ESSAY

Crisis leadership towards entrepreneurial success: a Sri Lankan perspective [version 1; peer review: awaiting peer review]

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Abstract
Modern business environments are characterized by regular crises, and much attention is paid to understanding why certain individuals and businesses endure while others do not. It has been the entrepreneurial ability to see a crisis as an opportunity that has led to many successful business stories emerging from adversity, such as the recent coronavirus disease (COVID-19) pandemic. Much of the discussion on the subject centres on the abilities and some essential attributes found in leaders and entrepreneurs. Their ability to face such problems is explored in the context of two cases reported in Sri Lanka. The essay's primary goal is to shed light on entrepreneurs’ mindsets and how such leaders can contribute their experiences and other skill sets such as creative thinking and innovative problem-solving skills, to starting a new business. The essay concludes by attempting to provide some guidance on the widely contested question of whether entrepreneurs are born or produced in the context of a crisis.

Keywords
Crisis management, Crisis leadership, Entrepreneurship, COVID-19, Resilience

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Introduction
This essay explores the significance of crisis leadership and its role in developing entrepreneurship in difficult situations such as an economic crisis or political unrest. It attempts to start a discussion about how Sri Lanka’s most recent economic crisis turned into a political catastrophe. This is discussed through the lens of a few major entrepreneurs and their journey to resurrect their separate firms by launching fresh projects to capitalize on the crisis. Tsunamis, the global financial crisis, and, most recently, the coronavirus disease (COVID-19) pandemic have all occurred in the last few decades (Jebabli et al., 2022; Wu et al., 2021). They have devastating effects on individuals and entire economies, making it difficult to recover and return to normalcy (Jones & Comfort, 2020; Maritz et al., 2020). Often, such crises focus attention on the role of leadership and entrepreneurship in reforming and rearranging organisations to survive and thrive in the face of adversity (Balasubramanian & Fernandes, 2022). This is a critical point because, if the leaders fail to identify the major threat of crisis, the situation may escalate, the organization’s survival will be jeopardized, and permanent damage will be done to the business stakeholders (Wu et al., 2021). This was recently put to the test on a global scale with the pandemic and its catastrophic consequences seen in both developed and developing countries (Rodela et al., 2020; Shrestha et al., 2020).

From an economic standpoint, one of the most destructive aspects of COVID-19 has been the spillover effects it has had on various local economies, leading to a huge economic catastrophe (Lucchesi & Piazza, 2020; Ozili & Arun, 2023). Even though it was a worldwide occurrence, Sri Lanka is regarded as the first country to experience a financial catastrophe following a pandemic (Elliot, 2022). Despite the hurdles, evidence is emerging in Sri Lanka of individuals who discovered ways to survive through their entrepreneurial ability and inventiveness (Koswatte & Gallage, 2022). The purpose of this essay is to analyse these issues in the setting of Sri Lanka, as well as the role of crisis leadership in achieving success. The essay narrates the journey of two key entrepreneurs emerging in Sri Lanka during the pandemic as a base for discussing the arguments and challenges, and how crisis leadership provides a solution to overcome such hardships.

Crisis Leadership
A leader is not limited to the top of an organizational chart, as we all lead at various stages in our life, whether at home, in communities, or in our careers (Forster et al., 2020). Leaders are constantly expected to guide and demonstrate the path for their followers in a variety of situations. However, compared to regular events and commercial activities, a crisis is frequently described as an exceptional and unexpected event that does not occur frequently, which implies that organisations and their leaders have a limited amount of time to prepare (Wu et al., 2021). Natural disasters (tornadoes, hurricanes, floods) or man-made disasters (terrorist actions, industrial disasters) are extreme tests of individuals’ or societies’ ability to withstand unanticipated shocks (Stern, 2013). As much as it is necessary to recognise that crises have a negative influence on most persons and businesses, there is a need to investigate what causes some businesses to survive and evolve in order to grow stronger for the future in the face of such turbulence (Osiyevskyy et al., 2023). Crises are getting more complicated and difficult to overcome, and combating these forces must begin with the leaders themselves (Hahang et al., 2022). This is a crucial distinction. As much as you strive to identify and resolve external challenges and threats, it is critical to grasp the inner circuitry around a leader’s function and decision-making process under stressful situations. In this situation, the position of a leader, as well as their characteristics and behaviour patterns, are called into question. For example, whether a leader demonstrates empathy and compassion to subordinates during a crisis and other characteristics such as charisma, strategic thinking, and so on are investigated to create a comprehensive picture of such persons (DuBrin, 2013). This is also recognised as a crucial quality of crisis leadership, along with quick and open communication, prioritised decision-making, and the ability to create trust, all of which are recognised as important variables for crisis leadership to sustain (Kim, 2021).

An intriguing debate surrounding crisis leadership is whether leaders are expected to have pre-determined strategies and actions to tackle a crisis or whether it is a matter of the leader’s mindset to learn in real time and plan ahead (D’Auria & de Smet, 2020). This issue is especially pertinent in the context of developing countries, as previous data have demonstrated the need for pre-emptive preparedness to minimise harm, as well as a thorough grasp of the current situation to make key decisions under pressure (Wisittigars & Siengthai, 2019). This is an important dimension as the distinction of regions is also impacted by the respective historical and cultural contexts, which either enhance or hinder the ability of respective nations to respond to a scenario (Nguyen et al., 2022). In the view of real-time learning through crisis, scholars have given interest to the idea of ‘sensemaking,’ identified as a combination of a simplified mental picture of the situation coupled with the managerial expertise required to deal with the identified uncertainty (Osiyevskyy et al., 2023).

Crisis Entrepreneurship
Although a crisis is frequently perceived as a frequent event in today’s corporate climate, significant focus is made to how a crisis might be viewed as an opportunity. Much of the prior research on leadership and entrepreneurship has revealed surprising parallels and overlaps in the two disciplines of study (Antonakis & Autio, 2014; Coghiser & Brigham, 2004; Vecchio, 2003). However, in the context of the COVID-19 pandemic, there has been substantial discussion about how entrepreneurs might apply pandemic learnings to discover new solutions to these difficult circumstances (Sharma et al., 2022). Current evidence indicates an intriguing trend in entrepreneurship in the setting of the pandemic, but it is still unclear if pandemic start-ups were a result of the pandemic, or whether they were resilient or opportunity-motivated businesses (Kuckertz, 2021).
Entrepreneurs frequently see tragedy as an opportunity because they are optimistic people who believe in creative and inventive solutions to overcome adversity (Papaioikonomou et al., 2012). This is related to the psychology of entrepreneurs, who are considered to be optimistic as well as overconfident in their skills and ideas, which has been found to lead to more success than failure (Fatma et al., 2021). This personality trait seen in entrepreneurs is exaggerated in the context of a mega-crisis such as the pandemic, as it also taps into more complex variables such as self-efficacy and resilience, as well as individuals’ social networking ability to be resourceful in testing situations (Matharu & Juneja, 2021; Sharma et al., 2010). Personality traits are important since the pandemic is unlike any other crises in that it has radically transformed the movement of commodities and people, which not only poses new hurdles but may also lead to the discovery of previously undiscovered and unheard opportunities (Harima, 2022). The next part will go over the two case studies that were identified in the context of Sri Lanka during the COVID-19 era.

**Case study 1 - Celeste Daily**
The first case of Celeste, the now famous fresh produce business from Sri Lanka, is one such venture that was established by the entrepreneur Janik Jayasuriya and has been described as an unplanned business that was driven out of necessity (Naveed, 2022). The COVID-19 pandemic affected numerous industries, including the hospitality industry, in which Janik was already involved. His hotel workers were left with little to no work, and the lack of mobility due to lockdowns exacerbated the issue. The hotels in the Nuweraeliya district had their own farms and vegetable gardens, so he decided to start shipping fresh produce to the capital, Colombo, as a community service programme during the pandemic. The effort quickly became known as a trustworthy source of fresh produce thanks to rapid word-of-mouth marketing, and the spike in demand became known as a trustworthy source of fresh produce thanks to rapid word-of-mouth marketing, and the spike in demand forced him to invest in a fully working online supermarket as well as expand into a retail location (Chandrasekara, 2022). As highlighted by Janik, if they hadn’t recognised that recovery from the pandemic was not immediate and hadn’t taken the initiative to turn the social responsibility act into a commercial venture, Celeste would not have existed by now. He puts it down to the ability to spot that market opportunity and evolve his hospitality business into a fresh produce one, which was the success behind this ‘expected’ start-up (Naveed, 2022).

**Case study 2 - Cocktails with Valerie**
The second case study, also from Sri Lanka, is in the category of women’s entrepreneurship. It is about Sasala Dissanayake, the woman who created Cocktails with Valerie. After 15 years in corporate life, Sasala intended to retire and establish her own business, but owing to the 2019 Easter Bombings in Sri Lanka and COVID-19 lockdowns, she had to cancel all of her plans and stay at home. During the lockdown, out of boredom, she began experimenting with cocktail preparation by instructing herself from YouTube videos and Google recipes. Despite her love of photography, she uploaded all of the photographs of the cocktails she prepared, along with the receipts, on her personal Instagram account, because she had to change the originals to match the components. This increased the visibility of her work, and the inclusion of regional flavour made it more intriguing and distinctive. Many of these flavours could be available in any Sri Lankan home garden, and many individuals could test the dishes at home during the lockdown. She was inspired to start “Cocktails with Valerie” after receiving an invitation for her to be a vendor in a pop-up sale called “Valerie Drive”. Due to her visibility all over the internet during the lockdown, she attracted a substantial number of customers for her business after she started one on her own. According to Sasala, if you are passionate about what you do, the crisis will be just an excuse to say no (Wickramasinghe, 2022).

**Implications of the case studies**
The two case studies in Sri Lanka provide a unique and complementary perspective on how crisis leadership has directed the establishment of two successful corporate ventures. One of the most intriguing findings from the two cases is the variety of roles that both persons played during the process. In the instance of Celeste, Janik had to shift his focus from a hotelier mindset to a charity deed, which eventually resulted in the establishment of a fresh produce business. Sasala, who comes from a serious corporate background, reinvented herself as a mixologist via self-study and curiosity. This might be regarded as a process view of leadership, and the numerous stages an individual goes through to attain a given end point in their journey through the theoretical lens of crisis leadership (Wu et al., 2021). The concept could also be linked to the identity role of entrepreneurs, as the individual is always altering roles. For example, moving from the role of inventor or developer to that of founder in a new enterprise (Kakarika et al., 2022). The continual switching of positions during such chaotic periods necessitates a strong mindset for overcoming adversity as well as engaging in proactive activity (Ratten, 2021).

Entrepreneurs who establish a company during a crisis are more likely to test out new talents and concepts. It is frequently identified as innate in entrepreneurs and is referred to as ‘entrepreneurial DNA’ (Schepers et al., 2021). Entrepreneurs are born or produced, according to several theoretical perspectives (Looi & Khoo-Lattimore, 2015; López-Núñez et al., 2020; Matthews et al., 2011). However, in the case of Cocktails with Valerie, this was not the case because Sasala had a completely different skill set as a corporate leader with no prior experience in the business of mixology or anything remotely related to cocktails. What we can see in the case study is that she was able to use her commercial experience and be a self-taught individual who followed a passion, which was converted into a brand-new company enterprise. Given her current company endeavour, one could argue that, while she was not ‘born’ an entrepreneur, she was one individual who succeeded in becoming an entrepreneur because she was prepared with the necessary skill set and exposure to execute a successful business model (Knadson et al., 2004).
The two case studies also demonstrate a distinct personality feature frequently contested for various reasons. It is frequently associated with the entrepreneurial trait category, although it is also unknown on an intuitive level. The ‘sixth sense’ can be identified and understood in this way (Sadler-Smith, 2010). It is sometimes described as a mystical sensation that entrepreneurs have that allows them to almost predict the effects of the future and make decisions based on such feelings (Li & Ding, 2015). In the case of Celeste Daily, Janik recognised early in the process that the issues surrounding the food supply chain in Sri Lanka and the effects of the pandemic on the value chain in Sri Lanka were not going to improve anytime soon, and he felt it was the right time to invest in the fresh produce business as a long-term initiative. In the case of Sasala, she also believed it was critical to leverage her existing extensive network in the corporate world. She also believed that the enterprise needed as much exposure as possible from the start because, after the lockdowns were lifted and normalcy resumed, people were going to be looking for events and opportunities to continue their entertainment on a larger scale.

Conclusions
The essay sought to shed light on the COVID-19 pandemic and how it served as a platform for the emergence of new business ideas and entrepreneurs. The article explores the tale of two successful entrepreneurs who faced unusual hurdles during the pandemic in Sri Lanka and exhibited perseverance by turning misfortune into an opportunity to build a profitable and widely acknowledged commercial endeavour. One of the most intriguing research areas is determining what distinguishes such individuals from a ‘sea’ of failures. The essay directs the reader’s attention to the personalities of the individuals and how they might utilise their personal experiences and knowledge to almost forecast the next move in the local market and propose a solution. The process of making such challenging judgements and trusting one’s intuition or sixth sense, as portrayed in the literature, presents a distinct understanding of how such entrepreneurs arise. The individual’s ability to take calculated risks and engage in various types of business operations with no prior expertise begs the question of whether some innate talents or abilities are directed in the proper way. Another key conclusion from the two stories was that, despite the hard external environment surrounding Sri Lanka’s political and economic landscape, the two entrepreneurs concentrated on their immediate surroundings and what they could achieve within that controllable zone.

The essay also tries to bring in the discussion surrounding whether entrepreneurs are born or made and adds value to the idea that for an entrepreneurial idea to be ‘born,’ one should still be ‘made,’” in other words, possess the right skill and capabilities to run a venture. Janik and Sasala’s strong corporate and entrepreneurial family background is evidence of having a foundation in this process. Future work could further explore the idea surrounding crisis entrepreneurship and especially examine the distinct contextual characteristics, which may help to understand the process in greater depth.

Data availability
No data are associated with this article.

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