

Resonant Leadership and Institutional Entrepreneurship: An Integrative Review and Framework with Implications for SMEs

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Abstract

Resonant leadership has been associated with creativity, knowledge sharing, trust, and innovative behavior, yet its relationship with institutional entrepreneurship remains underdeveloped. This integrative review synthesizes 46 journal publications, predominantly peer-reviewed articles, to examine how resonant leadership capabilities may contribute to institutional entrepreneurial action and to develop a framework with implications for small and medium-sized enterprises (SMEs). The review distinguishes direct resonant leadership evidence, adjacent mechanism research, and institutional entrepreneurship and institutional work studies. Mindfulness, hope, and compassion are treated as resonant-leadership renewal pathways, while social intelligence is positioned as a complementary relational capability. The synthesis suggests that these capabilities may support sensemaking, persistence, psychological safety, voice, coalition building, innovation, and proactiveness. Such behaviors may become institutionally consequential when combined with theorization, legitimacy construction, resource mobilization, and collective action directed at changing institutionalized arrangements. Power, field position, resistance, institutional complexity, and resource access condition this proposed process. The resulting framework identifies testable propositions and directions for longitudinal and multilevel research, particularly in resource-constrained SME settings.

Keywords: Resonant Leadership, Institutional Entrepreneurship, Institutional Work, Innovation, SMEs

Introduction

Small and medium-sized enterprises (SMEs) operate under competitive pressure, resource constraints, institutional uncertainty, and dependence on external networks. These conditions make leadership important because SME leaders often remain close to employees, strategic decisions, customers, suppliers, and other stakeholders. Institutional conditions also

shape entrepreneurial behavior, organizational responses, and the capacity of smaller firms to scale and sustain change (Albertini & Muzzi, 2016; Bruton et al., 2010; Löfsten, 2026; Mair & Martí, 2009).

Resonant leadership provides a useful starting point for examining these processes. Early journal-based work presents mindfulness, hope, and compassion as renewal pathways through which leaders sustain resonance and constructive relationships (McKee & Massimilian, 2006). Recent empirical studies extend resonant leadership toward creativity and innovation. Varghese and Rao (2024) report positive relationships with creative performance and knowledge sharing, Varghese and Rao (2025) identify affective trust as a mediating mechanism, and Bao (2025) reports a positive association with innovative behavior. This direct evidence is promising but remains small and concentrated in a limited number of contexts.

Innovation, however, is not equivalent to institutional entrepreneurship. Creativity and innovative behavior concern the generation, promotion, and implementation of novel ideas, while proactivity concerns anticipatory and self-starting change-oriented behavior (Anderson et al., 2014; Bateman & Crant, 1993; Crant, 2000; Grant & Ashford, 2008; Parker et al., 2010; Yuan & Woodman, 2010). Institutional entrepreneurship goes further because actors attempt to create, disrupt, or transform institutionalized arrangements and must mobilize legitimacy, resources, and collective support (Battilana, 2006; Battilana et al., 2009; Maguire et al., 2004). The central question of this review is therefore: how might resonant-leadership capabilities contribute to institutional entrepreneurial action, through which mechanisms, and under what conditions? The review connects leadership and innovation research with institutional entrepreneurship, institutional work, and microfoundations scholarship. Rather than assuming a direct leadership-to-institutional-change effect, it develops a staged explanation from leader capabilities to enabling mechanisms, collective innovation and proactiveness, institutional work, and institutional entrepreneurial action.

To address this question, the review pursues the following specific objectives:

- To differentiate and synthesize three streams of evidence: direct resonant-leadership evidence, adjacent mechanism evidence, and institutional entrepreneurship and institutional work evidence.
- To identify the psychological and relational mechanisms, namely sensemaking, persistence, psychological safety, voice, and coalition building, through which mindfulness, hope, compassion, and social intelligence may enable innovation and proactiveness.
- To explain the conditions under which innovation and proactiveness may develop into institutional work and institutional entrepreneurial action, with particular attention to power, field position, resistance, institutional complexity, and resource access.
- To develop an integrated process framework and testable propositions and to derive implications for research and practice in small and medium-sized enterprises (SMEs).

Review Method

An integrative literature review was used because the research question spans related but historically separate literatures and seeks conceptual integration rather than effect-size

estimation. The review followed the design, conduct, analysis, and reporting logic discussed by Snyder (2019) and the integrative review guidance of Torraco (2005, 2016).

The retrieval and verification cycle was completed through 8 September 2026. Because the review was designed for conceptual integration rather than exhaustive coverage, sources were identified through iterative combinations of terms related to resonant leadership, mindfulness, hope, compassion, social intelligence, creativity, innovative behavior, proactivity, psychological safety, voice, institutional entrepreneurship, institutional work, legitimacy, power, field position, resistance, resource mobilization, SMEs, and institutional complexity. Publisher records, DOI-resolving records, scholarly discovery tools, and backward and forward citation chaining were used. The final purposive corpus comprised 46 journal publications published between 1993 and 2026. Of these, 44 are peer-reviewed research, review, or methodological articles, and two are shorter conceptual contributions (a special-issue introduction by Garud et al., 2007, and a dialogue essay by Harmon et al., 2019) that were retained for their theoretical relevance rather than as primary evidence. Publications were retained when they contributed direct resonant-leadership evidence, evidence on an adjacent mechanism, an institutional bridge, SME context, or methodological guidance, and when their bibliographic information could be verified. The corpus is therefore transparent as a concept-building sample but should not be interpreted as an exhaustive systematic-search set. No claim of outlet-quartile eligibility is made.

To avoid overstating the evidence, sources were interpreted in three groups. Direct evidence comprised studies that explicitly examined resonant leadership. Adjacent mechanism evidence was used to explain plausible psychological, relational, and behavioral pathways without treating those studies as tests of resonant leadership. Institutional bridge evidence explained how local action, leadership, legitimacy, power, and mobilization can scale toward institutional change. Each source was coded for level of analysis, context, design, focal construct, mechanism, outcome, and boundary condition.

Resonant Leadership

Resonant leadership is an emotionally and relationally oriented approach in which leaders seek to sustain constructive connections with followers. In this review, mindfulness, hope, and compassion are treated as the three core pathways highlighted in early journal-based formulations (McKee & Massimilian, 2006). These pathways are conceptually distinct but overlapping: mindfulness supports attentive sensemaking, hope supports future-oriented persistence, and compassion supports interpersonal safety and constructive responses to difficulty.

The empirical base directly connecting resonant leadership with innovation-related outcomes is still limited. Varghese and Rao (2024) reported positive associations among resonant leadership, creative performance, and knowledge-sharing processes among managers in Indian information-technology firms. Their later article reported affective trust as a statistical mediator of the resonant-leadership–creative-performance relationship (Varghese & Rao, 2025). Bao (2025) reported a positive association between resonant leadership and innovative behavior, with perceived insider status and affective commitment operating as statistical mediators. These studies justify theoretical integration, but their designs do not establish causality or a direct relationship with institutional entrepreneurship. Because the

two Varghese and Rao articles report the same author team, sector, and sample size, they are treated here as related evidence rather than independent replications unless their samples can be confirmed as independent.

Social Intelligence as a Complementary Capability

Social intelligence is not treated as a fourth core dimension of resonant leadership. It is included as a complementary capability because institutional change requires leaders to understand stakeholder interests, frame alternatives, negotiate resistance, build coalitions, and mobilize support. Aryani et al. (2024) associate social intelligence with innovative work behavior through creativity, self-efficacy, and commitment. For field-level cooperation, Fligstein (2001) defines social skill as the capacity to induce cooperation among other actors. Social skill and social intelligence are related but not identical constructs; together, these literatures support a proposed relational bridge that still requires direct testing in the present framework.

Institutional Entrepreneurship and Institutional Work

Institutional entrepreneurship addresses how embedded actors can intentionally pursue divergent institutional change. Maguire et al. (2004) emphasize legitimate positions, theorization, and stakeholder connections; Battilana (2006) shows how social position can enable divergent agency; Greenwood and Suddaby (2006) demonstrate that central actors in mature fields can initiate change; and Battilana et al. (2009) integrate enabling conditions, divergent change, implementation, and institutionalization into a process account. Garud et al. (2007) similarly foreground the problem of embedded agency.

Institutional work focuses attention on the purposive actions through which actors create, maintain, or disrupt institutions (Lawrence et al., 2011). Bisel et al. (2017) provide an important empirical bridge by showing how resistance leadership at team and organizational levels can precede disruptive institutional entrepreneurship. Smets et al. (2012) show how local practices can become justified, diffuse, and contribute to field-level institutional change. Hoogstraaten et al. (2020) further synthesize empirical patterns linking institutional entrepreneurship, innovation, and transition processes. In the present framework, institutional work refers to specific translation practices, including theorization, legitimacy construction, and stakeholder or resource mobilization. Institutional entrepreneurial action refers to the coordinated attempt to use such practices to change institutionalized arrangements. The concepts are analytically related but are not treated as synonymous or as automatically sequential.

These literatures also make clear that institutional change is contested rather than automatic. Field position, power, legitimacy, incumbent resistance, institutional complexity, and access to resources shape whether alternative practices can gain support and endure (Bitektine & Haack, 2015; Greenwood et al., 2011). Theories of microfoundations likewise caution against placing an individual-level leader variable directly upstream of an organizational outcome without explaining aggregation and emergence (Barney & Felin, 2013; Felin et al., 2012; Harmon et al., 2019).

Chronological Development of Previous Studies and Research Gap

The literature has developed in identifiable stages rather than as one continuous stream. From the 1990s to the early 2010s, the main foundations were established separately. Proactivity research clarified anticipatory and self-starting action (Bateman & Crant, 1993; Crant, 2000; Grant & Ashford, 2008; Parker et al., 2010), psychological-safety and voice research explained how employees take interpersonal risks and speak up (Detert & Burris, 2007; Edmondson, 1999; Morrison, 2011), and institutional entrepreneurship research established the importance of legitimacy, social position, embedded agency, mobilization, and divergent change (Battilana, 2006; Battilana et al., 2009; Garud et al., 2007; Greenwood & Suddaby, 2006; Maguire et al., 2004). Lawrence et al. (2011) consolidated institutional work as the study of purposive efforts to create, maintain, or disrupt institutions, and Smets et al. (2012) then provided a multilevel account of how local practices can accumulate and diffuse toward field-level institutional change.

A second stage, from 2013 to 2020, strengthened the mechanisms needed to connect leadership with change. Microfoundations scholarship clarified aggregation from lower-level action to higher-level outcomes (Barney & Felin, 2013; Harmon et al., 2019). Rego et al. (2014) linked hope with creativity, Bisel et al. (2017) showed how local resistance leadership can scale toward institutional entrepreneurship, and leadership research further clarified the conditions under which leaders influence innovative behavior (Afsar & Masood, 2018; Hughes et al., 2018). By 2020, mindfulness research had connected attentive engagement with creativity (Cheung et al., 2020), while Hoogstraaten et al. (2020) synthesized the relationship between institutional entrepreneurship, innovation, and institutional change.

The most recent stage, from 2023 to 2026, provides the evidence closest to the focal argument of this review. Karimi et al. (2023) and Spännäri et al. (2023) added contemporary evidence on hope-related psychological resources and compassion as conditions associated with innovative behavior. In 2024, Varghese and Rao linked resonant leadership with creative performance and knowledge sharing, while Aryani et al. (2024) linked social intelligence with innovative work behavior. In 2025, Varghese and Rao reported affective trust as a statistical mediator, and Bao (2025) connected resonant leadership with innovative behavior through perceived insider status and affective commitment. The two Varghese and Rao articles are treated as related evidence rather than independent replications because they report the same author team, sector, and sample size. Donald et al. (2026) then provided meta-analytic evidence on leader mindfulness and follower-related outcomes. This chronological development shows increasing attention to leadership and relational mechanisms that may precede institutional change.

The research gap therefore does not arise because leadership, innovation, or institutional entrepreneurship have been ignored. It arises because these literatures have developed largely in parallel. The institutional entrepreneurship literature is comparatively mature, while direct empirical research on resonant leadership and innovation appears only recently and remains limited. Within the corpus reviewed here, no study directly tests the full pathway from resonant leadership through innovation and proactiveness to institutional entrepreneurial action, and no direct study tests that complete pathway specifically in SMEs. The present review addresses this chronological and conceptual gap by integrating the older

institutional-change foundations with the newer resonant-leadership evidence and specifying the mechanisms that could connect them.

Table 1 presents the key studies in reverse chronological order, following the recent-to-foundational presentation commonly used in review articles. This ordering makes clear which findings are recent direct evidence and which earlier studies provide the theoretical and mechanism foundations for the proposed framework.

Table 1

Chronological summary of key previous studies informing the review

Year	Study	Evidence stream	Context / design	Key finding / contribution
2026	Donald et al.	Adjacent mechanism	Meta-analysis; 109 studies; N=19,887	Leader mindfulness showed positive average associations with follower-centered leadership, relationships, well-being, and performance.
2025	Bao	Direct RL	4,769 teachers; China; SEM	Resonant leadership was positively associated with innovative behavior; perceived insider status and affective commitment mediated the relationship.
2025	Varghese & Rao	Direct RL	387 managers; Indian IT; PLS-SEM	Affective trust mediated the positive resonant-leadership–creative-performance relationship.
2024	Varghese & Rao	Direct RL	387 managers; Indian IT; PLS-SEM	Resonant leadership positively predicted creative performance and knowledge sharing; tacit knowledge sharing partly mediated.
2024	Aryani et al.	Adjacent mechanism	496 teachers; Indonesia	Social intelligence was related to creativity, self-efficacy, commitment, and innovative work behavior.

Year	Study	Evidence stream	Context / design	Key finding / contribution
2023	Karimi et al.	Adjacent mechanism	178 employees; Iran	Hope and self-efficacy within psychological capital contributed to the leadership–innovative-work-behavior pathway.
2023	Spännäri et al.	Adjacent mechanism	Nine focus groups; Finland	Compassion was intertwined with organizational culture, interaction, resources, and conditions for innovation.
2020	Cheung et al.	Adjacent mechanism	Two field studies	Creative-process engagement transmitted the positive relationship between mindfulness and creativity.
2020	Hoogstraaten et al.	Institutional bridge	Systematic review; 153 empirical cases	Synthesized empirical patterns connecting institutional entrepreneurship, innovation, and institutional change.
2019	Harmon et al.	Institutional bridge	Conceptual dialogue essay	Clarified institutional microfoundations by distinguishing agency questions from level-of-analysis questions.
2018	Hughes et al.	Adjacent mechanism	Critical review of leadership and innovation studies	Showed that leadership–innovation relationships depend on mechanisms, moderators, research design, and measurement.

Year	Study	Evidence stream	Context / design	Key finding / contribution
2018	Afsar & Masood	Adjacent mechanism	Nurses; organizational study	Trust-supportive leadership conditions and creative self-efficacy helped explain innovative work behavior.
2017	Bisel et al.	Institutional bridge	Organizational life history	Local resistance leadership preceded attempts to scale disruptive institutional entrepreneurship.
2014	Rego et al.	Adjacent mechanism	203 employees; Portugal	Hope mediated part of the relationship between positive leadership and employee creativity.
2013	Barney & Felin	Institutional bridge	Conceptual	Emphasized aggregation and emergence as central requirements for genuine microfoundational explanation.
2012	Smets et al.	Institutional bridge	Longitudinal field study	Local practices became justified and diffused toward field-level institutional change.
2011	Morrison	Adjacent mechanism	Integrative review	Established employee voice as a central form of change-oriented behavior.
2011	Greenwood et al.	Institutional bridge	Major theoretical review	Explained how institutional complexity creates competing prescriptions and shapes organizational responses.
2011	Lawrence et al.	Institutional bridge	Conceptual synthesis	Defined institutional work as purposive action to create, maintain, or disrupt institutions.

Year	Study	Evidence stream	Context / design	Key finding / contribution
2010	Parker et al.	Adjacent mechanism	Conceptual integration	Defined proactivity as a goal-driven, self-starting, future-oriented process.
2009	Battilana et al.	Institutional bridge	Major theoretical review	Integrated enabling conditions, divergent change, implementation, and institutionalization in institutional entrepreneurship.
2007	Street & Cameron	SME context	Review of small-business alliance and network research	Showed how external relationships can provide smaller firms with information, capabilities, and resources.
2007	Detert & Burris	Adjacent mechanism	Leadership and employee voice study	Managerial openness influenced improvement-oriented voice through psychological safety.
2007	Garud et al.	Institutional bridge	Special-issue introduction (editorial essay)	Foregrounded institutional entrepreneurship as a problem of embedded agency.
2006	Dutton et al.	Adjacent mechanism	Organizational case/theory	Explained compassion organizing through attention, trust, improvisation, and coordinated resources.
2006	Battilana	Institutional bridge	Conceptual	Showed how actors' social positions can enable divergent institutional agency.
2006	Greenwood & Suddaby	Institutional bridge	Big Five accounting firms	Demonstrated that central actors in mature fields can initiate institutional change.

Year	Study	Evidence stream	Context / design	Key finding / contribution
2005	Weick et al.	Adjacent mechanism	Conceptual synthesis	Defined sensemaking as the process through which ambiguous circumstances become interpretable and actionable.
2004	Maguire et al.	Institutional bridge	HIV/AIDS advocacy field; Canada	Legitimate positions, theorization, and stakeholder connections supported institutionalization.
2001	Fligstein	Institutional bridge	Conceptual	Defined social skill as the capacity to induce cooperation among actors in a field.
2000	Crant	Adjacent mechanism	Conceptual review	Distinguished proactive behavior from passive adaptation and consolidated research on proactive action.
1999	Edmondson	Adjacent mechanism	Work teams	Established psychological safety as a shared belief supporting interpersonal risk taking and learning behavior.
1993	Bateman & Crant	Adjacent mechanism	Scale development / organizational behavior	Established proactive personality as a dispositional tendency toward changing the environment.

Source: Chronological synthesis of the reviewed literature. Direct RL = studies explicitly examining resonant leadership; adjacent mechanism = studies supporting a proposed mechanism; institutional bridge = studies explaining institutional change or cross-level scaling.

Research Gap: What Remains Unexplained

The chronological evidence reveals a mechanism gap. Research on leadership, creativity, and innovative work behavior has established that supportive leader behavior can influence knowledge exchange, trust, psychological safety, voice, and innovation-related outcomes

(Anderson et al., 2014; Detert & Burris, 2007; Edmondson, 1999; Hughes et al., 2018). Institutional entrepreneurship research, by contrast, explains divergent change through embedded agency, legitimacy, field position, resource mobilization, and the institutionalization of alternatives (Battilana et al., 2009; Greenwood & Suddaby, 2006; Maguire et al., 2004). What remains insufficiently explained is the mechanism connecting these two bodies of work: how leader-enabled psychological and relational conditions are converted into collective institutional work rather than ending with ordinary creativity or local process improvement.

A second gap concerns levels of analysis. The direct resonant-leadership studies identified in this review focus primarily on creativity, knowledge sharing, trust, commitment, and innovative behavior at individual or organizational levels (Bao, 2025; Varghese & Rao, 2024, 2025). Institutional change, however, requires movement beyond individual responses. Repeated interactions must become shared interpretations and collective practices; these practices must then be theorized, legitimated, supported by resources, and connected to influential stakeholders before they can alter established arrangements. Microfoundations scholarship and longitudinal institutional research show why this aggregation problem matters (Barney & Felin, 2013; Felin et al., 2012; Smets et al., 2012). The missing link is therefore not simply another direct association but a cross-level explanation of how leadership effects scale.

A third gap is contextual. SMEs provide a theoretically important setting because owner-managers and senior leaders often have high visibility, direct influence over employees, and close contact with customers, suppliers, financiers, and regulators. At the same time, smaller firms face resource scarcity, network dependence, institutional uncertainty, and legitimacy constraints that can restrict the translation of innovative ideas into durable change (Albertini & Muzzi, 2016; Bruton et al., 2010; Löfsten, 2026; Mair & Martí, 2009). Yet the direct resonant-leadership evidence base is not SME-specific. The contribution of the present review is therefore deliberately conditional: it develops a framework that can be tested in SMEs rather than assuming that findings from education, information technology, health care, or other sectors automatically generalize to smaller firms.

Taken together, these gaps define the contribution of this article. The review does not claim that resonant leadership has already been shown to cause institutional entrepreneurship. Instead, it specifies a plausible chain of mechanisms and boundary conditions through which resonant leadership may enable institutionally consequential action, while separating direct evidence from adjacent evidence and identifying the transitions that require future empirical verification.

Discussion

Mindfulness and Opportunity Recognition

Mindfulness provides a proposed attentional pathway. Cheung et al. (2020) link mindfulness to creative-process engagement, while the meta-analysis by Donald et al. (2026) reports positive average associations between leader mindfulness, follower-centered leadership, leader–follower relations, well-being, and performance. Sensemaking research explains how actors turn ambiguous circumstances into situations that can guide action (Weick et al., 2005); it does not, however, directly test leader mindfulness. In institutional settings, mindfulness

may therefore support attention to contradictions, emerging pressures, or practices whose effectiveness or legitimacy is weakening, but the mindfulness-to-opportunity-recognition link remains a proposition for direct testing. Competing institutional prescriptions may increase the relevance of this sensemaking process (Greenwood et al., 2011).

Hope and Persistence

Hope provides a motivational pathway after an opportunity for change has been recognized. Institutional change often involves delayed feedback, uncertainty, and resistance. Rego et al. (2014) and Karimi et al. (2023) provide adjacent evidence that hope and related psychological resources can support creativity and innovative work behavior. In the present framework, hope is therefore expected to sustain the development and pursuit of alternative pathways rather than to produce institutional change directly.

Compassion, Psychological Safety, and Voice

Compassion provides a relational-safety pathway. Challenging established routines can expose employees to criticism, conflict, or visible failure. Dutton et al. (2006) show how compassion can become collectively organized through attention, trust, improvisation, and resource coordination, while Spännäri et al. (2023) connect compassion with conditions that promote or inhibit innovation. Psychological safety and voice provide related mechanisms through which employees can speak up, experiment, and learn (Detert & Burris, 2007; Edmondson, 1999; Morrison, 2011). Trust-supportive leadership conditions are also associated with innovative work behavior (Afsar & Masood, 2018). Punitive climates and entrenched internal resistance can weaken this pathway.

Social Intelligence, Coalition Building, and Mobilization

Social intelligence is proposed to become especially relevant when an alternative must gain support beyond the initiating leader or team. Aryani et al. (2024) provide adjacent evidence for social intelligence and innovative work behavior, while Fligstein's (2001) social-skill account explains how skilled actors can induce cooperation in fields. Institutional entrepreneurship also depends on stakeholder connections, legitimacy construction, and resource mobilization (Battilana et al., 2009; Maguire et al., 2004). The proposed contribution of social intelligence should therefore depend on field position, network centrality, credibility, and access to decision arenas. This cross-literature bridge is theoretically plausible but has not been tested as a complete pathway.

From Innovation and Proactiveness to Institutional Entrepreneurship

Innovation and proactiveness occupy a bridging position in the framework. Innovation concerns the generation, promotion, and implementation of novelty, while proactiveness concerns anticipatory and self-starting action directed at changing a situation rather than merely adapting to it (Anderson et al., 2014; Grant & Ashford, 2008; Parker et al., 2010). These behaviors are important for institutional entrepreneurship, but they are not sufficient to define it. An employee may introduce a useful process innovation without challenging an institutionalized rule or norm, and a proactive manager may improve local routines without attempting broader institutional change. Treating these constructs as equivalent would therefore inflate the institutional-entrepreneurship claim.

The transition becomes institutionally entrepreneurial when novelty and initiative are collectively directed toward a divergent alternative and are accompanied by institutional work. This includes explaining and theorizing why the existing arrangement should change, constructing legitimacy for the alternative, mobilizing supporters and resources, negotiating resistance, and embedding the new practice in routines or wider field arrangements (Battilana et al., 2009; Bitektine & Haack, 2015; Maguire et al., 2004). In this sense, innovation and proactiveness are behavioral pathways, whereas institutional entrepreneurship describes the purpose, mobilization process, and institutional consequence of that behavior. This distinction is central to the proposed framework because it identifies the point at which leadership-enabled behavior may become institutionally consequential.

Boundary Conditions and Why Change May Fail

The framework also recognizes that resonant leadership does not operate on neutral terrain. Institutional complexity may increase the value of mindful sensemaking because competing prescriptions and changing expectations create more signals to interpret (Greenwood et al., 2011). Conversely, punitive climates and entrenched internal resistance may suppress voice and experimentation even when a leader behaves compassionately. Field position and network centrality can determine whether socially intelligent framing reaches actors with sufficient authority or resources, while weak legitimacy can prevent a technically promising alternative from attracting support (Battilana, 2006; Bitektine & Haack, 2015; Greenwood & Suddaby, 2006).

Resource constraints are particularly consequential for SMEs. Limited slack can shorten the time available for experimentation, restrict coalition-building activities, and make firms more dependent on external relationships. Reviews of small-business alliances and networks show that external relationships can provide access to information, capabilities, and resources that smaller firms cannot readily generate internally (Street & Cameron, 2007). Network ties may therefore partly compensate for internal scarcity by providing legitimacy, information, sponsorship, or material resources (Albertini & Muzzi, 2016; Mair & Martí, 2009). These conditions make the framework probabilistic rather than deterministic: resonant leadership may create favorable cognitive, motivational, and relational conditions, but institutional entrepreneurial action still depends on whether actors can overcome political, structural, and resource barriers.

Integrated Conceptual Framework

The reviewed evidence supports a proposed cross-level and non-deterministic logic. Resonant-leadership renewal pathways may contribute to sensemaking, hopeful persistence, and psychological safety and voice, while social intelligence is proposed as a complementary relational capability for stakeholder understanding and coalition building. These mechanisms may support innovation and proactiveness as parallel behavioral pathways. When such behaviors become collective, selected institutional-work practices—including theorization, legitimacy construction, and stakeholder or resource mobilization—may translate them into a coordinated institutional-change attempt. Institutional entrepreneurial action is therefore treated as an attempted process, not proof of successful change. Implementation, diffusion, and institutionalization are possible rather than automatic outcomes and depend on sustained legitimacy, support, and resources. Figure 1 summarizes this proposed process, and Table 2 presents its pathways and boundary conditions.

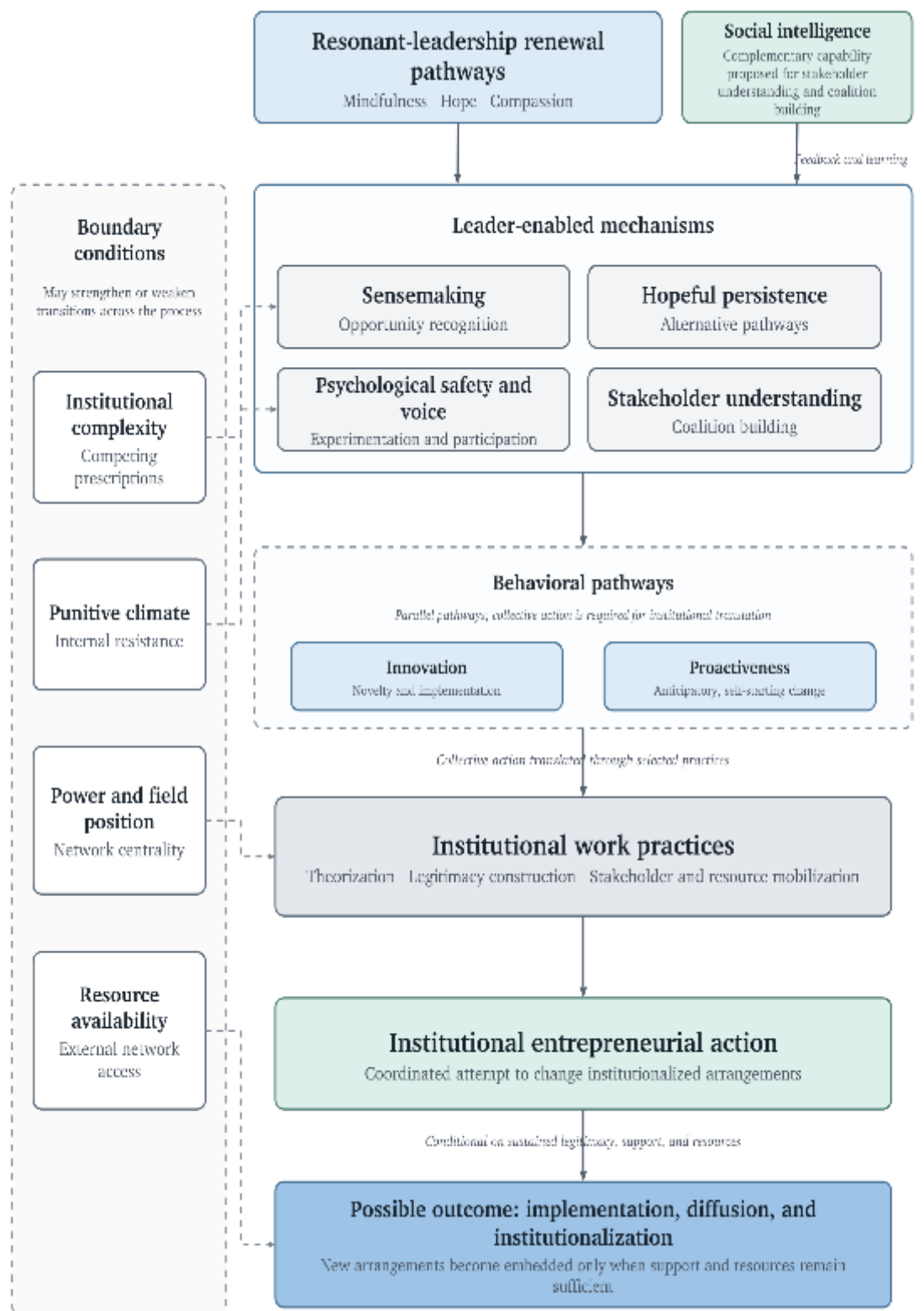


Figure 1. Proposed integrated process framework linking resonant leadership to institutional entrepreneurial action

Source: Synthesis of the reviewed literature. Arrows represent theoretically proposed relationships, not established causal effects. Solid arrows indicate the dominant analytical flow; dashed links indicate contextual conditioning and feedback.

Table 2

Proposed pathways and boundary conditions for future testing

Leadership / behavioral pathway	Primary mechanism	Expected expression	Key boundary condition
Mindfulness	Sensemaking and opportunity recognition	Recognizing contradictions, problems, or opportunities	Institutional complexity and competing prescriptions may strengthen the proposed pathway.
Hope	Future-oriented persistence	Developing and pursuing alternative pathways	Uncertainty and delayed feedback make persistence more important.
Compassion	Psychological safety and voice	Experimentation, speaking up, and collective participation	Punitive climates and internal resistance may weaken the pathway.
Social intelligence	Stakeholder understanding and coalition building (proposed)	Stakeholder support, legitimacy construction, and resource mobilization	Field position, network centrality, and power may strengthen the pathway.
Innovation + proactiveness	Collective change-oriented action	Selected institutional-work practices and a coordinated institutional-change attempt	Theorization, legitimacy, resources, and external networks support translation and institutionalization.

Source: Synthesis of the reviewed literature.

The framework should not be read as a fixed stage model. Innovation and proactiveness are parallel behavioral pathways rather than mandatory sequential steps, and the leadership pathways are proposed rather than exclusive. Institutional work is used as a translation layer comprising theorization, legitimacy construction, and mobilization practices. Institutional entrepreneurial action denotes a coordinated attempt to change institutionalized arrangements and may overlap empirically with those practices; the distinction is analytical rather than temporal. Institutionalization is not treated as an inevitable result. Institutional complexity, resistance, power and field position, and network or resource access can strengthen or weaken transitions, while feedback and learning can reshape earlier mechanisms and subsequent action.

Propositions for Future Testing

P1. Leader mindfulness will be positively associated with opportunity recognition and sensemaking for divergent organizational change, with this proposed relationship expected to be stronger when institutional complexity exposes leaders to competing prescriptions.

P2. Hope will be positively associated with persistence in developing and pursuing alternative pathways after an opportunity for divergent change has been recognized.

P3. Compassion will be positively associated with psychological safety, employee voice, and experimentation; punitive organizational climates and entrenched internal resistance will weaken this translation.

P4. Social intelligence, as a complementary relational capability, will be positively associated with coalition building, legitimacy construction, and resource mobilization. This proposed relationship should be stronger when leaders occupy central or bridging positions in relevant networks.

P5. Innovation and proactiveness will be more likely to develop into institutional entrepreneurial action when they become collective rather than isolated behaviors and are coupled with theorization, legitimacy construction, and resource mobilization.

P6. The translation of organizational institutional work into broader institutional entrepreneurial action will be stronger when change agents possess greater power, field access, and stakeholder support, and weaker when incumbent resistance is stronger.

P7. Institutional entrepreneurial action will be more likely to produce durable institutionalization when resource availability and external network access are greater; external relationships may partly compensate for internal resource scarcity in SMEs (Street & Cameron, 2007).

Implications for SMEs

The framework has implications for SMEs, but the evidence base is not SME-specific. SMEs are a theoretically useful context because leadership visibility, owner-manager influence, resource scarcity, and network dependence can make the proposed mechanisms especially observable. Research on entrepreneurship and institutions indicates that smaller firms can be strongly affected by institutional voids, governance conditions, legitimacy pressures, and resource constraints (Albertini & Muzzi, 2016; Bruton et al., 2010; Löfsten, 2026; Mair & Martí, 2009). Future studies should therefore test rather than assume that the proposed relationships operate similarly across sectors and institutional environments.

For practice, the review suggests that innovation policy or financial investment alone may be insufficient. SME leaders also need to cultivate attentive sensemaking, persistence, psychological safety, and external mobilization capability. At the same time, the framework avoids a leader-centric conclusion: even highly resonant leaders may fail to produce institutional change when employees cannot speak up, when incumbents resist change, when leaders lack field access, or when the resources required for institutionalization are unavailable.

For SME leaders, the sequence proposed in the framework offers a diagnostic rather than a prescriptive checklist. When the principal difficulty is recognizing weak signals or institutional contradictions, deliberate sensemaking practices may be more relevant than additional incentives. When employees already recognize a problem but hesitate to challenge established routines, psychological safety and voice become more salient. When a promising alternative exists but lacks external support, stakeholder mapping, coalition building, and legitimacy work become more important. The practical implication is that leadership development should be matched to the stage at which change is becoming blocked rather than treated as a generic intervention.

The framework also has implications for SME-support institutions, industry associations, and policymakers. Resource-constrained firms may be capable of generating novel practices but unable to institutionalize them without access to networks, regulatory dialogue, professional communities, financing, or credible sponsors. Support programs that connect SMEs with external stakeholders can therefore complement internal leadership capability. Future empirical work should examine whether such external network support strengthens the proposed transition from innovation and proactiveness to institutional work and whether this effect differs across emerging and developed institutional environments.

Theoretical Implications and Future Research

The review makes three principal contributions. First, it distinguishes the small direct evidence base on resonant leadership from adjacent mechanism evidence and therefore avoids treating mindfulness, hope, compassion, or social-intelligence studies as direct tests of resonant leadership. Second, it connects leadership and innovation research to institutional work and institutional entrepreneurship through an explicit cross-level sequence rather than a simple antecedent-outcome relationship. Third, it places power, resistance, field position, institutional complexity, and resource access inside the explanatory framework rather than treating them as background context.

The distinctive theoretical value lies in the ordering of these elements. Rather than proposing a direct leadership-to-institutional-entrepreneurship relationship, the framework separates leader capabilities, enabling mechanisms, collective behavior, institutional work, and institutional outcomes. This architecture makes it possible to test where the process breaks down. For example, a leader may generate psychological safety without collective innovation, collective innovation may occur without legitimacy work, or institutional work may occur without sufficient resources for institutionalization. Such transition-specific theorizing provides a more falsifiable account than treating supportive leadership as a general antecedent of organizational change.

Future empirical work should test the proposed pathways with longitudinal and multilevel designs. Studies could examine whether mindfulness predicts opportunity recognition, whether hope supports persistence after recognition of a divergent opportunity, whether compassion influences voice and experimentation through psychological safety, and whether social intelligence contributes to coalition building and mobilization. Research should also distinguish ordinary innovation from institutionally consequential innovation by measuring theorization, legitimacy construction, collective support, resource mobilization, and institutionalization.

Limitations

The main limitation is evidential asymmetry. Direct resonant-leadership studies remain limited, while the adjacent literatures are substantially larger. The two articles by Varghese and Rao also report the same author team, sector, and sample size and are therefore not treated as independent replications unless sample independence can be confirmed. The framework offers theoretically reasoned relationships rather than established causal effects. Cross-sectional designs are insufficient for testing the complete process because institutional entrepreneurship unfolds over time and can involve resistance, failed mobilization, feedback, and recursive causality.

Because the review pursued conceptual integration rather than exhaustive coverage, the corpus should not be interpreted as a systematic review or meta-analytic estimate. Future updates should preregister the protocol and report database-specific search strings, screening counts, and reasons for exclusion.

Conclusion

This integrative review connects resonant leadership with institutional entrepreneurship by explaining how leadership-enabled psychological and relational conditions may develop into institutionally consequential action. Mindfulness is associated with sensemaking and opportunity recognition, hope with persistence, compassion with psychological safety and voice, and social intelligence with coalition building and resource mobilization. Innovation and proactiveness provide important behavioral pathways, but they are not equivalent to institutional entrepreneurship.

The central argument is that innovation becomes institutionally entrepreneurial when actors collectively direct novelty and initiative toward changing institutionalized arrangements and support that change through theorization, legitimacy, mobilization, and implementation. Whether the change becomes durable depends on power, resistance, field position, institutional complexity, and resource and network access. The resulting framework provides a clear agenda for future empirical research in SMEs and other resource-constrained organizational settings.

Contribution of the Study

This study contributes to existing knowledge in three theoretical respects. First, it extends resonant leadership research beyond its documented associations with creativity, knowledge sharing, affective trust, and innovative behavior (Bao, 2025; Varghese & Rao, 2024, 2025) by theorizing how resonant-leadership capabilities may become relevant to institutional entrepreneurship, an outcome that, to the best of our knowledge, has not yet been examined in this literature. Second, it contributes to institutional entrepreneurship and institutional work research by specifying a microfoundational, cross-level sequence that runs from leader capabilities, through enabling psychological and relational mechanisms and collective innovation and proactiveness, to institutional work and institutional entrepreneurial action. In doing so, it responds to calls to explain how individual-level conditions and actions aggregate into institutional change (Barney & Felin, 2013; Battilana et al., 2009; Harmon et al., 2019). Third, by separating direct, adjacent, and institutional-bridge evidence and by locating power, field position, resistance, institutional complexity, and resource access inside the framework, the study offers transition-specific propositions that are more amenable to empirical falsification than a general leadership-to-change relationship.

Contextually, the study positions SMEs as a theoretically informative rather than merely illustrative setting. Because owner-managers and senior leaders in SMEs typically work closely with employees and external stakeholders, while their firms face resource scarcity, network dependence, governance and regulatory constraints, and legitimacy pressures (Bruton et al., 2010; Löfsten, 2026; Street & Cameron, 2007), the mechanisms and boundary conditions specified in the framework are likely to be both more observable and more consequential in this setting. The framework therefore gives SME researchers a structured basis for examining why leadership-enabled innovation sometimes remains local and sometimes contributes to

wider institutional change, and it offers SME leaders, support institutions, and policymakers a diagnostic lens for identifying the stage at which change becomes blocked. Because the direct evidence base remains small and is not SME-specific, these contributions are theory-building in nature and require empirical verification, particularly in SME settings within emerging economies.

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