

An Exploratory study of the Influence of Psychological Capital on Indian Entrepreneurs in Developing Crisis Intervention Strategies amidst the COVID-19 Pandemic

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ABSTRACT

The primary purpose of this study was to investigate the influence of psychological capital on entrepreneurs in developing crisis intervention strategies to mitigate the impact of the COVID-19 crisis. Psychological Capital (PsyCap) is a multidimensional construct of positive psychology that includes the psychological capacities of Hope, Efficacy, Resilience and Optimism. This research examined (a) how the construct of psychological capital influenced entrepreneurs, and (b) how this causality between entrepreneurs' psychological capital and formulating crisis intervention strategies enabled them to navigate through the pandemic by adopting response and recovery strategies on an individual level and on an organizational level. A Multiple Case Study design was incorporated into this study to provide extensive explanations of the influence of PsyCap by assessing the causation of PsyCap on entrepreneurs across several industries. The findings of the study suggested that psychological capital can play a positive role on entrepreneurs that facilitated in building capabilities for survival of the firm by (a) analysing the challenges and executing intervention plans, (b) integrating employee wellbeing and innovation strategies, and (c) enduring the crisis and leading out successfully. Furthermore, this research contributes to the extant literature of entrepreneurship and positive organizational behaviour by providing empirical evidence depicting the multifaceted characteristics of psychological capital.

Keywords: *Psychological Capital (PsyCap), Entrepreneurs, Crisis Intervention, COVID-19 Pandemic*

Despite recent developments in the field of psychological capital and understanding entrepreneurial psychology, there is strikingly little insight into the psychology of entrepreneurs in the context of crisis – a context that is challenging and prevalent, leaving a significant gap in literature. As the COVID-19 pandemic took the world by storm, entrepreneurs needed to alter their business models and adopt remote working strategies. This dramatic departure from existing practices with no response time and limited resources posed difficulties for entrepreneurs to overcome the crisis. Since 'working from home' is not

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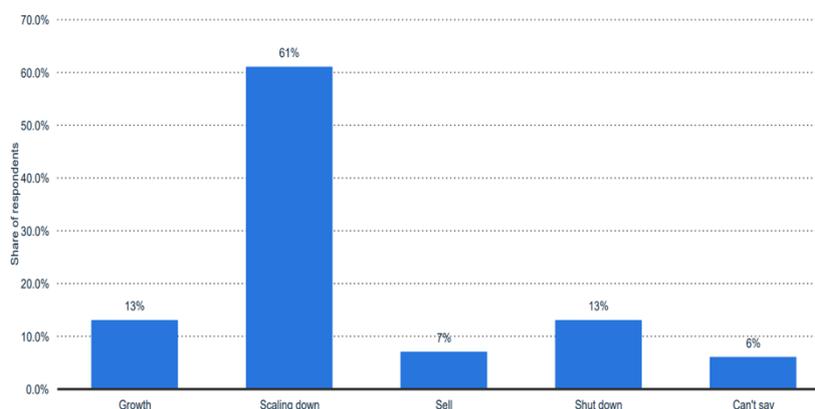
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a viable option for all entrepreneurs, they had to redirect their existing knowledge and discover innovative pathways to mitigate the complexities caused by the pandemic.

According to the Global Economic Prospects report, the coronavirus pandemic has magnified pre-existing risks associated with the Indian economy (World Bank, 2020). In the emerging market of India, the nationwide lockdown from the 23rd of March to the 3rd of May allowed only for less than a quarter of India's USD 2.8 Trillion to be functional (Iyer, 2020). Moreover, the demand and supply disruptions due to the lockdown costed India USD 4.5 Billion (Mukherji, 2020). The implications of the lockdown and the coronavirus pandemic have had and still has a detrimental effect on start-ups and small-medium sized enterprises (SME). LocalCircles, a community social media platform, conducted a survey involving 35,000 participants consisting of entrepreneurs to demonstrate the impact of the pandemic on Indian start-ups and SMEs. The response indicated that 71% of small businesses and start-ups are experiencing lower demand and increase in supply costs for their products and services, with over 13% of businesses completely shutting down (LocalCircles, 2020; Figure 1).

As India began to ease its lockdown restrictions on the 3rd of May, Indian entrepreneurs had to devise new strategies to respond to the emerging needs of the firm by repurposing their pre-existing equipment and expertise to create sustainability in this current turmoil. As history has taught us, pandemics do have a radical influence on entrepreneurial outcomes, communication management, decision-making processes and well-being (Wach *et al.*, 2016; Chell, 2013). But it also teaches us that positive psychological states are an essential tool that one can leverage to come out victorious amid a global crisis (Fredrickson *et al.*, 2003).

Figure 1: Impact of COVID-19 on the future of startups and SMEs in India



Source: LocalCircles, 2020

Positive psychology is a branch of psychology that offers a progressive pathway to view the world around us (Alex Linley *et al.*, 2006). A core construct of positive psychology is Psychological capital that embodies psychological states of Hope, Efficacy, Resilience and Optimism. Psychological capital over the years has helped shift the world of business psychology that focused on conflict, stress and breakdown to civility, business ethics and perseverance (Luthans, 2002b). Therefore, observing entrepreneurs through the eyes of positive psychology can deliver a more profound understanding as to "who they are" (Luthans *et al.*, 2006), and how their mental capacities and strengths generate noteworthy

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outcomes in the form of strategic decisions to navigate through the crisis. However, there is a need for more empirical evidence to corroborate the strong relationship between psychological capital and entrepreneurial success (Hmieleski & Corbett 2008). Therefore, this study aimed to develop a deeper understanding on the impact of the COVID-19 pandemic on entrepreneurs by proposing an overarching framework on the influence of psychological capital on entrepreneurs and how they leverage the power of positive psychology to intervene and thrive during the COVID-19 pandemic.

LITERATURE REVIEW

Definition

Psychological Capital: Although there are various definitions of Psychological Capital in the domain of positive psychology and the range of approaches, however, this study will integrate the comprehensive definition of PsyCap. Luthans *et al.* (2007) defined psychological capital as “an individual’s positive psychological state of development and is characterized by; (1) making a positive attribution (optimism) about succeeding now and in the future; (2) persevering toward goals and, when necessary, redirecting paths to goals (hope) in order to succeed; (3) having confidence (self-efficacy) to take on and put in the necessary effort to succeed at challenging tasks; and (4) when beset by problems and adversity, sustaining and bouncing back (resilience) and even beyond to attain success”.

Characteristics of Psychological Capital

Hope: Snyder, Irving & Anderson (1991) define hope as “a positive motivational state that is based on an interactively derived sense of successful (a) agency (goal-directed energy), and (b) pathways (planning to meet goals)”. Past studies of hope have illustrated the existence of a positive relationship between hope and success of individuals in various fields (Peterson & Byron, 2008; Adams *et al.*, 2002). As hope is defined as an integration of pathways and agency, the proactive element of hope drives entrepreneurs to become adaptive to changing circumstances which are critical to their success (Baker & Nelson, 2005; Luthans & Jensen; 2002; Cramer & Dyrkacz, 1998). However, a multiple group study of entrepreneurs conducted by Przepiorka (2017) exhibited that hope has no direct influence on entrepreneurial success, but a positive relationship exists between goal commitment and entrepreneurial success. Additionally, there also exists positive correlation between hope and problem-solving mechanisms (Harris *et al.*, 1991; Heppner & Hillerbrand, 1991). Furthermore, Laguna (2008) put forth that the probability of accomplishing entrepreneurial goals was directly influenced by hope. The inference drawn from the said argument proves that setting goals are an essential part of hope. Hence, entrepreneurs that identify their desired goals amidst the pandemic would aid them to solve problems to mitigate the severity of the crisis.

Efficacy: Bandura (1997) asserted that self-efficacy is the confidence of an individual and their capability to influence and yield effects from the occurrences that affect their lives. In entrepreneurial studies, Efficacy is concerned with an entrepreneur’s belief in their abilities to achieve satisfactory results by performing necessary roles and tasks (Chen *et al.*, 1998). Efficacy of an entrepreneur is regulated by emotional, cognitive and motivational resources that pave the way for an action plan to tackle the crisis (Stajkovic & Luthans, 1998a).

Entrepreneurial Self-Efficacy (ESE) has its roots from social cognitive theory that asserts that an individual’s learning is influenced by the mutual relationship (Triadic reciprocal causation) that exists between the environment, the individual’s traits and the past behaviour

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exhibited by the individual (Bandura,1991). The efficacy of an entrepreneur is developed through symbolizing, forethought, vicarious learning, self-regulation and self-reflection, the five human capabilities that are essential for an individual's success (Stajkovic & Luthans, 1998b).

Many studies have observed the impact of ESE on psychological states and behaviour during the journey of an entrepreneur's career. For instance, Engel *et al.* (2014), in the context of situational framing, discovered that entrepreneurs with high levels of ESE were prone to incorporate effectual judgement when confronted with uncertainties. Furthermore, a study conducted by Miao *et al.* (2017) on 5065 firms found a positive relationship between entrepreneurs' efficacy and firm level outcomes such as profitability, employment growth and revenues. Therefore, it can be inferred that entrepreneurs with higher efficacy expectancy, have higher odds at success as they would approach a difficult task as challenges to be mastered rather than threats to be avoided (Bradley & Roberts, 2004).

Resilience: The construct of resilience in psychology is a diversity of opinions. On the one hand, Luthans *et al.* (2015) delineate that resilience of an individual refers to the tendency to never give in and bounce back and go beyond of what is required when plagued with life's challenges, while Masten *et al.* (2008) define it to be a positive adaptation to significant turbulences or life-altering experiences, wherein individuals concentrate on building capabilities of development, and leverage their failings as a catalyst for learning in the course of their lives. Cummins and Wooden (2013) articulate that although there are different meanings to resilience, the majority of the literature contemplates on the recovery aspect of resilience. However, the definition of Ann Masten paved the way for scholars in the field of entrepreneurship to conceptualize resilience as a key entrepreneurial trait (Bergstrom & Dekker, 2014).

Many scholars have put forth that entrepreneurs do possess high levels of resilience as some of the main characteristics of individuals in the field of entrepreneurship are preparedness to take risks, ability to restore from start-up failures and pro-activeness in their ventures (De Vries, 1977; Middleton, 2010). Moreover, Markman & Baron (2003) discussed how resilience is a key element for entrepreneurs to combat and recover in times of crisis successfully, for resilience bridges the gap that lies between the 'response' approach and 'recover' approach. Hence, the ability to bounce back from difficulties is essential to entrepreneurs faced with constraints during high-risk situations (Markman *et al.*, 2005).

Optimism: The last positive construct of PsyCap is optimism. Seligman (1998) defines optimism as a constructive approach to incidents that occur in life. An optimist attributes accomplishment to personal influences, and failures to situational and external circumstances beyond one's control, while a pessimist characterises failures to personal weaknesses, and successes to external resources that assisted him/her along the journey (Seligman, 1998).

Many scholars have asserted that optimism is closely linked to positive expectancy and confidence (Seligman, 1975; Bandura, 1977, Carver *et al.*, 2010). Locke & Latham (1990) regard goals as performance standards and results individuals seek to achieve, while expectancy indicates the apparent probability of an individual in attaining that goal. In the context of entrepreneurship, optimistic entrepreneurs are more likely to believe that a goal is achievable, they will confront the circumstances with a plan of action, whereas a pessimistic

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entrepreneur would most likely not try to accomplish the goal (Scheier *et al.*, 2001; Carver *et al.*, 2010). Therefore, optimism in entrepreneurs could foster persistence in challenging situations by keeping them focused towards their end goals (Brown and Marshall, 2001).

Scheier & Carver (1992) posit that optimism can be regarded as a coping mechanism, as it positively correlates to problem-focused coping among individuals who felt that the stressful incident is controllable. However, Janoff-Bulman & Brickman (1982) assert that problem-focused coping would be inept in unchangeable situations. The said statement can be contextualised to describe the situation of entrepreneurs during the COVID-19 pandemic as it can be classified as a force majeure event. Although, optimism is viewed as a coping mechanism, entrepreneurs must be prudent and not set unrealistic expectations and goals falling prey to unrealistic optimism in the midst of the pandemic (Weinstein, 1984). While optimism is commonly viewed as a positive psychological construct, an explicit illustration of optimism is yet to be uncovered.

Entrepreneurs' PsyCap and Crisis Intervention

Crisis Development Stages: Before we examine the role of PsyCap on entrepreneurs' psychology in formulating crisis intervention strategies, it is imperative to comprehend the development of various stages of crisis and its impact on entrepreneur's mental health. Although, many researchers have commented that crisis development cannot be assessed from a psychological point of view, psychological elements such as individual strength, experience and entrenched resistance in dealing with the onset of a crisis are critical to examine the situation and process information regarding the crisis (Mitroff *et al.*, 1988; Pearson & Clair, 1998). Additionally, previous studies (Ajzen, 1996; 2001; Sutton 1998) have demonstrated that deciphering mental psychological states and attitudes of leaders can help foresee behavioural outcomes. One of the pioneers in the field of research of Crisis Management is Gerald Caplan, who formulated a crisis model based on empirical studies of an individual (Mikusova & Horvathova, 2010).

According to Caplan (1960), crisis development transpires in four phases; (1) the crisis occurs, (2) consequences of the crisis, (3) attempt to find new solutions; and (4) loss of control. The **first** phase of the crisis model states that there is an increase in psychological tension that goes unnoticed since the crisis is in its preliminary stage. As the crisis unfolds, and the consequences of the crisis are felt, the crisis has entered the **second** phase. In this phase, there is an increased disruption to everyday operations, stress and anxiety of individuals further increase as prior coping strategies fail to relieve. In the **third** phase, rising tensions urge individuals to look for new solutions to mitigate the effects of the crisis by mobilizing resources and explore new strategies. If the strategies adopted fail, this could lead to the **fourth** phase, loss of control. This stage precedes severe psychological tension, unbalance and depression to an individual with all coping mechanisms have failed. This crisis model could be beneficial in understanding the different mental stages that an entrepreneur goes through during a crisis and could potentially provide valuable insights about their behavioural outcomes in moderating the negative impact of the COVID-19 pandemic.

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Figure 2: Caplan’s Crisis Model

1	2	3	4
<i>Threat</i>	<i>Strain</i>	<i>Coping response</i>	<i>Disturbance</i>
Event defined as threatening Reaction: Increase in stress	Functioning of individual is impaired.	Novel solutions attempted	Disturbance, breakdown Loss of control of self

Source: Caplan, 1960, 1964

The Role of Psychological Capital on Entrepreneurs

Psychological capital is a higher-order construct reflecting four components: hope, efficacy, resilience and optimism. Over the years, PsyCap has gained an increasing focus in the literature as a strategic resource for its impact on human performance (Ardichivili, 2011). Although each construct individually offers favourable outcomes, a union of these constructs, PsyCap, produces a greater impact on individual performance (Luthans *et al.*, 2007). A growing body of entrepreneurial psychology literature has studied the mediating role of PsyCap and its link to Entrepreneur behaviour positively impacting individual and team level outcomes (Gooty *et al.*, 2009; Avey *et al.*, 2009; Wooley *et al.*, 2011). Moreover, the importance of entrepreneurs and how entrepreneurs utilize their psychological and behavioural resources to increase survivability during times of crisis has gained attention in literature (Finkelstein & Hambrick, 1996; Dixon *et al.*, 2017). Luthans *et al.* (2007) asserted that individuals with higher levels of PsyCap are better at tackling obstacles and challenges brought by crisis, because even though setbacks occur the resilient factor of PsyCap keeps individuals motivated.

Entrepreneurs’ PsyCap Outcomes

While entrepreneurs of small- medium-sized enterprises (SME) cannot monitor the global economic conditions caused by the crisis; nonetheless, entrepreneurs and leaders of SMEs must have contingency plans for economic downfalls to prevent delays in crisis recovery. A survey conducted by Wang and Ritchie (2012) that included 386 respondents were made to rate the attitudes and behaviors of their leaders during times of crisis, and social factors that had a substantial influence on crisis intervention strategies. The results of the survey demonstrated that the attitudes of the leaders and crisis intervention strategies implemented during a previous crisis significantly influenced the participants' decisions. To further assert the positive influence of entrepreneurs during times of crisis, Winnard *et al.* (2014) put forward that entrepreneurs and small business leaders are constantly faced with resource and costs constraints in unpredictable scenarios that makes it difficult for them to handle a crisis effectively. However, entrepreneurs and leaders that created adaptive business strategies by fostering resilience in the workplace were able to surmount their disadvantages brought on by the crisis and increase their sustainability.

Furthermore, a qualitative study conducted by Orobia *et al.*, (2013) examined 10 entrepreneurs and analyzed the influence of their personal characteristics and behaviors in formulating decisions and managing working capital during a crisis. The outcomes of the study showed that entrepreneurs who made use of their intuition to handle the shortfalls caused by the crisis were successful when compared to entrepreneurs who employed conventional methods. Therefore, entrepreneurs’ psychological states help them recognize

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the need to implement solutions that require minimal working capital. Moreover, Diers & Donohue (2013) explain how entrepreneurs making use of existing resources increases entrepreneur survivability during crises. The studies mentioned emphasize the important role played by entrepreneurs during challenging times and how they leverage their existing mental and physical resources to execute crisis intervention strategies during the COVID-19 pandemic to sustain their businesses.

A research carried out by Buttner (1992) took into account environmental factors and uncertainties and expressed that entrepreneurs are constantly exposed to many stressors that in turn, affect overall performance, induce negative work-related attitude and decrease mental health. However, Buttner's study failed to incorporate positive aspects of an entrepreneur's mental state that controls behavioural outcomes. Avey *et al.* (2009) conducted a study on a large sample of individuals working in different sectors and found that individuals with higher levels of PsyCap experienced lower levels of stress while carrying out a task. In addition, numerous studies of Entrepreneurial PsyCap have demonstrated its positive relation to problem-solving analysis, creative outcomes and innovation capabilities (Luthans *et al.*, 2011; Sweetman *et al.* 2011; Rego *et al.* 2012; Sameer, 2018). As new challenges arise amidst the pandemic, entrepreneurs PsyCap enables them to look for new solutions, and leverage untapped resources that could potentially help develop strategies to deal with the crisis at hand (Dass-Brailsford, 2007). Bessant *et al.* (2015) stated that innovating or altering processes, services or products during times of crisis increases the likelihood of a company surviving the crisis. Moreover, Johnston & Hausman (2014) discovered that one of the factors for SMEs closures during the 2008 financial crisis was due to a lack of innovation. Therefore, the preceding findings illustrate the following: (a) entrepreneurial innovation is an essential tool that increases chances of survivability during times of crisis, (b) the power of PsyCap enables entrepreneurs to not only facilitate positive psychological health but also manifests itself in developing operational plans while integrating innovation as a crisis intervention strategies.

PsyCap has been assessed as an essential asset of authentic leadership (Luthans & Avolio, 2003) and it is currently the most researched approach of entrepreneur PsyCap. This approach to PsyCap research has gained importance in Entrepreneurial literature as PsyCap enables individuals to build on their strength and broadens their thinking to implement the right decisions which is crucial for entrepreneurs of contemporary businesses as they work in dynamic environments filled with uncertainties (George *et al.* 2007). An extension of this literature carried out Baron *et al.* (2016) emphasise that in times of uncertainties and situational crises, PsyCap bestows entrepreneurs with mental endurance to cope with work-related requirements effectively. Moreover, and pertinent to the current research, with a great level of PsyCap, Entrepreneurs are equipped to rise to the challenges of managing a business by creating organizational trust (Norman, 2006) and understanding the intricacies of the situation (Avey, 2007). Building up on the study conducted by Avey (2007), the persistent factor of PsyCap has shown to promote entrepreneur sustainability in difficult times as it fosters innovation by exploring various strategies and alternatives (Raqshin & Nirjar, 2012). The study draws its conclusion based on how entrepreneurs were influenced by Hope, Optimism, Self-efficacy and Resilience that enabled them to experiment and take risks that eventually resulted in inclination for innovation and creativity. Hence, the assertion of Gooty *et al.* (2009) regarding persistent leaders leveraging PsyCap to establish and accomplish positive goals by facilitating capabilities enabled employees to persevere through the crisis was supported.

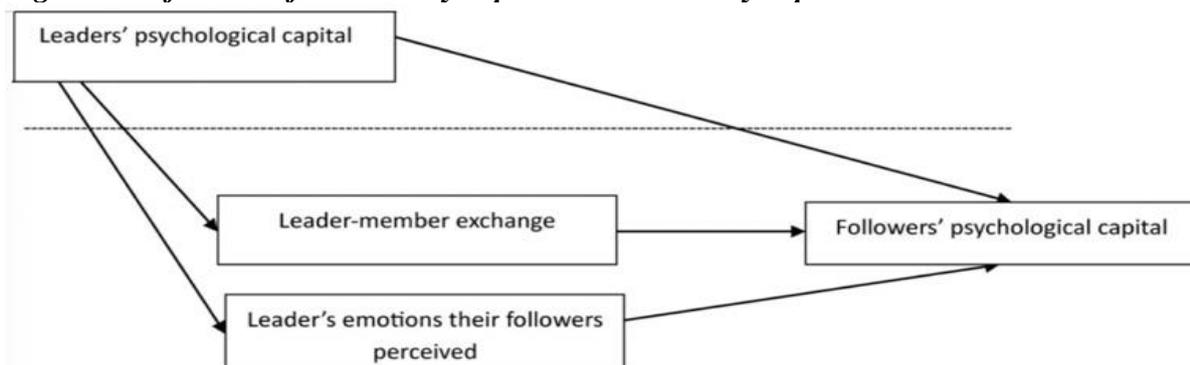
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Leader – Follower PsyCap Outcomes

Amidst the COVID-19 pandemic, as businesses start to reopen, entrepreneurs are urged to make massive transformations to their pre-COVID mode of operations and incorporate organizational changes at various levels (Taylor, 2020). Despite many practitioners assert that employee resistance is the main hindrance to successful organizational change practises (Strebel, 1996; Armenakis & Bedeian, 1999), the positive role played by entrepreneurs in influencing positive organizational change has predominantly been ignored (Avey *et al.*, 2008; Avolio & Luthans, 2006). When the pandemic took birth, entrepreneurs along with their employees underwent various tunnels of emotions. Therefore, creating a safe environment and actively listening to their employees would create crisis therapy conversations that help formulate coping strategies (Saks & Gruman, 2010). Moreover, Hogan and Coote (2014) discussed how organizational processes and entrepreneurs' values that promote employee commitment increased the market share of the company while contributing to long term sustainability.

Nonetheless, a study conducted by Walumbwa *et al.* (2010) proves that leader PsyCap was positively correlated to follower PsyCap and hence positively corresponded to the performance of the follower, a phenomenon known as the emotional contagion. Emotional contagion is a phenomenon where people co-working ultimately mimic each other leading to a consistency of emotions around people working together (Hatfield *et al.*, 1993). Hence, a leader with high levels of PsyCap would inculcate a supportive work culture that fosters a two-way relationship between a leader and followers (leader - member exchange) that enables followers/employees to stay motivated unaffected during difficult situations (Chen *et al.*, 2019; Figure 1). In addition, a study conducted by Norman *et al.*, (2010) that included 199 employees indicated that employees with higher levels of PsyCap engaged in organizational citizenship behaviour compared to an employee who felt disconnected to the organization. Fredrickson (2003) classified organizational citizenship behaviour as a positive emotion that enables employees to stay committed to the organization, experience work meaningfulness and engage in activities not part of their job description in times of crisis. This collective PsyCap of the entrepreneur and the employees was then later found to be strongly linked with team-level and financial performance of the enterprise and enhanced organizational commitment (Walumbwa *et al*, 2011; McKenny *et al*, 2013; Rego *et al.*, 2019). Hence, PsyCap enables Entrepreneurs to primarily focus on employee commitment and well-being, and organizational culture during times of uncertainty as it could potentially increase their chances of survivability.

Figure 3: Influence of Leader PsyCap on Follower's PsyCap



Source: Chen et al., 2019

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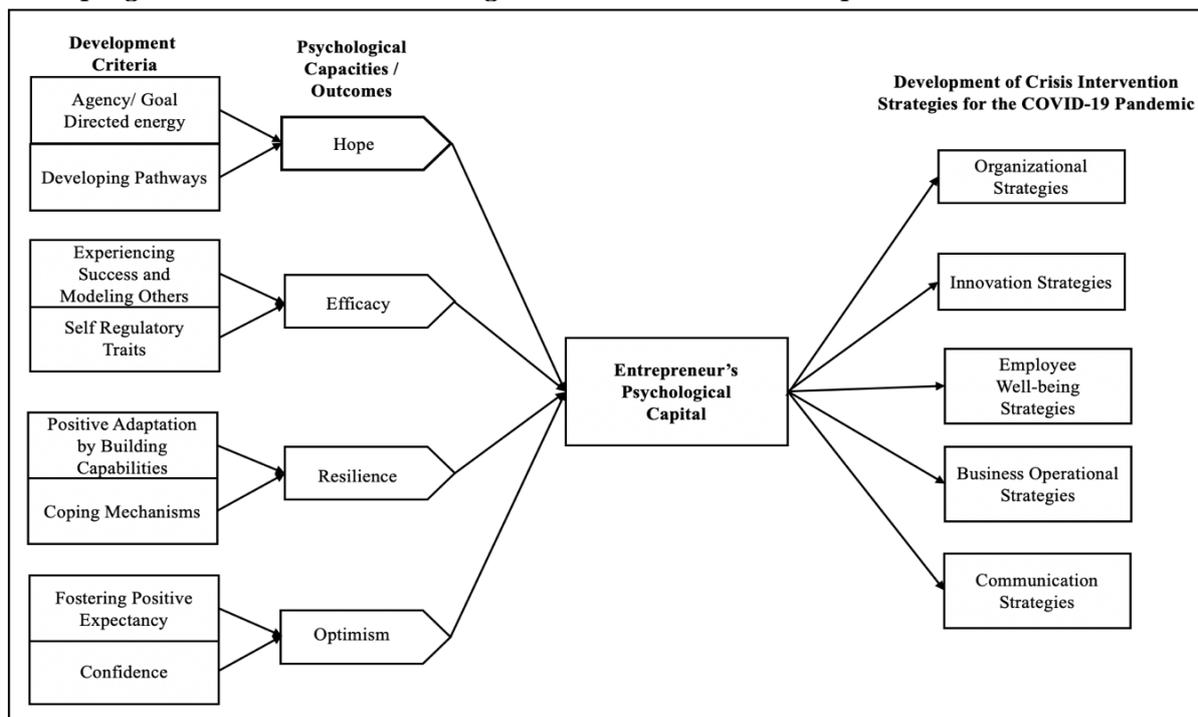
Although Avey (2007) acknowledged the positive influence of entrepreneur PsyCap on employee PsyCap, he cautioned that the positive impact on employees would be minimal if entrepreneurs do not verbally communicate the potential positive outcomes of a situation. The evidence to the above assertion was demonstrated by a study conducted by Bono and Illies (2006) that showed the positive effect of Leader PsyCap on follower PsyCap was through communication. Additionally, a meta-analysis conducted by Avey and his peers on 51 different samples consisting of 12,000 respondents validated that entrepreneur PsyCap not only influenced work performance but also gave rise to desirable behaviours and attitudes. Therefore, this contagion effect of positivity helps in creating an environment of trust for discourse in times of crisis between entrepreneurs and their employees (Kasper-Fuehrer & Ashkanasy, 2011).

Conceptual Framework

To conceptualize this research, this section of the literature review will present a conceptual framework that is constructed based on the above literature to illustrate the initial point of the research. A conceptual framework is a network consisting of interlinked concepts that together offers deeper insights into the phenomenon being researched (Jabareen, 2009). Relevant frameworks and theories have been taken into consideration to integrate into this conceptual framework. Miles and Huberman (1994) asserted that a conceptual framework in qualitative research should aim to explain the focal elements of the study such as constructs, existing concepts and direction of the research, rather than the relationship between variables and factors. This conceptual framework is grounded on the Positive PsyCap Intervention Model of Luthans *et al.* (2007), wherein participants of the study with higher levels of PsyCap demonstrated an improvement in their job performance. A conceptual framework of PsyCap and Crisis Intervention Strategies is shown in Figure 3. The current study proposes that the influence of PsyCap on Entrepreneurs enables them to realign their existing modes of business operations and develop Crisis Intervention Strategies in various domains to mitigate the impact of the Covid-19 pandemic for the following reasons. Primarily, PsyCap is a higher order construct that is directed towards goal achievement and discovering one's capability to explore different pathways (hope). While some of which might work, and some would not, resilience of the individual is necessary to stay persistent towards the goal and to stay optimistic and confident (efficacy) in their capabilities.

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Figure 4: Conceptual framework presenting the influence of PsyCap on Entrepreneurs in developing Crisis Intervention Strategies amidst the COVID-19 pandemic



Source: Author, Adapted from Luthans et al., 2007

RESEARCH METHODOLOGY

Research Method

This research employs a qualitative inductive approach. The use of qualitative studies is appropriate for this research as it aims to develop ideas and uncover thoughts rather than rely on variation and chance (Trotter, 2012). Qualitative methodology draws conclusions grounded upon personal observations of individuals, events and interactions, and incorporates direct quotes from people about their experiences (Geertz, 1973). While a quantitative approach limits flexibility that hinders an increase in understanding of strategies, experiences and motivations of the respondents of the study (Venkatesh *et al.*, 2013). Moreover, Kuhn (1962), Berry & Metcalf (1986) and Tinker *et al.*, (1982), amongst others, critique that quantitative hypotheses restrict research findings as they are value-laden. Previous studies have demonstrated that the use of qualitative methodology has assisted in the exploration of how entrepreneurs planned and implemented crisis survival strategies (Smythe, 2012; Finlay, 2014). Furthermore, a qualitative approach can enable the researcher to gain a deeper understanding of how entrepreneurs sustained their businesses amidst the unprecedented global pandemic.

Research design

A research design represents a research plan to formulate questions, draw inferences and concoct a framework or report on the research (Kozlowski *et al.*, 2013). While there are several research designs, the case study design is appropriate for this study as this study aims to explore fundamental themes of PsyCap and Entrepreneurs' experiences during the COVID-19 pandemic. The case study design facilitates the use of numerous data sources such as business brochures, interviews and websites to shed light upon how the participants devised crisis intervention strategies (Yin, 2014; Houghton *et al.*, 2013). Furthermore, the

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case study design allows for an extensive investigation of a single case or multiple cases (Verner & Abdullah, 2012). Therefore, interviews are the most apt data collection method for the case study research design due to its explorative characteristic.

Data Collection and Analysis

In qualitative studies, data is usually gathered from two different sources. Firstly, data is collected through secondary sources such as journal articles, published books, public reports and websites so that the researcher is able to explore and probe information that already exists on the topic (Wilson, 2016). Secondly, data is collected through primary sources incorporating techniques such as interviews, focus groups, questionnaires and transcripts (Phelan, 2011). Bryman and Bell (2011) stated that existing secondary data is the groundwork for primary data.

For this qualitative study, the secondary sources of data are from journal articles, authentic websites, books, reliable online news platforms and existing reports of the COVID-19 pandemic and its impact on the business world. And the primary data collection method for this research is semi-structured interviews with Indian entrepreneurs to investigate their experience in intervening with the unexpected COVID-19 pandemic. Consecutively, company websites, brochures and social media pages were reviewed. Semi-structured interviews is one of the most common techniques of gathering data in the case study design (Bryman & Bell, 2011). Semi-structured interviews not only provide opportunities to the researcher to acquire first hand data from the participants but also creates a safe environment for the participants to communicate their events meticulously (Seidman, 2013; Bryman & Bell, 2011). Additionally, due to the explorative nature of the research, it is more advantageous to restrict the scope of the research to a comprehensive analysis of a few entrepreneurs, instead of a large sample of entrepreneurs. The entrepreneurs selected for this study were based on the criteria of minimum 8 years of experience in the field. The participants in the study were labelled Entrepreneur A (E-A), Entrepreneur B (E-B) and so on to maintain anonymity. The study can be validated with the data collected from a small number of entrepreneurs, however, there lies a potential of discovering new keywords and themes with each new entrepreneur from different sectors. In that instance, the interviews were continued until data saturation is achieved.

Data Analysis

Since this qualitative study employed semi-structured interviews, interpretations and information were analysed using the technique of thematic analysis through inductive reasoning. Thematic analysis in business psychology research deals with distinguishing, examining, interpreting and harmonizing precedents and emerging themes in the study (Braun & Clarke, 2006). The progression of thematic analysis concerns itself with developing codes to classify and define the data. Coding is a method of disintegrating large amounts of data into small segments (Bazeley, 2013). Codes can be established after collecting the data i.e. posteriori, or before collecting the data i.e. priori (Ryan and Bernard, 2000). However, one must be cautious while pursuing thematic analysis as there is a possibility of inconsistency of codes among data sources i.e. a particular code from one data source would not necessarily correspond to codes from other data sources (O'Reilly & Parker, 2013).

In this research, to begin with codes were developed after reviewing the literature and a conceptual framework was created. Posteriori codes were developed after analysing the data

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collected from interviews with entrepreneurs. After the data collection process, interview recordings were transcribed, and these transcriptions ensued close analysis to uncover themes and trends communicated by the respondents about how they developed crisis intervention strategies for the ongoing pandemic. A repetitive and meticulous procedure of reviewing information from each interview facilitated in grouping of codes, and further dividing them into subcategories, and finally into common headings of final categories (Bryon *et al.*, 2012). The thematic coding of interviews was beneficial as it helped maintain data integrity and delivered an authentic perspective of the data analysis.

DATA FINDINGS AND ANALYSIS

Emerging Themes: This study incorporated one holistic research question: How does psychological capital influence Indian Entrepreneurs in developing potential crisis intervention strategies during the COVID-19 pandemic? The within-case analysis of data collected from each Entrepreneur regarding the impact of the pandemic on their businesses revealed four main themes on the influence of psychological capital on Indian Entrepreneurs in deploying strategies amid the pandemic.

Theme 1: Synergistic value of Resilience and Hope

As this pandemic brought about unprecedented challenges, the entrepreneurs had to deploy unexplored strategies to deal with the crisis. In order to do so, analyzing the challenges in every aspect is crucial to comprehend the extent of the impact of the pandemic. While seven entrepreneurs conveyed that they faced difficulties due to supply chain complexities, four entrepreneurs admitted difficulties due to human resources. But all entrepreneurs affirmed that they conveyed to their employees the impending obstacles faced by the business and exhibited belief in the company's potential to persevere through the challenges (resilience) by effectively identifying the weak spots and establishing goals (hope) to alleviate the impact. No matter how overwhelming the challenges were, the entrepreneurs seemed to have trusted their intuition during this challenging time that aided them in creating pathways (hope) to recover (resilience) despite resource constraints (Luthans *et al.*, 2007)

"For someone who is in a position of being an entrepreneur is that every day you are going to get up, you are going to have some new kind of challenge. So, we are hitting the challenges face on. So if anything happens, let us see how we can solve it. So, the mindset is already in, like there is going to be a problem. Let us solve it." – Entrepreneur D

As all the participants were in the field of entrepreneurship for ten years, this illustrates that over the years they may have developed resilience through various setbacks, challenges and failures along their entrepreneurial journey. Although the entrepreneurs of the study expressed their distress during the lockdown, they accepted the crisis at hand. This possibly draws attention to the fact that the entrepreneurs directed their energy to focus on developing capabilities and formulating solutions with the resources in hand to positively adapt to the crisis (Masten *et al.*, 2008). It appears that they did so by addressing each challenge, analyzing potential solutions and finally implementing the desired alternative. This goal-directed behavior of entrepreneurs was primarily necessary for recognizing and acting on challenges. The individual agency and pathways that embody hope is likely to have motivated the entrepreneurs to look for alternatives when encountered with impediments (Synder *et al.*, 1991). Hence, in the context of this pandemic, the entrepreneurs appeared to have demonstrated that resilience amplified hope as it helped secure conviction in dealing

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with the unparalleled crisis by developing never-before-seen strategies and facilitating actions to embrace the crisis and strive for success.

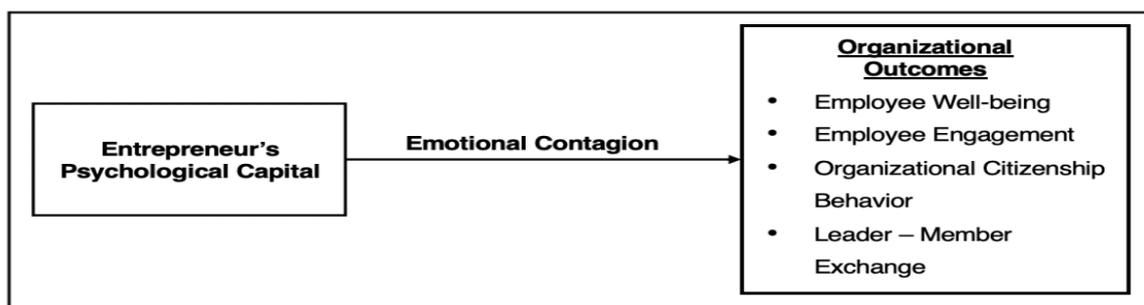
Theme 2: Entrepreneurs' PsyCap can have a positive influence on Employee Well-being

Entrepreneurs expressed that strong cooperation between the employees and themselves is critical to surviving the COVID-19 crisis. This belief of collective strength seemed to have been deep-rooted into the entrepreneurs' mindset, having dealt with previous operational disruptions. As a result, this team effort was shown to contribute to the potential of the firm succeeding during the pandemic. This justifies the motive of entrepreneurs to ensure the safety and health of their employees by providing them with basic necessities, in-house counselling, COVID insurance and incentives to sustain during the lockdown. Moreover, entrepreneurs apprehended that during these troubled times, employees look up to them as their leader to lead them through the crisis. Hence, maintaining a positive persona, advocating transparency and communicating the firm's plan of action to attain success during the pandemic was deemed necessary by the entrepreneurs. Hence, this method of positive reinforcements and verbal communications might have resulted in creating a supportive environment in the firm that guided the employees confidently to deal with the crisis and work towards the company's goals (Walumbwa *et al.*, 2010).

“Well first we had to take care of our workers without whom we cannot work, the entire staff and employees were made sure they were kept calm. We issued rations and gave incentives to show their importance to the company. We took up counselling for all of them, that aimed to build hope and support. So we created an environment of hope and confidence through positive reinforcements” – Entrepreneur A

From the reasonings mentioned above, the influence of positive agency in PsyCap on entrepreneurs perhaps gave rise to the emotional contagion effect that propelled the firm as one entity of high psychological capital moving from the pre-COVID world to the post-COVID world (Hatfield *et al.*, 1994). Additionally, none of the nine entrepreneurs laid off their employees even though they had low financial resources for they articulated that laying off people was not the answer. Instead, believing in one's employees and trusting their ability to bounce back would enable the company to create revolutionary solutions as a team. As a result, entrepreneurs focusing on employee relationships and well-being seems to have stemmed from the stimulus of organizational PsyCap that aims at promoting a safe culture that directly or indirectly fosters organizational citizenship behavior to intervene for the crisis.

Figure 5: Influence of Entrepreneur PsyCap on Employees



Source: Author

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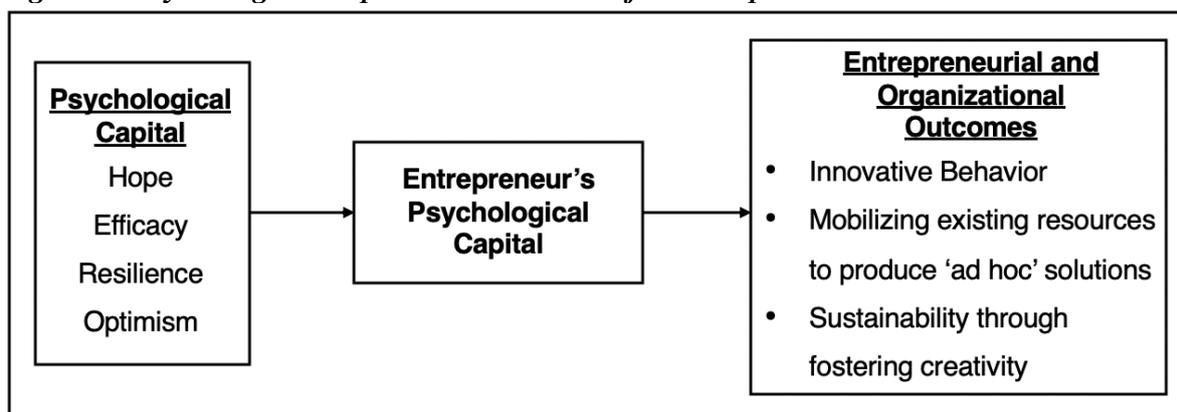
Theme 3: Psychological capital: An Antecedent for Innovation

While all the entrepreneurs relayed strategic measures in terms of equipment, finances and personnel to mitigate the impact of the pandemic, four entrepreneurs mainly used the strategy of creativity and innovation to survive the crisis. By effectively identifying the need of the market and analyzing their existing resources, the entrepreneurs manufactured new products such as masks, sanitizers, and sanitizer dispensers that could curb the spread of the coronavirus in society. The entrepreneurs also acknowledged that it is because of their innovation they were able to survive the pandemic and not go bankrupt. The inference drawn from the said statements substantiate that building a firm's capability by leveraging existing resources can help entrepreneurs to positively adapt to the market and the crisis by creating sustainability in this time of uncertainty. As an innovator, Entrepreneur I

"We had all the raw materials because we use in our other products, so we started the sanitizers, and it was one of the best strategies, and we had to do it to sustain. Even though we had challenges we made sure we dealt with it, and it is all solved now, and we launched eight new products. In June, we had record break sales, which has been the highest in 10 years."

The entrepreneurs' innovative behavior seems to have been echoed in focusing on adaptive capabilities (resilience) of the firm to intervene in the crisis. Consequently, this possibly led to decision-making and problem-solving analysis initiated by the entrepreneurs to find solutions (hope) to foster positivity (optimism) in the firm and nullify the drawbacks. Finally, the entrepreneurs demonstrated that they were able to leverage the capabilities of vicarious learning and forethought that helped them develop efficacy (Stajkovic & Luthans, 1998). Therefore, the overall impact of each construct of PsyCap may have a ripple effect on entrepreneurs that motivated them not to give in, but rather focus on creating sustainability through positive emotions and innovations by manufacturing ad hoc products.

Figure 6: Psychological Capital an Antecedent for Entrepreneurial Innovation



Source: Author

Theme 4: Psychological Capital: A Strategic Resource for Revival

The data collected from nine entrepreneurs demonstrated that creating a supportive and safe environment was primary. While all of the entrepreneurs were taken aback by the severity of the pandemic, they chose to incline towards positivity and embrace the change brought by the pandemic. As an Entrepreneur mentioned during the interview, this pandemic is an 'unknown unknown' event which means it is an occurrence that one simply cannot prepare

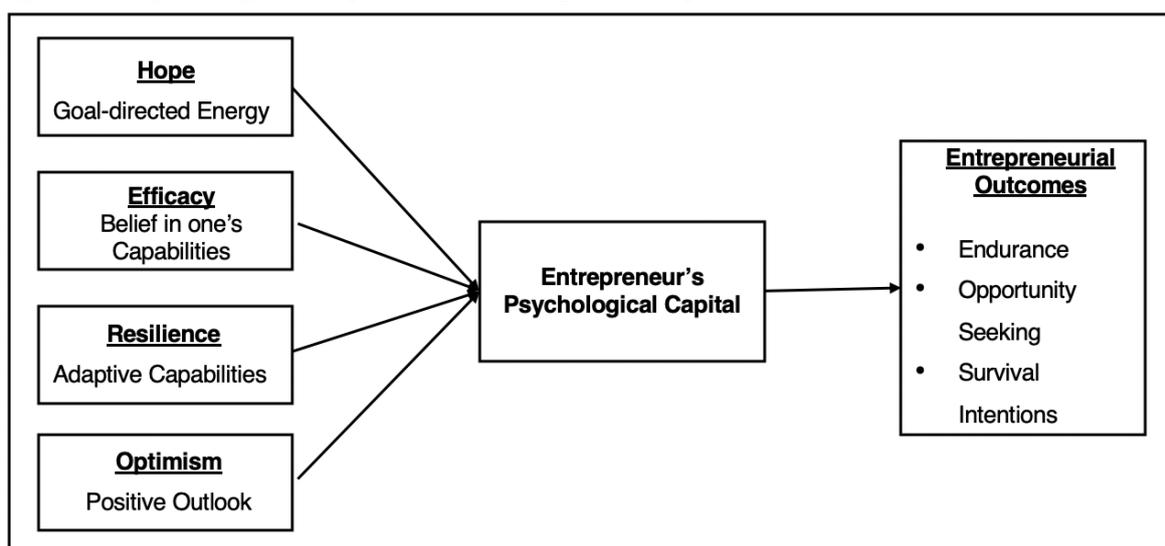
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for in advance. This suggests that enduring a crisis is the only option to survive. This pandemic brought about a sudden shift to businesses as now they had to focus on survival rather than growth until normalcy occurs. The entrepreneurs believed that every time there is a crash in the market, new opportunities are always around the corner. The implication being that self-reflecting one's processes, anticipating and being prepared for the worst-case scenario will lead to success amid this pandemic. As Entrepreneur G states:

"Within this crisis, there are many opportunities. A lot of weaker players have withered away. Those that remain and those who can weather this crisis will reap the harvest for the next. So the best time for us now is to strengthen your defences, hold the ship, keep steady and reap the harvest, and they are bound to be bountiful."

The underlying assumption behind Psychological capital is that it gives rise to positive emotions that enable entrepreneurs to evaluate the crisis positively (Luthans *et al.*, 2007). This explains how during the pandemic entrepreneurs were most likely influenced by PsyCap and enabled them to examine numerous pathways to mitigate the negative impact by establishing goals (hope), endure the crisis by having faith in their abilities (resilience and efficacy) and not lose sight of the bigger picture as this pandemic is temporary (optimism). Therefore, these findings illustrate the probable positive influence of PsyCap on entrepreneurs of how PsyCap not only helped cope with the pandemic but also advocated to explore new opportunities by going along with the market and awaiting a promising future.

Figure 7: Psychological Capital a resource for Entrepreneur Revival



Source: Author

DISCUSSION

As this study aimed to explore the influence of the intangible resource of PsyCap on entrepreneurial outcomes during the COVID-19 pandemic, a review of extant literature on psychological capital demonstrated that there exists a positivistic impact on entrepreneurs and identified a gap in the literature corresponding to the context of development of crisis intervention strategies amid the COVID-19 pandemic. The data findings underpinned the multifaceted nature of psychological capital and how each construct could have played a role on entrepreneurs depending on the distinctiveness of the situations.

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Over the years, organizational scholars have been intrigued by how entrepreneurs effectively use resources to stimulate a firm's operations, especially during turbulent and uncertain times (Wernerfelt, 1984; Barney, 2001). The question of how entrepreneurs intervene for the crisis with depleting resources is particularly relevant as it helps understanding how organizational success is achieved. While financial and knowledge resources are indeed relevant, limiting the field of research to these resources may lead to a lack of understanding of other beneficial resources. The success of entrepreneurs during turbulent times largely depends on individual psychological states, as psychological states affect cognitive process, attitude function and behavioural outcomes (Ajzen, 2001). Some findings identified in this study were also uncovered by entrepreneurial, psychology and organisational scholars. For instance, the goal-directed characteristic of hope (see Snyder *et al.*, 1991), ability to generate positive outcomes (see Bandura, 1997), trait of resilience to bounce back (see Markman *et al.*, 2005; Masten *et al.*, 2008), positive expectancy of the future (see Scheier *et al.*, 2001; Brown & Marshall, 2001), the progressive nature of entrepreneurial mental state (see Caplan, 1964) and PsyCap influence of entrepreneurial innovation and employee wellbeing (see Chen *et al.*, 2019; Bessant *et al.*, 2015)

Proposition 1: The psychological capacities of Hope and Resilience are strategic resources that are likely to influence Entrepreneurs to Analyze and to Execute Crisis Intervention Plans

As DeTienne (2010) states the journey of an entrepreneur does not begin and finish with the starting of a venture, but rather continues safeguarding the survival and success of the firm. In times of crisis ensuring the survival of the firm not only hinge on tangible resources, but also includes intangible contributions such as psychological resources. In this context, the first overarching theme of the study revealed the probable positive effect of the psychological resources of resilience and hope on entrepreneurial intervention as a primary step in developing crisis intervention strategies for the survival of the firm.

The findings seem to be aligned with the study of Markman *et al.* (2005) and Markman and Baron (2003) that demonstrated that entrepreneurs exhibit considerably higher levels of resilience, as entrepreneurial activity is identified by constant threats and risks that build one's perseverance. The answers stated by the entrepreneurs depicted that uncertainties are a part and parcel of entrepreneurial pursuits, and the one must always recuperate in order to survive. The high levels of resilience on entrepreneurs can be credited to the fact that all the participants of the study had a minimum of 8 years of entrepreneurial expertise, and over these 8 years the entrepreneurs have sustained crises caused by radical innovation, market perturbation and institutional fluctuations. Contrary to Caplan (1964) who pointed that depression and unbalance occurs to an individual when new solutions for crisis intervention fail, this study shows that when the pandemic hit entrepreneurs, they inclined towards positively adapting to the crises (Masten *et al.*, 2008). They did so by incrementally employing various coping mechanisms as failure and loss of control was never an option, but rather they were motivated to ensure the survivability and success of the business.

Consequently, in order to survive and sustain, entrepreneurs must develop new solutions to address the challenges. The propositions of Snyder *et al.*, (1991) about the influence of hope on entrepreneurs can be conceptualized in this context. Snyder *et al.*, (1991) hypothesized the premise that hope is characterised by goal-directed determination that leads to goal-directed planning to achieve the proposed goals. The entrepreneurs mentioned that they primarily analysed the impact of the pandemic by identifying the challenges and prioritized

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the most vulnerable department to intervene prior to settings goals and executing them. While Przepiorka (2017) claims that hope has no direct influence on entrepreneurial success, this could be attributed to the fact that the research sample involved entrepreneurs who are just starting out their business ventures, and failed to incorporate entrepreneurs who are already in the field since many years. However, the very essence of success lies in accomplishment of goals and hope is the catalyst between planning and execution as conveyed by Laguna (2008). Hence, the synergy between resilience and hope is likely to have guided entrepreneurs to establish goals and successfully execute them.

Proposition 2: Psychological Capital can play a positive role on Entrepreneurs to strategize by taking into consideration employee well-being to create positive behavioral engagement

In terms of entrepreneur PsyCap having an impact on employee outcomes, this exploratory study found a significant link between entrepreneur PsyCap and employee PsyCap with regard to leader-member exchange and employees' organizational citizenship behaviour through the phenomenon of emotional contagion. This is imperative to this particular study as entrepreneurs' not only should cope individually, but also assist internal stakeholders and employees cope with the pandemic. Based on the study of Chen *et al.* (2019), the entrepreneurs' PsyCap can positively influence employee PsyCap through the process of leader member exchange that emphasises on two-way relationship between a leader and a follower. The study carried on 32 teams showed that primarily entrepreneurs (leaders) must express their psychological capital through various positive symbols or messages. These entrepreneurial symbols or messages are perceived by the employees to inculcate a positive mindset. In this study, the entrepreneurs described that their employees felt important and stayed committed to the company amidst the crisis suggests that leader member exchange through emotional contagion was unconsciously and consciously executed by the entrepreneurs. In particular, entrepreneurs' communicated PsyCap was seemed to have been simply mirrored by the employees that caused the chain of reaction of positive emotional contagion.

Furthermore, the extant literature of psychological capital indicated that citizenship behaviour is one of the positive outcomes of entrepreneur PsyCap as it supports progressive change (see Walumbwa *et al.*, 2010; Avolio & Luthans, 2006; Norman *et al.*, 2010). As one of the primary facets of citizenship behaviour is strength and trust in interpersonal relationships, the findings of this study validated that entrepreneurs emphasised the importance of employee well-being by providing support and sustenance in times of crises. Consequently, this prominent focus given to employees by entrepreneurs seemed to have a profound positive impact on employee behavioural and attitude outcomes as it created a sense of unity that brought forth collective organizational PsyCap that most likely increased employee commitment to the overall firm's goals. While the prior literature suggests that entrepreneur PsyCap influences employee performance (see Walumbwa *et al.*, 2011; McKenny *et al.*, 2013), but Rego *et al.* (2019) put forth that entrepreneur PsyCap does not directly influence firm performance, but rather creates an environment in which employees aim to perform well. Therefore, the results of dissertation converge with the findings of Avolio *et al.* (2007) that substantiated that although psychological constructs such as PsyCap are at an individual level, the benefits at a collective level are advantageous and profitable.

Proposition 3: Psychological Capital is likely to influence Entrepreneurs to foster Creativity and engage in Innovation Strategies to offset the losses

Another positive aspect of psychological capital was discovered by Luthans *et al.* (2011) and Sweetman *et al.* (2011), who mentioned that PsyCap is one of the primary antecedents for innovative behaviour as it promotes cueing mechanism that facilitates effectual problem solving analysis. As Luthans *et al.* (2011) included a large heterogeneous sample of 1526 participants in the study, it gave more credibility to the findings. Similarly, the outcomes represented in this study found that PsyCap acted as a potential reinforcer that enhanced innovation. This finding is aligned with findings of the extant literature that basically confirms the conventional philosophy that positive mindset and atmosphere fosters creativity among employees, managers and entrepreneurs.

Additionally, the innovative behaviour in entrepreneurs can be credited to the motivational aspect of surviving the crisis. As Johnston & Hausman (2014) theorized that innovation is one of the key drivers of a firm's success in times of global crisis. As there's a growing concern of a firm's survival during times of crisis, entrepreneurs are more likely to look towards identifying key problems that exist in the market, and how the firm can generate outputs that target these existing market gaps caused by the crisis. In doing so, the entrepreneur not only executes the "filling gap" strategy by utilizing existing knowledge and resources but also unconsciously leveraging positive psychological capacities such as Hope, Efficacy, Resilience and Optimism to implement innovation through creativity. Hence, the findings of this study indirectly corroborates the empirical evidence of Rego *et al.* (2012) proving that the influence of PsyCap on entrepreneurs can facilitate innovation capabilities to bounce back from failures, drawbacks and difficulties brought by the pandemic.

Proposition 4: Psychological Capital is likely to have a positive influence on Entrepreneurs to Endure the crisis and look forward to a Brighter future

Previous studies have demonstrated direct links that exist between entrepreneurs' PsyCap and revival during challenging and stressful times (see Avey *et al.*, 2008; Luthans *et al.*, 2004). These studies fundamentally converge with theory of psychological capital and its intended purpose of how it positively influences not only organizational and work life but also has impact on other life dimensions namely health and personal relationships. While the pandemic brought radical changes in the way entrepreneurs operate, it was critical to leverage tangible and intangible resources to identify key functional areas and intervene. The findings of the study validated the survey conducted by LocalCircles (2020) among Indian SMEs and MSMEs, as most of the participants of the study described the difficulties in managing the business due to increase in overhead costs with little to no revenue. However, the research of Luthans *et al.* (2004, 2007, 2015) presents psychological capital as a multidimensional higher order psychology construct that is known for its recuperative power. Moreover, the premise of PsyCap is that Hope, Efficacy, Resilience and Optimism is primarily concerned with looking at a situation through the eyes of positivity, and formulate decisions and execute actions closely aligned with the goals of a business or an organization (see Luthans *et al.*, 2004; 2007; 2015; Avey, 2007; Avey *et al.*, 2008).

A quasi-experimental research by Avey (2007) showed how leaders harness the power of psychological capital to endure challenges brought about by situation complexities. Moreover, Avey (2007) also suggested that PsyCap provides resilience to leaders to believe that challenges are just for the moment, and enables leaders to be optimistic of what lies ahead. The findings and analysis of this study provide evidence in the context of situational

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complexities. While the entrepreneurs mentioned how they developed unforeseen strategies for this pandemic to mitigate the negative impact, they also stated how they remain optimistic to a brighter future by enduring these difficult times. These findings can be attributed to the fact that psychological capital is a malleable construct, that on the one hand the influence of hope and resilience potentially enable leaders to be proactive and find solutions, and on the other hand the influence of optimism and efficacy seems to provide a shield of armour to tackle the crisis and stay confident for a brighter future.

CONCLUSION

Based on the findings, the explanations of the phenomenon of entrepreneur PsyCap delineated the critical role that each construct of psychological capital (Hope, Efficacy, Resilience and Optimism) played in mitigation of consequences and challenges during the crisis. Additionally, the conceptual framework developed in this study offers a roadmap to examine and interpret the role of psychological capital on entrepreneurs. Perhaps its overall contribution is that it ascertains an unambiguous and clear position for entrepreneurial psychology under the domain of positive psychology to decipher how individual psychological capacities influence entrepreneur behavior to develop strategies to interfere and change the negative effects of crisis. Furthermore, the empirical analysis and data interpretation revealed that psychological capital not only seemed to positively influence entrepreneurs' mental wellbeing but also is a strategic tool to assess and formulate goals when crisis-ridden. Significantly, the power of PsyCap on entrepreneurs highlighted that it enabled entrepreneurs to strengthen relationships with employees that enhanced employee commitment and fostered creativity and innovations. Additionally, the results indicated that the totality of psychological capital does not necessarily influence entrepreneurs, but instead, different individual dimensions of PsyCap take dominance depending on the circumstances. This study does not argue that PsyCap is a prime psychological resource during global pandemics, but rather proposes that PsyCap is an essential tool that can be leveraged to achieve success. In this respect, the study illustrates that dreary realities of entrepreneurs can be transformed into prosperous futures by developing the ensemble of psychological capital or individual psychological capacities. Therefore, this study uncovered psychological capital's underlying dynamic nature that facilitates entrepreneurs to lead their firms through a crisis and come out victorious.

RECOMMENDATIONS FOR PRACTICE

The purpose of the present qualitative multiple case study was to explore the role of psychological capital on entrepreneurs in developing crisis interventions in order to survive and flourish during crises. The outcomes of the study also offer practical implications for entrepreneurs. At the outset, this is one among the first studies to examine and discover elementary evidence of the potential positive effect of entrepreneur PsyCap on crisis intervention in the context of global pandemics. The findings suggest that high levels of PsyCap in entrepreneurs helped them cope and develop never-before-seen strategies to intervene for the pandemic. Therefore, developing PsyCap could be a valuable personal asset for entrepreneurs as it drives individuals to explore solutions and develop versatility when tackling a sudden occurrence. Many studies offer techniques to develop PsyCap that could be potentially useful for aspiring and current entrepreneurs (Luthans *et al.*, 2007).

Second, the results indicated that entrepreneurs' PsyCap facilitated in building firm's resilience by influencing employee PsyCap by fostering an environment where the employees felt recognized, supported and secure. Moreover, Zaccaro & Klimoski (2001)

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stated that entrepreneurs and leaders are imitated in an organization. Therefore, the conclusions of present study are especially timely and relevant to entrepreneurs to burgeon a positive emotional contagion effect that positively relates to employee commitment and organizational citizenship behavior (Norman *et al.*, 2010). The study of Luthans *et al.*, (2010) provides a guide to psychological capital development and intervention for human resources of an organization. Therefore, the overall results of the dissertation specify inexpensive yet effective and proven recommendations to entrepreneurs to successfully mitigate the impact of unexpected disasters.

LIMITATIONS OF THE STUDY

As this dissertation employed an exploratory approach to interpret the results, it is essential to consider the limitations together with the findings. First of all, the sample included Indian Entrepreneurs leading to geographic limitations within the research. As a consequence, the perceptions of the selected entrepreneurs cannot be extrapolated to represent the views of the entrepreneurs from various parts of the world. Secondly, the participants of the study had a minimum of ten years of entrepreneurial experience that showed to have an impact on their PsyCap levels. Therefore, the findings of this study may not prove to be useful to new entrepreneurs who are just starting on their entrepreneurial journey. The third limitation of this research was the time restriction and difficulty in data collection due to the ongoing pandemic that led to a small sample size of nine entrepreneurs out of which six were from the manufacturing sector. Hence, the findings of this study failed to incorporate various other prominent sectors such as agriculture, ecommerce, tourism and consulting. Finally, the qualitative approach does not test the relationship between key constructs of PsyCap and entrepreneurial outcomes during the pandemic. Therefore, the study is streamlined to hypothesis – generating rather than hypothesis- testing and the findings are interpreted from a perspective-based review.

RECOMMENDATIONS FOR FURTHER RESEARCH

On the account of the limitations of this study, the subsequent recommendations are framed to be integrated into future research. Addressing these recommendations could provide a holistic representation that deepens our understanding and bridges the existing gap of knowledge on psychological capital and entrepreneurial outcomes in the context of pandemics. To begin with, future researchers could examine the influence of PsyCap on entrepreneurs in developing and developed economies and study the underlying coping mechanisms used to intervene for an unexpected crisis. The data from this research could help identify hidden factors that affect an entrepreneur's PsyCap in the frame of reference of culture and geographic locations. Second, future research of Indian Entrepreneurs from a broader scope of sectors may give rise distinctive findings. The results of the comprehensive study in the context of a pandemic could draw conclusions from entrepreneurs from various sectors. providing insights to new entrepreneurs about the importance of positive psychology in dealing with natural catastrophes. Third, although prior research has been carried out on the moderating effect played by the age of an entrepreneur on PsyCap levels (Baron *et al.*, 2013), however it remains unexplored when dealing with an unanticipated occurrence of a large magnitude such as global pandemics. Lastly, further research employing longitudinal design and quantitative analysis to establish the strength of relationship of Entrepreneur PsyCap on over a period of time at different levels such as organizational, team and individual level amid a crisis could provide statistically significant findings that can be contributed to the literature of organizational psychology and crisis management. The longitudinal multilevel analysis will not only help develop a framework to

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evaluate the plausibility of theories underlying the probable relationships, but also motivate entrepreneurs to leverage positive psychological emotions as a strategic resource for crisis intervention.

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