

UNDERSTANDING ORGANIZATIONAL RESILIENCE IN ENHANCING SME PERFORMANCE: A MALAYSIAN PERSPECTIVE

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ABSTRACT

The purpose of this paper is to develop a conceptual framework that explores the relationship between organizational resilience and the performance of Small and Medium-sized Enterprises (SMEs) in Malaysia. SMEs play a vital role in the country's economic growth, employment creation, and innovation; however, they continue to face numerous challenges, including market uncertainty, financial limitations, and rapidly evolving technologies. Organizational resilience—the capacity of a business to anticipate, absorb, adapt to, and recover from disruptions—has emerged as a crucial factor for enhancing SME sustainability and performance. This study is based on secondary data and guided by a review of ten empirical studies that establish a significant relationship between organizational resilience and various performance indicators, including financial outcomes, operational efficiency, and market competitiveness. The paper synthesizes insights from the existing literature to construct a conceptual framework that highlights key dimensions of resilience, including adaptive capacity, leadership agility, resource flexibility, and innovation. By mapping these factors to SME performance, the framework aims to guide future empirical research and inform policy and strategic interventions. The study contributes to the growing discourse on resilience as a strategic capability for SMEs and offers valuable implications for policymakers, researchers, and practitioners striving to strengthen the SME sector in Malaysia.

KEYWORDS: *Organizational Resilience, Performance, SME, and Malaysia*