affecting the bank’s reserves. This strategy went against traditional methods but was fundamental to avoid problems on both ends”.

The Role of External Support and Networks

Lastly, participants addressed the importance of having external support after enduring a crisis, but also agreed on its limited role. A government policymaker stated the following: “during and after the crisis, companies in Lebanon and especially SMEs are still looking for the appropriate support to help them regain their full capacity and re-build their operations. While some companies were lucky to receive the support of international

organizations, a lot of SMEs did not. This proves the importance of having a structured policy that calls for national support, created to aid companies in Lebanon after experiencing what I consider the worst financial crisis to date". In addition, both banking representatives highlighted the remaining financial instability that is still affecting banks. One participant noted: "our banks are still recovering from the crisis, that is still not completely over. Other than liquidity problem, banks are suffering from the lack of trust by their respective depositors and clients, which are making the system paralyzed despite efforts to become flexible again". An industry association leader added that "we helped each other out. Not one governmental institution was able to secure the help and resources needed to sustain business's operations in Lebanon".

Last but not least, a business owner in the service industry concluded with a key note: "we are currently still recovering from the financial crisis that started in 2019. We are not ready for another one. This is why we desperately need different types of safety nates like policies or collaborations to ensure that if it happens again, our businesses will be able to navigate the challenges better".

DISCUSSION AND IMPLICATIONS

In this section of the study, the three major hypotheses previously delineated are evaluated and either rejected or validated.

Validation/Rejection of Hypotheses

H1: Businesses that adapt their strategies are more likely to demonstrate resilience (Validated).

Starting with H1, both quantitative and qualitative findings support the hypothesis. Starting with the quantitative findings, the results showed there is a statistically significant and positive relationship between "Strategic Adaptation" and "Overall Resilience", confirming that the businesses which adjusted their operations according to the imposed market conditions were able to show better resilience. This argument was also supported by the qualitative interviews, especially with participants' praise of strategic adaptation as a key enabler for economic resilience in SMEs in Lebanon. Key strategic adaptation strategies involved shifting to remote work, digital transformation, reaching out to peers and colleagues in the industry for shared resources, innovation, and resource optimization. These findings are also aligned with the findings generated by Saah et al. (2024) and Joussen et al. (2024), leading to the validation of H1.

H2: Collaboration with other businesses or networks positively influences business resilience (Validated).

For H2, the quantitative findings showed that "Innovative Networks" has a positive and borderline significant effect, suggesting that partnering up and collaborating with other businesses and networks can help businesses achieve economic resilience. The qualitative interviews focused more on this topic, with participants describing that collaboration between companies during the financial crisis has helped SMEs stay resilient, combine forces, and avoid irreversible damage to their operations. These findings were also in line with existing literature, especially the findings by Wulf and Butel (2017) and Hafeez et al. (2025), leading to the validation of H2.

H3: Access to government policies, financial support, or institutional programs improves business sustainability (Validated).

Last but not least, the quantitative findings revealed that the "External Support" variable showed one of the strongest impacts on resilience ($\beta = 0.400$, $p < 0.001$), suggesting that government policies, financial support, and institutional programs are all key strategies to help businesses in Lebanon achieve higher resilience levels. In addition, the qualitative interviews also affirmed this argument, with participants emphasizing that formal support systems are needed to help businesses redirect their operations and achieve a successful recuperation plan. While informal support was achieved between SME owners and entrepreneurs, official external support is still highly needed. This is also aligned with the literature, especially with the findings by Crawford et al. (2023) and Schinasi (2006), leading to the validation of H3.

Implications

For Policymakers

Starting with policymakers, the findings of this study imply that there is an urgent need to develop institutional frameworks that help SMEs and entrepreneurs in Lebanon recuperate their operations after a crisis, mainly through strategic adaptation approaches and network collaboration. Policymakers are expected to create targeted interventions that help SMEs navigate the fragile phase post-crisis, mainly through transparency, financial support, digital transformation, and advanced administrative initiatives that make access to resources easier.

For Businesses and Industry Associations

The findings also generated reliable implications for businesses and industry associations. In this case, businesses in Lebanon are expected to adopt flexible and adaptive leadership as a core pillar in their operations. This approach involves constantly being up-to-date on the latest industry trends, market changes, economic fluctuations, and any significant change related to the business operations. By doing so, companies can establish solid contingency plans based on innovation and be better prepared to navigate any type of obstacle. Collaboration and networking can also be used as strategies, making companies better equipped to withstand any problem.

For Financial Institutions

Lastly, economic resilience is not achieved without the support of financial institutions. Based on the findings of this study, Lebanese financial institutions like banks and consultancy firms are invited to focus on creating more innovative credit solutions, mainly focusing on individualized payment strategy, re-evaluated interest rates, crisis-related loans, and more. These approaches can be used as a safety net for businesses, especially SMEs with limited capital and resources.

CONCLUSION

Summary of Key Findings

This study explored the key factors influencing business resilience in post-crisis Lebanon through a mixed-methods approach that combined survey data with semi-structured interviews. The findings revealed that strategic adaptation, external support, preparedness, and innovation networks significantly enhance business resilience, while internal factors alone do not have a meaningful effect. The quantitative results showed that these variables jointly explained 41% of the variance in resilience, underscoring their collective importance. The qualitative findings reinforced this by highlighting how businesses that adapted quickly, built collaborative networks, and accessed institutional or financial support were better able to survive and recover.

The research validated all three hypotheses. H1 confirmed that businesses adopting flexible and adaptive strategies demonstrated higher resilience. H2 showed that collaboration and networking provided critical support during times of crisis, though their impact was somewhat dependent on access to resources. H3 established that external support from government, banks, or international organizations was essential for sustainability, even if access remained uneven across sectors.

Limitations of the Study

However, the study had several limitations. The sample size was relatively small, and the focus was limited to specific business sectors, which may restrict the generalizability of results. The reliance on self-reported data also introduces potential response bias. Additionally, the short duration of interviews may have limited the depth of qualitative insights.

Future Research

Studies conducted in the future can feature a more diversified sample of companies, potentially featuring larger organizations to highlight the differences and similarities in their approach to any given crisis. Broadening the scope of the study beyond Lebanon is also important, especially with a global economic crisis that affect any market or country. Future research also ought to study the mediating impact of key factors like digital transformation or innovation-led culture in building a resilient front in the face of any crisis.

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