



RETHINKING RESOURCES: THE MEDIATING ROLE OF BRICOLAGE IN THE FINANCIAL SUCCESS OF SMES

¹Umar Kibria

^{*2}Muhammad Ishtiaq

³Ahsan Riaz

⁴Faisal Anees

¹PhD Scholar, Lyallpur Business School, Government College University Faisalabad, Faisalabad, Pakistan

^{*2}Associate Professor, Lyallpur Business School, Government College University Faisalabad, Faisalabad, Pakistan

³Assistant Professor, Lyallpur Business School, Government College University Faisalabad, Faisalabad, Pakistan

⁴Assistant Professor, Lyallpur Business School, Government College University Faisalabad, Faisalabad, Pakistan

umarkibria.lbs@gmail.com, mishtiaq@gcuf.edu.pk, ahsanriaz@gcuf.edu.pk, faisalanees@gcuf.edu.pk

Abstract

In today's resource constraint environment, it has become very difficult for small and medium enterprises (SMEs) to gain success. Despite the recognition, the importance of SMEs in a developing country like Pakistan it has been observed that ratio of SMEs failure is 95% in their first five years. Grounded in the resource orchestration theory, this study investigates and tries to address the literature gap empirically that how resource bricolage mediates the relationship between financial resources and the financial performance of SMEs in Pakistan. Resource orchestration theory highlights the relation of financial resources in attaining success while on other hand also investigate the mediating role of resource bricolage which emphasizes on the efficient management, configuration, and utilization of financial resources. In this scarce environment, resource bricolage is the innovative and adaptable repurposing of existing financial resources to address new challenges may be an essential process by which financial resources are converted into better financial outcomes. Data were collected from a sample of Pakistani SMEs by using quantitative methodologies. The findings show that financial resources have a strong and significant influence on financial performance. More importantly, results also confirmed that the resource bricolage partially mediates these relationships, highlighting its role in translating SMEs resourcefulness into performance outcomes, suggesting that the creative and flexible deployment of financial resources amplifies the positive impact of financial capital on firm financial performance. The findings enriched the theoretical understanding of bricolage, determining how improvisation of resource bricolage concept transforms financial inputs into financial benefits. The study emphasizes the necessity of SME managers on cultivating a bricolage-oriented mindset that promotes flexibility, innovation, and resourcefulness. Overall, the study extends the discourse to the existing literature about resource orchestration by emphasizing the strategic management of scarce financial resources, rather than their absolute availability, as a key predictor of company performance.

Keywords: Resource Orchestration Theory, Financial Resources, Resource Bricolage, Financial Performance, SMEs.

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Corresponding Authors*:
Muhammad Ishtiaq

INTRODUCTION

Small and medium-sized enterprises (SMEs) are the foundation for the progress of any nation's economy. According to the findings of prior researchers (Litvajet al., 2023; Das et al. (2020), small and medium enterprises (SMEs) are considered to be one of the critical forces behind a country's long-term development and success. A substantial body of empirical work supports the argument that access to finance is positively associated with profitability, revenue growth, and competitiveness. However, the relationship is not automatic; outcomes depend critically on effective managerial decision-making (Okafor et al., 2021). Businesses, such as SMEs, are not usually large sector in scale but they have a combined significant contribution to the economic growth especially in the developing countries' economies like Pakistan. SMEs account for around 90% of the total number of establishments in the country, the establishments having the biggest part of the creation of new jobs, inspiring innovation, and substantial contributions to the GDP (Nazir et al., 2024; Abbas et al., 2020).

Pakistan offers a useful paradigm for examining the complex relationship between financial resources, resource bricolage, and the financial performance of small and medium-sized businesses (SMEs). Some remarkable facts about Pakistan as a developing nation are its dependency on the small and medium enterprises for economic growth. In Pakistan, 90% of the companies are owned by SMEs, and they also provide an estimated 30% of the employment, 40% of the innovation, and 25% of the GDP of the country by adopting quality management, customer orientation, empowerment of employees and foresight for the future (Khalid, 2022; Mujahid and Noman, 2018).

Small and medium-sized enterprises also have a significant role to play in the reduction of poverty and unemployment. They promote diversity in the society and thus inequality is reduced through the provision of numerous job opportunities to a wide range of people (Abisuga et al., 2020). Access to finance is thus necessary but insufficient. For financial resources to translate into business success, firms must strategically combine them with other assets, deploy them efficiently, and align them with broader organizational goals (Sandberg et al., 2023; Tudose et al., 2022). Under conditions of scarcity, many SMEs adopt adaptive behaviors, using resource recombination and improvisation to compensate for financial gaps. Such adaptive strategies are especially critical in emerging economies, where formal financing channels remain underdeveloped (Simba et al., 2021).

Resource bricolage is a notion that captures this adaptive tendency. The term "bricolage," which was initially described by Baker and Nelson (2005). Evidence shows that bricolage fosters creativity, reduces costs, and enhances flexibility. It can enable firms to survive in turbulent environments and to innovate incrementally when external resources are constrained (Pati et al., 2021; Francisco, 2023; Witell et al., 2017). When external resources are scarce, it can provide businesses to evolve gradually and flourish in riotous environments (Pati et al., 2021; Francisco, 2023; Witell et al., 2017). However, bricolage does not have not universal significance. Its outcomes depend on the type of firm, its industrial context, and the opportunities available. While some SMEs derive competitive advantage from bricolage, others may find it inadequate to recompense due to structural limitations (Guo et al., 2018; Ko & Liu, 2024). Moreover, scholars also argue that bricolage does not substitute investment but balances it. Firms that combine bricolage with financial access often attain competitive advantage on those that rely only on one or the other, as bricolage strengthens the impact of financial resources (Menget et al., 2022; Halme et al., 2012). SMEs are a very significant part of the economic sector of almost every developing nation, including Pakistan. They are credited with a significant role in the reduction of the unemployment rate, motivation for innovation,

and improving GDP (Arshad et al., 2020; Zafar and Mustafa, 2017). However, SMEs mostly faces a lot of challenges, the main one being an appropriate supply of financial resources, which is a primary condition for the existence and growth of the small and medium enterprises.

Globally, SMEs are considered very important for encouraging innovation, accelerating economic growth, and opening up job opportunities (Abdul et al., 2024; Gherghina et al., 2020). They perform a crucial role in leading economic vigor and are a large component of the firms in most of economies. Despite their worth, SMEs face countless challenges mainly in securing the funding that will sustain and develop their business. Such firms need to availability of sufficient financial resources to take advantage of new opportunities, develop their skills, and improve the financial performance of organization (Chien et al., 2021). In the case of SMEs, they are less likely to survive their challenges even though they are essential segments of the national economy (Jayasekara et al., 2020; Lo et al., 2016). Like all developing countries, Pakistan is also struggling with SMEs which they consider to be a fundamental component in the economic growth of the country, However, the stability and survival of Pakistani SMEs are in doubt due to the 95% failure rate of SMEs in the first five years (Qurashi et al., 2020). Financial resources are frequently limited in Small and medium sized enterprises. It is of vital importance to understand how SMEs may accomplish sustainable development and preserve a competitive edge while working with scarce financial resources (Abid et al., 2023; Schaltegger et al., 2019; Belz and Binder, 2017). SME's primary objective is to maximize their utilization of resources and the financial slack may not have detrimental effects, it is crucial that they adopt acceptable financial resources (Adomako et al., 2021; Guo et al., 2017; Martinez et al., 2017). The importance of SMEs has been recognised worldwide. But a persistent gap occurs between their potential and realized contributions towards economic growth. One key factor underlying lies is scarcity of financial resources, which restrict the growth, innovation, and competitiveness (Beck et al., 2005). While previous researches have examined the relationship between finance and SME performance in various contexts, studies on how resource bricolage mediates this relationship remain scarce. This gap is particularly evident in emerging economies like Pakistan, where firms frequently rely on creative improvisation to compensate for financial limitations (Baker & Nelson, 2005). In Pakistan, the absence of systematic evidence on how SMEs combine finance and bricolage to achieve success constitutes a pressing research problem. Existing studies often treat finance and improvisation separately, overlooking their potential interaction (Shaikh et al., 2024). This study therefore addresses the following research problem: *How do financial resources influence SME performance in Pakistan, and what roles do bricolage play in shaping this relationship?*

The novelty of this study lies in its theoretical, empirical, and practical contributions. As theoretically it enhances the understanding of how financial resources impacts the financial performance of SMEs by integrating the mediating role of bricolage. Resource-based view and resource orchestration perceptions emphasize that firm performance depends not only on procession of financial resources but also on how managers reorganised, combined, and extends their utilisation (Sirmon et al., 2007). By embedding the bricolage technique, this study introduces a unique and behavioral breadth into resource orchestration. This work substantially introduces a new dimension of knowledge on the relationship between company's financial performance and resource constraints in the context of small and medium-sized firms (SMEs) by addressing key research gaps. Prior study on businesses with limited financial resources has placed minimal attention on the value of resource bricolage as a strategic approach for SMEs, who frequently confront resource limitations yet continue to be

essential engines of innovation and growth (Kustiningsih et al., 2024). Hence, this study is going to address some important issues of this sector. For instance, it has been observed that SMEs are getting failed more frequently in emerging economies than in industrialized economies. Though many firms do not have adequate financial resources and do not give adequate time to build up social ties. As a result, businesses especially those that are very new are unable to persist over long run and gets unsuccessful (Cantú et al., 2021).

This study is very crucial for a number of reasons, especially for SMEs in developing countries like Pakistan. SMEs are performing an energetic role in the financial development of a country by contributing around 35% in total value addition, providing 80% non-agricultural employment, and participating 40% of export in Pakistan (Mufti and Ali, 2024; Shah and Syed, 2018). Theoretically, this study shapes the bridges between resource orchestration and bricolage literatures, showing that improvisational practices can complement formal strategies of structuring and leveraging resources. Practically, the findings have direct implications for SME managers. Understanding how bricolage mediates financial resource may encourage managers to adopt creative practices rather than relying exclusively on external finance. The research provides insights into designing initiatives that go beyond financial assistance to also enhance firms' capacity for improvisation, adaptability, and resource recombination. Policymakers can leverage these insights to craft more effective strategies for employment generation, poverty reduction, and inclusive economic growth by strengthening the financial and innovative capabilities of SMEs. For scholars, the study provides a comprehensive framework that integrates financial resources and bricolage. This framework can be adapted for future research in other emerging economies.

LITERATURE REVIEW

Theoretical Framework

Resource orchestration theory (ROT) is further development of resource-based view (RBV) of the firm. It constructs a structure for knowledge which helps the dynamic interrelation of resources which through their management, combination, and leveraging for a competitive advantage. In contrast, RBV is a resource-based view which looks at the VRIN qualities of the resource (they are valuable, rare, inimitable, and non-substitutable), while ROT continues this logic and thus requires the active resource management through the acts of structuring, bundling and leveraging. For this reason, we can consider this a paper entitled ROT which is about the relationship between the flows of financial resources and firm financial performance. Bricolage is a notable way of firm performance and it will be seen as a buffer (or absorber). This paper addresses the major gaps in the current research by strategy ROT with bricolage as the substantive concepts in the explanation of the resource orchestration play on its role on corporate performance where the non-availability of resources is the case.

As far as the relationship between financial remuneration for workers, digital payment processes, and processes to reduce waste, it can be noted that these changes are bricolage driven, but the ROT is still involved with the help of these processes. In the way of not only getting through a period of financial scarcity but being ahead of other enterprises, the company can make money work for it in those days too, indifference brought businesses such as site, IT, and growth, among others, forward to the succeeding. It is to be admitted further that the issue with financial resources does not give the same chances to companies. This is particularly true of small and medium-sized enterprises in developing countries, where they experience difficulties in attracting outside funds (Carney et al., 2021). Growth in technology is the very essence of companies in the development stage and their success highly depends on the acquisition of various human resources, technology, and financial resources. Financial

resources may not always be the case of firms' financial performance in the RBV model, and such may only happen in the case where the entirety of these resources is used as strategic avenues (Sirmon et al., 2011)

Bricolage, which is a ROT's main mediating mechanism, refers to the employment of the limited resources present as a means of creating something new and creative (In hand) to address problems and take advantage of opportunities (Baker and Nelson, 2005). The financial resources of firms which they reconfigure and recombine to be in a position to change themselves to meet new requirements and to add value without incurring any cost are the applications (Desa and Basu, 2013). Adapting to constantly reallocate and recombine resources for firms to make themselves harmonious with rapidly changing and, as a result, highly competitive business environments is a flexible strategy and thus it is a hard-matter-of-fact in RTO theory. Following this, the theoretical framework of the ROT provides a basis for the assumption that bricolage has a mediating effect on the transit of financial resources and the firms' financial results (Chen et al., 2022). Lévi-Strauss (1966) commented that the bricolage technique was a tool that helped the companies to recycle their economic resources and, in that way, made it possible to convert the constraints into sources for competitive advantage. The conceptual framework of the study is shown in Figure 1.

Development of Hypotheses

The success of SMEs are due to an efficient and timely response to new trends in supply chain, changes in regulations, and customer demand which resulted in positive financial performance, which serves as a basis for business survival- the literature review shows that in the exploration of the relationship between financial resources and business success, with a concentration on the financial performance of SMEs in Pakistan (Tehseen and Ramayah, 2015). The success of SMEs in the financial dominion is often observed in the financial performance; it is the case for such indices like profitability, growth in revenue, return on investment (ROI), and market share. Financial performance is crucial for the firm's lasting and healthy operation and for it to be a provider of competition. The connection between financial assets and the business success of the firm has been an issue thoroughly investigated, which among the researchers a mutual agreement on their significant influence. The path to technology has evoked a variety of opinions. The position maintained by the author is that financial resources make the SMEs in a position to invest in assets, technology, and human resources that, in turn, bring about financial growth (Cassar, 2004). In Addition, challenge for SMEs in Pakistan is the high cost of borrowing. The high rates imposed on obtaining external funding become a major factor in SMEs' losing the opportunity for investment into growth projects because the huge costs that are associated with it. Therefore, a lot of small and medium-sized enterprises that have been excluded from formal financial markets turn to the informal sources of finance such as family, friends and unregistered moneylenders, which in turn cost more and are not fully reliable (Iqbal and Mati, 2012). A study discovered that successful entrepreneurs of small and medium-sized restaurants in Malaysia use entrepreneurial strategies in the public support, networking support, and fundraising areas. The research demonstrated that only start-up planning, interaction, and modernization capability were actually achieved initially without any financial backing or government assistance (Tan et al., 2019).

H₁: There is a positive relationship between financial resources and financial performance of SMEs.

SMEs are organizations that represent financial resources a critical factor responsible for the performance and sustainability of business. It is a fact that existing financial resources among smaller enterprises are very important factor in the growth and success of firms. These

resources which are mainly bank loans, equity financing, and government grants, can be obtained in two ways: internal funds can be found by using retained earnings while external funds can be found by bank loans, equity financing, and government grants. This eventually, will help SMEs invest in the right opportunities, make operational choices, and face market challenges (Shaikh et al., 2024). The traditional engineering theory suggests the use of resources that are considered to have proven abilities for certain applications for problems. The idea of bricolage is however unique. It is the recombination and reuse of the readily available materials in the betterment of the obstacles. Such resources are cheap and faulty (Sunduramurthy et al., 2016; Baker and Nelson, 2005). Despite the fact that SMEs in Pakistan are in constant difficulties regarding the acquisition of financial resources due to the underdeveloped financial markets, lack of collateral, and the strict requirements of financial institutions being another constraint from the financial resource side, the chase in this sector is predominantly the financial constraints (Beck and Demircuc 2006). Resource bricolage implies that firms make do by converting constraints into opportunities through improvisation and creativity, so in principle, firms make do with what is available. So, well, the bricolage technique can be achieved by creatively combining, repurposing, or finding new uses for their limited resources by SMEs practicing bricolage. Not only is this particular approach a very strong survival tool for SMEs in resource-challenged situations, but it also creates the very opportunities through which they can producing an added value and thus be competitive vehicles (Senyard, et al., 2011).

H₂: There is a positive relationship between financial resources and resource bricolage of SMEs.

Previous research has also confirmed one of the above two favorable relationships between bricolage and firm's financial performance with profit in high amounts accrued thanks to the dynamic and unexpected changes. The composition of products by firms is described to be wholly different from those previously known as one of the ways businesses create completely different products, introduce new markets, and come to decisions about meeting customer needs very quickly, and, so generally these results also represent their investments in other areas (Baker et al., 2003). Consequently, financial Shortages and other external challenges, in the case of Pakistan, make bricolage the mandatory strategy for the business' success. Using bricolage to improve financial performance can be just limited by how much the firm's financial constraints are. For instance, the most creative bricolage efforts would not be enough for the business success if the availability of the funds could be the issue (Garud and Karnoe, 2003). A critical factor for SMEs in Pakistan to understand how business success can be achieved is the relationship between financial resources, resource bricolage, and financial performance. Financial resources give SMEs the opportunity to invest in growth prospects, while bricolage enables them to be innovative and to adapt by using whatever resources they have available. In cases when both of these factors are merged in the best possible way, the SMEs are more likely to have a flourishing financial performance as their operations will be prolonged (Haron et al., 2013).

H₃: There is a positive relationship between resource bricolage and financial performance of SMEs.

Mixing up resources, a creative and resourceful way to put the existing resources into use to address problems and find opportunities is a key concept in research on entrepreneurship and small businesses. The idea of lining up, by means of already accessible items, and of resourcefulness, key for the adaptation of firms' innovation processes. Making do implies a propensity for action and proactive engagement with opportunities or difficulties rather than wallowing in concerns about whether a workable solution can be derived from the available

resources (Baker and Nelson 2005). Previous research by Desa and Basu (2013) showed that social capital, mediated by bricolage, was the reason for the better performance of the social enterprises. The study dealt with how the Australian small-to-medium-cap companies performed relating to the connection between resource limitations and their innovation outcomes. Those firms which resorted to bricolage were more skillful in their refusal to innovate due to a lack of resources. Although, bricolage, once it is completed, can create the specific individual with the new ability to cope with the otherwise chaotic situation. A firm can swap out or recombine any resource pieces because they typically have a positive view of the environmental changes these can be implemented within the organization. The kind of resource recombination may take the form of just what scarce resources are likely to give the enterprise a new lease of life. Moreover, the enterprise's unique perspective and model are formed by the subjective knowledge derived from resource bricolage, which encourages the enterprise to see the possibilities that can be developed and utilized (Sun et al., 2020). This study goes beyond single predictors of survival, investigating the relationships, both direct and indirect, among various forms of owner-manager intangible capital, bricolage, and the survival of small and medium-sized enterprises (SMEs) in Chile during the double crisis period caused by social unrest and the COVID-19 pandemic that followed. The research particularly suggests that the owner-manager's human capital and links are being brought about by bricolage (Baier et al., 2023).

H₄: Resource bricolage mediates the relationship between financial resource and financial performance of SMEs.

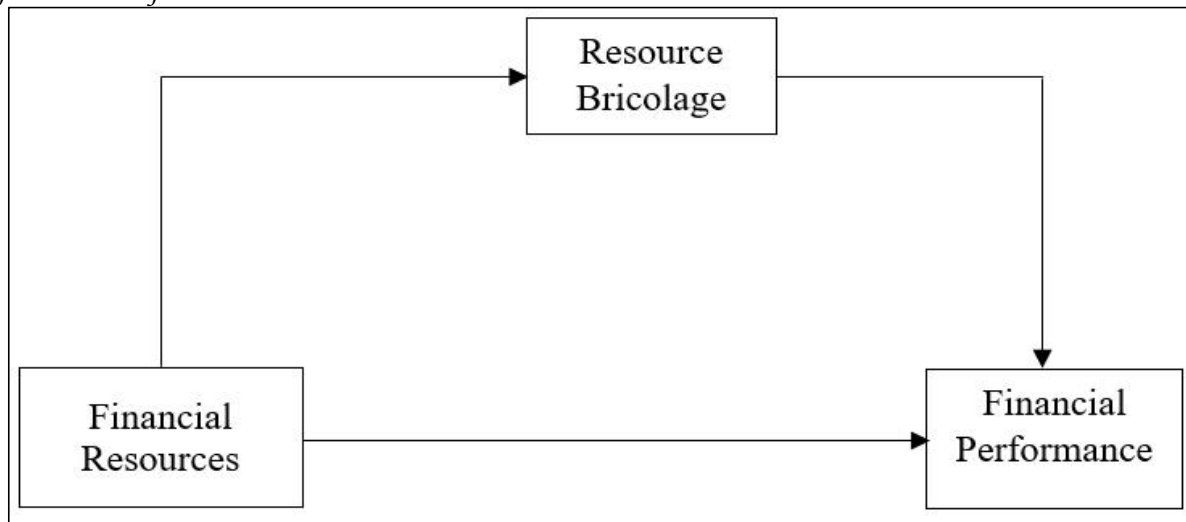


Figure 1: Conceptual Framework

DATA AND METHODOLOGY

Data and Sample

As Horyna and Bonds-Raacke (2012) observe, primary data collection is the most appropriate and effective method for studies utilizing survey questionnaires. This approach is particularly recommended for quantitative research, where survey-based techniques are employed to gather data from selected respondents (Glaser and Walther, 2014; Lusardi and Tufano, 2015; Allgood and Walstad, 2016; Ghaffar and Sharif, 2016). Similarly, Burns (1997) observed that while various techniques exist for collecting primary data, the questionnaire-based survey is particularly effective, allowing researchers to amass large quantities of data within a relatively short time frame.

In line with Krejcie and Morgan (1970), the study identifies an appropriate sample size, resulting in the selection of a random sample of at least 384 respondents. This sample size is considered sufficient to satisfy the analytical objectives of the study within the broader population. Subsequently, questionnaires were distributed using stratified proportionate random sampling, a technique endorsed by Saunders et al. (2011). A total of 530 questionnaires were distributed across the SMEs in Pakistan.

It is a widely known fact that the use of a larger sample size (Islam, 2018) is the solution to minimize the risk of biased outcomes, which is possible when the data is gathered from a small group of individuals. On a lighter note, the research also identified factors that may lead to nominal missing data, leading to the distribution of a total of 530 questionnaires were distributed across the SMEs in Pakistan. However, after screening, a total of 407 valid responses is used for data analysis.

Variables and Measurements

The study used independent variable reflecting financial resources, mediating variable reflecting resource bricolage and dependent variable reflecting business success (measured with the proxy of financial performance). Measurement items were adapted from prior studies (Memon et al., 2020; Adomako et al., 2022; Akhtar et al., 2021; Guo et al. 2018).

Empirical Technique

These recently established scientific technical tools use the scientific method along with data analysis techniques to determine hypothesis testing and the connection between variables. In addition, SPSS, Smart-PLS and AMOS are the cutting-edge tools that allow hypothesis validation routines and inter-variable linking mechanisms through analysis. Not only do they represent the new era of technology, but they also enable the switching between hypothesis support and challenge in studies. The Structural Equation Modelling (SEM), the most employed method for analyzing surveys and hypothesis testing in the past years (Hair et al., 2020), is used in this study. The function of Smart-PLS technology products in the SEM environment is one of the most important factors that has an impact on the choice of researchers, especially) those who are doing survey data collection and analysis that lead to validation or challenge of hypotheses.

RESULTS AND DISCUSSION

Measurement Model Assessment

By following Hair et al. (2020), reliability and validity of the measurement model (Figure 2) was examined. Cronbach's alpha (α) and CR measures were used to examine the internal consistency, with all the constructs in the study surpasses the threshold of 0.70, conforming that the data are reliable (see Table 1). The convergent validity was examined using the scores of AVE and factor loadings (Table 1), both of which exceeded the recommended threshold of 0.40, confirming that the data are valid for the testing of hypothesis (Hair et al., 2014; Henseler et al., 2015). Moreover, the VIF values in Table 1 are all below 3.3, indicating the absence of multicollinearity.

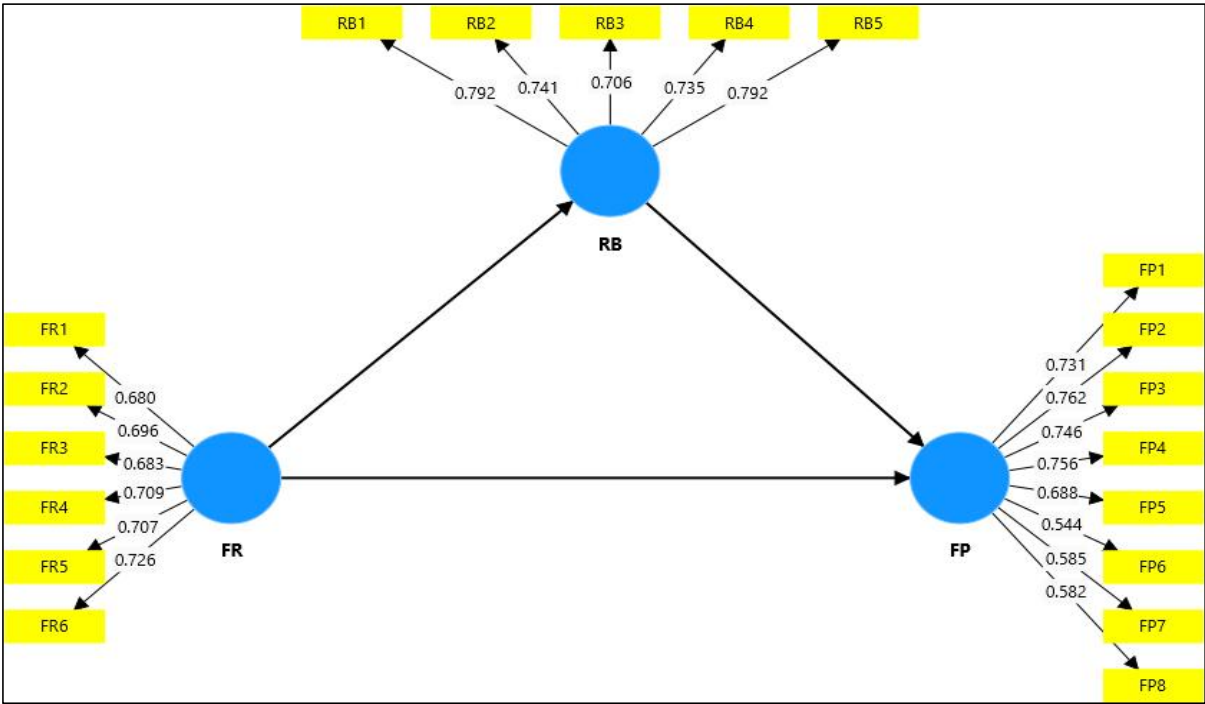


Figure 2: Measurement Model

Table 1: Measurement Model Assessment

Variable	Items	Loadings	VIF	Alpha (α)	CR	AVE
Financial Performance	FP1	0.731	1.673	0.833	0.850	0.462
	FP2	0.762	1.846			
	FP3	0.746	1.724			
	FP4	0.756	1.791			
	FP5	0.688	1.582			
	FP6	0.544	1.481			
	FP7	0.585	1.511			
	FP8	0.582	1.521			
Financial Resources	FR1	0.680	1.389	0.792	0.793	0.491
	FR2	0.696	1.409			
	FR3	0.683	1.396			
	FR4	0.709	1.459			
	FR5	0.707	1.421			
	FR6	0.726	1.512			
Resource Bricolage	RB1	0.792	1.741	0.81	0.812	0.569
	RB2	0.741	1.537			
	RB3	0.706	1.434			
	RB4	0.735	1.515			
	RB5	0.792	1.726			

Note: Alpha (α): Cronbach's Alpha, CR: Composite reliability, AVE: Average Variance Extracted, Loadings: Factor Loadings.

An inspection of the Fornell-Larcker criterion used in Table 2 of the correlation matrix shows that the bold diagonal values are all bigger than off-diagonals (Fornell and Larcker, 1981). This is the same pattern of findings that meets requirements and proves the discriminant validity of constructs and thus indicates that the variables are unique from each other. HTMT is another important tool that can be used for analyzing the discriminant validity. Henseler et al. (2015) suggested a correlation below 0.85 between the exogenous constructs endorses the assertion of discriminant validity. In Table 2, the HTMT ratios are lower than the 0.85 limit that is along the lines of the requirements of discriminant validity. It is seen from the Fornell-Larcker criterion and the HTMT ratio that the entire variables actually represent separateness from each other. Thus, the discriminant validity of the measurement model is also confirmed.

Table 2: Discriminant Validity

Fornell-Larcker Criterion			
Variable	FP	FR	RB
FP	0.679		
FR	0.599	0.700	
RB	0.513	0.612	0.754
Heterotrait-Monotrait (HTMT) ratio			
Variable	FP	FR	RB
FP			
FR	0.833		
RB	0.846	0.714	

Structural Model Assessment

After validating the measurement model, the hypotheses were tested using the bootstrapping technique with 5,000 resamples (Hair et al., 2020). The structural model is shown in Figure 3.

Hypotheses Testing

Table 3 (Figure 3) presents the direct effects of the study variables influencing FP. The analysis reveals a significant and positive association between FRs and FP, providing support for H₁. The results indicate a significant and positive relationship between FRs and RB, supporting H₂. Additionally, the findings show a significant positive relationship between RB and FP, confirming H₃.

Table 3: Direct Effect Analysis

Path	Coefficient	Std. Error	t-stat.	p-values	CI [Bias Corrected]	Effect Size (f ²)	Decision
FR → FP	0.575**	0.059	9.674	0.000	[0.719-0.824]	0.303 (moderate)	Supported
FR → RB	0.812**	0.021	39.591	0.000	[0.767-0.848]	0.441 (strong)	Supported
RB → FP	0.252**	0.067	3.753	0.000	[0.110-0.372]	0.058 (weak)	Supported

Note: **p≤0.01, *p≤0.05. CI: Confidence Interval.

Table 4 presents the results of the mediation analysis. The findings indicate that RB significantly (partially) mediates the relationship between FRs and FP, providing support for H₄.

Table 4: Indirect Effect (Mediation) Analysis

Path	Direct Effect [t-value]	Indirect Effect [t-value]	Total Effect [t-vale]	CI	[Bias Corrected]	VAF (%)	Mediation	Decision
FR → RB → FP	0.575** [9.674]	0.205** [3.735]	0.780** [13.409]	[0.090-0.303]		26.28	Partial	Supported

Note: **p≤0.01, *p≤0.05. CI: Confidence Interval, VAF: Variance Accounted For.

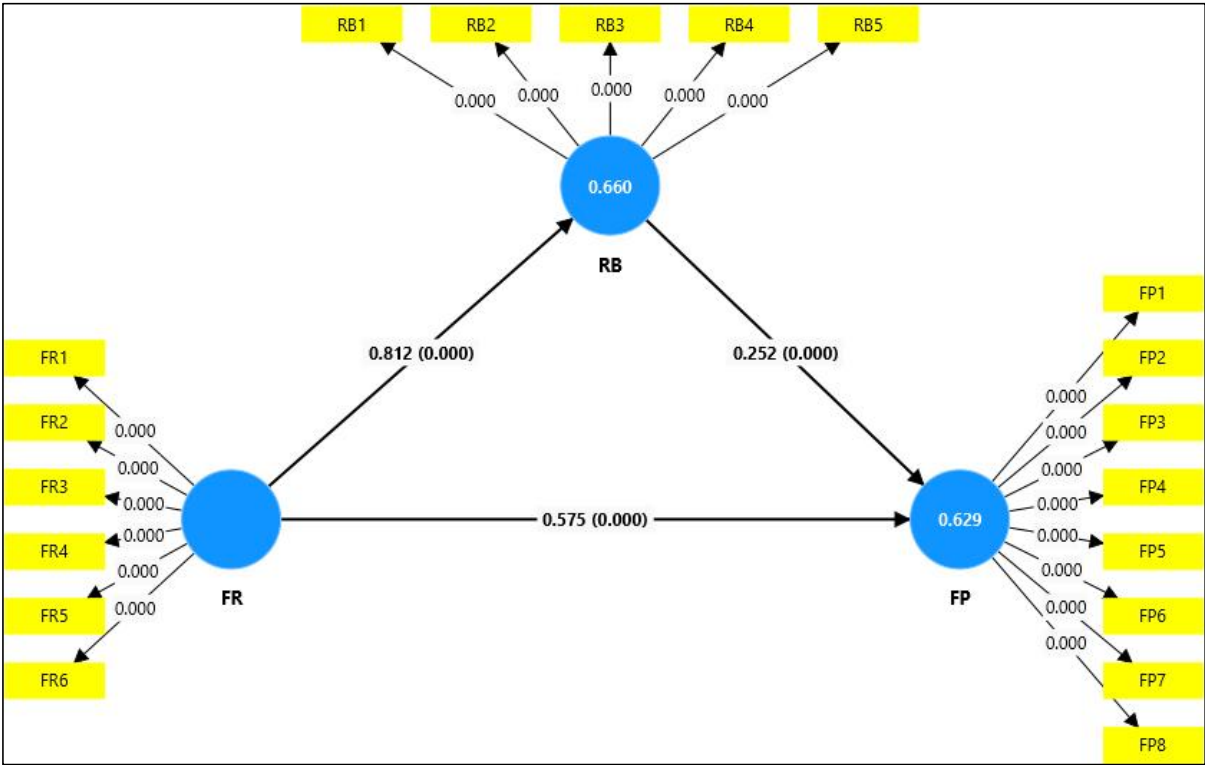


Figure 3: Structural Model

CONCLUSION AND IMPLICATIONS

Theoretical Contribution

The new insights produced by this study will be useful to academics researching small businesses, organizations, and resource-constrained contexts, pertaining to a method of resource mobilization in SMEs in emerging economies (Winkel et al., 2013), Grounded in the lens of resource orchestration theory (Sirmon, 2007), this study advances theoretical understanding by demonstrating that financial resources alone are insufficient to guarantee SME success; rather, it is the orchestration of these resources through bricolage that determines their true impact on financial performance. The findings validate this notion by showing that bricolage acts as a critical mechanism through which financial inputs are reconfigured into innovative outputs, thereby enhancing performance. By confirming the mediating role of bricolage, the study extends the theory to highlight how SMEs in resource-constrained contexts transform financial capital into sustainable advantages through adaptive recombination, highlighting that the process of resource utilization is as important as resource possession. The evidence shows that resource bricolage enhances the link between financial resources and firm’s financial performance, thereby amplifying the performance outcomes.

POLICY IMPLICATIONS

This evaluation provides business practitioners and entrepreneurs in SMEs with useful information about how to empower their firms within their in hand financial resources. should embrace bricolage in order to thrive, develop, and expand in contexts with limited resources (Guo et al., 2018). Additionally, this study educates the owners and managers of SMEs that they should not treat financial inflows (whether through loans, equity, or internal funds) as ends in themselves but as catalysts for adaptive recombination strategies. For example, instead of using additional capital solely to expand existing production, managers could leverage bricolage by reconfiguring current financial resources to serve multiple functions, diversifying products for different market segments, or investing in cross-training employees to perform multi-functional tasks. This is especially crucial as emerging economies are usually unregulated, burdensome, and impede the expansion of small and medium enterprises (World Bank, 2006). Moreover, the results mean that the intersection of financial resources, bricolage, and financial performance should be the foundation stone of SME development strategies in Pakistan: SMEs must be trained for reimagining and re-rehabilitation, and governments must design and implement such practices to increase and reward such practices. By aligning internal managerial creativity with external institutional support, SMEs can make injections of continuous financial success from survival mode, making a stronger contribution to national economic development. Managers should identify those financial resources are not valuable in isolation but gain importance in commercial processes when they are constructively integrated. For example, rather than strictly assigning the budget for predefined tasks, managers should design a flexible allocation structure that allows departments to use resource rehabilitation, such as using production equipment for many product lines or reopening marketing funds in hybrid digital-commercial campaigns.

CONCLUSION

This research aimed to answer a key question about how SMEs in emerging economies react to the lack of resources in their impoverished environments. Bricolage is an unconscious act that SMEs trigger as a reaction mechanism, as the results showed. to their impoverished circumstances. The outcomes revealed that SMEs in developing economies have less freedom to mobilize their frequently depleting resources than companies in mature nations because of environmental limitations (Winkel et al., 2013). The study suggests that financial resources are a critical driver of SME success, but their full performance impact is realized when enterprises participate in resource bricolage and function in an enabling institutional framework. Empirical research reveals that financial resources not only improve financial performance directly, but they also broaden the potential for bricolage, allowing SMEs to creatively restructure and maximize their limited resources. Bricolage, in turn, considerably improves financial results and acts as a partial mediator, demonstrating that success in financially limited environments such as Pakistan is determined by the innovative application (rather than the possession) of available financial resources. The study not only supports theoretical concepts, but also offers a framework for redesigning SMEs. There is a dearth of research on micro and small businesses operating in resource-poor situations, like those seen in emerging economies, yet these Businesses are essential to the country's economy since they provide jobs for the great majority of its population. Therefore, empirical research that focuses on how SMEs operate in resource-depleted environments, especially in emerging economies, would advance knowledge of how they mobilize resources in these situations.

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