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# The role of Entrepreneurial Imaginativeness in sustaining business success through crisis: the case of Russian business owners

Graduate Qualification Work

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## ЗАЯВЛЕНИЕ О САМОСТОЯТЕЛЬНОМ ХАРАКТЕРЕ ВЫПОЛНЕНИЯ ВЫПУСКНОЙ КВАЛИФИКАЦИОННОЙ РАБОТЫ

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## ABSTRACT

|  |  |
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| Master Student's Name  | Serafima Shorokhova  |
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| Master Thesis Title  | The Role of Entrepreneurial Imaginativeness in Sustaining Business Success through Crisis: The Case of Russian Business Owners   |
| Description of the goal, tasks and main results the research | <p>The goal of this research is to assess the role of Entrepreneurial Imaginativeness dimensions during the crisis in the case of Russian business owners and define how these dimensions lead to sense making and opportunities creation. In order to achieve this goal several tasks were done: a theoretical foundation of the topic was created through summarizing existing knowledge of Imagination in Entrepreneurship; discovered the link connected Entrepreneurial Imaginativeness and sense making during crisis. In order to answer main questions, a qualitative approach using multiple cases study was used; data collection method was semi-structured interviews, and 7 cases were analyzed using Thematic Analysis technique. As a result, the empirical part of the study was framed in the model, showing how different dimensions of Imaginativeness unleashed during a crisis and what makes the core in sustaining success. The main finding is that the key is the social dimension of Imaginativeness, and skills and actions around that trait. Moreover, the paper provides practical implications and recommendations for entrepreneurs.</p> |
| Keywords   | Entrepreneurial Imaginativeness; Entrepreneurship; Opportunity Creation; Crisis; Sense Making; Social Intelligence   |

## АННОТАЦИЯ

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| Описание цели, задач и основных результатов исследования | <p>Цель данного исследования - оценить роль разных направлений способности предпринимателя к воображению в период кризиса на примере российских предпринимателей и определить, как эти направления приводят к созданию смыслов и возможностей. Для достижения этой цели было выполнено несколько задач: создана теоретическая основа через обобщение существующих знаний о воображении в предпринимательстве; выявлена связь между предпринимательским воображением и осмыслением ситуации во время кризиса. Для того чтобы ответить на основные вопросы, был использован качественный подход с применением исследования кейсов; методом сбора данных были полуструктурированные интервью, а 7 кейсов были проанализированы с помощью техники Тематического анализа. В результате исследования была сформулирована эмпирическая модель, показывающая, как различные направления воображения раскрываются во время кризиса и что является основой в поддержании успеха бизнеса. Основным вывод заключается в том, что ключевым является социальное воображение, и социальный интеллект, а также навыки и действия, связанные с этой чертой. Кроме того, в статье приводятся практические выводы и рекомендации для предпринимателей.</p> |
| Ключевые слова   | Предпринимательское воображение; предпринимательство; создание возможностей; кризис; осмысление; социальный интеллект   |

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# INTRODUCTION

Crisis is the real test of a business owner's resilience and ability to generate workable decisions. During a crisis, a leader's role changes, and those who are truly outstanding prioritize and respond to the demands of those who follow them. If they get it right, they — and their people — will come out stronger and more resilient. During a crisis, the personal qualities of a leader can sharpen and the disadvantages become more noticeable, whereas the strengths can ensure survival and ultimately lead to new heights. Leader's personal traits are broadly discussed in the leadership, what they need to have a priori (if any) and what must be developed to be successful in the VUCA world. However, reality can surprise us in many ways, thus nobody was expecting a crisis like we have right now and leaders face struggles as never before.

Research of leadership traits can give insights into developing strategies of successful crisis management. One of such traits is the Entrepreneurial Imaginativeness.

The main focus of this research will be Entrepreneurial Imaginativeness, and how it is related to crisis management and entrepreneur's behavior. The proposed research is hypothesizing that different types of entrepreneur's creativity can affect the successful survival of SME in various ways.

## **Research motivation**

Entrepreneurial imaginativeness has been identified as a crucial component of the entrepreneurial mindset linked to economic performance, particularly during times of crisis, both as a personality trait and cognitive skill. In today's fast-paced and uncertain business climate, particularly in a specific crisis environment as Russia currently is, maintaining corporate performance through crises is a crucial challenge.

Despite the significance of entrepreneurial imagination, little empirical study, particularly in the context of Russian business owners, has been done on its function in maintaining corporate performance during crisis times. By examining the connection between entrepreneurial creativity and business success sustainability amid crises among Russian business owners, this study seeks to close this gap.

In order to get a deeper understanding of the role of entrepreneurial imagination in maintaining business success across crises, this study will incorporate in-depth interviews with a sample of Russian business owners.

This study will offer important insights into how Russian business owners may adapt and thrive in the face of uncertainty and crises by shining light on the role of entrepreneurial inventiveness in maintaining corporate performance during crisis scenarios. Additionally, this research can help guide policy choices that support and encourage the growth of the entrepreneurial sector in Russia. Overall, this study will add to the body of knowledge on entrepreneurship and crisis by advancing our understanding of how creative business thinking can support firm success in challenging circumstances.

### **Research gap**

For a long time the meaning of opportunity recognition was to be known as a key factor for entrepreneurs to interact with the external environment, and their success largely depended on how they exploited these opportunities (based on Schumpeter's concept of entrepreneurship, 1934). However, recently according to Theory of Causation and Effectuation (Sarasvathy, 2001) and Enacted Sensemaking by K. Weick (1988) not opportunity recognition, but creation came to the fore. Opportunity creation needs Entrepreneurial Imaginativeness, due to only those who actively use imagination can create, whereas for recognition entrepreneurial alertness could be enough (Foss & Klein, 2009). The crisis could be perceived as a threat or an opportunity, a ground for innovations, through Schumpeter's "creative destruction" and the combination of personality-based factors and external factors during the crisis is under investigated. Exploring this combination could enrich understanding of developing high-impact, innovative entrepreneurship, not just SMEs.

### **Research questions**

**RQ1:** How do the different dimensions of Entrepreneurial Imaginativeness unfold in response to external crisis factors?

**RQ2:** How Entrepreneurial Imaginativeness leads to sense making and opportunities creation during crisis?

## **Research goal and tasks**

The **main goal** of this research is to assess the role of Entrepreneurial Imaginativeness dimensions during the crisis in the case of Russian business owners and define how these dimensions lead to sense making and opportunities creation. In order to achieve this goal several tasks should be done:

1. To create a theoretical foundation of the topic, summarize existing knowledge of Imagination in Entrepreneurship
2. To discover the link connected Entrepreneurial Imaginativeness and sense making during crisis;
3. To define common patterns in Russian entrepreneurs approaches in using Imagination in overcoming crisis
4. To build an empirical model of using Entrepreneurial Imaginativeness during crisis.

## **Research strategy**

In order to address these research questions qualitative approach was adopted, through multiple-case study as the empirical research strategy. To collect data several sources were used: semi-structured interviews with Russian (co-)founders of SMEs, secondary data sources like published interviews, companies' websites and social. The goal is to achieve understanding of how different dimensions of Entrepreneurial Imaginativeness unfold in response to external crisis factors on the example of Russian entrepreneurs. The sample consists of 7 Russian entrepreneurs operating in different industries. The analysis is based on Thematic analysis, using MAXQDA Software. The literature analysis is devoted to the studies on the effect of crisis on SMEs, entrepreneurial traits that affect strategy formation and Entrepreneurial Imaginativeness specifically.

## **Master thesis structure**

The paper contents 3 chapters, introduction and conclusion. Introduction provides the brief overview of the motivation, research gap, goal and tasks of the study. The first chapter includes literature review, description of main concepts and points for developing empirical study. The second chapter introduced research methodology, which is qualitative multiple cases study, that is relevant for current research goal; data collection method was semi-structured interviews, 7 cases were analyzed using Thematic Analysis technique. The third chapter provides results of the empirical part of the study that was framed in the model, followed by discussions, conclusions, implications and limitations.



# CHAPTER 1. EXISTING KNOWLEDGE OF IMAGINATIVENESS IN ENTREPRENEURSHIP AND ITS IMPLICATION IN CRISIS

## 1.1. Crisis and Entrepreneurship: Challenges and Opportunities

The crisis in entrepreneurship is a period of time when entrepreneurs face serious difficulties in their activities. Anxiety, uncertainty and instability are often characteristic features of such a period. A systemic crisis can affect entrepreneurs and their businesses in many ways. It can affect demand, production capacity, financial resources, market competition, etc. A crisis period can lead to market shrinkage, reduced sales, problems with business financing, and job cuts. The main cluster of problems during the crisis were identified as demand, supply and financial shocks (Ogawa & Tanaka 2012).

The definition of the concept of crisis that will be a central for this research was shapen in 2004 by Vaaler and McNamara:

*A crisis is a period of unexpected and unfavorable external environment shifts which create intense difficulties, emerging troubles, or new threats for organizations (Vaaler & McNamara 2004).*

However, it is equally important to keep in mind the business opportunities created by the crisis. It can be market barriers that weed out small players and strengthen big companies, or growing demand for technology solutions that help in a remote work environment. The ability to look at the problem in different angles and through many lenses lead to better performance. Two opposite views on opportunities are proposed by scholars: recognition, and creation, the second is supported by idea that lots of innovations could not be discovered with existing markets and technologies (Maine et al, 2015). Recognition is considered to be more passive process, as waiting for external opportunities. And creating is active process of transforming reality and generation decisions. Decision-making process in crisis become intense, due to crises have a high impact on organization's viability and imply the need to quickly make decisions to address the changing competitive landscape (Kunc & Bhandari, 2011).

Current crisis is unprecedented for Russia and Global World, due to huge number of sanctions, level of social involvement, logistics disruption, migration of human resources and suspensions of operations of many enterprises ("The Economic Consequences of the War in Ukraine," 2022). Many businesses are already in debt as a result of the outbreak, and the conflict and consequent sanctions have exacerbated their financial problems by causing soaring inflation and rising energy prices. This drives up enterprises operating costs and exacerbates their cash flow problems (Terigi Morgan, 2022).

One of the most significant aspects of the economic crisis is a demand decline. In the research by the Check Index analytical resource of the fiscal data operator OFD Platform, data from more than 1.1 million online cash desks in Russia were analyzed for the periods from April 1 to April 15, 2021 and 2022 and from March 1 to March 15, 2022 year and it was found that the largest sales volume in April of this year fell at cinemas - by 43% compared to the same period last year. Sellers of clothing and footwear recorded a 14% drop in turnover compared to the previous year. Sellers of electronics and household appliances - by 11% and 31% respectively. Turnover compared to last year also fell at car washes and car services, hairdressers and beauty salons, organizations providing medical services, hotels and hotels, bars and restaurants, electronics and household appliances sellers (Ксения Демидкина, 2022). Another one consequence of current crisis is logistic disruption consisting of a sharp rise in the price of commodities, raw materials; and significant transport complication (Петрова Юлиана, 2022).

The topic of developing and sustainability of Russian economy and entrepreneurship specifically is well discussed now. A lot of anti-crisis measures and support are offered from the government, however, this is not enough for the SMEs survival and their strategies should be adjusted according the current reality.

Russian context has its own peculiarities, and focusing on Russian studies is beneficial, however the topic is under investigated at the moment. Research performed on Russian 612 SMEs, collected during a period of economic crisis in 2015–2016 shows that entrepreneurial orientation has a beneficial effect on performance and that market orientation has a non-significant effect. While financial capital availability helps performance during economic downturns, it does so most effectively when the firm's dominant strategic orientation is EO rather than MO. Firms may limit their strategic alternatives and concentrate resources to less hazardous activities rather than resource-intensive strategic behaviors like EO and MO when operating during an economic downturn (Beliaeva et al., 2018).

This research is performed mainly on the cases of Small and Medium enterprises (SMEs). And certainly crises in external environments influence all types of business, but SMEs suffer the most in crisis due to liability of smallness and newness and lack of resources (Freeman et al., 1983; Laskovaia et al., 2018). To ensure survival and sustain competitiveness, SMEs face the challenge to reconfigure their resources and capabilities in accordance with perceived or expected changes in the business environment (Garagorri, 2016). According to many studies, SMEs are the first casualties in a prolonged crisis since they have low financial assets and rely heavily on bank loans, and hence are disproportionately affected by economic downturns. Even if some businesses are able to capitalize on the crisis and enhance their performance, the majority of SMEs are badly

impacted and are forced to lay off employees, endure losses, or go out of business during these trying (Lee et al., 2015).

SMEs, in most countries defined as organizations with less than 250 employees. In Russia SMEs are profit-oriented commercial organizations or individual entrepreneurs that are registered under Russian Federation law and meet a set of criteria, based on which SMEs are classified as micro, small, or medium-sized enterprises: micro enterprises have annual revenue excluding VAT of up to 120 million rubles and less than 15 employees, small enterprises have annual revenue of less than 800 million rubles and 100 employees, and medium enterprises have annual revenue of less than 800 million rubles and more than 100 employees; the category is determined according to the highest value criterion: annual revenue or number of employees (*Федеральный Закон От 24.07.2007 № 209-ФЗ*, n.d.).

SMEs face a liability of smallness and newness, which means that the smaller the company, the fewer resources it typically controls, making it more vulnerable to internal and external events like a key employee quitting, a decline in financing options, or a drop in demand due to a competitor entering the market. Furthermore, because they lack proven business strategies, rely on the cooperation of strangers, and have low levels of legitimacy, new companies are more likely to collapse than older organizations (Eggers, 2020).

## 1.2. Personality traits in Entrepreneurship

There are a variety of concepts proposing personality traits that provide entrepreneur's success. Personality could be defined as a set of interconnected features that explain the causes of emotional, cognitive, and behavioral patterns, leave traces of psychological attributes, and show a person's identity (Mount et al., 2005). Although one type of personality or traits that ensure entrepreneur success cannot be singled out, there are some characteristics that are more common than others.

One of the biggest contributions to the foundation of the topic was made by Joseph Schumpeter, who also provided the most precise definition of entrepreneur: "An entrepreneur is a person making new combinations causing discontinuity. The realization of new combinations may include a new product or a quality of a product, a new method of production, finding a new source of raw materials or reorganization of the industry". (Schumpeter, 1934). According to Schumpeter, economic growth is the end consequence of a **creative destruction** process that is started by "the entrepreneur" by introducing novel combinations of industrial technologies. The Schumpeterian entrepreneur is a unique kind of person: carrying out innovations or doing something novel and different demands high levels of uncertainty because the choices to be made do not depend on customary routines based on common knowledge and habits. He battles the forces of habit that oppose someone who wishes to do something different by going against these customary routines and set thought patterns (Olivari, 2016).

The **Big Five Personality Model** is one of the most popular approaches for defining personality qualities. These 5 factors are: neuroticism, openness to experience, conscientiousness, extraversion and agreeableness (Jr & McCrae, 1992).

A person's level of neuroticism is a sign of how well-balanced their emotions are. Entrepreneurs are supposed to handle pressure less neurotically and more emotionally stable, although it is not certainly proved.

According to Big Five theory, extraverted individuals are forceful, active, dominant, and more interested in other people, whereas introverted individuals are reserved, peaceful, and prefer to be alone. Intuitively, extraversion should correlate with enterprise's success, that was confirmed by Leutner et al (Leutner et al., 2014). However, some researchers claim that extraversion predicts performance exclusively in professions that require social interaction (Barrick & Mount, 1991).

The conscientiousness factor reveals a person's tendency for discipline and control. Higher scorers in this category are more disciplined, determined, and planned in their actions. As a result, they adhere to the rules rigidly and demand perfection from their job. Leadership, goal-orientation, productiveness, and determination are the key characteristics of the conscientiousness dimension. A key factor in an entrepreneur's capacity to guide their business to long-term survival should be

higher degrees of conscientiousness. The entrepreneur's conscientiousness was proved to be related positively to long-term venture survival (Ciavarella et al., 2004).

High agreeableness individuals are helpful, dependable, and affectionate. Agreeable individuals favor collaboration over rivalry. Agreeable people make an effort to avoid conflicts and foster stress-free workplaces. Also, entrepreneurs that are trustworthy and cooperative are more likely to form partnerships with bigger corporations, which may lead to the development of new products, shareholder value, and enterprise survival, however it was not significantly proved (Ciavarella et al., 2004). According to Leutner et al Agreeableness predicts exclusively Invention Entrepreneurship (Leutner et al., 2014).

The characteristics that make up the openness trait are imagination, the willingness to accept novel concepts, flexible thinking, and curiosity. Higher scorers in the openness factor tend to be unconventional and autonomous thinkers. It is said that traditional and conservative individuals have a low level of openness.

Although there are numerous papers regarding personality and its link to the entrepreneur's success and performance, there is a lack of publications on how personal traits are linked with survival during a crisis.

### **1.3. Entrepreneurial Imaginativeness as a source of entrepreneur's success in crisis**

Far from the last factor in the survival of the company is the personality of the leader, the entrepreneur; his/her ability to creatively approach a problem, ability to communicate and find new opportunity in complete uncertainty may be crucial. Human resources are the most fundamental organizational asset, and entrepreneurship is a fundamental human quality. According to entrepreneurial theory, innovation plays a significant role in the historical process of structural change known as development. The concept serves as the company's starting point for developing new goods or services, new business models, new operational procedures, and organizational transformation or general strategy change. Entrepreneurs are capable of coming up with original concepts. which offers innovative responses and funding options for emerging businesses (Widodo & Nuhayatie, 2020).

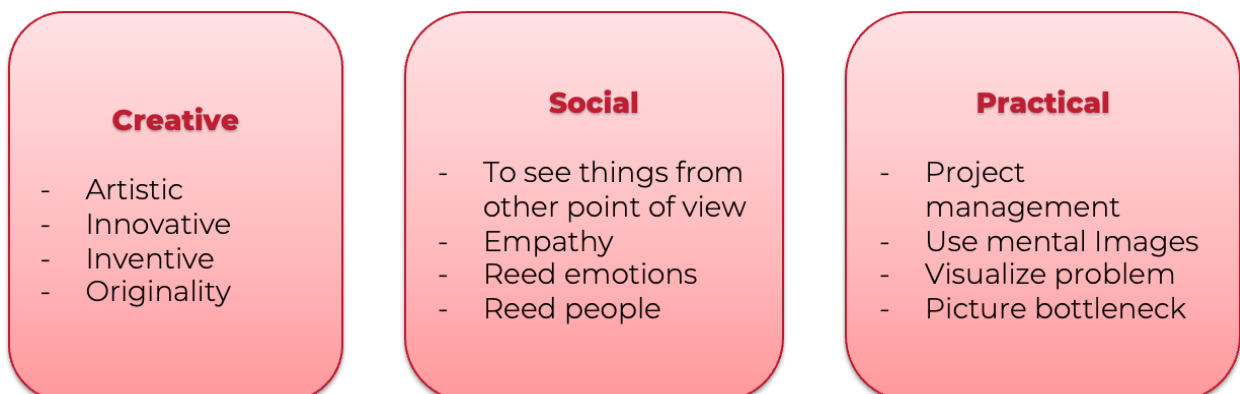
The process by which entrepreneurs make decisions in the face of severe uncertainty and ambiguity is critical to understanding business success. Because of this, they are creative people who may recognize or develop new chances that others haven't thought of or are unaware of. They seize these chances to profit from entrepreneurial advantages that would not be accessible under more secure and stable circumstances. Since there is still some uncertainty regarding the outcomes that can create the maximum consequences, but the majority of alternatives are well understood,

this complex environment contrasts with more static decision-making scenarios that are typically linked with management actions (McVea, 2008).

In 2018 new concept of Entrepreneurial Imaginativeness was proposed by Alexander S. Kier and Jeffery S. McMullen, and this framework measure three different cognitive skills – creative, social, and practical imaginativeness – that differ across individuals, and linked with creative problem-solving skills (Kier & McMullen, 2018). Entrepreneurial Imaginativeness also was proven to have an impact on team formation, same researches discover that different configurations of newly formed teams produce varying new venture ideation performance outcomes, and they finish by deconstructing the theoretical and practical consequences of our findings for new venture ideation, entrepreneurship, and team composition (Kier & McMullen, 2020). However, there is a lack of research regarding this concept and its effect during crisis environment.

The difference between imagination and imaginativeness should be defined in the following way: Imagination is the ability to conjure up mental representations of things that do not exist in real life, to conjure up images, stories, and projections of things that do not now exist, and to utilize such projections to entertain oneself, plan for the future, and accomplish other basic tasks; whereas Imaginativeness could be creative, practical and social, and rely on the cognitive ability of imagination mixing with the knowledge needed to mentally simulate numerous task-related circumstances in entrepreneurship such as communication, innovation and administration, and leads to generate and select new venture ideas (Kier & McMullen, 2018). Thus, Imaginativeness is more functional and holistic concept.

Researchers proposed several indicators of Entrepreneurial Imaginativeness (Widodo & Nuhayatie, 2020), combined them into 3 dimensions:



Product Development Performance (innovativeness and performance of new product), Creative Imaginativeness (self-reflection on being innovative and original person), Social

Imaginativeness (related to empathy), Practical Imaginativeness (good operational management and forward-thinking), Experience Intensity (management ability and relations with stakeholders).

According to Widodo et al. indicators of Entrepreneurial Imaginativeness described above, interrelate as it is shown on the figure 1. Creative Imaginativeness helps in innovation of the product through new knowledge and pricing approaches. Furthermore, Social Imaginativeness as ability to foresee the market response for new pricing systems can help in communication with the market. And finally, Practical Imaginativeness improving project management and help in administration and decision making on feasibility of introducing new pricing systems.

Entrepreneurial Imaginativeness could be a basis for creating **high-impact entrepreneurship**, that refers to the establishment of innovative and growth-oriented businesses (Acs, 2008). That type of enterprise makes a significant, positive impact on the economy. These entrepreneurs often create disruptive innovations, through “creative destruction” according to Schumpeter, generate a considerable number of employment opportunities, and drive economic growth and prosperity. These entrepreneurs commit to continuous innovation and demonstrate a willingness to take risks, have a clear vision of market opportunities, and are determined to realize their business goals even in the face of uncertainty and challenges. Imagination is essential for high-impact entrepreneurship due to it often requires a significant degree of creativity and the ability to imagine new solutions, products, or markets. The process of entrepreneurship also involves the recognition, creation and exploitation of opportunities, which requires both imagination and the ability to envision future possibilities (Baron & Ensley, 2006).

Imagination allows entrepreneurs to see beyond the present, to envision what might be rather than merely what is. It enables them to conceive of novel products, services, and methods of business that can disrupt existing markets or even create entirely new ones. This visionary capacity is a crucial component of entrepreneurship, and it is often what allows high-impact entrepreneurs to achieve such significant effects on the economy and society.

## CHAPTER 2. DEVELOPMENT OF RESEARCH DESIGN AND COLLECTION OF THE DATA

### 2.1. Methodology Overview

The main focus of the study is around Entrepreneurial Imaginativeness and importance of its dimensions during crisis. Considering complexity of the situation that is changing on every day basis and under investigated concepts of Entrepreneurial Imaginativeness, qualitative approach - multiple case studies was chosen as the most appropriate. Inductive approach was applied, from specific to general, in order to create an empirical model (Thomas, 2006).

Case studies are recommended when it is critical to address the questions "why" and "how," when the researcher has minimal control over the circumstance, such as crisis, and when the study is focused on real-time context. Using qualitative research, it is possible to comprehend the underlying causes, viewpoints, and motives (Yin, 2003).

This research is focused on the holistic multiple-case study as it is essential to see how entrepreneurs in various industries act during the current crisis. As it was planned, 7 case-studies were conducted. Method of data collection was semi-structured interviews. Interview questions were built on the basis of existing knowledge of Entrepreneurial Imaginativeness and concept of crisis. Mainly open-ended, non-leading questions were used to minimize biases in responses. The list of core questions is found in Appendix 1.

In the **pre-selection phase**, author's network of contact was actively used, with the help of an academic advisor. The aim of this step of the research was to make the most diverse sample that was possible (age, gender, industry), criteria of inclusion was Russian-speaking and Russian nationality. Numerous requests with brief description of the topic of the interview and basic questions were done. Based on the responses, final 7 cases were chosen and are described further. **2 waves of interviews** were done: after first wave of interviews initial findings emerged, and based on these findings additional questions were formulated to further clarify and conceptualized empirical model.

For achieving data triangulation, and making results more robust, besides interviews other data collection techniques will be used: social media accounts, company web-site information, published interviews with the companies' leaders and other relevant secondary data sources (Jick, 1979).



## 2.2. Thematic analysis

Thematic analysis is one of the most popular methods of qualitative analysis in the social sciences and humanities. It is used to analyze and encode qualitative information and to discover patterns and themes. Due to the multimodality and heterogeneity of initial data in qualitative research, a clear and consistent method of data processing is needed, which is thematic analysis. This type of analysis was structured in 6 consecutive steps by Virginia Braun and Victoria Clarke in 2006 and has been further developed into reflexive thematic analysis (Braun & Clarke, 2006, 2019). In order to maximize accuracy, the analysis phases have been adapted for this study, without contradicting the recommendations of Braun and Clarke. The steps are narrowed down in table 1.

|         |                                 |  |
|---------|---------------------------------|--|
| Phase 1 | Familiarizing with the data     | <ul style="list-style-type: none"> <li>- transcribing the data if needed</li> <li>- read and re-read transcripts, make notes &amp; highlights</li> <li>- read actively, searching for meanings and patterns</li> </ul>   |
| Phase 2 | Generating initial codes        | <ul style="list-style-type: none"> <li>- assign initial codes - “building blocks of analysis”</li> <li>- codes could interconnect</li> <li>- make notes and memos</li> </ul>   |
| Phase 3 | Search for themes               | <ul style="list-style-type: none"> <li>- active process of constructing themes (“patterned response or meaning within the data set”)</li> <li>- use software for visualization themes (code map)</li> <li>- analyse relationship between codes and themes</li> </ul>   |
| Phase 4 | Review themes                   | <ul style="list-style-type: none"> <li>- reviewing and cross-checking themes</li> <li>- reduce biases, look separately on the patterns</li> <li>- check correspondence of the themes/patterns to the research questions and research goal</li> <li>- detecting core themes using visualization, code maps and tables for better understanding the relationship between codes and themes</li> </ul> |
| Phase 5 | Define and name themes          | <ul style="list-style-type: none"> <li>- use codes to name themes</li> <li>- check for overlapping</li> <li>- re-read and review themes</li> <li>- focusing on research questions and goal</li> </ul>  |
| Phase 6 | Make a report and build a model | <ul style="list-style-type: none"> <li>- make a holistic view</li> <li>- put everything together</li> <li>- draw a model</li> <li>- make a conclusion</li> </ul>   |

For facilitating analysis and ease visualization specific software for qualitative research was used: MAXQDA Software.

### 2.3. Cases description

| Name                 | Company          | Industry                | Company Size | Details           |
|----------------------|------------------|-------------------------|--------------|-------------------|
| Vladimir Rogozin     | Anespa Studio    | Education               | Small        | 30 min audio-call |
| Pavel Zhovner        | Flipper Zero     | Technology              | Medium       | 35 min video-call |
| Julia Zaremskaya     | JT Land          | Health                  | Small        | 55 min video-call |
| Alexey Osipchuk      | Park by Osipchuk | Beauty                  | Medium       | 35 min video-call |
| Anastasiya Laskovaya | PlaneAKL         | Stationary              | Micro        | 30 min video-call |
| Arina Faul           | FAB Circle       | Marketing agency, Music | Small        | 40 min video-call |
| Margo Tikhonova      | Kontora          | Marketing agency        | Small        | 25 min audio-call |

#### **Vladimir Rogozin, Anespa Studio**

Anespa Studio is a chain of foreign language schools in St Petersburg, focusing mostly on teaching English to children, founded by Vladimir Rogozin in 2009. Additionally, Anespa Studio offers German and Spanish language courses. By the time of the interview, Anespa had 11 schools, with approximately 900 students and 35 teachers. The schools are operating offline and located in a residential area, with positioning as “schools close to home”. During the last year, 2 subsidiaries have been merged, revenue remains stable, around 4 mln of rubles in a month.

#### **Pavel Zhovner, Flipper Zero**

Pavel Zhovner is a tech enthusiast, who created the so-called “Tamagotchi for hacking” - Flipper Zero in 2019. The idea was born from the dream of “a device that would run typical attack scenarios, be always on standby, and not be a bunch of disintegrating boards rolled up with duct tape”. On the first day on Kickstarter the project raised \$1.3 million. Currently, Zhovner’s business is operating in Russia and Globally, with a team of around 50 employees and turnover of more than \$ 10 million.

### **Julia Zaremskaya, JT Land**

JT Land is a small enterprise of cosmetics production, it was founded after February 2022 by Julia Zaremskaya. JT land company offers various high-quality essential oils of its own production in convenient packaging, positioning themselves as a true gift of nature for health, beauty, well-being and mood. Currently the company has 10 employees and revenue for 2022 is accounted for 1,5 million of rubles. The company's production is available on the marketplaces, as well as on their own website.

### **Alexey Osipchuk, Park by Osipchuk**

Alexey Osipchuk started his career as a stylist in 2003, being 15 years old. Alexey launched the Park by Osipchuk salon in 2014, being an experienced stylist. Alexey mentioned that opening in 2014 (a crisis time) made them more resilient. The entrepreneur developed and patented the technology, which is now used by the craftsmen in several of his studios. Currently Park by Osipchuk operates 3 studios in St Petersburg, besides hair style they also offer expert courses for hair stylists (Park School). Prices for haircuts vary in a range of 1,200 - 10,000 rubles, and increasing with a level of stylist. Alexey is proud of his team of around 50 people, the turnover was not disclosed.

### **Anastasiya Laskovaya, PlaneAKL**

Being associate professor at GSOM SPbU Anastasiya Laskovaya decided to launch her own enterprise in a sphere of creative stationery: she developed a notebook-planner, using methodology of effective time and self management. The company was launched in 2021, and the first edition was created in the spring of 2022. Operating as a small enterprise, company is selling production through marketplaces.

### **Arina Faul, Fab Circle, Arina Faul Funky Orchestra**

Arine Faul combines different roles in her professional life: co-founder of a marketing agency Fab-Circle, a funk band leader and vocalist, and a director of communications at a non-for-profit organization. Regarding musical career: over the 6 years of existence of her band, the singer and composer's project has already managed to put together a sold-out show at the Imperial Alexandrinsky Theater and to perform at key jazz and pop festivals. In her project "Jewish Funky Party" Arina combines Western jazz-funk traditions and flavor of Jewish musical heritage.

After graduation from GSOM in 2015 Arina Faul together with a schoolmate founded FAB CIRCLE - a full-cycle marketing agency. The team conducts market research, draws up business

plans, writes brand strategies and develops social networks. Last fall, the team opened an office in Paris. There are now 17 people in the team.

### **Margo Tikhonova, Kontora**

Margo Tikhonova has considered her as an entrepreneur for around 7 years. In 2020 she founded marketing agency “Kontora” which is positioned as a digital bureau, focusing on SMM, strategy and creative content, operating in Russia. The team consists of around 15 people, the company has a huge portfolio of clients, including Stockmann, HSE, ESTEL, and others. Margo Tikhonova has also personal practice as a coach, mentor and speaker of main online education platforms.

## CHAPTER 3. RESULTS AND DISCUSSION

After conducting interviews, a full transcription was made. Then all stages of the upper described process of thematic analysis was made.

### 3.1. Main Findings

27 codes were identified at the first stage of thematic analysis. Not all of them have some interconnections within different respondents, due to the fact that the final number of the codes that was included in the final model was reduced significantly.

| List of the codes  | Frequency |
|--|-----------|
| Codes  | 119       |
| consciousness and focus                                  | 4         |
| imagination, visualization                               | 1         |
| crisis - stimulating                                     | 2         |
| people, team, community                                  | 7         |
| business - about generate new solutions, problem-solving | 5         |
| social network   | 9         |
| esthetic   | 2         |
| test hypothesis  | 1         |
| competition changing                                     | 3         |
| I am truly happy while creating                          | 1         |
| social imagination                                       | 17        |
| communication is everything                              | 3         |
| manic passion to achieve                                 | 5         |
| crisis – is depression, permanent stress                 | 2         |
| need for novelty, innovation                             | 6         |
| creative imaginativeness is top 1 in crisis              | 1         |

|  |    |
|--|----|
| trust your intuition                       | 4  |
| обмануть мозг, trick my brain, self-boost  | 12 |
| насмотренность - expertise, "watchfulness" | 14 |
| new opportunities                          | 3  |
| how to train                               | 10 |
| adaptivity                                 | 6  |
| all 3 dimensions                           | 1  |
| creativity - skill, grows with practice    | 1  |
| flow                                       | 1  |
| relaxed openness to experience             | 4  |
| acceleration of reality                    | 2  |
| transformation and reassembly              | 3  |

## Theme 1: Social intelligence

### Code: Social Imaginativeness

The vast majority of respondents (6 out of 7) has claimed that Social Imaginativeness, empathy, the ability to look at things through someone else point of view, plays crucial during crisis time specifically and very important in their entrepreneurial life in general. Mental mimicry and ability to be a self-viewer – mentioned as a core competence to achieve desirable results. Business owners must understand the target audience’s needs, beliefs and wants, and it’s impossible without Social Imaginativeness.

*“...If we are talking about more **global crisis**, not operational things; for example, I now have a chance that there will be much fewer students in a year or in three years, then I would social [imaginativeness] on top: you need to stand in the place of some parent and analyze where to give your child, where not and why it is so and not in a different way. Summing up, if we consider the crisis to be a local operational crisis, then of course this is a practical imagination, if we consider the crisis to be somehow very long-term and voluminous, incomprehensible, which we have never encountered, then this is more of a **social imaginativeness**.”*

(Vladimir Rogozin, Anespa Studio)

One curious aspect of social imaginativeness that was mentioned is mimicry: the ability to look completely different on things and situations, that ability could have a direct link to adaptivity, adaptability, inside and out of the existing system of thinking.

*“You put yourself in the place of another person, **mentally mimic**”*

(Arina Faul, FabCircle)

“The most important skill, that allows me to work well - that I can look at something through someone else's eyes - I am my own viewer. I can visualize my audience – I can imagine myself for example as a horse breeder, - what they do, what is important for them, find their pains and sell something. If I, as a viewer, are not interested, then I have not finalized it, I need to adjust my product. For each picture - I reset and look like for the first time.”

(Pavel Zhovner, Flipper)

Empathy leads to identifying new solutions through specific skills, someone else's examples can decrease fear of implementing these new solutions, and reduce resistance, with the help of inner state and self-reflection.

*“.. if someone who has already managed to do this, examples of businesses that have already applied what I want to apply, or what I do not dare to apply because I think that it does not work. I could say that this is **a reflection**, such a deep, individual reflection. That is, here **social imagination** helps to apply practices from some other areas and apply them to my field<...> This **empathy and understanding of how others react**, it also **helps to find new solutions**.”*

(Anastasiya Laskovaya, PlaneAKL )

Social imaginativeness through empathy facilitates networking and accumulation of social capital, that increases sustaining during crisis:

*“Most of all, **social imagination helps in overcoming the crisis**, because in overcoming the crisis, I see great potential in the team, in some joint decisions, the ability to ask for help and turn to other professionals. Therefore, **empathy** and, in general, all the **social capital, social networking** that an entrepreneur has. And in second place is the practical - specifically take it all, lower it to the level of the solution, problem solving.”*

(Margo Tikhonova, Kontora)

Significance of social imaginativeness for building successful social strategies was claimed, not only artistry and inspiration needed for creating long-term relationships with the clients: *“I was engaged in sales a lot - this is artistry, a big client is always an individual project that requires an extraordinary approach. Sales without **inspiration** will not give an outstanding result. And I have not just formal connections, but semi-friends. I have an impressive portfolio of clients and partners, and some of them are very conservative, who gained their wealth in the 90-s, and I just don't understand the hardened man who survived the nineties. Formally, you won't find an approach to them. So, I need to **construct a lot of social strategies, using my social imagination**. And you need to come up with a strategy, and stay in the construct, keep your interest in all this.”* (Julia Zaremskaya, JTLand)

Social Imaginativeness also was found to be a source of success in crisis, due to shifting competitive environment, market changes in general and reorientation to the East in terms of suppliers and partners. *“I would say that **social Interactions, communication skills, and empathy help me the most**. During times of changes, I know how to negotiate well - I understand the point of view and put myself in their shoes. I need to **imagine what I have to do to convince** a supplier, despite the significant cultural difference - for example, with someone from the Middle East, with a completely different worldview.”*

(Vladimir Rogozin, Anespa Studio)

## **Code 2: people-orientation**

*“People are at the center of my work”* – claimed Alexey Osipchuk. Entrepreneurs could not exist alone and be successful, they need like-minded people around themselves. Team and community for the majority are the greatest resource and driver of growth. As Margo Tikhonova claims: *“In overcoming the crisis, I see great potential in the team, in some joint decisions, the ability to ask for help and turn to other professionals”*. Professionals and experts could also be a source of inspiration: *“I'm driven by experts. I have great respect for expertise. And I am very sophisticated in the topic, so It's not easy for this person to become an expert in my eyes.”* – said Julia Zaremskaya.

Community not only could be a focus of work itself, but also a source of energy. People-orientation is an inexhaustible source of inspiration, motivation, and hope.



*„I am charged by people - in social networks, in coaching sessions, personal communication, their successes. Thoughts, sincerity. <...> success stories of other people, reading biographies.”*

(Margo Tikhonova, Kontora)

*“<...> communication with entrepreneurs, at GSOM I was surrounded by people who were engaged in business. And these are **people who are very inspired** by their work, who are dressed up, and you see how much they do and for what. And it's really very motivating.”*

(Anastasiya Laskovaya, PlaneAKL)

Community for some is the environment to work for, replacement for the target audience. It is not artificial picture, it is real life evolving picture:

*“I don't like the concept of "target audience" - everyone says if "for everyone" is not for anyone. They paint an ideal picture of the world for themselves. And I'm interested in expanding - the target audience is the community that we develop around us. Communities are people who share your view of beauty and aesthetics, and they are timeless. And I'm interested in making this product, and **I genuinely love the people** who choose this product. Therefore, in order to be able to attract different customers, we made such a price list - a gradation of haircuts 1200 - 10,000 rubles. There is a huge difference - but after all, those who choose a haircut for 1500 are not just passing people, these are people who are also involved in punk.”*

(Alexey Osipchuk, Park by Osipchuk)

## **Theme 2: Skills and tools**

On the basis of pre-existing traits and intentions further skills and tools are developed. These skills and tools play a significant role in sustaining during a crisis, in better sensemaking and opportunities creation.

### **Code 3: Social network**

Networking – is a key and first skills that entrepreneurs could use extensively to overcome crises: “<...> extended network, a network of personal acquaintances, this is an additional advantage in the mosaic field, in which in any new situation some kind of connection is built and a new solution is found.”

(Julia Zaremskaya, JTLand)

Social capital, the tool that was collected during business and personal life of entrepreneurs is a source of networking: “**Social capital** helps networking. I would focus on this.”

(Margo Tikhonova, Kontora)

“Of course, **networking**. This, and “watchfulness”, even in general in various areas of business are first things to think of in crisis.”

(Anastasiya Laskovaya, PlaneAKL )

Social capital and connections are strongly dependent on personal traits, but could be cultivated on a constant basis deliberately as well. Networking plus curiosity is leading to active search for opportunities and help in opportunities creation:

“**I started to turn my head**. And from contacts in my field of vision, a business is born in which people work to promote exporters. I don't know this business, I had this company in sight of 2 handshakes - there was no direct acquaintance. <...> It's not a chemical reaction in my head, it's just that I'm starting to figure out everything, talking to my circle of near, middle, far, with everyone in the world.”

(Julia Zaremskaya, JTLand)

Internal intention for interaction and people-orientation lead to actions in order to opportunities recognition and further creation: “**I constantly find options for interaction** - not just to talk, but to see opportunities. In each person, I imagine what can be done together, how he/she can help me, and how I can help him/her.”

(Anastasiya Laskovaya, PlaneAKL)

#### **Code 4: Adaptivity & 3 dimensions of Imaginativeness**

Cognitive adaptivity has been noted as an important factor in generation decision frameworks in uncertainty (Haynie & Shepherd, 2009). Respondents for this research also reported, that for successful reaction to a crisis you must be able to twist different skills, to use some proportion of different types of Imaginativeness: Social, Practical and Creative. Margo Tikhonova said that it is crucial to be able to adapt and switch between functions: “in general there is **synergy and a mix of Imaginativenesses**”. And also, Arina Faul mentioned that “Usually, I use **all 3 dimensions of Imaginativeness** in some percentage ratio. It seems to me that each person himself, as it were, chooses some kind of configuration in short, this is precisely the moment of choice, and not a predisposition. It's about analyzing yourself and understanding yourself more deeply. It is at the

*moment when I understand about myself now that this one dominates me, but to make it cool, you need to tweak these things there, he/she just **twists** them.”*

(Arina Faul, FabCircle)

Being flexible and adaptable is helping in different types of business. *“I use all of them, just **adapt** to the situation. Sometimes I imagine absolutely crazy things, and I understand that this is just a fantasy, but these images motivate, help. And sometimes, on the contrary, more specific thinking, in projects for business. Or being prosocial with my team and colleagues.”*

(Alexey Osipchuk, Park by Osipchuk)

### **Theme 3: External factors in crisis**

A crisis, as was defined previously, is a period of unexpected and unfavorable external environment shifts which create intense difficulties, emerging troubles, or new threats for enterprises. In the current research, by crisis means major shifts, like the Pandemic, or military operations. These crises made some differences in the major operations of businesses to some extent. Several external environment characteristics were mentioned to be major both during and outside the crisis.

#### **Code 5: Business – is all about finding solutions**

Businessmen could be perceived as problem-solvers: customers have a problem - businesses give solutions, new actors appear on the market - entrepreneurs should find a way to react to that threat.

*“Any business - it is the ability to find solutions. Creative or non-creative business in general is the ability to find the best solutions in a given period of time. <...> **Business is the habit of finding the right solutions**. Your whole business is a series of time periods when you abruptly need to find a solution, or live quietly for a while. And it's even interesting.”*

(Alexey Osipchuk, Park by Osipchuk)

The problem-solving being the part of Practical Imaginativeness is extremely needed in business. This skill is manageable, and should be strengthened in a crisis:

*“Practical Imaginativeness is a very working option, and this is the tool that I own. I also believe that this is the tool, the skill that can be quickly incorporated into the work and **which can be managed to some extent**. More broadly and the prospect is further, you can combine some*

*methods. In general, if the toolkit is one-sided or narrowly focused, then in a crisis it is almost impossible to see any additional alternatives, no opportunities.”*

(Julia Zaremskaya, JTLand)

Some claims that problem solving is a core of every work and creativity is needed everywhere in every sphere.

*“You are working - this is creativity, all works are creative problem-solving.”*

(Pavel Zhovner, Flipper)

### **Code 6: Competition changing**

Competition could be perceived differently, some are disturbed, some are excited by it. For some entrepreneurs it is a positive stimulus for the industry, it ensures growth and quality of the services and products. Positive perception of the competition could be a good predictor of opportunity creation ability. Competition has been changing due to the crisis, consequently the whole industry landscape has been deferred. This is perceived ambiguously:

*“If some competitor leaves, and you think "I'll take his customers right now" - you don't think that the industry is losing, you underestimate losses. The industry is an opportunity to see the profession broadly, and it's good when it is full of strong competitors, complex, - and only in this industry can you think about the quality of your product. If you think about profit, you are not a businessman, business is 100% about finding solutions, not about profit. Now, for example: I'm not happy that the hair style salons are closed, I look at what salons are opening. What they are good at, and are we bad at it? It is interesting for me to work on the search for creative solutions, it is interesting for me to be useful, **it is interesting to make a difference in this industry**, it is interesting to offer people, trainees and what will be interesting to them. <...> Those who left - the industry was eroded, it is not about the fact that there is nothing to paint now (out of 15 and 5 remained), but this **competition between brands to make it even better is the point of growth**. But if there are 5 left, you can do nothing, people will come. This is such junk marketing.”*

(Alexey Osipchuk, Park by Osipchuk)

The competition is not a constant parameter, it is evolving in time and also a big source of uncertainty. For being in balance with self-goals and reality entrepreneurs suggest to rely on Pareto principle in decision-making:

*“When we are talking about **competition** - look, this is not a question of black and white, that is, to get what you want - white, not to get - black. Usually, the **goal is in some shade of gray**. That is, very rarely you completely lose or completely win, most often it is one or another shade of gray, because other opponents also do not sit exactly on the butt. And therefore our task is not to win completely, and sometimes it is not necessary, because the Pareto principle has not yet been canceled - that 80% of the result is achieved in 20% of the effort. And our task is to achieve that degree of whiteness, which will suit us for reasonable money.”*

(Vladimir Rogozin, Anespa)

Competition landscape changed fast and drastically, and opportunities due to those shifts appeared and were caught. For the opportunity recognition networking appeared to be extremely useful:

*“My main competitor, the founder of diaries that amazed me a lot decided to left Russian market and I managed to have a consultation with her and taking into account the fact that I managed to make from good materials that were on the market, when a lot of competitors left, I can use it on the contrary, as a **competitive advantage**.”*

(Anastasiya Laskovaya, PlaneAKL)

### **Code 7: Opportunities on the market**

One of the crucial factors that appears on the market during crises are opportunities that could change industry landscape completely, and create new submarkets or business models. Crises could be perceived to be an opportunity a priori, it all depends on the lens of entrepreneur: *“There are examples of companies that successfully overcome crises and **look at the crisis as an opportunity**, and this empathy and understanding of how others react, it also helps to find new solutions.”*

(Anastasiya Laskovaya, PlaneAKL)

To look at the industry as an opportunity facilitates creation the high-quality product and high impact enterprises:

*“The **industry is an opportunity** to see the profession widely, and it's good when it is full of strong competitors, complex, easy - and only in this industry can you think about the quality of your product.”*

(Alexey Osipchuk, Park by Osipchuk)

For successful catching and embracing opportunities entrepreneurs should never wait: that process is very dynamic and requires proactivity:

*“I think I do both: **recognize and create opportunities for myself**. This is about the fact that when you understand your starting point very well, and from the point of view of business, your position. Moreover, adequate opportunities also seem to be coming. When you are just concentrating on external possibilities and **waiting**, you can be **outcompeted**. We have a specific program, we sing funk in Hebrew, well, we perform for the Jewish party. That is a cool niche, because in Russia there is not a single singer who sings in Hebrew. This is an external possibility. Now immediately booking to heaven. It was also possible to sit through this opportunity, just wait.”*

(Arina Faul, FabCircle)

### **Code 8: Acceleration of reality**

The whole business process is about decision-making, but during crises the amplitude and frequency of the problems could become more and more intensive. That demands for specific state, when entrepreneurs act fast, but not in a rush. Acceleration of reality does not necessarily mean stress and chaos, but it could be an appearance of tools and factors that lead to success in unexpected way.

*“**Crisis – faster decision-making**. And there remains the one who can generate and make these decisions. Everything can be called a crisis. Is the loss of a client or a master, a crisis? Crisis.”*

(Alexey Osipchuk, Park by Osipchuk)

*“**A crisis is an endless fluctuation of high amplitude**, and here it is important not to strangle yourself, but simply to recognize this state, accept, and when you suddenly calm down, somehow analyze it.”*

(Arina Faul, FabCircle)

### **Code 9: Request for Novelty and Innovation**

Since the reality is accelerating and it throws up new challenges and opportunities, it is logical that it is impossible to respond to it using old approaches and methods. The request for novelty and innovation becomes highly urgent. Innovativeness could open new business models that can take enterprises to the new level.

*“It seems to me that creativity will work better. **Innovativeness** is access to some completely non-obvious solutions. And maybe even a complete change in the business model or entering a new market.”*

(Anastasiya Laskovaya, PlaneAKL)

As was mentioned previously, minor things could be also felt as crisis - for example new and unusual clients, or uncertain tension and fear of losing a partner. These types of situations in external environment surely require creativity in social interactions and innovation:

*“Communication with clients, in which everyone has an **individual extraordinary approach**.”*

(Julia Zaremskaya, JTLand)

Novelty and Innovation could be opposed to similarity and copying. Usually during every training and education people learn the best practices, trying to apply existing approaches to the new markets and problems: that is really controversial. Since new enterprise need to differentiate some way, it should be logical to strive to find dissimilarity:

*“Since childhood, I have liked non-standard solutions. Industry – is a market, and the winner is the one who has unique qualities / products. And uniqueness is dissimilarity! **Dissimilarity**. Mentally, we never look for it, we are so sharpened that we try to develop similarity in ourselves. We come into the industry, look at the stars and try to copy it, to be similar, and kill the dissimilarity in ourselves. On the contrary, it is necessary to develop it. Many businessmen begin their journey with a book about Starbucks. It is understandable, but the scheme has already been worked out. The whole business is a game. I tried it - and it worked / did not work. I don't owe anything, I relaxed, and realized that I just wanted to broadcast my mission. My way is to sincerely care that customers are happy. And you discover perhaps a non-standard approach, or try **to find non-standard needs**. For some, this is an opportunity to cut what you want - and then **it's more honest**. In many ways, business – It's a matter of honesty. Creativity - it should generally be born in dissimilarity, and dissimilarity should be sought in oneself, and not in someone.”*

(Alexey Osipchuk, Park by Osipchuk)

This business approach also relates to the entrepreneur's personality and their honesty: consistency of the brand and its leader is crucial for overcoming crises.

Crisis is a perfect stimulus for innovation. Since the reality is changing fast it becomes easier to make things in another manner.

*“For me, a crisis is a **100% time of opportunity**, because in principle, I perceive any surprise rather as an **opportunity to do something differently**.”*

(Anastasiya Laskovaya, PlaneAKL)

That external environment spontaneously pushed business to the next level and entrepreneurs need to follow it, and not resist.

*“I just think that when you **create something fundamentally new**, it's like the next step, but it can't be compared with the previous one. It is impossible to compare it with other people's projects.”*

(Arina Faul, FabCircle)

#### **Theme 4: Inner State**

Inner state of the entrepreneur plays a significant role in proper reaction to the external factors such as crisis being minor or major. This state could be intrinsic or cultivated artificially.

#### **Code 10: Openness to experience**

Opposed to the first and evident reaction to the crisis which is stress and muscle tension, inner state of relaxation and openness to experience should be cultivated. If we perceive the crisis as a time of reassembling and pausing for rethinking some innovators' ideas and workable solutions could appear easily.

*“For me, the crisis is a moment of inventory, reassembly, it seems to me that this is a **good moment to exhale** and see, to embrace my achievements, to see what has been done.”*

(Margo Tikhonova, Kontora)

When you follow a flow and give a brain time to think freely - solutions came by themselves, it is sort of “steering wheel towards the skid”.

*“I can't say that it was a deliberate decision to come to such a system. It somehow happened by itself. It seems to me that part of the key to success in scaling, when you do everything, not from muscle tone and tension. When **the muscles are tense, it cannot move**. And when you get into some kind of flow, it hatches by itself. And this should not be confused with permissiveness or lack of control. What I did from **a state of relaxation** turned out to be cooler than when from nerves and hypertonicity.”*

(Arina Faul, FabCircle)

Be open and be ready - are two keys for recognizing opportunities, without proving and aggressively fighting.



*“At the moment of crisis, **some things open up on their own**. After mobilization, there was an axis and the co-founder left the country, and the connection was strengthened more, and niches opened. It's like a **relaxed state of openness**, as if some kind of incoming flow is attracted and clients are no longer small ones who ask for a super-detailed project, but already those who turn to you as an expert, "let's sign a check and let's go". This is due to the **internal rethinking** of the fact that earlier you are trying to prove your necessity in terms of business services, then when you grow up, you relax and you stop endlessly proving to everyone, it all comes by itself.”*

(Arina Faul, FabCircle)

### **Code 10: Consciousness and focusing**

Besides openness for something new, to experience, it is also necessary to focus on your goals. Entrepreneurs could not be just relaxed, this inner state should be open for opportunities and productive ideas and filter them from the trash. State of exhaling and pausing does not mean lack of control, but consciousness.

*“It's about the focus, for some it is distant, for others it is right in front of their noses. **Focus, filters**. Going into the class - to evaluate someone, what kind of people are around. And someone would think to himself - how I look, how the makeup lies, whether it is wrinkled .... I'm just observing.”*

(Julia Zaremskaya, JTLand)

Consciousness in every aspect of the business life is crucial, and very desirable in the personal life. How to allocate personal resources, that are limited, and where to invest time should be considered wisely.

*“I regularly allocate this time to my work schedule. I **consciously pay attention** to the development of these qualities [social skills]. <...> I invest directly, read books about it, watch courses.”*

(Margo Tikhonova, Kontora)

For focusing and effective filtering imagination becomes useful especially: to keep puzzle in the mind and to transform it dynamically:

*“Imagination is based on experience - the ability to **keep a bunch of variables in your mind**. How much he can hold in his head”*

(Pavel Zhovner, Flipper)

Energy may also be allocated into keeping abreast: to distinguish beneficial opportunities from disadvantageous one, filter them well.

*“Constantly keep abreast: what is where, who has good prices, what can be done from it.”*

(Julia Zaremskaya, JTLand)

### **Code 11: Transition and reassembly**

Inner state is a very dynamic system: regarding entrepreneurs - it should be flexible and adaptive. However, this concept is also applicable for the enterprise in general: high level of agility and readiness for reassembly is very beneficial during external shifts.

*“For me, a crisis is a moment of **inventory, reassembly**: reassemble necessary and unnecessary functions, that is, a moment when everything can be shifted on their shelves and there is time for this, to take a breath.”*

(Margo Tikhonova, Kontora)

Changes are inherent part of every major crisis, for successful navigation in this chaos entrepreneurs must be ready for different states and transitions.

*“I perceive a crisis **as a transition from one state to another**, and at this moment the most important thing is to admit to myself that this is a crisis, and not to rot myself. Because a **crisis is chaos**, and chaos is difficult to understand, measure and analyze. And inside a crisis, you can have different states.”*

(Arina Faul, FabCircle)

### **Theme 5: Actions to take**

The inner state of the entrepreneur, which develops in reaction to the crisis, works as fertile ground from which a plan of action is born. These specific actions lead to better sense making and opportunity creation.

### **Code 12: (рус. Насмотренность) Developing Expertise, “Watchfulness”**

First of the actions, being mentioned by the majority of the respondents is a term that does not have direct translation to the English language: developing expertise, “watchfulness”, (“насмотренность” in Russian).

*“You don't know what you don't know yet. Experience and observation, “watchfulness” it is impossible to know in advance because you don't even suspect in advance. The system is characterized not by an error, but by a reaction to an error.”*

(Pavel Zhovner, Flipper)

*“When something happened, I start to **collect information from different channels**”*

(Vladimir Rogozin, Anespa)

This concept vary from one respondents to another and appears with some specific emphasizes:

*“And when a crisis situation happens, my **head just starts spinning at 360**, and I begin to remember my entire list of contacts, who, where, what, how someone is living, how the situation is used. I immediately begin to **collect information** about how the crisis situation is reflected in others. And from this some new ways are born.”*

(Julia Zaremskaya, JTLand)

Ability to look around is born in the openness to the new external environment:

*“It is necessary to bring the brain out of the sleepy state so that it turns on and **begins to look around.**”*

(Anastasiya Laskovaya, PlaneAKL)

Due to the crisis required to novelty and innovation, the necessity of broadening entrepreneur’s horizons appears naturally. leaders must enlarge their understanding of the industry, of core processes, and create a specific library of their knowledge.

*“This is developed by **broadening my horizons** deliberately, I delve into the nuances of various industries and spheres. The basic principles of the functioning of work in completely different areas. Any - trade, diplomacy, ionization of power plants, purchase and sale of fuel combustible materials, maintenance services for industrial facilities. There are several aspects of any activity: how does it grow, who is the main buyer of these goods or services, where are the purchases made, where does this area have a resource and key competencies for it to work, and what are the limitations? **I try to accumulate a library for myself**, and due to this, I go to the solution in various difficult situations. It always helped me out.”*

(Julia Zaremskaya, JTLand)

When entrepreneurs deliberately look at the industry of interest their mind is fulfilled with the expertise and at some point a click is triggered and energy for action appears.

*“I **watched** a project that sold diaries at a normal price, for 3-4 thousand, that is, much higher than a regular notebook. And I thought - maybe in this market even now even to come up with what will shoot. <...> “But I myself should like it - this is the main criterion, I have already begun to trust my “watchfulness” and what I consider beautiful.”*

(Anastasiya Laskovaya, PlaneAKL)

Observation and watchfulness especially relevant in the creative areas, such music and arts:

*“When it comes to music, it helps to **listen to a lot of** music that inspires you. <...> **Observation and “watchfulness”!** When you are just concentrating on external possibilities and waiting, you can be outcompeted.*

(Arina Faul, FabCircle)

Although direct copying is not a promising approach, looking at successful examples could motivate, energize and push to new ideas and methods to apply.

*“Look whether someone **who has already managed to do** this, examples of businesses that have already applied what I want to apply, or something that I do not dare to apply because I think that it does not work. I would say that this is a **reflection**, such a deep, individual reflection.”*

(Anastasiya Laskovaya, PlaneAKL)

That action could be a result of the skill that was raised from childhood, could be an inner need, as well as intentional action. Expertise could also be called as “professional intuition”, due to it leading to faster decision making.

*“I am a sensitive person, because my mother brought it up in me, I graduated from music school, and since childhood my mother raised me **to be observant**. <...> Personally, I act intuitively, but not quite about feelings, but more **professional intuition**, it is still justified by **education and experience**. Well, here's some kind of internal radar according to which I act.”*

(Julia Zaremskaya, JTLand)

### **Code 13: To trick self brain and self-boosting**

Any kind of work, and entrepreneurship is not exclusion, cannot be an infinite joy and pleasure, sometimes entrepreneurial day is full of routine, or negotiation with unpleasant people

that could not be delegated, or firing their employees. And for sustaining and continuing performance and not being frustrated by any external environment it is needed to trick the brain. *“To be specially inspired, you need to **trick your brain**: for example, I have to do something unpleasant, but leading to my global purpose: I will figure out what I need to do **to hack my mind and make me feel like I am fully enjoying.**”*

(Julia Zaremskaya, JTLand)

Not to be bored, not to be discouraged from work, some entrepreneurs use self-inspiration and are involved in the work, thinking outside their job duties.

*“I worked in the Data Center, the job is to maintain the infrastructure, it was boring and I was very upset that I did not see the results of my work - and I started considering, **what can I do to make it interesting?** And I began to write instructions for work, beautifully and understandable. I began to practice, began to write articles on HABR, and wondered why I like a particular article, and the other is completely unpleasant. And why attracted? And why I came up with how to explain essences, how to fall in love with essences.”*

(Pavel Zhovner, Flipper)

Long-term goals and forward-thinking help not to be dependent on the mood, inspiration, motivation, that could be dangerous for entrepreneurs. This coaching approach of simple questions: what do you want? Do you want to be the best? - can eliminate procrastination.

*“Either go into the profession and **be the best, or not go at all.** There was never a task to find motivation, I was motivated. Honestly ask yourself if you want to become the best, and if the answer is “yes”, then you are motivated. **Motivation is dangerous** in many ways - because you can't motivate people, either yes or no, the rest is the theory of big deception. You can motivate a person, but you must be prepared for the fact that he loses this motivation. I want it or I don't want to. **Continuing to move forward, I continue to develop.**”*

(Alexey Osipchuk, Park by Osipchuk)

The lens through which to look is also a choice of entrepreneur. If someone wants to see positive aspects there will be positive opportunities. Using will power business leaders can seize from the chaos of crisis new possibilities.

*“You can look at any event (My philosophy) from 2 sides and **the result depends on how you want to look at it.** I always look at any surprises as an opportunity to do something differently.”*

(Anastasiya Laskovaya, PlaneAKL)

Willpower also is an action to believe and want to achieve one's goals and find proper solutions: *"If there is a global goal, you see if some action corresponds to the achievement of your goal. A person **must WANT** to find a solution."*

(Alexey Osipchuk, Park by Osipchuk)

Another important aspect of dealing with their minds entrepreneurs consider to be the usage of human mind's abilities actively, by dealing with it like it is a partner in the work, who is more powerful and full of potential than themselves.

*"Of course, I use imaginative thinking. When I want to do something - firstly I imagine the final picture – and I see the result, and **the brain plans, it is faster than me**. You have this computer, the coolest on the planet, but you don't use it completely, and it solves faster in the sleeping mode, while you are distracted. You need to give it a picture - and the brain will finalize it in the best possible way."*

(Margo Tikhonova, Kontora)

It is crucial for entrepreneurs to use their brains on the high-productivity level. In some situations, it is needed to activate it, whereas sometimes it is better to have a rest, and let the mind finalize planning by itself.

*"There are 2 approaches: several options for solving problems, I try to immediately come up with different options - at least 3-4. Complex puzzles - I never solve them right away, **I give them time to be digested**, the brain works like this, when it is cool - it generates. New ideas come an hour after I went to bed. <...> It is necessary **to bring the brain out of the sleepy state** so that it turns on and begins to look around.*

(Anastasiya Laskovaya, PlaneAKL)

#### **Code 14: Manic passion to achieve**

For some entrepreneurs it is internal quality, for some it is developing through actions - manic passion for achieving outstanding results, or survival instinct that leads to moving constantly forward.

*"For me, the crisis is definitely an opportunity. I am definitely looking for opportunities and sometimes I think about it myself, what motivates me at this moment. In fact, everything is simple - I am driven not by some kind of super energy, but simply **by the survival instinct**."*

(Julia Zaremskaya, JTLand)

Following global goals entrepreneurs could ask themselves about correspondence of their actions to their goals, and achieve them through persistence.

*“I don't know if you can call it imagination, but the difficulties do not scare me. Someone is frightened by the fact that it is necessary to cope somehow, the nature of laziness, reluctance to do this. Understanding our mission, we add goals based on this mission: if our mission is to influence the aesthetics of hair beauty, then as a more understandable goal - specific tasks, to attract attention, to increase attention. If you are **moving in the direction of your goal** / or a quick solution to the current situation. **If there is a global goal, you see that some action corresponds to the achievement of your goal.**”*

(Alexey Osipchuk, Park by Osipchuk)

This passion works as a positive feedback loop <sup>1</sup>: firstly, energy busts passion, and then passion gives energy and power.

*“Passion - drive, will, energy - is different for everyone, there should be **maniacal passion to achieve what he wants.**”*

(Pavel Zhovner, Flipper)

### **Code 15: Trust your intuition**

Respondents report the importance of trusting their intuition and trusting their guts. The internal radar often knows a better way. With the specific inner state that was described previously, with focusing on the goals and openness to the new environment, trusting your gut could become an additional “source of evidence” in the decision-making process.

*“Personally, I act intuitively, but not quite about feelings, but more **professional intuition**, it is still justified by education and experience. Well, here's some kind of **internal radar** according to which I act.”*

(Julia Zaremskaya, JTLand)

Convincing yourself to do something that is needed (you know for sure it is needed) is not the same with self-deception, when your gut tells you that it would be right to act in the opposite way. First - is about self-boosting, while second is an example of dishonesty and incoherence with yourself and your business.

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<sup>1</sup> positive feedback loop – is a self-perpetuating pattern of behavior where the end result is reinforced by the initial act. (Investopedia)

*“Worked on it.. **Previously, there was a lot of self-deception** on work issues, when you try to convince yourself, but inside you understand that I made the wrong decision. And now I **try to trust my feelings** more (who to work with, etc.)”*

(Arina Faul, FabCircle)

*“I try to trust my intuition more.”*

(Anastasiya Laskovaya, PlaneAKL)



### 3.2. Empirical Model

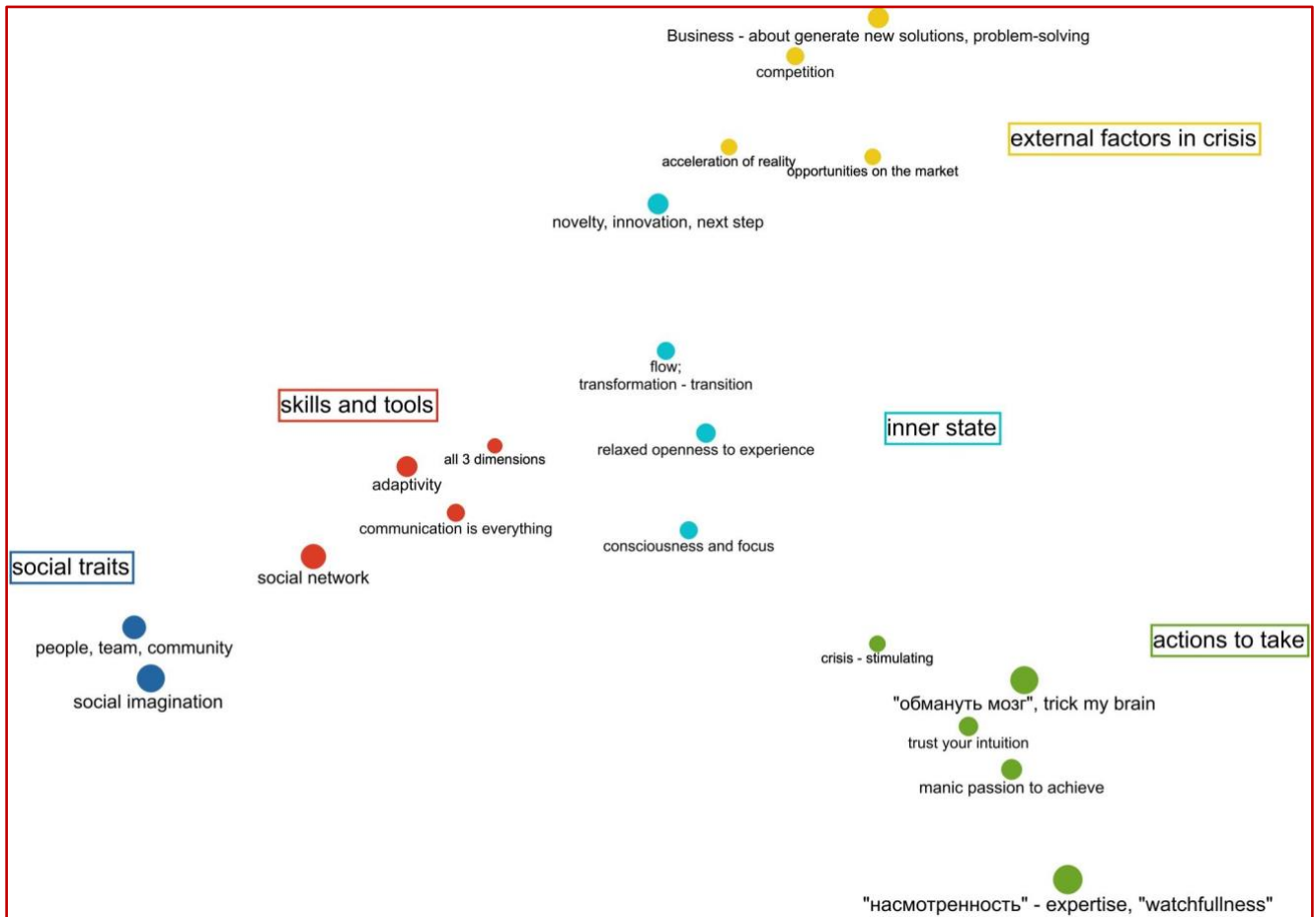
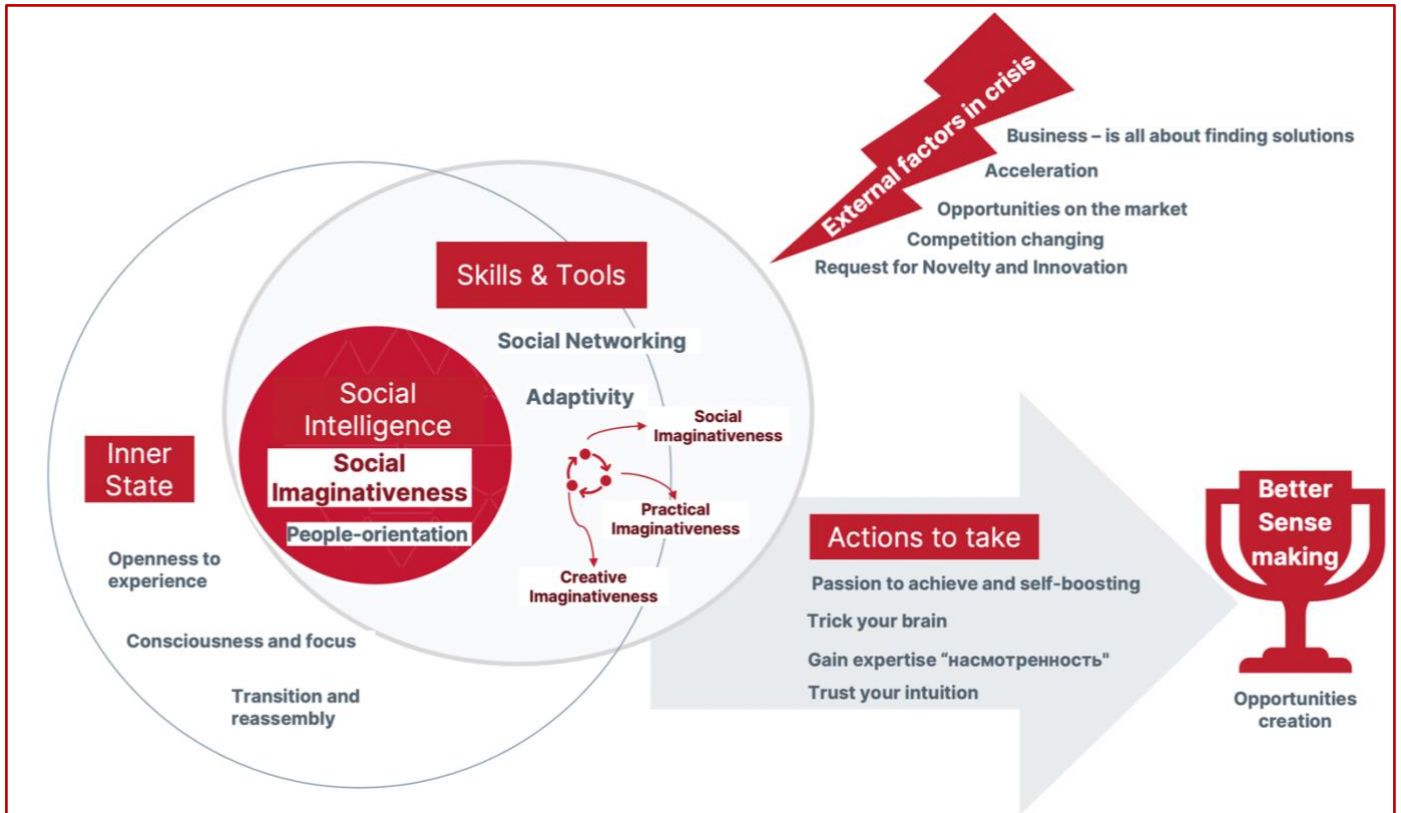


Figure 1, visualization of codes using MAXQDA Software

Based on visualization and interconnection of the codes, frequency of appearance in the different cases, themes were identified. Initial model was adjusted until it made sense and led to logical and consequent steps and results.

Figure 2. Empirical model



The main result of the study is an empirical model of process that leads to better sense making in crisis.

As was identified during the interview stage, what respondents claimed to be the key to overcoming the crisis - is **Social Imaginativeness**, due to people and team being the main source of stability in turbulent times. People orientation, empathy, ability to create community around themselves - are the core traits that make other steps of the process possible. That theme was defined as **Social Intelligence**.

Based on those personal traits during entrepreneurial pathways business owners are obtaining certain **Skills and Tools** that could be developed and used in many situations. One of them is Social Networking - a large net of personal and business contacts. That net creates social capital for entrepreneurs and is an endless source of advisors, mentors, partners and can save a lot of time, effort and money, sometimes in a very unexpected way. The second skill in this cluster - is adaptivity - the ability to switch different personal qualities, different dimensions of Imaginativeness: sometimes practical, sometimes creative or social. Being able to adapt to the situation, to the external environment, to the language of other people facilitates response to those stimuli.

The third theme identified is **External factors in crisis** - the main challenges and requests mentioned during interviews. Business - is all about finding solutions, creative and workable solutions. However, during a crisis the reality becomes highly demanding, and “you need to run faster to stay in the same place”, that speeds up the decision-making process. And not only fast but also innovative and forward-thinking these solutions must be. Market and competitive landscape are changing as well.

When the crisis happens, a specific **inner state** needs to be cultivated and sustained. That state was called consciousness and focusing: entrepreneurs could not lose their temper, should exhale and keep a focus. In that relaxed state, maintaining openness to the world is easy and solutions come faster and clearer. Respondents also said that in that turbulent time you must be flexible to rearrange and reassemble team, resources, and goals.

Having core traits of social intelligence, and developed Skills and Tools, in response to crisis, entrepreneurs who maintain inner state of consciousness and focus **undertake some actions**: he / she trick their brain where needed, to achieve specific goals, driven by passion. Using networking business owners gain expertise, look at what others are doing, what is going on in the industry, keep focus and trust intuition.

As a result of these actions entrepreneurs create opportunities more effectively and it leads to better sense making through opportunities creation.

### 3.3. Discussion

Through analyzing interviews, cases and codes that emerged some connections with existing scientific concepts appeared. The process of sensemaking through opportunity creation requires specific actions that are the result of skills (built on social intelligence basis) and inner state that happens in a reaction to external factors of crisis.

During crises a lot of new information should be digested, and people usually try to understand new information and explain it using the concepts and knowledge that exist in their heads. This process is very similar to the so-called “watchfulness”, when people try to get as much expertise as possible. However, in K. Weick theory this expertise is pre-existing, and is a foundation for conclusion (K. Weick, 1988). Whereas current research shows that gaining this knowledge could be deliberate action and not needed by default.

Karl Weick suggests three factors that influence the process of sense-making: first, the degree of uncertainty, this aspect incorporates “external factors” of the empirical model of this research. Second factor, the subject's knowledge and experience, that was discussed previously. And third, the social community (the coexistence/separability of perceptions and understandings). Social community and social skills were found to be the core feature in overcoming crises in current research. According to Karl Weick theory, if uncertainty is high, knowledge and experience are insufficient, or social community is absent, the process of sense-making can be disrupted.

Certainly, lack of knowledge and experience lead to an incomplete picture of reality, and that gap could be filled with using Imaginativeness: to imagine what to do for a puzzle to complete (Maybe it is extended networking and watchfulness?).

Cumulating social capital and using all types of networking: mentoring, industry networks, professional forums have a positive effect on opportunity recognition, according to existing literature (Ozgen & Baron, 2007). This way of generating knowledge of the industry leads not only to opportunities recognition, but also to resources mobilization and through that using human capital opportunities could be created (Bhagavatula et al, 2010).

The effect of crisis on networking was explored by Brändle, L., Signer, H., & Kuckertz, A. (2022), on the case of the COVID-19 pandemic. They find that entrepreneur networks have become more interconnected and collaborative during the crisis, and also more diverse, with a greater representation of women and minority entrepreneurs. Authors also highlighted the potential of networking for entrepreneurs to create opportunities and drive innovation during times of crisis.

Social Intelligence, being the core component of the empirical model and a source for further skills, has been proven to have a close link to the imagination in previous studies. One of

the existing researches has shown that individuals with good sensory and creative imagination are more adept at understanding the emotions and needs of others. Numerous studies were performed on the topic focusing on Human Behavior and neuroscience, and it was found that people who engage in imaginative play during childhood develop better empathy and social skills in adulthood (Goldstein & Winner, 2012). Therefore, imagination acts as a precursor of social intelligence. This correlation could be explained by the fact that imagination allows individuals to practice and rehearse social situations, enabling them to better understand and empathize with others.

Moreover, studies have suggested that using imagination and fantasy can foster a sense of curiosity and openness to new experiences that can promote social intelligence. So, here are interconnections between factors, proposed in the current empirical model. In a study conducted by Amabile et al (1996), it was found that individuals who engage in creative activities outside of work, such as writing, drawing, or playing music, exhibit higher levels of curiosity and openness, both of which are important components of social intelligence.

The provided evidence suggests that there is a positive link between imagination and social intelligence. While the causal link between the two concepts is not clear, it is increasingly recognized that imagination promotes creativity, problem-solving, and openness that can contribute to better social skills. In turn, social intelligence, which is central to understanding and interacting with others, can promote imagination and creativity by fostering curiosity and openness. Thus, cultivating imagination and social intelligence is likely to have mutually reinforcing effects that can lead to positive outcomes in various domains.

It has been well known for a long, that entrepreneurs who have strong will power are more successful than others. However, self-boosting and reinforcing energy by tricking self brain is a novelty of current research. Self-motivation using deliberate practices was previously discussed in a study performed by Bullough, A., & Renko, M. (2013), with focus more on resilience and mindfulness practices.

Willpower is also related to entrepreneurial passion, that was well discussed previously by the managerial scholars. Nevertheless, in a meta-analysis performed on significant number of scientific papers, it was shown that the vast majority of these studies are lacking proper methodology, and further research is needed (Newman et al, 2019).

### 3.4. Conclusions and implications

The research studied the role of Entrepreneurial Imaginativeness during the crisis in the case of Russian business owners and explored how these dimensions lead to sense making and opportunities creation. The main **theoretical contribution** is providing possible answers how different dimensions of Imaginativeness unleashed during a crisis and what makes the core in sustaining success. The main finding is that the key is the social dimension of Imaginativeness, and skills and actions around that trait. This refers to the Enacted Sensemaking by K. Weick (1988), however this study added an active component to dealing with uncertainty, meaning that knowledge and experience could be gained using networking and social skills actively when crises already happened.

Additionally, this study supports the significance of networking during and outside crises, that topic has been raised in recent studies with extreme attention. Focusing on inner state of entrepreneurship is one of the main novelties, that was not previously discussed widely. However, several enterprise studies show the importance of mental health in entrepreneurship and there is evidence that investors prefer to invest money in projects where founders take care about mindfulness and consciousness (Laptenok, 2023).

Different aspects of creativity and Imagination were discussed, and the foundation for using it unambiguously is social intelligence and social skills, second one factor of success is adaptability and the third - focusing and consciousness in business activity. The study provided a model of application for all the aspects mentioned above, and could be used as a foundation for quantitative study of holistic approach on entrepreneurial cognition in crisis.

#### **Practical Implications**

The results of the study are extremely relevant to the *practice* and enlarging knowledge on entrepreneurship in general, and during uncertainty and crisis in particular. The findings could be useful for managerial practitioners, CEO, founders for example what personal traits should be trained the most to create a successful entrepreneurship and what factors entrepreneurs should rely on in more ways to survive during crisis. Key practical findings and advice from respondent entrepreneurs will be shown below.

1. Social Intelligence (social skills, empathy, social Imagination) are the core for resistance to the crisis and to sustain success. Social capital could be cultivated deliberately, and constantly through entrepreneurial pathway.
2. Networking, being logical consequence of social traits and skills is a main source of increasing expertise and resources mobilization. During interviews several recommendations for enlarging it were mentioned as the most effective ones:

- Regularly allocate time for networking in the work schedule
  - Some entrepreneurs use random coffee (a mobile application for networking)
  - Visit masterminds, lectures, various events, give lectures yourselves
3. For being prepared and reacting on the external challenges such as crisis properly it is beneficial to develop inner state of consciousness, openness to experience and focusing on the main goals, not to jump to conclusions. Several practices were suggested by respondents for reaching that inner state: various breathing practices, walking and intensive exercises, meditating.
  4. Focusing on the team and community of like-minded people could not only be a source of inspiration but also for opportunities recognition and creation, and specific resources could be found and caught.
  5. Imagination and imaginativeness, the ability to look at things through lens of the customer, partner, employee, competitor facilitate creating the best product and sustaining the competition

### **3.5. Limitations and future research directions**

#### **Regional bias**

Firstly, the research was fully based on the Russian context and the current crisis due to the Special Military Operation, started in February of 2022. This specificity of place and time could possibly lead to regional and situational biases. Enterprises of cases are operating in Russia, and only few of them - globally, and all entrepreneurs are Russian and Russian-speaking. The interviews were conducted in Russian language, due to that fact some meaning could be lost in translation, and lead to misunderstanding. To overcome this limitation, the model could be tested in different contexts, countries and observed through time.

#### **Subjectivity of qualitative data interpretation**

This research employed qualitative data interpretation by a single researcher, which could inherently introduce subjective biases and human errors. Despite the questions being open-ended and non-leading, the data was translated and interpreted, coded by one researcher, which could lead to human error and unwilling biases. To avoid this limitation in the future another research methodology could be used, for example focus-groups or experiments, and analyzed by the group of independent researchers.

#### **Limited research foundation**

Current research suffered from a limited theoretical foundation for studying Entrepreneurial Imaginativeness in a crisis environment. This can potentially affect the reliability and validity of the findings. There is a lack of written evidence on the topic, due to that some important variables and relationships that might be key to understanding the phenomenon could be missed. Further research with a larger sample size could provide more robust and reliable findings.



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# APPENDIX

## Appendix 1. Interview questions (Semi-Structured).

1. What is the crisis for you? Do you consider a crisis as a time of opportunity? Why? Have you had any examples of this in your entrepreneurial life?
2. How do external challenges transform into opportunities in your head?
3. After February 24, did you see any opportunities? Have you created them? Do you feel like you've missed out on some opportunities?
4. Do you consider yourself a creative person? Have you ever had opportunities that require creativity, imagination, and artistry? Have you realized them?
5. How can you assess and describe your social skills? Empathy? Do you use Imagination for social interactions?
6. Is it easy for you to understand someone else's point of view, how much empathy you have? Do you understand other people's feelings, read emotions? Can you use this to create/implement opportunities?
7. Do you use your imagination in solving problems, analyzing situations using imaginative thinking? Does this lead you to a new view of the situation and opens up new opportunities?

Additional questions:

At the center of my work is the concept of Entrepreneurial Imaginativeness, and it is divided into 3 areas:

- Creative imagination (artistry, innovation, originality)
- Social imagination (empathy, the ability to imagine yourself as someone else, and look at the world through his eyes)
- Practical (using imagination in project management, problem solving, using mental pictures to see new connections)

- 2.1. Which of these types of imagination would you, as an entrepreneur, call the key and pivotal in overcoming the crisis and why?
- 2.2. How does this type of imagination help you achieve the desired (and not just some) result?
- 2.3. How do you develop this quality? What helps you in improving this skill?