

Unfolding Tenacity: A Theoretical Model of Entrepreneurial Disposition to Persist and the Sequential Emergence of Profitable Venture in Institutional Voids

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Submission Date: 05 July 2026 **Published Date:** 18 Sept. 2026

Citation: Akilu, N. S. (2026). Unfolding Tenacity: A Theoretical Model of Entrepreneurial Disposition to Persist and the Sequential Emergence of Profitable Venture in Institutional Voids. In INSR Journal of Multidisciplinary Studies (Vol. 2, Number 9, pp. 43–52). <https://doi.org/10.5281/zenodo.22829524>

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Abstract

Entrepreneurial ventures in institutional voids operate under weak coordination mechanisms and absent institutional supports. Under such circumstances prior research that emphasizes opportunity recognition under stable conditions, would be considered insufficient to address issues concerning how sustained persistence under prolonged friction evolves into durable profitability. In view of this, the paper draws deductively from literature to propose the unfolding Tenacity Sequence, a theoretical model that explains how Disposition to Persist matures into Profitable Venture through an ordered progression of structural, competitive, relational, and economic consolidations, from Distinct Capability and Competitive Advantage through Earned Credibility, Poised Alliance, Shared Interest, and Positive Co-Dependence, to Value Creation, Transactional Synergy, and ultimately Profitable Venture. The model conceptualizes tenacity as a generative developmental mechanism, tracing how disciplined continuation becomes progressively embedded as patterned competence, externally validated advantage, distributed relational interdependence, and institutionalized profitability. By specifying how tenacity becomes structurally productive and economically institutionalized under constraint, the model advances theory on entrepreneurial persistence in fragile contexts and provides a foundation for empirical investigation of venture stabilization under institutional voids.

Keywords: Entrepreneurship, Disposition, Persistence; Sequence, Institutional voids; Tenacity; capability development; venture profitability.

1. Introduction

Entrepreneurship in contexts marked by institutional voids presents a persistent challenge to dominant models of venture formation and performance. Much of the entrepreneurship and strategic management literature assumes the presence of functioning markets, enforceable contracts, accessible financing, and reliable regulatory frameworks that structure entrepreneurial action (Khanna & Palepu, 1997; Mair & Martí, 2009). Within such environments, venture success is often explained through opportunity recognition, resource mobilization, and strategic positioning. However, across large portions of the global economy, entrepreneurs operate in settings where these institutional supports are weak, fragmented, or entirely absent. Under such conditions, venture development rarely follows linear trajectories of opportunity exploitation or competitive optimization. Instead, entrepreneurial advancement frequently depends on the capacity to persist through prolonged friction, uncertainty, and systemic obstruction.

Persistence has long been recognized within entrepreneurship research as an important determinant of venture survival and founder commitment (Gimeno et al., 1997; Markman et al., 2005). Yet existing treatments largely conceptualize persistence as an individual-level psychological trait, often framed as grit, resilience, or motivational endurance. While these perspectives illuminate why entrepreneurs continue despite adversity, they provide limited explanation of how persistence evolves into durable economic outcomes. In particular, they seldom account for the structural, relational, and strategic transformations through which sustained engagement under constraint gradually stabilizes venture performance.

This limitation is especially pronounced in institutional voids, where the absence of reliable coordination mechanisms amplifies the consequences of premature withdrawal while simultaneously increasing the difficulty of sustained engagement. In such contexts, entrepreneurial persistence cannot remain merely a psychological orientation; it must progressively embed itself within organizational routines, competitive positioning, stakeholder relationships, and exchange systems. The capacity to persist therefore becomes developmentally significant not only because it sustains effort, but because it gradually produces structural configurations that enable ventures to survive and ultimately generate stable profitability.

Addressing this gap, this paper develops the Unfolding Tenacity Sequence, a theoretical framework that explains how Disposition to Persist matures into Profitable Venture through an ordered progression of structural, competitive, relational, and economic consolidations. Rather than treating persistence as a static attribute or isolated behavioral tendency, the model conceptualizes tenacity as a generative mechanism through which entrepreneurial systems gradually stabilize under institutional fragility. Persistence initially manifests as disciplined continuation in the face of delay and obstruction; through repeated engagement, it crystallizes into Distinct Capability, projects outward as Competitive Advantage, becomes validated through Earned Credibility, and subsequently embeds itself within relational structures through Poised Alliance, Shared Interest, and Positive Co-Dependence. These relational foundations enable sustained Value Creation and Transactional Synergy, ultimately culminating in the emergence of a Profitable Venture as the institutionalization of disciplined persistence.

The Unfolding Tenacity Sequence forms part of a broader theoretical program that conceptualizes entrepreneurial development as ordered construct sequences of dispositional maturation under institutional voids. Prior work within this program has modeled how Disposition to Act evolves into Venture Cognizance, how Disposition to Choose matures into Executory Acumen, how Disposition to Produce gives rise to Entrepreneurial Acumen, and how Disposition to Excel culminates in Managerial Acumen (Akilu, 2026a, 2026b, 2026c, 2026d). Collectively, these models articulate a cumulative architecture of entrepreneurial agency development across action, judgment, production, and excellence. The Tenacity Sequence extends this architecture by isolating persistence as a distinct developmental force through which entrepreneurial endurance becomes economically institutionalized.

By specifying a sequential progression linking persistence to profitability, the model contributes to several strands of entrepreneurship and strategic management scholarship. It complements persistence research by explaining how endurance becomes structurally productive, extends capability and competitive advantage theories by grounding them in sustained engagement under constraint, and enriches relational and ecosystem perspectives by demonstrating how persistence becomes distributed across coordinated actors. More broadly, the framework reframes venture profitability in institutionally fragile environments not as the immediate outcome of opportunity exploitation but as the cumulative crystallization of disciplined continuation.

The remainder of the paper proceeds as follows. Section 2 establishes the theoretical foundations of the Tenacity Sequence by integrating insights from persistence theory, capability development, competitive positioning, relational embeddedness, and value creation research. Section 3 presents the construct sequence and defines the mechanisms through which persistence becomes progressively embedded within entrepreneurial systems. Section 4 synthesizes these constructs into a dialectical progression from Disposition to Persist to Profitable Venture and formulates testable propositions. Section 5

situates the model within broader theoretical debates and discusses its contributions to entrepreneurship and strategy scholarship. Sections 6 and 7 outline implications for future research and conclude the paper.

2. THEORETICAL FOUNDATION

Understanding how entrepreneurial tenacity matures into durable profitability under institutional voids requires an integrative theoretical grounding that transcends trait-based notions of persistence and linear performance models. This section synthesizes foundational theories that collectively inform the development of the Unfolding Tenacity Sequence as a sequential model of Disposition to Persist and the emergence of Profitable Venture. These theories illuminate why sustained entrepreneurial engagement in under-institutionalized environments unfolds as a process of progressive structural embedding rather than as isolated episodes of endurance or competitive success.

Five major theoretical traditions form the conceptual underpinnings of this paper: self-regulation and persistence theory, resource-based and capability development perspectives, competitive positioning and reputation theory, relational and ecosystem scholarship, and value creation with dynamic capability research.

2.1 Self-Regulation and the Psychology of Sustained Engagement

At the core of Disposition to Persist lies the question of how actors maintain goal-directed engagement under prolonged friction. Self-regulation theory (Carver & Scheier, 1998) conceptualizes persistence as a feedback-driven process in which individuals monitor discrepancies between current states and desired goals while adjusting effort without abandoning direction. Bandura's (1997) work on self-efficacy further emphasizes perceived capability as central to maintaining engagement under adversity.

In institutional voids, where delay, obstruction, and systemic ambiguity are normalized, persistence becomes more than a motivational attribute—it becomes a stabilizing orientation. Environmental signals frequently discourage continuation, making disciplined engagement analytically significant. This theoretical stream provides the dispositional foundation of the Tenacity Sequence, grounding persistence as regulated continuity rather than blind stubbornness.

2.2 Capability Development and Structural Consolidation

The conversion of persistence into structured advantage is illuminated by the resource-based view (Barney, 1991) and dynamic capability theory (Teece, 2007). These perspectives argue that sustainable advantage derives from the development and reconfiguration of unique capabilities under conditions of change.

In volatile environments, repeated engagement under constraint filters ineffective routines and strengthens adaptive coordination. Over time, persistent action crystallizes into Distinct Capability—an internally stabilized configuration of knowledge, processes, and relational access. Capability thus emerges not from abundance but from endurance. Persistence becomes architectonic, embedding itself into the firm's operational structure.

2.3 Competitive Positioning and Reputational Legitimacy

Strategic management theory situates competitive advantage within positioning and differentiation (Porter, 1985; Peteraf, 1993). However, in institutional voids, sustained presence often precedes formal differentiation. Actors who remain engaged while others withdraw accumulate incremental gains and signal commitment.

Reputation and legitimacy scholarship (Suchman, 1995; Bitektine, 2011) further explain how repeated fulfillment of obligations under uncertainty generates stakeholder trust. Earned Credibility becomes temporal proof of reliability. This stream grounds the progression from internal capability to external validation, demonstrating how persistence becomes socially recognized and competitively consequential.

2.4 Relational Embeddedness and Ecosystem Interdependence

Entrepreneurial survival and growth in institutional voids frequently depend on relational coordination rather than formal governance. The relational view (Dyer & Singh, 1998) highlights value creation through idiosyncratic alliances, while institutional void research (Khanna & Palepu, 1997; Mair & Martí, 2009) underscores the substitutive role of networks where formal infrastructures are weak.

Ecosystem theory (Moore, 1993; Iansiti & Levien, 2004) extends this logic by conceptualizing coordinated interdependence as a source of systemic stability. Within the Tenacity Sequence, Poised Alliance, Shared Interest, and Positive Co-Dependence reflect the relational embedding of persistence. Tenacity evolves from individual continuation to distributed endurance across interconnected actors.

2.5 Value Creation, Synergy, and Economic Institutionalization

Value creation theory conceptualizes value as co-produced through resource deployment and stakeholder interaction (Bowman & Ambrosini, 2000; Lepak et al., 2007). When persistence is structurally and relationally embedded, it generates sustained contribution rather than sporadic output. Synergy theory (Ansoff, 1965) and dynamic capability scholarship (Teece, 2007) explain how repeated coordination enhances complementarities and adaptive efficiency. Transactional Synergy reflects persistence that amplifies performance over time. Profitable Venture emerges as the institutionalization of disciplined continuation—economic viability stabilized through cumulative endurance.

2.6 Integrative Justification for the Model

The combined insights of these theoretical traditions demonstrate that sustained entrepreneurial engagement under institutional constraint is not reducible to personality grit or isolated competitive positioning. Instead, persistence evolves through sequential consolidation, first as regulated engagement, then as structured capability, subsequently as competitive and reputational validation, relational embedding, and ultimately economic stabilization.

While existing theories illuminate fragments of this process self-regulation, capability formation, legitimacy accumulation, alliance advantage, ecosystem stability, and value creation they do not provide a sequential architecture linking Disposition to Persist to durable profitability under institutional voids.

The Unfolding Tenacity Sequence addresses this gap by integrating these traditions into a developmental model that specifies how persistence matures into Profitable Venture through identifiable structural, competitive, relational, and economic consolidations. This theoretical grounding prepares the ground for the construct sequence that follows.

3. PRESENTING THE CONSTRUCT SEQUENCE

The Unfolding Tenacity Sequence advances the broader construct-sequence program that conceptualizes entrepreneurial development as ordered progressions of dispositional maturation under institutional voids. Building on prior models tracing the evolution from Disposition to Act to Venture Cognizance, from Disposition to Choose to Executory Acumen, from Disposition to Produce to Entrepreneurial Acumen, and from Disposition to Excel to Managerial Acumen (Akilu, 2026a, 2026b, 2026c, 2026d), this framework extends the cumulative architecture of agency development across action, judgment, production, and excellence.

Here, the focus shifts to Disposition to Persist and its evolution into Profitable Venture. In contexts characterized by delay, obstruction, and relational fragility, advancement depends not only on adaptive capacity but on disciplined continuation. The sequence theorizes how persistence becomes progressively embedded, first structurally through Distinct Capability, then competitively and reputationally through Competitive Advantage and Earned Credibility, subsequently relationally through alliance and co-dependence, and ultimately economically through value creation, synergy, and stabilized profitability. The Sequence thus specifies how sustained engagement under constraint is transformed into durable enterprise viability, consolidating persistence as a generative mechanism of entrepreneurial maturation within institutionally fragile environments.

3.1 Distinct Capability (DC)

Distinct Capability refers to a defensible configuration of routines, knowledge structures, relational access points, and operational competencies forged through sustained engagement under constraint. In institutional voids, where formal supports are fragmented and environmental friction is normalized, capabilities are rarely designed ex ante; they are refined through prolonged exposure to obstruction.

Within the Tenacity Sequence, DC functions as the initiating structural consolidation that anchors Disposition to Persist. It marks a movement from mere continuation to patterned competence. Persistent engagement produces experiential filtration: ineffective routines are abandoned, adaptive micro-adjustments accumulate, and tacit coordination deepens. Over time, these sedimented refinements crystallize into differentiated capability (Barney, 1991; Teece, 2007). Thus, DC represents tenacity internalized as structure. Persistence ceases to be solely motivational and becomes architectonic—embedded in repeatable processes that withstand disruption.

3.2 Competitive Advantage (CA)

Competitive Advantage denotes the venture's capacity to translate distinct capability into superior positioning within contested markets. Under conditions of volatility and weak institutional enforcement, advantage is less a function of static resource ownership and more a consequence of sustained strategic presence.

CA constitutes the first outward projection of Disposition to Persist. Persistent firms remain visible in markets where competitors may withdraw. They absorb short-term losses without forfeiting long-term positioning. Through repeated

engagement, incremental gains accumulate, switching costs deepen, and relational familiarity strengthens (Porter, 1985; Peteraf, 1993).

In this way, tenacity operates as strategic continuity. Competitive advantage emerges not from episodic superiority but from the refusal to cede space under pressure.

3.3 Earned Credibility (EC)

Earned Credibility refers to the accumulated perception of reliability, seriousness, and follow-through established through repeated, observable persistence. In institutional voids, where contractual enforcement and reputational infrastructures are weak credibility cannot be assumed; it must be demonstrated over time.

EC deepens Disposition to Persist by translating endurance into relational capital. Stakeholders interpret continued fulfillment of obligations despite delay, scarcity, or environmental shock as evidence of commitment (Suchman, 1995; Bitektine, 2011). Each honored promise under strain reduces perceived relational risk.

Credibility thus becomes temporal proof of persistence. It is not granted through status, but earned through demonstrated refusal to disengage.

3.4 Poised Alliance (PA)

Poised Alliance denotes strategically structured partnerships formed on the basis of demonstrated reliability and sustained market presence. These alliances are “poised” because they arise at a moment when persistence has reduced uncertainty sufficiently to enable deeper coordination. PA operationalizes Disposition to Persist beyond firm boundaries. Persistent actors become attractive collaborators precisely because their behavioral continuity lowers alliance volatility. In institutional voids, where formal safeguards are thin, alliance formation depends heavily on reputational signals of durability (Dyer & Singh, 1998; Khanna & Palepu, 2010). Through PA, tenacity transitions from solitary endurance to cooperative stabilization. Persistence begins to reshape the relational field.

3.5 Shared Interest (SI)

Shared Interest refers to the explicit recognition of mutual strategic stakes among allied actors. It marks a cognitive and relational shift from transactional coordination to aligned trajectory.

SI extends Disposition to Persist into collective orientation. Actors no longer persist solely for individual survival; they persist because their outcomes are intertwined. Recognition of interdependence stabilizes expectations, reduces opportunism, and fosters longer time horizons (Gulati et al., 2012).

At this juncture, persistence becomes socially reinforced. The burden of continuation is partially redistributed across aligned partners.

3.6 Positive Co-Dependence (PC)

Positive Co-Dependence denotes a condition in which interdependence among actors produces reciprocal reinforcement rather than fragility. In this state, each actor’s continued engagement enhances the stability and performance of others. PC represents the systemic embedding of Disposition to Persist. Rather than amplifying vulnerability, relational interdependence becomes a resilience multiplier (Moore, 1993; Iansiti & Levien, 2004). Distributed persistence reduces exit incentives, buffers shocks, and strengthens adaptive coordination. Here, tenacity is no longer an individual attribute but a relational property of the ecosystem. Endurance circulates.

3.7 Value Creation (VC)

Value Creation refers to the sustained generation of economic, social, or institutional benefits arising from embedded and coordinated persistence. Unlike episodic gains, VC reflects structured contribution over time. VC expresses Disposition to Persist in generative form. Continuous engagement allows the venture and its partners to refine offerings, deepen complementarities, and address unmet needs within constrained environments (Bowman & Ambrosini, 2000; Lepak et al., 2007). Persistent contribution enhances legitimacy and embeds the venture within its context. Value creation thus signals that persistence has transitioned from defensive survival to productive advancement.

3.8 Transactional Synergy (TS)

Transactional Synergy denotes the amplification of returns achieved through sustained coordination among complementary actors. It reflects performance gains that exceed the additive output of isolated effort. TS builds upon the distributed persistence established in Positive Co-Dependence. Repeated interaction reduces coordination friction, enhances mutual learning, and sharpens complementarities (Ansoff, 1965; Zeng et al., 2010). Over time, stable collaboration lowers

uncertainty and increases efficiency. At this stage, persistence enhances not only continuity but also productivity. Tenacity becomes performance-augmenting rather than merely stabilizing.

3.9 Profitable Venture (PV)

Profitable Venture represents durable economic viability achieved through institutionalized persistence. Profitability here is not speculative windfall but stabilized, repeatable performance emerging from structured endurance.

As the culmination of the Tenacity Sequence, PV embodies the mature expression of Disposition to Persist. It reflects the cumulative residue of capability refinement, competitive stabilization, credibility formation, alliance structuring, ecosystem embedding, and synergistic amplification. Profit becomes the economic crystallization of disciplined continuation (Teece, 2007). Thus, profitability is not the abandonment of tenacity but its institutionalization. Persistence has been converted into structured, regenerative economic performance.

4. Synthesizing The Tenacity Sequence: A Dialectical Progression from Disposition to Persist to Profitable Venture

The Tenacity Sequence presents a coherent conceptual framework explaining how disciplined persistence under institutional voids matures into stabilized economic viability. It operationalizes Tenacity by unpacking it into an ordered, dialectical progression of capability, relational, and economic constructs. At its core, the sequence traces the transformation of Disposition to Persist (DTP) from an internal endurance orientation into Profitable Venture (PV), a structurally stabilized and regenerative enterprise outcome.

Each stage emerges through the resolution of tensions between constraint and continuation, effort and validation, isolation and interdependence. Persistence is progressively externalized, validated, distributed, and economically amplified. What begins as internal resolve becomes institutionalized profitability.

4.1 From Endurance to Distinct Capability

The sequence begins with Disposition to Persist (DTP), the disciplined continuation of effort despite delay, obstruction, and uncertainty. In institutional voids, where friction is normalized, DTP prevents premature withdrawal. Yet persistence alone does not generate advantage; it must become productive. This productive transformation occurs through Distinct Capability (DC). Here, repeated engagement under constraint refines routines, skills, and heuristics into specialized competence. What was initially mere endurance becomes patterned proficiency. Through sustained interaction with scarcity, entrepreneurs develop context-calibrated problem-solving capacity that competitors cannot easily replicate. Persistence thus becomes structurally embedded in operational capability.

4.2 From Capability to Competitive Validation

Distinct Capability generates the basis for Competitive Advantage (CA). Advantage emerges when capability consistently produces differentiated value relative to rivals. In fragile environments, advantage often rests on reliability, improvisational dexterity, or locally embedded knowledge. However, advantage must be recognized to be economically meaningful. This recognition occurs through Earned Credibility (EC), the accumulation of trust derived from demonstrated consistency over time. Credibility stabilizes external expectations and reduces relational uncertainty. The movement from CA to EC marks a critical shift: persistence is no longer internally sustained alone; it becomes externally affirmed.

4.3 From Credibility to Relational Interdependence

With credibility established, the entrepreneur enters the relational phase of the sequence. Poised Alliance (PA) reflects the formation of cautiously structured partnerships built on validated competence. These alliances are not opportunistic attachments but calibrated collaborations anchored in demonstrated reliability. Through repeated cooperative engagement, alliances evolve into Shared Interest (SI), where incentives become aligned and mutual outcomes interlinked. Over time, this alignment deepens into Positive Co-Dependence (PCD), a structured state of reciprocal reliance in which each party's success reinforces the other's stability. At this stage, persistence is no longer individual; it is distributed across relational networks. The entrepreneur's endurance becomes embedded within interorganizational structures, reducing vulnerability to isolated shocks.

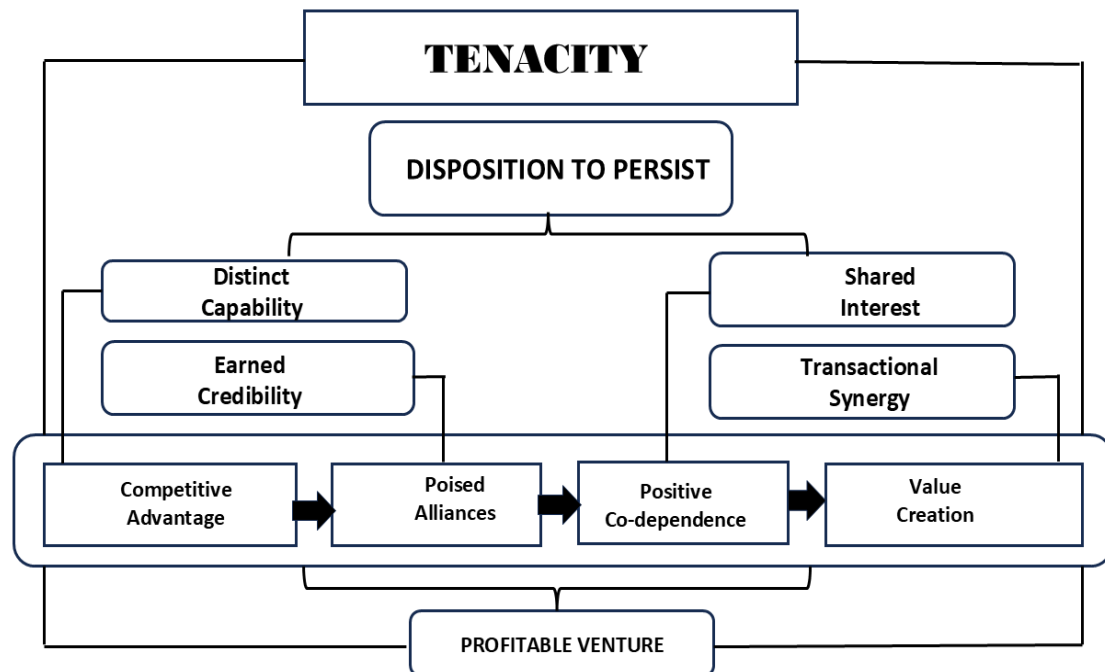
4.4 From Interdependence to Economic Amplification

Relational interdependence enables Value Creation (VCr) at a higher order. Coordinated capabilities produce outputs that exceed what isolated effort could achieve. Value here is multidimensional, economic, reputational, and systemic. When value flows are reciprocally reinforced, Transactional Synergy (TS) emerges. Transactions become self-reinforcing cycles of exchange characterized by efficiency, repeatability, and mutual gain. Synergy marks the operational stabilization of the enterprise system: friction is reduced, predictability increases, and cash-flow rhythms become patterned rather than erratic.

4.5 Culmination: Institutionalized Profitability

The sequence culminates in Profitable Venture (PV), the state in which persistence has been fully architected into a regenerative economic structure. Profitability here is not episodic gain but sustained surplus produced through embedded capability, validated credibility, structured alliances, and synergistic transactions. At this stage, Disposition to Persist is no longer reactive endurance. It has been transformed into institutionalized discipline within the venture's architecture. The enterprise no longer survives because the entrepreneur persists; it persists because the structure itself embodies disciplined continuation. Thus, the Tenacity Sequence demonstrates how persistence, when progressively refined and relationally distributed, matures into durable profitability. It specifies the dialectical pathway through which endurance under constraint becomes economically self-sustaining within institutionally fragile environments.

Figure 1.0: Phases of Disposition to Persist in Unfolding Tenacity Sequence



Source: The Author

4.6 Propositions of the Unfolding Tenacity Sequence

Building on the foregoing synthesis, the following propositions formalize the expected relationships among the constructs of the Unfolding Tenacity Sequence. Together, they articulate how Disposition to Persist (DTP) advances through successive capability, relational, and economic consolidations under conditions of persistent institutional constraint. Thus:

Proposition 1: Higher levels of Distinct Capability increase Competitive Advantage, as accumulated routines, specialized competencies, and context-specific knowledge create differentiated positioning that is difficult for competitors to replicate within institutional voids.

Proposition 2: Stronger Competitive Advantage enhances Earned Credibility, as sustained superior performance and continued market presence reinforce stakeholder confidence in the venture's reliability, competence, and long-term commitment.

Proposition 3: Greater Earned Credibility increases Poised Alliance, as demonstrated trustworthiness and consistent fulfillment of obligations encourage the formation of strategically coordinated partnerships under conditions of institutional uncertainty.

Proposition 4: Higher levels of Poised Alliance strengthen Shared Interest, as repeated collaborative engagement aligns stakeholder objectives, reinforces mutual commitment, and encourages longer-term cooperative orientation.

Proposition 5: Stronger Shared Interest increases Positive Co-Dependence, as recognition of mutual strategic benefit promotes reciprocal reinforcement, coordinated adaptation, and distributed organizational resilience.

Proposition 6: Greater Positive Co-Dependence increases Value Creation, as sustained interorganizational collaboration enhances complementary resource utilization, innovation capacity, and the generation of multidimensional stakeholder value.

Proposition 7: *Stronger Value Creation increases Transactional Synergy, as continuous exchanges built upon complementary capabilities improve coordination efficiency, deepen relational integration, and amplify mutual performance gains.*

Proposition 8: *Higher levels of Transactional Synergy increase Profitable Venture, enabling the emergence of sustained economic viability through institutionalized collaboration, stabilized exchange relationships, and regenerative enterprise performance.*

Proposition 9 (Sequential Mechanism): *The Tenacity Sequence operates as a cumulative, ordered mechanism in which each antecedent–consequence progression increases the probability of advancement to the subsequent stage, ultimately giving rise to Profitable Venture (PV) as the culmination of Disposition to Persist (DTP) within institutional voids.*

These propositions collectively reinforce the internal coherence of the Unfolding Tenacity Sequence and provide the analytical foundation for its subsequent integration into the intended overarching model. The next section extends this logic by situating the sequence within wider debates on entrepreneurial stabilization in contexts of institutional fragility.

5. Theoretical Positioning and Implications of Disposition to Persist in the Tenacity Sequence

The Tenacity Sequence contributes a structured framework to the literature on entrepreneurship, particularly within institutional voids contexts, which as established in the foregoing is characterized by weak formal institutions, uncertain enforcement mechanisms, and fragile coordination infrastructures (Khanna & Palepu, 1997). While existing scholarship has emphasized competitive advantage (Porter, 1985), resource-based capability formation (Barney, 1991), relational rents (Dyer & Singh, 1998), and dynamic capabilities (Teece, 2007), these perspectives often examine isolated mechanisms of performance.

The Unfolding Tenacity Sequence synthesizes these logics into a dialectical and developmental progression that explains how Disposition to Persist evolves into Profitable Venture through sequential capability consolidation, competitive validation, relational embedding, and economic amplification. This section positions the model in relation to key theoretical traditions and discusses its broader theoretical implications.

5.1 Integrating Persistence and Capability Formation

At its foundation, the Unfolding Tenacity Sequence aligns with theories of persistence and self-regulation that emphasize sustained goal pursuit under adversity (Bandura, 1997; Carver & Scheier, 1998). However, rather than treating persistence as an individual psychological attribute, the model demonstrates how persistence gradually becomes structurally embedded through the development of Distinct Capability.

In doing so, the sequence extends the resource-based view (Barney, 1991) by illustrating how capabilities may emerge not merely from strategic resource orchestration but from prolonged engagement under constraint. Persistence thus becomes the generative condition through which tacit knowledge, routines, and adaptive competence crystallize. This integration reframes tenacity as a productive mechanism of capability development.

5.2 Advancing Competitive Advantage through Credibility Accumulation

Strategic management literature conceptualizes competitive advantage primarily through differentiation, cost leadership, or unique resource configurations (Porter, 1985; Peteraf, 1993). The Tenacity Sequence advances this perspective by demonstrating how competitive advantage under institutional voids is frequently preceded by prolonged persistence.

Through repeated performance under friction, entrepreneurs accumulate Earned Credibility, a reputational asset grounded in reliability and consistency. This construct contributes to legitimacy scholarship (Suchman, 1995) by illustrating how credibility emerges incrementally through demonstrated tenacity. The sequence therefore positions credibility as the relational validation of competitive advantage rather than merely a reputational byproduct.

5.3 Relational Embeddedness and the Structuring of Alliance Systems

The relational view of the firm highlights how collaboration generates relational rents through interorganizational cooperation (Dyer & Singh, 1998). The Tenacity Sequence complements this perspective by demonstrating how such cooperation becomes viable only after credibility has been established.

Through Poised Alliance, Shared Interest, and Positive Co-Dependence, the model illustrates how tenacity gradually becomes distributed across networks of coordinated actors. These constructs resonate with ecosystem theory (Moore, 1993; Iansiti & Levien, 2004), which emphasizes interdependence as a source of systemic resilience. The sequence therefore advances relational scholarship by showing how alliance structures evolve sequentially from validated persistence rather than emerging spontaneously.

5.4 Value Creation and Transactional Synergy under Constraint

Entrepreneurship and strategy research frequently conceptualize value creation as the outcome of opportunity exploitation and resource deployment (Bowman & Ambrosini, 2000; Lepak et al., 2007). The Tenacity Sequence reframes this process by highlighting how value emerges through coordinated persistence within relational systems.

As interdependence stabilizes, Value Creation becomes amplified through Transactional Synergy, where repeated exchanges generate efficiencies and reinforce mutual gain. This dynamic resonates with synergy theory (Ansoff, 1965) and dynamic capability research (Teece, 2007), illustrating how coordinated routines produce sustained economic performance. In this context, synergy represents the operational maturation of persistence into a functioning enterprise system.

5.5 Institutionalizing Profitability through Enduring Structures

The culmination of the sequence in Profitable Venture contributes to entrepreneurship theory by reframing profitability as the institutionalization of disciplined persistence. Rather than treating profit as the immediate outcome of opportunity exploitation, the model conceptualizes it as the result of cumulative structural consolidation.

This perspective complements institutional theory (Lawrence & Suddaby, 2006) by demonstrating how entrepreneurs operating in institutional voids construct viable economic systems through sustained engagement. The venture becomes a stabilized architecture of capability, credibility, alliance, and synergy. In this sense, profitability is not merely financial success; it represents the structural embedding of persistence within the enterprise itself.

5.6 Summary of Theoretical Contributions

The Tenacity Sequence contributes to entrepreneurial theory by:

- i) Reconceptualizing persistence as a developmental mechanism through which entrepreneurial capability and economic stability emerge;
- ii) Integrating capability, competitive, relational, and economic constructs into a single progressive model of venture stabilization;
- iii) Demonstrating how entrepreneurial endurance evolves through sequential consolidation, where each phase resolves tensions created by institutional fragility;
- iv) Extending relational and ecosystem perspectives by modeling how persistence becomes distributed across alliances and interdependent actors;
- v) Reframing profitability as an institutionalized outcome of disciplined continuation, rather than as an immediate consequence of opportunity exploitation.

Collectively, these contributions position the Tenacity Sequence as a theoretical bridge between persistence-oriented entrepreneurship research and structural explanations of venture sustainability in institutionally fragile environments.

6. Implications And Directions for Future Research

The Tenacity Sequence advances the study of entrepreneurial endurance in institutional voids by modeling how persistence evolves through capability, relational, and economic constructs toward venture profitability. While deductively developed, the framework invites empirical validation and theoretical refinement.

Future research may operationalize the sequence's constructs and test their relationships using psychometric, process-based, or longitudinal designs. Qualitative and ethnographic studies in institutionally fragile environments may further illuminate how these constructs manifest in practice and help refine their conceptual boundaries. Comparative research across sectors, geographies, and entrepreneurial backgrounds could assess the robustness of the model and explore potential variations in the sequence.

The framework also holds implications for entrepreneurship education and policy by suggesting phased interventions that strengthen capability development, credibility formation, and relational coordination in environments with weak institutional support. In sum, the Tenacity Sequence provides a parsimonious yet generative account of how disciplined persistence under constraint evolves into stabilized venture profitability, offering a foundation for cumulative research on entrepreneurial endurance in institutional voids.

8. Conclusion

This paper has advanced the Unfolding Tenacity Sequence as a theoretically grounded framework for understanding how entrepreneurial persistence matures into venture stability in contexts marked by institutional voids. Centered on the construct of Tenacity, the model traces a phased progression in which Disposition to Persist catalyzes successive structural, relational, and economic transformations that culminate in Profitable Venture. Unlike approaches that assume stable institutional support or readily available resources, the Tenacity Sequence foregrounds disciplined continuation, capability consolidation, credibility accumulation, and relational coordination as the micro-foundations of venture durability under constraint. It highlights the sustained effort through which entrepreneurs transform endurance into structured advantage within fragile environments.

The framework contributes to entrepreneurship scholarship by integrating insights from persistence theory, the resource-based view, relational and ecosystem perspectives, and dynamic capability research into a coherent, empirically testable progression. By articulating distinct constructs and their relationships, it opens pathways for further theoretical development and empirical investigation, particularly in under-institutionalized contexts. Ultimately, the model reframes venture profitability not as an immediate outcome of opportunity exploitation but as the cumulative institutionalization of disciplined persistence within a viable enterprise system.

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