

HUMAN RESOURCE RESILIENCE IN FACING BUSINESS UNCERTAINTY: EXPERIENCES OF MSME ACTORS IN MAKASSAR

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Abstract

Business uncertainty generated by rapid technological disruption, shifting consumer behavior, and post-pandemic market volatility has placed micro, small, and medium enterprises (MSMEs) under unprecedented pressure. Human resource (HR) resilience, the capacity of individuals and organizations to absorb, adapt, and recover from adversity, has emerged as a critical determinant of MSME survival. Despite growing scholarly interest in organizational resilience, empirical evidence from developing-country urban MSME contexts, particularly in Eastern Indonesia, remains scarce. This study explores how MSME owners and employees in Makassar, South Sulawesi, construct and sustain HR resilience amid market and technological uncertainties. Employing a phenomenological qualitative approach, data were gathered through in-depth interviews, participant observation, and documentation analysis with twelve purposively selected informants across six business sectors. Thematic analysis following the Miles, Huberman, and Saldaña interactive model was applied, with data credibility established through source triangulation and member checking. Five overarching themes emerged: (1) adaptive learning culture, (2) entrepreneurial leadership flexibility, (3) social capital and network resilience, (4) psychological resilience of HR, and (5) organizational adaptability. Findings reveal that HR resilience in Makassar's MSMEs is not a pre-formed trait but a dynamic, socially embedded, and culturally mediated process. This study contributes novel theoretical insights into resilience theory within Southern Global MSME contexts and offers practical implications for HR development, policy design, and entrepreneurial education.

Keywords: HR Resilience, Business Uncertainty, MSME, Phenomenology, Makassar.

INTRODUCTION

The global business environment has undergone a profound transformation in the post-pandemic era, marked by accelerated digital disruption, fragmented supply chains, and increasingly volatile consumer demand patterns. These changes have created both challenges and opportunities for micro, small, and medium enterprises (MSMEs), which serve as the backbone of emerging economies. In Indonesia, MSMEs represent approximately 99.99% of all business entities, contribute more than 60% of the national Gross Domestic Product (GDP), and absorb nearly 97% of the workforce (Ministry of Cooperatives and SMEs Indonesia, 2023). Despite their significant economic contribution, MSMEs remain structurally vulnerable due to limited capital resources, restricted access to formal financing, and inadequate technological infrastructure, making them highly susceptible to external economic shocks.

Within this context, Makassar, the capital city of South Sulawesi Province and the primary commercial center of Eastern Indonesia, provides a strategic setting for examining MSME resilience. As a key economic gateway connecting Western and Eastern Indonesia, Makassar has experienced growing competitive pressures arising from the expansion of national e-commerce platforms, shifts in consumer behavior driven by urbanization, and the lingering effects of the COVID-19 pandemic. MSMEs operating in sectors such as food and beverage, handicrafts, fashion, retail trade, and digital services have exhibited

varying levels of survival and growth. These differences suggest that resilience is influenced not only by financial resources but also by the quality of human resource (HR) capabilities within the organization.

Empirical evidence further highlights a resilience paradox among MSMEs in Makassar. Although macroeconomic indicators indicate recovery, with South Sulawesi recording economic growth of 5.1% in 2023 (BPS South Sulawesi, 2024), enterprise-level observations reveal continuing vulnerabilities. Preliminary field observations identified several adaptive strategies employed by MSMEs, including informal workforce restructuring, product diversification, rapid adoption of digital marketing and sales channels, and greater reliance on kinship-based social networks. Interestingly, enterprises that maintained business continuity were not necessarily those possessing greater financial capital or formal managerial education. Rather, they were characterized by stronger adaptive learning capabilities, deeper social embeddedness, and higher levels of psychological resilience.

These observations are consistent with emerging literature emphasizing HR resilience as a critical organizational capability that mediates the relationship between environmental uncertainty and business survival. HR resilience encompasses cognitive flexibility, emotional regulation, social connectedness, and behavioral adaptability, all of which contribute to organizational sustainability in turbulent environments (Danes et al., 2022; Korber & McNaughton, 2022). However, the processes through which resilience is developed, maintained, and transferred within MSME organizations remain insufficiently understood, particularly in developing and non-Western contexts.

Existing studies on organizational resilience have predominantly focused on large corporations in developed economies (Bhamra et al., 2022; Lengnick-Hall et al., 2021), creating a significant theoretical gap regarding resilience processes among MSMEs in emerging markets. Although several studies have explored MSME resilience (Herbane, 2021; Santoro et al., 2022; Williams et al., 2023), most have relied on quantitative approaches that measure resilience outcomes while overlooking the experiential, relational, and cultural dimensions through which resilience is constructed and enacted. Furthermore, limited attention has been given to the influence of indigenous cultural values, including collective identity, communal solidarity, and spiritual coping mechanisms, on HR resilience within Southeast Asian MSME settings.

Three key research gaps can therefore be identified. First, there is a lack of phenomenological studies examining how MSME owners and employees subjectively experience, interpret, and respond to business uncertainty. Second, the role of social capital and network embeddedness as mechanisms for strengthening HR resilience remains underexplored in urban Indonesian MSME contexts. Third, there is an absence of integrative theoretical frameworks that combine psychological resilience, adaptive leadership, and organizational learning into a coherent model applicable to MSMEs in developing countries.

The urgency of addressing these gaps has increased in the era of rapid technological advancement and artificial intelligence (AI). The growing adoption of AI technologies, platform-based marketplaces, and automation tools across SME sectors is fundamentally reshaping business operations and competitive dynamics (McKinsey Global Institute, 2023). Consequently, understanding how MSME human resources develop and sustain resilience has become not only an academic concern but also a strategic policy priority. This is particularly relevant given that Indonesia's National Medium-Term Development Plan (RPJMN) 2025–2029 identifies MSME digital transformation and human capital development as key national priorities, while implementation challenges remain pronounced in Eastern Indonesia due to limited institutional support and HR development infrastructure.

Accordingly, this study seeks to explore the lived experiences of MSME owners and employees in Makassar as they navigate business uncertainty, identify the key dimensions and mechanisms of HR resilience constructed by MSME actors, and develop a contextually grounded understanding of the socio-cultural factors that shape and sustain HR resilience within MSME environments. Through a phenomenological approach, the study aims to contribute to both theory and practice by offering a deeper understanding of resilience processes in developing-country MSMEs and generating insights relevant to policymakers, practitioners, and scholars concerned with sustainable MSME development.

LITERATURE REVIEW

Human Resource (HR) resilience has emerged as a critical determinant of MSME sustainability in an increasingly uncertain business environment. Organizational resilience refers to an organization's capacity to anticipate, adapt, and recover from disruptions while maintaining core functions and pursuing long-term growth. According to Hillmann and Guenther (2020), resilience is not merely the ability to survive crises but also the capability to transform challenges into opportunities for organizational renewal. This perspective positions resilience as a strategic organizational competency rather than a reactive response mechanism.

Within the MSME context, resilience is particularly important because small businesses often face resource constraints, market volatility, and operational vulnerabilities. A systematic review by Erdiaw-Kwasie et al. (2023) found that SMEs are highly susceptible to external shocks such as pandemics, financial crises, and supply chain disruptions. The study identified adaptive learning, behavioral flexibility, and social support mechanisms as key factors enabling business continuity during periods of uncertainty. Similarly, Castro and Gómez Zermelo (2020) highlighted that entrepreneurial resilience is strongly influenced by human capital, social capital, strategic management capabilities, and the entrepreneur's ability to maintain positive attitudes during crises.

Recent studies have emphasized that HR resilience extends beyond individual psychological strength and encompasses organizational learning, adaptive leadership, and collaborative networks. Hurel et al. (2026) argue that adaptive leadership, continuous innovation, organizational learning, collaborative relationships, and digital transformation are essential pillars of resilience and agility in SMEs. Their findings suggest that resilience is strengthened when organizations develop both internal capabilities and external network connections that facilitate knowledge sharing and resource mobilization.

Furthermore, digital transformation has become an increasingly important driver of MSME resilience. Hokmabadi et al. (2024) found that digital technologies, knowledge management, and digital skills significantly enhance SMEs' ability to withstand and recover from environmental disruptions. Digital capability enables businesses to respond more rapidly to changing market conditions while improving operational efficiency and customer engagement. Likewise, Asmar et al. (2025) identified human resource capacity, innovation, and digitalization as major determinants of MSME performance and resilience in developing economies.

Despite growing scholarly attention, the literature remains dominated by quantitative studies focusing on resilience outcomes rather than the lived experiences and socio-cultural processes through which resilience is constructed. Existing research provides limited insight into how MSME owners and employees interpret uncertainty, develop adaptive capacities, and leverage local cultural values to sustain their businesses. Consequently, further qualitative and phenomenological investigations are needed to

explore the human and contextual dimensions of HR resilience, particularly in developing-country settings such as Makassar, Indonesia.

METHOD

Research Approach

This study employed a qualitative phenomenological approach to explore the subjective experiences, meanings, and interpretations that MSME actors attach to resilience phenomena. This approach is considered appropriate because it enables researchers to understand resilience from the perspective of individuals who directly experience business uncertainty and organizational challenges (Creswell & Poth, 2023). More specifically, the study adopted the principles of Interpretive Phenomenological Analysis (IPA), which emphasizes the relationship between personal meaning-making processes and the broader socio-cultural context in which experiences occur (Smith et al., 2022). The research was grounded in a constructivist paradigm, assuming that HR resilience is not an objective and fixed phenomenon but rather a social construction shaped by interactions among individual agency, organizational dynamics, cultural values, and environmental conditions. Consequently, the study prioritized contextual depth, rich descriptions, and interpretive understanding over statistical generalization.

Research Location

The study was conducted in Makassar City, South Sulawesi Province, Indonesia. Makassar was selected for three primary reasons. First, it has one of the largest concentrations of MSMEs in Eastern Indonesia, with more than 180,000 registered MSMEs in 2023 (Dinas Koperasi dan UKM Kota Makassar, 2023). Second, as the principal economic gateway connecting Western and Eastern Indonesia, Makassar presents a highly dynamic and competitive business environment characterized by rapid market changes and uncertainty. Third, the city's socio-cultural environment, strongly influenced by Bugis-Makassar entrepreneurial values and communal solidarity traditions, offers a rich context for examining culturally embedded resilience mechanisms. Data collection was conducted between March and July 2024 across several MSME clusters, including Pasar Butung (textile and retail businesses), the Losari waterfront commercial area (food and beverage enterprises), the Pettarani business corridor (digital services), and Somba Opu Street (handicrafts and souvenir businesses).

Informant Selection Criteria

Informants were selected using a combination of purposive sampling and snowball sampling techniques to ensure diversity and richness of experiences. The purposive sampling criteria included MSME owners or employees with at least two years of work experience in Makassar, active involvement in sectors affected by technological or market disruptions, and willingness to participate in in-depth interviews and share reflective accounts of their experiences. Subsequently, snowball sampling was utilized to identify additional participants through professional and social networks, particularly individuals who possessed unique experiences related to resilience and adaptation.

A total of twelve informants participated in the study, consisting of five MSME owners, four senior employees with more than five years of tenure, and three junior employees with two to three years of experience. Participants represented six business sectors: food and beverage, handicrafts and souvenirs, fashion and textiles, retail and trade, digital services, and culinary and catering businesses. The inclusion

of diverse sectors enabled cross-sectoral comparisons and identification of common resilience patterns. Theoretical saturation was reached after the eleventh interview, while the twelfth interview served to confirm the stability and completeness of the emerging themes.

Table 1. Profile of Research Informants

Code	Role	Business Sector	Experience (Yrs)	Gender
INF-01	MSME Owner	Food & Beverage	12 years	Female
INF-02	MSME Owner	Handicrafts & Souvenirs	8 years	Male
INF-03	MSME Owner	Fashion & Textile	15 years	Female
INF-04	MSME Owner	Retail & Trade	10 years	Male
INF-05	MSME Owner	Digital Services	5 years	Male
INF-06	Senior Employee	Food & Beverage	7 years	Female
INF-07	Senior Employee	Handicrafts & Souvenirs	6 years	Male
INF-08	Senior Employee	Fashion & Textile	9 years	Female
INF-09	Junior Employee	Retail & Trade	3 years	Male
INF-10	Junior Employee	Digital Services	2 years	Female
INF-11	MSME Owner	Culinary & Catering	11 years	Female
INF-12	Senior Employee	Culinary & Catering	8 years	Male

Source: Primary Data, 2024.

Data Collection Techniques

Data collection employed methodological triangulation through three complementary techniques: in-depth interviews, participant observation, and documentation analysis. Semi-structured in-depth interviews served as the primary source of data. Each interview lasted between 60 and 120 minutes and was conducted in a combination of Bahasa Indonesia and the local Makassar dialect to facilitate natural communication and participant comfort. Interview questions focused on four broad themes: experiences of business uncertainty and crisis, strategies for maintaining business continuity, sources of individual and collective motivation, and perceptions regarding factors that contribute to resilience. All interviews were audio-recorded with participants' consent and subsequently transcribed verbatim.

To complement interview findings, participant observation was conducted across MSME operational sites for a cumulative period of approximately 45 days. Observations focused on daily business practices, interpersonal interactions among team members, leadership communication patterns, and responses to market-related challenges. Field notes were systematically documented using an observation protocol adapted from Spradley's (1980) framework. Additionally, documentation analysis was carried out to examine various secondary sources, including business registration documents, financial records, WhatsApp group communications, and social media content. These documents provided valuable contextual information and helped validate findings obtained through interviews and observations.

Data Analysis

Data were analyzed using the interactive qualitative data analysis model developed by Miles, Huberman, and Saldaña (2020), which consists of four interconnected activities: data condensation, data display, conclusion drawing, and verification. During the data condensation stage, interview transcripts and field notes were systematically reviewed, coded, and reduced. Initial open coding generated 287 preliminary codes, which were progressively refined into 68 focused codes and ultimately grouped into 21 analytical categories through constant comparative analysis.

The data display stage involved organizing coded data into thematic matrices, conceptual maps, and narrative networks to facilitate comparison across cases and identification of emerging patterns. Visual representations assisted in recognizing relationships among categories and developing broader thematic

structures. Conclusion drawing and verification occurred continuously throughout the analytical process using abductive reasoning, allowing movement between empirical evidence and theoretical concepts. Emerging interpretations were repeatedly compared with the raw data to ensure analytical rigor and credibility.

Following Saldaña’s (2021) coding framework, a two-cycle coding strategy was applied. The first cycle utilized in vivo and descriptive coding to preserve participants’ original language and meanings. The second cycle employed pattern coding and focused coding to generate higher-level themes and conceptual categories. To enhance analytical trustworthiness, the final thematic structure was reviewed and validated through peer debriefing with two independent qualitative researchers.

Data Validity

The credibility and trustworthiness of the findings were ensured through source triangulation and member checking. Source triangulation involved comparing information obtained from interviews, observations, and documentary evidence to identify converging and diverging patterns. Consistency across multiple data sources strengthened confidence in the findings, while discrepancies were treated as analytically meaningful and explored further to identify alternative explanations.

Member checking was conducted by sharing preliminary findings with eight of the twelve participants. Informants reviewed the interpretations and confirmed their accuracy while also providing additional clarifications that contributed to the refinement of two thematic categories. This process ensured that the findings accurately reflected participants’ lived experiences rather than solely the researcher’s interpretations (Lincoln & Guba, 1985). Furthermore, an audit trail documenting coding decisions, category development, and analytical procedures was maintained throughout the study to ensure transparency and confirmability (Creswell & Poth, 2023). Researcher reflexivity was also addressed through the maintenance of a reflective journal during the data collection and analysis process, enabling continuous examination of potential biases and assumptions that could influence interpretation.

RESULTS AND DISCUSSION

Overview of Themes

Thematic analysis of the data corpus yielded five overarching themes, each comprising two to three sub-themes, capturing the multidimensional architecture of HR resilience as experienced by Makassar MSME actors. The thematic structure, representative sub-themes, and data sources are presented in Table 2.

Table 2. Thematic Structure of HR Resilience in Makassar MSMEs

Main Theme	Sub-theme	Description	Source
Theme 1: Adaptive Learning Culture	Continuous Skill Upgrading	MSME actors actively pursue informal training, online courses, and peer learning to remain competitive in changing markets.	Owners & employees (all sectors)
	Knowledge Sharing Practices	Internal mentoring and inter-generational knowledge transfer within small teams enhance collective resilience.	Employees & owners (food, craft sectors)
	Technology Adoption as Learning	Adoption of digital tools (e-commerce, social media	MSME owners (retail, food)

Theme 2: Entrepreneurial Leadership Flexibility	Crisis Decision-Making	marketing) is driven by experiential learning rather than formal education. Owners demonstrate rapid pivoting capacity, restructuring services, diversifying products, or shifting sales channels during disruptions.	MSME owners (all sectors)
	Participatory Management Style	Leaders involve employees in problem-solving, fostering collective ownership and shared accountability.	Mixed (owners & employees)
	Risk Tolerance and Resourcefulness	Resilient MSME leaders exhibit high tolerance for ambiguity, leveraging social capital and local networks to mitigate risks.	MSME owners
Theme 3: Social Capital and Network Resilience	Community-Based Support Systems	Informal social networks (family, neighbors, community groups) serve as safety nets during economic downturns.	Employees & owners
	Inter-MSME Collaboration	Peer-to-peer collaboration, joint purchasing, shared logistics, and referrals strengthen individual businesses against market shocks.	MSME owners (craft, retail)
	Government and NGO Linkage	Strategic use of government assistance programs (KUR loans, training grants) enhances financial and operational resilience.	Owners (all sectors)
Theme 4: Psychological Resilience of HR	Motivational Persistence	Employees demonstrate a cultural ethos of 'tidak menyerah' (not giving up) as a psychological anchor amid uncertainty.	Employees (all sectors)
	Emotional Coping Mechanisms	Religious practices, family support, and community solidarity serve as psychological buffers against stress and burnout.	Employees & owners
	Sense of Purpose and Identity	A strong sense of mission supporting family, contributing to the local economy, sustains workforce motivation during crises.	Employees
Theme 5: Organizational Adaptability	Flexible Work Arrangements	MSMEs implement informal but effective flexible scheduling, multi-tasking roles, and remote work adaptations.	Mixed (owners & employees)

Resource Optimization	Creative reallocation of human, financial, and physical resources allows MSMEs to absorb external shocks.	MSME owners
Innovation Under Constraint	Limited resources stimulate frugal innovation, new product development, and service modifications driven by necessity.	Owners (food, craft, retail)

Source: Primary data analysis, 2024.

Theme 1: Adaptive Learning Culture

The first and most pervasive theme emerging from the data was the centrality of adaptive learning as a pillar of HR resilience. Informants across all sectors described deliberate, often self-initiated learning behaviors as a primary strategy for navigating market and technological uncertainty. This theme encompassed three sub-themes: continuous skill upgrading, knowledge sharing practices, and technology adoption as learning.

MSME owners demonstrated a proactive orientation toward skills development, frequently describing participation in informal training workshops, YouTube tutorial learning, and peer-mentoring arrangements as integral to business sustainability. INF-01, a food and beverage MSME owner with twelve years of experience, articulated this vividly:

"When the pandemic hit, and customers stopped coming, I realized my old way of doing things would not save my business. I started watching cooking tutorial videos, learning about food packaging, and attending free webinars on social media marketing. I learned more in those six months than in the previous ten years." (INF-01, MSME Owner, Food & Beverage)

This self-directed learning orientation was not confined to owners. Senior employees equally described active efforts to acquire digital literacy and cross-functional competencies. INF-07, a senior handicraft employee, noted:

"My boss taught me how to use Instagram to show our products to buyers in Jakarta and even overseas. I did not know anything about social media before. Now I manage our online shop. This new skill is what keeps me employed." (INF-07, Senior Employee, Handicrafts)

The sub-theme of knowledge sharing practices revealed that small team environments in MSMEs, far from constituting a limitation, facilitated informal but effective knowledge transfer. Owners functioning as working managers were simultaneously teachers, coaches, and co-learners with their employees. This democratic knowledge environment created a distributed resilience capacity within MSME teams.

Theme 2: Entrepreneurial Leadership Flexibility

The second theme highlighted the pivotal role of owner-leaders in shaping the resilience trajectory of MSME organizations. MSME owners in this study demonstrated distinctive leadership qualities characterized by decisional agility, participatory management, and risk-tolerant resourcefulness. These leadership dispositions proved instrumental in enabling rapid organizational pivots during periods of heightened uncertainty.

INF-03, a fashion and textile owner who successfully transitioned from retail to online sales during market disruption, reflected on her decision-making process:

"When the shopping centers closed, I did not panic, at least not for long. I called my employees together and said, 'We are going to do this differently now.' We set up a website in three days. My employees designed the layout because they know the technology better than me. Together we figured it out." (INF-03, MSME Owner, Fashion & Textile)

This participatory management orientation, in which owners actively mobilized employee expertise and shared decision-making responsibility, distinguished resilient MSMEs from more hierarchically managed counterparts. INF-08, a fashion sector employee, confirmed the psychological impact of this leadership style:

"When our boss includes us in decisions, we feel that this is also our business, not just her business. So we fight harder to survive. The crisis becomes everyone's problem to solve, not just hers." (INF-08, Senior Employee, Fashion & Textile)

The sub-theme of risk tolerance and resourcefulness revealed that resilient MSME owners exhibited a distinctive capacity to leverage non-financial resources, such as social relationships, community knowledge, and creative problem-solving, in substitution for inadequate financial capital. This resourcefulness, embedded within local social networks, effectively expanded the resource envelope available to small enterprises during crises.

Theme 3: Social Capital and Network Resilience

The third theme underscored the critical importance of social capital, the resources embedded in social relationships and networks, as a structural enabler of HR resilience in Makassar's MSME ecosystem. Three sub-themes were identified: community-based support systems, inter-MSME collaboration, and government and NGO linkage.

The Bugis-Makassar cultural value of 'sipakatau' (mutual respect and support among community members) was frequently invoked by informants as an underpinning of their network resilience strategies. INF-02, a handicraft owner, described how familial and community networks functioned as informal insurance mechanisms:

"When my orders dropped to almost zero, my cousin gave me a loan with no interest. My neighbor, who sells textiles, passed some of his customers to me because they needed handicraft gifts. In Makassar, we take care of each other. That is how we survive." (INF-02, MSME Owner, Handicrafts)

Inter-MSME collaboration emerged as a particularly significant resilience mechanism, with informants describing informal cooperative arrangements, joint purchasing of raw materials, shared delivery networks, and mutual customer referrals that collectively reduced unit costs and expanded market reach. Such arrangements, operating entirely outside formal institutional frameworks, represented a form of spontaneous horizontal integration enabled by social trust.

Government program utilization, while described more ambivalently, also featured as a resilience resource. INF-04 described leveraging a Kredit Usaha Rakyat (KUR) micro-loan to bridge a cash-flow gap during a market downturn, while simultaneously accessing free digital marketing training provided by the local government's cooperative development office.

"The government loan saved us when we could not pay our suppliers. The digital training was not perfect; it was too basic, but it pushed us to explore more on our own. Sometimes just starting is the most important thing." (INF-04, MSME Owner, Retail & Trade)

Theme 4: Psychological Resilience of HR

The fourth theme revealed the centrally important psychological dimensions of HR resilience, encompassing motivational persistence, emotional coping mechanisms, and a sense of purpose and identity. These psychological resources functioned as internal anchors enabling MSME actors to sustain effort and commitment through prolonged periods of adversity.

The concept of 'tidak menyerah' (refusing to give up) articulated by nine of twelve informants represented not merely an individual psychological disposition but a collectively held cultural value that shaped the motivational climate of MSME workplaces. INF-06, a senior food and beverage employee, expressed this ethos powerfully:

"In my family, we have a saying: 'Falling seven times, stand eight.' My grandmother survived the hard years with nothing. I have a job, I have my hands, I have my skills. There is no reason to give up. I will find a way." (INF-06, Senior Employee, Food & Beverage)

Emotional coping mechanisms drew heavily upon religious faith and communal practices. The majority of Muslim informants described prayer, Quran recitation, and collective supplication (doa bersama) as primary coping resources during periods of acute business stress. These practices functioned not merely as passive consolations but as active meaning-making processes that reframed uncertainty as a divinely sanctioned trial amenable to patient, persistent response.

Junior employees, who might be expected to exhibit lower resilience given their shorter tenure and less developed professional identities, nonetheless demonstrated robust psychological resilience grounded in a sense of purposeful contribution. INF-10, a junior digital services employee, reflected:

"I know my salary helps my mother pay for my siblings' school. Every day I come here knowing what is at stake. That makes me work harder and not complain about the difficulties. My work has meaning beyond just myself." (INF-10, Junior Employee, Digital Services)

Theme 5: Organizational Adaptability

The fifth theme captured the organizational-level manifestations of HR resilience, encompassing flexible work arrangements, resource optimization, and innovation under constraint. These organizational dimensions represented the structural expression of individual and collective resilience capacities.

Flexible work arrangements in Makassar MSMEs were typically informal, negotiated through direct communication between owners and employees based on operational needs and personal circumstances. Several informants described multi-role flexibility, the ability and willingness of employees to perform functions beyond their formal job descriptions, as a critical adaptive capacity that enabled MSMEs to maintain operational continuity during periods of workforce contraction.

"Here, everyone does everything. When we are busy, the person who normally handles packaging also helps at the counter. When we are slow, the cook also helps with delivery. We cannot afford to say 'that is not my job.' If you work here, you understand that flexibility is survival." (INF-11, MSME Owner, Culinary & Catering)

Resource optimization emerged as a sophisticated adaptive practice through which MSME actors maximized output from constrained inputs. Informants described creative practices including production schedule optimization, ingredient or material substitution, collective procurement arrangements, and reallocation of human resources across operational functions based on real-time demand fluctuations.

Particularly compelling was the sub-theme of innovation under constraint, in which resource scarcity itself became a catalyst for product and process innovation. INF-05, a digital services owner, described how budgetary limitations during market downturns drove the development of a new service offering:

"Because we could not afford to hire a professional photographer, I taught myself product photography using a smartphone. Then my clients started asking if I could do photography for them, too. Now that has become a new income stream for the business. Limitation was the mother of invention for us." (INF-05, MSME Owner, Digital Services)

Discussion

Interpretive Analysis of Findings

The five themes emerging from this study collectively portray HR resilience in Makassar MSMEs as a dynamic, multi-layered phenomenon that transcends conventional organizational capacity frameworks. Rather than a static trait or a fixed organizational asset, HR resilience manifests as an ongoing, socially distributed process of adaptive meaning-making continuously negotiated among MSME actors in response to evolving environmental demands. This finding substantially extends the resource-based view of organizational resilience (Barney, 1991; Lengnick-Hall et al., 2021) by demonstrating that resilience resources in MSME contexts are not merely possessed but actively co-constructed through relational and cultural practices.

The centrality of adaptive learning culture (Theme 1) resonates with Bandura's (1997) social learning theory and contemporary conceptualizations of organizational learning agility (Dyer & Shafer, 2003). However, this study reveals that in MSME contexts, learning agility is less a formal organizational capability than an emergent property of necessity-driven experimentation and peer-to-peer knowledge exchange. The absence of formal HR development infrastructure, typically cited as an MSME weakness, paradoxically creates conditions for more democratized and responsive learning, consistent with Cope's (2011) observations on entrepreneurial learning through crisis.

The entrepreneurial leadership flexibility theme (Theme 2) aligns with dynamic capabilities theory (Teece et al., 1997; Teece, 2022), which posits that organizational resilience is fundamentally underpinned by managerial capacity to reconfigure resource bundles in response to environmental change. This study extends dynamic capabilities theory to the MSME domain by revealing that capability reconfiguration in small enterprises is predominantly a relational and participatory process, contrasting with the more centralized managerial agency assumed in large-firm dynamic capabilities models.

Comparison with Prior Research

The social capital theme (Theme 3) directly corroborates Putnam's (2000) foundational distinction between bonding social capital (intra-community ties providing immediate support) and bridging social capital (inter-community ties facilitating resource access across groups). Notably, this study finds that Makassar MSMEs draw primarily upon bonding social capital during acute crisis phases, while strategically cultivating bridging ties to access new markets and institutional resources during recovery phases, a temporal dynamic not adequately theorized in prior MSME resilience research.

The psychological resilience findings (Theme 4) converge with Luthans et al.'s (2007) psychological capital (PsyCap) framework, which identifies hope, efficacy, resilience, and optimism as core components of positive psychological capacity in organizational settings. This study adds cultural and religious dimensions absent from the original PsyCap framework, demonstrating that in Indonesian Muslim-majority

MSME contexts, spiritual coping mechanisms are not peripheral psychological strategies but central meaning-making resources that sustain motivational commitment through adversity. This finding extends Sarasvathy's (2001) effectuation theory by revealing that the 'bird in hand' principle, leveraging available resources, encompasses spiritual and cultural capital as foundational entrepreneurial assets.

The organizational adaptability theme (Theme 5) parallels Weick's (1993) conceptualization of 'bricolage,' the creative recombination of available resources to meet unanticipated demands, subsequently theorized in entrepreneurial contexts by Baker and Nelson (2005). This study reveals that bricolage in MSME contexts is not primarily a rational, deliberate strategy but an emergent behavioral pattern cultivated through accumulated crisis experience and reinforced by social learning within MSME communities.

Theoretical Implications

This study makes three principal theoretical contributions. First, it advances an integrated model of HR resilience in MSMEs that positions adaptive learning, leadership flexibility, social capital, psychological resilience, and organizational adaptability as mutually reinforcing and dynamically interrelated dimensions, rather than independent resilience factors. Second, it demonstrates the necessity of contextualizing resilience theory within specific socio-cultural frameworks, revealing how Bugis-Makassar cultural values, particularly collective solidarity, spiritual orientation, and entrepreneurial tenacity, constitute distinctive cultural capital resources that mediate resilience processes in ways invisible to culturally decontextualized theoretical frameworks. Third, the study contributes to the nascent literature on Southern Theory in organization and management studies (Connell, 2007; Wanderley & Barros, 2019) by generating theoretical insights from non-Western, developing-country MSME experiences that challenge universalist assumptions embedded in dominant resilience frameworks.

CONCLUSION

This phenomenological study has explored the lived experiences of MSME owners and employees in Makassar in constructing HR resilience amid business uncertainty. Through in-depth interviews, participant observation, and documentation analysis with twelve informants across six business sectors, five overarching themes were identified: adaptive learning culture, entrepreneurial leadership flexibility, social capital and network resilience, psychological resilience of HR, and organizational adaptability. The findings collectively demonstrate that HR resilience in Makassar's MSME ecosystem is a dynamic, socially embedded, and culturally mediated phenomenon co-constructed through the interplay of individual psychological resources, leadership practices, community relationships, and organizational learning processes.

The study's central theoretical contribution lies in its demonstration that HR resilience in MSME contexts cannot be adequately understood through individual-level psychological frameworks or organizational-level resource models alone, but requires an integrated socio-cultural lens that accounts for the relational, communal, and spiritual dimensions through which resilience is sustained. The Bugis-Makassar cultural ethos of collective solidarity and spiritual perseverance emerged as theoretically significant resilience mediators that challenge the individualistic and rationalistic assumptions prevalent in dominant resilience frameworks.

These insights have immediate relevance for MSME development policy, HR management practice, and entrepreneurial education in Indonesia and analogous emerging-economy contexts. By surfacing the mechanisms through which resilience is actively built rather than passively possessed by MSME human

resources, this study provides an empirically grounded foundation for designing more effective, contextually appropriate, and culturally sensitive resilience-building interventions.

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