Determinants of Entrepreneurial Success in Emerging Economies A Resource-Based and Dynamic Capabilities Model

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Abstract: *What determines entrepreneurial success in emerging economies, marked as they are by institutional uncertainty and limited access to resources? The paper answers this question through a qualitative case study of the student organisation VIP România, integrating the Resource-Based View (RBV) and the theory of Dynamic Capabilities (DC) within a framework anchored in the Romanian institutional context. The research rests on five semi-structured interviews with members involved directly in coordinating projects, analysed thematically with NVivo, and tracks the types of resources perceived as critical, the way the organisation develops its dynamic capabilities, and the role of partnerships. The results confirm the architecture of the proposed conceptual model but add an unexpected dimension: a perceived hierarchy of resources. Members place intangible resources, such as, reputation, accumulated knowledge, and networks of contacts in particular, well above material ones, which suggests that the competitive advantage of student organisations in emerging economies is built mainly on relational and reputational assets. Capabilities of adaptation, learning, and reconfiguration show clearly in the way projects are adjusted on the basis of feedback, while partnerships play a dual role, as material support and as a source of legitimacy. The study contributes to the literature by applying the RBV and DC frameworks together in a doubly non-standard context, a non-profit student organisation in an emerging economy, and by adapting the operationalisation of dynamic capabilities to qualitative indicators.*

***Key words*:** entrepreneurial success, emerging economies, intangible resources, dynamic capabilities, social capital, student entrepreneurship.

JEL: L26, L31, M13

1. Introduction

What is it that determines entrepreneurial success? The question takes on a particular relevance in contexts marked by institutional uncertainty, limited access to resources, and markets in transition, which is to say, the very traits that define emerging economies (Shane & Venkataraman, 2000). From Schumpeter's (1934) work on the innovator and creative destruction to contemporary approaches to social entrepreneurship, the theoretical field has widened considerably, taking in perspectives from economics, strategic management, sociology, and organisational psychology.

This paper answers the question by analysing the student organisation VIP România through an integrated theoretical frame: the Resource-Based View (RBV) and the theory of Dynamic Capabilities (DC). The two complement each other. RBV explains organisational advantage through the quality and rarity of internal resources, while DC adds the perspective of the processes by which resources are recombined and adapted to a changing environment. Together they give a fuller picture of the factors behind entrepreneurial performance, especially in unstable settings.

VIP România is a relevant case for several reasons. The organisation operates in an emerging economy with heavy bureaucracy, limited access to institutionalised funding, and a strong reliance on informal networks (Manolova et al., 2008). As a non-profit with an entrepreneurial logic, it allows the RBV and DC frameworks to be tested beyond commercial firms. And its projects, Storytelling Night above all, offer a concrete setting for examining how resources, capabilities, and success interact. The research is qualitative, built on a case study and on semi-structured interviews analysed through NVivo-assisted thematic analysis.

2. Literature review

The premise of the paper is that entrepreneurial success cannot be explained from a single perspective; it calls for the integration of several complementary frameworks.

Emerging economies are distinct contexts, with institutions still under development, incompletely formed markets, and high uncertainty (Peng, 2003; Hoskisson et al., 2000). Their defining feature is the "institutional void", a concept introduced by Khanna and Palepu (1997) to describe the absence or faulty functioning of the intermediary institutions that, in developed economies, smooth market transactions. Faced with these voids, organisations build compensating strategies, often resting on networks of personal relationships and on social capital. Wright et al. (2005) show that in such contexts social capital plays a disproportionately important role, and legitimacy, the perception that an organisation's actions are desirable and in line with social norms, becomes the main currency of non-profit organisations (Suchman, 1995).

Romania is a typical case. The post-communist transition created an environment marked by institutional discontinuities, and European integration sped up reform without closing the gap with the West on the quality of the business environment (Aidis, Estrin & Mickiewicz, 2008). A relational culture, in which personal trust and networks of acquaintances are central, can be resource and barrier in equal measure (Manolova et al., 2008). The student-association sector grew considerably after 1990, becoming a space for entrepreneurial experimentation for young people (Dees, 1998).

Social entrepreneurship puts the social mission ahead of financial return (Mair & Martí, 2006; Austin, Stevenson & Wei-Skillern, 2006). Dees (1998) defines social entrepreneurs as agents of change who create social value, pursue opportunities in the service of that mission without let-up, and act boldly without being held back by the resources currently in hand. Student organisations work as spaces of experiential entrepreneurial learning, where involvement in real projects builds competences more effectively than traditional teaching methods (Pittaway & Cope, 2007; Neck & Greene, 2011). In the typology proposed by Zahra et al. (2009), VIP România falls mainly into the bricoleur category, the one that tackles local needs with whatever resources are available, but it also shows constructionist elements, through the gradual building of sturdier structures and partnerships.

The Resource-Based View, developed by Barney (1991) on the foundations laid by Penrose (1959) and Wernerfelt (1984), holds that superior performance comes from internal resources that are valuable, rare, hard to imitate, and non-substitutable (the VRIN criteria). Resources may be tangible (financial, material, time) or intangible (reputation, know-how, identity, networks). Student organisations are often limited on the tangible side, but they can excel through intangible resources that are impossible to replicate. The main criticism of RBV is its static character (Teece, Pisano & Shuen, 1997), and Sirmon, Hitt and Ireland (2007) add that it is not the possession of resources but the way they are structured and combined that creates advantage.

The theory of dynamic capabilities covers exactly this gap. Teece, Pisano and Shuen (1997) define them as the firm's capacity to integrate, build, and reconfigure competences in order to respond quickly to changes in the environment. Teece (2007) operationalises them through three dimensions: sensing (spotting opportunities), seizing (turning them to account by mobilising resources), and reconfiguring (continuous adjustment). Eisenhardt and Martin (2000) show that in highly dynamic environments these capabilities take the form of simple rules and experimentation. Here the transfer of knowledge between generations becomes an essential capability, without which the organisation would lose its institutional memory at every change of leadership (Argote & Ingram, 2000).

Human capital, the knowledge, skills, and experience of members, covers both general, transferable elements and ones specific to the organisation (Becker, 1964). Social capital, defined by Nahapiet and Ghoshal (1998) through its structural, relational, and cognitive dimensions, eases access to resources and opportunities. Putnam (1993) distinguishes bonding social capital, which holds a group together internally, from bridging social capital, which connects different groups and brings in new resources, both relevant to VIP România. Finally, the literature on constrained resources offers the concept of entrepreneurial bricolage (Baker & Nelson, 2005): the capacity to build something new out of what is at hand, without waiting for the "right" resources. The frugality paradox, doing more with less, is especially relevant for student organisations (Davila, Epstein & Shelton, 2006).

In remote and online work environments, clear and consistent communication becomes even more essential than in traditional settings, since employees can no longer rely on body language, casual hallway conversations, or in-person cues to convey meaning, which makes the ability to express ideas precisely, listen actively, and adapt one's tone across digital channels one of the most valuable social skills an individual can bring to a virtual team (Veith & Dogaru, 2020; Veith and Savin, 2019).

The study's positioning starts from a clear gap: most research on RBV and DC looks at commercial firms in developed economies, and studies of social and student entrepreneurship in Romania are rare (Bruton, Ahlstrom & Obloj, 2008; Aidis, Estrin & Mickiewicz, 2008; Marinescu & Veith, 2022). The paper fills that gap by bringing the two theoretical traditions together in a qualitative case study rooted in the Romanian context.

3. Research Methodology

The general research question is: what are the organisational and human factors that determine entrepreneurial success in emerging economies, examined through the projects of VIP România? From it follow three specific questions: which types of resources are perceived as critical (RQ1); how the organisation develops and uses dynamic capabilities to turn them to account (RQ2); and what role partnerships and the local institutional context play (RQ3).

The research adopts a qualitative, exploratory, interpretivist design, aiming to understand the meanings actors attach to their experiences rather than to identify universal laws (Creswell, 2014). The strategy is a single case study (Yin, 2018), with VIP România as the unit of analysis and a focus on its entrepreneurial projects, Storytelling Night in particular. The sample, chosen purposively, is made up of five respondents selected for their direct involvement in coordinating projects: a former head of organisational development, a former Storytelling Night coordinator, a president, a member with experience in partner relations, and a member of the implementation team. This spread of roles, such as, strategic, operational, relational, allows perspectives to be triangulated. Identities were anonymised (P1–P5), in line with GDPR.

Data were collected through semi-structured interviews, based on a guide of seven thematic blocks (A–G) aligned with the variables of the conceptual model. The interviews, averaging about 50 minutes, were audio-recorded and transcribed in full. The analysis followed the six stages of thematic analysis proposed by Braun and Clarke (2006), using both deductive codes drawn from the theoretical framework and inductive codes identified in what respondents actually said. Coding was done in NVivo, which made it possible to compare the frequency of themes across respondents through matrix queries and to visualise them.

The model brings together three perspectives: RBV, DC, and the institutional context of emerging economies. RBV explains the advantage of internal resources but does not capture the dynamics of adaptation. DC explains reconfiguration but abstracts away from context. The institutional perspective supplies the context but not the internal mechanisms. The model has five categories of variables. (A) The emerging-economy context acts as a moderating factor, with its constraints (bureaucracy, limited funding) and its opportunities. (B) The resource base takes in tangible resources, intangible resources, human capital, and social capital. (C) Dynamic capabilities cover sensing, seizing, and reconfiguring. (D) Entrepreneurial orientation and project execution mediate between inputs and outcomes. (E) Entrepreneurial success is defined in multidimensional terms: project performance, non-financial impact, and organisational development.

This redefinition of success, reaching past financial indicators towards social impact, reputation, participant satisfaction, and sustainability, is consistent with the literature on the performance of non-profit organisations (Dees, 1998; Mair & Martí, 2006). The model has its acknowledged limits, too: it was built specifically for VIP România, its variables are defined qualitatively, without quantitative indicators, and individual factors such as the leaders' personality or leadership style are not included.

4. Results

The comparative analysis, carried out through matrix queries in NVivo, shows that the themes of resources, human capital, and organisational capabilities run across all respondents, which confirms how central they are. Partnerships and challenges are emphasised to differing degrees, depending on the respondent's role. The frequency of terms confirms the centrality of concepts such as resources, communication, project, team, and success.

Figure 1. Term-frequency representation (word cloud) – 100 terms. Source: own NVivo analysis.

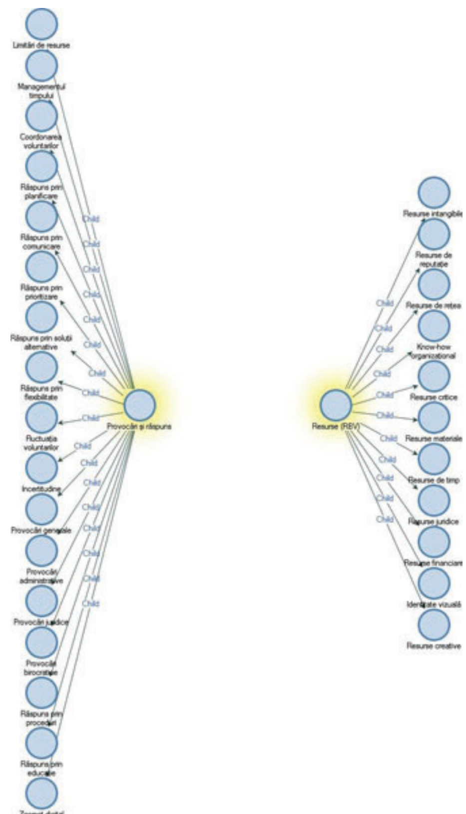
Success is not perceived in one dimension but as a combination of meeting objectives, impact on participants, reputation, sustainability, and strategic alignment. The theme records the highest number of coded references of all, a sign that understanding what success means is an explicit concern, not an implicit notion.

"A project is considered a success when it meets its objectives, but also when it leaves something behind, such as, a memory, a lesson, a connection." (P1)

P1 brings in the dimension of legacy, in line with Dees's (1998) view of social entrepreneurship as a process of creating lasting value. The three forms of value named here, the memory (affective), the lesson (cognitive), and the connection (relational), map intuitively onto the distinctions in the literature on social and human capital. The theme of sustainability comes up with several respondents: a successful project is not the one that meets its objectives once, but the one that lays the groundwork for future editions, in the logic of the long-term entrepreneurial orientation described by Miller (1983).

Although financial resources are acknowledged as necessary, respondents give greater weight to intangible ones: accumulated knowledge, reputation, the network of contacts, and the organisation's identity. This ranking is the central finding of the study.

Figure 2. NVivo comparison diagram – Challenges and organisational response / Resources.



Source: own analysis.

"The most valuable thing we have isn't the budget. It's the reputation. Partners come to us because they know we deliver quality." (P3)

P3's statement identifies reputation as a central resource, one that meets all the VRIN criteria (Barney, 1991): it is valuable, rare, hard to imitate, and non-substitutable. More than that, the fact that "partners come to us" reverses the usual organisation-partner relationship and confirms reputation as a resource with a multiplier effect. P1 adds: "financial resources are necessary, but without the knowledge you've built up and the right people, you don't build anything sustainable" an observation consistent with the model of Sirmon, Hitt and Ireland (2007). VIP România's advantage lies, then, in intangible and relational resources, which build up over time through repeated social interaction and which no competing organisation can replicate quickly.

Success depends not only on the resources already in place but also on the capacity to organise, adapt, and combine them. Respondents point to team coordination, clarity of roles, learning from experience, and quick adaptation as the relevant factors. These processes correspond to the dimensions of sensing, seizing, and reconfiguring (Teece, Pisano & Shuen, 1997).

"We changed the event's format after the first edition, based on the reactions we got. We didn't cling to a fixed model – we adapted." (P3)

The quote illustrates a concrete mechanism of reconfiguration: gathering feedback and folding it into the next edition, along with a culture open to change, a condition of organisational learning (Argote & Ingram, 2000). P5 adds a complementary angle: "if everyone knows what they have to do and we communicate well, we can make up for any shortage of resources." The observation matters theoretically, because it suggests that coordination and communication can substitute, at least in part, for insufficient resources, confirming the regime of "simple rules" that Eisenhardt and Martin (2000) describe for dynamic environments.

Human capital appears not as the sum of individual competences but as a collective mechanism. Respondents stress prior experience, communication, and adaptability; communication is the most frequently coded of all. P4 emphasises experience gained in similar settings, noting that "the people who had been through similar projects knew exactly what to expect", while P2 makes clear that titles are not what count: "it's about people who know how to communicate, adapt, and pull in the same direction." The observation is consistent with the literature showing that, in project teams, cohesion and the quality of communication predict performance better than individual technical competence (Nahapiet & Ghoshal, 1998).

Partnerships are described not just as sources of material support but as sources of credibility, visibility, and legitimacy. P1 observes that "a partnership with a big company doesn't just mean money, it means people see you differently, that you have legitimacy", a signalling function that is valuable for organisations without solid financial indicators. P5 adds the bridging function: "access to the partners' network opened doors for us", illustrating the bridging social capital described by Putnam (1993). In emerging economies, social capital compensates for the lack of other resources, which makes building it a strategic priority (Wright et al., 2005; Manolova et al., 2008).

The projects ran into limits of resources and time, the coordination of volunteers, uncertainty, and administrative bureaucracy. What matters for the analysis is not that difficulties existed but the response to them: anticipatory planning, transparent communication, flexibility, and alternative solutions. P2 captures improvisation as a source of innovation, noting that "we found alternative solutions that sometimes worked better than the original plan", illustrating the mechanism of entrepreneurial bricolage (Baker & Nelson, 2005). P4 identifies bureaucracy as a challenge specific to the Romanian context, consistent with the effect of "institutional voids" on efficiency (Khanna & Palepu, 1997).

Storytelling Night, the central case of the paper, is a cultural-educational event in which guests with relevant experience share their stories in front of a student audience. P3 sums up the multi-factor logic of success: "it worked because we managed to combine a good concept, the right people, and partners who believed in the idea. There wasn't a single decisive element." The three elements map exactly onto the structure of the model: the concept belongs to sensing, the right people to human capital, and the partners to social capital. P2 adds that authenticity matters more than fame, a concrete expression of the sensing capability (Teece, 2007).

5. Conclusions

The results confirm the architecture of the conceptual model, but they add an unexpected dimension: the perceived hierarchy of resources. VIP România's members place intangible resources, reputation, organisational knowledge, networks, well above tangible ones, which suggests that, for student organisations in emerging economies, competitive advantage is built mainly on relational and reputational assets rather than on material resources.

Answering the three research questions: on RQ1, intangible resources are perceived as more valuable than tangible ones, and reputation emerges as the chief source of advantage, meeting the VRIN criteria (Barney, 1991); on RQ2, the capabilities of adaptation, learning, and reconfiguration are clearly identifiable, through the adjustment of projects on the basis of feedback and the transfer of knowledge between generations (Teece, Pisano & Shuen, 1997; Eisenhardt & Martin, 2000); on RQ3, partnerships play a dual role, both as tangible value and as legitimacy, while the Romanian institutional context amplifies the importance of social capital as a compensating mechanism (Nahapiet & Ghoshal, 1998; Suchman, 1995).

The main contribution lies in showing that the RBV and DC frameworks can be applied together in a doubly non-standard context, a non-profit student organisation in an emerging economy, answering an explicit call in the literature (Bruton, Ahlstrom & Obloj, 2008; Mair & Martí, 2006). To this is added an empirical contribution, rare for Central and Eastern Europe, and a methodological one: adapting the operationalisation of dynamic capabilities to a non-profit context, through qualitative indicators in place of financial ones. The limits stem from the size of the sample and the focus on a single case, which narrows transferability. Future research could use a mixed design on a larger sample, a longitudinal analysis of how resources and capabilities evolve, or an extension of the model with individual factors such as personality and leadership style.

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