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A configurational approach to strategic entrepreneurship: Unlocking customer success in new ventures in emerging economies

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ABSTRACT

New ventures (NVs) in emerging economies often face significant challenges in cultivating quality customer relationships and achieving customer satisfaction. This study applies the strategic entrepreneurship framework and configurational theory to investigate how combinations of strategic behaviors, decision-making logics, resource allocation mechanisms, and leader sociocognitive characteristics influence customer-focused performance. Utilizing multi-informant data from 135 NVs (entrepreneurs and marketing managers) in Sri Lanka, our analysis reveals that NVs employing effectual decision-making and bricolage resource allocation achieve stronger alignment between entrepreneurial and market orientations, resulting in enhanced customer satisfaction and stronger relationships. Additionally, the study identifies entrepreneurs' long-term orientation and managers' perfectionism as critical contingency factors in these configurations. These findings offer valuable insights into the strategic configurations that drive customer success in NVs.

1. Introduction

Entrepreneurial activity is prevalent across emerging economies; however, new ventures (NVs)—defined as firms less than 10 years old—continue to experience high failure rates, particularly in South Asian economies (Anderson et al., 2021; Ratnayake, 2024). Despite advancements in entrepreneurship research, these failure rates have remained steady since the 1990s (Michael Deane, 2024). Industry reports attribute a significant portion of NV failures to inadequate marketing resources, challenges in attracting customers, and a lack of emphasis on customer satisfaction and relationship building (Comm, 2024; Fürst et al., 2023).

Understanding consumer market dynamics in emerging economies is both challenging and crucial due to rapidly changing customer needs and unique consumer behaviors (Bao et al., 2020; Foo et al., 2020). NVs must navigate complex environments characterized by continuous shifts in customer preferences and market demand (Read et al., 2009). In response, many entrepreneurs adopt short-term strategies, focusing on immediate customer needs with a "fail fast" mentality, potentially undermining long-term customer relationships and satisfaction (Growth Faculty, 2024; La Rocca et al., 2013).

Strategic entrepreneurship offers a framework to understand how entrepreneurs and NV managers make decisions and take actions in such environments. It involves an entrepreneurial mindset, culture, leadership, strategic resource management, and the application of creativity to develop innovations (Ireland et al., 2003, 2023). In recognizing the importance of integrating these organizational elements, configuration theory highlights the need to configure these interconnected elements to generate complementary benefits (Feizabadi et al., 2021; Meyer et al., 1993; Vorhies & Morgan, 2003). Within the strategic entrepreneurship framework, two key behaviors are identified: advantage-seeking, which focuses on strengthening existing market positions, and opportunity-seeking, which involves pursuing innovations to meet unmet market needs (Ireland, 2007; Ireland et al., 2023).

Integrating entrepreneurial orientation (EO) and market orientation (MO) is essential for NVs aiming to balance advantage-seeking and opportunity-seeking behaviors. EO emphasizes innovation, risk-taking, and proactiveness, while MO focuses on customer needs, market intelligence, and responsiveness. Relying solely on MO may lead to initial market engagement but lacks sustainability without EO. Conversely, focusing only on EO may drive innovation but can result in a disconnect from customer needs (O'Cass & Weerawardena, 2009; Webb et al., 2011). Although prior studies highlight the financial benefits of EO and MO integration (Alqahtani & Uslay, 2020; Boso et al., 2013), there is a paucity of research examining their impact on non-financial outcomes,

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particularly customer satisfaction and relationship quality, which are critical for NV survival (Lee et al., 2018; O'Cass & Ngo, 2011).

Achieving a high level of EO–MO fit is strategically imperative in emerging economies, where rapidly evolving customer needs, shifting market structures, and the threat of new market entrants create a dynamic and uncertain environment (Bao et al., 2020). However, pursuing both orientations presents challenges due to their differing organizational processes and resource requirements (Morgan et al., 2015; Webb et al., 2011). Strategic entrepreneurship provides a lens to understand how decision-making processes and resource management can support EO–MO integration. Effectual logic, which prioritizes learning and experimentation under uncertainty, and bricolage, a resourceful strategy of combining available resources to develop unique solutions, are two such approaches (Baker and Nelson, 2005; Sarasvathy, 2001). While these approaches have been studied individually, limited research investigates how their configuration can generate complementary benefits in achieving customer-related performance through EO–MO fit (Fisher, 2012; Scazziota et al., 2023).

Within the strategic entrepreneurship framework, leadership plays a pivotal role in guiding firms toward both advantage- and opportunity-seeking behaviors (Ireland et al., 2023; Kuratko & Audretsch, 2009). Research delving into the sociocognitive aspect (see Wood & Bandura, 1989) posits that managerial cognitions can result from complex cognitive and motivational processes (Feduzi et al., 2022; Rindova & Courtney, 2020). Therefore, managerial cognitions, particularly long-term orientation and perfectionism, influence strategic decisions and actions (Feduzi et al., 2022; Rindova & Courtney, 2020). However, the contingency role of these sociocognitive factors in NV decision-making and resource allocation remains underexplored within the strategic entrepreneurship framework and configurational theory.

Building on the strategic entrepreneurship framework, we recognize that NVs in emerging economies operate within a restricted and highly contextualized system of interrelated factors – organizational structure, processes, and strategic behaviors. While prior research considers these different factors as contributing to NVs' outcomes independently, we draw on configuration theory, which posits that effectively configured elements reinforce each other to enhance performance (see Feizabadi et al., 2021; Meyer et al., 1993; Vorhies & Morgan, 2003). We identify several micro-configurational domains that shape NV *meso*-configurations (see Fig. 1). This configuration aims to enhance customer satisfaction and relationship quality, offering alternative indicators of NV success beyond traditional financial metrics (Fürst et al., 2023; La Rocca et al., 2013).

This study makes three specific contributions to the literature. First, although prior research has examined the individual influence of effectuation and bricolage on EO and MO (e.g., Fu et al., 2020; Senyard et al., 2014; Wu et al., 2020), less is known about their combined impact. Responding to calls from recent studies (e.g., Scazziota et al., 2020; Steffens et al., 2023), our study demonstrates how configuring decision-making logic (effectuation) and resource allocation strategies (bricolage) fosters EO–MO fit in NVs, particularly within resource-constrained and emerging economy contexts. Second, while previous studies have highlighted the financial benefits of integrating EO and MO (Boso et al., 2013; Buli, 2017), the specific impact on customer-related performance outcomes—namely customer satisfaction and relationship quality—remains limited. These outcomes are particularly vital for NVs in emerging economies, where firm survival relies on cultivating lasting customer trust and legitimacy (Gaur et al., 2019; Sheth, 2011). By addressing this gap, we provide a deeper view of how EO–MO fit drives enduring customer engagement. Third, while configurational theory has been applied to examine person–organization fit and leadership attributes (e.g., Feizabadi et al., 2021; Meyer et al., 1993), its application to sociocognitive factors remains sparse. Our study responds to calls for inquiry into entrepreneurial and managerial traits that moderate strategic configurations (Scazziota et al., 2023), by identifying long-term orientation and perfectionism as key contingencies. These findings offer new insight into when entrepreneurs should move beyond common heuristics toward a more quality-focused, deliberative mindset in navigating the uncertainty and foster resilient ventures in emerging economies.

2. Theoretical background

2.1. Configurational theory

Our theoretical framework (Fig. 1), grounded in the strategic entrepreneurship framework and configurational theory, explains the *meso*-and micro-configurations of NVs to achieve customer-related outcomes. A configuration represents a *gestalt* of interdependent and mutually reinforcing organizational characteristics (Feizabadi et al., 2021). Building on Du and Kim (2021), Meyer et al. (1993), and Vorhies and Morgan (2003), we emphasize the critical importance of understanding the interconnectedness of strategic entrepreneurship elements—a perspective that has received limited attention in the existing

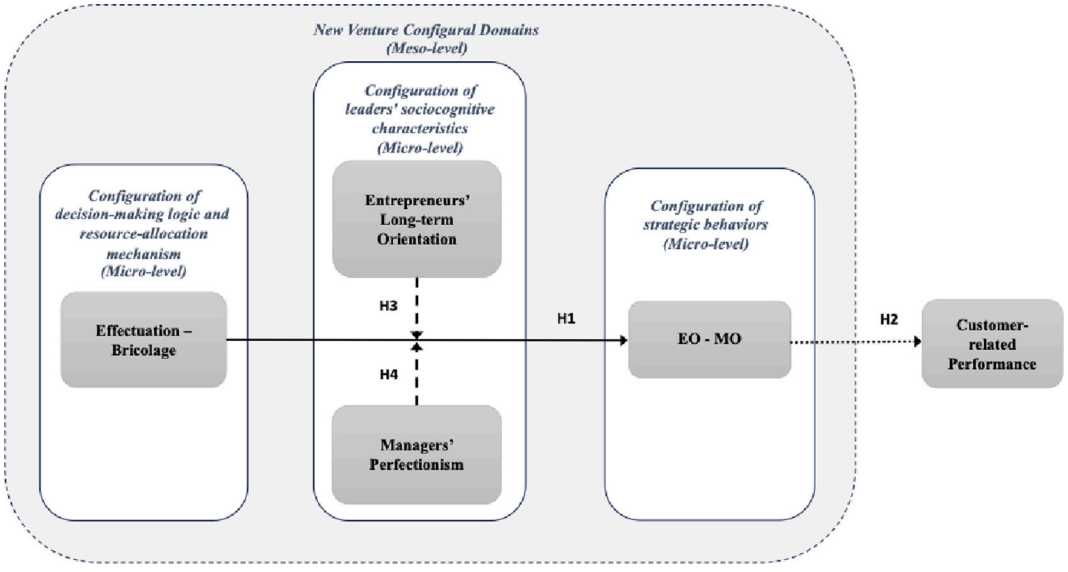

Fig. 1. A strategic entrepreneurship framework of new venture configurations. Note: The dotted-dashed line denotes the indirect effects via EO–MO, and the dashed lines denote moderated mediation relationships.

literature. Central to our conceptual framework is the premise that individual elements of strategic entrepreneurship do not act in isolation. Instead, drawing from configuration theory, we posit that these elements function as part of a cohesive ensemble known as a configuration (Feizabadi et al., 2021).

Central to the configurational theory is the view that organizations should strategically align their internal capabilities and resources with the demands and dynamics of their environment (Kreiser et al., 2021; Venkatraman & Camillus, 1984). The rapid transformation of customer needs and uncertainty in market demand are key dynamics from the external environment (Bao et al., 2020) that affect NVs' customer-related performance, which is key to their survival. In emerging economies, alignment between the elements of strategic entrepreneurship is crucial in effectively responding to evolving customer needs and preferences to satisfy customers (Deutscher et al., 2016). By recognizing the holistic nature of strategic entrepreneurship and the need for alignment among important elements, our application of configurational theory offers a lens into how NVs can effectively pursue their strategic goals and optimize their performance in dynamic emerging economy environments (see also. Deutscher et al., 2016; Du & Kim, 2021).

Specifically, we conceptualize the *meso*-and micro-configurations between the key elements of strategic entrepreneurship through the leaders' decision-making and resource allocation focusing on effectual logic and bricolage, strategic behaviors focusing on EO and MO, and leaders' socio-cognitive factors addressing long-term orientation and behavioral perfectionism. In this sense, our conceptual framework addresses a gestalt for achieving customer-related performance in relation to customer satisfaction and relationship quality for NVs operating in emerging economies.

2.2. Configuration of strategic behaviors

Strategic entrepreneurship is conceptualized as the simultaneous pursuit of opportunity-seeking and advantage-seeking activities (Hitt et al., 2001; Ireland et al., 2003). Opportunity-seeking behaviors focus on addressing unmet market needs and exploring new markets, while advantage-seeking behaviors aim to leverage, enhance, and maintain a firm's competitive edge in its current market (Ireland et al., 2003). The literature suggests these two activities are essential for promoting sustained wealth creation, but neither is sufficient on its own and, therefore, must be configured effectively (Hitt et al., 2001; Ireland et al., 2023). Hence, a central focus of strategic entrepreneurship involves finding a balance between opportunity-seeking and advantage-seeking activities (Ireland et al., 2003; Ketchen et al., 2007).

Drawing on the strategic entrepreneurship framework and configurational theory, we focus on EO as an opportunity-seeking behavior and MO as an advantage-seeking behavior, defining EO–MO fit as when EO and MO operate at both a higher level of balance and magnitude. Achieving strategic fit is especially important for NVs operating in emerging economies, as it can enhance their adaptability, resilience, and overall performance (Du & Kim, 2021). The literature supports the view that the level of fit between EO and MO provides synergistic effects (and benefits) in which EO facilitates MO and vice versa (Alqahtani & Uslay, 2020; Webb et al., 2011). This constructive interaction is particularly relevant in emerging economies because, according to Boso et al. (2013), MO enables the identification of evolving needs in dynamic markets, facilitating EO to create better products and market innovations that cater to emerging customer needs. Further, Webb et al. (2011) note that EO enables NVs to maintain a responsive approach to identifying and processing market information, facilitating MO. Therefore, EO–MO fit brings together strategic behaviors that address the complex and multilayered challenges present in emerging economies, allowing them to address customers' explicit needs and deliver greater customer value and satisfaction.

The literature also indicates that EO and MO require diverse resource and capability combinations (Atuahene-Gima & Ko, 2001; Morgan et al., 2015). EO typically thrives in flexible, agile structures with decentralized decision-making, facilitating creativity and swift responses to opportunities (Matsuno et al., 2002). Conversely, MO thrives in centrally coordinated, standardized processes with strong customer orientation, ensuring efficiency in meeting customer needs (Ngo & O'Cass, 2012). Further, although EO and MO provide benefits, they are resource-intensive and often compete for limited resources in NVs (Morgan & Anokhin, 2020). However, Ketchen et al. (2007) suggest that while challenging, balancing opportunity-seeking behaviors (such as EO) and advantage-seeking behaviors (such as MO) is necessary in dynamic markets (such as emerging economies). In addressing this challenge, literature addressing strategic entrepreneurship recognizes fostering an appropriate entrepreneurial mindset (Ireland et al., 2003). An entrepreneurial mindset shapes resource allocation and guides specific decision-making logics when engaging in strategic entrepreneurship. Additionally, in line with configurational theory (Feizabadi et al., 2021; Kreiser et al., 2021), we argue NVs function as an interconnected system, and achieving the desired fit between EO and MO requires configuring the strategic entrepreneurship elements—especially the entrepreneurial mindset —within the system (see Fig. 1).

2.3. Configuration of decision-making logic and resource-allocation mechanism

In addressing strategic entrepreneurship and configuring ecosystems in NVs in emerging economies, decision-making and resource usage are two domains that impact outcomes. The first domain, effectuation theory, addresses entrepreneurs' decision-making logic in seeking opportunities and competing in uncertain markets (Read et al., 2009). Chandler et al. (2011) operationalize effectuation into four dimensions: affordable loss, experimentation, flexibility, and precommitments. In addition to uncertainty, NVs in emerging economies face resource constraints (Getnet et al., 2019; Scazziota et al., 2020). The second domain is resource deployment, where Baker and Nelson (2005, p. 333) highlight resource usage through bricolage, defining it as "making do by applying combinations of the resources at hand to new problems and opportunities." Recent studies highlight bricolage's emphasis on resourcefulness and adaptability in using available resources, suggesting bricolage as a successful mechanism for overcoming resource constraints in emerging economies (Getnet et al., 2019; Korsgaard et al., 2021).

Further, in relation to bricolage and effectuation, it has been suggested that they have overlaps and divergences. Fisher (2012) identifies four commonalities, suggesting they focus on using existing resources as a foundation for entrepreneurial opportunities, using action to address resource constraints, engaging with stakeholders, and viewing resource constraints as a source of creativity and innovation. Similarly, Welter et al. (2016) suggest that they focus on entrepreneurs' actions, reflecting behavioral models of exploring and exploiting entrepreneurial opportunities. Further, Archer et al. (2009) suggest they focus on opportunity creation through novelty and eliminating resource constraints through action rather than planning.

However, a notable distinction between effectuation and bricolage involves the context in which entrepreneurial actions are enacted. Effectuation provides a decision-making logic for adapting to uncertainty (Read et al., 2009), whereas bricolage focuses on creatively using existing resources to adapt to an environment with shortages and scarcity (Baker and Nelson, 2005). Further, although their focus on resources is common, effectuation focuses on 'creating something new with existing means rather than discovering new ways to achieve given goals' (Sarasvathy, 2001, p. 15). In contrast with the redefined means, bricolage focuses on resource construction (Baker and Nelson, 2005) by using whatever resources are available or that can be quickly assembled to address challenges or seize opportunities (Steffens et al., 2023).

Against this background, recent studies suggest the complementary use of effectuation and bricolage in NVs may create constructive

interaction and enhance performance (An et al., 2020; Scazziota et al., 2023). This suggests that in resource-constrained settings in emerging economies, the configuration of decision-making logic and resource-allocation mechanisms act as beneficial complements in executing strategies that drive NV performance. However, limited research has addressed this point, prompting recent calls from An et al. (2020) and Scazziota et al. (2023) to further investigate their interplay and implications for strategic decision-making and resource-use mechanisms.

2.4. Configuration of sociocognitive characteristics

While effectuation and bricolage allow NVs to configure decision-making and resourcing strategies to align with strategic objectives, Feizabadi et al. (2021) and Meyer et al. (1993) also highlight the importance of configuring appropriate leader behaviors and characteristics. In this sense, effectuation and bricolage are subject to the characteristics of the decision-maker (Arend et al., 2015). For example, in effectuation, entrepreneurs deploy their available means, including who they are, what they know, and whom they know (Arend et al., 2015). Similarly, in bricolage, resource combinations depend on how decision-makers interpret resource scarcities and the means for overcoming them (Baker and Nelson, 2005).

Consequently, the decision-maker is considered a critical boundary condition for effectuation and bricolage (Scazziota et al., 2023; Welter et al., 2016) and a critical configuration component (Feizabadi et al., 2021). Studies indicate that decision-maker characteristics influence strategic decisions and resource allocation (Feduzi et al., 2022; Rindova & Courtney, 2020; Wood & Bandura, 1989). Further, recent attention has focused on decision-maker temporal orientations, including long-term orientation as a critical cognitive factor (Lin et al., 2019) and leaders' perfectionism as a critical motivational factor (Song et al., 2022) influencing strategic decisions. Although configurational theory delves into person–organization fit as essential for achieving optimal configurations (Feizabadi et al., 2021; Meyer et al., 1993), research has not addressed the configural role of entrepreneurs' long-term orientation and perfectionism on NVs' ability to build a strong customer performance base. Given NVs' short lifecycles and high failure rates, incorporating key decision-maker characteristics alongside strategic behaviors, decision-making logic, and resource-allocation mechanisms creates a more comprehensive configural framework to better capture the unique ability of NVs in emerging economies to achieve desirable outcomes, particularly customer success.

2.4.1. Entrepreneurs' long-term orientation

How individuals approach time horizons is a key cognitive factor influencing their behaviors (Nevins et al., 2007). Long-term orientation can be defined as the "value of viewing time holistically, valuing both the past and the future rather than deeming actions important only for their effects in the here and now or the short term" (Bearden et al., 2006, p. 457). Entrepreneurs with a long-term orientation prioritize future rewards over short-term gains (Lumpkin & Brigham, 2011). Entrepreneurs' long-term orientation is particularly beneficial in mitigating short-sightedness, fostering long-term stakeholder relationships (Wang & Bansal, 2012), encouraging creativity (Lin et al., 2019), promoting flexibility and resilience under uncertainty (Feduzi et al., 2022). Nevertheless, Lin et al. (2019) note, "few studies have explored how top managers' temporal orientation affects strategic decision-making processes" (p. 3114).

Within the context of NVs facing uncertainty, some studies argue that short-term orientation may aid swift adaptations toward immediate outcomes (Read et al., 2009). Others contend that excessive short-term focus, without considering the sustainability of NV profitability, can be detrimental (Lumpkin & Brigham, 2011; Wang & Bansal, 2012). Thus, disagreements persist in the literature on the role of entrepreneurs' long-term orientation in strategic decision-making when facing shifting time demands and competing priorities.

2.4.2. Managers' perfectionism

Strategic decisions and behaviors of NVs are also influenced by the level of motivation displayed by the managers who implement them (Song et al., 2022). Perfectionism refers to an individual's innate desire for flawlessness and perfection (Harari et al., 2018; Xu et al., 2022). Individuals who have higher levels of perfectionism exhibit greater precision and meticulousness in tasks, making it a motivational characteristic that can induce behaviors and actions in people (Song et al., 2022). Perfectionist leaders and managers establish flawlessness in their work and set exceptionally high-performance standards, leading to heightened motivation (Harari et al., 2018; Song et al., 2022). Further, they impose stringent expectations on themselves and focus on avoiding mistakes and failures (Song et al., 2022). Given that managers play a crucial role in strategic decision-making in NVs, their inherent perfectionism can determine the level of flawlessness and precision pursued in decision outcomes and actions.

3. Hypotheses

3.1. Effectuation-bricolage configuration and EO–MO fit

Drawing on configurational theory and the strategic entrepreneurship framework, which posit that entrepreneurs configure decision-making processes and resource management to support advantage and opportunity-seeking behaviors (Hitt et al., 2001; Ireland et al., 2023), we propose that effectuation-bricolage configuration drives an NVs' ability to achieve fit in EO–MO as strategic behaviors. In emerging economies, NVs face high levels of uncertainty and resource constraints (Bao et al., 2020; Du & Kim, 2021), challenging their ability to engage in strategic behaviors such as EO and MO. To promote a high degree of fit between these two strategic behaviors, NVs are required to configure their decision-making (i.e., effectuation) and resource use (i.e., bricolage), which together act as complements under conditions of higher uncertainty and limited resources, helping NVs navigate challenges more effectively.

The resource experimentation facilitated by effectuation and bricolage enables NVs to address unforeseen contingencies commonly encountered in emerging economies (Getnet et al., 2019; Scazziota et al., 2020). This approach promotes responsiveness to current customer needs and proactiveness in adapting to market dynamics (Wu et al., 2020). Effectuation decisions guide experimentation, whereas bricolage ensures that the experimentation stays within resource boundaries and aligns with NVs' current capabilities. Through trial-and-error learning (i.e., experimentation) and creative resource use, effectuation and bricolage foster the accumulation of experience-based knowledge (An et al., 2018). Experiential knowledge fuels innovation in NVs, potentially unlocking value creation for customers (Baker and Nelson, 2005; Fu et al., 2020; Senyard et al., 2014).

Effectuation stresses the importance of generating market knowledge, both within and outside the NVs' market, which supports EO and MO behaviors. Bricolage complements this process by leveraging this knowledge for resource orchestration, assessing available resources, and using undervalued, slack, or discarded resources (Baker and Nelson, 2005). Such knowledge broadens NVs' knowledge and enhances their ability to identify opportunities that may be hidden from competitors or are yet to be created in addressing customer needs (An et al., 2018).

When entrepreneurs in emerging economies apply effectuation logic to guide bricolage resource actions, they make decisions that minimize risk while innovatively recombining and reconfiguring existing resources. Therefore, as outlined in Fig. 1, effectuation and bricolage complement each other. Together, they help reduce information ambiguities, foster a willingness to undertake affordable risks, and enhance responsiveness and proactiveness in identifying current customer needs and future market opportunities in emerging economies.

Customer relationships cultivated through effectuation and bricolage may be pivotal in helping NVs achieve stronger EO–MO fit in emerging

economies, where volatile market dynamics and resource constraints challenge their ability to build and sustain such relationships. While effectuation decisions initiate stakeholder relationships and the establishment of precommitments with stakeholders, bricolage allows NVs to use these relationships as valuable resources in mitigating uncertainty and reducing entry barriers in emerging economies (Boso et al., 2013). These stakeholder relationships, including customer relationships, facilitate easy access to market information and foster collaborations (An et al., 2020) that enhance the flexibility and responsiveness needed in emerging economies to address existing market demands, supporting MO. Simultaneously, customer engagement allows NVs to gain valuable insights, aiding in identifying and anticipating market opportunities, thus supporting EO. Further, the flexibility principles inherent in effectuation decisions and dynamic resource orchestrations facilitated by bricolage (Fisher, 2012) synergically enable NVs to adjust their EO and MO strategies to manage the level of fit. In emerging economies, this adaptive capability is important as it enables NVs to proactively seize emerging market opportunities and meet evolving customer needs, Thus, the configuration of effectuation and bricolage promotes a higher level of EO–MO fit, suggesting:

H1. *Effectuation and bricolage configuration is positively related to high levels of EO–MO fit.*

3.2. Mediating role of high EO–MO fit

When effectuation and bricolage are configured appropriately, the mental model embedded in the effectual decision-making imbues entrepreneurs with a greater sense of boldness and proactiveness, thus encouraging a more critical assessment of the efficacy of the NV's resources and how best to deploy them. Consequently, when entrepreneurs make decisions by considering the resources at hand, it provides clarity on strategic actions necessary to explore and exploit opportunities. While effectuation-bricolage configurations guide the strategic actions of NVs, relying solely on effectuation and bricolage may not be sufficient for an NV to satisfy customers and maintain strong relationships with them. Therefore, to leverage the benefits of such resource and decision-making configurations, NVs' strategic fit in terms of EO and MO is necessary. This is because customer needs in emerging economies, as highlighted by Alqahtani and Uslay (2020), undergo rapid shifts. Further, as noted by Liu and Atuahene-Gima (2018), failing to identify and address these changes proactively may drive customers to seek alternative products to fulfill their evolving needs.

When an NV achieves a higher EO–MO fit, it adopts a proactive and highly responsive market approach, outperforming competitors and maintaining engagement with customers. Further, it can demonstrate genuine concern for customers' present and future needs, leading to strong customer relationships and customer satisfaction (Ngo & O'Cass, 2012). Research by Ahmadi and O'Cass (2016) and Boso et al. (2013) conducted in emerging economies suggests EO–MO fit positively affects customer-related performance. EO–MO fit, in this sense, promotes NVs' ability to successfully retain their customer base while attracting new customers through a more responsive and innovative approach to fulfilling customer needs. Therefore, EO–MO fit is necessary to identify and respond to the evolving customer demands experienced in emerging economies in achieving customer-related performance, suggesting:

H2. *EO–MO fit mediates the effect of effectuation-bricolage configuration on customer-related performance.*

3.3. Moderated mediation role of entrepreneurs' long-term orientation

In addition to the role of entrepreneurs' decision-making logic and resource management, research on strategic entrepreneurship underscores the pivotal role of leaders in guiding firms toward both advantage- and opportunity-seeking behavior (Ireland et al., 2023; Kuratko & Audretsch, 2009). Accordingly, drawing on configurational theory and the strategic entrepreneurship framework, we argue that the managerial cognitions within the entrepreneurial mindset (Nadkarni & Barr, 2008), such as entrepreneurs' long-term orientation and managers' perfectionism, are key contingency factors shaping an NV's strategic directions.

Entrepreneurs who have a long-term orientation prioritize future outcomes, often sacrificing short-term gains for potential long-term rewards (Lin et al., 2019). Therefore, we propose that entrepreneurs' long-term orientation enhances the positive effects of effectuation-bricolage configuration on EO–MO fit in promoting customer-related performance in two ways. First, future-focused entrepreneurs consider the implications of resource allocations over the long term (Lin et al., 2019; Lumpkin & Brigham, 2011), promoting creativity and risk-taking while minimizing losses. In addition, as noted by Nadkarni and Chen (2014), entrepreneurs who have long-term orientation "may be keenly aware of and anticipate futuristic technologies, potential new competitors, and customer needs and thus may detect new product opportunities early, whereas an [entrepreneur] with a short-term focus may fail to detect yet-to-occur technological and market trends" (p. 1816). Consequently, in emerging economy contexts, entrepreneurs' long-term orientation further supports NVs' emphasis on customer focus and opportunity exploration through the configuration of effectuation and bricolage, driving customer-related performance. Moreover, entrepreneurs' long-term orientation can bolster stakeholder relationships and customer networks (Wang & Bansal, 2012) that are integral to effectuation and bricolage, prioritizing the building of long-term relationships and ensuring the sustainability of these relationships and networks.

Second, when dealing with uncertainty prevalent in emerging economies, entrepreneurs who have a short-term orientation may limit longer-term planning, seeing it as futile because of the inherent unpredictability of outcomes (Sarasvathy, 2001). Consequently, they may prioritize immediate solutions over long-term considerations (Steffens et al., 2023). Further, because of limited resources and planning, the bricoleur actions of managers who have short-term orientation may lead to short-term fixes through improvisation, potentially resulting in reliability and functional performance gaps that harm customer satisfaction, thus requiring additional resources to rectify (Steffens et al., 2023). Conversely, entrepreneurs who value long-term horizons carefully assess the long-term consequences of their decisions and actions and are more likely to overlook short-term disruptions in decision-making and resource allocations in emerging economies. As noted by Feduzi et al. (2022), engaging in forward-looking behavior while making strategic decisions under uncertainty enables entrepreneurs to adapt and update their choices and actions as new information emerges. Therefore, maintaining adaptability to external environment changes while considering their long-term consequences is especially important when working to meet evolving customer needs through managing EO–MO fit. Thus, in complex environments, such as emerging economies, entrepreneurs' long-term orientation may enable adroit decision-making and dynamic resource allocation to achieve EO–MO fit, improving the customer-related performance of NVs, suggesting:

H3. *The mediating role of EO–MO fit on the effect of effectuation-bricolage configuration on customer-related performance is moderated by an entrepreneurs' long-term orientation such that this effect is stronger when entrepreneurs' long-term orientation is higher.*

3.4. Moderated mediation role of managers' perfectionism

Although entrepreneurs primarily make strategic decisions and oversee resource allocation in NVs, managers play a key role in executing decisions and actions related to EO and MO behaviors. Therefore, managers' perfectionism, recognized as a motivational factor (Song et al., 2022), can become a critical boundary condition. Thus, here we extend the argument that managers' perfectionism enhances the positive effect of effectuation-bricolage configuration on EO–MO fit to

achieve customer-related performance in at least two ways.

First, effectuation and bricolage emphasize the value of experimenting with available resources and learning through trial and error (Fisher, 2012). As noted by Wu et al. (2020), "effectuation depends heavily on experimentation, and this may cause a firm to move into cycles of failure and unrewarding change from excessive exploration" (p. 85). Therefore, when a manager exhibits a higher degree of perfectionism, they prioritize superior task performance and display heightened vigilance about performance (Harari et al., 2018), leaving less room for errors and defects during experimentation (Song et al., 2022). Consequently, this enhances the effectiveness of effectuation-bricolage configuration.

Second, effectuation and bricolage involve using available means or resources, regardless of whether they are considered appropriate or explicitly designed for a particular task (An et al., 2018). Employing such resources may result in producing 'second-best solutions' that "do their job, but they are usually associated with imperfection and incompleteness and characterized by hybrid, imperfect, transient artifacts, which perhaps do not look very elegant and have lots of bugs and gaps, frictions, and unusable components" (Steffens et al., 2023, pp. 1281–1282). These 'second-best solutions' can potentially lead to a 'tinkering trap,' resulting in repetitive cycles of resolving those bugs (Steffens et al., 2023) and potentially harming customer satisfaction. Hence, when managers possess a higher level of perfectionism, even in emerging economy resource-constrained situations, they harbor an inherent discontent with the status quo and a stronger determination to pursue superior outcomes (Xu et al., 2022). This drives them to exhibit high levels of innovation and creativity (Xu et al., 2022) in deriving solutions from available resources, reducing the likelihood of generating imperfect and incomplete solutions that could lead to tinkering traps.

On the contrary, a manager who has low levels of perfectionism may not prioritize the 'perfection' of solutions. This could potentially lead to the creation of flawed products that fail to meet product warranty standards, resulting in dissatisfaction among current customers, an inability to meet the demands of future customers, and a failure to maintain trustworthy customer relationships in emerging economies. This could undermine the effectiveness of effectuation-bricolage configuration in achieving a higher EO–MO fit and, consequently, customer-related performance. Therefore, managers' perfectionism can further support the effect of effectuation-bricolage configuration to achieve a higher fit between EO and MO, suggesting:

H4. *The mediating role of EO–MO fit on the effect of effectuation-bricolage configuration on customer-related performance is moderated by a managers' perfectionism such that the effect is stronger when perfectionism is higher.*

4. Methodology

4.1. Sample

To test our hypotheses, we followed prior research addressing the strategic behavior of ventures, especially in emerging economies (Anwar et al., 2022; Bao et al., 2020) and designed a cross-sectional study. A cross-sectional approach is suitable when exploring a new domain where the relationships are previously unknown, as it indicates whether pairs of variables are related and if moderators are in play (Spector, 2019). We collected data from NVs operating in Sri Lanka. According to the country classification in the World Economic Outlook by the International Monetary Fund (2023), Sri Lanka is an emerging economy. The World Bank (2022) reports that Sri Lanka's economic prospects are uncertain because of the volatile political landscape and growing imbalances in the fiscal, external, and financial sectors. Despite these challenges, the small and medium-sized business sector accounts for over 90 % of all enterprises and 45 % of total employment in Sri Lanka, contributing to over 50 % of the country's gross domestic product (Perera & Samarakoon, 2021). Thus, Sri Lanka is an appropriate setting to explore how NVs in emerging economies navigate the challenges of pursuing profit opportunities amid complex, uncertain, and rapidly evolving markets.

Our study applied two specific selection criteria. First, guided by prior studies, we define NVs as firms that have a tenure of no more than 10 years (Fürst et al., 2023). Second, in line with Ahmadi and O'Cass (2016), we exclusively consider ventures that have successfully commercialized their first product to ensure that the firms possess the necessary knowledge to respond effectively to our survey questions.

In line with recommendations from previous studies (e.g., Lin et al., 2017; Podsakoff et al., 2003), two separate surveys were developed to gather data for independent, dependent, and moderating variables to minimize concerns about single-source bias and strengthen our theory testing. One survey was administered to entrepreneurs (i.e., the owner or founder) to capture data on strategic behaviours (i.e., EO and MO), decision-making logic (i.e., effectuation), resource allocation mechanism (i.e., bricolage), and entrepreneurs' long-term orientation. The second survey targeted managers responsible for marketing or sales in each NV to gather data on customer-related performance and managers' perfectionism. We chose these respondents based on our preliminary fieldwork and guidance from prior studies (e.g., Boso et al., 2013; Fisher, 2012; Song et al., 2022), suggesting owners/entrepreneurs and managers are responsible for NVs' strategy and performance (Anwar et al., 2022).

Following a rigorous screening process, we contacted 840 NV owners/founders via email who met our selection criteria sourced from a publicly available mailing list. Upon agreement, we requested the contact information of their respective managers. Next, the survey links were emailed to firms at which both entrepreneurs and managers have agreed to participate. We received a total of 155 responses from owners/founders and 145 responses from managers. After checking for data quality, we obtained 135 paired data from NV entrepreneurs and managers. The descriptive statistics of the NVs in our sample are presented in Table 1.

4.2. Measures

The surveys, developed in English were translated using the double translation method into Sinhalese to improve comprehension by the respondents. All variables are measured using existing scales adapted to suit the study context. Unless otherwise noted, we use a 5-point Likert scale with responses ranging from 1 (*strongly disagree*) to 5 (*strongly agree*).

Customer-related performance is measured via two items assessing marketing managers' perceptions of the firms' level of customer satisfaction and relationship quality, drawing on the work of Ngo and O'Cass (2012). Responses range from 1 (*not at all*) to 5 (*very so much*). Prior studies have measured customer-related performance from marketing managers' perspective as they possess in-depth knowledge of their customers and are responsible for NVs' performance (e.g., Anwar et al., 2022; Homburg et al., 2011; O'Cass and Heirati, 2015; Ramani & Kumar, 2008).

Following prior studies (Boso et al., 2013; Du & Kim, 2021), we capture EO and MO through the entrepreneurs' responses. *EO* is measured using a 9-item scale adopted from Hughes and Morgan (2007) and O'Cass and Ngo (2011), representing three dimensions: innovativeness, proactiveness and risk taking. The 9-item *MO* measures are drawn from Zhou et al. (2008) and Jaworski & Kohli (1993), representing the three dimensions of intelligence generation, dissemination, and responsiveness.

EO and MO fit represents the degree of balance in magnitudes between EO and MO, in which the two variables operate at a higher level simultaneously. Prior studies employ various methods to operationalize the balance between two variables, including addition (Du & Kim, 2021), the absolute difference (Cao et al., 2009), and relative balance (Wei et al., 2014), each of which has limitations. For example, the

Table 1
Descriptive statistics of the new ventures in the sample.

Years since established		Industry		No of employees		Customer base		Years since first product commercialized	
>2	24.4	Food and beverage	20.0	2–8	63.9	End consumers	52.0	<1	5.2
2–4	47.4	Textile and footwear	12.6	9–15	21.1	Other businesses	12.0	1–3	57.8
5–7	20.7	Information technology	8.9	16–22	7.5	Both	35.0	4–6	28.9
8–10	7.4	Beauty culture	8.9	23+	7.5			7–9	6.7
		Consumer goods	5.2					10	1.5
		Agriculture	5.2						
		Herbal products	5.2						
		Other	31.9						

addition method poses challenges because it yields the same score for different compositions of the two variables. Similarly, the absolute difference and relative balance methods overlook the level of balance, producing the same score regardless of whether the balanced cases are at low, medium, or high levels, thus confounding the results. Therefore, we adopt a logic similar to Gligor et al. (2021) and operationalize EO–MO fit using the degree symmetry of constructs by assessing symmetry and value (i.e., degree or magnitude; Klein et al., 2007; Straub et al., 2004). The degree symmetry value (DSV), as shown in Table 2, captures the magnitude and balance of the relationship between EO and MO (Straub et al., 2004). The DSV varies from 0 to 1. Low values indicate asymmetry or low magnitudes of symmetry.

Effectuation was measured using a 12-item scale adopted from Chandler et al. (2011) and consisting of four dimensions: affordable loss, experimentation, flexibility and precommitments. *Bricolage* was measured using an 8-item scale adopted from Senyard et al. (2014). These measures are captured using the entrepreneurs' responses because the literature suggests that effectuation and bricolage reflect the decisions and behaviors of entrepreneurs' when faced with uncertainty and resource scarcity (Fisher, 2012; Welter et al., 2016).

Effectuation-bricolage configuration is computed by adopting the interaction approach. We believe that central to the interactive aspects of effectual decision-making and bricolage resource allocation are the mutually beneficial effects they provide each other. Accordingly, we follow prior studies (e.g., Ahmadi and O'Cass, 2016; Gupta et al., 2006) and operationalize effectuation-bricolage configuration by computing the product term of the two constructs.

Entrepreneurs' long-term orientation is measured using a 3-item scale developed by Bearden et al. (2006). Long-term orientation is measured in prior studies from leaders' and top managers' perspectives (Lin et al., 2019; Lumpkin & Brigham, 2011). Hence, we measure it from entrepreneurs' responses.

Managers' perfectionism was measured using a 3-item scale from Kopalle et al. (2010). We choose to measure perfectionism from the managers' perspective because, despite entrepreneurs' role in configuring decision-making and resource allocation in NVs, given that they operate with smaller teams, the motivation level of the manager implementing these configurations has a significant influence (Song et al., 2022). Therefore, following prior studies, we used the managers' perspective (Harari et al., 2018; Song et al., 2022).

Following prior studies on NVs, we controlled for firm age (number of years of business operations), firm size (number of employees), and speed to commercialization (number of years taken to commercialize the first product). These firm-level variables are identified as influencing the resource-use decisions of NVs (Wu et al., 2020; Boso et al., 2013). Further, entrepreneurs' start-up experience and managers' industrial experience (number of years of prior experience in start-up/industry), the level of attainment of entrepreneurs' and managers' educational qualifications, and their gender are used as control variables, as they impact decisions and behaviors (Sarasvathy, 2001).

Table 2
EO and MO fit formula derivations.

Derivations	Definition	Formula	Assumptions
EO and MO value EOV_a and MOV_a	Summated index of the level, l, of each item, x_i, that belongs to where the set of items $\{x_1, x_2, \ldots, x_n\}$ used to measure construct, *a*, for EO or MO.	$(\Sigma_{i=1}^{n} x_i * l_i)/(n * L)$ where $0 \leq l_i \leq L$	1. $EOV_a \geq 0$ and $MOV_a \geq 0$; 2. $EOV_a \leq 1$ and $MOV_a \leq 1$; 3. $(EOV_a + MOV_a) > 0$;
Degree value: DV_a	Summated index of the construct *a*	$(EOV_a + MOV_a)/2$	$0 < DV_a \leq 1$
Symmetry value: SV_a	Symmetry index of construct *a*.	If $EOV_a \geq MOV_a$ then $SV_a = MOV_a / EOV_a$; or If $EOV_a < MOV_a$, then $SV_a = EOV_a / MOV_a$	$0 < SV_a \leq 1$
Degree of symmetry value: DSV_a	Index of both symmetry and value of construct *a*.	$(DV_a + SV_a)/2$	$0 < DSV_a \leq 1$

Note: Adapted from Straub et al. (2004).

4.3. Validity and reliability assessment

Following prior studies (e.g., Chen et al., 2014; Malodia et al., 2023), we conducted second-order confirmatory factor analyses (CFA) to evaluate the homogeneity of the subdimensions underlying the multidimensional constructs of EO, MO, and effectuation. [1] Each measurement model was specified such that observed items loaded onto their respective first-order factors (subdimensions), which in turn loaded onto the corresponding second-order latent constructs (i.e., EO, MO, and effectuation). The results indicated excellent model fit for EO (χ^2 = 32.319; CMIN/*df* = 1.347; RMSEA = 0.051; CFI = 0.988; TLI = 0.982), MO (χ^2 = 36.200; CMIN/*df* = 1.508; RMSEA = 0.062; CFI = 0.974; TLI = 0.960), and effectuation (χ^2 = 80.276; CMIN/*df* = 1.606; RMSEA = 0.067; CFI = 0.970; TLI = 0.960). These findings support the validity of modeling EO, MO, and effectuation as second-order constructs. Accordingly, composite scores for each construct were computed and used in subsequent analyses.

We assessed the validity and reliability of all measures. As shown in Table 3, Cronbach's alpha (α) ranges from 0.60 to 0.91, and composite reliability values range from 0.78 to 0.97, indicating satisfactory reliability. Table 3 shows that all factor loadings are between 0.63 and 0.94, supporting convergent validity. Further, all average variance extracted (AVE) values are higher than 0.50, supporting convergent validity. Further, we conducted a CFA to evaluate the overall measurement model. The fit indices show a satisfactory fit: χ^2 = 1,296.58; CMIN/*df* = 1.50; RMSEA = 0.06; CFI = 0.92; and TLI = 0.90.

First, using the Fornell and Larcker (1981) criterion, we assessed

[1] We also conducted CFA for the uni-dimensional constructs of bricolage and customer-related performance to ensure that the observed items reliably loaded onto their respective latent constructs.

Table 3
Psychometric analysis of the constructs.

Construct	Items	Factor Loading
Entrepreneurial orientation (α = 0.88, AVE = 0.69, CR = 0.95)		
Risk-taking (AVE = 0.72, CR = 0.89)	The term 'risk taker' is considered a positive attribute for people in this business.	0.88
	People in this business are encouraged to take calculated risks with new ideas.	0.82
	This business is willing to take risks.	0.74
Innovativeness (AVE = 0.72, CR = 0.88)	In this business, we actively introduce improvements and innovations in our marketing.	0.83
	This business is creative in its methods of operation.	0.87
	This business seeks out new ways to do things.	0.84
Proactiveness (AVE = 0.69, CR = 0.87)	This business always tries to take the initiative in every situation (e.g. against competitors, in projects and when working with others).	0.83
	This business excels at identifying opportunities.	0.77
	This business initiates actions to which other organizations (businesses) respond.	0.88
Market orientation (α = 0.83, AVE = 0.67, CR = 0.95)		
Intelligence generation (AVE = 0.70, CR = 0.87)	This business is fast to detect changes in our customers' product preferences.	0.88
	This business is fast to detect fundamental shifts in our industry (e.g. competition, technology, regulations).	0.84
	This business periodically reviews the likely effect of changes in this business environment (e.g. regulations) on customers.	0.77
Intelligence dissemination (AVE = 0.64, CR = 0.84)	When something important happens to a major customer or market, the whole organization (business) knows about it in a short period.	0.82
	Customer suggestions and comments are disseminated throughout this business on a regular basis.	0.80
	This business disseminates information about our market (e.g. customers, competitors, suppliers) throughout the business.	0.77
Responsiveness (AVE = 0.69, CR = 0.87)	This business pays close attention to the changes in our customers' needs.	0.75
	If a major competitor launches a campaign to our customers, this business implements a response immediately.	0.87
	This business can effectively implement a marketing plan in a timely fashion.	0.86
Effectuation (α = 0.86, AVE = 0.75, CR = 0.97)		
Experimentation (AVE = 0.86, CR = 0.89)	We experimented with different products and/or business models.	0.94
	We tried a number of different approaches until we found a business model that worked.	0.92
Affordable loss (AVE = 0.74, CR = 0.86)	We were careful not to commit more resources than we could afford to lose.	0.79
	We were careful not to risk more money than we were willing to lose with our initial idea.	0.91
	We were careful not to risk so much money that the company would be in real trouble financially if things did not work out.	0.88
Flexibility (AVE = 0.73, CR = 0.91)	We allowed the business to evolve as opportunities emerged.	0.78
	We adapted what we were doing to the resources we had.	0.88
	We were flexible and took advantage of opportunities as they arose.	0.92
	We avoided courses of action that restricted our flexibility and adaptability.	0.81
Pre-commitments (AVE = 0.72, CR = 0.89)	We used a substantial number of agreements with customers, suppliers and other organizations and people to reduce the amount of uncertainty.	0.80
	We used pre-commitments from customers and suppliers as often as possible.	0.87
	The agreements with customers, suppliers and other organizations and people enable the capture of new opportunities in a varied environment.	0.89
Entrepreneurs' long- term orientation (α = 0.60, AVE = 0.55, CR = 0.78)		
	I personally plan for the long time.	0.67
	I personally work hard for success in the future.	0.85
	I personally don't mind giving up today's fun for success in the future.	0.68
Managers' perfectionism (α = 0.91, AVE = 0.85, CR = 0.94)		
	I personally get mad at myself when I make mistakes.	0.91
	I personally should be upset if I make a mistake.	0.94
	Little errors bother me a lot.	0.91
Bricolage (α = 0.85, AVE = 0.50, CR = 0.80)		
	We are confident of our ability to find workable solutions to new challenges by using our existing resources.	0.63
	We gladly take on a broader range of challenges than others with our resources.	0.75
	We use any existing resource that seems useful to responding to a new problem or opportunity.	0.72
	We deal with new challenges by applying a combination of our existing resources and other resources inexpensively available to us.	0.74
	When dealing with new problems or opportunities, we take action by assuming that we will find a workable solution.	0.63
	By combining our existing resources, we take on a variety of new challenges.	0.75
	When we face new challenges, we put together workable solutions from our existing resources.	0.68
	We combine resources to accomplish new challenges that the resources were not originally intended to accomplish.	0.73
Customer-related performance (α = 0.71, AVE = 0.72, CR = 0.84)		
	Based on your own understanding of your customers and your business how well has your business performed on customer satisfaction.	0.85
	Based on your own understanding of your customers and your business how well has your business performed on customer relationships.	0.84

Notes: α = Cronbach's alpha; CR = composite reliability; AVE = average variance extracted

discriminant validity by comparing the square root of the AVE with the correlation between the constructs. Table 4 provides the correlation matrix and construct-level statistics. The diagonal square roots of all AVE values are higher than the off-diagonal correlations between the corresponding constructs, confirming discriminant validity. Second, no individual pairwise correlations exceed their respective reliability estimates, indicating satisfactory discriminant validity of all constructs (Ngo & O'Cass, 2012). Further, to assess the possibility of multicollinearity, we computed the variance inflation factors (VIFs). No VIF values exceed the threshold of 5 (Hair et al., 2010), indicating that multicollinearity is not a significant concern in our model.

To mitigate potential threats from common method bias, we followed several procedures. First, paired data were collected through two different surveys. Second, following Podsakoff and Organ (1986), we tested our model for common method bias using Harman's one-factor. We entered all the variables from the study into factor analysis, which resulted in the extraction of 71.79 % of the total variance, suggesting that the first factor alone does not explain most of the variance. Third, we followed Malhotra et al. (2017) and implemented the marker variable approach using the second-smallest positive value of the correlation matrix as a proxy for the marker variable. The results of the marker variable analysis suggested no difference between the pattern and significance of the correlations between the adjusted and original (unadjusted) correlation coefficients. Fourth, we employed the CFA-based latent common method bias factor analysis (Podsakoff et al., 2003). The results suggested a poor model fit for the model incorporating the latent method factor (RMSEA = 0.06, CFI = 0.86, TLI = 0.851) compared to the original model. Hence, we concluded that common method bias is not a major concern in this study.

Endogeneity can potentially bias our model because the effectuation-bricolage configuration can be endogenously influenced by EO and MO. To address this concern, we followed the approach of Liu et al. (2016), employing a two-stage least squares (2SLS) method with instrumental variables to mitigate potential endogeneity threats. We selected market uncertainty and leaders' situational awareness as instrumental variables, as they meet both the relevance and exclusion criteria (Lu et al., 2018). Additionally, we conducted a Durbin-Wu-Hausman post-estimation test for endogeneity. The results from the 2SLS analysis and the Durbin-Wu-Hausman test indicate that the effectuation-bricolage configuration is exogenous, suggesting that endogeneity does not pose a threat to our study. Further, by including a range of control variables to address omitted variable bias and using systematic participant selection to avoid self-selection bias, endogeneity is unlikely to be a significant issue.

5. Results

We employed the SPSS PROCESS macro (Hayes & Hofmann, 2018) to test our hypotheses. To test H1 and H2, we used the PROCESS macro, Model 4, using 5,000 bootstrap samples. For the analysis, we included the effectuation-bricolage configuration as the independent variable, EO–MO fit as the mediator, customer-related performance as the dependent variable, and the control variables in the model. As shown in Table 5, the results show that the direct effect of the effectuation-bricolage configuration on EO–MO fit is positive and significant (β = 0.37; $p < 0.001$), supporting H1. Further, the indirect effects of the effectuation-bricolage configuration on customer-related performance via EO–MO fit is positive and significant ($\beta_{indirect}$ = 0.12, 95 % CI [0.04, 0.23]), supporting H2.

SPSS PROCESS macro-Model 7 was used to test the moderated mediation effects suggested in H3 and H4. We extended the mediation model by including entrepreneurs' long-term orientation and managers' perfectionism as moderating variables to test the moderated mediation models. The results show that the interaction term between the effectuation-bricolage configuration and entrepreneurs' long-term orientation is positive and significant (β = 0.16, $p < 0.05$, 95 % CI

Table 4
Construct-level measurement statistics and correlation matrix.

Construct	Mean	SD	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1. EO	4.06	0.55	**0.83**													
2. MO	3.93	0.56	0.52**	**0.82**												
3. Effectuation	4.08	0.52	0.43**	0.38**	**0.87**											
4. Bricolage	4.38	0.29	0.08	−0.13	0.22**	**0.71**										
5. Entrepreneurs' long-term orientation	4.05	0.55	0.08	0.19*	0.44**	0.13	**0.74**									
6. Managers perfectionism	3.32	0.98	0.09	0.11	0.20*	0.03	0.13	**0.92**								
7. Customer-related performance	4.45	0.59	0.40**	0.30**	0.31**	0.01	0.02	−0.14	**0.88**							
8. Firm size	NA	NA	0.14	0.26**	0.15	0.01	0.14	−0.07	0.18*	**NA**						
9. Firm age	NA	NA	0.08	0.14	0.13	0.09	0.05	0.00	0.10	0.50**	**NA**					
10. Speed to commercialization	NA	NA	0.14	0.11	0.13	0.11	0.08	0.06	0.00	0.15	0.42**	**NA**				
11. Entrepreneurs' startup experience	NA	NA	−0.20*	−0.10	−0.10	0.18*	0.04	−0.03	−0.09	0.31**	0.28**	0.22**	**NA**			
12. Managers' industry experience	NA	NA	−0.04	0.08	−0.06	0.18*	0.09	0.00	0.05	0.36**	0.29**	0.22**	0.54**	**NA**		
13. Entrepreneurs' educational qualifications	NA	NA	0.15	0.15	0.10	−0.09	−0.03	0.07	0.04	0.13	0.05	0.07	−0.17	−0.22*	**NA**	
14. Managers' educational qualifications	NA	NA	0.06	0.12	−0.06	−0.01	−0.11	0.10	0.07	0.15	0.09	0.11	−0.07	−0.07	0.51**	**NA**

Notes: Square root of average variance extracted estimates are shown in bold diagonal figures; SD = standard deviation; *$p < 0.05$, **$p < 0.01$.

Table 5
Test of main and mediation effects.

Direct effects	Estimates	S.E.	*p* value	LLCI	ULCI
H1 effectuation-bricolage configuration → EO–MO fit	0.37	0.01	<0.001	0.00	0.01
EO–MO fit → customer-related performance	0.34	0.65	<0.001	1.06	3.66
Indirect effects					
H2 effectuation-bricolage configuration → EO–MO fit → customer-related performance	0.124	0.05	<0.05	0.04	0.23

Notes: Standardized estimates are reported; S.E. = Standard error; LLCI = lower-limit confidence interval (95 %); ULCI = upper-limit confidence interval (95 %); all significance tests are two-tailed.

[0.01, 0.29]). A spotlight analysis reveals that the effect of the effectuation-bricolage configuration on EO–MO fit is weaker when entrepreneurs' long-term orientation is low (1 SD below the mean; $\beta = 0.31$, $p < 0.001$) and increases in strength when entrepreneurs' long-term orientation is high (1 SD above the mean; $\beta = 0.60$, $p < 0.001$; see Fig. 2). In line with our theorized mechanism, the indirect effect of the effectuation-bricolage configuration on customer-related performance via EO–MO fit is weaker when entrepreneurs' long-term orientation is low (1 SD below the mean; $\beta_{indirect} = 0.10$, 95 % CI [0.02, 0.22]) and increases in strength when entrepreneurs' long-term orientation is high (1 SD above the mean; $\beta_{indirect} = 0.20$, 95 % CI [0.07, 0.37]; see Table 6). Furthermore, the index of moderated mediation was used to quantify the relationship between the proposed moderator and the size of the indirect effect to determine whether the indirect effect is dependent on the moderator (Hayes, 2015). The index of moderated mediation of entrepreneurs' long-term orientation is significant because the confidence intervals do not include the value zero (index = 0.05, SE = 0.03, 95 % CI [0.00, 0.11]), thereby supporting H3.

Similarly, the interaction term between the effectuation-bricolage configuration and managers' perfectionism is positive and significant ($\beta = 0.18$, $p < 0.05$, 95 % CI [0.02, 0.34]). Moreover, the spotlight analysis reveals that the effect of the effectuation-bricolage configuration on EO–MO fit is not significant when managers' perfectionism is low (1 SD below the mean; $\beta = 0.18$, $p = 0.13$). However, the effect of the effectuation-bricolage configuration is significant when managers' perfectionism is high (1 SD above the mean; $\beta = 0.56$, $p < 0.001$; see Fig. 3). Further, in line with our theory, the indirect effect of the effectuation-bricolage configuration on customer-related performance via EO–MO fit is not significant when managers' perfectionism is low (1 SD below the mean; $\beta_{indirect} = 0.06$, 95 % CI [−0.03, 0.19]). However, the effect of the effectuation-bricolage configuration is significant when

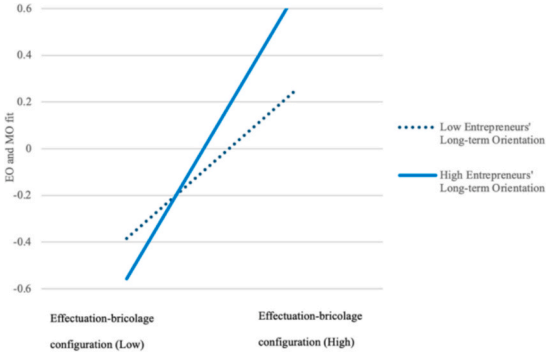

Fig. 2. Interaction effect of effectuation-bricolage configuration and entrepreneurs' long-term orientation.

Table 6
Test of moderated-mediation effects.

Indirect effects	Estimates	S.E.	LLCI	ULCI
H3 effectuation-bricolage configuration → EO–MO fit → customer-related performance				
Low entrepreneurs' long-term orientation	0.10	0.05	0.02	0.22
High entrepreneurs' long-term orientation	0.20	0.07	0.07	0.37
H4 effectuation-bricolage configuration → EO–MO fit → customer-related performance				
Low managers' perfectionism	0.06	0.06	−0.03	0.19
High managers' perfectionism	0.19	0.07	0.06	0.33

Notes: Standardized estimates are reported; S.E. = Standard error; LLCI = lower-limit confidence interval (95 %); ULCI = upper-limit confidence interval (95 %).

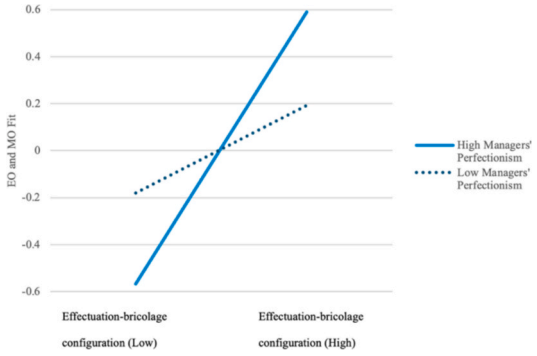

Fig. 3. Interaction effect of effectuation-bricolage configuration and Managers' Perfectionism.

managers' perfectionism is high (1 SD above the mean; $\beta_{indirect} = 0.19$, 95 % CI [0.06, 0.33]; see Table 6). The bootstrap result of the index of moderated mediation for managers' perfectionism is significant (index = 0.06, SE = 0.02, 95 % CI [0.00, 0.13]), supporting H4.

6. Discussion

In this study, we draw on configurational theory and the strategic entrepreneurship framework to identify the specific NV configurational domains, operating at the micro-level and *meso*-level, which are key to achieving customer-related performance in emerging economies. Our findings support our theorizing that the configuration of effectuation and bricolage provides complementary benefits in achieving a higher level of EO–MO fit that, in turn, improves customer-related performance. Further, our results indicate that this positive effect is enhanced when appropriate configurations are achieved in terms of leader socio-cognitive factors, specifically, entrepreneurs' long-term orientation and NV managers' focus on perfectionism.

6.1. Theoretical implications

Our study makes several notable contributions to the literature. First, we contribute to emerging research that recognizes the intertwined nature of effectuation and bricolage and their complementary effects (An et al., 2020; Scazziota et al., 2023). Although prior studies are conceptual (Fisher, 2012; Welter et al., 2016), we respond to recent calls for empirical investigations into the complementarity between effectuation and bricolage (Scazziota et al., 2023). By doing so, we advance this emerging field by identifying their role as antecedents in driving EO–MO fit. Further, the context of an emerging economy provides a unique setting that is favorable for effectuation and bricolage (e.g., environmental turbulence, uncertainty, and resource constraints), promoting the robustness of our findings. Our study also sheds light on the strategic entrepreneurship literature by highlighting the benefits of configuring

effectuation and bricolage in emerging economies.

Second, our study contributes to the literature on strategic orientations in NVs. Although the existing literature acknowledges the challenges associated with the simultaneous pursuit of EO and MO (Boso et al., 2013; Morgan & Anokhin, 2020), we clarify the importance of adopting appropriate decision-making logic and resource-allocation mechanisms, which can help address these challenges to effectively configure EO and MO to achieve a state of fit. Our findings are in line with the work of Smith and Tushman (2005) on cognitive paradox, which suggests that when faced with strategic contradictions, balancing such contradictions lies in strategic decision-making and managerial team characteristics. We extend this work to the strategic entrepreneurship and emerging economy context, suggesting that NVs using effectuation and bricolage can adeptly navigate potential tensions stemming from the simultaneous pursuit of EO and MO.

Third, we contribute to the literature on the sociocognitive perspective of strategic decision-making (Lin et al., 2019; Song et al., 2022), highlighting the importance of entrepreneurs' long-term orientation and managers' perfectionism and suggesting their implications for improving the configurations of entrepreneurial strategies. Our findings align with research that suggests effectuation and bricolage are contingent on the strategist or actor and their sociocognitive factors (Scazziota et al., 2023). Addressing the calls for research to investigate such boundary conditions (Steffens et al., 2023), we identify the moderating role of entrepreneurs' long-term orientation and perfectionism. Moreover, we highlight how accounting for entrepreneurs' long-term orientation and perfectionism can help NVs configure resources and actions to overcome several shortcomings when applying them in isolation (Steffens et al., 2023). Further, our results support the argument by Kuratko and Audretsch (2009, p. 12) that "strategic entrepreneurship starts when the entrepreneur is less concerned with issues linked to the emergence and the short-term survival, but more with those related to development strategy, success, market orientation, etc.".

Finally, our research model contributes to extending the configurational theory within the strategic entrepreneurship context by unpacking several micro-configurational domains, including strategic behaviors, decision-making, resource allocation, and leaders' sociocognitive factors that shape NV *meso*-configurations to maximize NVs' customer-related performance. These findings provide novel insights into how NVs overcome many challenges to their survival by achieving and sustaining competitive advantages (Alqahtani & Uslay, 2020), particularly in emerging economies (Boso et al., 2013; Buli, 2017).

6.2. Managerial implications

Our study offers important managerial implications for NV entrepreneurs and managers. First, to succeed in today's dynamic environment, entrepreneurs need to orient their strategies to identifying and addressing customer needs through MO while proactively seizing market opportunities through EO (Atuahene-Gima & Ko, 2001). This can be achieved, for example, by fostering cross-functional collaboration between research and development, in which EO tends to excel, and sales and marketing functions, in which MO is more prominent. In addition, entrepreneurs can promote training programs to help employees comprehend and embrace the two orientations. The strategic fit between EO and MO not only fosters a competitive edge but also sustains it, creating a formidable barrier for competitors (Alqahtani & Uslay, 2020).

Second, entrepreneurs must be mindful of their decision-making logic and resource-allocation mechanisms when implementing EO and MO. This is because EO and MO may compete for limited resources in NVs, creating decision-making and resource-allocation challenges (Morgan et al., 2015). Decision-making that facilitates undertaking affordable loss, resource experimentation, and trial-and-error learning while being flexible to change will strengthen the strategic fit between EO and MO. Further, entrepreneurs are advised to assess the available resources and make do with undervalued, slack, or discarded resources to enhance resource-allocation tasks to achieve a higher level of EO–MO fit in NVs.

Third, our study suggests that entrepreneurs' long-term orientation and perfectionism can be helpful characteristics supporting effectuation and resource allocation decisions. Thus, entrepreneurs should carefully integrate their long-term vision into their decisions and actions. This means considering the future implications of strategies and being prepared to adapt to changing market conditions while staying true to their core vision. In addition, when hiring managers or building a team, selecting individuals who exhibit qualities of perfectionism can contribute to the effectiveness of the NVs' strategies. These individuals are more likely to pay attention to detail, strive for excellence, and ensure that the strategies are executed with high levels of precision and quality.

6.3. Limitations and future research directions

Our study has several limitations, which open avenues for future studies. First, our data comes from an explorative cross-sectional survey design. While we believe our research design was appropriate for the context of our study, we acknowledge the limitations of cross-sectional designs. Future studies could be designed around the use of longitudinal data to capture how the configurations outlined in our framework evolve as NVs mature and grow. Second, researchers could extend our framework to large and established organizations and compare their performance with NVs or established small firms. This focus could prove valuable as emerging evidence suggests that effectuation and bricolage are not solely confined to NVs but can be strategic approaches for enhancing the creativity, innovativeness, and adaptability of large firms (An et al., 2020). Third, although EO and MO are heavily researched domains, our study suggests that several interesting research opportunities lie in integrating EO and MO, especially in investigating how inherent challenges associated with achieving greater 'fit' are resolved using appropriate organizing mechanisms that may act as antecedents or boundary conditions. Therefore, future research can identify the impact of other relevant resources and capabilities that could serve as antecedents or boundary conditions of EO–MO fit and consequences of misfit. Finally, future research could extend our model to investigate other relevant sociocognitive factors, such as self-identity, self-efficacy, internal locus of control, and relevant personality characteristics, which could affect the strategic decision-making and resource-allocation mechanisms in NVs.

CRediT authorship contribution statement

Sayuri Wijekoon: Writing – review & editing, Writing – original draft, Visualization, Validation, Project administration, Methodology, Formal analysis, Data curation, Conceptualization. **Mahdi Vesal:** Writing – review & editing, Supervision, Project administration, Methodology, Investigation, Data curation, Conceptualization. **Aron O'Cass:** Writing – review & editing, Supervision, Resources, Project administration, Methodology, Investigation, Funding acquisition, Conceptualization.

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Declaration of competing interest

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

Data availability

Data will be made available on request.

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