

RESEARCH ARTICLE

Natural disasters as a source of entrepreneurial opportunity: Family business resilience after an earthquake

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Abstract

Research Summary: What type of firms are more likely to survive or even thrive in disaster events such as earthquakes, wildfires, and the COVID-19 pandemic? We investigate whether family ownership and industry positioning affect firms' ability to capture opportunities for business recovery after a natural disaster. We analyze the performance of Italian family and nonfamily firms around a disastrous earthquake in 2009. Following the earthquake, family firms performed better than nonfamily firms, especially when multiple family members were involved as owners. Moreover, family ownership is beneficial in industries highly dependent on the public sector. Our findings provide evidence on the superior resilience of family firms by illustrating the characteristics that allow firms hit by disaster events to seize posttraumatic entrepreneurial opportunities for recovery and growth.

Managerial Summary: The purpose of this study was to understand whether a possible explanation of family firms' superior longevity is their resilience to mass emergencies and their ability to transform post-crisis threats into entrepreneurial opportunities. We found that family firms performed better than their nonfamily peers after the earthquake that hit Central Italy, and especially the area