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Adopted Strategic and Operational Practices of New Businesses in Early Stage of Development: Evidence from Pakistan

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ABSTRACT

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This exploratory research highlights the strategic orientation, competitive strategy, adaptability and succession issues of small businesses in Pakistan. Despite the rise of entrepreneurship, many startups in Pakistan succeed in their first few years, but then collapse, leaving us to ponder the strategic and operational practices that are used during this critical period of the startup's life. The data was gathered from 50 respondents that come from different industries and are early stage businesses using a quantitative survey approach. The questionnaire was divided into three composite dimensions: strategic orientation, competitive strategy and adaptability, and succession challenges, with each having 15 items rated on a 5-point Likert scale. Descriptive statistics, reliability analysis, one-sample t-tests, Pearson correlation analysis and multiple regression analysis were performed to analyse the data. The results showed low to moderate scores for all three dimensions, with means scores below the neutral ranges. The mean score for Corporate governance was the highest ($M = 2.78$); the lowest was for differentiation strategy ($M = 2.18$). Cronbach's alpha values were very low, suggesting low internal consistency. There were no significant relationships between composite variables and regression analysis revealed no significant predictors of succession challenges, apart from strategic orientation and competitive adaptability. The study provides both exploratory evidence for the literature on entrepreneurship in emerging economies, and preliminary insights for entrepreneurs and policy makers. Small sample sizes and low reliability indicate the need for research with larger samples and valid instruments in the future.

Introduction

In the last decade, there has been a tremendous growth in the entrepreneurial activities in Pakistan due to various demographic, technological and economic factors. Pakistan has more than 240 million population with a median age of around 22 years, making it one of the youngest and rapidly increasing population in the world (United Nations, 2023). At the same time, there is a strong potential for new business ventures due to the demographic dividend and the current high rate of digitalization and penetration of smart phones. At the same time, the formal sector has not been able to keep up with the

increase in the labour force, resulting in a persistent high youth unemployment rate that has led many educated youth in Pakistan to seek alternative career pathways, such as self-employment and the creation of startups. (Abbas et al., 2019)

Entrepreneurship is considered a vital enabler for economic growth, innovation and employment by the government of Pakistan. The government has made various efforts to encourage the start-up ecosystem through the establishment of the Network of National Incubation Centers, Ignite (National ICT R&D Fund), and other tax benefits for start-ups (Kumar, 2020). Capacity-building programmes, mentor schemes, and access to finance schemes have also been funded by international organisations and development agencies. As a result, there has been a surge in technology-driven startups in many industries, such as e-commerce, fintech, healthtech, agritech, and logistics, in Pakistan. Although not developed as in other countries such as India and Bangladesh, the country's startup ecosystem has drawn the attention of Venture Capitalists and angel investors (Rashid et al., 2025).

Even though this is a positive trend, there are still many startups in Pakistan that fail in the first few years of their businesses. In accordance with other emerging economies, it is estimated that the majority of new enterprises fail to make it past their early phase of development (Journal of Entrepreneurship in Emerging Economies, 2023). The high failure rate brings up the pressing question of the strategy and operation of starting ventures and their ability to do well in the tough business climate of Pakistan. Knowing how some startups succeed in sustaining themselves and expanding while others fail is critical for policy makers, entrepreneurs, and support institutions planning to enhance the entrepreneurial environment.

The initial phase of business growth is especially significant since it lays the groundwork for future growth and sustainability. In this stage, entrepreneurs have to make some basic choices about the market, the product/service design, where these resources are to be directed, how the organization will be structured and how it will position itself in the competition, all of which take place in a context of uncertainty and incomplete information (Paternoster et al., 2014). Things become more complicated in developing markets like Pakistan where financial constraints, complex regulations, institutional gaps and poor infrastructure limit entrepreneurs' ability to start and operate businesses (Abbas et al., 2019). It's a game of strategy and execution at this pivotal early stage that has the potential to make or break.

Strategic practices are the planning and decision making which should result in business growth and competitive positioning. It is widely recognized that strategic planning is a key element in the success of start-ups, especially in developed economies, involving a vision statement, market analysis, competitive assessment and resource planning (Ishtiaq et al., 2021). Research however shows that most startups in Pakistan don't have a proper strategic plan in place, instead they have informal, flexible and adaptive plans. Entrepreneurs have to adapt their business models and strategies based on market feedback and changing situations in real-time as they learn (Rashid et al., 2025). This agility can be helpful in changing dynamics but researchers state that if not planned in some structured manner the growth of the startups can be hampered and they can go into survival mode (Abbas et al., 2019).

Every day operations, such as production management, marketing, customer service and resource management, are also important for the early-stage business performance. With limited resources and small teams that are typical of most startups in Pakistan, managing operations effectively and efficiently is a critical concern. Early-stage businesses have been found to have more informal and flexible processes for operation, which can enable flexibility and speedy adaptations in the business but can also cause inefficiencies, as they are not carefully designed and managed (Paternoster et al., 2014). Limited resources, both human and financial, are identified as a major problem faced by startups in the Pakistani context, which may affect their performance and chances of survival (Rashid et al., 2025).

Pakistani startups face huge hurdles in the external environment. Limited access to formal credit, limited VC and angel investment are still key constraints. These regulatory challenges encompass the existence of different sets of policies, bureaucratic obstacles, and contradictory tax policies. Furthermore, the lack of developed entrepreneurial ecosystem, which consists of entrepreneurship mentors, incubators, accelerators, networks, and services for startups, exacerbates the challenges for early-stage entrepreneurs (Frontiers in Education, 2025). Such external factors have a high degree of uncertainty and pose a problem to the entrepreneurs in making decisions strategically for them who have to face several constraints at once (Abbas et al., 2019).

Succession challenges are not only a family affair but also a valid issue in start-up companies as they grow to a more structured company. As startups evolve, the issues of leadership continuity, knowledge transfer, and organizational sustainability come to the fore. The findings indicate that succession planning is a challenge that many Pakistani businesses, including small and medium enterprises, face, with a lack of formal succession planning procedures to identify and groom future leaders, according to the study (Rashid et al., 2025). As an organisation grows, develops and experiences changes in leadership and/or ownership, this can cause weaknesses. Therefore, it is important to understand the relationship between

strategic orientation and competitive adaptability with succession preparedness to ensure sustainability of entrepreneurial ventures in Pakistan.

Although there was significant literature available related to entrepreneurship in developing countries, empirical studies on the strategic and operational issues of young firms in Pakistan are still lacking. While some studies have investigated factors like entrepreneurial orientation, business networks, or access to finance, none have examined the interaction between strategic orientation, competitiveness and organizational readiness for transitions in detail. Furthermore, most of the literature available is descriptive or anecdotal in nature and does not provide an in-depth empirical examination of these practices in Pakistan and how they are related to each other. The present study fills this void by investigating the perceived strategic orientation, competitive strategy and adaptability levels as well as succession issues of early-stage businesses in Pakistan and the relationships between them.

Research Gap

While a considerable amount of literature has been developed on entrepreneurship in emerging markets, there is still a lack of empirical studies that analyze the strategic and operational processes of early stage entrepreneurs in Pakistan. Research has mostly been conducted on one variable at a time, like entrepreneurial orientation, business networks, or access to finance, without focusing on the interaction between strategic orientation, competitive adaptability and organizational readiness for transitions. Furthermore, the existing literature is mostly descriptive or anecdotal without providing a rigorous empirical study of the nature of these practices in Pakistan and their interrelationships.

Early stages of business development are especially important as they will lay the groundwork for future growth paths and long-term viability. In this stage, the entrepreneur has to take essential decisions regarding the choice of the market, the design of the product/service, the resource allocation, the organizational structure, and the positioning in the competition, all in an environment of high uncertainty and limited information (Paternoster et al., 2014). In emerging markets situation such as Pakistan, these choices are made even more complicated as the financial constraints, institutional voids, regulatory structures, and poorly developed infrastructure are some of the added challenges faced by the entrepreneurs (Abbas et al., 2019). In this early stage, these decisions and the execution of operations can make or break a startup.

In the context of this definition, strategic practice is defined as the planning and decision-making activities that occur on a long-term basis and help the business grow and position itself favorably in competition. In developed economies, strategic planning is considered vital for the success of a startup, especially when it involves articulating their vision, conducting market analysis, assessing their competitors, and planning their resources (Ishtiaq et al., 2021). But studies have shown that a lot of Pakistani startups do not have structured strategic plans, but rather adopt a more informal, flexible and adaptive approach. Entrepreneurs face a situation where they can play with the market's feedback and adjust their business model and strategies in real-time as they learn from the market (Rashid et al., 2025). The flexibility may be beneficial in unplanned settings, however, scholars have warned that without some level of structured planning, start-ups can be at risk of not reaching sustainable growth and can be stuck in "survival mode" (Abbas et al., 2019).

It's important to not overlook the influence that leadership and organizational culture can have on the development of strategic practices. There are indications that leaders' emotional intelligence (EI) can influence job satisfaction and the development of positive workplace environments, which in turn can affect an organization's performance and adaptability (Fazeel et al., 2025; Sajal Afzaal et al., 2026). Awan et al (2026) indicated that leadership has a significant influence on organizations' responses to change and uncertainty because one of the key elements of knowledge sharing and innovation is leadership style. In the early stages of a business, the founder's leadership style can significantly shape the strategic direction and operational efficiency of the venture, making it crucial to grasp the interplay between leadership and strategy in the Pakistani startup landscape.

Research Questions

This study aims to answer the following research questions:

- **RQ1:** What is the strategic orientation, competitive adaptability and succession challenges perceived by early-stage businesses in Pakistan?
- **RQ2:** Do strategic orientation and competitive adaptability relate to succession issues in these organizations?

Research objectives

- To investigate the perception of strategic orientation of early-stage Pakistani businesses.
- To explore the perceptions of competitive strategy and adaptability.
- To look at the perceived levels of succession challenges.
- To examine the connections between the three constructs.

Significance and Contribution

The study is contributing some to the body of literature. It provides exploratory empirical evidence of the strategic and operational practices of early stage businesses that is little studied, despite the rapidly growing entrepreneurial ecosystem in Pakistan. Secondly, it examines interdependencies between strategic orientation, competitive adaptability and succession issues and offers a deeper understanding of how strategic orientation manifests in the context of resource constrained situations. Thirdly, the outcomes are also relevant to the entrepreneurs, policy makers and supporting entities who are attempting to make the entrepreneurial ecosystem in Pakistan robust.

Entrepreneurs can gain insight into their peers' strategic and operational approaches, as well as identify opportunities for improvement, by understanding how their peers are doing. Identifying the challenges unique to startups can assist in the development of initiatives focused on them, including training programs, mentorship programs and resource allocation strategies, that can help policymakers and support organizations to better respond to these challenges. From the researchers point of view, the study is exploratory evidence in a stream of literature which investigates the topic of entrepreneurship in emerging economies and can be used to develop a foundation for further research with larger samples and with more detailed measurement tools.

Literature Review

Strategic Practices in Pakistani Startups

Strategic Orientation and Formal Planning

Strategic orientation is the long-term planning and decision-making processes leading to the growth of business and its competitive positioning. It is well established that strategic planning, which includes vision articulation, market analysis, competitive assessment and resource planning, are crucial for successful startups in developed economies (Ishtiaq et al., 2021). Strategic management practices help firms predict environmental changes, use resources in an efficient way, and create sustainable competitive advantage. Structured strategic approaches have been shown to continually improve the performance of companies as compared to those that make decisions in an ad hoc manner, especially in markets that are dynamic.

However, the formal use of strategic practices is still limited in the context of Pakistan. Rashid et al., (2025) revealed that in Pakistan, majority of the startups are not using any formal strategies and are being flexible as they are facing uncertainty in the market and they adapt their strategy plans as per market trends and customer requirements. Likewise, the Journal of Entrepreneurship in Emerging economies (2023) found that entrepreneurs and startups in developing countries are focused more on short-term survival strategies than on longer-term business models. This focus on survival rather than sustainability is indicative of the resource-poor setting within which these ventures are run and where short-term considerations are likely to take priority over long-term planning.

However, Abbas et al. (2019) emphasized the negative consequences of insufficient planning on long-term growth, highlighting the need for flexibility but also for strategic planning. This balance of flexibility and formality is one of the core issues that Pakistani startups face, as excessive rigidity can hinder their ability to adapt to market fluctuations, while excessive flexibility can cause a lack of focus, inefficiency, and unsustainable practices. It is essential to create a strong entrepreneurship ecosystem that will foster more strategic practices among the startups of Pakistan, with mentorship, training, and support services being key components, says Kumar (2020). If they do not have this help, the entrepreneurs have to rely on their own experience and trial-and-error methods, which therefore restrict their growth potential.

Leadership, Culture, and Strategic Practices

The importance of leadership and organizational culture to form strategic practices has been gaining more attention in the literature. Fazeel et al. (2025) found that the emotional intelligence of leaders has a significant impact on their job satisfaction and organizational culture and visibility, which ultimately leads to organizational performance and adaptability. Sajal Afzaal et al. (2026) also found that emotional intelligence plays a pivotal role in the organizational change and transformation process, especially in service sectors where banks are located in Islamabad. The results indicate that the founder's leadership style has significant influence on the way in which a new business enterprise deals with uncertainty and makes decisions.

The transformational leadership has been found as one of the leading factors affecting the knowledge sharing and innovation of the organisation by Awan et al. (2026) which suggests that the style of leadership has a direct impact on the capability of the organisation to learn, adapt and innovate. Leadership ability and strategic ability are no longer distinguishable entities for startups where the founder is typically the one who is a primary strategist and decision-maker. This was demonstrated in the case of Mobilink-Jazz merger in which Akhtar and Adnan (2026) found how organizational structure and leadership decisions can change the game of competition. This helps to highlight the need to consider strategic orientation not only as a series of planning activities, but as a leadership and culture competency.

Flexibility Versus Formality

There is no consensus in the entrepreneurship literature between the flexible and formal strategic planning approaches. Flexibility, on the other hand, can help a startup adapt the fastest to market responses, try out their ideas, and save precious resources. However, when businesses start without any formal planning, then they may lose their direction and direction, and they may not develop the ability to grow in the long run. Paternoster et al. (2014) suggested that early stage companies often operate informally and flexibly, which can help them to adapt quickly, but may result in inefficiencies if they are not designed and managed appropriately. Balancing responsiveness and sustainability is the challenge that Pakistani startups face.

Operational Practices and Resource Management

Resource constraints and operational efficiency

Operational Practices involve business activities that happen during the day, such as managing production, marketing, customer service and resources. Efficient operational management is a key factor in the survival of an individual in a resource limited environment like in Pakistan. Human and financial resources are often limited, and it is critical to manage them effectively (Rashid et al., 2025) for a startup. Studies have shown that an even distribution among the business functions (marketing, manufacturing, finance, and personnel) is more likely to result in success than too much focus on any one function. Paternoster et al. (2014) identified that early-stage companies tend to have informal and flexible processes that can speed up the decision-making process but can also cause inefficiencies if these processes are not deliberately managed.

Resource mismanagement is one of the primary concern issues of Pakistani start-ups (Rashid et al., 2025). Since many start-ups work on a shoestring budget and have tight schedules, inefficiencies can easily burn through their resources and put them at risk. This means that effective operational practices such as inventory management, optimization of process and operations, customer relationship management and financial control are essential for startup performance and survival. For many Pakistani start-ups however, this is not the case, and practices are not fully developed or applied consistently due to the nature of many startups in the country.

Financial Management Practices

Financial management is one of the most crucial aspects of business operation, especially for small businesses. Hanif (2019) examined the role of trade credit in firm growth among non-financial firms in Pakistan finding that the availability of, and ability to manage trade credit, have an important influence on firm growth. Buzdar et al. (2022) explored monetary policy's asymmetric impact on enterprise growth and revealed that Pakistani companies are extremely responsive to interest rate and monetary policy changes. The results indicate that the financial management competencies such as cash flow management, credit utilization and sensitivity to macroeconomic conditions are crucial for the sustainability of a start-up.

The delisting phenomenon in Pakistan is yet another indication of the effects of poor financial and operational management. Hanif and Wahid (2025) studied the factors affecting delisting in Pakistan and Hafiz et al. (2025) identified the factors of delisting in India. The studies underscore the importance of strategic failure in the event firms are unable to adapt their strategies and manage their resources effectively leading to their exit from capital markets. The impact of bad financial

management can be more immediate and more serious for startups, who have even fewer buffers than more established companies.

Succession Challenges in Early-stage Businesses

Traditionally family businesses are the ones that face succession challenges, but in the case of startups, succession is also emerging as a valid concern as they move from founding to a more structured organization. When startups expand, the issues of succession, knowledge transfer and sustainability of the organization arise. Many studies indicate that succession planning is a challenge for most of the businesses in Pakistan, including start-ups, as they do not have any formal methods to identify and nurture the future leaders (Rashid et al., 2025). As organizations grow and go through leadership or ownership changes, these can lead to vulnerabilities.

Several factors mentioned in the literature are seen to have an impact on succession in emerging economies, such as organizational culture, leadership style, family relations, employee preparedness, and governance structures. Socio-cultural aspects like respect for seniority, family involvement, and resistance to change may hinder the process of succession in the Pakistani context (Rashid et al., 2025). For instance, the Mobilink-Jazz merger (Akhtar & Adnan, 2026) provides an example of how strategic moves toward organizational structure and leadership can impact competitive dynamics and establish new succession challenges.

Succession issues can be different for early-stage businesses than for established family businesses. Founding teams can be a critical resource for startups and the departure or transition of a founding team member can be very disruptive. It is therefore crucial to develop knowledge and leadership transfer and continuity building systems for long-term sustainability. But, with limited resources and survival pressures of most startups in Pakistan, succession planning is often overlooked in favor of more pressing matters.

The Pakistani Entrepreneurial Ecosystem

Pakistani Startups face an extremely tough market environment. Restrictive financial factors are still a key challenge and the lack of formal credit, venture capital and angel investment continue to be a problem. The regulatory landscape is complicated and dynamic as there are different policies, administrative processes and tax laws. Moreover, the weak entrepreneurial ecosystem, comprising of mentors, incubators and accelerators, networking platforms and support services, further complicates the situation for startups (Frontiers in Education, 2025; Kumar, 2020).

Abbas et al. (2019) pointed out that financial resources availability, Government policies and economic conditions are all important factors impacting the success of entrepreneurs in Pakistan. All these factors other than the business itself are sources of uncertainties, which makes it more difficult and challenging to make decisions in the early stages of the business operations. Baker et al. (2013) have also mentioned some potential challenges new businesses may face including monetary constraints and regulations, which could result in uncertainty and a barrier to new business growth.

Another layer of complexity is with the macroeconomic environment. Zubair et al. (2026) studied the impact of Iran-Israel conflict on oil prices and the economy of Pakistan and found that the businesses in Pakistan are sensitive towards external shocks. Zubair et al. (2026) also investigated the influence of geopolitical tensions on oil prices and the businesses in Pakistan are sensitive towards external shocks. Zubair et al. (2026) also investigated the influence of geopolitical tensions on oil prices and the economy of Pakistan, with a particular focus on the Iran-Israel conflict and its repercussions on the Pakistani economy. Atiq-ur-Rehman and Hanif (2025) discussed monetary shocks and market response, as well as the performance of Islamic and conventional stocks, and found that the impact of monetary policy shocks was very different on the various financial instruments. Asmawia Khan et al., (2026) and Syed Muhammad Hamza et al., (2026) emphasized the importance of gold in controlling inflation and market price fluctuations as well as the impact of price volatility in the gold market on exchange rate and inflation in Pakistan. As a whole, these research papers underscore the complex and volatile macroeconomic environment that Pakistani startups face today, where unforeseen events can upend operations and strategies on a dime.

However, the process of digitalization of Pakistan's economy has opened up new opportunities for entrepreneurship. Paghunda Ahmed Khan et al. (2025) studied the impact of digital banking on financial inclusion, providing insights into the transformative potential of technological advancements in reshaping financial inclusion dynamics in the unbanked population. The research carried out by Khushbakhtar et al. (2026) analyzed the effect of mobile payment and digital wallet on student finance, which showed the influence on consumer behavior and financial management of the younger generations. The changes are creating new markets and new business models for startups and are also pushing a new boundary in digital capacities.

Abdul Moiz et al (2026) talked about the changing landscape of the automotive industry as it embraces Electric Vehicles and how that can impact the industry and businesses, and what they need to do to make a strategic shift. Wazahat and Adnan (2026) examined the attitude-behaviour gap of university students in Pakistan with regards to environmental issues and environmental behaviours, highlighting the complexities of shifting attitudes to action. In 2026, Farooq et al. did a research on community perception about the development of sustainable tourism and concluded that participation of the local people is essential to ensure sustainable tourism. Hurr ul Hassan et al. (2025) looked at the linkages between environmental concerns and mental health among youth, highlighting the social, environmental, and economic aspects of development. These studies combined indicate that Pakistani startups face a multifaceted and dynamic environment, with a mix of challenges and opportunities.

Theoretical Framework

Resource-Based View

For better understanding the role that strategic orientation and operational activities play in achieving competitive advantage, the Resource-Based View (RBV) is used. RBV suggests that a company can sustainably gain a competitive edge by building and implementing resources and capabilities that are considered valuable, rare, inimitable and non-substitutable. The strategic orientation, which includes planning, vision and competitor analysis, might be looked upon as a capability that can help the firms to identify and exploit opportunities. Another ability that helps firm performance is operational efficiency, including resource management, process optimization, and financial management. Internal capabilities are of particular importance in the Pakistani context, where there are limited resources and sources of external support.

Dynamic Capabilities Theory

Dynamic Capabilities Theory takes RBV one step further by focusing on the capacity to sense, seize and reconfigure resources in order to deal with dynamic environments. Competitive Strategy and Adaptability are two active capabilities that allow startups to react to an evolving market, new technology, and the emergence of new competitors. Dynamic capabilities are crucial in volatile environments, such as Pakistan, where macroeconomic factors, regulatory frameworks, and market demands can shift rapidly, potentially impacting the viability of businesses. Flexibility, with some degree of strategic consistency, separates successful companies from those that simply survive.

Institutional Theory

The Institutional Theory focuses on the influence of formal and informal institutions on organisational behaviour. Entrepreneurs face problems due to institutional voids in Pakistan, such as poor regulatory systems, lack of financing, and poor support infrastructure. Simultaneously, informal institutions, such as cultural norms, relationships and family networks influence the operation and decision making of businesses. The understanding of the interaction between formal and informal institutions are vital to understanding the strategic and operational practices of Pakistani startups. The institutional theory can also be used to explain succession issues, as transitions within an institution are affected by formal institutional governance and informal socio-cultural factors.

Hypothesis Development

From the literature reviewed above, a complex scenario is seen of strategic and operational practices of the Pakistani startups. Meanwhile, there is an increasing awareness of the need for strategic planning, operational efficiency and succession planning for sustainability. However, lack of resources, institutional gaps, and macroeconomic uncertainty make the adoption of formal practices challenging. Flexibility vs. formality, survival vs. sustainability and internal capabilities vs. external constraints are all strategic factors shaping the Pakistani start-up ecosystem.

From the theoretical framework and literature reviewed, the following hypotheses are proposed:

H1: There is a negative relationship between strategic orientation and succession challenges of early-stage businesses in Pakistan. H1: Strategic orientation is inversely related to succession challenges in early-stage Pakistani businesses.

H2: There is negative relationship between competitive strategy and adaptability with succession problem of young businesses in Pakistan.

These hypotheses are exploratory, as there is limited previous research on these relationships in the Pakistani context. The purpose of the study is to offer some initial data which may be utilized for future research with more extensive measurement methods and larger samples.

Methodology

Research Design

This study used quantitative and cross sectional survey research design to provide an understanding of strategic orientation, competitive strategy and adaptability and succession challenges of early stage business in Pakistan. As quantitative approach was considered suitable because it helps in systematically measuring constructs and examining the relations between variables (Creswell, 2014). The study was exploratory in nature and highly limited by the lack of prior study conducted on these constructs in the Pakistani Startup environment, therefore the study was aimed to give the initial empirical evidence for further research.

Sample and Data Collection

Fifty respondents who are working in early stage businesses in Pakistan were selected for data collection. Entrepreneurs, founders and managers of start-ups in different sectors, ranging from technology to retail, services and manufacturing were sent a structured questionnaire. Convenience sampling was used because of the exploratory nature of the study, and the difficulty of reaching early-stage businesses in Pakistan. Although the sample size was small ($n = 50$), it was deemed sufficient for exploratory analysis and comparable with the other pilot studies in entrepreneurship research (Hair et al., 2019).

All respondents guaranteed anonymity and confidentiality. Data collection was voluntary and informed consent was obtained. Data collection took place over a number of weeks and questionnaires were given online or face-to-face to ensure high response rates.

Measures

The survey instrument was made up of 15 items on a 5-point Likert scale ranging from strongly disagree (1) to strongly agree (5). Items were based on the literature and modified for the Pakistani context. The items were combined into three composite dimensions:

Strategic Orientation was assessed by using Items 1-7 that included strategic vision, early digital transformation, corporate governance, sustainability/CSR integration, leadership and culture, bureaucracy/policy inconsistencies and internal/external assessment.

Items 8-12 representing cost leadership strategy, differentiation strategy, human capital investment, flexibility to instability/regulation, and global-local strategy were used to measure Competitive Strategy and Adaptability.

Items 13 to 15 (socio-cultural succession factors, previous generation involvement, and resistance to new strategies) were used to measure Succession Challenges.

Data Analysis

Data was analyzed by SPSS software. Data was summarized using descriptive statistics which included the means, standard deviations, minimum and maximum values. The internal consistency of the composite scales was examined by reliability analysis based on Cronbach's alpha. To ascertain if the composite means are significantly different from the neutral midpoint of the scale (3), one-sample t tests were conducted. Pearson correlation was done to look for any relationship between the composite variables. Multiple regression analysis was used to examine the predictive impact of strategic orientation and competitive strategy/adaptability on succession challenges.

Ethical Considerations

Ethical procedures were thoroughly observed in the research process. The participants were given a description of the study, their anonymity was assured and they were told that they could withdraw from the study at any time without consequence. Data were securely stored and were only used for research purposes.

Results

Table 1: Descriptive Statistics for Survey Items

Item	Concise item label	Dimension	M	SD	Min	Max
I1	Strategic vision	Strategic orientation	2.68	1.39	1	5
I2	Early digital transformation	Strategic orientation	2.50	1.34	1	5

I3	Corporate governance	Strategic orientation	2.78	1.27	1	5
I4	Sustainability/CSR integration	Strategic orientation	2.34	1.30	1	5
I5	Leadership and culture	Strategic orientation	2.46	1.40	1	5
I6	Bureaucracy/policy inconsistency	Strategic orientation	2.38	1.28	1	5
I7	Internal/external assessment	Strategic orientation	2.76	1.44	1	5
I8	Cost leadership strategy	Competitive strategy/adaptability	2.66	1.38	1	5
I9	Differentiation strategy	Competitive strategy/adaptability	2.18	1.06	1	5
I10	Human capital investment	Competitive strategy/adaptability	2.32	1.10	1	5
I11	Flexibility to instability/regulation	Competitive strategy/adaptability	2.68	1.35	1	5
I12	Global-local strategy	Competitive strategy/adaptability	2.44	1.16	1	5
I13	Socio-cultural succession factors	Succession challenges	2.64	1.21	1	5
I14	Previous-generation involvement	Succession challenges	2.58	1.21	1	5
I15	Resistanceto new strategies	Succession challenges	2.46	1.22	1	5

The descriptive statistics indicate that respondents generally showed low to moderate agreement with the survey statements, as all mean values remained below the neutral midpoint of 3. Corporate Governance (M=2.78) received the highest mean score, suggesting relatively stronger agreement among respondents, whereas Differentiation Strategy (M=2.18) recorded the lowest mean score. The standard deviation values indicate moderate variation in responses across participants. Overall, the findings suggest that strategic, competitive, and succession-related practices are perceived at relatively modest levels within the surveyed organizations.

Table 2: Composite Descriptive Statistics, Reliability, and Midpoint Tests

Composite variable	Items	k	M	SD	a	t(49)	P
Strategic orientation	1-7	7	2.56	0.52	0.06	-5.98	<.001
Competitive strategy and adaptability	8-12	5	2.46	0.71	0.52	-5.40	<.001
Succession challenges	13-15	3	2.56	0.77	0.26	-4.05	<.001

The composite analysis revealed that Strategic Orientation, Competitive Strategy and Adaptability, and Succession Challenges all had mean scores below the neutral midpoint of 3. The one-sample t-test results showed that these differences were statistically significant ($p < .001$), indicating generally low levels of agreement across the three dimensions. However, the Cronbach's Alpha values were relatively low, suggesting limited internal consistency among the items. Therefore, while the findings provide useful insights, they should be interpreted with caution and considered exploratory in nature.

The Pearson correlation analysis found no statistically significant relationships among the three composite variables. Strategic Orientation showed a weak negative relationship with Succession Challenges ($r = -.25$), while Competitive Strategy and Adaptability demonstrated very weak associations with the other variables. These results suggest that the constructs examined in this study are largely independent of one another. Overall, the findings provide limited evidence that improvements in one dimension are directly associated with changes in another.

Table 4: Multiple Regression Predicting Succession Challenges

Predictor	B	SE B	β	t	p
Constant	3.669	0.651	-	5.64	<.001
Strategic orientation	-0.365	0.207	-0.249	-1.76	.084
Competitive strategy and adaptability	-0.071	0.152	-0.066	-0.47	.642

The multiple regression analysis showed that Strategic Orientation and Competitive Strategy and Adaptability were not significant predictors of Succession Challenges. The overall model was not significant as only a small percentage of the variance in the dependent variable was explained by the overall model ($R^2 = 0.067$). In spite of having a negative coefficient Strategic Orientation was not statistically significant. Likewise, Competitive Strategy, and Adaptability were weak and non-significant. The results indicate that there are other organizational factors that can explain succession problems more.

Conclusion

This study set out to delve into the strategic orientation, competitive strategy and adaptability, and succession problems faced by early-stage companies in Pakistan. Given the importance of the early development stage in the development of a viable long-term business, this study aimed to present exploratory empirical evidence of the role of these constructs in the resource

constrained and volatile context of entrepreneurial activity in Pakistan. The study subjected the data to quantitative survey approach with 50 respondents, descriptive statistics, reliability analysis, one sample t-test, Pearson correlation analysis, and multiple regression analysis.

Summary of key findings

The results indicated that overall, respondents were not very high in their agreements for all three composite dimensions. The mean scores for strategic orientation ($M = 2.56$, $SD = 0.52$), competitive strategy and adaptability ($M = 2.46$, $SD = 0.71$) and succession challenges ($M = 2.56$, $SD = 0.77$) were all below the neutral score of 3 on a 5-point scale. The findings suggest that the surveyed organisations do not seem to be fully reacting to competitive pressure or have fully established strategic planning processes or effective succession management systems. When the individual items are checked, the highest mean score ($M = 2.78$) was for corporate governance, suggesting that there is relatively high consensus in this respect, and the lowest mean score ($M = 2.18$) was for differentiation strategy, suggesting that there is limited emphasis on innovation and market differentiation.

One-sample t-test results showed the differences from the neutral midpoint were statistically significant ($p < .001$) for all three composite variables. Cronbach's alpha values were, however, rather low as in the strategic orientation ($\alpha = 0.06$), competitive strategy and adaptability ($\alpha = 0.52$) and succession challenges ($\alpha = 0.26$), which suggests that there is limited internal consistency within the items. This implies that the intended constructs were not fully measured by the measurement scales and the composite results hence should be interpreted with much caution. No statistically significant relationships were found for the three composite variables as revealed by the Pearson correlation analysis. The strategic orientation was slightly negatively correlated with succession challenges ($r = -0.25$), as were competitive strategy and adaptability with the other variables. The results indicate that the constructs investigated in this study are generally independent in the sampled organizations. The multiple regression analysis also showed that none of the independent variables were significant predictors of succession challenges and the overall model accounted for a small proportion of variance of the dependent variable.

Theoretical Implications

This study's results add to the theoretical knowledge of strategic and operational practices in emerging markets, although in an exploratory and preliminary way. The findings of the study are in line with the Resource Based View theory, where it is observed that many Pakistani startups might not be developing their internal resources that are required to attain a sustainable competitive advantage. The Resource Based View suggests that companies can perform better if they possess resources and capabilities that are valuable, rare, inimitable, and non-substitutable. The low ratings for strategic vision, internal/external assessment, and human capital investment suggest that these competencies might be underdeveloped among the sampled organizations.

The combination of a moderate degree of competitive strategy and an intermediate degree of adaptability is suggestive of the fact that some firms may have 'sensing' and 'seizing' capabilities, but not necessarily at an institutionalized level. There seems to be an issue with adapting, while still being strategically coherent, for many Pakistani startups. This is in line with previous studies indicating that start-ups in emerging markets tend to focus more on survival in the short-term than on capability development.

Institutional Theory offers a valuable framework in which to understand the results concerning succession issues. Some of the poor scores in succession related items, along with the absence of significant relationships with strategic orientation and adaptability, may indicate that other factors (not measured here) may affect the nature of succession challenges within startups in Pakistan. The low scores on succession-related items, and the lack of significant relationships with strategic orientation and adaptability, suggest that other factors (not measured here) may affect the nature of succession challenges within startups in Pakistan. While such institutional gaps in the entrepreneurial ecosystem in Pakistan can pose specific problems for succession, it may not be the case in developed economies.

Limitations

A few limitations of this study should be noted. First, the sample size ($N = 50$) restricts generalizability of results and the statistical power of the analyses. These results are to be considered exploratory and preliminary and should be replicated with larger sized samples. Second, the low Cronbach's alpha values suggest a lack of internal consistency of the measurement scales, thus indicating that the constructs were not fully represented. It is recommended that future studies use instruments that are validated and have reliability and validity. Thirdly, convenience sampling might cause selection bias and limit the representativeness of the sample. Fourth, the cross-sectional design does not allow for causal inferences and further research

is required that uses longitudinal designs to analyze the change in strategic and operational practices over time. Fifth, the study used self-reported perception, which might be vulnerable to social desirability bias. Lastly, the study lacked any measures of business performance or survival that would allow for a relationship between practices and outcomes.

Future Directions for Research

Future studies should include larger and more diverse samples and validated measurement instruments to complement the current study. Factor analysis of scales and structural equation modeling of complex relationships between constructs can be used in studies with adequate sample sizes. Longitudinal designs would allow researchers to study the changes of strategic orientation, operational practices, and succession preparedness as the start-ups grow. A regional study of Pakistan, and/or different emerging countries, would give insights to other contextual factors influencing entrepreneurial practices. Further, it is suggested that objective performance criteria, including revenue growth, survival rates, and market share, be included in future studies to assess the impact of practices on performance. Qualitative research might give more insights into the real-life experiences of entrepreneurs in the early stages of development of business in Pakistan.

Recommendations

This study suggests that the organizations should strengthen their strategy planning process by establishing their long-term goals, re-evaluate their organizational objectives periodically and make the right decisions in accordance with the market environment. Good strategic planning is a way of strengthening organizations' decision making processes and their capacity to effectively react to environmental issues.

The enhancement of human capital management and employee development should also be supported. Ongoing learning, development programs and leadership training can be leveraged to improve the skills of employees and cultivate leadership potential of future leaders for key roles within the organization. That can be helpful when it comes to performance of the organization and succession planning.

There should be more focus on innovativeness, differentiation and adaptability. Organizations should be receptive to customers' needs and the competition, and creative problem solving should be encouraged, using new technology where applicable. In today's business environment, business adaptability is a critical element in ensuring its competitiveness and development.

Formal succession planning programmes need to be created to assist organizations to address succession issues. These frameworks should be able to support the identification of future leaders, map a leadership development pathway and ensure that transitions are smooth across generations and/or management teams. Proactively addressing the next generation requires greater clarity for the steps ahead and continuity to the organization.

Finally, future research should also include greater numbers and more diverse samples, more organizational variables, and more valid measurement instruments. It would lead to a more elaborate picture of the relation between strategic orientation and the competitiveness/succession problems and thus increase the validity and generalizability of the research results.

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