Dynamic Capabilities, Digitalization and Collaborative Resourcing as Drivers of SME Resilience in Emerging Economies: An Integrative Review

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ABSTRACT

This review examines how dynamic capabilities, digitalization and collaborative resourcing contribute to the resilience of small and medium-sized enterprises (SMEs), with particular attention to emerging economies. A structured integrative review design is used to synthesize scholarly work published mainly between 2019 and 2026, supported by foundational theory on resources and capabilities. Because the evidence differs in context, design and measurement, the analysis relies on thematic comparison rather than statistical aggregation. The review found that resilience is better understood as a capability-based process of anticipation, coping and adaptation than as a fixed trait. Dynamic capabilities help SMEs sense disruption, seize opportunities and reconfigure resources, but their value depends on strategic fit with the environment. Digitalization helps SMEs maintain customer access and continuity, yet it is not self-executing and depends on complementary skills and process redesign. Collaboration and access to finance help SMEs compensate for scarce internal resources, although the evidence on finance is largely indirect. The evidence therefore supports a complementary view in which capabilities, digital tools and external resources reinforce one another. Most of the studies reviewed concern developed economies and the COVID-19 period, and evidence from African SMEs remains thin. The review identifies gaps in outcome measurement, longitudinal designs and emerging-economy evidence, and it offers recommendations for SME owners, support agencies and policymakers.

Keywords: collaboration, digitalization, dynamic capabilities, emerging economies, SME resilience

INTRODUCTION

1.1 Introduction

Small and medium-sized enterprises operate close to the margin. They typically hold limited cash, depend on a narrow set of customers and suppliers, and have few specialist staff to monitor and respond to changes in their environment. When disruption arrives, whether in the form of a pandemic, a sudden fall in demand, supply interruption or a shift in market conditions, these characteristics can turn a temporary shock into closure. Yet SMEs do not respond uniformly. Some retrench, some persevere with existing operations, and others change what they offer and how they deliver it (Wenzel et al., 2021). The central question for research and practice is therefore why some SMEs absorb disruption and recover while others do not.

Organizational resilience has become the main concept used to address this question. Duchek (2020) conceptualized resilience as a capability that unfolds through anticipation, coping and adaptation, and Conz and Magnani (2020) reviewed the literature from a dynamic perspective that treats resilience as a process rather than a state. Other scholars have cautioned that the construct is broad and sometimes loosely defined (Hillmann & Guenther, 2021), and a systematic review of SME business resilience notes the variety of meanings and measures in use (Saad et al., 2021). Despite these debates, the literature agrees that resilience depends on what firms can do with the resources available to them, and on how quickly and appropriately they can change.

Three sets of mechanisms recur in the literature on SME resilience. Dynamic capabilities enable firms to sense threats and opportunities, seize them through investment and choice, and transform their resources and business models (Teece et al., 1997). Digitalization provides tools for reaching customers, coordinating operations and sustaining activity when physical channels are disrupted (Eller et al., 2020; Klein & Todesco, 2021; Papadopoulos et al., 2020). Collaboration and external finance allow SMEs to compensate for limited internal resources by pooling capabilities with partners and by accessing liquidity (Crick & Crick, 2020; O'Toole et al., 2022). These mechanisms are analytically distinct but practically connected: a digital channel is of little use without the capability to redesign processes around it, and a capable firm may still fail if it cannot finance adjustment.

The issue is particularly important in emerging economies, where SMEs often face weak infrastructure, costly finance and uneven institutional support in addition to external shocks. Evidence from Nigerian manufacturing firms links dynamic capabilities to organizational resilience (Akpan et al., 2022), and research on South African manufacturers shows that firms in the same economy follow different growth paths when exposed to the same competitive pressure (Torreggiani & Andreoni, 2023). However, much of the wider evidence on SME resilience comes from developed economies and from the COVID-19 period. An integrative review of capabilities, digitalization and collaborative resourcing can therefore clarify what is known, what is transferable and where evidence from emerging economies is still missing.

1.2 Problem Statement

SMEs make up the great majority of enterprises in most economies and are often the main source of local employment and enterprise, yet they are among the firms most exposed to disruption. Their resilience is a practical concern for owners, who need to know where to invest scarce resources, and for policymakers, who need to know which forms of support protect viable firms. Without clear guidance, support may be directed at tools, such as digital platforms or emergency credit, without attention to the capabilities and relationships that determine whether those tools are used effectively.

The literature offers partial answers but no integrated account. Capability-based research explains resilience through anticipation, adaptation and strategic fit (Duchek, 2020; Fainshmidt et al., 2019; Iborra et al., 2020). Digitalization research documents how SMEs used digital technologies during crisis and identifies the antecedents and challenges of digital adoption (Eller et al., 2020; Guo et al., 2020; Papadopoulos et al., 2020). Research on collaboration and finance examines coopetition and the relationship between non-bank financing and resilience (Crick & Crick, 2020; O'Toole et al., 2022). Each stream addresses part of the question, and they are seldom connected in a single framework.

Further problems concern context and measurement. Many studies were conducted during the COVID-19 pandemic and rely on managerial perceptions of resilience or on short-term performance, and they may not reveal whether firms remain viable over time. Evidence from Africa is limited: within the sources reviewed, Nigerian evidence is represented mainly by a single study of manufacturing firms (Akpan et al., 2022), and service firms and informal enterprises receive little attention. There is therefore a need for an integrative review that asks how dynamic capabilities, digitalization and collaborative resourcing jointly influence SME resilience, that separates direct from indirect evidence and that identifies the conditions under which each mechanism is more likely to help.

1.3 Objectives of the Study

The main objective of the study was to examine the mechanisms that promote the resilience of SMEs in emerging

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economies. The specific objectives were to:

1. Determine the effect of dynamic capabilities on SME resilience.
2. Examine the effect of digitalization on SME resilience.
3. Assess the effect of collaborative resourcing on SME resilience.

1.4 Significance of the Study

The review contributes by connecting three streams of research that are usually studied separately: capability-based resilience, SME digitalization and collaborative or financial resourcing. This integration moves attention from whether a firm has a particular tool or resource to how it is used and what conditions make it effective. SME owners and managers can use the framework to judge whether their main weakness lies in sensing and decision making, in digital capability or in access to partners and finance. Business support agencies can identify which forms of assistance complement one another, and policymakers can see where emergency measures protect firms and where capability building is needed. Researchers gain a map of gaps and a set of propositions for testing in emerging economies. The practical value lies in treating resilience as a developed capacity rather than a matter of luck or size alone.

1.5 Scope of the Study

The article is a structured integrative review of selected scholarly work on SME resilience, dynamic capabilities, digitalization, collaboration and finance. The empirical focus is on studies published between 2019 and 2026, supported by foundational theoretical works from earlier periods. The review covers SMEs and, where relevant, startups and family firms, in both developed and emerging economies, with attention to the COVID-19 pandemic as the main disruption studied and to other competitive and market shocks where they illuminate mechanisms. The substantive analysis centers on dynamic capabilities, digitalization and collaborative resourcing as explanatory domains, with SME resilience as the outcome.

1.6 Limitations of the Study

The conclusions are constrained by the available literature and by marked differences in context and measurement. Resilience is represented in the sources through perceptions, performance, continuity or survival, and these outcomes are not interchangeable. A large share of the evidence concerns the COVID-19 pandemic, which may not represent other kinds of disruption, and much of it concerns developed economies. Some studies are conceptual or review papers and cannot establish effects. For some sources, only the level of detail given in their titles and summaries could be used, so findings are reported cautiously. The review therefore draws mechanism-based conclusions and avoids pooled causal claims.

1.7 Definition of Terms

Collaborative resourcing: the use of alliances, coopetition, partnerships and external or non-bank finance to obtain resources, capabilities and liquidity that the firm does not hold internally.

Digitalization: the adoption and use of digital technologies and channels to change how an SME reaches customers, coordinates operations and manages information.

Dynamic capabilities: the capacity of a firm to sense threats and opportunities, seize them through investment and strategic choice, and transform its resources, routines and business model as conditions change.

Emerging economies: economies in which markets, institutions and infrastructure are still developing, and in which firms often face higher financing costs and weaker institutional support.

SME resilience: the capacity of a small or medium-sized enterprise to anticipate, absorb, adapt to and recover from disruption while preserving viable operations.

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LITERATURE REVIEW

2.1 Conceptual Framework

The conceptual framework positions dynamic capabilities, digitalization and collaborative resourcing as complementary explanatory constructs. SME resilience is the outcome, while the disruption and resource context, comprising the nature of the shock, the firm's size and resources, the sector and the institutional environment, conditions how far each mechanism helps. A capability that is valuable in one setting may be irrelevant in another, and a digital tool or source of finance may help one firm and burden another. The framework therefore does not assume automatic or linear effects. It treats resilience as the result of a configuration of capabilities, tools and external resources that fit the disruption the firm actually faces.

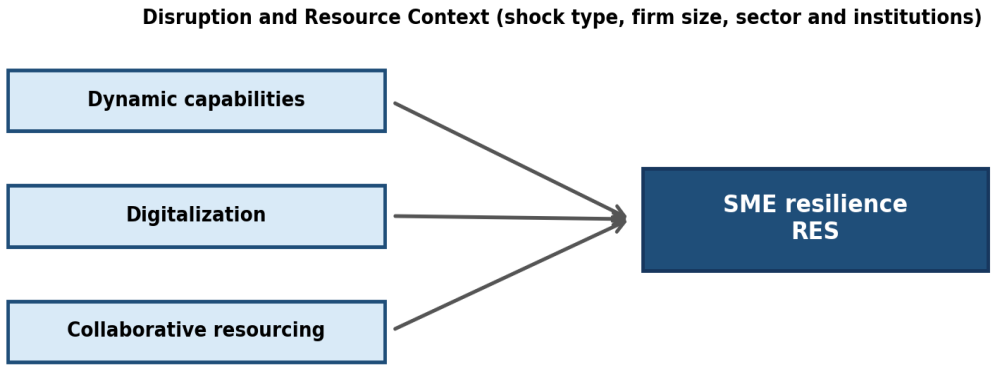


Figure 1. Conceptual model of the drivers of SME resilience.

Table 1: Disruption context and the resilience mechanism

Disruption and resource context	Resilience mechanism	Principal mechanism	Expected resilience outcome
Disruption in resource-constrained SME settings	Dynamic capabilities	Sensing threats, seizing opportunities and transforming resources, routines and offerings	Faster adaptation and continued viable operation
Disruption in resource-constrained SME settings	Digitalization	Digital channels, process tools and data that keep customers reachable and operations coordinated	Continuity of sales and operations and lower disruption losses
Disruption in resource-constrained SME settings	Collaborative resourcing	Alliances, coopetition and external finance that pool scarce resources and provide liquidity	Capacity to absorb shocks and fund adaptation

Source: Researcher, 2026

Conceptually, RES = f(DC | EC) + f(DIG | EC) + f(CR | EC), where RES denotes SME resilience, DC dynamic capabilities, DIG digitalization, CR collaborative resourcing and EC the environmental and resource context. The vertical bar indicates that the relationships are conditioned by the type of disruption, firm size, sector, institutional support and strategic fit between the response and the problem.

2.1.1 Concept of SME Resilience

Resilience has been defined in many ways, which complicates comparison between studies. Duchek (2020) offered a capability-based conceptualization in which resilience comprises the ability to anticipate potential

threats, to cope with events as they occur and to adapt in light of what is learned. Conz and Magnani (2020) reviewed the literature and emphasized the dynamic character of resilience, in which firms move through phases of absorption, adjustment and renewal. Hillmann and Guenther (2021) questioned whether resilience is a valuable construct for management research given its breadth, and Saad et al. (2021) reviewed how resilience has been conceptualized specifically for SMEs. A common thread is that resilience should be understood as a process and set of capabilities rather than as a label attached to firms that happen to survive.

This view has consequences for measurement. If resilience is a process, it cannot be inferred solely from survival, because a firm may survive through luck, subsidy or a favorable position and a resilient firm may still fail under an extreme shock. Studies nevertheless often infer resilience from managers' perceptions, short-term revenue or the use of particular responses. The distinction between the capabilities that make resilience possible, the responses firms adopt and the outcomes they achieve should therefore be kept clear. This review treats dynamic capabilities, digitalization and collaborative resourcing as capabilities and resources that support responses, and resilience as the capacity to anticipate, absorb, adapt and recover.

Responses to disruption also differ in kind. Wenzel et al. (2021) classified strategic responses to crisis as retrenchment, persevering, innovation and exit, and noted that these are not equally suited to all situations. Giones et al. (2020) and Thorgren and Williams (2020) showed that entrepreneurs revise their actions as a crisis unfolds, often acting under considerable uncertainty. Eggers (2020) described both the challenges and the opportunities that crises create for SMEs. The conclusion is that resilience is not synonymous with any one response, and that the right response depends on the situation and on what the firm is able to do.

2.1.2 Other Issues Related to the Topic

Dynamic capabilities and SME resilience

Dynamic capabilities are the processes through which firms integrate, build and reconfigure resources in changing environments (Teece et al., 1997). They help explain resilience because disruption often makes existing resources and routines less valuable, and survival then depends on whether the firm can reconfigure them. Capability-based accounts of resilience stress anticipation, which depends on sensing and monitoring the environment, as well as coping and adaptation, which depend on the ability to reallocate resources and change routines (Duchek, 2020). Iborra et al. (2020) add that SME resilience is associated with the capability to combine exploration and exploitation, together with strategic consistency, which suggests that adaptability must be balanced with coherence.

The value of capabilities is not unconditional. Fainshmidt et al. (2019) argued that dynamic capabilities lead to competitive advantage when they are aligned with the demands of the environment, and that the same capability may be less valuable where it does not fit. For resource-constrained SMEs, sensing and transformation that do not address the actual source of disadvantage can consume scarce time and money without improving resilience. Dynamic capabilities should therefore be treated as a conditional mechanism, and their effect should be judged by fit with the disruption faced.

Digitalization and SME resilience

Digitalization can lower transaction costs, speed information flows and open direct channels to customers. Eller et al. (2020) reviewed the antecedents, consequences and challenges of SME digitalization, indicating that adoption is influenced by firm resources and management orientation and that benefits are accompanied by difficulties. During the pandemic, studies examined how SMEs used digital technologies to maintain contact with customers and to continue operations when physical activity was restricted (Guo et al., 2020; Klein & Todesco, 2021; Papadopoulos et al., 2020). Matarazzo et al. (2021) examined digital transformation and customer value creation in Italian SMEs from a dynamic capabilities perspective, which connects the two mechanisms in this review.

Technology is nevertheless not a self-executing solution. Its benefits depend on complementary skills, process redesign and the ability to convert connectivity or data into something customers value. Firms that adopt digital tools without these complements may incur cost without gaining resilience. In emerging economies, unreliable

infrastructure, limited digital skills and customer access constraints may reduce the benefit further. Digitalization is therefore best regarded as an enabling resource whose contribution depends on the capabilities that surround it.

Collaboration, finance and SME resilience

SMEs often lack the internal resources to respond to disruption alone, and collaboration provides one way to compensate. Crick and Crick (2020) described coopetition, or collaboration between competitors, as a business-to-business marketing strategy during the pandemic, which illustrates how firms may pool resources and share risk when conditions are exceptional. Collaboration depends on trust and on the ability to manage the relationship, and it carries risks of dependence and loss of control. Margherita and Heikkilä (2021) presented a framework of continuity actions taken by large companies, which provides a comparison for what resource-constrained SMEs may attempt to achieve with fewer means.

Finance affects what firms can do with their capabilities. O'Toole et al. (2022) examined non-bank financing in SMEs and its implications for firm resilience, and research on the pandemic documented the financing and cash challenges that firms faced and the policy responses that followed (Brown et al., 2020; Cowling et al., 2020; Juergensen et al., 2020; Kuckertz et al., 2020). These studies concern liquidity and support rather than competitive strategy directly, but they explain why a sound adaptation may fail when a firm cannot fund it. Access to finance should therefore be regarded as a conditioning resource, not as evidence that a particular response is effective.

THEORETICAL FRAMEWORK

2.2.1 Resource-Based View

The Resource-Based View is associated with Wernerfelt (1984) and Barney (1991). It holds that firms differ in the resources and capabilities they control, and that resources that are valuable, rare, difficult to imitate and not easily substituted can sustain advantage. Its core insight is internal heterogeneity: firms facing the same shock obtain different outcomes because their knowledge, relationships, routines and financial resources differ.

For SME resilience, the theory explains why firms of similar size and sector respond differently to disruption. Firms with deeper knowledge, stronger customer relationships and financial slack have more options when conditions change. The theory's limitation is that it says relatively little about how resources are renewed when conditions change quickly, and it may lead analysts to label successful firms as having valuable resources after the fact. The Resource-Based View is therefore used here to describe the asset base from which SMEs respond, while other theories explain how that base is changed.

2.2.2 Dynamic Capabilities Theory

Dynamic Capabilities Theory, associated with Teece et al. (1997), assumes that in changing environments possession of valuable resources is not enough. Firms must sense threats and opportunities, seize them through investment and strategic choice, and transform assets, routines and business models. The theory therefore concentrates on purposeful resource reconfiguration, which is the central requirement of resilience.

The theory supports the first objective directly. Evidence on Nigerian manufacturers, Chinese SMEs and Italian SMEs links capabilities and business-model renewal with resilience and customer value creation (Akpan et al., 2022; Huang & Ichikohji, 2024; Matarazzo et al., 2021). Its strengths are its sensitivity to time and process. Its limitations are ambiguity in measurement and the risk of calling any successful change a dynamic capability, a concern echoed in critical assessments of the resilience construct (Hillmann & Guenther, 2021). The theory remains the anchor for this review because resilience is ultimately about how firms alter their resource configuration under disruption.

2.2.3 Resource Dependence Theory

Resource Dependence Theory, developed by Pfeffer and Salancik (1978), holds that organizations depend on

their environment for critical resources and that they manage this dependence through relationships such as alliances, partnerships and other forms of coordination with external parties. It focuses on how access to resources outside the firm shapes behavior and vulnerability.

For SMEs, the theory explains why collaboration and external finance matter for resilience. A firm that lacks a critical resource may obtain it through a partner or a financier, and the structure of these relationships determines how vulnerable the firm is to those who control the resources. Coopetition and non-bank finance can be understood as ways of managing dependence (Crick & Crick, 2020; O'Toole et al., 2022). The theory also warns that collaboration creates its own dependence, which may reduce autonomy. Taken together, the three theories are complementary. The Resource-Based View explains what firms hold, Dynamic Capabilities Theory explains how they change what they hold, and Resource Dependence Theory explains how they obtain what they lack.

2.3 Empirical Review

Capability-based resilience

Capability-based research describes resilience as an unfolding process. Duchek (2020) emphasizes anticipation, coping and adaptation, Conz and Magnani (2020) develop a dynamic perspective, and Hillmann and Guenther (2021) examine the construct critically, while Saad et al. (2021) focus on SMEs. Together these works replace a static contrast between resilient and non-resilient firms with an emphasis on capabilities and sequences. Their limitation is measurement diversity, since resilience is often inferred from managerial perceptions or performance rather than from observed continuity. Firm-level evidence adds contingencies: Akpan et al. (2022) connect dynamic capabilities with resilience among Nigerian manufacturing firms, Iborra et al. (2020) emphasize ambidexterity and strategic consistency, and Huang and Ichikohji (2024) identify business-model innovation as a mechanism through which dynamic capabilities help Chinese SMEs survive and thrive during the pandemic. Fainshmidt et al. (2019) qualify the argument by showing the importance of strategic fit.

Business-model change and strategic response

Studies of crisis response show how SMEs reconfigure what they offer. Clauss et al. (2022) examined temporary business-model innovation as an SME response to the pandemic and distinguished short-term adjustment from lasting transformation. Wenzel et al. (2021) classified strategic responses to crisis, and Giones et al. (2020) and Thorgren and Williams (2020) described how entrepreneurs revise action and try to stay alive as a crisis unfolds. Zutshi et al. (2021) examined how creativity can enhance SME resilience, and Kraus et al. (2020) examined how family firms in five European countries coped. These studies show that adaptation takes many forms and that its suitability depends on the situation. They are mostly concerned with the pandemic, so inferences to other disruptions should be made with care.

Digitalization and continuity

Evidence on digitalization is substantial but largely concerned with the pandemic. Guo et al. (2020) examined digitalization and public-crisis responses among SMEs using a COVID-19 survey, Papadopoulos et al. (2020) considered the use of digital technologies by SMEs during the pandemic, and Klein and Todesco (2021) examined the role of digital transformation in SME responses. Eller et al. (2020) provide a broader view of the antecedents, consequences and challenges of SME digitalization, and Matarazzo et al. (2021) link digital transformation to customer value creation through dynamic capabilities. The overall pattern is that digital tools support continuity and customer access, but their benefits depend on complementary skills and organizational change. Most of these studies are cross-sectional and rely on self-reported responses, so they cannot show whether digital adoption improves long-run survival.

Collaboration, finance and policy support

Crick and Crick (2020) show how coopetition can be used as a business-to-business marketing strategy in a crisis, and O'Toole et al. (2022) relate non-bank financing to SME resilience. Research on the pandemic documents financing, liquidity and policy issues for SMEs and startups (Belitski et al., 2022; Brown et al., 2020; Cowling et al., 2020; Juergensen et al., 2020; Kuckertz et al., 2020). Kraus et al. (2020) show that family firms'

responses differ by context. These sources explain why potentially sound adaptation may fail when firms lack liquidity, partners or institutional support, although they are not direct studies of how finance changes the effect of capabilities. The evidence on the role of external resources is therefore consistent but largely indirect.

Context, size and sector differences

Differences across firms are part of the explanation and not residual noise. Size, sector, ownership and location influence both exposure to disruption and the options available. Torreggiani and Andreoni (2023) show heterogeneous growth dynamics among South African manufacturers facing the same competitive pressure, and Akpan et al. (2022) provide Nigerian evidence on capabilities and resilience. The geographical imbalance of the literature limits transferability. Strong datasets and extensive survey work in Europe, North America and China allow credible analysis, whereas African SMEs often operate with informality, infrastructure gaps and financing constraints that change what is feasible. Service firms and informal enterprises are also underrepresented among the sources reviewed.

2.4 Research Gap

The first gap is analytical fragmentation. Capabilities, digitalization and collaborative or financial resourcing are commonly examined in separate literatures, limiting understanding of how they combine. Second, most evidence concerns the COVID-19 pandemic, and it is not clear how far it applies to other disruptions such as trade shocks, currency movements or local market collapse. Third, the evidence on dynamic capabilities is rich in concept but uneven in measurement, and findings on strategic fit suggest that effects are conditional in ways that are rarely tested.

Further gaps concern context and outcome measurement. African and other emerging-economy evidence is limited, manufacturing and technology-oriented SMEs dominate, and service firms and informal enterprises receive little attention. Many studies infer resilience from perceptions or short-term performance rather than observing continuity or exit over time. Interactions among capabilities, digital tools and external resources are rarely tested, and methodological heterogeneity prevents simple comparison. This review addresses these limitations conceptually by integrating the three domains, distinguishing direct from indirect evidence and identifying the conditions under which each mechanism is more likely to support resilience.

METHODOLOGY

3.1 Research Design

The study adopts a structured integrative literature-review design. This design is appropriate because the question spans strategic management, entrepreneurship, information systems and finance, and because the relevant evidence includes conceptual papers, systematic reviews, surveys and case-based research. An integrative review permits comparison across these forms while retaining attention to context and mechanism. It does not imply a statistical meta-analysis, which would be inappropriate given differences in measures, firms and disruptions.

3.2 Sources of Literature

The review corpus comprises scholarly articles and books selected for the study from journals in management, entrepreneurship, operations, economics and information management, together with foundational theoretical works from earlier periods. Scopus, Web of Science and Google Scholar are appropriate databases for a reproducible extension of the search; however, no claim is made here that an independent database search or complete census of those databases was undertaken.

3.3 Search Strategy

A reproducible extension should combine terms for the firm type, the mechanism and the outcome. Illustrative strings include "SME resilience" AND "dynamic capabilities"; "SME" AND digitalization AND COVID-19; "organizational resilience" AND "business model innovation"; "coopetition" AND SMEs AND crisis; and "non-

bank finance" AND SMEs AND resilience. Boolean OR can combine related terms such as resilience, survival and continuity, while quotation marks preserve multiword constructs.

3.4 Inclusion and Exclusion Criteria

Eligible empirical studies are scholarly publications dated 2019–2026 with a meaningful relationship to SME or firm resilience, dynamic capabilities, digitalization, collaboration or finance, with priority given to studies of SMEs and to emerging-economy evidence. Foundational theoretical works are included regardless of date where they define constructs or explain mechanisms. Studies of large firms are retained only where they illuminate transferable mechanisms. Duplicate, non-scholarly, unverifiable or substantively unrelated materials are excluded. Studies are not excluded solely because they report limited or qualified results.

3.5 Screening and Selection Procedure

The screening logic proceeds from bibliographic identification to duplicate removal, title and abstract assessment, and final thematic inclusion. Since record-level search and exclusion counts were not compiled, no PRISMA flow totals are reported. For several sources only title- and summary-level information was used, and findings from these sources are reported at that level of detail. Future replication should document the date, database, complete search string, filters, duplicate decisions and full-text exclusion reasons.

3.6 Data Extraction and Synthesis

The extraction framework records author and year, context, firm type, design, mechanism, outcome measure and principal implication. Thematic synthesis is used to compare mechanisms and contradictions. Direct studies of SMEs are weighted more heavily when addressing the three research objectives, while evidence about larger firms and theoretical works support interpretation of constructs and conditions. Causal language is limited to the strength of the original designs.

3.7 Quality and Reliability Procedures

Quality appraisal considers peer-review status, transparency of method, fit between design and inference, clarity of constructs, relevance to the question and consistency between evidence and conclusion. Bibliographic details and DOI links should be checked before submission. Reliability is strengthened by explicit coding categories and by distinguishing observed outcomes from perceptions. The principal residual limitation is heterogeneity: strong evidence from one region or period does not guarantee transferability to another setting.

REVIEW AND DISCUSSION

4.1 Dynamic Capabilities and SME Resilience

The weight of evidence indicates that dynamic capabilities contribute to SME resilience, but the effect is conditional. Capability-based accounts explain resilience through anticipation, coping and adaptation (Duchek, 2020), and firm-level studies connect capabilities to resilience in Nigerian manufacturing and to survival and thriving among Chinese SMEs through business-model innovation (Akpan et al., 2022; Huang & Ichikohji, 2024). The consistent mechanism is reconfiguration: firms that can change how they use resources are better placed when existing routines lose value.

The conditions are important. Fainshmidt et al. (2019) show that the value of capabilities depends on strategic fit, and Iborra et al. (2020) suggest that adaptability must be combined with consistency. A resource-constrained SME that invests in sensing and transformation that do not address the actual disruption may weaken its position. Critical assessments of the resilience construct also warn against assuming that any successful adjustment reveals a capability (Hillmann & Guenther, 2021). The literature therefore supports a positive but conditional relationship, and it suggests that measurement of capabilities independent of outcomes remains a priority.

The practical implication is that SME owners should invest in routines for monitoring the environment, testing responses and reallocating resources, and should judge capability by whether it addresses the problem the firm

faces. On balance, the literature sustains the proposition that dynamic capabilities contribute positively to SME resilience while indicating that their contribution is weak where strategic fit is absent.

4.2 Digitalization and SME Resilience

Digitalization appears to support resilience by keeping customers reachable and operations coordinated, but the evidence is mostly from the pandemic and mostly self-reported. Guo et al. (2020), Klein and Todesco (2021) and Papadopoulos et al. (2020) describe how SMEs used digital technologies to respond to crisis, and Eller et al. (2020) show that adoption brings antecedents and challenges that firms must manage. Matarazzo et al. (2021) show that digital transformation creates customer value when it is connected to dynamic capabilities, which suggests that the benefit of technology flows through the capabilities that accompany it.

Digital tools do not guarantee resilience. Benefits depend on skills, process redesign and customers' ability to use digital channels, and these conditions may be weaker in emerging economies. A firm that moves online without changing how it serves customers may gain reach but not resilience. Evidence is also limited on whether digital responses adopted in an emergency are sustained or produce survival benefits over a longer period. The literature supports digitalization as an enabling condition, not a stand-alone solution, and it indicates that it is most effective when combined with capability building.

4.3 Collaborative Resourcing and SME Resilience

Collaboration and finance appear to supplement internal resources, but the evidence is more indirect than for the other two mechanisms. Crick and Crick (2020) show how coopetition can be used to share resources and reach customers in a crisis, and O'Toole et al. (2022) relate non-bank financing to resilience. Studies of the pandemic show that liquidity and policy support shaped what SMEs could do (Brown et al., 2020; Cowling et al., 2020; Juergensen et al., 2020). These findings are consistent with Resource Dependence Theory, which treats access to external resources as central to organizational survival (Pfeffer & Salancik, 1978).

The limits are clear. Collaboration requires trust and may create dependence, and finance helps only if it is accessible, affordable and used for productive adjustment. In many emerging economies, SMEs have limited access to formal credit, which increases the importance of alternative sources but also makes them more vulnerable to unfavorable terms. Because most studies of finance concern liquidity and policy rather than the effect of finance on the performance of capabilities, the contribution of collaborative resourcing is best treated as a conditioning factor. It increases the range of responses available to a firm, but it does not by itself determine whether a response is effective.

4.4 Integrated Discussion

The three mechanisms are best understood as a system. Dynamic capabilities determine whether a firm recognizes what has changed and can reconfigure itself, digitalization provides tools through which reconfiguration reaches customers and operations, and collaborative resourcing provides the partners and liquidity needed to fund and sustain change. Isolated investments often disappoint for this reason. A digital platform adds little if the firm cannot adapt its offering, a capable firm may be unable to act without finance, and external funds may be wasted if the firm lacks the capability to use them well. This reasoning is consistent with the view that capabilities, resources and strategic fit work together (Fainshmidt et al., 2019; Teece et al., 1997).

The theories are complementary. The Resource-Based View explains the heterogeneity of firms, Dynamic Capabilities Theory explains how firms change their resource base, and Resource Dependence Theory explains how firms obtain resources from outside. Together they avoid the assumption that resilience is simply a matter of size or luck, and they emphasize the combination of internal capability and external access that SMEs can influence.

Moderating conditions determine which combination is feasible. Firms in emerging economies may be limited by infrastructure and finance, and the same digital tool may be more useful in a city with reliable connectivity than in a location without it. The type of disruption also matters, because a pandemic, a trade shock and a local

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market collapse call for different responses (Torreggiani & Andreoni, 2023; Wenzel et al., 2021). The review consequently offers a qualified answer to the research objectives. Dynamic capabilities, digitalization and collaborative resourcing can each strengthen SME resilience, but none is sufficient. The strongest pattern is configurational: resilience is more likely where capabilities, digital tools and external resources are present together and fit the disruption faced.

Table 2: Summary of Selected Empirical Evidence

Study	Context or design	Central focus	Contribution to this review
Duchek (2020)	Conceptual article	Capability-based organizational resilience	Defines resilience through anticipation, coping and adaptation.
Conz and Magnani (2020)	Systematic literature review	Dynamic perspective on firm resilience	Frames resilience as a process and supports a research agenda.
Hillmann and Guenther (2021)	Critical review	Value of the resilience construct	Warns that the construct is broad and requires careful definition.
Saad et al. (2021)	Systematic literature review	SME business resilience	Clarifies how resilience has been conceptualized for SMEs.
Iborra et al. (2020)	SMEs; empirical study	Ambidexterity and strategic consistency	Shows that resilience is linked to combining adaptability with consistency.
Fainshmidt et al. (2019)	Empirical study	Dynamic capabilities and strategic fit	Shows that capabilities create advantage when they fit the environment.
Akpan et al. (2022)	Nigerian manufacturing firms	Dynamic capabilities and resilience	Extends capability-based reasoning to an African context.
Huang and Ichikohji (2024)	Chinese SMEs during COVID-19	Capabilities and business-model innovation	Identifies business-model innovation as a mechanism linking capabilities to survival.
Eller et al. (2020)	Review of SME digitalization	Antecedents, consequences and challenges	Shows that digitalization brings benefits and challenges for SMEs.
Matarazzo et al. (2021)	Italian SMEs	Digital transformation and customer value	Connects digital transformation to dynamic capabilities.
Klein and Todesco (2021)	SMEs during COVID-19	Digital transformation and crisis response	Documents the role of digital transformation in SME responses.
Crick and Crick (2020)	Pandemic crisis context	Coopetition and collaborative marketing	Shows how collaboration between competitors can pool resources.
O'Toole et al. (2022)	SMEs	Non-bank financing and resilience	Relates alternative finance to firm resilience.

Source: Researcher, 2026

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary of Results

The review identifies a broad but conditional association between dynamic capabilities and SME resilience. Capabilities help firms sense disruption, seize opportunities and reconfigure resources, yet their value depends

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on strategic fit with the environment and on measurement that separates capability from outcome. The most credible conclusion is that capabilities support resilience when they are aligned with the problem the firm faces.

Digitalization supports continuity and customer access, particularly in the pandemic evidence reviewed, but it is not a self-executing strategy. Its benefits depend on complementary skills and process redesign, and the evidence is mostly cross-sectional. Collaborative resourcing, represented by coopetition and external finance, helps SMEs compensate for scarce internal resources, although the evidence is more indirect and shows that collaboration and finance condition what firms can do rather than determine whether their choices are effective.

Overall, the literature provides stronger support for a complementary combination of capabilities, digital tools and external resources than for any single universal prescription. The evidence base is also tilted toward developed economies and the COVID-19 period, which limits confidence in its application to emerging-economy SMEs.

5.2 Conclusion

SME resilience is neither a fixed trait nor a matter of chance. It is a capacity built through the interaction of dynamic capabilities, digital tools and collaborative access to external resources, and it is shaped by the nature of the disruption and the context in which the firm operates. SMEs are more likely to be resilient when they develop routines for sensing and responding to change, use digital tools in ways that serve their customers and operations, and build relationships and financial buffers that widen their options. The present evidence does not justify declaring one mechanism dominant. It supports a configurational view in which durable resilience rests on coherent combinations of capability, technology and resources, and in which the fit between response and disruption is decisive. Because the evidence from African SMEs is limited, conclusions about emerging economies should be treated as provisional until tested in those settings.

5.3 Recommendations and Policy Statement

The following recommendations and policy statements were made:

1. SME owners and managers should develop routines for sensing change, such as regular review of customer, supplier and market signals, and for testing and reallocating resources, and should assess new investments by whether they address the problem the firm actually faces.

2. SMEs should adopt digital tools together with the skills and process changes needed to use them, starting with channels and systems that maintain customer access and basic operations, instead of adopting technology for its own sake.

3. SMEs should build partnerships and, where appropriate, collaborate with other firms to share resources and reduce risk, while managing the dependence that collaboration can create. They should also hold financial buffers and explore diversified sources of finance.

4. Business support agencies should combine capability building, digital skills training and advisory support with financial assistance, so that firms are able to use the resources they receive effectively.

5. Policymakers should strengthen the infrastructure and institutional conditions that determine whether SMEs can benefit from digital tools and finance, and should design emergency measures so that they protect viable firms while encouraging adaptation.

5.4 Limitations and Directions for Future Research

Future studies should use longitudinal designs that follow SMEs through and after disruption and observe continuity, recovery and exit rather than relying solely on perceptions. Research should extend to African and other emerging-economy SMEs, to service firms and informal enterprises, and to disruptions other than the pandemic, such as trade and currency shocks. Studies should test interactions among capabilities, digitalization and collaborative resourcing, and compare parallel and sequential models. Measures of dynamic capabilities

should be developed independently of outcomes, and strategic fit should be tested explicitly. Greater attention is also needed to the costs and risks of digitalization and collaboration for resource-constrained firms.

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