**Entrepreneurship and Crisis Management:**

**The Experiences of Small Businesses during the London 2011 Riots**

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**Abstract**

This study examines the impact of a crisis on small businesses and their response. Taking a phenomenological research approach, qualitative interviews were conducted to capture the experiences of small businesses directly affected by looting, vandalism and/or arson in the London 2011 riots. The consequences for businesses and individuals were largely negative. The riots were not anticipated and owner-managers devised different strategies to contain the losses. This study adds to the literature on crisis management by highlighting the different types of losses encountered by small businesses following a crisis and the role individual owner-managers, businesses and greater communities play in enhancing or minimizing losses incurred. A model is developed to capture those factors that influence which small businesses were vulnerable or resilient to the riots.

**Introduction**

On the 6th of August 2011, four days of civil disorder, a riot, swept through London (UK), starting two days after the fatal shooting of Mark Duggan by police in Tottenham. During the looting, vandalism and arson that ensued, over 2,000 commercial premises were affected (Reading the Riots, 2012). Subsequent attention has focused on understanding the *causes*, why the public got involved and the police response rather than the experiences of the victims, particularly small businesses.

A riot may be regarded as a special type of *crisis* (Moot, 1968), a human-caused, conflict-orientated crisis (Barton, 1970). While definitions and typologies of crises vary (Buchanan and Denyer, 2012), the idea incorporates “disasters, business interruptions, catastrophes, emergency or contingency” (Herbane, 2010: 46) which are low probability events that have severe consequences, and generate ambiguity and decision-making time pressures for businesses (Weick, 1988; Hills, 1998; Pearson and Clair, 1998). The impact of a crisis on small businesses may be particularly great because of the personal impact on owner-managers and their lack of preparedness and resources making them more vulnerable (Runyan, 2006). While there is a preoccupation in the entrepreneurship/small business literature with barriers to business development (e.g., Doern and Goss, 2013; Lee and Cowling, 2012; Kouriloff, 2000; Storey, 1994) and business failure (e.g., Cardon, Stevens and Potter, 2011; Shepherd, 2003; Mcgrath, 1999), small business survival has not been examined from a crisis perspective (Herbane, 2010). Moreover, few studies within the crisis/disaster literature have examined the impact on small businesses (Wasileski et al., 2011; Rodriguez et al., 2004) or their responses (Runyan, 2006). This omission is problematic to the extent that crises are becoming an integral part of business activity (Smallbone, North and Kalantaridis, 1999) and responses to such could mean the difference between business survival and failure. Therefore, the aim of this research is to understand the experiences of owner-managers and their small businesses as they respond to a crisis, specifically the London 2011 riots.

In order to understand the experiences of entrepreneurs in this relatively unexplored area, the current study adopted an inductive, phenomenological approach by conducting qualitative interviews with 15 entrepreneurs/owner-managers of small businesses directly affected by the London 2011 riots, including those that suffered structural damages, loss of contents, and temporary business closure. The interviews captured each entrepreneur’s story and produced rich accounts in which to ground theoretical discussions. The main contributions of this study lie in documenting the detailed experiences of a crisis from the perspective of owner-managers, filling in gaps of the crisis management literature and illustrating how small businesses can be more resilient and less vulnerable to crises.

The paper will first examine research on crisis management and how it relates to small businesses and riots, followed by a description of the research context, methodology and a discussion of the findings.

**Entrepreneurship and Crisis Management**

***An Overview of the Literature on Crisis Management***

The crisis management literature tends to focus on the “association between planning and the enhancement of preventative actions and/or responses to organizational failures, accidents and interruptions” (Herbane, 2013: 83). Studies focus on large complex organizations such as emergency services in the context of natural disasters (e.g., McEntire, Fuller, Johnston and Weber, 2002; Quarantelli, 1988) or industrial crises (Buchanan and Denyer, 2012), rather than riots. Moreover, studies tend to examine the management of information flows between emergency services and other organizations or groups (e.g., government, media, members of the public), mass/group responses to crises, and the greater macro and socio-economic effects of crises on households or communities (e.g., Quarantelli and Dynes, 1977; Skoufias, 2003), rather than the experiences of small businesses.

A few studies have identified factors that, following natural disasters (e.g., a hurricane, earth quake or flood), influence business survival and recovery from pre-crisis characteristics and planning, to business characteristics (size, sector), to the nature and extent of damages, and responses to damages[[1]](#footnote-1). However, Corey and Deitch (2011: 170) have found that while “studies have attempted to determine features that predict the success of recovery for individual businesses post-disaster … the results have been inconsistent regarding what matters most”.

Several developmental models and frameworks for analysing crises have been conceived around and applied to the study of large or high reliability organizations in the context of industrial or human-induced crises (Buchanan and Denyer, 2012; Herbane, 2013). Unlike small businesses, these organizations usually have significant resources at their disposal and dedicated crisis management teams (Weick and Sutcliffe, 2007). Research tends to be prescriptive and practitioner focused, emphasizing preventative actions (Buchanan and Denyer, 2012). Debates have in turn focused on the extent to which crisis responses should be formal and centralized (Bigley and Roberts, 2001) or allow for more flexibility and improvisation (Weick 1993; Weick and Sutcliffe, 2007).

Developmental models and frameworks for analysing crises tend to consider different stages in the evolution of a crisis and related anticipatory and containment processes, drawing attention to potential organizational vulnerabilities that make them more susceptible. Mitroff and Pauchant (1990), for instance, suggest there is a tendency for organizations to focus on the most visible issues like planning and strategic processes (which they likened to the outer layers of an onion), and to take structural approaches to implementing such strategies (e.g. via crisis management teams). However, they cautioned that less visible issues such as core values and beliefs of senior managers (as with the inner layers of an onion), should not be neglected as the interaction between the inner and outer layers will determine whether or not organizations are ‘crisis prone’ or ‘crisis prepared’. They later (Pauchant and Mitroff, 1992) devised a five stage crisis preparation framework: signal detection (detecting crisis situations), preparation/prevention (forming crisis teams, training), damage containment (limiting/localizing the effects of crises), recovery (identifying activities and operations required to bring the business back to normal), and learning (examining factors that affected firm performance). Smith (1990) also described three stages of a crisis of significance for organizations (the pre-crisis, immediate period of the crisis and post crisis stages), while Shrivastava (1993) defined and described four C’s of crisis management: Causes, Consequences, Caution and Coping.

Finally, there is a commonly held view that while crises may be triggered by many things, certain vulnerabilities within organizations may determine whether events lead to a crisis (Elliot et al., 2010). As a result, organizations should anticipate the kinds of crises they may encounter and consider the actions taken that led to a crisis (ibid).

***Crisis management in small or entrepreneurial businesses***

As indicated earlier, there is little research on how crises affect entrepreneurship or crisis management activities in small businesses in either the broader crisis/disaster literature, or the entrepreneurship/small business literature (for some exceptions see Galbraith and Stiles, 2006; Herbane, 2010, 2013). This is surprising not only because small businesses are more likely to be affected by and struggle to recover from crises (Asgary et al., 2012), but also because they have an important role to play in post-crisis community recovery by providing access to goods and services, jobs and tax income (Cochrane, 1992). In those few studies conducted, there is an emphasis on the post-crisis period and identifying barriers to recovery. Detailed descriptions of responses are limited and mostly confined to the decision to reopen the business.

Looking at a very specific crisis, Irvine and Anderson (2004) surveyed small rural businesses operating in the UK tourism industry to examine the impact of the Foot and Mouth disease outbreak. Overall, the effects were considerable, with significant reductions in the volume of business, staff numbers and profitability; particularly for micro-businesses. Many closed, some took up to a year to recover, while others reduced expenditures and created alternatives. In another study, Runyan (2006) interviewed small business owners and business support agents across five different communities in the Gulf Coast of the United States about their response to Hurricane Katrina[[2]](#footnote-2) and analysed the extent to which interviewees’ accounts matched the four conditions of a crisis – low probability, ambiguity, high consequence and decision-making time pressure (Pearson and Clair, 1998) – and found evidence of each. He also identified several barriers to recovery, including access to capital, diminished cash flow, poor communications, and a disruption to services (e.g. electricity). Business owners felt that while little preventative action could have been taken, businesses that were able to open more quickly experienced a large increase in sales due to limited competition and higher population concentration.

In short, while a few studies have begun to explore the relationship between entrepreneurship and crises, they have yet to capture the impact of crises on small businesses, the “profundity of loss” that may be experienced (Herbane, 2010).

***Riots, small businesses and crisis management***

Another way to define a crisis in the literature is in terms of a “collective stress situation”, of which there are two kinds: consensus and conflict (Barton, 1970). Consensus situations include natural disasters (e.g., hurricanes, floods) and technological disasters (e.g., explosions, accidents), whereas conflict situations cover civil disturbances, other kinds of human-caused crises such as wars and acts of terrorism, and *riots* (Quarantelli, 1982, 1993, 1985). As discussed below, there are differences between the two in terms of how they are managed. But first, it is useful to say few words about riots and their implications for small businesses.

The reasons for riots are complex (Rudé, 1964)[[3]](#footnote-3) and have been explained in relation to deprivation, inequality and exclusion, a lack of education or jobs or competition over jobs, and a general distrust of authority (Miller, 2001; Abelmann and Lie, 1995; Olzak and Shanahan, 1996). The deprivation argument is most common, although it has not always been empirically supported (Muller, 1972; Bloombaum 1968). Additionally, it has been argued that the duration, intensity and spread of riots has had more to do with the way they are managed (e.g., the response of police) than their root causes (see Miller’s 2001 work on the Watts riots[[4]](#footnote-4) riots in the mid-to-late 1960s and the Rodney King riots of 1992[[5]](#footnote-5)).

Businesses, more so than individuals, institutions and public property tend to be the main victims during riots through arson, vandalism and looting (Quarantelli and Dynes, 1973). According to Berk and Aldrich (1972), commercial targets may be selected because of the attractiveness of the merchandise, familiarity, retaliation (in cases where shop owners may be abrasive or engaged in practices such as price gouging – Berk, 1968), for symbolic reasons (e.g., where they represent an elite), or simply due to their proximitytorioters. Bean (2000) found that during the 1960s U.S. riots, business owners saw the government as indifferent to their plight, the police as ineffective, and the Small Business Administration as slow to respond and provide loans. As a consequence, many small businesses lost key personnel who were afraid to go to work, felt helpless as police looked on during looting and closed down.

Quarantelli (1993) has asserted that for a number of reasons, conflict situations such as riots may be more difficult to manage than consensus situations. First, there is some evidence that communities affected by natural disasters receive more financial support than those affected by riots (see Baade et al., 2007; Bean, 2012). Second, conflict situations are more ‘diffuse’ in time and space and may be deliberately prolonged to achieve some goal whereas consensus situations are not. Third, behaviours and roles exhibited during riots tend to be more variable (pro-social and anti-social) and emergent as opposed to consistent and traditional (e.g., in riots fire fighters may not intervene to prevent the destruction of businesses). Finally, for victims of riots more so than natural disasters, the psychological effects may be more negative and long-lasting (particularly as shops are still located in areas where grievances may continue; see Abelmann and Lie, 1995). Therefore, riots may have implications for individuals, businesses and communities.

**The research context**

A number of explanations for the London 2011 riots have been proposed including, anti-police grievances (e.g., stop and search practices and targeting), disenfranchisement stemming from urban regeneration, unemployment and austerity cuts, mass criminality and consumerism (Bridges, 2012; Reicher and Stott, 2011; Milburn, 2012; Taylor-Gooby, 2013; Waddington, 2012; Morrell et al., 2012; Bauman, 2012; Moxon, 2011; Tester, 2012; Reading the Riots, 2012). While the causes of the riots are complex and varied, and will be explored and debated for years, we do know that the main precipitating event was the fatal shooting by police of Mark Duggan, a 29 year old black male resident of Tottenham in North London (in the borough of Haringey) on Thursday August 4th. Following uncertainty surrounding the justification for the shooting, unrest started to build in Tottenham. For an in-depth account of the riots see Bridges (2012).

It has been suggested that over four days, 22 of the 32 London boroughs were affected (Reading the Riots, 2012) by rioting which also spread to other parts of the UK including Liverpool, Manchester and Birmingham. In London the riots ended on Tuesday August 9th when 10,000 extra police officers were deployed. More than 2000 commercial premises were affected (Reading the Riots, 2012) and the costs of the riots are estimated at £250-500 million in damages, lost trade and policing (Riot Communities and Victims Panel, 2011).

Several support schemes were created or utilised to assist affected businesses including the High Street Fund (funded mainly by private businesses), The Riot Damages Act (a police fund for businesses), and the High Street Support Scheme (made available by the government to councils). Studies investigating the riots were commissioned by the government to understand why members of the public, particularly young people, got involved, and the police response.

**The methodology**

*Research approach*

Missing in previous studies are detailed accounts of the experiences of entrepreneurs following a crisis. To address this and the research questions, the current study takes a phenomenological approach, which has been adopted to understand the experiences of entrepreneurs in relation to entrepreneurial risk, learning, and business failure (e.g., Berglund and Hellström, 2002; Cope, 2011), but not yet applied to the study of crises. Phenomenologists see “the world and the objects we perceive exist to us through the meanings we give to them, through an act of *interpretation*” (Berglund, 2007: 77). In turn, interpretation is the process of pursuing understanding through the construction of other people’s constructions (Patton, 2002; Gray, 2004).

*Research sample*

The sample consisted of owner-managers of small businesses in London that had been directly affected by the riots through looting, vandalism and arson. As with other phenomenological studies, the sampling was purposive – i.e., it was necessary to focus on those with experience of the research phenomenon (the riots) who could express their experiences of the phenomenon (Hycner, 1985). Small businesses were identified either by referral, stories in the media, or through visible damages in an almost ethnographic manner and were located in Tottenham, Wood Green, Croydon, Hackney, Clapham Junction, Peckham, Ealing, Blackheath, and Islington. The sample included 15 owner-managers of businesses that sold clothing, food and beverages, recreational goods, and/or items for the home. As with other crisis studies, the research sample was small (Buchanan and Denyer, 2012) allowing for a deep level of analysis (Hycner, 1985; King, 2004), theory building and theoretical generalization (e.g. Buchanan, 2012; Eisenhardt and Graebner 2007). A couple of businesses in the sample were less than two years old, while about half were over 15 years old. All had less than 50 employees while most were micro-businesses with fewer than 10 employees. Most participants were male (a fifth were women), and over the age of 40. Just over half were white British. See Table 1 for a profile of the participants.

INSERT TABLE 1 ABOUT HERE

*Data collection*

In-depth semi-structured interviews began two months after the riots between October and December of 2011, taking advantage, as some other crisis researchers have done, of the opportunity to collect data close to events (e.g., Runyan, 2006). Participants were first asked about their background and goals prior to the riots; they were then asked how events unfolded in terms of where they were, when and how they were made aware of the riots, what happened to their businesses, how they responded, what motivated them to carry on, and what factors facilitated/inhibited their recovery. They were also asked why they believed the riots occurred, whether they were likely to happen again, and what they had learned. All interviews were recorded and transcribed, and lasted between 45 minutes and two hours.

*Data analysis*

This study focused on understanding the experience of the London riots from the perspective of small businesses owner-managers. Data analysis was informed partly by the literature on crisis management. That is, the transcripts were examined according to four analytical questions: 1) Did owner-managers anticipate the riots? 2) What were the consequences of the riots? 3) How did they respond? 4) What did they learn, if anything? In the latter case, learning is regarded to be a part of the post-crisis response phase (Smith, 1990). In taking a phenomenological approach to data analysis, the emphasis was on the “reconstruction of the inner world experience of the subject” (Ellenberger, 1958: 291) in order to capture the meaning of the phenomenon to participants (Smith, 1996). This began by repeatedly reading each transcript and identifying themes. A list of themes for each transcript was created, after which these were examined for any similarities and differences (Harris et al., 2006). Versions of a coding template were developed and discussed with another researcher who had experience using the technique. Discussions focused on what did and did not work and the reasons for this, rather than on coding reliability in a statistical sense (Crabtree and Miller, 1999). Further, the coding was conducted by hand to enable note-taking and reduce the risk of de-contextualizing data as accounts of the riots often spanned several pages, or picked up and left off at unusual or unexpected places.

Next, as other phenomenological researchers have done (e.g., Eatough and Smith, 1996), themes were clustered and given descriptive labels (e.g. some themes, like ‘emotional containment’ and ‘focusing on the positive’ were clustered together to form the label ‘undertaking strategies to minimize losses to the individual’, which in turn became part of a greater theme about ‘responses’). Each transcript was subjected to the same iterative process following which common/less common themes were identified and ordered (Hycner, 1985) providing a basis for theory building (Coffey and Atkinson, 1996). While broad themes created an overview (e.g. ‘anticipation’, ‘consequences’), lower-level themes (e.g., ‘personal interventions’, ‘mobilizing resources’) allowed for finer-grained distinctions both within and across cases (King, 2004). This analytical process draws from a couple of techniques that are broadly situated within a phenomenological approach, specifically template analysis (King, 2004) and interpretive phenomenological analysis (Smith, 1996). Data extracts are provided in the following section to illustrate themes using participants’ words (Flowers, Duncan and Knussen, 2003) and are also presented in Table 2. The former includes what Pratt (2009) refers to as ‘power quotes’ and the latter as ‘proof quotes’. The meaningfulness of accounts was ascertained and three superordinate themes were devised and explained in the Discussion (‘experience’, ‘mindset’ and ‘resources’).

INSERT TABLE 2 ABOUT HERE

**Findings**

1. ***Did owner-managers anticipate the riots?***

It has been asserted that effective crisis management planning begins when businesses identify all possible adverse situations that might occur not only in their industry, but in the greater environment (Fink, 1986; Simbo, 1993; Spillan and Hough, 2003; Weick and Sutcliffe, 2007). However, in the current study there was no indication that owner-managers had done this. The riots came as a surprise, something they had not anticipated or planned for. As the riots spread, several explained that they had been “dismissive” of events, “hadn’t taken much notice”, and carried on “as usual”.

According to participant accounts, this lack of anticipation may have resulted from an inability to “imagine” or “fathom” such an event, inexperience and a sense of protection. The literature suggests that concerns about a crisis are mostly driven by the actual occurrence of a crisis (Spillan and Hough, 2003). However, none of the businesses had experience of riots, including those in operation for more than 40 years, and only one had gone through a crisis:

“I had, six years ago, there was a big fire. The whole of the building around me was all burned down. And the shop was flooded and we lived in temporary accommodation for 18 months and *we worked through it all* …” (OM9).

Many felt they would be untouched. It has been suggested that small business owners may feel immune to crises (Mitroff, 1989) though prior research has not examined why this might be so. In the current study, owner-managers felt protected by their location (the specific borough, having premises off the high street), relations with the community, police presence or proximity, and the broad preventative actions they had taken to protect businesses: shutters, security systems/cameras, and insurance (although three did not have contents insurance, due to the cost). Many felt that the riots and Tottenham were far removed from their everyday activities and, in some cases, the communities to which they belonged: “… I’d seen what happened in Tottenham but I just thought, ‘Um, have they really got the right place’”? (OM12). Some spoke about their relations with the community and felt confident they would be unaffected, like the following owner of a convenience store:

It was, it was, 8th of [the] 8th … Um, Monday afternoon we hear, around … say 2:00, there’s going to be riots on in [the area] … I thought, ‘OK, I go. This is my chance to go home, on Monday’ ... So we put the shutter down … Everything closed nicely and I thought, my feeling, is it’s never going to happen on [name of street], even if it happen on High Street. And *we know the people, the people are not going to do it to you. Even if something happen … I believe it’s not going to happen in my shop.*Because you see, you see, other people are a different way. This shop is so friendly. If you come to my shop and, I don’t know you and, you say, ‘Oh I am thirsty’, water I just straight away give to you … So, *it’s a small confidence, more than anything else. So I don’t, I don’t even feel it will happen*. So we close and we go” (OM5).

As noted in earlier sections, prior research suggests that businesses may be targeted for number of reasons including, but not limited to, location (on the high street) and personal grievances (Berk and Aldrich, 1972). Here it seems that alternative circumstances provided owners with some assurances.

Many were certain the police would intervene, particularly those located close to police stations or in Tottenham where the riots began: “We thought OK, this is something that is happening at the police station so the police will deal with it” (OM8). This (false) sense of security might partly explain the surprise and anger towards police. One complained, “The police were a shambles!” She continued:

“The police station is just 200 yards away. 200 yards away. The fire brigade is just down the road and the fire brigade is just 200 yards away from here and no help at all. It’s not forgiveable really. And I think that that was shocking because I’m thinking I pay my business rates quite heavily for the police protection and I’ve gotten no protection whatsoever” (OM10a).

The intensity of the anger expressed by participants when discussing the police response may reflect their lack of anticipation and surprise. Some research suggests a link between a sense of surprise and the ‘intensity’ of emotion (Levine, 1997). This finding also illustrates however, that the businesses were not alone in failing to anticipate/prepare for the riots. In the final sections, we learn that other stakeholders were, in the view of owner-managers, also unprepared.

1. ***What were the consequences of the riots?***

Although the emphasis in the crisis management literature is on the consequences for, or losses to, businesses, accounts from owner-managers here captured individual losses as well. In the former case, business losses reportedly ranged from £10,000 at the lower end, between £50,000-£100,000 on average, and over a million at the upper end. All businesses suffered direct and indirect damages. Direct damages were severe and included damage to buildings, shutters, windows, doors, fittings and fixtures, and loss of contents. Owner-managers described scenes of destruction upon re-entering their businesses after the riots (“the interior was completely destroyed”, OM6). In two cases, premises had been burned down and re-location was necessary. Most closed for a few weeks, re-opening with limited stock and ongoing repairs. A couple closed for several months due to problems re-stocking.

Owner-managers seemed especially concerned about indirect damages to businesses: a loss of sales, staff and a loss of previous investments made in the business. All referred to the loss of sales (“Since riots finish, my shop has gone very down”, OM1) which they attributed mostly to reduced stock and replacement difficulties (“In a business where you can order everything in store, it’s easier, because we cannot do that”, OM10b), being closed for a period of time or perceived as closed by the public due to being boarded up, and because people were afraid:

“Shocking! It [sales] went down by 95% … certainly for the first week, and then the second week it picked up a bit, and gradually, still, it’s not what it should be. I mean yesterday we didn’t take a penny. Yah. So, I mean the 8th of December, it’s unheard of … [S]ome people were frightened to come in the shop, because it’s almost like we were a victim and they don’t want to be a part of that negativity. It’s kind of like when someone’s been burgled and people are sometimes fearful of going in that space, cuz it’s intimidating and someone else has been there and done this nasty deed” (OM14).

Many were also forced to restrict operations and curtail expansion plans because, as one owner-manager said, “cash-flow is still greatly affected” (OM14). Some closed additional businesses, put a stop to expansions plans, let staff go, reduced staff hours and wages or placed additional burdens on them. Therefore, it seems that the riots served not only to threaten the shop’s existence but, in most cases, to halt or slow down further development. One nevertheless used the publicity he generated to expand and relocate into a major department store:

“By this time I was a media star. I said [to the executive], ‘The publicity I could bring you … we could actually bring you thousands of new customers’. He could see the dollar signs and within 24 hours he had spoken to senior people and they’d come back and said, ‘What a great idea’ ... But the plan now is to try and get in to all the other [name] stores in the country” (OM6).

Most reported personal losses as well and psychological/emotional costs. In the former case one said, “You know when you have a business it is almost like your home as well, so I had my personal things here and there” (OM13a). The psychological/emotional costs of crises are not well covered in the crisis management literature. This is consistent with Quarantelli’s (1993) observations that the psychological effects of riots may be more negative and longer-lasting than for other crises. Owner-managers experienced a loss of sleep, energy, security and poor health. One said it had been a “challenge” (OM10a) to feel safe in the shop again. Prior research on trauma victims has found that when the ‘perceived’ likelihood that a crisis event will reoccur is high, fear is stronger (Young, 1995).

Accounts made clear the onerous demands placed on owner-managers by the damages incurred and highlighted how the riots stretched already limited resources. They were forced to shift their focus away from running the business towards managing the aftermath (e.g., the clean-up, the publicity, customer care, and insurance): “It’s like you’ve got two businesses, the business that’s running and the business you’ve got to sort out with insurance” (OM2). For some, the additional workload had taken its toll: “I nearly cracked up over it all, chasing people [insurers] and trying to get things done” (OM11). Taken together, findings highlight the concern and uncertainty the riots created. The prospect of closing left them feeling helpless and depressed:

“I come and see my shop and I can’t believe it. It’s like so hard to uh, explain. *Where’s my shop?* Door broke, fire alarm going on …Fire in the back. Water leaking. Downstairs this much water [gestures to his waist line]. And, I’m just shaking ... Computer missing. My till is gone. My counter is broke. Ceiling damage and fire. All the stock is gone. All I have is burned. I have this feeling, you know my son says, ‘Daddy you are *finished*’. Ah. I have no words. I was like nothing to say. *I’m finished*” (OM1).

Maitlis (2009) explains that trauma can challenge one’s identity: “One of the reasons that trauma is so devastating is because of its impact on individuals’ beliefs about who they are and who they can become. The negative emotion generated by a trauma signals the loss of or damage to a significant aspect of the self” (p. 49). It seems likely that owner-managers feared the loss of their businesses and their sense of purpose:

“On the face of it, it’s property, it’s things, but it’s livelihood, and it depends on what kind of value you place on it. It’s livelihood. I mean everybody does something. *This is what we do*” (OM10a).

Findings suggest that a lack of anticipation, limited experience and resources may have made these small businesses and their owner-managers more vulnerable to the effects of the riots and increased negative feelings towards losses. It has been argued that crisis situations reveal the needs of those affected and the capacity to meet them (Quarantelli, 1993). Findings highlight the need for more stock and resources, particularly money, staff and time.

1. ***How did they respond?***

Owner-managers were active in trying to minimize the losses incurred. According to Weick and Sutcliffe (2007), this is known as a process of ‘containment’ which “aims to prevent unwanted *outcomes* after an unexpected event” (p. 65). While containment in the crisis management literature is usually directed towards managing business losses, owner-managers devised strategies to address individual losses also.

To minimize losses, owner-managers took a range of actions such as increasing publicity, giving customers discounts, consolidating resources and mobilizing support from their networks and third parties. In the former case, some made personal interventions during the riots, or what Smith (1990) refers to as the immediate period of the crisis, which included physically staying in the business or returning to it, standing guard, removing valuable items from display and in one case hiding stock. One described returning to protect his business in the middle of the night:

“Uh, it [the financial losses] would be about 30,000. But it could have been a lot worse. Had I not been here, it would have been a total loss. And I would have been in trouble … Well, *there was no one to stop them coming in. I did it*. I literally stood outside with an iron bar … There were hundreds of cars … They were fearless because there was no police … I wasn’t afraid. Not whatsoever. Cuz my blood, my adrenaline was just pumping. And each time a car come I was ready to, *cuz this is my livelihood* …” (OM14).

This participant’s actions were fuelled, it seems, by a desire to protect his “livelihood”. He felt that his approach had helped to minimize financial losses. Such accounts draw attention to the fact that in the absence of police support, some owner-managers felt they had to do what they could to protect their interests. Another strategy to minimize losses was to hide stock:

“Some of the things we managed to hide in the back but given the time we had, 20 minutes to pack, because a customer had called us on the 8th of August at around 5 o’clock and she said, ‘Look, there’s trouble happening, there’s something coming from Lewisham and it’s coming to your side, get out’ … I’m busy trying to grab clients things and hide them wherever we can hide them, and so, our things come last ... I thought if anything did happen, what is your exit strategy, what is the plan? *If you’re going to be burgled, and we’ve never been burgled, in the time that we’ve been here, what do you do? What would be the worst thing that could possibly happen?*” (OM10a)

This extract shows how the participant, under time pressure, attempts to anticipate different outcomes. Prior research suggests that a crisis creates ambiguity through not understanding its causes, its effects or how to resolve it, especially when there is no previous experience (Quarantelli, 1988; Pearson and Clair, 1998). Further, crises create a sense of urgency which impacts on decision making (ibid). Decisions need to be made with only partial information. In the previous account the decision taken to reduce losses was regarded as positive (OM10a,b):

OMa: Every day, every night, every night she goes through the process of hiding and I try to tell her, ‘Don’t worry because we now have shutters’.

OMb: And I know it’s silly but then I said, to myself, ‘Is it silly?’ Had I said, if it wasn’t for the things I did hide, we wouldn’t have anything at all.

OMa: Nothing.

OMb: Zero. So now actually, it’s not silly. No.

Not everyone personally intervened. Further, some interventions focused more on working with others and directing the actions of police and fire fighters. One owner-manager whose shop was being looted went in search of police and fabricated a story that his wife was still in the premises in order to “protect” what remained. Prior research suggests that flexibility and improvisation may be required in crisis situations where traditional order has been disrupted (Weick, 1993).

In the aftermath of the riots, the post-crisis stage (Smith, 1990), owner-managers increased publicity, offered discounts, and consolidated resources. They also mobilized support from friends, family, the community, council and other external bodies. One said, “The High Street Fund has been brilliant. The first time ever, I thought, ‘I’m going to tap in to that. I’m not just going to stand on my own if there’s an opportunity’” (OM14). A couple did not apply believing that doing so would make them “ineligible to apply for other funds” (OM10a) or because “there were people worse off” (OM12). Not everyone felt comfortable asking for help “because of how damaged it [the business] was” (OM3) or they needed “too much” help (OM10a).

Some owner-managers attempted to minimize the psychological and emotional costs of the riots. These strategies included focusing on the positive and trying to contain negative emotions. In the former case, most expressed feelings of gratitude for being relatively well off (“[C]ompared with some people, we didn’t suffer”, OM7; “I’m a lot better off than some people”, OM11). A few tried to move past the negativity:

“I had to think what to do as quick as possible because if I don’t do it, I get more down. I get more depression ... I say to my son ‘Don’t worry about it. I’m ok now. At least we are ok. That’s more important’. If we get mentally hit, you can’t recover from that. So that’s the more worse thing” (OM1).

This account stresses that recovery from being hit “mentally” may be more difficult than material damages to the business and, thus, in both cases a speedy recovery is crucial. Finally, the responses here were mostly focused on re-building resources.

***4. What did they learn, if anything?***

In the final phase of crisis management, the post-crisis stage, organizations should evaluate what facilitated or inhibited recovery and feed learning back into crisis planning (Mitroff and Pauchant, 1990; Smith, 1990; Shrivastava, 1993). While at the time of the study owner-managers were still in a state of response (Runyan, 2006), factors perceived to affect recovery, including outside support, personal experience and determination can be identified, and any changes to the business noted.

Accounts suggest that support from members of the public and other businesses was critical. These parties donated building materials, storage space and/or marketing, and undertook fundraising or cleaning. One owner said that without financial support, “You’re out!” (OM5). Owner-managers found their words of encouragement to be “brilliant” and “uplifting” creating positive feelings and the motivation to carry on.

The efficiency of outside support was perceived to be particularly important. Several praised the High Street Fund for being the most “proactive” and “decisive”. “We got a payment after a week, an emergency payment of £2000 … [later] they gave us £8000 pounds … that covered all our loss over turnover, so they’ve been brilliant” (OM15).

Reactions to support provided by councils and the government were mixed. In the best of cases, councils provided physical support (e.g., cleaning assistance), emotional support, financial support (business rate relief, one off payments, loans), and information. In the less positive cases, a third of the accounts, despite promises of help, little had been provided. Further, requests for help were sometimes rejected (“The council were hopeless”, OM15). Those located in Tottenham, Ealing, Hackney and Peckham seemed most satisfied by the “no quibble” support they had received. In Tottenham and Ealing there were prior sensitivities in those communities[[6]](#footnote-6). The need for emotional support was also apparent but not always available:

“[The] riots finish, and what? Where is everybody? … [W]e so many years in [area] and it never happened and the first time, where’s the support? We would be so glad if our local MP … ask[ed us] what happened, you know? Make us feel good. Then all we get our energy back. Only that thing” (OM1).

Most described insurers as unsupportive and working with them an “uphill battle” as they created additional work and were slow to respond or process claims (“I’m not in the right frame of mind to chase them up to be honest”, OM11). Only one was pleased with his insurance company (part of the British Independent Retailers Association) which had immediately authorised an initial payment. All were waiting for final pay-outs from insurers and/or the Riot Damages Act.[[7]](#footnote-7)

The previous accounts, in highlighting the perceived importance of external support, demonstrate that not only were businesses and police unprepared for the riots, but in most cases so too were other stakeholders. Runyan (2006:24) notes the concerns, “For small businesses and the organizations which support them, the key lesson from … most crises is that planning is the best method for ameliorating the negative effects”.

Within businesses, learning in the more practical sense was limited. Only a few said they would put in newer/tougher shutters or take more sophisticated measures, like installing infrared cameras. Of the three participants without contents insurance, one emphasised how he would in the future take better precautions: “Insurance. Them kind of things [we will do] because you know when um, you burn your finger once, you will know what fire means, so” (OM8). Several complained of underinsurance but felt that little could be done (“I can’t afford to [get a policy that covers every eventuality]”, OM14). There was also a sense that they could not resist the riots: “When you saw the rioting, even the ones with all the shutters, they just pulled them up. Look if they wanted to get in [they will do]”, OM15). Therefore, learning in the sense of changing behaviour (Pauchant and Mitroff, 1992) was also limited. Herbane (2010) found that where small businesses experienced limited learning from a crisis, this was a consequence of perceived lack of control and limited ability to change.

As a result, because the riots were perceived to be beyond their control, the learning that did occur tended to revolve around what owner-managers felt they could control such as finding new working methods. One spoke of the strain involved in changing approach: “[A]ll the things that you used to do automatically you don’t do anymore … all of a sudden we’ve got double the … mental stress of trying to relearn how to drive the business … the basic things stay the same but the volumes are different” (OM2). Others learned to distance themselves from their businesses and communities (“we’re less precious about location”, OM10a), and to redefine their priorities.

It was also the case that prior life experiences influenced their interpretation and recovery. That is, while a few described the riots as the “worst” thing that had ever happened to them, and seeing their businesses for the first time after the riots as the “saddest day”, others felt that negative life experiences had prepared them (“I haven’t told you half the [XXXX] I’ve gone through in life; personal tragedies that pale into insignificance … what the hell, it’s a shop”, OM6). Finally, recovery may also be a matter of determination. One said,

“I will never give somebody the power to laugh. To say, ‘Oh we smashed up his place and look he is in the street now’. I will show that I still have that courage to do it again, because if I did it [before] I can do it [again]” (OM8).

**Discussion, implications and recommendations**

In the previous section, the findings were presented and discussed in relation to the crisis management literature. This section returns to the research aims and discusses what the findings have to say about the vulnerability and resilience of small businesses following a crisis, considers psychological theories to further explain the findings (given the limitations of the crisis management literature), and makes recommendations for enhancing resilience.

The aims of this study were to examine owner-managers’ accounts of the impact of a crisis (the riots) and their response. We found that small businesses were vulnerable to the riots, which had many negative consequences, including serious business and personal losses, and they devised strategies to minimize such losses. At the same time, there were examples of resilience. *Diagram 1* highlights some of the ways in which owner-managers, businesses and their communities were *vulnerable* or *resilient* to the riots. As we noted earlier, vulnerability is central to the crisis management literature as vulnerabilities within organizations influence whether or not events lead to a crisis (Elliot et al., 2010). We extend the notion of vulnerability to the individual and community level. The owner-manager sits at the core of our model as s/he is the key decision-maker who influences the direction of the business. Vulnerability captures the likelihood that future harm, damage or loss will be inflicted on one’s life or propertyfollowing a crisis (Anderson, 1995), while resilience is “the ability to maintain a stable equilibrium” following adversity (Bonanno, 2004; 20). We argue that whether small businesses tended towards resilience or vulnerability depended on three things: experience, mindset and resources.

INSERT DIAGRAM 1 ABOUT HERE

Among the participants, pre-crisis ‘experience’ was limited which might explain their lack of anticipation and preparedness. In fact, most were concerned with the immediate and post-crisis period rather than the pre-crisis phase of the riots (also see Runyan, 2006; Irvine and Anderson, 2004). The absence of experience, in turn, seemed to intensify negative emotions and feelings of loss, create more ambiguity and decision-making pressures, and stretch already limited resources. Alternatively, in those cases where owner-managers had reported previous negative experiences, this taught them that they, along with their businesses, could recover and motivated them to carry on. Further, in two councils, prior crisis experience served to facilitate communications with businesses and the speed with which support was delivered[[8]](#footnote-8). Therefore, at least for some participants, their businesses and communities, experience had a positive effect on recovery. Where experience does not exist or is limited, mindset becomes especially important.

The extent to which businesses were vulnerable or resilient also depended on ‘mindset’ which reflects one’s attitudes towards, or interpretation of, a situation. On the whole, owner-managers possessed more of what Weick and Sutcliff (2007) have referred to as a ‘containment’ rather than an ‘anticipation’ mindset. While the latter is focused on continually identifying all possible problems and contingencies, the former is about building capabilities to cope with losses, developing ‘conceptual slack’ which embraces flexibility and adaptation in response to crisis situations, and making a commitment to resilience. The absence of an anticipation mindset made participants even more vulnerable to the riots, however they did respond quickly to events and showed some flexibility in terms of how they improvised, engaged with the media, devised new ways to bring customers back, extended social networks, and mobilized resources from different sources to return the business to normal. There was also some, albeit limited, evidence of adapting to new stock or taking a different approach to the business. Those that were adaptive were able to recover more quickly. At the same time, many tried to do things in the same way, as the riots were seen as outside their control. In order to make a real commitment to future resilience, businesses should undertake training that firstly increases response repertoires to uncertain events, but secondly, allows them to change responses and strategies to be in line with cues/changes in the environment. This is about building ‘metacognitive’ awareness to enhance coping strategies (Haynie et al., 2010). Metacognition facilitates adaptive thinking, the foundation for an entrepreneurial mindset, which enables “opportunity recognition within an uncertain and dynamic context” (ibid, p. 226) – e.g., one owner used his celebrity status to expand in the post-riot period (OM6).

We further argue that local authorities and communities should also anticipate and react to crises in ways that are flexible rather than rigid, making the anticipation and containment of a crisis not simply the responsibility of small businesses (McEntire et al., 2002). Thus councils need to share best practices, for example, in terms of offering assistance (e.g., providing business rate relief). The speed of recovery for small businesses is crucial not only in terms of bringing back customers, stimulating sales, and minimizing business interruption generally, but also for personal reasons. The trauma literature concurs that attending to a crisis early is a way to prevent it from causing serious psychological problems (Aguilera, 1978). Equally, communities can learn from the actions taken by private citizens, businesses and organizations. For instance, the High Street Fund took a swift non-bureaucratic approach that was valued by owner-managers. Further, some communities quickly raised money for businesses enabling them to continue operating whilst minimizing disruption.

The third factor which influenced whether small businesses following the riots were vulnerable or resilient is ‘resources’. To explain this, we draw on the Conservation of Resources (COR) Theory (Hobfoll, 1988, 2001), according to which, resources are valuable and should be protected, and all people have a desire to protect resources. Resources might include physical objects (a home or business), personal characteristics (self-esteem), conditions (seniority) or what is referred to as energies (money, credit or insurance). COR theory has been used to explain the link between threats to or losses of resources and stress following disasters[[9]](#footnote-9) and may be usefully applied to our study on the riots. The theory has a number of premises (e.g., Hobfoll, 2001; Hobfoll and Lilly, 1993). The first is that stress is more likely to result when the loss of a resource is sudden, as in the case of a crisis. The second is that people must invest in resources as this will help them to recover from loss. The third is that a lack of resources makes one more vulnerable to resource loss and loss spirals may result. The fourth is that those with more resources are better protected against resource loss and this may result in gain spirals.

Applying this theory to our findings we see that, in relation to the first premise, the riots were not anticipated and did lead to sudden losses such as a loss of money (energies), and threatened the independence and esteem of owner-managers (personal characteristics) and very existence of the business (physical objects). This might explain why owner-managers complained about feelings of stress, fear and fatigue. There was also evidence, in relation to the second premise, that some had invested in resources and coping strategies, particularly social coping strategies, prior to the riots. That is, they had built relations with local people and business associations. The financial and emotional support they received from their communities following the riots was in turn a key part of their recovery. Alternatively, it is the case that the one owner-manager who was without insurance (OM8), that did not receive the financial support from his community while two other businesses without insurance did, also had fewer ties to the community making him more vulnerable (third and fourth premises). Following the riots, many devised economic coping strategies (actively mobilizing financial resources, offering customer discounts), drew on and further developed social coping strategies (mobilizing physical support and encouragement generally), and relied on emotion-focused strategies. In the latter case, many owner-managers were actively regulating their emotions (Gross, 1998) to maintain healthy functioning (Bonanno, Papa and O’Neill, 2001) which is one aspect of individual resilience. They did this by counting their blessings (Emmons and McCullough, 2003), explaining it could have been worse, looking for positive meanings in negative experiences (Folkman and Moskowitz, 2000), and savouring positive experiences (Bryant, 2003). Thus, creating more opportunities for entrepreneurs to talk about positive post-crisis experiences may be another way to enhance resilience. Finally, drawing on COR theory we suggest that during times of relative stability, small businesses should build resources and local authorities can assist by identifying those that are isolated and have limited resources. In short, small businesses with more resources are more resilient and more likely to experience post-crisis gains.

**Conclusions**

This research makes several important contributions to the literature. To begin with, as far as we are aware, this is the first study to capture the rich, detailed and meaningful experiences of a particular crisis from the perspective of entrepreneurs and the impact of such on small businesses and their responses. In so doing, it answers calls to provide a clearer understanding of the “profundity of loss” incurred by these businesses following a crisis (Herbane, 2010). Second, findings capture not only material losses but highlight important psychological/emotional costs and the context in which these emerge. Third, findings make valuable additions to the crisis management literature by examining crisis management activities in small businesses following a riot rather than a natural disaster or industrial crisis where prior research has concentrated (e.g., Buchanan and Denyer, 2012), by highlighting the consequences of a crisis not only to communities (Quarantelli and Dynes, 1977; Skoufias, 2003) but to businesses and individual owner-managers as well, and by enhancing our understanding of the role that they play in anticipating and containing crises. In turn, the study extends Weick and Sutcliffe’s (2007) illuminating research on anticipation and containment processes in large businesses and high reliability organizations to small businesses and entrepreneurship. We also show that whereas previous research has emphasized the importance of having an anticipation mindset within the organization and, similarly, that corresponding organizational vulnerabilities influence whether events lead to a crisis (Elliot et al., 2010), in the case of small businesses it is necessary to look at the attitudes and behaviours of individuals and communities as well. Fourth, findings illustrate how small businesses can be more resilient and less vulnerable to crises by both drawing on and adapting past experience, developing a mindset that is both anticipation and containment oriented, and investing in and building resources. In so doing, we bring together the literature on individual and organizational resilience and suggest how councils and other stakeholders can strengthen the resilience of small businesses following a crisis. We also extend the literature on small business survival beyond its focus on barriers to business development (e.g., Doern and Goss, 2013; Lee and Cowling, 2012) and business failure (e.g., Cardon, Stevens and Potter, 2011; Shepherd, 2003), to the context of a crisis. Further, by understanding how crises impact on small businesses and their response, we may enhance their chances of survival.

One of the key limitations of this study is that data collection began two months following the riots. While the timing of this helped uncover more immediate reactions to the riots, it meant it was not possible to ascertain more fully the impact of the riots on the small businesses investigated. As a result, follow-up interviews will be conducted with participants to capture the impact of the riots on businesses over time. Future research would benefit from speaking directly to those stakeholders involved (i.e. the police, councils, insurers) about the role they played in the recovery of small businesses affected during the riots. It should also explore how, and in what ways, experience, mindset and resources influence the resilience/vulnerability of small businesses in other crisis situations. Resilience is critical, and we agree with the views of Williams and Vorley (2014:22) that “The ability of entrepreneurs and small businesses to be adaptable and flexible is paramount to their capacity to absorb and respond to external shocks which in turn has a positive impact on the resilience of their locality”. Studies focusing on the relationship between criminal victimization in a small business setting and vulnerability should be explored (Walklate, 2011), as should any cases of arrest or restorative justice specific to the London riots to determine what role, if any, they played in the recovery of businesses. It would also be useful to examine what kinds of resources are valuable during times of crisis and whether individual managers, communities and institutions have a role to play in the anticipation and containment of crises that affect large businesses. Finally, future studies should look at the effectiveness of specific interventions taken during crises.

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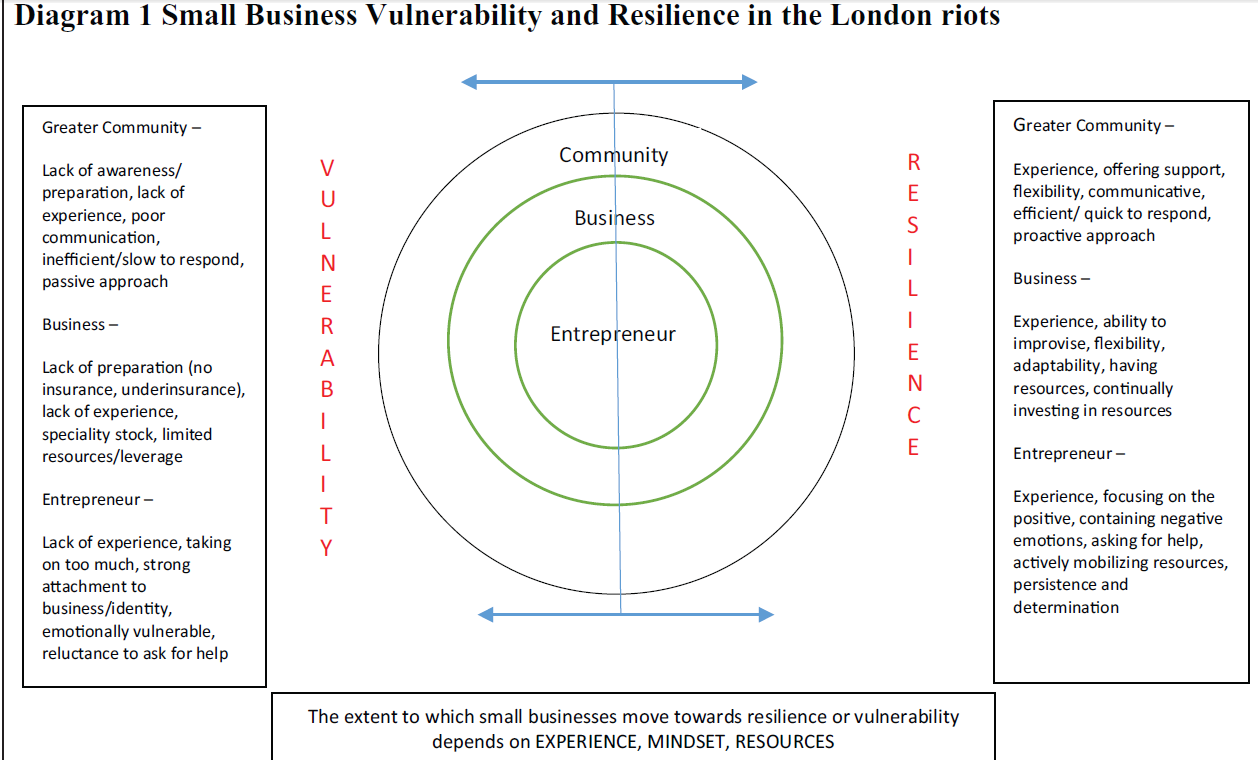
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**Table 1 Profile of participants**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Participant code | Business type | Bus  age (yrs) | Bus  size | Bus  damage  Looting (L), vandalism (V) and/or arson (A) | OM ethnicity | OM  Age (approx. yrs) | OM gender | OM  Previou  owned business |
| OM1 | Clothing | 15 | 4/5 | LVA | Indian | 45 | M | Y |
| OM2 | Furniture | 50+ | 15-20 | LVA | W British | 55 | M | N |
| OM3 | Clothing | 6 | 7 | LV | B British | 40 | M | N |
| OM4 | Services | 40+ | 1 | LV | W British | 60+ | M | Y |
| OM5 | Convenience | 11 | 3 | LV | Other | 40 | M | N |
| OM6 | Supplies | 15 | 30 | LVA | W British | 55+ | M | Y |
| OM7 | Electronics | 50+ | >10 | LV | W British | 60+ | M | N |
| OM8 | Bar | 1 | >10(temp) | LV | African | 45 | M | Y |
| OM9 | Supplies | 50+ | 2 | LV | W British | 60+ | M | N |
| OM10 | Clothing | 20 | 2 | LV | B British | 30/55 | FF | N |
| OM11 | Electronics | 40+ | 1 | LV | W British | 60+ | M | N |
| OM12 | Clothing | 9 | 6 | LV | W British | 40+ | F | N |
| OM13 | Bar | 30 | 4 | LV | W Euro/  W British | 45/55 | FM | N |
| OM14 | Clothing | 12 | 5/6 | LV | W British | 45 | M | Y |
| OM15 | Recreational | 1.5 | 5 | LV | W British | 45 | M | Y |

**Table 2 Supporting extracts from the data for each theme**

|  |  |  |
| --- | --- | --- |
| **First order accounts** | **Representative Quotations** | **Meaning** |
| **Anticipation**  *A lack of anticipation*  *Limited preparation* | “Obviously there were rumours going around and people were talking on the radio and so on but … I was pretty comfortable about all of it, I was quite dismissive about it. I didn’t really appreciate what was going on” (OM14).  “Well I didn’t know … He [my nephew] said, ‘you’ll have to come down to Tottenham and see what they done. They may have done your place’. I said, ‘They [the community] won’t touch my place’”. (OM4)  “This is the last place you’d expect to have that. It’s like having the riots at Buckingham Palace. It was a shock to us” (OM13b).  “[I thought] it’s out at the police station so don’t worry … I didn’t expect it … There was no inkling that anything like that would happen” (OM9).  “I thought being in the side street here with a shutter, I thought I’m going to be alright so I wasn’t particularly worried” (OM11).  “… [Y]ou are trying to build up something, you are putting all your efforts in to a project and even, even by doing a business plan, nobody will say in a business plan, a riot will happen and my premises will go down! You cannot imagine these things … when it happens you are completely lost …” (OM8).  “So we could not fathom a riot in which we’d be looted, in which they’d smash the glass in. It’s like everything at once. There isn’t even a thing that you could tick on a box for an insurance company” (10a).  “ | The riots were not perceived to be a threat to the business    Feeling protected  Failing to imagine or frame the riots as a threat and feeling that nothing fully prepares one for such in any case |
| **Consequences**  *Losses to the business*  *Direct damages* -Structural damages, loss of contents  *Indirect damages -* Loss of sales, loss of staff, loss of previous investments, lost opportunities    *Losses to the individual*  *Psychological/ emotional costs -* loss of sleep/ energy*,* poor health, loss of feeling safe, loss of time and feelings of security  *Loss of personal items* | “[A]ll the furniture was overturned, um, I mean just mess everywhere. Obviously loads of empty shelves, um, just things upside down” (OM12).  “It was completely, if you put a bomb on the shop, it was like that. Yah. With ceiling down, electric wires hanging there, lights was hanging, the counter was completely flat, fridge broken, freezer broken” (OM5).    “70% of the stock is very hard to replace … because it’s seasonal” (OM3).  “I can’t replace my stuff, it’s not a case of ringing up and saying, ‘Can I have ten more of those ...?’… Because everything we have for the shop is made for the shop. You know we bought our collections already, so that’s how because we’re a niche business, we’re selling niche products” (OM14).  “We used to have very busy shop. Now it’s picking up. But you can say 30% of the business down from what it used to be” (OM5).  “[A] number of the non-return staff did not believe that we would manage to rise from the ashes so within a couple of weeks they had gone, even though I paid everyone and promised that I would continue” (OM6).  “We just done all refurbishment last year. We done the toilets, change the floor, varnish in the back, we kept all the same but spent thousands on refurbishment and the place was really looking intact and people come and just damage everything. It, it was just so shocking” (OM13a).  “So I negotiated with a Spanish brand to do a mono store that does men’s and ladies ... and then we got struck by the riots, so that kind of took the wind out of my sail … I’ve got to invest £46,000 and because we’ve been affected, our cashflow, it’s now made it almost unachievable … I’m embarrassed but it looks like I’m going to have to pull out of doing it” (OM14).  “I’m really tired … after all that’s happened … trying to do the minimum and just trying to concentrate on building the business” (OM13a).  “I was sick for two whole weeks. I’ve never been sick in 20 years since I got in to the business. My immune system was just completely depleted” (OM10b).  “Ya, um, oh, I kind of, every time I walk through the door I wonder if all the stock’s going to be here. That’s the way it is at the moment. Um, huh, I think it will happen again at some stage” (OM11).  “You have a headache until you don’t know what you can do, until you think that, *this is the end of the world*. It was like tomorrow will never exist. It was exactly like tomorrow will never come. Today is the last day …” (OM8).  “I took a few pictures but I didn’t really have a camera because everything disappeared … even personal belongings, glasses. Everything that was around they just smashed, vandalised. You know when you have a business it is almost like your home as well, so I had my personal things here” (OM13a).  “They took, uh, an extension cable, what else they took? Coffee. Sugar. Tea. Kettle. Kettle. What else they took? A bottle of spirit used for acne which I had for about 40 years … Took a jar of that A45” [OM4] | The losses to the shop are severe and sudden/The shop becomes does not look or function as it once did  The shop has undergone significant losses  Future plans for investing in the business/building the business had to be abandoned  Losses to the shop have led to personal difficulties/stresses  Feeling vulnerable and uncertain  The shop is valuable/It is more than a shop, it is an extension the home  The owner-manager and the shop are entwined |
| **Responses**  *Undertaking strategies to minimize losses to the business*  During the riots - Personal intervention, interventions for working with others  Following the riots – increasing publicity, offering customer discounts, consolidating resources, mobilizing support/resources  *Undertaking strategies to minimize losses to the individual* - emotional containment, focusing on the positive | “I didn’t think it will happen here, but I thought if anything happens, I should be here basically … There was 300 people … [T]hey broke the door, and started to pour in … [T]hey jumped on the roof … ‘Burn it! Burn it! Where are the tills?!’ So I think, well …either they are going to break the door and come and kill us or something, or the roof might collapse …” (OM13a).  “I just made myself known to the police that I was one of the family and that I knew what was in the site and anything they wanted to know about the area and then once the fire crews arrived, I made them fully aware again who I was, and this was the building, they have got to save this building, and the other one is going. Don’t worry about it. You’ve got to make sure where we are now is intact. And they did exactly that” (OM2).  “I think in terms of the first few months it’s [the publicity has] been very positive for us. And we’ve taken and *we took a business decision* to make sure we didn’t turn anything a way that we could possibly do because the publicity, not only for us … if we do it well and people want to hear what we say and we’re presentable then it keeps the riots and things in the public eye” (OM2).  “[W]e have been lucky because *we’ve made ourselves proactive*, fingers crossed, and Sunday we’ve done these nice things for customers, this [produces a promotional flyer] … But you know, again, we’ve had to pay for that … but you can’t just sit still and think that the world owes us a living and we’re going to get customers anyway. So you’ve got to be trying other things to try to entice people through the door” (OM14).  “We’ve got a trader’s partnership. We all mucked in together. You know we approached the council to say we need help. And we managed to get through [to the local MP), we managed to get the government to allow the councils to suspend their council tax for 18 months. So we’re getting some relief” (OM9).  “I was there when they knocked it down … It was easier to do that [to film it] then to look at it. Rather, looking through the iphone, looking at it through that, you are dispassionate. *Looking at it directly, and there’s a whole wave of emotion* … Because you are dispassionate [he tears up]” (OM2).  “Ya, I mean that, I mean I suppose, compared with some people, we didn’t suffer, I mean that furniture shop in Croydon, their place burned down. And the people who lived above in flats lost all their possessions, their place to live. That is more life shattering that our experience. Um, I mean that must be, I can’t imagine losing your house and possessions …” (OM7). | Feeling responsible for protecting the business  Strategizing includes being proactive and accumulating resources to return the business to normal  Strategizing includes moving past the negative  and focusing on the positive |
| **Learning**  *Outside factors that facilitate recovery -*  Offers of support, efficiency, communication  *Outside factors that inhibit recovery*  *Learning to do things differently*  *Drawing from past experience*  *Persistence and determination* | “So people will stop and say, ‘Look, you don’t really know me but I’m really happy that you’ve come back … it *gives you a sense of purpose*” (OM10a).  They … [the neighbouring shop] play[ed] a very very good role … So he just comes to me and says basically, ‘Look, I’ll open my shop now, put everything in my shop’. He said, ‘Any help you want, take half shop’” (OM1).  “Of all of them, without question, the High Street Fund were, without question, the most proactive, and decisive one of all” (OM14).  “And I should say the Ealing council response was amazing and I think because of the time we suffered before, we had a the IRA bomb ten years ago, so I think they had lessons learned from that, how to deal with a crisis, and what infrastructure you need to deal with, you know what departments need to kick in, and communication ... So, that Tuesday morning, by about midday, the whole street was cleaned up ... They, um, they assigned a personal contact to each business so you’re not ringing up the switch board thinking who do I talk to? They immediately agreed to give every business affected a no quibble kind of, riot relief payment, to just help” (OM12).  “The downside is that an initial promised, an immense amount of support from the council, didn’t transpire … I get really angry about that because the thing is that it has affected some businesses that will never recover and they’ve gone ... ‘Don’t worry the government, the police, are going to pay your insurance’. ‘When?! Can you give me some money nooow?!’ So I can keep it going until such a time that you can give me all my money that I’ve lost in the riots … Oh it’s a joke. The left hand didn’t know what the right hand was doing. When I started to hear that it was a possibility [to get business rate relief] I made enquiries. I was put in to [the] evaluation office to talk to them and they said, “Well, we don’t know what you’re talking about. We do our job, we’re not allowed to give you rates for free!” (OM14).  “[Y]ou think, hopefully you’re going to be paid by insurance so it’s not too bad, but they’ve been terrible the insurance company, absolutely useless … I mean if I hear from my insurance company I’m going to tell them to “[XXXX XXX]! You can keep your money and stick it up your arse”. Cuz the amount of hurdles I jumped through, the hours I spent. I had to send them copies of the lease and everything. You know what I mean? It’s ludicrous!” (OM15)  “I think we’ve learnt to be, we’ve learnt to be resilient, more resilient than we ever thought we possibly could be, we’ve learnt that you need to all work together, if you’re going to make something work and you recover it you’ve got to be positive in what you do, and you’ve got to be strong in your conviction. We’ve always known that, but we’ve never actually had an opportunity to have it demonstrated, demonstrated within my working life here” (OM2).  “[W]e’re less precious about … location ... If there comes a time where we can’t be sustainable anymore, then we’ve done 20 years here and I think we’ve proven, as a personal kind of thing, that yes, something interesting and positive can thrive within a disadvantaged area and it presents a different perspective, but you know, but where we’ll be is where we’ll be” (OM10a).  “We’re not making a million pounds. We’re just day-to-day activities. Since 2003, seven years, we didn’t even go on holiday. My little girl says, ‘Daddy, we have a shop, we have money, we have a passport, and why don’t we get on an airplane?’ I say, ‘Ok darling, from next year, every single year, we go on holiday’. I told her, ‘Baby I promise’ … It’s just, you know, it changes a lot of things in your life. You know, this is going to be large” (OM5).  “[W]orst experience in my life. I never ever. And hope never again happen. Worse, worse, worse, worst, experience! So bad” (OM1).  “It’s the saddest day in my life. When my dad was passing, I never cried. My dad lived like good, you know. He die good. I didn’t cry. He just had, you know, a good death. He died … heart attack, so, it’s a good, you know, death. But this is, oh, I cried, I cried. Whole day I cried!” (OM5).  “I probably would have been more upset when I was younger. You get a bit more philosophical when you get older. I think *you’re angry inside* but it’s something you can’t do much about … What’s done is done” (OM7).  “I want to see my shop. I love my shop ... We laugh, we have fun, we argue, we fight ... I want my shop back. That’s my motive” (OM5).  “I suppose the biggest motivator is um, I guess just wanting to, to show whoever perpetrated the crime that I can bounce back. Umm, that I see this as a setback, a difficulty I need to overcome. I like a challenge ... I’m part of the community, and why should what they did ruin what I’ve built up, what I’ve worked hard to do” (OM12). | Outside support is valued/It relieves pressures somewhat  Efficiency and communication in support is valued  Outside support is important but was not always provided/It intensifies pressures  Re-defining the business, resources and what is valued  Re-framing the riots - Comparing losses from the riots to previous negative experiences  Bouncing back |



1. Recovery, it seems, may depend on pre-crisis characteristics and planning (e.g. the degree to which a business is marginal in the pre-crisis stage, previous disaster experience, pre-crisis preparation – insurance, a crisis recovery plan), characteristics of the business (e.g., small businesses are more vulnerable than large businesses, firms operating in retail may have more scope for recovery), the nature of the damages incurred (direct or indirect) and the extent of damages (e.g., those businesses with more physical damages take longer to recover), and responses to damages (e.g., loss containment measures taken, active mobilization of support from friends, family members, government and non-governmental sources) (e.g., Tierney, Nigg and Dahlhamer, 1996; Dahlhamer and Tierney, 1998; Tierney, 1997; Webb, Tierney and Dahlhamer 2002; Alesch, Holly, Mittler and Nagy, 2001; Corey and Deitch, 2011; Dennis, 2004; Asgary, Anjum and Azimi, 2012; Fink, 1986; Offer, 1998; Pedone, 1997). [↑](#footnote-ref-1)
2. 2 In US history, Hurricane Katrina has been the most costly disaster ever, with property damages estimated at under US$100 billion, the displacement of nearly one million people, and more than 1400 deaths (Knabb, Rhome and Brown, 2006; Baade et al., 2007; Boettke et al., 2007; Schrank et al., 2013). [↑](#footnote-ref-2)
3. Rudé (1964: 217) drew the following conclusion in his historical analysis of violent crowds and their reasons for rioting, "The crowd may riot because it is hungry or fears to be so, because it has some deep social grievance, because it seeks animmediate reform of the millenium, or because it wants to destroy an enemy or acclaim a 'hero'; but seldom for any single one of these reasons alone". [↑](#footnote-ref-3)
4. The 1965-1969 US race riots have been traced back to August 11th 1965 in Watts Los Angeles, following the arrest of a drunk driver, an African American man, who was subdued by police with physical force (Aldrich and Reiss Jr., 1970). News of the event spread quickly and led to six days of rioting. Over the next few years, other parts of the country - including Cleveland, San Francisco, Detroit, Newark, Chicago, Pittsburgh and Washington - experienced a similar fate. More than 300 riots took place over this period, leading to 200 deaths. Thousands of businesses were destroyed with total property damages amounting to millions of dollars. Attacks centred on small retail businesses including liquor stores, bars, clothing and furniture stores (Quarantelli and Dynes, 1973). [↑](#footnote-ref-4)
5. The riots were precipitated by the non-guilty verdict against four white police officers after the severe beating and arrest of Rodney King, even though the attack had been filmed and played on television repeatedly. [↑](#footnote-ref-5)
6. In Tottenham there was a previous riot in 1985 and in Ealing on August 3 2001 the Real IRA detonated a car bomb outside a busy pub. Seven people were injured. The couple of Ealing based participants in this study felt that the council had learned from this event and had created a tighter business community network in turn. [↑](#footnote-ref-6)
7. The Riot Damages Act requires the police to pay compensation to property owners affected by riots. [↑](#footnote-ref-7)
8. Weick and Sutcliffe caution that experience should be drawn on when formulating interventions but only to the extent that such experience is meaningful to the new situation. [↑](#footnote-ref-8)
9. While previous studies on human-induced crises have revealed that such events create stress and psychological trauma for individuals, these tend to look mainly at individual households (e.g., Roberts, 2002; Walsh, 2007), rather than business owners. Nevertheless, following the King riots in LA, Korean business owners also experienced psychological effects, including stress, loss of appetite and sleep disturbance; some were treated for PTSD (Kim, 2012; Kim-Goh et al., 1995). [↑](#footnote-ref-9)