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From Crisis to Resilience: How Greek Firms Adapt Their Strategies in Periods of Uncertainty

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ΒΕΒΑΙΩΣΗ ΕΚΠΟΝΗΣΗΣ ΔΙΠΛΩΜΑΤΙΚΗΣ ΕΡΓΑΣΙΑΣ

«Δηλώνω υπεύθυνα ότι το έργο που εκπονήθηκε και παρουσιάζεται στην υποβαλλομένη διπλωματική εργασία, έχει γραφτεί από εμένα αποκλειστικά στο σύνολό της. Δεν έχει υποβληθεί ούτε εγκριθεί στο πλαίσιο κάποιου άλλου μεταπτυχιακού προγράμματος ή προπτυχιακού τίτλου σπουδών στην Ελλάδα ή στο εξωτερικό, ούτε είναι εργασία ή τμήμα εργασίας ακαδημαϊκού ή επαγγελματικού χαρακτήρα.

Δηλώνω επίσης ότι οι πηγές στις οποίες ανέτρεξα για την εκπόνηση της συγκεκριμένης εργασίας αναφέρονται στο σύνολό τους, κάνοντάς πλήρη αναφορά στους συγγραφείς, τον εκδοτικό οίκο ή το περιοδικό, συμπεριλαμβανομένων και των πηγών που ενδεχομένως χρησιμοποιήθηκαν από το διαδίκτυο. Παράβαση της ανωτέρω ακαδημαϊκής μου ευθύνης αποτελεί ουσιώδη λόγο για την ανάκληση του πτυχίου μου.»

Στους γονείς μου,

για την αμέριστη αγάπη και στήριξή τους

Ευχαριστίες

Για την ολοκλήρωση της παρούσας διπλωματικής εργασίας, θα ήθελα να εκφράσω τις ειλικρινείς μου ευχαριστίες σε όλους όσους συνέβαλαν, με τον δικό τους τρόπο, στην ολοκλήρωση αυτής της προσπάθειας.

Ιδιαίτερα, θα ήθελα να ευχαριστήσω θερμά τον επιβλέποντα καθηγητή μου, Καθηγητή Ιωάννη Πολλάλη, για την πολύτιμη καθοδήγηση και συνεχή υποστήριξή του, όχι μόνο κατά την εκπόνηση της παρούσας διπλωματικής εργασίας, αλλά και καθ' όλη τη διάρκεια των μεταπτυχιακών μου σπουδών.

Θερμές ευχαριστίες οφείλω στην οικογένειά μου και ιδιαίτερα στους γονείς μου για την αμέριστη αγάπη, την υπομονή, την ηθική συμπαράσταση και την αδιάκοπη πίστη στις δυνατότητές μου. Η στήριξή τους αποτέλεσε τη μεγαλύτερη δύναμη σε όλη τη διάρκεια των σπουδών μου.

Από την Κρίση στην Ανθεκτικότητα: Πώς οι Ελληνικές Επιχειρήσεις Προσαρμόζουν τη Στρατηγική τους σε Περιόδους Αβεβαιότητας

Σημαντικοί όροι: Στρατηγική προσαρμογή, Οργανωσιακή ανθεκτικότητα, Στρατηγική διοίκηση, Δυναμικές ικανότητες, Επιχειρηματική αβεβαιότητα, Καινοτομία, Ψηφιακός μετασχηματισμός, Ελληνικές επιχειρήσεις.

Περίληψη

Η παρούσα διατριβή εξετάζει τον ρόλο της στρατηγικής προσαρμογής στην ενίσχυση της οργανωσιακής ανθεκτικότητας σε περιόδους οικονομικής και επιχειρηματικής αβεβαιότητας. Σε ένα ολοένα και πιο ασταθές επιχειρηματικό περιβάλλον που χαρακτηρίζεται από οικονομικές κρίσεις, τεχνολογικές εξελίξεις, γεωπολιτική αστάθεια και έντονο ανταγωνισμό, οι οργανισμοί καλούνται να αναπτύξουν στρατηγικές που τους επιτρέπουν όχι μόνο να ανταποκρίνονται αποτελεσματικά στις εξωτερικές προκλήσεις αλλά και να διατηρούν τη μακροπρόθεσμη ανταγωνιστικότητά τους. Ο πρωταρχικός στόχος της παρούσας μελέτης είναι να διερευνήσει πώς η στρατηγική προσαρμογή συμβάλλει στην ανάπτυξη της οργανωσιακής ανθεκτικότητας και να εντοπίσει τις βασικές στρατηγικές πρακτικές που υιοθετούν οι ελληνικές εταιρείες για την αντιμετώπιση της αβεβαιότητας και των περιβαλλοντικών αλλαγών.

Η έρευνα υιοθετεί μια ποιοτική ερευνητική προσέγγιση, συνδυάζοντας μια δομημένη ανασκόπηση της σχετικής ακαδημαϊκής βιβλιογραφίας με μια συγκριτική ανάλυση πολλαπλών μελετών περίπτωσης τριών ελληνικών εταιρειών: Pharmathen, Sklavenitis και Papastratos. Η ανασκόπηση της βιβλιογραφίας διερευνά τα θεωρητικά θεμέλια της στρατηγικής διαχείρισης, της οργανωσιακής ανθεκτικότητας, των δυναμικών ικανοτήτων, της καινοτομίας και του ψηφιακού μετασχηματισμού, ενώ οι μελέτες περίπτωσης καταδεικνύουν πώς διαφορετικές στρατηγικές προσεγγίσεις μπορούν να ενισχύσουν την οργανωσιακή ανθεκτικότητα υπό δύσκολες επιχειρηματικές συνθήκες.

Τα ευρήματα δείχνουν ότι δεν υπάρχει μία μόνο στρατηγική προσέγγιση που να οδηγεί στην οργανωσιακή ανθεκτικότητα. Αντίθετα, η ανθεκτικότητα αναδύεται μέσω του συνδυασμού μακροπρόθεσμου στρατηγικού σχεδιασμού, της συνεχούς επένδυσης στην καινοτομία, της

ανάπτυξης δυναμικών οργανωτικών ικανοτήτων, της επιχειρησιακής αριστείας, του ψηφιακού μετασχηματισμού, της ανάπτυξης ανθρώπινου κεφαλαίου και της προσαρμογής των επιχειρηματικών μοντέλων στις μεταβαλλόμενες συνθήκες της αγοράς. Παρόλο που οι τρεις εταιρείες δραστηριοποιούνται σε διαφορετικούς κλάδους και υιοθέτησαν διαφορετικές στρατηγικές απαντήσεις, όλες ενίσχυσαν την οργανωσιακή τους ανθεκτικότητα μέσω της συνεχούς μάθησης, της αποτελεσματικής κατανομής πόρων και των βιώσιμων στρατηγικών επενδύσεων.

Η μελέτη καταλήγει στο συμπέρασμα ότι η στρατηγική προσαρμογή αποτελεί θεμελιώδη προϋπόθεση για την ανάπτυξη οργανωσιακής ανθεκτικότητας και τη διατήρηση μακροπρόθεσμου ανταγωνιστικού πλεονεκτήματος σε αβέβαια επιχειρηματικά περιβάλλοντα. Επιπλέον, τα ευρήματα συμβάλλουν στην υπάρχουσα βιβλιογραφία σχετικά με τη στρατηγική διαχείριση και την οργανωσιακή ανθεκτικότητα, παρέχοντας παράλληλα πρακτικές προεκτάσεις για τους διευθυντές που επιδιώκουν να ενισχύσουν την οργανωσιακή προσαρμοστικότητα και να διασφαλίσουν βιώσιμη επιχειρηματική ανάπτυξη.

From Crisis to Resilience: How Greek Firms Adapt Their Strategies in Periods of Uncertainty

Keywords: Strategic adaptation, Organisational resilience, Strategic management, Dynamic capabilities, Business uncertainty, Innovation, Digital transformation, Greek enterprises

Abstract

This thesis investigates the role of strategic adaptation in the development of organisational resilience in the context of economic and business instability. Organisations are required to establish strategies that will not only enable them to effectively address external challenges but also to maintain their long-term competitiveness in an environment that is becoming more volatile due to economic crises, technological advancements, geopolitical instability, and intense competition. This study's primary objective is to evaluate the significance of strategic adaptation in the development of organisational resilience and to identify the key strategic practices that Greek enterprises employ to address environmental changes and uncertainty.

The research employs a qualitative research methodology that involves a comparative analysis of numerous case studies of three Greek enterprises—Pharmathen, Sklavenitis, and Papastratos—as well as a structured evaluation of pertinent academic literature. The literature review delineates the theoretical frameworks of strategic management, organisational resilience, dynamic capabilities, innovation, and digital transformation. Case studies are employed to demonstrate the ways in which various strategic strategies can enhance organisational resilience in difficult business environments.

The findings suggest that there is no singular strategy that results in organisational resilience. Rather, resilience is established through the development of dynamic organisational capabilities, operational excellence, digital transformation, human capital development, and the adaptation of business models to changing market conditions, as well as long-term strategic planning and sustained investment in innovation. Despite the fact that all three organisations operate in a variety of industries and implement a variety of strategic solutions, they all enhanced their organisational resilience by implementing sustainable strategic investments, effective resource allocation, and continuous learning.

The research findings indicate that strategic adaptability is a fundamental requirement for the preservation of long-term competitive advantage and the development of organisational

resilience in uncertain business environments. Additionally, the results contribute to the existing literature on strategic management and organisational resilience, while also providing practical implications for managers who aspire to secure sustained corporate growth and promote organisational adaptation.

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Chapter 1

Research Framework

1.1. Introduction

Today's business environment is characterised by rising complexity, rapid change and persistent uncertainty. The business environment has become challenging for organisations due to globalisation, technological progress, economic volatility, geopolitical events, environmental challenges and changing social and consumer expectations. Consequently, organisations are required not only to meet the day-to-day needs of the market but also to respond to unforeseen events that may affect their operations, business continuity and long-term growth.

Crises may result from a wide range of factors, such as economic downturns, health emergencies, natural disasters, geopolitical conflicts, technological disruption or supply chain disruptions. The nature and severity of each crisis may differ, but they often generate conditions of heightened uncertainty that require organisations to respond swiftly, make well-informed decisions and reassess their strategic priorities. Thus, crisis management has become an important element of strategic management, as it is directly associated with the ability of an organisation to ensure business continuity and maintain its long-term competitiveness.

The existing literature suggests that effective crisis management is not only about what is done after the disruption occurs. It also depends heavily on the degree of organisational preparedness, as well as on the strategic and organisational capabilities developed prior to the crisis. The concepts of organisational resilience, dynamic capabilities, strategic flexibility and organisational learning have gained increasing importance, as they help explain how organisations anticipate disruptions, adapt to adverse conditions and transform crises into opportunities for renewal, innovation and the development of new competitive advantages (Teece et al., 1997; Lengnick-Hall et al., 2011; Duchek, 2020).

The COVID-19 pandemic represents one of the most significant recent examples of large-scale disruption affecting businesses. The pandemic affected businesses, markets and economies around the world and highlighted the practical importance of strategic adaptation, digital transformation, organisational flexibility and effective resource management. It also provided an important context for analysing how companies respond when operating under conditions of severe uncertainty.

Greek firms were required to deal with a number of major crises in a relatively short time span. For this reason, the Greek business environment provides a particularly relevant context for this study. The prolonged economic crisis and the COVID-19 pandemic led to an exceptionally challenging environment, in which strategic adaptation, innovation and the development of organisational resilience became crucial prerequisites for maintaining long-term business viability and competitiveness.

This chapter outlines the general research framework of the thesis. It provides a brief description of the study's objective and research questions, discusses the methodological approach followed and presents the overall structure of the thesis.

1.2. Purpose of the Research

The primary purpose of this thesis is to analyse how Greek businesses adapt their strategies during periods of economic and business uncertainty, as well as to explore the factors that foster the development of organisational resilience and the maintenance of their long-term competitiveness. Particular attention is paid to the study of the ways in which companies adapt to continuous changes in the external environment through strategic management practices, organisational flexibility, digital transformation, innovation and other adaptive capabilities that enable them to maintain their performance during periods of crisis.

This study also seeks to bridge the gap between the theoretical concepts of strategic adaptation and their practical application in the contemporary business environment. Through a comprehensive review of the relevant academic literature and a detailed examination of selected Greek case studies, the study explores how companies have employed different strategic approaches to address major challenges, including the prolonged Greek economic crisis and the COVID-19 pandemic. In this way, the study aims to link theoretical concepts with business practice to emphasise the organisational capabilities that enhance resilience, strategic renewal and the maintenance of sustainable competitive advantage (Teece et al., 1997; Duchek, 2020).

Finally, the study seeks to contribute to both academic research and business practice. From a theoretical perspective, it builds upon and integrates the existing literature on strategic adaptation and organisational resilience. On a practical level, it emphasises strategic and managerial practices that might enable firms to respond more effectively to future crises and periods of uncertainty. Thus, the research aims to generate valuable insights that may be used by business executives, policy-makers and researchers to strengthen organisational resilience and the long-term competitiveness of organisations in a changing business environment.

1.3. Research Questions

In light of the purpose of this thesis, the following central research question is formulated:
How do Greek businesses adapt their strategies during periods of increased uncertainty, and what factors contribute to the development of their organisational resilience?
In order to answer the above question, the research focuses on the following sub-research questions:
1. What adaptation strategies do businesses adopt to respond effectively to periods of crisis and uncertainty?
2. What is the role of strategic management, organisational resilience and dynamic capabilities in enhancing the long-term competitiveness of businesses?
3. How do digital transformation and innovation contribute to the effective adaptation of businesses to a constantly changing business environment?
4. What strategic practices can Greek businesses adopt to manage future periods of uncertainty more effectively, drawing on the findings of the literature and the selected Greek case studies?

The theoretical discussion and case study analysis presented in the following chapters are guided by the research questions outlined above. These questions provide the framework for investigating the factors that influence strategic adaptation and organisational resilience and support the overall aim of this study.

1.4. Research Methodology

The present study adopts a qualitative research approach, since this methodology is particularly appropriate for examining complex organisational phenomena, such as strategic adaptation and organisational resilience, within a real-world business context. A qualitative approach enables an in-depth understanding of organisational behaviour, strategic decision-making and the ways in which companies respond to periods of uncertainty. This approach is directly aligned with the aim of the study, which is to examine how Greek businesses adapt their strategies and develop organisational resilience during periods of economic and business uncertainty (Creswell and Creswell, 2018).

The research is primarily based on a structured review of the relevant academic literature. For this purpose, a range of secondary sources was examined, including peer-reviewed journal articles, academic books, research reports and publications issued by international organisations and recognised consultancy firms. The analysis, comparison and synthesis of these sources enabled the identification of the main theoretical perspectives related to strategic adaptation, organisational resilience, dynamic capabilities, innovation and digital transformation. The literature review therefore provided the theoretical foundation for the subsequent case study analysis (Snyder, 2019).

To connect the theoretical discussion with business practice, three Greek companies were selected as case studies: Pharmathen, Sklavenitis and Papastratos. These companies were selected purposively because they operate in different sectors of the Greek economy and represent distinctive examples of strategic adaptation and organisational resilience under conditions of prolonged uncertainty. The selection was also supported by the availability of reliable secondary data and publicly accessible documentation, allowing a consistent comparative analysis across the three cases.

Each case reflects a different strategic pathway, including investment in innovation, internationalisation, organisational transformation, operational restructuring and digital transformation. This enables the examination of different forms of strategic adaptation and supports the development of more comprehensive conclusions.

Finally, the findings of the literature review and the three case studies are integrated through a comparative qualitative analysis, consistent with established case study research principles (Yin, 2018). This approach enables the identification of common features, differences and recurring strategic practices across the three companies. In this way, the study goes beyond the description of individual cases and proceeds to synthesise the findings in order to formulate evidence-based conclusions regarding the factors that support strategic adaptation, organisational resilience and the long-term competitiveness of Greek enterprises.

1.5. Structure of the Thesis

This thesis is structured into six chapters. Each chapter contributes to the achievement of the research aim and to the examination of the research questions formulated in the study.

Chapter 1 presents the general research framework of the thesis. It highlights the importance and relevance of the topic, states the objective of the study and the research questions, briefly outlines the methodological approach adopted and gives the overall structure of the work.

Chapter 2 develops the theoretical background of the study. It examines the key concepts of strategic management, organisational resilience, crisis management and dynamic capabilities, thereby establishing the conceptual framework for understanding how firms respond to uncertainty and disruption.

Chapter 3 focuses on the strategic responses adopted by firms during periods of crisis and uncertainty. Particular attention is given to strategic flexibility, innovation, digital transformation, organisational learning and other practices that companies use to adapt to changing environmental conditions and sustain their competitiveness.

Chapter 4 examines the principal mechanisms through which organisations develop adaptive capacity and organisational resilience. Moreover, it analyses how these processes enable strategic renewal, business continuity and long-term competitiveness in an increasingly dynamic and uncertain business environment.

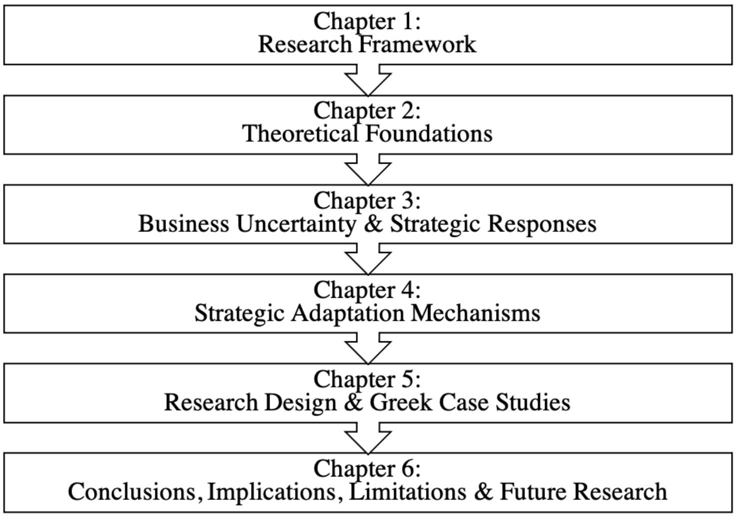
Chapter 5 presents the research design and the analysis of the selected Greek case studies. It begins by explaining the research design, the criteria for case selection, the sources of evidence and the comparative analytical approach. The chapter then analyses the cases of Pharmathen, Sklavenitis and Papastratos, focusing on the strategies adopted by each company to respond to crises, uncertainty and significant changes in the business environment. The chapter concludes with a comparative assessment of the main similarities, differences and recurring strategic practices found across the three cases.

Finally, Chapter 6 summarises the main findings of the study and presents the overall conclusions. It discusses the extent to which the research questions have been addressed. It also highlights the theoretical and practical implications of the findings, acknowledges the limitations of the research and provides recommendations for future research.

The structure of the thesis follows a progressive sequence, starting with the conceptual and theoretical discussion, moving to the examination of the mechanisms of strategic adaptation and the analysis of real business cases and ending with the formulation of comprehensive conclusions. The sequence ensures that the theoretical framework, the case study evidence and the final conclusions are in line with the overall aim of the study. The structural flow of the six chapters is illustrated in Figure 1.1.

Figure 1.1

Structural Flow of the Thesis Chapters



Source: Author's own illustration.

1.6. Summary

This chapter has introduced the overall context of the thesis and established the foundation for the analysis developed in the following chapters. It has explained the importance of examining strategic adaptation and organisational resilience in times of economic and business instability and has highlighted the broader relevance of these issues for the long-term competitiveness and continuity of Greek firms. In addition, the chapter has presented the purpose of the study, the central research question and the supporting sub-research questions that guide the theoretical discussion and the subsequent case study analysis.

The chapter has also outlined the qualitative methodological approach adopted in the study. This approach combines a structured review of the relevant academic literature with a comparative analysis of three Greek case studies. Through this combination, the research seeks to connect theoretical approaches to strategic adaptation, organisational resilience, dynamic capabilities, innovation and digital transformation with case study evidence drawn from Pharmathen, Sklavenitis and Papastratos. The methodological framework therefore supports the examination of the key theoretical concepts as well as the identification of strategic practices that have enabled Greek enterprises to respond to prolonged periods of uncertainty.

Furthermore, the chapter has presented the overall structure of the thesis and explained how each chapter contributes to the achievement of the research aim. The study progresses from the development of the theoretical and conceptual framework to the study of strategic responses and adaptation mechanisms, the research design, the investigation of the selected case studies and the formulation of the final conclusions. This framework ensures that the individual components of the thesis remain aligned with the research questions and together contribute to a coherent exploration of the issue.

Having established the research context, purpose, research questions and methodological direction of the study, the next chapter develops the theoretical foundation. It examines the key concepts of strategic management, organisational resilience, crisis management and dynamic capabilities, which provide the conceptual basis for understanding how firms adapt their strategies and maintain their competitiveness during periods of crisis and uncertainty.

Chapter 2

Theoretical Background

2.1. Introduction

Organisations today operate in an increasingly complex business environment that is marked by rapid technological advancements, economic fluctuations, geopolitical shifts and environmental challenges. This reality makes it essential for organisations to develop strategies that allow them to not only adapt to change but also to maintain competitiveness and secure their long-term viability. As a result, understanding the theoretical foundations that explain how companies develop strategies, adjust to shifting conditions, and build resilience has emerged as a key area in management research and business practice.

Because the business environment is becoming more complicated, researchers have looked at a number of complementary theoretical perspectives that explain how firms respond to uncertainty and disruption. The principal perspectives examined in this chapter include strategic management, business uncertainty and crisis management, organisational resilience, dynamic capabilities, digital transformation and innovation. Each of these concepts is a separate field of study, but together they provide a comprehensive view of how businesses can anticipate changes in their environment, change their strategies, reallocate resources and improve their ability to survive and grow in challenging conditions.

In this chapter, the major theoretical perspectives that guide the present investigation are presented. After the discussion of the notion and development of strategic management, the chapter examines business uncertainty and crisis management. It reviews the theories of organisational resilience and dynamic capabilities and then analyses the role of innovation and digital transformation as strategic mechanisms that enable organisational flexibility in fast-changing situations. Taken together, these theoretical perspectives provide the conceptual framework for examining, in the following chapters, how Greek companies adapt their strategies during periods of uncertainty.

2.2. Strategic Management

Strategic management constitutes one of the core disciplines of management science, as it provides organisations with a framework for achieving long-term objectives and maintaining competitive advantage in increasingly dynamic and uncertain business environments. Over the past decades, the concept has evolved dramatically, reflecting changes in the economic, technological and competitive landscape, as well as the increasing complexity of organisational decision-making. Today, strategic management is regarded not only as a means of accomplishing organisational objectives but also as a crucial process that aids businesses in anticipating change, overcoming external challenges, and creating long-term value.

Strategic management can be defined as a continuous and systematic process of analysing the internal and external environment, formulating and implementing strategic decisions, and evaluating and adjusting organisational actions rather than a single planning activity. This process enables firms to increase their capacity to operate sustainably and adapt over time, to respond effectively to new opportunities and challenges, and to adjust their resources and capabilities to the changing environmental conditions.

The importance of strategic management has grown even more evident in times of heightened uncertainty, when firms have to make rapid and well-informed decisions despite quickly shifting market conditions, technological change and unexpected crises. Effective strategic management provides a foundation for organisational adaptability, resilience and flexibility.

As a result, this section introduces the fundamental concepts of strategic management, reviews the evolution of strategic management theory in the literature and examines the role of strategic adaptation as a key mechanism through which organisations respond to dynamic and uncertain business environments.

2.2.1 The Concept of Strategic Management

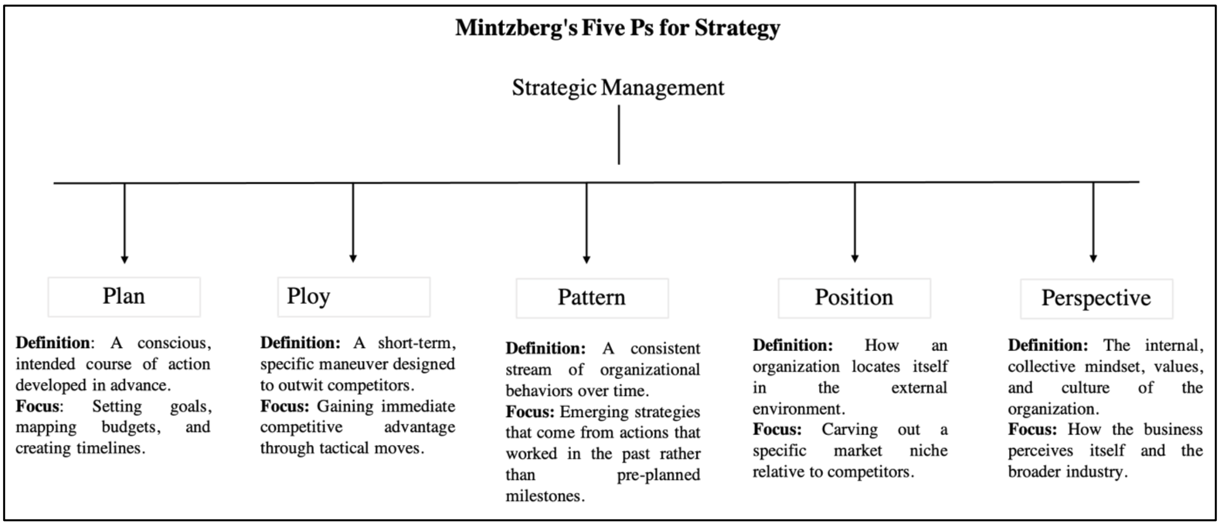
In recent decades, the concept of strategic management has developed substantially, making it an established field of management research. Its importance stems from the necessity for businesses to pursue long-term growth and sustainable competitive advantage while successfully responding to increasingly dynamic and competitive business contexts. The terms 'strategy' and 'strategic management' are sometimes used interchangeably. However, they represent distinct but closely related concepts. Strategy is the long-term direction of an organisation and the decisions made to achieve the organisation's goals. Strategic management is the broader process of how those decisions are developed, implemented, evaluated and adapted to changes in the internal and external environment.

The foundation for strategic management was laid in the 1960s when academics began to emphasise the need for long-range planning and the alignment of organisational resources with business objectives. Chandler (1962) described strategy as the determination of an organisation's long-term goals and objectives, together with the courses of action and allocation of resources required to achieve them. His research found that organisational structure and strategy are closely linked, and that changes in strategic direction often require changes in organisational design. Ansoff (1965) also defined strategy as a systematic process for directing organisational growth and stressed the importance of environmental analysis and strategic planning as fundamental aspects of managerial decision-making.

As the business environment became increasingly complex, the understanding of strategy expanded beyond formal planning. Mintzberg (1987) challenged the traditional planning perspective by arguing that strategy cannot be explained through a single definition. Rather, he introduced the well-known framework of the Five Ps for Strategy, according to which strategy can be understood as a plan, ploy, pattern, position and perspective. This approach showed that strategy is not always the result of deliberate planning but may also emerge gradually through consistent patterns of organisational behaviour and managerial decisions. Therefore, rather than being seen as a strict series of preset steps, strategic management should be seen as a dynamic and ongoing process of learning and adaptation. Mintzberg's Five Ps framework is illustrated in Figure 2.1.

Figure 2.1

Mintzberg's Five Ps Framework of Strategy



Source: Author's illustration based on Mintzberg (1987).

A further development in strategic management theory was introduced by Porter (1996), who emphasised the importance of competitive positioning. Porter (1996) maintained that operational effectiveness and strategy are distinct. Although improvements in productivity, quality and efficiency are important, they do not in themselves constitute strategy because they can often be imitated by competitors. Effective strategy involves making deliberate choices and performing activities differently than competitors in order to develop and sustain a unique competitive position.

The resource-based view widened the scope of strategic management by stressing the internal resources of the firm rather than the external competitive environment. Barney (1991) argued that sustained competitive advantage is founded on resources and capabilities that are valuable, rare, imperfectly imitable and non-substitutable (VRIN). In this view, strategic management is the process of identifying, developing, protecting and effectively using the unique resources and capabilities of the firm to create long-term value and response to external threats and opportunities.

In general, the development of strategic management encompasses the transition from classical strategic planning to a larger and more dynamic concept that involves resources, competition, environment and continuous adaptation.

Contemporary strategic management is therefore understood as an ongoing managerial process through which organisations analyse their internal and external environments, formulate and implement strategic decisions, allocate and reconfigure resources, evaluate organisational performance, and adjust their strategies in response to changing business conditions.

For the purposes of the present study, strategic management is defined as the continuous process through which businesses formulate, implement, evaluate and adapt strategic choices in order to accomplish long-term goals, improve their competitive position, and effectively manage uncertainty and environmental change.

2.2.2 Evolution of Strategic Management

The evolution of strategic management reflects the continuous changes that have taken place in the business environment over the past decades. As markets have become increasingly competitive, globalisation has intensified, and technological developments have accelerated, theoretical approaches to strategic management have also evolved to address new organisational challenges. Thus, strategic management has evolved from a planning-oriented discipline to a holistic management philosophy that emphasises innovation, continual adaptation, organisational resources and competitiveness.

During the 1960s and early 1970s, strategic management was primarily associated with long-term planning. Early theorists saw strategic planning as a rational, systematic process by which businesses would set long-term objectives, allocate resources and develop plans to achieve sustainable growth. This design-oriented perspective was premised on the belief that companies operated in relatively stable environments where the future could be predicted by rigorous analysis and forecasting (Chandler, 1962; Ansoff, 1965).

During the 1980s, increasing competitive intensity shifted scholarly attention towards the external business environment and the sources of competitive advantage. Porter (1980, 1996) contended that the success of an organisation depends on the firm's strategic positioning within the industry and its ability to establish a distinctive competitive position. His work provided firms with analytical tools to analyse competitive forces, identify market opportunities and design strategies that may create a durable competitive edge.

Strategic management was further developed during the 1990s with the emergence of the Resource-Based View (RBV), which emphasised the importance of internal organisational resources and capabilities. This perspective posited that the long-term success of an organisation depends on its ability to develop and utilise valuable, rare, inimitable and non-substitutable resources rather than on external market conditions alone (Barney, 1991). This development represented a major shift in strategic thinking, recognising that an organisation's enduring competitive advantage can come from both its internal capabilities and its external positioning.

More recent developments have highlighted the increased importance of organisational learning, continual adaptation and flexibility in strategic management. Organisations can no longer rely on long-term planning or existing competitive advantages in highly dynamic and uncertain environments. Instead, they need to constantly monitor environmental changes, reallocate resources, innovate and respond rapidly to emerging challenges. These advancements have enabled the rise of concepts such as dynamic capabilities, which emphasise an organisation's ability to integrate, build and redeploy capabilities in response to changing business conditions (Teece et al., 1997).

The evolution of strategic management in general shows a gradual transition from a more static planning approach to a dynamic and adaptable management process. Contemporary strategic management includes competitive positioning, strategic adaptation, effective resource deployment, organisational learning, and long-term planning. This development reflects the increasing complexity of modern business environments and provides the theoretical basis for understanding how organisations react to uncertainty, which is examined in the subsequent sections of this chapter.

The main stages in the evolution of strategic management are summarised in Table 2.1.

Table 2.1

Main Stages in the Evolution of Strategic Management

Period	Main theoretical focus	Key contribution
1960s–1970s	Long-range planning	Goal setting, forecasting and resource allocation
1980s	Competitive positioning	Industry structure and sustainable competitive advantage
1990s	Resource-based view	Internal resources and organisational capabilities
2000s onwards	Dynamic capabilities	Continuous adaptation, learning and resource reconfiguration

Source: Author's own elaboration based on Chandler (1962), Ansoff (1965), Porter (1980, 1996), Barney (1991) and Teece et al. (1997).

2.3. Business Uncertainty and Crisis Management

The evolution of strategic management, as presented in the previous section, reflects the constantly changing conditions of the business environment. While in the past organisations operated in relatively predictable markets, today they operate in an environment characterised by increased uncertainty, intense complexity and frequent crises. Economic fluctuations, globalisation, technological progress, geopolitical tensions and environmental problems all increase the difficulty of strategic management and have a significant impact on how decisions are made.

Within this context, uncertainty and crises are two different, but linked, notions. Business uncertainty refers to a condition in which organisations lack sufficient information to predict future events and assess their potential consequences accurately. A crisis, however, is a significant event or series of events that disrupts an organisation from functioning in a normal manner and requires an immediate and effective response. Understanding these concepts is especially important since they affect how firms plan, implement and adapt their strategies.

The following subsections first examine the concept and key characteristics of business uncertainty and then the concept of crisis management, in order to highlight their role in shaping modern strategic management and to lay the theoretical foundations for the analysis of organisational resilience that follows.

2.3.1 Business Uncertainty

Business uncertainty is one of the most important challenges facing modern businesses. Unlike in the past, when organisations could rely on relatively stable market conditions and long-term planning, today they operate in an environment where changes are continuous and often unpredictable. As a result, strategic decisions have to be made with less information and more complexity.

Business uncertainty in the literature refers to a lack of sufficient information regarding future events, their probability and their potential effects on organisational activities and performance. Risk and uncertainty are not the same. Under conditions of risk, the probability of an event can be estimated, whereas under conditions of uncertainty, probabilities are unknown or cannot be assessed reliably. This distinction is important since it influences how businesses plan and adapt their strategies.

Business uncertainty may arise from a wide range of economic, technological, regulatory, social, geopolitical and environmental factors. These include changes in the economy, new technologies, laws, customer tastes, geopolitical tensions, environmental crises, and problems with the supply chain. At the same time, globalisation has increased the interdependence of economies, as a result of which events that occur in one country or industry can quickly affect businesses worldwide.

Under these circumstances, business uncertainty is no longer an occasional challenge but a permanent feature of the modern business environment. Organisations are called upon to develop greater flexibility, to strengthen their ability to collect and evaluate information and to adapt their strategies in a timely manner. This need explains why strategic management has shifted from static long-term planning to a more dynamic and adaptive approach.

2.3.2 Crisis Management

Crises represent a significant challenge in the modern business reality and can affect the operations, sustainability and long-term development of an organisation. In contrast to business uncertainty, which describes an environment of limited predictability, a crisis refers to a specific event or series of events that disrupts an organisation's normal operations and requires immediate decision-making (Pearson and Clair, 1998; Bundy et al., 2017).

The literature recognises that business crises can vary in origin and severity. Economic recessions, financial turmoil, natural disasters, pandemics, cyberattacks, geopolitical conflicts, energy crises and severe disruptions in supply chains are typical examples of events that may trigger an organisational crisis. Despite their differences, such crises place significant pressure on management and increase the need for rapid and effective decision-making.

Effective crisis management is not limited to dealing with the immediate effects of a crisis, but also includes preparation before it occurs, as well as the adaptation of the enterprise during and after the crisis. For this reason, modern literature treats crisis management as a continuous management process that includes prevention, preparedness, response and recovery (Coombs, 2015).

The increasing frequency and complexity of crises have made it clear that organisations can no longer rely exclusively on traditional strategic planning models. Instead, it is necessary to develop organisational characteristics that enable organisations not only to respond effectively to crises, but also to adapt, learn from them and continue to create value in a constantly changing environment. This approach leads to the concept of organisational resilience, which is examined in the next section.

Table 2.2

Comparison of Risk, Uncertainty and Crisis

Concept	Main characteristic	Degree of predictability	Organisational implication
Risk	Relevant outcomes and their probabilities can be estimated or measured.	Relatively higher, because probability estimates are available.	Decisions may be supported by risk assessment, probability estimates and mitigation measures.
Uncertainty	Information about future environmental conditions, their effects or possible organisational responses is insufficient or ambiguous.	Lower, because probabilities or consequences cannot be assessed reliably.	Organisations require environmental monitoring, flexible decision-making and strategic adaptation.
Crisis	A significant, high-impact event or sequence of events that threatens organisational viability and is characterised by ambiguity and pressure for rapid decision-making.	Limited, because the event and its consequences may be difficult to anticipate and interpret.	Rapid decision-making, coordinated action and organisational recovery are required.

Source: Author's own elaboration based on Knight (1921), Milliken (1987), Pearson and Clair (1998) and Bundy et al. (2017).

2.4 Organisational Resilience

Organisational resilience is one of the most important ideas in modern strategic management. Its growing importance reflects the increasing frequency and complexity of disruptions affecting contemporary organisations. Businesses operate in environments characterised by persistent uncertainty and rapid change. Because of this, their long-term success relies not only on their capacity to absorb disruptions, but also on how well they can adapt to new situations and continue to create value.

Organisational resilience is not limited to the ability of a business to survive after a crisis. On the contrary, it includes a broader set of capabilities that allow organisations to anticipate potential disruptions, absorb their impacts, adapt their operations and leverage the experience they gain for their future development (Lengnick-Hall et al., 2011; Duchek, 2020). For this reason, organisational resilience is now considered a key element of strategic management and an important contributor to the maintenance of long-term competitive advantage.

The following subsections examine the concept of organisational resilience and its key dimensions and characteristics, as well as its relevance to strategic adaptation in periods of uncertainty.

2.4.1 The Concept of Organisational Resilience

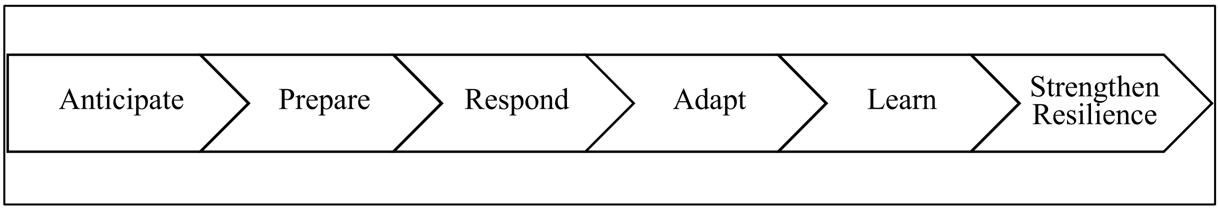
The concept of organisational resilience has gained increasing attention as businesses have become exposed to more complex, interconnected and uncertain operating conditions. Economic, technological, environmental, and geopolitical crises have increased the need for organisations to strengthen their adaptive capacity. This has made it clear that organisations need to develop capabilities not only to deal with problems but also to maintain continuity and competitiveness.

In modern literature, organisational resilience is defined as an organisation's capacity to anticipate potential disruption, prepare for adverse events, absorb their effects, adapt its operations and recover from unforeseen events or crises while maintaining its essential functions and delivering value to its stakeholders. Resilience extends beyond survival or return to the pre-crisis state. It also involves learning from disruption, incorporating the knowledge gained into future organisational practices and supporting renewal and future development. Organisational resilience is now a key element of strategic management, as it contributes to the ability of businesses to effectively deal with an unstable business environment. Businesses with a high level of resilience show greater flexibility in decision-making, adapt faster to changing conditions and are able to limit the negative effects of a crisis, without compromising their long-term sustainability.

For this reason, organisational resilience is no longer seen as a short-term response to extraordinary events, but as a lasting strategic capability that allows businesses to operate effectively even in conditions of high uncertainty. The development of this capability is based on the existence of organisational characteristics that enhance adaptability, learning and the continuous renewal of the organisation's resources and capabilities.

Figure 2.2

The Organisational Resilience Process.



Source: Author's own elaboration based on Duchek (2020) and the crisis management literature.

2.4.2 Dimensions and Characteristics of Organisational Resilience

Organisational resilience is not a single characteristic, but a multidimensional set of organisational capabilities that allow organisations to respond effectively to the challenges of a constantly changing environment. Its development is based on the combination of strategic, organisational and human factors, which enhance the organisation's ability to manage uncertainty and adapt to change (Lengnick-Hall et al., 2011; Duchek, 2020).

Adaptability is one of the most significant elements of organisational resilience. When the external environment changes, resilient businesses can reassess their plans and strategies, reallocate their resources, and adjust their operations rapidly. This allows firms to respond more effectively to changing conditions and reduce the adverse effects of disruption.

Organisational learning is just as important. Businesses that regularly review previous experiences, learn from them and incorporate the lessons gained from previous disruptions are better prepared to predict and cope with future issues. Continuous learning supports innovation, improves organisational preparedness and fosters a culture of ongoing improvement.

At the same time, organisational resilience is closely linked to the companies' flexibility and agility. Flexibility is the capacity to adjust internal processes and resources, while agility refers to the speed with which an organisation recognises and responds to changes in the environment. Both capabilities are essential for maintaining competitiveness in a rapidly changing environment.

Finally, effective leadership, cooperation among employees, timely decision-making, and the use of technology play an important role. A clear strategic orientation, a strong organisational culture and effective communication mechanisms enhance the ability of organisations to respond to complex challenges and transform crises into opportunities for learning and growth.

Overall, organisational resilience is a dynamic and multidimensional capability, which allows organisations not only to survive in times of uncertainty, but also to evolve through them. The development of this capability requires the continuous renewal of organisational resources and the effective development and deployment of capabilities that allow timely adaptation to changing conditions. This approach leads to the theory of dynamic capabilities, which is examined in the next section.

2.5 Dynamic Capabilities

Continuous changes in the business environment have shown the need for businesses to have valuable resources and also the ability to renew, reconfigure and deploy them effectively. Organisational resilience allows organisations to respond to crises and maintain their operations. However, long-term adaptation requires additional mechanisms that facilitate the continuous renewal of organisational capabilities. In this context, the theory of dynamic capabilities was developed, which is an influential perspective in contemporary strategic management.

This theory explains how organisations can identify environmental changes, respond to emerging opportunities and threats, and reconfigure existing resources and organisational processes. Instead of focusing exclusively on the competitive advantages that an organisation already has, it emphasises its ability to evolve and adapt to new conditions (Teece et al., 1997).

The following subsections present the concept of dynamic capabilities and analyse their role in strategic adaptation and the maintenance of competitive advantage in times of uncertainty.

2.5.1 The Concept of Dynamic Capabilities

The dynamic capabilities theory is derived from the resource-based view of the firm, which emphasises that valuable, rare, inimitable and non-substitutable resources may support sustained competitive advantage. Having resources is still crucial, but the corporate environment is less stable and more changeable, so the possession of valuable resources alone is not enough to sustain competitive advantage.

Teece et al. (1997) define dynamic capabilities as a firm's ability to integrate, build and reconfigure internal and external competences in response to rapidly changing environments. The emphasis therefore shifts from the resources a firm possesses to its capacity to renew, combine and deploy them effectively.

The concept of dynamic capabilities is based on the recognition that organisations exist in environments where technology, consumer needs, markets and competition are in a state of constant change. In order to maintain their competitiveness, organisations must be able to continue developing their skills, processes and resources, rather than relying exclusively on their existing competitive advantages.

Dynamic capabilities are related to organisational resilience since they provide mechanisms through which firms renew resources, adapt strategic processes and respond to environmental change. Through these capabilities, organisations are not only confronted with the consequences of a disruption but also learn how to renew and adapt their strategies continuously.

2.5.2 Dynamic Capabilities and Strategic Adaptation

The importance of dynamic capabilities is particularly evident in the process of strategic adaptation. In environments defined by high uncertainty and continuous change, organisations require not only valuable resources and competitive advantages, but also the capacity to renew their capabilities continuously and adapt to emerging conditions.

Dynamic capabilities allow firms to quickly recognise changes in the external environment, assess the potential effects of such changes, and take strategic actions that are consistent with evolving market requirements. Through constant reconfiguration of resources, processes and business models, organisations can improve resilience, reduce their exposure to emerging threats and seize new opportunities.

Strategic adaptation is not a discrete event but a continuous process of learning, review and renewal. Firms with dynamic capabilities actively monitor external changes, absorb new knowledge, invest in innovation and revise their strategies in a timely manner. These activities support the development of new sources of competitive advantage and enable organisations to respond to crises more effectively.

At the same time, the literature stresses that dynamic capabilities are an important element of organisational transformation. Their application enables organisations to adopt new technologies, reorganise business processes and develop new products and services. These changes can enhance organisational flexibility and strengthen the capacity to respond to changing market conditions and customer needs.

Dynamic capabilities provide an important link between strategic adaptation and organisational resilience. By aligning resource reconfiguration and organisational renewal with strategic objectives, firms can strengthen competitiveness and support long-term development. The next section deals with the issue of digital transformation and innovation, which are closely related to the use of these dynamic capabilities.

2.6 Digital Transformation and Innovation

Digital transformation and innovation have become important mechanisms of strategic adaptation for firms, driven by rapid technological change and increasing volatility in the business environment. Organisations are increasingly required to respond to the changing needs of consumers and competitors, and technological developments that continue to change the way they do business.

Digital transformation is not merely about the use of new technologies. It is a broader strategic process impacting the business model, internal procedures, organisational culture and process of value creation. At the same time, innovation provides a means for firms to apply new technology, to develop new products and services, and to better respond to changing environmental conditions.

Although the two concepts are closely linked, they are not identical: digital transformation is about technology-enabled change in an organisation, whereas innovation is about developing and implementing new ideas, products, services, processes and business models. Together they can strengthen organisational adaptability of organisations, facilitate strategic renewal and enhance resilience in circumstances of uncertainty.

The following subsections examine the concept of digital transformation and innovation as a strategic capability, as well as their contribution to organisational adaptation, resilience and long-term competitiveness.

2.6.1 Digital Transformation

Digital transformation has become an important strategic process for strengthening organisational adaptability. Digital transformation refers to the strategic use of digital technologies to generate significant changes in organisational processes, structures, business models and value-creation practices. This notion is not just about the adoption of digital technologies, but also about a broader shift in how an organisation functions and creates value (Vial, 2019; Verhoef et al., 2021).

Technologies such as cloud computing, artificial intelligence, big data analytics, Internet of Things (IoT) and automation have significantly emerged and greatly impacted organisational operations. These technologies help firms to improve operational efficiency, react more rapidly to market changes and customer demands and support data-driven decision-making.

Digital transformation can support organisational resilience and dynamic capabilities by facilitating the collection of information, rapid identification of environmental changes and the timely adaptation of strategic decisions. Organisations that integrate digital technologies effectively into their strategies and operations, increase their agility, improve the collaboration across their separate activities and improve their ability to cope with periods of uncertainty and crises.

2.6.2 Innovation as a Strategic Capability

Innovation represents an important strategic capability through which companies respond to environmental change and renew the ways in which they create value and it is directly tied to their ability to maintain their competitiveness in a continuously changing environment (OECD and Eurostat, 2018). It includes not only the development of new products or services but also the improvement or redesign of organisational processes, structures and business models.

The literature identifies several forms of innovation, such as product, process, organisational structure and business model innovation. Across its different forms, innovation can enable firms to respond more effectively to changing market demands, seize new business opportunities and improve their long-term sustainability.

An organisational culture that supports collaboration, creativity, experimentation and learning can facilitate the development and implementation of innovation. Innovation is also closely related to dynamic capabilities, which enable companies to recognize emergent trends in good time, mobilise and recombine their current knowledge and adapt their resources and processes. In this way, innovation is an important mechanism to translate organisational knowledge into strategic advantage.

Innovation is closely related to dynamic capabilities because it requires firms to recognise emerging trends, mobilise and recombine knowledge and reconfigure resources and processes. From this perspective, innovation represents an important mechanism through which organisations translate environmental awareness and organisational knowledge into strategic action, new offerings and renewed business practices (Teece, 2007).

Digital transformation and innovation are complementary concepts that jointly contribute to the strategic adaptation of firms.

2.7 Summary

This chapter presented the theoretical framework for understanding the strategic adaptation of enterprises in times of uncertainty. The notion of strategic management and its evolution were considered. The transition from traditional long-term planning models to more dynamic and flexible forms that meet the needs of the modern business environment was noted.

As a result, the study of business uncertainty and crisis management pointed to the importance of constant strategic adjustments by firms in response to the continuous economic, technological, social and geopolitical developments. Under these circumstances, organisational resilience was highlighted as an important organisational capability that allows organisations to sustain their operations, adapt to disturbances, and harness their experience and knowledge for future growth.

It is worth mentioning that special emphasis was placed on the dynamic capabilities theory, which describes how firms adjust their organisational capabilities and resources to the changing needs of the external environment. At the same time, the importance of digital transformation and innovation was emphasised as strategic mechanisms that enable organisational flexibility, improve strategic adaptation and help to maintain a competitive advantage.

In conclusion, the literature review indicates that uncertainty management is not based on one technique or practice. On the contrary, it is the combination of strategic management, organisational resilience, dynamic capabilities, digital transformation and innovation, which are mutually reinforcing and allow firms to adapt constantly to the changing business environment.

The subsequent chapters of this thesis build upon this theoretical framework, which investigates the practical application of the aforementioned strategies by Greek businesses to enhance their resilience and develop effective adaptation strategies during periods of uncertainty.

Chapter 3
Strategic Responses to Business Uncertainty

3.1. Introduction

Modern organisations operate in an environment characterised by rapid change, increasing unpredictability and frequent crises. Strategic management, organisational resilience, dynamic capabilities and digital transformation are the main theoretical frameworks that explain how businesses adapt to these issues, as discussed in the preceding chapter. However, a theoretical comprehension of these notions is not enough in itself to explain how organisations adapt their strategies in practice.

Strategic adaptation is a constant process of decision making and the alignment of organisational resources. The goal of strategic adaptation is to sustain organisational competitiveness and long-term business performance. Depending on the nature of the crisis and the specific characteristics of each organisation, firms implement different strategies, which may include organisational changes, digital transformation, innovation, diversification of activities, reorganisation of the supply chain or revision of their business model.

The objective of the chapter is not to list the most important strategic adjustments that arise in the international literature, but to look at how they help to improve the resilience and competitiveness of firms in times of uncertainty. The various tactics analysed are the theoretical basis for the evaluation of Greek case studies presented in the following chapters.

3.2. Strategic Responses to Uncertainty

Strategic adaptability is one of the most critical prerequisites for the maintenance of the competitiveness of enterprises in conditions of uncertainty. The ongoing changes in the external environment, the breakthroughs in technology, the economic swings and the geopolitical upheaval push enterprises to regularly reevaluate their strategic choices. In such a context, success is not only the result of an efficient strategic plan, but mainly of the ability of the organisation to adjust quickly its decisions, procedures and business model.

The strategic responses will depend on the features of each organisation, the industry where it competes and the type of crisis or uncertainty it faces. However, the worldwide literature indicates several common practices that effectively contribute to enhancing the adaptability and resilience of organisations.

The next subsections discuss two of the most relevant strategic responses of firms in times of uncertainty: strategic flexibility and business model adaptation.

3.2.1 Strategic Flexibility

Strategic flexibility is the ability of a corporation to quickly adapt its strategic decisions in response to changes in the external environment. Unlike traditional strategic planning methods that are based on fairly definite forecasts, strategic flexibility includes continual evaluation of developments and the ability to change decisions swiftly if circumstances warrant.

Strategic flexibility enables firms to respond more effectively to unexpected developments, reduce the negative impact of crises and take advantage of new business opportunities. This flexibility is not just related to management but also to organisational structures, business processes, human resource management and the allocation of available resources.

Literature suggests that organisations with a high level of strategic flexibility are better equipped to respond to market changes, make decisions more quickly and use the information available more effectively. Meanwhile, strategic agility enables the development of novel solutions, access to new markets and the modification of corporate priorities when conditions change.

Strategic agility is closely related to the Dynamic Capabilities discussed in the last chapter. However, strategic agility is about how an organisation turns organisational capabilities into actionable strategic decisions and actions.

3.2.2 Business Model Adaptation

One of the most essential strategic responses to uncertainty and continual changes in the external environment is business model adaptation. Organisations are being challenged to re-think their individual goals and the way they produce, deliver and capture value as markets, technologies and consumer needs develop rapidly. Companies can adjust their models to better respond to new situations and so improve their sustainability and long-term competitiveness.

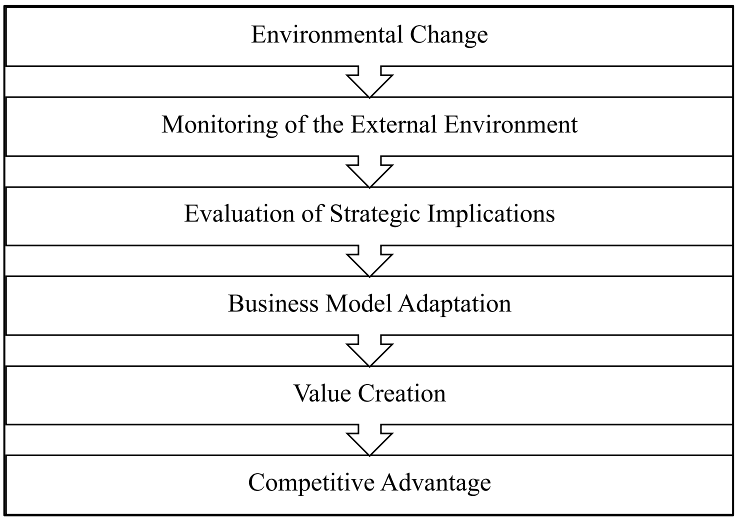
According to the international literature, the business model is the way in which a firm organises resources, operations and relationships with customers and partners to create and deliver value. When the external environment is changing rapidly, a stable business model may constrain the business from responding to new needs in the market. Therefore, many organisations decide to re-design their business model’s core features such as product offering, distribution channels, income streams or customer interactions.

The business model adaptation can take numerous forms based on the features of the organisation and the industry it works in. Some firms will need to grow into new areas or create new products and services. Others may need to invest in digital service channels, new forms of cooperation or other ways of generating revenue. These shifts are not only in the operational aspect of the organisation but also in the whole strategic orientation.

To adapt the business model effectively organisations must be able to systematically monitor developments in the external environment, evaluate new business prospects and reconfigure their strategic choices in a timely manner. In this respect, Dynamic Capabilities and organisational resilience are the essential processes that assist the adaptation process, helping businesses to effectively leverage their resources and to meet the demands of a dynamic business environment.

Thus, adaptation of business models is not an impulsive reaction to a crisis but a constant strategic process of renewal and evolution. Companies that routinely challenge how they produce value will be more agile, more competitive, and better able to adapt effectively to future problems.

Figure 3.1
Business Model Adaptation Process



Source: Author's own illustration.

3.3. Innovation as an Adaptation Strategy

Innovation is one of the most significant tools for firms to adapt to changing business conditions. In times of uncertainty enterprises are challenged to come up with new ideas, reassess their present processes and produce goods, services or business models that respond more effectively to market demands. In this sense, innovation is not only a source of competitive advantage, but also a fundamental tool of strategic adaptation and reinforcement of organisational resilience.

According to the literature, innovation can take numerous shapes according to the strategic objectives and the characteristics of each firm. For example, innovation may be seen in the development of new products and services, re-designing of production processes, the use of external collaborations and integration of new knowledge, helping to improve the competitiveness and adaptability of organisations.

The next sub-sections discuss the key types of innovation related to the strategic adaptation of companies and the role of Open Innovation in the generation of new prospects for growth.

3.3.1 Product and Process Innovation

Among various forms of business innovation, product innovation and process innovation are two of the most common and strategically important types of innovation. These are very helpful for firms to change strategically. By developing new or considerably better products and services, firms can respond more effectively to changing customer needs, create new sources of value, and strengthen their position in the market.

At the same time, process innovation is reengineering or refining the internal processes of the company, with the purpose of improving its efficiency, reducing operating costs and improving the quality of the products or services delivered. Usually digital technology, automation of processes and deployment of contemporary management systems are the areas where process innovations that increase the flexibility of the company are found.

The relevance of these two types of innovation is most evident in crisis situations when companies are forced to respond swiftly to new market conditions. The development of new products can offer extra revenue streams, and reform of internal processes helps to keep operational efficiency even under circumstances of increased unpredictability.

Moreover, product and process innovation are important to the long-term competitiveness of firms as they enable the ongoing renewal of organisational capacities and the preservation of the capacity to react to a dynamic business environment. Innovation is thus seen as an important aspect of strategic development and lasting corporate success.

Table 3.1

Comparison of Product Innovation and Process Innovation

Type of Innovation	Main Objective	Contribution to Strategic Adaptation
Product Innovation	Development of new or improved products/services	Responds to changing customer needs and creates new value
Process Innovation	Improvement of internal processes	Enhances efficiency, flexibility and operational resilience

Source: Author's own compilation based on OECD and Eurostat (2018) and the literature reviewed.

3.3.2 Open Innovation

The notion of open innovation has become one of the most significant methods for the firm to adapt to the new business climate. In contrast to the traditional method where innovation is generated just inside the corporation, open innovation relies on the systematic use of knowledge, technology and ideas originating from both inside and outside the organisation. In this way, firms find new sources of information and speed up the development of innovative solutions.

Open innovation implies the formation of relationships with universities, research institutes, suppliers, customers, startups and other organisations in the innovation ecosystem. These collaborations allow companies to exchange expertise, use complementary skills, and make better use of available resources. This technique helps reduce the cost of producing new products and services, and allows for a quicker response to changing market needs.

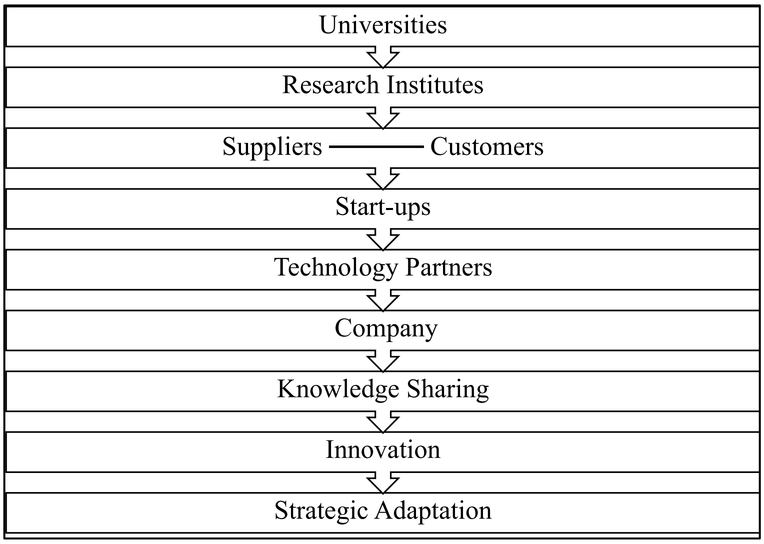
Open innovation improves the adaptability of the organisation especially during uncertainty. Companies can use outside expertise and technologies to meet new challenges, create new solutions and reduce the dangers of relying solely on internal research and development. On the one hand, involvement in collaborative networks allows the sharing of experiences and good practices, enhancing organisations' ability to adapt to a continuously changing environment.

Open innovation is particularly relevant in the context of the digital economy, where the dissemination of knowledge and the development of collaborative ecosystems are critical determinants for the success of companies. Companies may speed up innovation and boost their worldwide competitiveness through the use of digital platforms, involvement in research programs, and cooperation with specialized technological partners.

Thus, open innovation is not only an alternate way to produce new products and services, but a comprehensive approach to knowledge management and collaboration. It contributes to greater strategic flexibility, supports sustained growth and facilitates the development of new organisational capabilities during periods of uncertainty.

Figure 3.2

Open Innovation Ecosystem



Source: Author's own illustration based on Chesbrough (2003) and the literature reviewed.

3.4. Digital Transformation as a Strategic Response

Digital transformation is one of the most significant strategic decisions for firms to overcome the problems of the modern business environment. The fast growth of digital technology, together with the growing volatility that defines international markets, has considerably changed the way in which firms plan their strategies, structure their operations and engage with their customers and partners. Digital transformation is therefore not considered merely a technological upgrade but a holistic strategic process of organisational transformation.

Digital technology assists organisations to become more operationally efficient, make faster and better decisions, create new business models and respond better to the ever-changing demands of the market. At the same time, it improves organisational flexibility and leads to more effective management of crises and moments of higher uncertainty.

The most relevant digital technologies supporting the strategic business adaptation, and the role of data-driven decision making as a critical aspect of corporate resilience and competitiveness are discussed in the following subsections.

3.4.1 Digital Technologies

Digital technologies are a fundamental pillar for strategic business adaptation in times of uncertainty. Their use enables firms to upgrade their business processes, improve their flexibility and respond more effectively to continuous changes in the external environment. In recent years, technologies such as Cloud Computing, Artificial Intelligence, Big Data, the Internet of Things (IoT) and Robotic Process Automation (RPA) have become important tools for strategic development.

The use of these technologies helps to increase productivity, reduce operational costs and automate repetitive procedures, therefore enabling human resources to be used in higher value-added activities. The application of advanced analytical tools, however, allows for rapid identification of market changes, risk management and future trends.

Cloud Computing is also of great relevance as it offers increased flexibility, remote access to information systems and faster adaptation of corporate operations to changing market needs. Similarly, the use of Artificial Intelligence allows automation of complicated operations, analysis of massive volumes of data, while supporting managers in strategic decision-making.

Successful integration of digital technologies needs not only investment in technological infrastructure but also organisational reforms, development of digital skills and a culture of constant learning and innovation. Successful businesses that combine technical upgrading and strategy redesign obtain a higher level of organisational resilience and a stronger ability to react to the continuously changing conditions of the business environment.

3.4.2 Data-Driven Decision Making

Data-Driven Decision Making (DDDM) is one of the most important innovations in modern strategic management, enabling organisations to inform their strategic decisions through the application of objective data and advanced analytical methods. Data-driven decision making differs from old ways that relied mostly on the expertise and intuition of executives, because it uses information from internal and external sources to support more effective analysis of business opportunities.

The progress of technologies like Big Data, Artificial Intelligence, Machine Learning and Business Intelligence systems has considerably improved the capability of enterprises to gather, process and analyse massive quantities of data in real time. With these tools, organisations will be able to spot changes in demand on time, forecast market trends, assess potential risks and uncover new business opportunities.

In times of greater uncertainty, usage of data is even more critical. Management may make faster and better decisions through the continuous monitoring of performance indicators (Key Performance Indicators – KPIs), economic changes, customer behaviour and advancements in the supply chain. This decreases the uncertainty related to strategic planning and increases the capability of the organisation to successfully react to unforeseeable changes in the external environment.

At the same time, data-based decision making enhances cooperation between the individual functions of the organisation, as it provides a shared framework for measuring performance and strategic priorities. The availability of reliable information helps to coordinate managerial decision-making, minimises the subjectivity of the decision-making process and improves management transparency.

But the actual realisation of this strategy does not depend exclusively on the availability of sophisticated technological systems. It is also vital to develop suitable analytical abilities, to ensure the quality of the available data and to build an organisational culture that supports decision-making on the basis of documented facts. Without reliable data or with misinterpretation of the same, even sophisticated information systems might lead to wrong strategic decisions.

Overall, data-driven decision making is a major part of modern strategic management and an important factor for improving organisational resilience. The capacity to use data efficiently provides companies with more flexibility, better quality of strategic decisions and greater adaptability to the constantly changing conditions of the business environment.

3.5. Human Capital and Leadership in Times of Crisis

Although technology, innovation and organisational procedures are critical aspects of strategic adaptation, the human dimension remains crucial for managing periods of uncertainty. Crises challenge not only the operational preparedness of businesses but also the ability of leaders to make rapid decisions, manage uncertainty and preserve employee trust and commitment.

Effective leadership and the creation of a suitable organisational environment help to increase the resilience of the company, facilitate the implementation of strategic changes and support adaptation to changing conditions. At the same time, the sustained execution of adaptation strategies is critically dependent on the active involvement of employees, the constant development of skills and the existence of a culture of cooperation.

The function of leadership in crisis management and the value of organisational culture as a factor of enhancing resilience and strategic adaptation are discussed in the following sub-sections.

3.5.1 Leadership in Times of Crisis

Leadership is one of the most critical aspects that allow a firm to respond successfully to times of uncertainty. In stable situations, management decisions are mainly based on long-term planning. Crises, on the other hand, require leaders to make rapid decisions, to be good managers of information, and to be able to adapt to changing situations.

Effective leaders do not only manage crises, but also articulate a clear vision of the future to build trust with employees and other stakeholders. Transparent communication, timely information and active involvement of employees in the decision-making process decrease uncertainty and allow implementation of important organisational changes.

Moreover, recent data demonstrates that participative and adaptive leaders are more effective in mobilising human resources and building organisational resilience. The circumstances for more effective management of uncertainty and faster adaptability to changes in the external environment are created by the encouragement of innovation, the empowerment of employees and the creation of a culture of continuous learning.

Consequently, leadership is not only an administrative job but a strategic success determinant. Companies with vision, flexibility and the ability to manage change in leadership are better placed to remain competitive and emerge stronger in times of crisis.

3.5.2 Organisational Culture

Organisational culture is one of the most critical aspects that affect an organisation's ability to adapt effectively in times of uncertainty and crisis. It refers to the system of shared values, beliefs, behavioural norms and practices that determine how members of an organisation work together, make decisions and respond to the challenges of the external environment. A strong corporate culture helps to build an atmosphere of trust, cooperation and adaptation, which are needed in effective crisis management.

As uncertainty grows, corporate culture can serve as a cohesive element, supporting the embrace of change and lessening the opposition that frequently arises during the execution of new initiatives. Companies that promote open communication, employee involvement in decision making and frequent dissemination of knowledge, are better able to respond to changes in the business environment and to effectively capitalise on new business prospects.

At the same time, the creation of a culture of continuous learning is a fundamental prerequisite for preserving the competitiveness of enterprises. Training of employees, acquisition of new skills and dissemination of information within the company enable more effective use of technical breakthroughs and simplify the execution of strategic changes. In this approach, organisational agility is increased and the ability to respond to unforeseen situations is improved in companies.

Moreover, corporate culture is closely related to the development of organisational resilience. Common values and a clear vision boost workers' commitment, increase the readiness to cooperate and facilitate the collective reaction to obstacles. On the contrary, organisations with a lack of trust, restricted communication and aversion to change have difficulty adapting to conditions of uncertainty.

Organisational culture is not only a component of the internal operation of a corporation but also a strategic aspect which influences the ability to adapt, innovate and support sustainable development. Companies that create a culture of collaboration, learning and ongoing improvement are better able to manage crises and sustain competitive advantage in a dynamic business environment.

3.6. Critical Success Factors for Strategic Adaptation

The successful strategic adaptation of organisations under uncertainty does not depend on one thing, but on the combination of organisational skills, strategic choices and management practices. Companies that can remain competitive in a dynamic environment are those that build an integrated change management system, by effectively utilising their organisational resources and human capital.

As discussed in the preceding sections, strategic flexibility, innovation, digital transformation, effective leadership and organisational culture are important mechanisms for strategic adaptability. However, the actual value of these aspects is obtained when they are used together and incorporated into the broader strategy of the firm to provide a coherent framework for managing uncertainty.

This section summarises the key findings of the preceding investigation, and shows the most relevant success factors emerging in the worldwide literature. Specifically, it assesses features that influence the establishment of resilient and agile companies and how the features improve the strategic adaptation and long-term competitiveness.

Table 3.2

Critical Success Factors for Strategic Adaptation

Success Factor	Main Contribution
Strategic Flexibility	Rapid response to environmental change
Business Model Adaptation	Continuous value creation
Innovation	Competitive advantage and renewal
Digital Transformation	Operational efficiency and adaptability
Data-Driven Decision Making	Better strategic decisions
Leadership	Effective crisis management
Organisational Culture	Learning, collaboration and resilience

Source: Author's own compilation based on the literature reviewed.

Strategic adaptability is not the product of a single action or an isolated organisational competence. On the contrary, it is a dynamic process based on the combined use of strategic flexibility, innovation, digital transformation, effective leadership, and strong organisational culture. The international literature suggests that these factors interact with each other to enhance the ability of the businesses to adjust to changing conditions and sustain their long-term competitiveness.

Strategic flexibility enables firms to modify their goals and strategies rapidly while dynamic capabilities allow the reconfiguration of existing resources according to the requirements of the external environment. At the same time, innovation and digital transformation increase the development of new business models, the optimisation of operational processes and the creation of competitive advantage.

Equally crucial are leadership and organisational culture, which set the circumstances for effective change management, by reinforcing cooperation and creating a culture of continual learning. Together, these factors make organisations resilient, able to not only endure crises but also turn them into opportunities.

Strategic adaptation can be understood as an integrated management approach where individual strategic and organisational competencies are mutually reinforcing. The integrated strategy supports the sustainable development of enterprises and contributes to the building of sustainable competitive advantage in high uncertainty contexts.

3.7. Summary

This chapter discussed the main tactics that firms employ in order to respond successfully to situations of uncertainty and continual change in the business environment. First, the importance of strategic flexibility and business model adaptation as important strategies for dealing with outside disruptions was explained. Then, the importance of innovation was discussed, both at the product and process level and through open innovation, as a tool to boost competitiveness and to create new value.

Furthermore, the importance of digital transformation and the use of data for strategic decision-making was highlighted, as well as the importance of leadership and organisational culture for the successful management of organisational changes and strengthening organisational resilience. Finally, the important success aspects that form a comprehensive framework for strategic adaptation were highlighted, emphasizing that the effective management of uncertainty needs to be a mix of organisational skills, technological exploitation and human resources.

To sum up, the chapter has shown that strategic adaptation is a complex and dynamic process that is crucial for the maintenance of competitiveness and long-term viability of firms. The theoretical framework and conclusions developed in this chapter provide the basis for the next chapter, which examines the application of these concepts in the context of Greek enterprises.

Chapter 4
Strategic Adaptation of Greek Businesses in Times of Uncertainty

4.1. Introduction

Greek enterprises have been operating in an especially unpredictable business climate over the last few years, marked by a succession of economic, social and geopolitical issues. The ongoing economic crisis, the effects of the COVID-19 pandemic, inflationary pressures, the energy crisis and ongoing technological developments have produced more unpredictability, pushing companies to reassess their strategic choices and develop new adaptation mechanisms.

Businesses did not all respond to the above difficulties in the same manner. The ability to adapt and be resilient was substantially affected by factors such as the size of the organisation, the sector of operation, the availability of resources, the administrative capability and the degree of digital maturity. At the same time, many Greek companies hastened their digital transformation, invested in innovation and changed their business models, trying to stay competitive in a continuously changing environment.

This chapter analyses how Greek firms adapt their strategy during periods of uncertainty by applying the theoretical concepts presented in the preceding chapters. Specifically, it examines the main difficulties they encounter, the adjustment tactics they employ, the contribution of digital transformation and innovation, and the main findings obtained from the relevant literature on the Greek business reality.

4.2. Methodological Approach to the Case Studies

The present research employs a qualitative multiple case study approach to explore how Greek companies have changed their tactics in times of heightened uncertainty. The case study approach is particularly suitable for the study of complex organisational phenomena within their real-life environment, as it enables an in-depth understanding of strategic decisions, managerial responses and organisational outcomes. In contrast to solely quantitative techniques, case studies enable the integration of many evidence sources and promote a comprehensive interpretation of strategic adaptation processes.

For the case studies, particular criteria were established in order to provide relevant and comparable analysis. Firstly, the chosen enterprises are part of the Greek business environment and have undergone considerable external disturbances such as the protracted economic crisis and the COVID-19 pandemic. Secondly, there is adequate information publicly available about their strategic decisions, organisational objectives, financial performance and digital transformation efforts. Finally, the choice of organisations covers several sectors of the Greek economy, so that the study may examine if the practices of strategic adaptation vary depending on industry features, while at the same time it can find common patterns of organisational resilience.

The theoretical framework built in Chapters 2 and 3 guides the analysis of each case study. The focus is on how each organisation demonstrated strategic flexibility, altered its business model, invested in innovation and digital transformation, reinforced leadership and organisational culture, and built organisational resilience. The analysis of these variables enables the assessment of the contribution of various strategic actions to retain competitiveness and long-term sustainability in the face of unpredictability.

Furthermore, the comparison of the selected case studies allows for the identification of parallels and contrasts in the strategic responses of the Greek enterprises. The aim of the analysis is not to assess the success of specific organisations on a case-by-case basis, but to expose general strategic patterns and essential success variables that may contribute to a better understanding of organisational adaptation in times of crisis. Such a comparison increases the analytical value of the study and gives a sound basis for the discussion of the subsequent chapters.

4.3. Strategic Adaptation Mechanisms of Greek Businesses

The extended economic crisis that Greece went through radically changed the strategic direction of Greek enterprises. In contrast to the brief market downturns, the Greek financial crisis has produced an atmosphere of long-term uncertainty, limited liquidity, falling consumer demand and constant institutional adjustments. In such circumstances, companies were compelled to re-think their strategic priorities and formulate new strategies that could guarantee organisational survival and long-term competitiveness. Thus, strategic adaptation has moved from a reactive managerial response to a core organisational competence that determines a firm’s capacity to endure ongoing external pressures.

The process of adaptation was neither immediate nor uniform across Greek enterprises. The obstacles faced by companies in various sectors were determined by their size, financial standing, market exposure, and operational capabilities. But numerous common strategic tendencies progressively evolved in the crisis period. Businesses increasingly focused on operational efficiency, financial discipline, digital transformation, organisational flexibility and innovation, whilst pursuing chances for market expansion outside of the home economy. These strategic measures helped organisations to build up their resilience in a highly turbulent business environment.

Existing literature indicates resilient organisations are differentiated by their capacity to foresee change, reallocate resources swiftly and consistently modify their strategic priorities in reaction to changing environmental conditions. Organisational resilience in Greek enterprises was strengthened through adaptive leadership, continuous organisational learning and effective crisis management practices. Successful organisations did not just depend on cost reduction techniques but balanced defensive strategies with investment into innovation, technology and long-term value development.

The recession also expedited structural developments in the Greek business scene. Digital technologies were integrated into day-to-day company processes to a greater extent, organisational structures grew more flexible and companies invested in developing relationships with customers, suppliers and foreign partners. There was also a continued focus on strategic planning, risk management and business continuity as key pillars of organisational resilience. These results show that periods of uncertainty can also be triggers for organisational renewal and strategic change.

Thus, knowing how Greek enterprises adjusted their strategies might provide useful insights into the wider relationship between crisis management and organisational resilience. The next sections explore the main strategic adaptation methods implemented by Greek enterprises during periods of economic instability and discuss how these practices contributed to improving organisational performance, competitiveness and long-term sustainability.

Table 4.1

Main Strategic Adaptation Mechanisms Adopted by Greek Businesses

Strategic Mechanism	Main Objective	Expected Outcome
Strategic Flexibility	Rapid response to environmental change	Greater organisational resilience
Innovation	Renewal of products and processes	Competitive advantage
Digital Transformation	Technological modernisation	Operational efficiency
Operational Restructuring	Cost optimisation	Financial sustainability
Internationalisation	Market diversification	Long-term growth

Source: Author's own compilation based on the literature reviewed.

4.3.1 Strategic Flexibility as a Competitive Advantage

Strategic flexibility has been identified as one of the most important factors of resilience of organisations in times of economic instability. Organisations cannot rely on static long-term planning in highly unpredictable contexts, but must be able to adapt their strategic priorities to quickly changing market conditions on an ongoing basis. The protracted financial crisis highlighted to Greek firms the significance of flexible organisational structures that can quickly adapt to external economic shocks.

Strategic flexibility allows organisations to redeploy resources, update investment decisions, and rethink operational processes without abandoning long-term strategic objectives. This competence enables businesses to mitigate the adverse consequences of uncertainty, but also, to recognise new opportunities that may occur during crisis moments. Rather than viewing uncertainty as a threat, strategically flexible businesses learn to convert changing market conditions into sources of competitive advantage.

An important feature of strategic flexibility is the ability of management to make timely decisions on the basis of continuously updated information. The financial crisis has created a dynamic Greek business environment, which has forced CEOs to respond to rapid changes of taxation, banking rules, consumer purchasing behaviour and worldwide market developments. This led to companies adopting more and more dynamic planning techniques which focused on constant observation, rapid decision making and regular strategic re-evaluation rather than simply depending on fixed long-term plans.

In addition, strategic flexibility is connected with good resource management. When budgets are tight businesses have to use their few financial and human resources efficiently, while keeping enough reserves to deal with the unexpected. Greek companies with higher levels of strategic flexibility were generally better at maintaining operational continuity, reducing financial susceptibility and retaining their competitive position in the face of extended economic upheaval.

The literature also stresses that strategic flexibility enables organisational learning. Companies get to learn a lot about what works and what doesn't when it comes to managing a crisis by always observing the effects of their strategic choices. This learning boosts future decision-making capacity and strengthens the organisation's ability to adapt more effectively to future crises. Therefore, strategic flexibility should not be considered as a temporary solution to a crisis, but as a long-term organisational competence that directly leads to lasting competitive advantage.

In general, the experience of the Greek firms shows that strategic flexibility is a basic pillar of organisational resilience. This combination of adaptive decision-making, efficient resource allocation and constant strategic learning better prepares businesses to navigate unpredictability while at the same time generating the circumstances necessary for sustainable growth and long-term competitiveness.

4.3.2 Innovation and Digital Transformation

Innovation and digital transformation were vital strategic solutions for Greek enterprises looking to boost resilience throughout protracted times of economic turmoil. Financial crises often reduce firms' ability to invest. However, many firms realised that to remain competitive, the key was innovation, not organisational stasis. Hence, innovation became a critical organisational survival mechanism, rather than a growth strategy.

Innovation in Greek firms exceeded new product and service creation. Organisations focused more and more on optimising internal processes, rethinking business models and introducing new ways of creating value that boosted operational efficiency and customer satisfaction. Process innovation has helped organisations to cut manufacturing costs, enhance resource usage and increase service quality even under severe financial limitations. Organisational innovation has also fostered adoption of more flexible management structures, enabling quicker decisions and greater responsiveness to evolving market conditions.

Digital transformation is one of the most significant ways for a business to adapt amid a crisis. The speed at which technology is developing and customer expectations are changing has increased the use of digital technologies in many corporate tasks. Companies in Greece have been investing more and more in digital communication channels, enterprise resource planning systems, cloud computing, data analytics and e-commerce solutions to improve business performance and build stronger ties with their customers. Such technological investments have enabled firms to streamline business operations, cut administrative expenses and improve overall organisational efficiency.

The rise of digital technology has also altered the interaction between companies and their clients. Although purchasing behaviour have changed, companies have implemented digital marketing techniques, social media communications, and online customer care platforms to retain ongoing connection with consumers. Digital channels have enabled firms to extend their market presence beyond geographical boundaries while simultaneously gathering vital customer data that has allowed for more informed strategic decision-making. Thus, digital transformation has been strongly associated with better organisational agility and competitive position.

Moreover, innovation and digitalisation have considerably contributed to organisational resilience, increasing the ability of organisations to foresee and adapt to external shocks. Business executives can now monitor market trends better and take remedial actions in time thanks to the availability of real-time information, automated operational procedures and integrated management systems. These capabilities have diminished operational uncertainty and improved organisational readiness for future emergencies.

The Greek businesses' experience shows that innovation and digital transformation should not be perceived as mere technological investments but rather as integrated strategic skills that support organisations' long-term sustainability. Companies that have successfully included innovation in their strategy planning have been better able to respond to changing environments, grasp new market opportunities and sustain competitive advantage despite extended economic uncertainty.

4.3.3 Operational Restructuring and Cost Optimisation

Business restructuring has been one of the most prominent adaptation techniques of Greek enterprises during the long-lasting economic crisis. The sharp decline in consumer demand and the difficulty in obtaining bank funding caused many enterprises to reassess their operating structure and look for methods to increase their efficiency. Instead of only cutting costs on a transitory basis, a number of firms went through major organisational transformations to develop more agile, economically sustainable company models.

Cost optimisation was not simply about reducing operating cost but also about the more efficient utilisation of existing resources. Greek enterprises tried to cut non-productive costs, boost productivity and reorganize their internal processes, while not impairing the quality of their products or services. In this way, they could sustain their competitiveness even in a very difficult economic situation.

Special attention was also placed on supply chain management. Many organisations re-examined their supplier relationships, diversified their supplier base and enhanced their inventory management to save operational costs and reduce risks from anticipated market disruptions. Simultaneously, the rearrangement of logistics operations has allowed for a quicker response to demand changes and has played a role in the building of overall operational resilience.

The reorganisation of the organisation structure was also crucial. Many Greek corporations streamlined their hierarchical levels, reinforced the collaboration between different divisions and resorted to more decentralized decision-making processes. These modifications have led to a faster response to changes in the external environment, decreased bureaucracy and greater organisational flexibility.

Effective human resource management was also a major aspect in the success of business reorganisation. Many companies were compelled to cut their operational costs, but many of them understood that keeping specialised staff and constantly upgrading the abilities of their employees were essential prerequisites for long-term competitiveness. That is why they have invested in training programmes, performance evaluation and reform of work processes.

The reorganisation of businesses and cost minimisation have enabled Greek enterprises to strengthen their financial stability and improve their organisational resilience. Businesses that addressed restructuring as a holistic transformation plan, rather than simply a cost-cutting exercise, were able to lay better foundations for sustained growth and sustainable competitive advantage in the shifting economic environment.

4.3.4 Internationalisation and Market Expansion

Internationalisation was one of the most important strategic responses for Greek companies throughout the economic crisis. The great shrinkage of the local demand and the weak spending power of consumers made many enterprises look for new markets abroad. Hence, they tried to lessen their dependence on the Greek economy and to develop other sources of revenue that would boost their sustainability and long-term growth.

The expansion of worldwide markets necessitated the improvement of the quality of products and services, the introduction of international standards and the modernization of manufacturing techniques. Many Greek firms engaged in quality certification, technological upgrading and ongoing productivity development in order to fulfill the demands of international markets and to boost their competitiveness vis-à-vis firms in other countries.

At the same time, the internationalisation was complemented by the creation of strategic collaborations with overseas suppliers, distributors and commercial partners. These alliances provided access to new distribution channels, know-how and new business opportunities, while at the same time reducing the risks of entering unexplored markets. Moreover, participation in international exhibits, European programs and business networks led to the reinforcement of the extroversion of Greek enterprises and the promotion of their products at an international level.

International market expansion led to an increase in sales and also a lot of organisational learning. The constant contact with worldwide competition and varied business environments helped Greek enterprises to embrace modern management methods, enhance their production processes and increase their strategic capabilities. This experience led to the establishment of more flexible organisations, which were able to react more effectively to changes in the external environment.

However, globalization also came with substantial hurdles. In each market, the differences in the institutional framework, consumer habits, culture and the level of competition necessitated careful strategic planning and constant adaptation. Successful worldwide expansion depended not only on the availability of financial resources but also on the ability of the management to understand the conditions of each market, effectively manage business risks and capitalize on the opportunities that arose.

Internationalisation was one of the key techniques for enhancing the resilience of Greek enterprises throughout the economic crisis period. Many companies increased their presence in international markets, diversified their sources of income and improved their competitiveness, better coping with the effects of the recession and creating the conditions for sustainable growth in an especially uncertain economic environment.

4.4. Summary

This chapter examined the key strategic adaptation mechanisms employed by Greek firms in order to cope with the challenges of extended periods of economic and business uncertainty. The investigation showed that strategic adaptability is not just a response to crisis conditions in the near term, but a persistent organisational competence that enables firms to retain their competitiveness and secure their long-term existence. The Greek economic crisis, the COVID-19 pandemic, inflationary pressures and rapid technological changes showed the necessity to rethink corporate strategy and embrace more flexible and robust business models.

Specifically, four primary strategic adaptation mechanisms were identified in the literature. Companies that demonstrated strategic agility were able to respond effectively to changes in the external environment, while innovation and digital transformation helped improve operational efficiency, customer experience and organisational agility. At the same time, operational reform and cost optimization helped to increase financial stability and company continuity, while internationalisation opened new growth opportunities and reduced the dependency of many enterprises on the home market.

Overall, the literature shows that firms who succeeded in combining strategic agility, innovation, effective use of resources and an outward-looking orientation, were better prepared to deal with the effects of uncertainty and to boost their organisational resilience. These strategies provide the theoretical foundation for the case study analysis presented in the following chapter, which examines the way selected Greek companies implement the above strategies in practice and the results they brought.

Chapter 5

Case Studies of Strategic Adaptation in Greek Businesses

5.1. Introduction

The theoretical analysis showed that strategic flexibility, innovation, digital transformation, operational restructuring and internationalisation are the primary strategic mechanisms through which organisations strengthen their resilience in the face of economic instability. However, to appreciate how effective these methods were, we need to look not just at their theoretical approach but also at how they were applied in fact by Greek companies operating in a very challenging economic context.

The Greek economic crisis has been one of the most significant challenges faced by the Greek business community in recent decades. The companies had to cope with lower consumption, limited access to funding, higher tax burden and continual changes in the institutional environment. In this climate several Greek enterprises managed to not only survive but even establish new strategies by investing in innovation, extroversion, organisational transformation and the more effective use of available resources.

The objective of this part is to present and analyse selected case studies of Greek enterprises, in order to examine the manner they applied adaptation techniques throughout the economic crisis. The analysis of these individual situations aims to bridge the theoretical approach described in the previous sections with the real business practice by emphasizing the elements that contributed to the building of organisational resilience and long-term competitiveness.

5.2. Case Study I – Pharmathen: Strategic Adaptation through Innovation and Internationalisation

Pharmathen is one of the most representative examples of a Greek company that has managed to change its strategy efficiently in an atmosphere of great unpredictability. The evolution of the company indicates that organisational resilience is not only a response to a crisis, but the result of long-term strategic planning, sustained investment in innovation and ongoing enhancement of international competitiveness. As regards the investment activity during the COVID-19 pandemic, Pharmathen did not stop its investment activity but instead took precautions to ensure business continuity, protect its employees, preserve its production capacity and deal with potential interruptions in the supply chain. At the same time, it continued to finance expenditures in research and development. With its steady financial position and additional sources of financing it could maintain its growth trajectory.

Founded in 1969, the company has gradually expanded from a Greek pharmaceutical company to an internationally recognised organisation for the research, development and production of complex pharmaceutical technologies. A major turning point in its progress came in 1998, when the management changed its strategy, focusing on worldwide markets, the development of novel technologies and the establishment of strong research facilities. The plan led to the expansion of the company to dozens of nations gradually, the development of sophisticated drug delivery technologies and the building of modern production units in Greece.

Pharmathen has been chosen as a case study as it is particularly suitable for the purposes of this research, reflecting, to a large extent, the theoretical concepts developed in the previous sections of the chapter, such as strategic flexibility, innovation, internationalisation and organisational resilience. Rather than adopt a defensive strategy and pare back operations throughout the crisis, the corporation maintained its investment in R&D, reinforced its international alliances and kept high levels of production capacity. This approach enabled Pharmathen not only to withstand the obstacles posed by the pandemic, but also to enhance its presence in the international pharmaceutical industry, proving that investments in knowledge, technology and innovation are crucial aspects of organisational resilience.

5.2.1 Strategic Adaptation and Organisational Resilience

The strategy change of Pharmathen is a typical example of the implementation of a long-term business strategy, which was based on constant investment in innovation, technological development and internationalisation of activities. Instead of defensively restricting investments amid the Greek economic crisis and the COVID-19 pandemic, the company took the opportunity to improve its core competencies, through strategic restructuring and long-term growth. This strategy is congruent with the notion of organisational resilience, which indicates that firms that continue to invest in strategic resources in times of crisis, gain a considerable competitive advantage.

One of the key pillars of Pharmathen's strategy was the continued investment in Research and Development (R&D). The company invests in the development of new drug delivery methods and in the production of complex pharmaceutical products with high added value, creating a robust research ecosystem supported by specialised scientific personnel. This strategy has enabled the company to separate itself from its competitors, to build an important portfolio of unique products and to consolidate its position as one of the most prominent pharmaceutical technology organisations in Europe. Moreover, the sustained high investment in research, especially in times of economic hardship, indicates that innovation has been a long-term strategic choice rather than an episodic practice of business.

At the same time Pharmathen has pursued a very extroverted approach, systematically growing its presence in international markets. In addition, the establishment of strategic relationships with major pharmaceutical companies and the increase of its export orientation have considerably reduced its dependency on the Greek market, which was notably damaged by the economic crisis. Internationalisation resulted in the diversification of income sources, the spreading of company risk and the emergence of new growth prospects. Today, the company's goods are present in more than 90 countries, which confirms that extroversion has been a major pillar of its resiliency strategy.

Pharmathen's organisational resilience was put to the test during the COVID-19 pandemic. The company has implemented its full Business Continuity Plans, putting safeguards in place to protect personnel, maintain its production facilities and manage interruptions in the worldwide supply chain. Simultaneously, it not only did not cease its investment projects, but also continued to finance research and development activities, owing to its strong financial position and additional sources of financing. The choice showed a high level of strategic flexibility, enabling the company to keep up its growth momentum in unprecedented uncertainty.

Furthermore, the constant improvement of the manufacturing facilities and the technological infrastructure was an important part of the strategic adjustment of the organisation. Pharmathen has heavily invested in the renovation of its manufacturing units and the expansion of its research capacities. At the same time, the financing obtained from the European Investment Bank has further reinforced the implementation of investments with high technology intensity. These investments have increased the manufacturing capacity of the company, developed its innovative potential and created conditions for the maintenance of its competitiveness in a very difficult worldwide environment.

The Pharmathen case shows that organisational resilience is the outcome of an integrated strategy that includes strategic flexibility, continual innovation, globalization and ongoing investment in knowledge and technology. Instead of considering crises as short-term dangers, the company took advantage of shifting conditions to build its international footprint and establish sustainable competitive advantage. The experience of Pharmathen supports theoretical methods outlined in the preceding chapter, which state that strategy adaptation and organisational resilience are key aspects for the sustained development of organisations in times of economic and business instability.

5.2.2 Strategic Outcomes and Evidence of Resilience

The strategy adaptation of Pharmathen has been effective as shown in certain results in international penetration, in the development of novel goods, in the production of intellectual property and in maintaining strong investment activity. These results prove that the organisational resilience of the company was not limited to survival in times of crisis, but was related with the steady upgrade of its business model and development of its position in the international pharmaceutical market.

The geographic scope of the company’s activity is one of the most obvious effects of the internationalisation plan. Pharmathen offers a portfolio of more than 100 commercially exploited products which are marketed in over 90 countries through a network of approx. 250 clients and business partners. At the same time, its pipeline comprises more than 40 items, with a focus on long-acting injectables, sustained-release formulations and ophthalmic therapies. This extent shows that internationalisation has not just been a means of expanding exports, but also a crucial mechanism for diversifying the company’s markets, collaborations and revenue streams.

Systematic investment in research and development has also contributed to the formation of large technology and knowledge resources. Pharmathen's research staff comprises more than 220 scientists of different nationalities, with the company claiming a success rate of 95% in product development and IP generation, in over 70% of its development projects (Pharmathen, 2023).

The statistics suggest that research and development is not a peripheral or support activity but rather a core mechanism in the creation and protection of competitive advantage.

The intellectual property portfolio of the corporation also displays its capability of innovation. According to official Pharmathen data, the company has developed an extensive intellectual property portfolio, with more than 600 granted patents and patent applications (Pharmathen, 2023). At the same time, specialized facilities in Pallini and Thessaloniki provide assistance for research and development operations, including cooperation with universities and research centres of the European Union. The ability to translate research knowledge into protected technology is an important factor of organisational resilience, since it restricts the ease of duplicating products and allows the firm to operate in higher value-added markets.

The significance of research and development for the company's strategy is also proved by the level of the company's investments. Pharmathen claims to invest around 35 million euros a year in the field of research and development, thereby placing it among the most important private investors in R&D in Greece (Pharmathen, 2023). This continuous funding fosters the belief that innovation is a long-term strategic drive, not a short-term response to favourable market conditions.

This was backed up by a further two large financings from European Investment Bank for Pharmathen's investment strategy. In 2010 the EIB lent EUR 25 million to the company for a research and development programme with an overall budget of around EUR 55 million. The initiative concentrated on the discovery of active pharmaceutical components, novel production procedures and unique medication delivery technologies.

In 2014, a second loan of EUR 25 million was secured in the context of an investment programme with a total cost of EUR 50 million. This financing was focused on the development of new generic medications based on the know-how of the company and was the first operation of the InnovFin program in Greece. The initiative was mainly directed at the development and production of pharmaceutical products for export markets and to increase Pharmathen's research efforts, the EIB said.

Such financings do not in themselves prove corporate success. Nevertheless, they are evidence of a positive assessment by a European institutional financing institution of the technological capacity, investment strategy and growth prospects of Pharmathen. At the same time, the utilization of external sources of funding reduced the sole dependence of the company on stock and allowed the company to continue investing in technology-intensive activities in conditions of constrained liquidity.

Overall, the information provided points to the fact that the organisational resilience of Pharmathen was founded on the capability to translate knowledge and invention into economically viable products, worldwide collaborations and protected intellectual property. The wide worldwide presence, the differentiated portfolio, the creation of specialized research skills and the obtaining of institutional backing show that the corporation did not limit itself to absorbing the effects of the crises. Rather it deployed its resources and organisational capacity to solidify its long-term competitive footing.

Table 5.1

Pharmathen: Evidence of Strategic Adaptation and Organisational Resilience

Evidence	Strategic Significance
Presence in more than 90 countries	International diversification
More than 100 commercial products	Product innovation
More than 220 researchers	Knowledge capability
93 patents	Intellectual property development
€ 35 million annual R&D investment	Long-term innovation strategy
EIB financing	Institutional confidence and investment capacity

Source: Author's own compilation based on Pharmathen official reports and the literature reviewed

5.2.3 Critical Evaluation and Link to the Theoretical Framework

The Pharmathen story illustrates that organisational resilience is not the outcome of a single strategy choice but the result of the combined use of multiple adaptation strategies. The company limited its response not only to the immediate effects of the economic crisis and the pandemic, but used the periods of uncertainty to strengthen its core organisational capabilities, investing constantly in innovation, the development of technological know-how and the expansion of its international presence. This is in line with the literature that firms with a high degree of strategic flexibility may better adapt to changes in the external environment and preserve their long-term competitiveness.

It is also of particular relevance because Pharmathen did not follow the approach of restricting investments during the economic slowdown. Instead, the management decided to expand investments in high value-added operations such as research and development, technological innovation and the development of specialist pharmaceutical goods. This is in contrast to the approach followed by many Greek enterprises that mainly concentrated on cutting operating expenses, indicating that the development of long-term knowledge can be a more effective mechanism to reinforce resilience than solely defensive methods.

Simultaneously, the company's high extroversion supports the importance of globalisation as a strategy for reducing business risk. Its presence in a wide number of international markets, along with the formation of strategic relationships with multinational pharmaceutical organisations, greatly restricted its dependency on the Greek market and produced more stability in its sources of income. This finding is consistent with the theoretical perspectives addressed in the previous chapter, where market diversification and the building of international networks are crucial elements to enhance organisational resilience.

In general, Pharmathen is a typical example of a Greek company that managed to turn economic instability into an opportunity for strategic development. The instance of it indicates that strategic flexibility, continual innovation, systematic investment in knowledge and internationalisation do not work in isolation but complement each other, forming an integrated system of organisational resilience. This is why Pharmathen is one of the most prominent examples of application of the theoretical principles presented in Chapter 4 and justifies its selection as a case study in this research.

5.3 Case Study II – Sklavenitis: Strategic Adaptation through Market Expansion and Operational Resilience

The second case study examines the strategic adaptation of Hellenic Hypermarkets Sklavenitis S.A., one of the largest and most significant retail grocery chains in Greece. In contrast, Sklavenitis improved its competitive position by operational excellence, market development, strategic acquisitions, and a strong dedication to employees and customer service, unlike Pharmathen, which focused on innovation and internationalisation. The company's response to ongoing economic uncertainty, including the Greek sovereign debt crisis and the COVID-19 pandemic, illustrates how a domestically oriented business can enhance organisational resilience through long-term strategic planning, effective crisis management and continual investment in operational capabilities.

The selection of Sklavenitis as a case study is especially important considering the company's achievement in turning a time of extraordinary market disruption into an opportunity for strategic expansion. The acquisition and merger of the Marinopoulos grocery network in 2017 was one of the largest corporate restructuring undertakings in contemporary Greek business history, radically altering the competitive landscape of the Greek food retail sector. Sklavenitis did not choose to cut costs by taking a defensive stance, but instead chose to focus on expansion, investing in the modernisation of its stores, logistics infrastructure, digital capabilities and human capital, while maintaining operational continuity in periods of great economic and social uncertainty. These strategic initiatives provide a solid foundation for exploring how organisational resilience can be built via strategic flexibility, operational adaptation and sustainable long-term decision-making.

The analysis below reviews the strategic choices implemented by Sklavenitis and assesses the contribution of these to boosting the company's resilience and long-term competitiveness in an increasingly uncertain business environment.

5.3.1 Strategic Adaptation and Organisational Resilience

Hellenic Hypermarkets Sklavenitis S.A, from its founding in 1954, has adopted a long-term strategic approach based on operational efficiency, customer trust and sustainable business growth. While many of its competitors pursued rapid growth and aggressive market strategies, the company typically focused on regulated growth, strong supplier connections and ongoing investment in service quality. This strategic focus prompted Sklavenitis to develop a strong organisational structure that can successfully respond to times of economic volatility.

The acquisition and integration of the Marinopoulos supermarket network in 2017 was a major turning point in the strategic development of the company. The deal was one of the largest corporate reorganisation operations in the history of contemporary Greek retailing and provided Sklavenitis with a major market position. The corporation did not adopt a defensive strategy in a time of deep economic turmoil, but took on the burden of merging hundreds of stores, keeping the business going and saving thousands of jobs. This challenging transformation was successfully delivered demonstrating significant strategic flexibility and organisational skill in the management of large-scale operational change.

Post-acquisition, Sklavenitis continues investing in the upgrading of its store network, distribution facilities and supply chain infrastructure. These improvements enhanced operational efficiency and also increased the company's ability to adapt to shifts in consumer demand. At the same time, ongoing advances in logistics and inventory management helped to boost supply chain resilience and reduce operational disruptions during periods of increased market volatility. Such measures are congruent with the literature on organisational resilience that highlights the relevance of operational capabilities in ensuring business continuity under unpredictable situations.

The retail industry faced another major challenge in the COVID-19 pandemic. During this period, Sklavenitis intensified its digital transformation with the expansion of its eMarket platform and the strengthening of its home delivery services. At the same time, the company continued to operate stores without interruption, taking health and safety measures for employees and consumers. These initiatives have allowed the corporation to respond quickly to changing consumer behaviour and have shown its ability to alter operational processes under unusual situations.

Another essential component of the strategic adjustment of Sklavenitis is its human resource policy. The corporation has always seen its personnel as a strategic advantage, and has maintained strong employment levels and invested in workforce development and organisational stability. The Group has a large retail and logistical network, servicing hundreds of thousands of clients every day and employing more than 36,000 people, the company's official information says. The focus on human capital has heightened organisational coherence and has contributed to sustaining a high level of service quality amid periods of economic upheaval.

The case of Sklavenitis illustrates how organisational resilience can be built not only through technological innovation but also through operational excellence, strategic acquisitions, investment in logistics infrastructure and a strong commitment to people. The company's strategic choices allowed it to transform key external challenges into opportunities for sustainable growth, enhancing its competitive position in the Greek retail market, and exemplifying the practical use of strategic flexibility as described in Chapter 4.

5.3.2 Strategic Outcomes and Evidence of Resilience

Sklavenitis's strategic initiatives have delivered tangible results over the past decade, showing the company's ability to increase its competitive position in a lengthy period of economic uncertainty. The effective integration of the Marinopoulos network, the ongoing investments in infrastructure and human capital as well as the gradual digital transformation of its operations, contributed to the continued expansion of the business and strengthened the organisational resilience of the company.

According to the 2023 financial statements, consolidated turnover increased significantly to €5.16 billion, compared with €4.47 billion in 2022. Profit before tax rose to €135.4 million and net profit after tax rose to €96.99 million, demonstrating that the company's growth strategy was supported by greater profitability, not expansion at the price of financial performance (Hellenic Hypermarkets Sklavenitis S.A., 2023).

The company's investment activity was also particularly strong. In 2023, the Group invested roughly €140 million in store modernisation, logistical infrastructure and operational enhancements, with further investments to be made in the coming years (Hellenic Hypermarkets Sklavenitis S.A., 2023). These investments are indicative of a long-term strategic drive to enhance operational capabilities instead of defensive cost-cutting measures in situations of uncertainty.

The ongoing growth in employment is another key measure of organisational resilience. In 2023, the Sklavenitis Group had 36,704 employees, and the main business had 31,863 employees, reaffirming its role as one of the biggest private employers in Greece (Hellenic Hypermarkets Sklavenitis S.A., 2023). At the same time, the company continued to implement policies to support its workforce through salary increases, additional financial benefits and job security, thus reinforcing organisational commitment during a period marked by inflationary pressures and rising operating costs.

Operational performance is also a testament to the company's resilience. Sklavenitis has one of the largest retail networks in Greece, bolstered by a substantial logistical infrastructure and e-commerce distribution hubs. As the company states officially, it serves, on average, more than 720,000 consumers per day, partners with more than 3,000 suppliers and has hundreds of shops all throughout Greece (Sklavenitis, n.d.). These operational qualities increase supply chain flexibility, minimize operational risk and increase the company's ability to adapt quickly to changes in consumer demand.

On balance, the data suggests that Sklavenitis has managed to turn an unprecedented moment of market turbulence into an opportunity for sustainable growth. Instead of focusing solely on short-term financial stability, the company continued to invest in operational capabilities, human capital and infrastructure, thus enhancing its competitive edge and organisational resilience. This case study therefore demonstrates that long-term investment, operational excellence and strategic expansion can be effective methods of adaptation during periods of economic uncertainty.

Table 5.2

Sklavenitis: Evidence of Strategic Adaptation and Organisational Resilience

Indicator	Evidence
Turnover (2023)	€ 5.16 billion
Profit before tax	€ 135.4 million
Net profit after tax	€ 96.99 million
Annual investments	Approximately € 140 million
Employees	36,766
Daily customers served	More than 700,000

Source: Author's own compilation based on Sklavenitis Annual Report (2023).

5.3.3 Critical Evaluation and Link to the Theoretical Framework

The Sklavenitis story shows that organisations can build resilience by strategic decisions such as operational excellence, long-term investment and excellent crisis management rather than through rapid international expansion or technological innovation. Throughout the lengthy period of economic turmoil in Greece, the company maintained a steady strategic course, seeking to improve its operational capacity, protect consumer trust and ensure business continuity. This strategy is consistent with the theoretical perspective discussed in Chapter 4, which suggests that strategic flexibility enables organisations to cope with environmental unpredictability and at the same time to be competitive in the long run.

Sklavenitis' strategic adaptation was characterised by several defining features, including the decision to pursue expansion amid a time of significant market disruption. The choice to acquire and successfully integrate the Marinopoulos network was a high-risk strategic move, which altered the company's position in the market. Instead of cutting investment and reducing its operational capacity, Sklavenitis grew its retail network, upgraded its logistics infrastructure and kept employment. Indeed, such activities demonstrate that organisational resilience is not just about coping with external shocks but also about being able to seize strategic possibilities that arise during periods of uncertainty.

This reading is further supported by the company's reaction to the COVID-19 pandemic. The rapid growth of digital retail services, along with 24-hour store operations and ongoing investments in supply chain capabilities, demonstrates an extraordinary level of operational flexibility. Instead of reacting just to immediate disruptions, Sklavenitis modified its business model to shifting consumer behaviour while retaining the stability of its distribution network and customer service. These initiatives are consistent with the theoretical notion that resilient companies regularly adapt their operating procedures in order to sustain success in dynamic market situations.

In addition, the focus on human capital represents another key pillar in the company's resilience strategy. The continuous growth in employment and the company's continued investment in its workforce despite rising operating costs demonstrate that employees are regarded as a strategic asset rather than a variable cost. This perspective is consistent with the resource-based view outlined in Chapter 4, which posits that significant organisational resources and capabilities translate directly into sustainable competitive advantage and long-term organisational resilience.

In conclusion, the Sklavenitis case provides support for the view that strategic adaptation may be accomplished by combining operational efficiency, investment in organisational capabilities, human resource commitment and selective strategic expansion. Sklavenitis, unlike Pharmathen where resilience was mostly due to innovation, indicates that enterprises in mature domestic industries may also gain enduring competitive advantage by means of operational resilience and rigorous strategic management. The company therefore complements the theoretical framework developed in this study, demonstrating that diverse strategy pathways might lead to the same end of higher organisational resilience.

5.4 Case Study III – Papastratos: Strategic Adaptation through Digital Transformation and Sustainable Innovation

In the third case study, we analyse the strategic adaptation of Papastratos, one of the oldest and most established industrial companies in Greece and subsidiary of Philip Morris International (PMI). The case of this company is particularly interesting in that it not only modified its operations in the context of the economic crisis, but was undertaking a comprehensive transformation of its business by transitioning from the production of conventional cigarettes to the exclusive production of heated tobacco products. Based on large investments in modern manufacturing facilities, digital technology, human resources and innovation, the transition started in 2017, increasing the company's international competitiveness.

Contrary to the previous case studies, the strategic adaptation of Papastratos was not solely due to economic uncertainty but also to the profound changes that occurred in the international tobacco industry, such as the rising demand for alternative nicotine products, technological progress and the tightening regulatory framework. The company aligned itself with PMI's "cigarette-free future" agenda, reshaping its business model and investing in the development of new manufacturing and organisational skills.

The upgrade of the Aspropyrgos factory was at the heart of the transition, one of PMI's most important heated tobacco rod production units in Europe. The business's official data show that total investments currently reach 700 million euros, while output is exported to dozens of worldwide markets, thus greatly enhancing the export orientation of the company and its strategic role in the PMI group (Philip Morris International, 2026).

The following analysis examines how Papastratos used digital transformation, sustainable innovation and long-term investments to enhance its organisational resilience and sustain a competitive edge in a climate of rapid technological and regulatory change.

5.4.1 Strategic Adaptation and Organisational Resilience

Papastratos' strategic transformation is a clear illustration of how businesses are transformed via long-term investment, technological innovation and sustainable development. While corporations were mostly dealing with the economic crisis by cutting costs, the company opted for a full reshaping of the business model, implementing Philip Morris International's approach towards the transition to combustion-free products. This plan meant the Aspropyrgos facility would no longer produce ordinary cigarettes but exclusively manufacture heated tobacco rods, ushering in new manufacturing and organisational capabilities.

The change was marked by huge investments in production facilities and technology infrastructure. According to the company's official data, since 2003 total investments in Greece have exceeded 700 million euros, with most of them being related to the modernisation of the Aspropyrgos factory, the development of new production lines and the strengthening of the company's international competitiveness.

At the same time, Papastratos methodically invested in the digital transformation of the production process, but also in the enhancement of the capabilities of its human resources. The transition was not limited to the adoption of new equipment, but was accompanied by organisational reforms, staff training and creation of new technological skills, which allowed the Company to operate efficiently in a particularly demanding international context.

The integration of the concepts of sustainable development into the operational functions of the organisation was another key facet of the strategic adaptation. Papastratos has invested in lowering its environmental footprint, enhancing energy efficiency and modernizing its manufacturing facilities in line with PMI's Zero Carbon Tech policy. These kinds of activities show that environmental sustainability is embedded within the long-term business strategy of a company, and is not a CSR activity in itself.

In conclusion, the instance of Papastratos indicates that the organisational resilience may be improved by a holistic strategic transformation that encompasses technological innovation, significant investments, development of human capital and the integration of sustainable development concepts. This approach has allowed the firm to adjust to the changing conditions of the global market and to be competitive for the long term.

5.4.2 Strategic Outcomes and Evidence of Resilience

The measurable outcomes of Papastratos' transformation strategy reflect the company's successful adaptation to changing market conditions and the strengthening of its organisational resilience. The transformation to non-burnable products was not merely a change of production orientation, but was followed by a large increase of investment, export activity and the company's contribution to the Greek economy.

The magnitude of investments made in the Aspropyrgos factory is one of the most crucial markers of the strategic success of the company. According to official figures of Papastratos and Philip Morris International, total investments have now surpassed 700 million euros, making the unit one of the key European hubs for the manufacturing of heated tobacco rods for IQOS.

The company's export activity has also been significantly strengthened. The yearly export value currently surpasses 400 million euros and Papastratos products are shipped to around 30 countries strengthening the company's worldwide focus and reducing its dependence on the home market (Papastratos, 2023).

The business results also demonstrate the transformation approach. The 3rd Integrated Sustainable Development Report indicates that in 2022, 70% of the company's revenue was generated from smoke-free tobacco products, and 80% of commercial expenses were dedicated towards the marketing of this product category. These results demonstrate that the strategic change affected not only the production level, but also the company's business model as a whole (Papastratos, 2023).

In the area of human resources, too, important results are recorded. The company has about 1,500 employees (Papastratos, 2023). Continuous investments created new employment opportunities and supported the development of employee skills that helped them to adapt to the requirements of the new production process.

Overall, the available facts tend to indicate that Papastratos managed to turn a moment of intense technology and legal changes into an opportunity for business upgrading. Major investments, strengthening of exports, transition to new goods and development of human resources are a complete example of strategic adaptation and organisational resilience.

5.4.3 Critical Evaluation and Link to the Theoretical Framework

The Papastratos case demonstrates that organisational resilience may be achieved through a thorough strategic transformation that is not solely centred on the short-term consequences of a crisis, but rather targets the creation of new competitive advantages. The move from the manufacture of traditional tobacco products to non-burnt products is a prominent example of strategic adaptation based on long-term investment, technological innovation and the constant upgrading of organisational skills. These findings are in keeping with the theoretical framework of Chapter 4, which posits that strategic flexibility and the development of dynamic capabilities are crucial prerequisites for continued competitiveness in high uncertainty contexts.

Unlike the other two organisations studied in this research, Papastratos did not confine itself to only refining existing operations but undertook a major restructuring of its business model. The significant investments in production facilities, the use of sophisticated technologies and the development of export business demonstrated that the company responded to changes in the market through innovation rather than defensive cost-cutting methods. This choice increased its operational flexibility and long-term competitive position.

At the same time, the introduction of principles of sustainable development into the general strategy of the enterprise shows that the resilience of the enterprise is not judged only from the point of view of finance. Investments, environmental performance, human resource development and corporate governance are combined to demonstrate that Papastratos adopts a holistic approach to the creation of long-term value, an element that is also highlighted through the company’s Integrated Sustainable Development Reports.

Overall, the instance of Papastratos shows that strategic transformation, technological innovation, sustainable development and continual investment in organisational capacities can be complementary approaches for enhancing organisational resilience. The corporation is a typical example of a company that took advantage of a period of extreme change to redefine its business model and develop new growth prospects, which is a practical confirmation of the theoretical techniques described in Chapter 4.

5.5 Comparative Analysis

The comparison of the three case studies shows that, despite major differences in their industries and business models, the companies pursued common strategic orientations to cope with the economic uncertainty and to reinforce their organisational resilience. In all three examples, strategic adaptation was not confined to the adoption of short-term crisis response measures, but was rooted in long-term investments, organisational learning and the continuing development of strategic capabilities.

Pharmathen reinforced its competitiveness via continual investment in research and development, the creation of intellectual property and the internationalisation of its business. Its strategy was principally founded on technological innovation and the use of scientific knowledge as a vital strategic resource. Sklavenitis, on the other hand, focused on operational efficiency, organic development, successful integration of Marinopoulos and improvement of the supply chain, while retaining a high level of investment in human resources and its operational infrastructure. Papastratos, by contrast, implemented a radical business transformation strategy, redefined its production model through the shift to non-burnt tobacco products and made major investments in technological innovation, digital transformation and sustainable development.

Despite their different strategic choices, all organisations presented comparable features which are closely related to the theoretical framework of strategic adaptation and organisational resilience. First, none of the three corporations engaged in purely defensive cost containment. Instead, they continued to invest in areas that create longer-term value, such as innovation, production infrastructure, technology and human resources. Secondly, they all exhibited a high degree of strategic flexibility by adapting their business models to shifting market conditions. Thirdly, the development of organisational capabilities and the effective use of available resources were important for maintaining their competitiveness.

The results confirm the theoretical concepts described in Chapter 4. In unpredictable settings, organisations that possess the ability to reconfigure their resources and competencies achieve a sustained competitive advantage (Teece et al., 1997). At the same time, the theory of organisational resilience underlines that the successful reaction to crises depends not only on the absorption of external shocks, but also on the ability of firms to learn, transform and generate new growth possibilities (Duchek, 2020).

In summary, the three case studies illustrate that there is no single approach to developing organisational resilience. Instead, different strategic pathways can produce equivalent beneficial outcomes if they are founded on long-term strategic thinking, ongoing investment in organisational capabilities and effective adaptation to the changing conditions of the business environment.

Table 5.3

Comparative Analysis of the Three Case Studies

Company	Main Strategic Approach	Key Organisational Capability	Main Evidence of Resilience	Main Strategic Outcome
Pharmathen	Innovation, R&D and internationalisation	Technological and knowledge capabilities	Continued investment, patent development and international expansion	Diversified markets and strengthened international competitiveness
Sklavenitis	Operational efficiency, strategic acquisition and investment in human capital	Operational and supply-chain capabilities	Integration of the Marinopoulos network, employment growth and continued infrastructure investment	Stronger domestic market position and operational continuity
Papastratos	Business model transformation, digitalisation and sustainable innovation	Transformational and technological capabilities	Large-scale investment, export growth and transition to heated tobacco products	Renewed business model and enhanced international competitiveness

Source: Author's own compilation based on the three case studies.

5.6 Summary

The chapter analysed the strategic adaptation of three Greek organisations, working in diverse sectors of the economy, in order to understand the processes by which they enhanced their organisational resilience in times of economic and business volatility. The case studies of Pharmathen, Sklavenitis and Papastratos have shown that, in spite of the significant differences in their business models and operating environments, all companies adopted strategies based on long-term perspective, continuous investment and development of organisational capabilities.

Pharmathen relied on research and development (R&D), technological innovation and internationalisation to boost its competitiveness and diversify its income streams. The goal of Sklavenitis was operational efficiency, strategic expansion with the acquisition of Marinopoulos and strengthening of the supply chain and human resources. As a result, Papastratos moved to a full company transformation, investing in the creation of next generation products, digital transformation and sustainable development.

The comparative analysis showed that there is no single approach to developing organisational resilience. On the contrary, different strategic choices can lead to corresponding positive results, as long as they are based on the ability of firms to recognise the changes in the external environment, to effectively reshape their available resources and to systematically invest in factors that create long-term value.

The findings of the chapter confirm the theoretical concepts presented in the preceding chapter addressing strategic flexibility, dynamic capabilities and organisational resilience. At the same time, they prove that the successful adjustment of Greek enterprises to conditions of uncertainty depends not only on their size or sector of activity, but mainly on the consistency of their strategy, continuous investment in innovation, human resources and organisational capabilities.

Chapter 6

Conclusions

6.1. Introduction

This chapter presents the main conclusions of this research. The theoretical findings developed in the previous chapters are synthesized with the results of the three case studies of Greek companies. The objective is to answer the research questions of the study and to evaluate the role of adaptation strategies in increasing organisational resilience in times of economic and business uncertainty.

The literature review revealed that strategic adaptation is a dynamic process in which firms modify their resources, capabilities and strategies to respond effectively to changes in the external environment. At the same time, organisational resilience emerged as one of the most important organisational capabilities of modern organisations, because it allows them not only to cope with the effects of crises, but also to take advantage of new conditions as opportunities for growth and the creation of competitive advantage.

The cases of Pharmathen, Sklavenitis and Papastratos confirmed that there is no single strategy that leads to organisational resilience. Businesses can pursue different strategic pathways depending on the specific characteristics of the industry, the resources at hand and the business environment. However, all three examples had one common denominator: long-term strategic thinking, continued investment in innovation and organisational capabilities, and adaptation to changing market demands.

The next sections detail the main research findings, their practical implications for Greek companies, the limitations of the study and suggestions for future research.

6.2. Discussion of Findings

The purpose of this research was to investigate the role of adaptation strategies in enhancing the organisational resilience of enterprises during periods of economic and business uncertainty. The literature review and the analysis of the three Greek case studies lead to the conclusion that organisational resilience is not the outcome of a single strategic choice, but the result of a continuous process of adaptation, learning and utilisation of available resources.

One of the most important research findings is that companies that successfully manage crises are not just implementing short-term cost-cutting measures. Instead, they allocate systematic investments to strategic areas, such as innovation, human capital development, technological upgrading, improvements in organisational processes and diversification of their activities. This finding supports the theoretical approaches of Teece et al. (1997) on dynamic capabilities and Duchek's (2020) perspective that organisational resilience is a dynamic organisational capability that develops over time.

The analysis of the three case studies revealed that, despite significant differences in industry and business model, the companies studied exhibited common features of strategic adaptation. Pharmathen increased its competitiveness through continuous investment in research and development, internationalisation and the generation of technological know-how. Sklavenitis took advantage of operational efficiency, strategic expansion and strengthening of the supply chain to maintain its business continuity and grow its share in the market. Papastratos also embarked on a full-scale business transformation, investing in new technologies, digital infrastructure and sustainable innovation. The strategies were different, but all of them led to the development of stronger organisational capabilities and better long-term competitiveness.

Another important conclusion is about the role of strategic flexibility. The results of the research show that the capacity of companies to recognise the changes in the external environment in a timely manner and adapt their strategies promptly is a key success factor. Strategic flexibility is not so much about the speed with which decisions can be made but more about the ability to reallocate resources, reorganise operations and develop new business opportunities. This finding is consistent with the theory of dynamic capabilities and supports the argument that organisations that invest in learning and innovation over time are better able to adapt to crisis situations.

Finally, the results of this study suggest that organisational resilience should not be seen as a mere survival mechanism but as a strategic capability to create long-term value. The companies studied did not limit themselves to absorbing the effects of the economic crisis and the pandemic, but used the challenges as a starting point for the organisational transformation, technological upgrading and strengthening their international competitiveness. The study concludes that strategic adaptation is a critical precondition to developing organisational resilience and maintaining competitive advantage in a constantly changing business environment.

6.3. Practical Implications

The research contributes not only to the theoretical understanding of strategic adaptation and organisational resilience, but also provides useful conclusions for business management and decision-makers. The findings imply that effective management during periods of uncertainty is not just dependent on directly counteracting the effects of a crisis, but more importantly on the development of organisational capabilities that allows firms to adapt, innovate and take advantage of new growth opportunities.

A key practical finding of the study is that the continuous investment in innovation and knowledge can be used as a tool to improve resilience in the face of economic instability. The Pharmathen case showed that, even in times of crisis, high investments in research and development lead to the development of new products, increase the international presence of the company and maintain its competitiveness. This implies that companies that invest systematically in innovation are more likely to achieve a sustainable competitive advantage than companies that focus on short-term cost reduction strategies.

At the same time, the Sklavenitis case highlights the importance of operational efficiency, a resilient supply chain and investment in human resources. The successful integration of Marinopoulos' network, the business continuity during the pandemic and the continuous investment in infrastructure, demonstrate that organisational resilience is enhanced when companies have strong operational processes and human resources with a high degree of adaptability.

The Papastratos case illustrates that the strategic transformation can be an effective response to structural changes in an industry. The shift to new products, advanced technologies, and the integration of sustainable development into the overall business strategy demonstrate that companies can keep their competitiveness when they identify changes in the external environment in a timely manner and redesign their business model with a long-term perspective.

More broadly, the findings of this study suggest that Greek companies can enhance their organisational resilience through an integrated strategic approach that combines innovation, technological upgrading, human resource development, strengthening of operational processes and continuous monitoring of changes in the business environment. The application of such an approach contributes not only to more effective crisis management, but also creates the conditions for sustainable development and long-term competitiveness.

6.4. Limitations of the Study

Like any other research work, the current study has some limitations which should be considered while interpreting the findings of the study. These limitations do not diminish the value of the research, but they do provide the context within which its conclusions can be evaluated and generalized.

The first limitation relates to the research methodological approach. The research was based on qualitative analysis of case studies, focusing on three Greek companies from different sectors of the economy. This approach enabled an in-depth understanding of adaptation strategies and organisational resilience, but the results cannot be statistically generalized to all Greek companies. The conclusions should therefore be read mainly as analytical rather than as representative of the whole business community.

A second limitation concerns the sources of the data. The analysis drew primarily on secondary data, including scientific literature, official financial statements, sustainability reports, corporate publications and institutional reports. These sources are seen as reliable and allowed a systematic study of companies, but did not include primary data, such as interviews with executives or questionnaires, which may provide a more direct insight into the processes of strategic decision-making.

Moreover, the study was conducted in Greek companies. The selection was considered relevant as it is directly connected with the work's aims and to the specific conditions created by the Greek economic crisis and the COVID-19 pandemic. However, in companies operating in different institutional, economic or cultural environments results may differ.

Finally, the current study focuses on the strategic adaptation and organisational resilience in a specific period of time, which was characterised by successive crises and major changes in the business environment. Business strategies are constantly changing, so it is likely that new data and other approaches to the development of organisational resilience will appear in the future.

Nevertheless, the research offers a comprehensive and evidence-based analysis of the adaptation strategies of Greek businesses, combining the theoretical approach with real business examples, despite the limitations mentioned above. Therefore, the results of the study are considered as a useful basis for academic research and strategic decisions of businesses operating in an environment of increased uncertainty.

6.5. Recommendations for Future Research

The research contributes to the understanding of the role of adaptation strategies in enhancing organisational resilience of Greek enterprises in times of economic and business uncertainty. However, the results of the research also suggest new directions for research that can extend the existing literature and contribute to a more comprehensive understanding of the phenomenon.

The first direction is related to the expansion of the sample of enterprises studied. The study focused on three large Greek companies from different sectors of the economy, that were particularly successful in their strategies of adaptation. Future research could involve a larger number of enterprises, including small and medium-sized enterprises, to explore whether the strategies found in this work can be applied to organisations of different sizes, resources, and organisational structure.

Another important direction is conducting comparative studies among enterprises of different countries. A comparison of Greek businesses with businesses in other European economies or countries that experienced different types of economic uncertainty may shed light on the role of the institutional environment, business culture and national policies in shaping adaptation strategies and organisational resilience.

Future research can also use primary data such as interviews with senior management, questionnaires or field studies. These methods would allow for a deep exploration of the strategic decision-making process, the organisational challenges and factors influencing the development of organisational resilience, from the point of view of the executives themselves.

Finally, it is of particular interest to study the influence of new technologies such as artificial intelligence, big data analysis, automation and digital transformation on the development of business adaptation strategies. It is expected to be an important area of future scientific research in terms of understanding the effects of technological developments on organisational resilience in the fast-paced environment of change in the business environment.

In summary, the suggestions above can help to further develop knowledge about strategic adaptation and organisational resilience, extending both theoretical and practical understanding of the subject in a changing business environment.

6.6. Concluding Remarks

This study investigated the significance of strategic adaptation in the process of organisational resilience development, focusing on the strategies chosen by Greek companies during economic and business uncertainty. The literature, combined with the analysis of the Pharmathen, Sklavenitis and Papastratos case studies, showed that organisational resilience is not an innate characteristic of companies but a dynamic capability developed through conscious strategic choices and long-term planning.

The research findings show that the companies that preserved or even improved their competitive position in times of crisis were those that systematically invested in innovation, technological upgrading, human resources and the continuous adaptation of their business model. Rather than viewing uncertainty as a constraint on their business activities, all three companies used it as a starting point for organisational development, despite their differences in industry and strategic choices.

The research also demonstrated that strategic adaptation is not a piecemeal response to exceptional situations, but a continuous process of organisational learning and renewal. The timely identification of changes in the external environment, the effective use of available resources and the development of dynamic organisational capabilities emerged as the key factors that allow companies to preserve their viability and competitiveness in a constantly changing environment.

In conclusion, this paper confirms that organisational resilience is a key strategic capability for modern firms. Its development does not depend only on the size or the sector of activity of a company, but also on its capacity to plan long-term, to invest systematically in knowledge and innovation and to adapt effectively to the continuous changes in the business environment. From this point of view, strategic adaptation is not merely a tool to cope with crises, but a fundamental condition for sustainable growth and long-term competitiveness of companies.

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