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# CREATIVITY AND ADAPTABILITY OF ENTREPRENEURSHIP: THE ROLE OF BRICOLAGE, FASHION BUSINESS MODEL INNOVATION, AND MARKET ORIENTATION IN ENTREPRENEURIAL ENHANCEMENT

**Reza Damayanti [1], Anang Muftiadi [2], Erna Maulina [3] Margo Purnomo [4]**
[1,2,3,4]*Business Administration Postgraduate Program, Faculty of Social and Political Sciences, Universitas Padjadjaran.*
*Email: reza21011@mail.unpad.ac.id*

## *ABSTRACT*

*In the context of entrepreneurship, bricolage involves the ability to leverage a wide variety of available resources, including knowledge, connections, and capital, to overcome constraints and create added value. The purpose of this study focuses on exploring the mechanisms and effects of how entrepreneurial bricolage affects entrepreneurial performance. The study used a simple randomized method, which was then followed by a face-to-face interview with the company's founder. The results of this study show that the importance of entrepreneurial bricolage and business model innovation in improving entrepreneurial performance, with market orientation moderating the relationship between these variables. It provides valuable insights for business practitioners in devising strategies that suit their market environment. Entrepreneurial bricolage has a significant and positive impact on business model innovation. Business model innovation, in turn, has a significant and positive influence on entrepreneurial performance. It also serves as a complete mediator between entrepreneurial bricolage and entrepreneurial performance. Market orientation plays an important role in regulating the impact of entrepreneurial bricolage on business model innovation.*

***Keywords:*** *Entrepreneurship; Bricolage; Innovation; Business Model; Market Orientation*

## 1. Introduction

In an era filled with uncertainty and rapid change like today, creativity and adaptability are the main keys in facing challenges and taking advantage of opportunities in the world of entrepreneurship. Entrepreneurship is no longer just about starting a new business, but also about the ability to constantly evolve, adapt, and innovate in the face of ever-changing market dynamics (Chi et al., 2024). In this context, the concept of bricolage emerged as one of the important approaches. Bricolage refers to the ability to use existing resources in creative and flexible ways to create new solutions. In the context of entrepreneurship, bricolage involves the ability to leverage a wide variety of available resources, including knowledge, connections, and capital, to overcome constraints and create added value. In the fashion sector, where consumer trends and preferences can change rapidly, business model innovation is crucial. Innovative business models not only allow companies to remain relevant in a changing market but can also create a significant competitive advantage. By adopting innovative approaches in product development, marketing,

and distribution, fashion companies can differentiate themselves from competitors and win over consumers (Björklund et al., 2020).

However, it is not enough just to have innovative ideas. It is also important to have a strong market orientation. Market orientation refers to a deep awareness and understanding of consumer needs, wants, and preferences. By having a good market orientation, entrepreneurs can direct their innovation efforts in the direction that is most relevant and profitable for the markets they serve. It is important to recognize that in developing creativity, adaptability, and innovation, collaboration also plays an important role (Baiocco & Paniccia, 2023). Through collaboration with stakeholders, such as consumers, business partners, and the industry community, entrepreneurs can generate more diverse ideas and more effective solutions. By building strong networks and engaging in the exchange of ideas, knowledge, and resources, they can increase the likelihood of success in the face of complex business challenges. Therefore, in the context of entrepreneurship development oriented towards creativity and adaptability, collaboration is key to creating sustainable added value and expanding positive impact in the business ecosystem (Scuotto et al., 2023a).

Drawing upon the accomplishments of previous researchers, this study delves into the intricacies of entrepreneurial bricolage and its impact on entrepreneurial performance using dynamic ability theory as a foundation (Scuotto et al., 2023b). Within this research framework, the study also incorporates business model innovation and market orientation to shed light on the role of bridging business model innovation in the relationship between entrepreneurial bricolage and entrepreneurial performance. Furthermore, it explores the influence of market orientation limits on this relationship. To provide a more comprehensive explanation, the study breaks down into three sub-problems: (1) How does entrepreneurial bricolage affect the entrepreneurial performance of new startups, and what is the pathway through which this effect occurs? This question arises from the recognition that, in response to the increasingly complex and dynamic market, many new startups are engaging in or planning to engage in resource bricolage activities. However, it is important to note that the experiences of individual companies cannot fully represent the entire industry (Agostini et al., 2023). Some startups still approach entrepreneurial bricolage with caution and prefer to observe before taking action. Therefore, the first aspect to be addressed in this study is to examine the impact and pathways of entrepreneurial bricolage on entrepreneurial performance. This will provide theoretical guidance on the significance of entrepreneurial bricolage and offer valuable insights for startups engaging in this practice. Another question to be explored is the role of business model innovation in the process of entrepreneurial bricolage for new startups. Previous studies have examined the relationship between business model innovation and entrepreneurial performance using empirical methods, but their findings have been inconsistent (Misagh TasavorI, 2017).

The intricate nature of the connection between business model innovation and entrepreneurial performance is evident. Thus, the second sub-problem of the research, focusing on dynamic capabilities, aims to explore the impact of business model innovation on the relationship between entrepreneurial bricolage and entrepreneurial performance. Another aspect to consider is how market orientation influences the relationship between entrepreneurial bricolage, business model innovation, and entrepreneurial performance for new startups (Bivona & Cruz, 2021). Given the current landscape of intense market competition and the uncertainties arising from global economic challenges and geopolitical conflicts, comprehending market orientation becomes crucial for the growth of startups. However, there is a scarcity of literature that incorporates market orientation as a variable in the examination of entrepreneurial bricolage, business model innovation, and entrepreneurial performance. Hence, the third sub-problem of this study aims to examine market orientation as a moderating factor, investigating its role in regulating the connection between entrepreneurial bricolage, business model innovation, and entrepreneurial performance. Additionally, it seeks to uncover the boundaries of entrepreneurial bricolage in relation to business model innovation and entrepreneurial performance (Purnamawati et al., 2022).

In comparison to previous research, this study makes several valuable contributions. Firstly, while many studies have examined entrepreneurial performance, previous research has often focused on the impact of either entrepreneurial bricolage or business model innovation on entrepreneurial performance separately (Tsou & Chen, 2022). This study, however, addresses a gap in the literature by comprehensively investigating both variables simultaneously. By doing so, it offers a fresh theoretical perspective within the field of entrepreneurial research. Secondly, although some scholars have explored the relationship between entrepreneurial bricolage and entrepreneurial performance by considering mediating variables such as organizational learning, self-efficacy, and knowledge seeking, there is a lack of studies that incorporate business model innovation as a key variable in their research models, particularly within the context of research conducted by Indonesian scholars. By incorporating business model innovation as a significant

variable, this research addresses a gap in the existing literature regarding the correlation between entrepreneurial bricolage and entrepreneurial performance. While previous scholars have examined the contextual factors that shape the impact of entrepreneurial bricolage on business model innovation and entrepreneurial performance, often neglecting the role of market orientation, this study takes a micro perspective to analyze the specific influence of market orientation on the relationship between entrepreneurial bricolage, business model innovation, and entrepreneurial performance. As a result, this study fills a void in academic research by providing insights into the interplay among entrepreneurial bricolage, business model innovation, and entrepreneurial performance, while considering the importance of market orientation (Muhammad et al., 2019).

## 2. Research Method

In this study sampling used a simple random method, which was then followed by a face-to-face interview with the company's founder. After obtaining responses from 338 questionnaires, incomplete or unpatroned responses were removed, leaving 288 valid questionnaires. The effective response rate was 85.21%, which shows a good participation rate. From a valid sample, the composition of the company by age, number of employees, registered capital, and industry distribution is well explained. For example, there are most companies under 8 years old, with most having less than 200 employees and registered capital below 20 million RMB. Industrial distribution also covers a wide range of sectors, with most companies being in the industrial sector. The measurement of variables in the study, such as market orientation, business model innovation, and entrepreneurial bricolage, is based on a scale that has been developed previously by leading researchers in the field. This provides a solid methodological basis for the analysis of the data to be carried out, as these scales have been tested for reliability and validity in the context of previous studies. Thus, the methodology of this study seems to have been well designed to collect relevant and valid data in understanding the aspects of entrepreneurship under study (Hasan, 2024). Data management was conducted using SPSS to ensure precise and accurate analysis.

## 3. Results and Discussion

### Result

### Live effect testing

The findings indicate that entrepreneurial bricolage plays a crucial role in enhancing entrepreneurial performance by facilitating business model innovation. This study adds to the existing model of the entrepreneurial bricolage process proposed by Baker and Nelson, highlighting the mediating effect of business model innovation in improving performance. By effectively combining and repurposing resources to exploit new opportunities, the entrepreneurial bricolage strategy enables companies to create new content, structure, governance, and seize emerging prospects, thus driving business model innovation. Furthermore, business model innovation serves as a means to achieve enhanced performance for new startups (Villares-Varela et al., 2020).

The relationship between entrepreneurial bricolage, business model innovation, and entrepreneurial performance is influenced by market orientation. The positive moderation of market orientation is evident in two aspects. Firstly, it enhances the impact of entrepreneurial bricolage on business model innovation. As resource scarcity becomes increasingly prevalent in the innovation process, market awareness becomes crucial in effectively navigating constraints and finding creative solutions. By prioritizing the core demands of the market and maintaining a market-oriented approach, companies can effectively manage their external market relationships and overcome resource limitations in their entrepreneurial bricolage endeavors, ultimately leading to business model innovation. Secondly, market orientation also positively moderates the influence of entrepreneurial bricolage on entrepreneurial performance. Although entrepreneurial bricolage alone does not have a substantial impact on entrepreneurial performance, when combined with a moderate level of market orientation, the effect of entrepreneurial bricolage on entrepreneurial performance transitions from negative to positive. Furthermore, market orientation plays a positive role in moderating the impact of business model innovation on entrepreneurial performance. The alignment and interaction between market orientation and business model innovation can serve as a catalyst for entrepreneurial performance. By adapting to the adjustments provided by market orientation, business model innovation can sustainably drive long-term entrepreneurial performance, facilitating dynamic exploration of the effects of new business model

innovation on entrepreneurial success.. The positive impact of entrepreneurial bricolage on entrepreneurial performance through business model innovation is enhanced by market orientation. Market orientation serves as a moderator, positively influencing the indirect influence of entrepreneurial bricolage on entrepreneurial performance. Additionally, market orientation positively moderates the mediating effect of entrepreneurial bricolage through business model innovation on entrepreneurial performance. In essence, market orientation plays a crucial role in the process of "entrepreneurial bricolage - business model innovation - entrepreneurial performance (Di Domenico et al., 2010).

To estimate and elucidate direct, indirect, and moderating effects, the study employed a set of Process3 programs developed by Andrew F. Hayes. The Process procedure can be accessed at http://www.guilford.com/p/hayes3. For testing direct effects and mediation, the study utilized SPSS 26.0 software by installing the Process program and employing a mediation effect analysis model with 45000 Bootstrap sampling. Control was conducted on variables including company age, company size, sales scale, and industry. The findings of the direct effects and mediation tests are presented in Table 3 and Table 4. In this particular study, the variables MO (Market Orientation), BI (Business Model Innovation), EP (Entrepreneurial Performance), and EB (Entrepreneurial Bricolage) were employed to represent market orientation, business model innovation, entrepreneurial performance, and entrepreneurial bricolage. Control variables such as Year, Size, Sales, and Industry were used to represent company age, company size, sales scale, and industry (Fehrer, 2020).

The outcomes of Model1, as displayed in Table 3, indicate that entrepreneurial bricolage does not exert a noteworthy influence on entrepreneurial performance (Effect = 0.051; CI = —0.087, 0.189). Consequently, the H1 hypothesis fails to gain validation. Conversely, business model innovation demonstrates a significant and positive impact on entrepreneurial performance (Effect = 0.456; CI = 0.335, 0.576), thereby confirming the H3 hypothesis. Moving on to the findings of Model2, entrepreneurial bricolage is found to have a substantial and favorable effect on business model innovation (Effect = 0.864; CI = 0.776, 0.952), thus validating the H2 hypothesis.

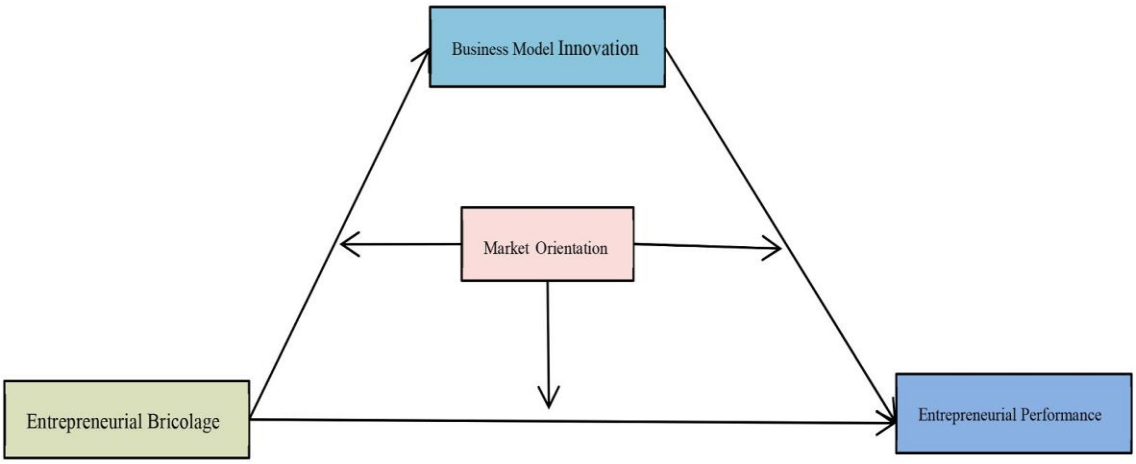


Figure 1. Theoretical model
Source: (Researcher, 2024)

Tabel 1. Reliability, Validity, and Correlations of Market Orientation, Business Model Innovation, Entrepreneurship Performance, and Entrepreneurial Bricolage

| Questions | Value | Deviation | Reliability | Variance Extracted | Market Orientation | Business Model Innovation | Entrepreneurship Performance | Entrepreneurial Bricolage |
|---|---|---|---|---|---|---|---|---|
| **Market Orientation** | 8 | 4.216 | 0.035 – 0.888 | 0.716 | 0.953 | 0.846 | - | - |
| **Business Model Innovation** | 6 | 4.006 | 0.043 – 0.923 | 0.778 | 0.827*** | 0.955 | 0.882 | - |
| **Entrepreneurship Performance** | 8 | 3.593 | 0.036 | 0.832 | 0.752*** | 0.813*** | 0.832 | - |
| **Entrepreneurial Bricolage** | - | - | - | - | 0.752*** | 0.813*** | 0.832 | 0/832 |

*Source: SPSS statistical software*

Bricolage Notes: *$p < 0.05$, **$p < 0.01$, ***$p < 0.001$, double-sided; bold value is the square root of potential E; the data below the diagonal is the correlation value.

Table 1 presents the reliability and validity analysis for the variables used in the study: Market Orientation, Business Model Innovation, Entrepreneurship Performance, and Entrepreneurial Bricolage. High reliability scores (0.953 for Market Orientation and 0.955 for Business Model Innovation) indicate good internal consistency of these variables. The variance extracted values, such as 0.716 for Market Orientation and 0.778 for Business Model Innovation, suggest that a significant amount of variability in the constructs is explained by the model. The correlation coefficients below the diagonal indicate positive and significant relationships between the variables, with very significant correlations between Business Model Innovation and Market Orientation (0.827), and between Entrepreneurship Performance and Entrepreneurial Bricolage (0.832). These findings support the discussion that Market Orientation plays a crucial moderating role in the relationship between Entrepreneurial Bricolage and Entrepreneurial Performance through Business Model Innovation, as hypothesized in the study. The significant correlations confirm that these variables are interrelated and valid within the analyzed model, reinforcing the understanding of how business model innovation and market orientation impact entrepreneurial performance in Indonesia.

**Table 2 Model Fit Statistics for Various Factor Configurations**

| Model | $\chi^2$ | Df | $\chi^2$/df | SRMR | RMSEA | CFI | TLI |
|---|---|---|---|---|---|---|---|
| **Entrepreneurship Performance** | 1344.291 | 404 | 3.344 | 0.036 | 0.810–0.838 | 0.946 | 0.688 |
| **The Two-Factor Model** | 2354.470 | 404 | 5.828 | 0.055 | 0.090 | 0.888 | 0.879 |
| **Entrepreneurial Bricolage** | 4.063 | - | - | 0.037 | 0.804–0.849 | 0.947 | 0.693 |

*Source: SPSS statistical software*

Note: a represents the merging of entrepreneurial bricolage with market orientation; b represents the merging of entrepreneurial bricolage with market orientation, and business model innovation with company performance; C represents the merging of all variables into one factor.

Table 2 presents the model fit statistics for different theoretical models exploring the relationships between entrepreneurial performance, entrepreneurial bricolage, market orientation, and business model innovation. The results for the model assessing Entrepreneurship Performance indicate a good fit with a chi-square value ($\chi^2$) of 1344.291, degrees of freedom (df) at 404, and a chi-square to degrees of freedom ratio ($\chi^2$/df) of 3.344. The Standardized Root Mean Square Residual (SRMR) is 0.036, and the Root Mean Square Error of Approximation (RMSEA) falls within the range of 0.810 to 0.838, while the Comparative Fit Index (CFI) is 0.946, and the Tucker-Lewis Index (TLI) is 0.688. In contrast, the Two-Factor Model, which includes the merging of entrepreneurial bricolage with market orientation, and business model innovation with company performance, shows a less favorable fit with a $\chi^2$ value of 2354.470, a $\chi^2$/df ratio of 5.828, SRMR at 0.055, RMSEA of 0.090, and CFI of 0.888, alongside a TLI of 0.879. This suggests that the model's fit is significantly worse compared to the Entrepreneurship Performance model. Additionally,

the Entrepreneurial Bricolage Model, which integrates entrepreneurial bricolage with market orientation, presents a chi-square value of 4.063 with an SRMR of 0.037, RMSEA ranging from 0.804 to 0.849, CFI of 0.947, and a TLI of 0.693. The findings from Table 2 highlight that the model specifically focusing on entrepreneurial performance demonstrates a better fit compared to models with merged factors, reinforcing the model's capacity to accurately represent the variables' relationships. These results are crucial as they support the hypothesis that a model with clear, separate constructs for entrepreneurial performance and related factors provides a more accurate representation of the data, compared to models that merge these constructs. This supports the study's emphasis on the distinctive roles of entrepreneurial bricolage and business model innovation in enhancing entrepreneurial performance, as discussed in the research.

**Table 3. Model Fit Statistics and Variable Coefficients**

| Model | $\chi^2$ | df | $\chi^2$/df | SRMR | RMSEA | CFI | TLI |
|---|---|---|---|---|---|---|---|
| Four-Factor Model | 664.369 | 399 | 1.665 | 0.034 | 0.048 | 0.968 | 0.966 |
| Two-Factor Model | 1344.291 | 402 | 3.344 | 0.055 | 0.090 | 0.888 | 0.879 |
| Single Factor Model | 2354.470 | 404 | 5.828 | 0.098 | 0.130 | 0.430 | 0.768 |

*Source: SPSS statistical software*

**Table 4. Effect Confidence Coefficients and Intervals**

| Variables | Model 1 (EP as DV) | Model 2 (BI as DV) | Effect | LLCI | ULCI |
|---|---|---|---|---|---|
| Constant | 0.048 | 1.218 | 0.810 | 1.627 | -0.042 |
| Years | -0.201 | - | 0.039 | 1.203 | - |
| Market Orientation | 0.065 | - | 0.003 | 0.146 | 0.043 |
| Business Model | 0.051 | - | 0.027 | 0.104 | 0.778 |
| Size | - | - | 0.011 | - | - |

*Source: SPSS statistical software*

**Table 5. Model Statistics and Variable Coefficients**

| **Model** | **$\chi^2$** | **df** | **$\chi^2$/df** | **SRMR** | **RMSEA** | **CFI** | **TLI** | **Effect (SE)** | **Boot SE** |
|---|---|---|---|---|---|---|---|---|---|
| **Four-Factor Model** | 664.369 | 399 | 1.665 | 0.034 | 0.048 | 0.968 | 0.953 | 0.445 | 0.050 |
| **Business Model** | 4.006 | - | - | - | - | 0.955 | 0.778 | - | - |

*Source: SPSS statistical software*

**Testing of mediation effects**

The findings from the examination of Model 3 in Table 3 indicate a significant and positive impact of entrepreneurial bricolage on entrepreneurial performance (Effect = 0.445; CI = 0.346, 0.543). However, when business model innovation is taken into account and the results of Model 1 in Table 5 are considered, it is evident that the regression coefficient of entrepreneurial bricolage on entrepreneurial performance decreases from 0.445 to 0.051, resulting in a shift from a significant effect to an insignificant effect. Further analysis using Table 4 reveals that bricolage has a significant and positive mediating effect on entrepreneurial performance (Effect = 0.394; CI = 0.299, 0.495), supporting Hypothesis 6. The immediate effect is not found to be significant (Effect = 0.051; CI = —0.087, 0.189), while the total effect remains significantly positive (Effect = 0.445; CI = 0.346, 0.543). These findings demonstrate the role of business model innovation in the overall relationship. ULCI (boot ULCI)

**Table 6. Model Statistics, Variable Coefficients, and Confidence Intervals**

| Model | $\chi^2$ | Df | $\chi^2$/df | SRMR | RMSEA | CFI | TLI | $R^2$ | Effect (SE) | Boot SE | LLCI (Boot LLCI) | ULCI (Boot ULCI) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Four-Factor Model** | 664.369 | 399 | 1.665 | 0.034 | 0.048 | 0.968 | 0.966 | - | - | - | - | - |
| **Three-Factor Model** | 1344.291 | 402 | 3.344 | 0.055 | 0.090 | 0.888 | 0.879 | - | - | - | - | - |
| **Single-Factor Model** | 2354.470 | 404 | 5.828 | 0.098 | 0.130 | 0.430 | 0.768 | - | - | - | - | - |
| **Model 1 (EP as DV)** | - | - | - | - | - | - | - | 0.422 | 0.025 | 0.006 | 0.002 | 0.042 |
| **Model 2 (BI as DV)** | - | - | - | - | - | - | - | - | 0.037 | 0.031 | 0.002 | 0.126 |
| **Model 3 (EP as DV)** | - | - | - | - | - | - | - | - | 0.024 | 0.015 | 0.024 | 0.031 |
| **Effect EB→BI→EP** | - | - | - | - | - | - | - | - | 0.024 | 0.042 | - | - |

*Source: SPSS statistical software*

Table 6 displays the outcomes of a straightforward examination of regulatory impacts using an average that aligns with market orientation and one standard deviation. The findings highlight the significant function of bricolage as a complete mediator in the correlation with entrepreneurial performance.

In order to examine the moderation effect, the Process tool, developed by Andrew F. Hayes, was utilized. By employing the Process3 program in SPSS 26.0 software, a total of 59 moderation analysis models were chosen to conduct 5000 rounds of bootstrap sampling. This analysis aimed to investigate the moderating role of market orientation while controlling for variables such as company age, company size, sales scale, and industry. The outcomes of the moderation effect test can be found in Tables 6 and 7, while Table 8 displays the results of the moderated mediation effect. Based on the findings in Model 4 of Table 5, it can be concluded that the interaction between market orientation and bricolage has a significant and positive impact on business model innovation (Effect = 0.149; CI = 0.015-0.283). This positive moderation of market orientation indicates that it strengthens the influence of entrepreneurial bricolage on business model innovation, thus confirming Hypothesis 4. According to the findings of Model 5, it has been determined that the correlation between market orientation and bricolage has a significant and positive impact on entrepreneurial performance. This effect is measured at 0.745 with a confidence interval of 0.667 to 0.823. These results indicate that market orientation plays a vital role in moderating the relationship between bricolage and entrepreneurial performance, thus supporting Hypothesis 5. Similarly, the interaction between market orientation and business model innovation has also been found to have a significant and positive influence on entrepreneurial performance. This effect is measured at 0.673 with a confidence interval of 0.598 to 0.748. This finding confirms Hypothesis 6 and suggests that market orientation positively moderates the relationship between business model innovation and entrepreneurial performance. Additionally, when market orientation is at a level of M-1SD, the interaction between market orientation and bricolage has a significant and positive effect on business model innovation. This effect is measured at 0.401 with a confidence interval of 0.277 to 0.525. The impact of bricolage on business model innovation is significantly and positively influenced by the interaction between market orientation and bricolage when MO = M (Effect = 0.490; CI = 0.388, 0.592). Similarly, when MO = M + 1SD, the interaction between market orientation and bricolage still has a significant and positive effect on business

model innovation (Effect = 0.579; CI = 0.443, 0.715). This indicates that as market orientation increases, the influence of bricolage on business model innovation becomes stronger (Hou et al., 2022).

The impact of the interaction between market orientation and bricolage on entrepreneurial performance varies depending on the level of market orientation. When market orientation is one standard deviation below the mean (MO = M-1SD), the effect is negative (Effect = —0.236; CI = —0.300, —0.163). However, when market orientation is at the mean (MO = M), the interaction has a significant positive impact on entrepreneurial performance (Effect = 0.209; CI = 0.161, 0.258). On the other hand, when market orientation is one standard deviation above the mean (MO = M + 1SD), the interaction between market orientation and bricolage significantly and positively affects entrepreneurial performance (Effect = 0.655; CI = 0.585, 0.726). This indicates that the influence of bricolage on entrepreneurial performance shifts from negative to positive as market orientation increases. Similarly, the interaction between market orientation and business model innovation has different effects depending on the level of market orientation. When market orientation is one standard deviation below the mean (MO = M-1SD), the effect is negative (Effect = —0.122; CI = —0.192, —0.052). However, when market orientation is at the mean (MO = M), the interaction has a significant positive impact on entrepreneurial performance (Effect = 0.280; CI = 0.231, 0.329). The impact of the interaction between market orientation (MO) and business model innovation on entrepreneurial performance was examined at different levels of market orientation. When MO was equal to the mean (M), there was a significant positive effect on entrepreneurial performance (Effect = 0.280; CI = 0.231, 0.329). When MO was increased by one standard deviation (M + 1SD), there was a significant and positive impact of the interaction on entrepreneurial performance (Effect = 0.683; CI = 0.620, 0.745). This indicates that as market orientation increases, the effect of business model innovation on entrepreneurial performance shifts from negative to positive. On the other hand, when MO was decreased by one standard deviation (M - 1SD), there was a significant negative impact of the interaction on entrepreneurial performance (Effect = -0.122; CI = -0.192, -0.052). Overall, these findings demonstrate the importance of market orientation and business model innovation in influencing entrepreneurial performance. The positive impact of the interaction between market orientation and business model innovation on entrepreneurial performance is evident when MO = M + 1SD (Effect = 0.683; CI = 0.620,0.745). Additionally, as market orientation increases, the influence of business model innovation on entrepreneurial performance shifts from negative to positive. To visually represent the moderating effect of market orientation (MO), a moderation effect diagram was created using one standard deviation above and below the mean entrepreneurial bricolage (EB) as a reference point. The graphical results, displayed in Figure 2, Figure 3, and Figure 4, align with the analyses and conclusions mentioned earlier.

**Test the effects of moderated mediation**

In this study, a moderate mediation effect analysis was carried out, using the mean and value of one standard deviation

**Table 8. Mediated Relationship and Effect Coefficient for MO, BI, and EP Variables Mediated Relationships**

| Variabel | Effect | SE (Boot SE) | LLCI (Boot LLCI) | ULCI (Boot ULCI) |
|---|---|---|---|---|
| **MO → BI** | 0.445 | 0.065 | 0.003 | 0.146 |
| **MO → EP** | | | | |
| **Effect1 (MO = M-1SD)** | 0.109 | 0.036 | 0.063 | 0.155 |
| **Effect2 (MO = M)** | 0.280 | 0.051 | 0.180 | 0.380 |
| **Effect3 (MO = M+1SD)** | 0.683 | 0.051 | 0.582 | 0.784 |
| **BI** | | | | |
| **Effect1 (MO = M-1SD)** | 0.209 | 0.025 | 0.161 | 0.258 |
| **Effect2 (MO = M)** | 0.031 | 0.036 | -0.040 | 0.104 |
| **Effect3 (MO = M+1SD)** | 0.037 | 0.051 | -0.063 | 0.137 |
| **$R^2$** | 0.167 | - | - | - |

*Source: SPSS statistical software*

Table 8 provides a detailed analysis of the mediated relationships and effect coefficients among Market Orientation (MO), Business Model Innovation (BI), and Entrepreneurial Performance (EP). The table shows the mediation effects of MO on BI and EP at different levels of market orientation. Specifically, the effect of MO on BI is significant with a coefficient of 0.445 (SE = 0.065, LLCI = 0.003, ULCI = 0.146), indicating a positive influence. When examining the impact of MO on EP, the results vary with different levels of market orientation: at one standard deviation below the mean (M-1SD), the effect is relatively small (0.109), while at the mean (M), the effect increases to 0.280, and at one standard deviation above the mean (M+1SD), it is substantially higher at 0.683. Additionally, the impact of BI on EP shows significant results only at one standard deviation below the mean (0.209) but is negligible or non-significant at other levels of MO. The overall $R^2$ value of 0.167 highlights the proportion of variance in EP explained by MO and BI. These findings underscore the importance of market orientation in moderating the relationships between entrepreneurial bricolage, business model innovation, and entrepreneurial performance, as discussed in the research.

**Table 9. Effects of EB→BI→EP Mediated Pathways and Relationships**

| Efek Jalur | Effect | SE (Boot SE) | LLCI (Boot LLCI) | ULCI (Boot ULCI) |
|---|---|---|---|---|
| **MO → BI** | 0.445 | 0.050 | 0.236 | 0.646 |
| **MO → EP** | | | | |
| **Effect1 (MO = M-1SD)** | 0.109 | 0.036 | 0.063 | 0.155 |
| **Effect2 (MO = M)** | 0.280 | 0.051 | 0.180 | 0.380 |
| **Effect3 (MO = M+1SD)** | 0.683 | 0.051 | 0.582 | 0.784 |
| **BI → EP** | | | | |
| **Effect1 (MO = M-1SD)** | 0.209 | 0.025 | 0.161 | 0.258 |
| **Effect2 (MO = M)** | 0.031 | 0.036 | -0.040 | 0.104 |
| **Effect3 (MO = M+1SD)** | 0.037 | 0.051 | -0.063 | 0.137 |
| **Mediated Relation EB→BI→EP** | 0.864 | 0.163 | 0.548 | 1.180 |
| **$R^2$** | 0.422 | - | - | - |

*Source: SPSS statistical software*

Table 9 presents the path effects and mediated relationships among Entrepreneurial Bricolage (EB), Business Model Innovation (BI), and Entrepreneurial Performance (EP). The table shows that the effect of Market Orientation (MO) on BI is significant with a coefficient of 0.445 (SE = 0.050, LLCI = 0.236, ULCI = 0.646), indicating a strong positive relationship. For the effect of MO on EP, the relationship varies with market orientation levels: at one standard deviation below the mean (M-1SD), the effect is 0.109; at the mean (M), it increases to 0.280; and at one standard deviation above the mean (M+1SD), it rises to 0.683, highlighting a substantial increase with higher market orientation. The effect of BI on EP shows significant results only at M-1SD (0.209), while at M and M+1SD, the effects are negligible or non-significant. The mediated relationship EB→BI→EP has an effect of 0.864 (SE = 0.163, LLCI = 0.548, ULCI = 1.180), demonstrating a significant positive mediation effect. The $R^2$ value of 0.422 indicates that 42.2% of the variance in EP is explained by EB and BI, emphasizing the key role of business model innovation as a mediator in the relationship between entrepreneurial bricolage and entrepreneurial performance, as discussed in the research.

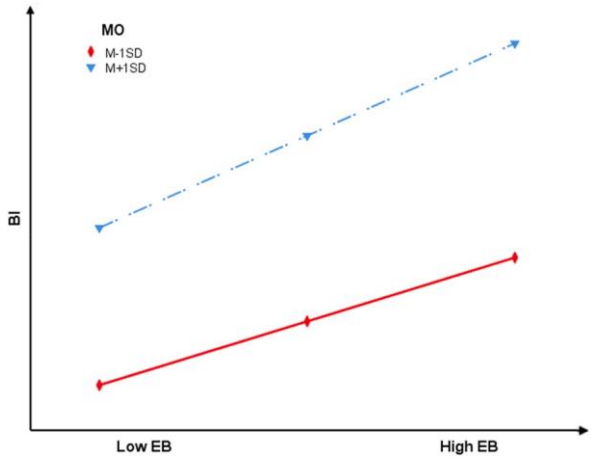


Figure 2. Moderating Effect of Market Orientation on the Relationship between Entrepreneurial Bricolage and Business Model Innovation
*Source: SPSS statistical software*

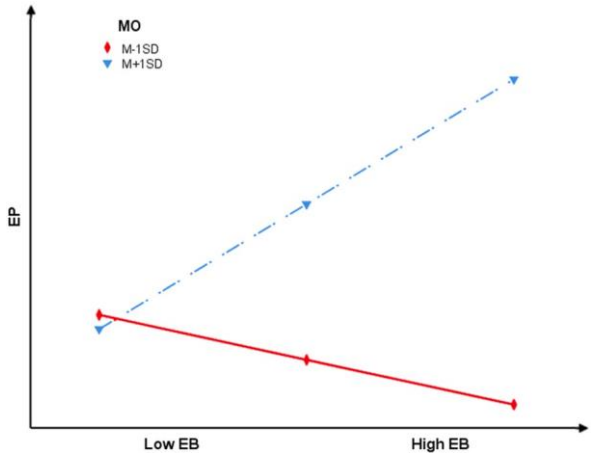


Figure 3. The effect of moderating market orientation on the relationship between entrepreneurial bricolage and business model innovation.
*Source: SPSS statistical software*

Table 8 presents the results of the study, specifically examining the impact of market orientation on the relationship between entrepreneurial bricolage and entrepreneurial performance. Figure 3 illustrates how market orientation can moderate this relationship, using above and below average market orientation as a reference point. By setting MO equal to M, it was observed that market orientation plays a positive moderating role in the indirect impact of bricolage on entrepreneurial performance through business model innovation. This finding confirms Hypothesis 8 and is reflected in an effect size of 0.137 (CI = 0.100, 0.168). Conversely, when MO is set to M-1SD, market orientation exhibits a negative moderating effect on the indirect influence of bricolage on entrepreneurial performance through business model innovation, with an effect size of -0.049 (CI = -0.069, -0.020). On the other hand, when MO is set to M + 1SD, market orientation demonstrates a positive moderating effect on the indirect impact of entrepreneurial bricolage on entrepreneurial performance through business model innovation, with an effect size of 0.395 (CI = 0.311, 0.480).

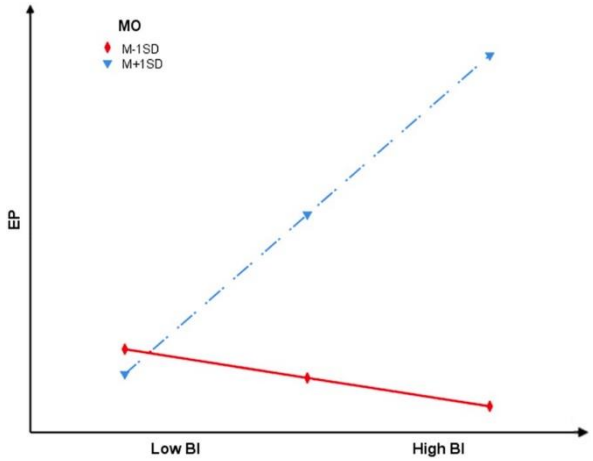


Figure 4. The moderating effect of market orientation on the relationship between business model innovation and entrepreneurial performance
*Source: SPSS statistical software*

Upon examining the moderated mediating effects at different levels of market orientation, a noteworthy observation was made. In the comparison between Effect1 and Effect2, it was found that Effect2 exhibited a significantly greater magnitude than Effect1 (Effect2-Effect1 = 0.186, CI = 0.143, 0.228). Similarly, when Effect1 was compared to Effect3, it became evident that Effect3 surpassed Effect1 with statistical significance (Effect3-Effect1 = 0.444, CI = 0.353, 0.532). Moreover, in the comparison between Effect2 and Effect3, it was discovered that Effect3 demonstrated a significantly higher value than Effect2 (Effect3-Effect2 = 0.258, CI = 0.199, 0.316). These findings highlight the variations in the moderating influence exerted by different levels of market orientation.

Furthermore, the analysis presented in Table 7 focuses on the immediate effects that are moderated. Specifically, when the market orientation (MO) is at the same level (M), bricolage demonstrates a noteworthy and favorable impact on entrepreneurial performance (Effect = 0.209, CI = 0.161, 0.258). Conversely, when the market orientation is one standard deviation below the mean (MO = M-1SD), bricolage exhibits a significant and adverse effect on entrepreneurial performance (Effect = —0.236, CI = —0.300, —0.163). However, when the market orientation is one standard deviation above the mean (MO = M + 1SD), bricolage once again displays a significant and positive effect on entrepreneurial performance (Effect = 0.655, CI = 0.585, 0.726). Consequently, it can be inferred that as market orientation increases, the impact of bricolage on the transformation of entrepreneurial performance shifts from negative to positive.

## 4. Discussion

In the context of research in Indonesia, the growth and development of entrepreneurial businesses often encounter limitations in terms of resources. However, overcoming this scarcity of resources is crucial for the success and progress of new ventures. According to Baker and Nelson, entrepreneurs can effectively address this issue by utilizing entrepreneurial bricolage to engage stakeholders, expand their networks, and gain access to a wider range of resources. This, in turn, allows them to explore entrepreneurial opportunities in a timely manner and increases the chances of survival and growth for their businesses (Suchek et al., 2022). Empirical research conducted by Salunke has demonstrated that entrepreneurial bricolage plays a significant role in helping entrepreneurial ventures in Indonesia achieve a sustainable competitive advantage in the market and improve their overall performance. Furthermore, Zhu et al. have shown that the differential competitive advantage among entrepreneurial ventures is not solely based on resource disparities, but also on the different approaches taken in utilizing the same resources. In this context, entrepreneurial bricolage has proven to be instrumental in enhancing the performance of new ventures (Hou et al., 2022).

Yi Zhaohui et al. discuss the entrepreneurial mechanisms of bricolage that affect the entrepreneurial performance of technology-based small and micro enterprises from the perspective of previous experience. Through empirical analysis of survey data of 316 technology-based small and micro enterprises, they concluded that entrepreneurial bricolage was positively correlated with the entrepreneurial performance of technology-based small and micro enterprises. Yan Huafei (2019) researched 326

entrepreneurs as a sample and adopted a multi-layer regression analysis method, finding that entrepreneurial bricolage has a positive impact on the growth performance of new companies (Sarkar & Mateus, 2024). The impact of entrepreneurial bricolage on the entrepreneurial performance of family farms was investigated by Tong Xin et al. using survey data from 325 family farms in Hunan Province. The findings revealed a significant positive effect of entrepreneurial bricolage on the entrepreneurial performance of family farms. In a separate study, Wang Zhong et al. discovered that farmer entrepreneurs in Indonesia can enhance their entrepreneurial performance by pooling and reorganizing available resources. Through unconventional approaches, continuous innovation, and the ability to break through the limitations of existing resources, entrepreneurial bricolage reduces the risk of venture failure and opens up new possibilities for enterprise development. The exploration of business model innovation, market orientation, and entrepreneurial performance within the context of bricolage entrepreneurship has significantly contributed to existing knowledge (Madajová et al., 2017).

By incorporating market orientation into the realm of entrepreneurial analysis, this study contributes to the advancement of entrepreneurship theory and deepens our comprehension of entrepreneurial performance. Previously, there was a lack of research considering market factors in relation to entrepreneurial performance, as well as limited studies that examined market orientation as a moderating variable in the study of entrepreneurial behavior. Furthermore, there were rare instances where entrepreneurial bricolage, business model innovation, market orientation, and entrepreneurial performance were examined within a single theoretical framework. Through empirical analysis, this study elucidates the boundaries and circumstances in which entrepreneurial bricolage and business model innovation influence entrepreneurial performance, highlighting its significance in the context of market orientation (Alves & Yang, 2022).

The findings of this study validate that business model innovation plays a crucial role as a complete intermediary between entrepreneurial bricolage and entrepreneurial performance. Directly enhancing entrepreneurial performance is not achievable through entrepreneurial bricolage alone; instead, the promotion of business model innovation becomes imperative for improving entrepreneurial performance (Santos & Neumeyer, 2023). This conclusion contradicts the research conducted by Su Xiaofeng et al. and contributes to the expansion of knowledge on the underlying mechanisms of company performance reconstruction. Additionally, this study addresses the research gap concerning the influence of market orientation on startups. Previous analyses primarily focused on examining the impact of entrepreneurial bricolage and fashionable business model innovation on entrepreneurial performance. The relationship between entrepreneurial bricolage and entrepreneurial performance is influenced by market orientation, according to the model. This comprehensive view reveals that market orientation acts as a moderating factor in the impact of entrepreneurial bricolage on entrepreneurial performance through business model innovation. This previously unexplored relationship is now illuminated by the study, which provides insights into the specific mechanisms through which market orientation influences entrepreneurial performance (Sinha et al., 2002).

**The Relevance of Bricolage Entrepreneurship in Indonesia**

Indonesia, as a country with complex market dynamics and a large diversity of resources, provides a unique context for the application of the concept of entrepreneurial bricolage. Small and medium enterprises (SMEs) in Indonesia often face limited financial, human, and material resources (Conz et al., 2023). Therefore, the bricolage approach, which emphasizes creative and innovative utilization of existing resources, is very relevant and potential to be applied. Bricolage enables entrepreneurs in Indonesia to adapt to fast-changing market conditions and seize opportunities more effectively (Sunduramurthy et al., 2016).

**Business Model Innovation as a Mediator**

This research confirms that business model innovation acts as a full mediator between entrepreneurial bricolage and entrepreneurial performance. This means that while bricolage can encourage creativity and use of existing resources, its success in improving entrepreneurial performance depends largely on the entrepreneur's ability to turn that creativity into innovation in their business models. In Indonesia, where many sectors of the economy are still developing, the ability to innovate in business models can be a key differentiator between successful ventures and those that don't (Khreis, 2020).

**Market Orientation and Entrepreneurial Performance**

The research also revealed that market orientation has a significant moderate role in the

relationship between entrepreneurial bricolage and entrepreneurial performance. Market orientation, which includes a deep understanding of customer needs and wants as well as market dynamics, helps entrepreneurs direct their bricolage efforts more effectively. In Indonesia, with a highly segmented and diverse market, a strong market orientation can help entrepreneurs tailor their products and services more precisely, increasing the chances of business success (PREDA, 2013).

**Practical Implications**

For entrepreneurs and policymakers in Indonesia, the findings have several practical implications. First, entrepreneurship training and education should include bricolage skills development and business model innovation. Second, support programs for SMEs must take into account the importance of market orientation and provide tools and resources that help small businesses to better understand and respond to market dynamics (Conz et al., 2023). Finally, collaboration between entrepreneurs, government, and educational institutions can create an ecosystem that supports business growth and sustainability through innovation and creative adaptation. This research enriches our understanding of the dynamics of entrepreneurship in Indonesia by showing that entrepreneurial bricolage, through business model innovation and supported by market orientation, can improve entrepreneurial performance. This highlights the importance of a holistic and integrative approach in developing successful entrepreneurial strategies in Indonesia. The findings also open up opportunities for further research into how specific local factors in Indonesia can influence the application and success of entrepreneurial bricolage (Santos & Neumeyer, 2023).

## 5. Conclusion

This research shows the importance of entrepreneurial bricolage and business model innovation in improving entrepreneurial performance, with market orientation moderating the relationship between those variables. It provides valuable insights for business practitioners in devising strategies that suit their market environment. The positive impact of entrepreneurial bricolage on business model innovation is undeniable. This, in turn, has a significant and positive influence on entrepreneurial performance. Furthermore, business model innovation acts as a complete mediator between entrepreneurial bricolage and entrepreneurial performance. The regulation of the impact of entrepreneurial bricolage on business model innovation is facilitated by market orientation. Additionally, market orientation plays a positive regulatory role in the impact of business model innovation on entrepreneurial performance. In fact, market orientation acts as a mediator in the relationship between entrepreneurial bricolage and entrepreneurial performance. In conclusion, entrepreneurial bricolage, business model innovation, and market orientation are interconnected factors that have a profound and positive influence on entrepreneurial performance. This research shows the importance of entrepreneurial bricolage and business model innovation in improving entrepreneurial performance, with market orientation moderating the relationship between those variables. It provides valuable insights for business practitioners in devising strategies that suit their market environment.

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