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# How Nonlocal Entrepreneurial Teams Achieve Sustainable Performance: The Interaction between Regional Entrepreneurial Ecosystems and Organizational Legitimacy

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**Abstract:** Nonlocal entrepreneurship plays an important role in promoting regional economic development. The purpose of this paper is to discuss the influence of the subjective and objective factors (organizational legitimacy and regional entrepreneurial ecosystem) of nonlocal entrepreneurship on its sustainable performance and boundary conditions. Through the analysis of 608 questionnaires of 237 teams at different times, the following conclusions are drawn: First, we find that entrepreneurial ecosystems and organizational legitimacy effectively promote nonlocal entrepreneurial teams' sustainable performance, and strategic flexibility has positive moderating effects on this relationship. Secondly, through polynomial regression and response surface analysis, we find that the interaction between entrepreneurial ecosystems and organizational legitimacy has a positive impact on sustainable performance. Specifically, compared with the inconsistent status of entrepreneurial ecosystems and organizational legitimacy, the sustainable performance is higher under a consistent status. Compared with the low consistency status of entrepreneurial ecosystems and organizational legitimacy, the sustainable performance in the high consistency status is higher. Therefore, we suggest that the government, universities, and enterprises should build entrepreneurial ecosystems to promote the sustainability of nonlocal entrepreneurial teams. For nonlocal entrepreneurial teams, organizational legitimacy and strategic flexibility should be enhanced. The presented research adds to the literature by integrating subject and object factors (organizational legitimacy and regional entrepreneurial ecosystem), which has important theoretical significance.

**Keywords:** nonlocal entrepreneurial team; sustainable performance; regional entrepreneurial ecosystems; organizational legitimacy; strategic flexibility

## 1. Introduction

Promoting economic development under the new normal of China's economy is an important strategic approach; the government has been vigorously promoting entrepreneurial activities by increasing investment in entrepreneurship and improving the regional environment [1]. Entrepreneurial activities with innovative inputs and outputs are an important aspect of social development. Both enterprise and individual social entrepreneurs have invested a large amount of human, material, and capital resources to produce products that meet the development needs of the market, which has an important impact on economic development [2].

In many recent studies, the level of entrepreneurial activities has been considered a measure of a country's happiness and one of the key determinants of regional economic development [3].

However, some empirical studies have shown that the relationship between entrepreneurship and economic development is complex because the economic development levels of different countries and different periods are different and entrepreneurial activities are heterogeneous. Researchers also claim that the relationship between entrepreneurship and economic development cannot be explained from a single perspective because whether it may vary with time and region must also be considered [4–6]. However, most scholars think that this relationship is positive [5,7,8]. For example, Audretsch and Keilbach [9] reported that the positive correlation between entrepreneurial activities and regional economic development could be explained by the concept of entrepreneurial capital because it mobilizes the flow of social resources and creates knowledge through the formation of business and entrepreneurial activities, and promotes the formation of diversified competition and cooperation mechanisms. The comparative analysis completed by Acs and Armington [10] also confirmed that the more abundant the regional entrepreneurial activities and the higher the development level of the entrepreneurial environment, the more obvious the promotion effect on economic development is. The basic viewpoint of the new national economic growth model introduced by the global entrepreneurship monitor is that the constantly generated entrepreneurial activities or new enterprises bring sustained vitality to economic development. In the final analysis, the importance of entrepreneurial activities cannot be ignored. Some researchers have stated that, although entrepreneurial activities could promote regional economic prosperity in the short term, it is difficult to avoid some negative social and environmental impacts [11], and achieving the sustainable development of enterprises and teams has been a common concern amongst scholars [12,13].

In the past, China was a society with low mobility, and its commercial activities had certain geographical limitations. Since the reform and opening up in the late 1970s, with the loosening of the household registration system and the rapid development of cities, the traditional social structure has undergone profound changes and nonlocal entrepreneurship was born and developed rapidly. Nonlocal entrepreneurship is not only common in Chinese society, but even compared with local people nonlocal entrepreneurs often perform better in entrepreneurial activities [14]. The existing literature does not clearly define nonlocal entrepreneurship. We refer to Fatoki and Patswawairi's opinion [15] and define nonlocal entrepreneurship as the process through which entrepreneurs create enterprises and develop entrepreneurial opportunities in their places of life and residence rather than their native places. The core of evaluating a sustainable entrepreneurial team is whether it can conduct business activities without damaging the social and ecological environment [16] and create social, economic, and environmental value [17]. Sustainable performance can be used to comprehensively evaluate the value created by an entrepreneurial team in terms of social, economic, and environmental aspects, which was the focus of our research.

The literature has focused on the factors influencing starting a business in different places, and has studied it from the perspectives of subject and object. Researchers mainly consider the environment and resources from the perspective of entrepreneurs. They considered that entrepreneurs would obtain some new opportunities in the process of starting a business in different places, and these opportunities break through the limitations of local entrepreneurship, strongly promoting entrepreneurial passion and the success rate of entrepreneurs in different places [14,18]. However, some scholars do not advocate starting a business in different places. They think that, compared with local entrepreneurship, entrepreneurial enterprises or teams in different places are formed in an unfamiliar environment, with a single entrepreneurial network; the lack of entrepreneurial resources is a common problem [19–21]. Based on the entrepreneurial subject perspective, researchers have mainly considered the initiative of individuals, teams, and enterprises in an unfamiliar environment and the entrepreneurial behaviors they adopted to gain a competitive advantage. For example, scholars have reported that the success of entrepreneurship depends on entrepreneurs' creative imagination and socialization skills [22], which are directly related to the entrepreneurial strategy adopted [23]. However, the literature states that some seemingly constructive behaviors of entrepreneurs do not considerably promote entrepreneurial ability [24,25]. From the perspectives of the object and subject of entrepreneurship, researchers

have drawn different and even contradictory conclusions about the factors influencing nonlocal entrepreneurship and whether they support such entrepreneurial activities. This is mainly due to the literature exploring the mechanism influencing nonlocal entrepreneurship, such as entrepreneurial performance, from a single perspective. These single-perspective studies rarely fully reflect on whether these factors positively affect entrepreneurship in different places and when they would have a stronger promotion effect. Therefore, we considered it necessary to integrate the object and subject factors to explore their impact on the sustainable performance of nonlocal entrepreneurship.

For non-local entrepreneurial teams, the legitimacy of their entrepreneurial activities in a particular field is a concern, as it determines whether they want to enter or exit. Legitimacy is introduced based on the new institutional theory. Suchman [26] regarded legitimacy as the behavior of an organization that is desirable, legitimate, and appropriate within the standard system, value system, belief system, and definition system of a certain social structure. To survive and achieve sustainability in an unfamiliar social environment, nonlocal entrepreneurial teams not only need material resources and technical information, but also social recognition, acceptance, and trust [27]. The literature states that legitimacy as a resource could bring consistency and credibility to start-ups and help start-ups obtain scarce resources and business information by bypassing institutional barriers, which is conducive to their survival and growth in the new environment [26]. Bitektine and Haack [28] found that legitimacy is not only an important antecedent variable of institutional stability, but is also beneficial to startup enterprises to enhance social cognition and positively related to the innovation performance of enterprises [29,30]. Notably, legitimacy is based on different entrepreneurs, so examining the entrepreneurial development in combination with the object environment, such as the entrepreneurial ecosystem in the region where these entrepreneurial teams are located, is also necessary. Since Hanna and Freeman [31] introduced the concepts of enterprise population and organizational ecology, research has been conducted from the perspective of the "ecosystem" for more than 20 years, emphasizing that the enterprise community should be combined with the external environment on which it depends to simultaneously analyze and solve problems.

Under the macro background of China's vigorous advocacy for entrepreneurial innovation, the term entrepreneurial ecosystem has gradually become well known by people and a new concept to explain areas with active entrepreneurship. We referred to Liguori et al. [32] and define the entrepreneurial ecosystem as a condition that makes the ecosystem more or less conducive to entrepreneurial activities. The literature indicates that a good entrepreneurial ecosystem provides good conditions for the survival and growth of entrepreneurial enterprises and plays an important role in promoting the development of entrepreneurial enterprises [33], such as through promoting entrepreneurial quality, innovation performance, and entrepreneurial performance [34–36]. Legitimacy, entrepreneurial ecosystem, and the development of entrepreneurial teams are highly correlated [27–30,32–36], but finding direct evidence of the relationship between the entrepreneurial ecosystem and the sustainable performance of nonlocal entrepreneurial teams in the literature is difficult. We mentioned that the literature has explored the influence mechanism of nonlocal entrepreneurship from a single perspective, such as the object (environment and resources) and the subject of entrepreneurship, which has led to different and even contradictory conclusions being drawn by scholars.

Based on the uncertainty, complexity, and irregularity of the market environment, enterprises realize that it is necessary to improve the ability to control complex business environments [37]. Strategic flexibility is defined as the ability to effectively integrate and allocate resources through internal adjustment and transformation and to deal with complex internal and external environmental changes on this basis, which has become the key requirement for the sustainable development of organizations in dynamic environments [38]. In previous studies, scholars have confirmed that strategic flexibility could improve entrepreneurial performance [39], promote organizational innovation, reduce risks and uncertainties, etc. [40,41]. Generally, organizations can achieve sustainable competitive advantages by improving strategic flexibility [42]. As mentioned above, organizational legitimacy is

highly correlated with the resources and opportunities that can be obtained by the entrepreneurial ecosystem and entrepreneurial teams. Therefore, under high strategic flexibility (such as effectively integrating resources and coping with the environment, etc.), the question of whether the nonlocal entrepreneurial team can achieve higher sustainable performance needs to be answered, and this question has rarely been addressed in the literature [39].

To summarize, our main purpose was to determine the specific relationship between the legitimacy and sustainable performance of the entrepreneurial ecosystem and nonlocal entrepreneurial teams through empirical research. Based on the integration of the subject and object perspectives of entrepreneurship, we wanted to determine whether the nonlocal entrepreneurial team can achieve a higher sustainable performance under the interaction of legitimacy and the entrepreneurial ecosystem. These findings enrich the existing literature [27–30,32–36] because we integrate subjective and objective factors (organizational legitimacy and regional entrepreneurial ecosystem); secondly, we explore the regulatory role of strategic flexibility in organizational legitimacy, entrepreneurial ecosystem, and sustainable performance to echo the relevant research viewpoints and compensate for the deficiency in the existing literature [39,42]. Through our research, we hope to enrich relevant theories of entrepreneurial ecosystems, organizational legitimacy, and foreign entrepreneurship and combine the research conclusions to promote the sustainable development of entrepreneurial teams and the regional economy.

## 2. Theory and Hypothesis

### 2.1. Organizational Legitimacy and Sustainable Performance of Entrepreneurial Team

The term organizational legitimacy originated from the theory of new institutionalism, which emphasizes the important role of the legitimacy mechanism. The concept was first introduced into sociology by Max Weber in their discussion of the system of political legitimacy. Suchman indicated that organizational legitimacy means that the behavior of an organization is reasonable and justified in the standards, values, and belief system of a certain social structure [26]. Scott regarded organizational legitimacy as being produced under the joint constraints of regulatory legitimacy, normative legitimacy, and cognitive legitimacy [27]. Sustainable performance means that organizational performance does not damage the existing social and ecological environments, but also ensures their long-term development based on ensuring performance. Scholars reported that sustainable performance mainly includes sustainable social, environmental, and economic performance [16,17]. For example, the quality of sustainable performance can be judged by whether an enterprise can bring employment to society, improve the quality of the ecological environment, and ensure its own and regional economic growth. Sustainable performance is often closely related to the entrepreneurial team's social responsibility and external positive evaluation [16]. This means that the sustainable performance of these teams can help them become involved in a wider market, which is important for further sustainable development.

For nonlocal entrepreneurial teams, if they want to survive and grow in the market without thoroughly analyzing their market environment, it is necessary to supplement material resources; exchange information technology; and accept, recognize, and trust the external environment [43]. Therefore, the legitimacy of the organization has become an important factor for judging whether the enterprise can succeed in starting a business [44]. The legalization of organizational control can ensure that the nonlocal entrepreneurial team abides by the rules, regulations, and action guidelines formulated by the market authority, thus helping the entrepreneurial team bypass the institutional obstacles and obtain scarce resources and business information [28]. The legalization of organizational norms is conducive to increasing the consistency and credibility of enterprises, thereby reducing transaction costs and time. This provides more opportunities and space for the complementarity of resources and the reciprocity of cooperation between entrepreneurial teams and other market individuals. The cognitive legalization of the entrepreneurial team not only improves the credibility of the team, but also improves the trust, dissemination, and influence of its products and processes, which motivates the team to more

actively make truly valuable products. It can be seen from this that organizational legitimacy helps start-ups to more thoroughly embed into the external ecological environment, eliminate the influence of the above-mentioned unfavorable factors on start-ups, and more easily obtain external resources and cooperation opportunities, thus promoting performance improvement. Guo et al. showed that the market legitimacy of new ventures is positively correlated with sustainable performance, whereas the market legitimacy and sustainable performance of established enterprises have an inverted U-shaped relationship [29]. This means that the key resources obtained through the legitimacy of the market can accelerate the innovation of new products for new enterprises due to their short establishment time, but with the long time required for the development of enterprises the market demand may change. At this time, the market demand will react to the renewed iteration of the organizational legalization system, thus more aligning legalization standards with market rules, finally reaching a new balance and promoting the renewal iteration of performance. Therefore, from the perspective of sustainability, the legalization of organizations can positively impact sustainable performance. Therefore, we introduce the research hypothesis:

**Hypothesis 1 (H1).** *Organizational legitimacy positively impacts the sustainable performance of the entrepreneurial team.*

### 2.2. Regional Entrepreneurial Ecosystem and Sustainable Performance of Entrepreneurial Team

The environment is considered to be highly related to entrepreneurship [45]. The entrepreneurial environment is a collection of various elements that play important roles in the entrepreneurial process [46], but different scholars have described different views on the composition of the entrepreneurial environment. Holtz-Eakin et al. argued that the entrepreneurial environment is mainly composed of two parts: necessary and supportive environmental elements [47]. The essential environmental factors mainly include nature, technology, financing, and the talent environment. The elements mainly include the system, culture, and social capital environments. Miller divided the entrepreneurial environment into two parts: the perceptual and the rational environments [48]. Liguori et al., based on the literature on entrepreneurial environment [49,50], raised the concept of external environment in the entrepreneurial ecosystem, and defined it as the condition that made the ecosystem more or less conducive to entrepreneurial activities [32]. The entrepreneurial ecosystem is the overall organic relationship among entrepreneurial resource providers, entrepreneurial enterprises, and customers, and is related to the entrepreneurial environment to some extent. Different types of entrepreneurial enterprises need to exist in a good entrepreneurial ecosystem to better grow and develop. Venture capital, government support, and entrepreneurial culture are the key elements for building an entrepreneurial ecosystem. The coexistence of the entrepreneurial ecosystem and entrepreneurial enterprises is conducive to the thorough integration of innovative resources such as talents and technology and realizes the effective docking of innovative, industrial, and financial resources. This provides considerable help for start-ups to break through the bottleneck of early development.

The formation of a good entrepreneurial ecosystem is a challenging task. It is a systematic project that is related to government, market, culture, and other factors. Through the investment of hardware and the construction of software, we can improve the regional entrepreneurial environment, stimulate the entrepreneurial incubation function, and finally improve the quality of the whole entrepreneurial environment. Hackett and Dilts indicated that government agencies at all levels can actively create business incubation centers, science and technology service centers, science parks, technology development zones, and national business incubation associations to provide technical support to start-ups, which promotes the new product development ability of start-ups [51]. Sutanto and Jack stated that the government should encourage the establishment of business incubators, which is an important method of establishing an entrepreneurial ecosystem and can effectively cultivate and support high-tech start-ups [52]. Secondly, in the entrepreneurial ecosystem, the nonlocal entrepreneurial team can obtain all kinds of resources needed at the initial stage of establishment to grow the enterprise.

Entrepreneurial resource providers in the system include the government, universities, research institutes, existing enterprises, financial institutions, and individual investors. In the entrepreneurial ecosystem, the resources provided by these subjects are heterogeneous. For example, the system provided by the government mainly solves various problems and obstacles faced by enterprises in the initial stage due to insufficient resources. Universities, research institutes, and existing enterprises provide knowledge, technology, and human resources. Notably, the R&D abilities and absorption in the initial stage of starting a business in different places are limited [53], and the technical support from universities and research institutes can ensure the product development ability of the starting team. The venture capital of financial institutions and individual investors provides sufficient financial resources for start-ups and ensures that start-ups have enough time to implement strategies and achieve goals. Although the entrepreneurial ecosystem has certain regional characteristics, it is not a completely closed system. Mason and Botelho noted that the internal resources of a good entrepreneurial ecosystem are fluid and can exchange resources and information with the external resources [54], which reflects the entrepreneurial vitality of the region. The mobility of resources and information can provide timely resource replenishment and market intelligence for nonlocal entrepreneurial teams, which strongly promote the team's sustainable development and risk avoidance ability. Therefore, we hypothesized that:

**Hypothesis 2 (H2).** *The regional entrepreneurial ecosystem positively impacts the sustainable performance of the entrepreneurial team.*

### 2.3. Consistency and Inconsistency between Organizational Legitimacy and Regional Entrepreneurial Ecosystem

The literature has explored the mechanisms influencing nonlocal entrepreneurship, such as entrepreneurial performance, from a single perspective such as the object (environment and resources) and subject of entrepreneurship. These single-perspective studies do not truly and comprehensively reflect whether these factors positively affect entrepreneurship in different places and when they create a stronger promotion effect. We think that nonlocal entrepreneurial teams not only need a good entrepreneurial ecosystem, but also need to build their legitimacy to achieve sustainable performance.

The organizational legitimacy of nonlocal entrepreneurial teams emphasizes that in the entrepreneurial process, the team's behavior standards, values, and entrepreneurial system are reasonable and legal from the perspective the object, including the government, consumers, and the environment [26]—that is, a kind of social recognition obtained through the constructive behavior of the entrepreneurial subject is the result of the behavior of the subject. As mentioned above, the entrepreneurial teams in different places gain organizational legitimacy through constructive entrepreneurial behavior and production, which strongly promote the entrepreneurial teams to gain trust in the region [43]. Establishing legitimacy by complying with the rules, regulations, and codes of conduct established by the market authorities can help entrepreneurial teams to more effectively obtain entrepreneurial resources and market information [28]. Although research has shown that legitimacy can bring innovative performance to new ventures [29], legitimacy alone may not be enough. The question that needs to be clarified is, "where does the entrepreneurial team obtain resources, knowledge, and information based on its legitimacy?" As mentioned above, the entrepreneurial ecosystem can provide support to nonlocal entrepreneurial teams from the government, market, talents, capital, and culture [32]. Therefore, entrepreneurial teams need the entrepreneurial ecosystem to provide entrepreneurial resources, information, and knowledge while having legitimacy. Entrepreneurial resource providers in the entrepreneurial ecosystem include government, universities, research institutes, existing enterprises, financial institutions, and individual investors, etc., which provide the entrepreneurial teams the necessary entrepreneurial resources according to the entrepreneurial situation and existing policies and systems. However, is every nonlocal entrepreneurial team qualified to obtain these necessary resources? The system provided by the government mainly solves various problems and obstacles faced by enterprises in the initial stage due to insufficient resources. Universities, research

institutes, and existing enterprises provide knowledge, technology, and human resources. The venture capital of financial institutions and individual investors provides sufficient financial resources for start-ups and ensures that start-ups have enough time to implement strategies and achieve goals. If the entrepreneurial team does not have legitimacy, obtaining resource supplies of each subject in the entrepreneurial ecosystem is difficult. As Peeters et al. indicated, it is easier for legitimate enterprises to obtain scarce resources in the region [44]. On this basis, we hypothesized that:

**Hypothesis 3 (H3).** *The interaction between organizational legitimacy and regional entrepreneurial ecosystem positively impacts the sustainable performance of the entrepreneurial team.*

**Hypothesis 4 (H4).** *A high consistency between organizational legitimacy and regional entrepreneurial ecosystem produces higher sustainable performance than low consistency.*

**Hypothesis 5 (H5).** *A consistency between organizational legitimacy and regional entrepreneurial ecosystem produces a higher sustainable performance than inconsistency does.*

*2.4. Moderating Role of Strategic Flexibility*

Strategic flexibility refers to the ability to effectively integrate and allocate resources through internal adjustment and change, as well as the ability to cope with complex internal and external environmental uncertainties [55]. Organizational legitimacy and the entrepreneurial ecosystem can reflect whether the subject and object can obtain and provide entrepreneurial resources. Scholars proved that strategic flexibility can improve organizational innovation performance and reduce risks [55]. Therefore, we think that strategic flexibility plays a moderating role between regional entrepreneurial ecosystems, organizational legitimacy, and innovation performance.

First, nonlocal entrepreneurial teams need to effectively identify many resources and opportunities to prevent resource overflow. Claussen et al. indicated that strategic flexibility is an effective method to create new markets, which can compensate for the shortage and uncertainty of future markets to a certain extent [56]. In the process of starting a business in different locations, entrepreneurs and consumers demand and respond to existing opportunities, but some uncertain potential opportunities exist in the market. Perez-Valls et al. noted that enterprises with strategic flexibility not only seize existing opportunities and tap potential opportunities in the market but also provide guidance for internal behaviors [57]. Second, the development and innovation of new products should be incorporated into the behavioral process of nonlocal entrepreneurship. Kandemir and Acur stated that enterprises with strategic flexibility could not only help explore and realize new markets, but also play a constructive role in product innovation and development [58]. That is, strategic flexibility can promote the performance of new products to the greatest extent. Third, nonlocal entrepreneurial teams cannot adequately cope with local environmental changes and malicious competition. Therefore, these nonlocal entrepreneurial teams need strategic flexibility to manage these difficulties and obtain sustainable competitive advantages. Sanchez proposed that the competitive advantage of an enterprise is realized by adopting a process of strategic flexibility [59]. This hypothesis allows the enterprise executives to improve the enterprise's environmental adaptability given an uncertain market environment and fierce market competition. On this basis, Combe and Greenley concluded that competitors in the market would struggle to imitate specific strategic choices made by enterprises [60]. These specific strategies formulated through strategic flexibility result in sustained competitive advantages for organizations. Finally, as mentioned above, the market demand is also flexible and changeable. If the intrapreneurship is not adjusted promptly, the market risk in the process of individual entrepreneurship will increase. Das and Elango reported that enterprises could effectively reduce market risks and uncertainties through strategic flexibility [61]. Accordingly, we introduce the following research hypotheses:

**Hypothesis 6 (H6).** *Strategic flexibility has a positive moderating role between organizational legitimacy and the sustainable performance of the entrepreneurial team.*

**Hypothesis 7 (H7).** *Strategic flexibility has a positive moderating role between the regional entrepreneurial ecosystem and the sustainable performance of the entrepreneurial team.*

The hypothesized model is presented in Figure 1.
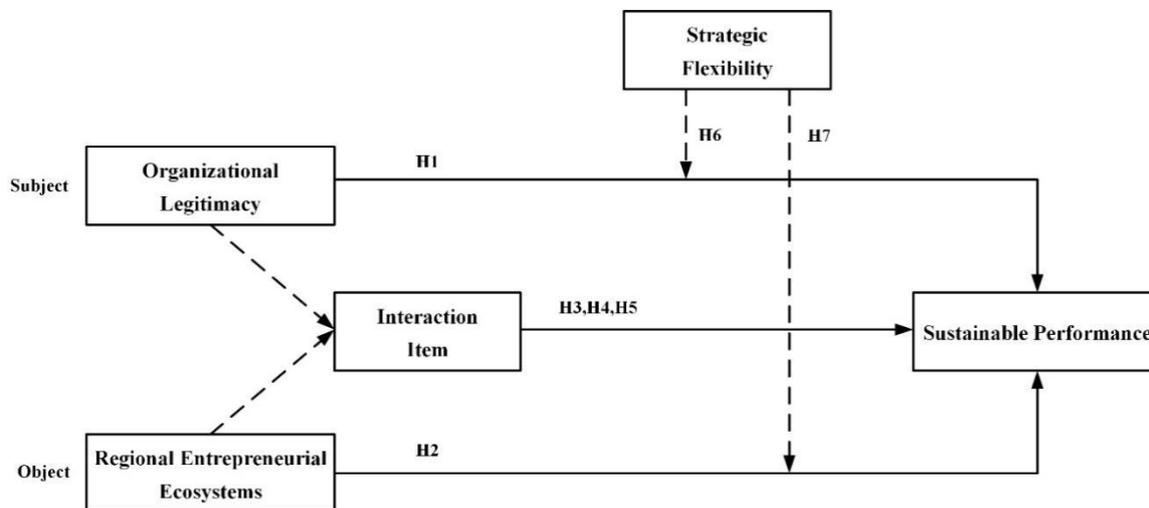


**Figure 1.** Theoretical model.

## 3. Method

### 3.1. Sample and Procedures

The data in this study were collected through questionnaires administered to nonlocal entrepreneurial teams in early June 2020 and were provided to middle and senior managers (1–4 participants per team) with a comprehensive understanding of their entrepreneurial teams. The obstacle in data collection was how to accurately judge whether the team was a nonlocal entrepreneurial team. Based on relevant literature, we regarded teams that started businesses in places of life and residence (i.e., nonlocal) rather than in places of origin and study (i.e., local) as nonlocal entrepreneurial teams. As domestic entrepreneurship mainly focuses on coastal areas and some economically developed first-tier cities in China at present, we focused on these places, such as Guangdong (Shenzhen and Guangzhou), Jiangsu (Suzhou and Nanjing), Fujian (Xiamen and Quanzhou), Shanghai, and Beijing. The entrepreneurial teams were mainly involved in e-commerce, manufacturing, services, and Internet technology. College teachers, MBA (Master of Business Administration) students, and some business people helped build the data surveys. Conducting field research on most samples in this study was challenging. Therefore, before the investigation, we communicated with the senior management of the entrepreneurial teams and sought approval. Then, we sent the questionnaire to the investigation objects via email and informed them about the matters requiring attention. Finally, the participants returned the completed questionnaire via email.

To avoid high autocorrelation and common method bias and improve the reliability of the data and results, the data were collected in two stages in this study, lasting four and a half months (including interviews and pre-investigation). First, we interviewed these entrepreneurial teams from April to May 2020 (by email, WeChat, and field interviews) to determine whether they were nonlocal entrepreneurial teams and to understand their entrepreneurial situation. In addition, we asked these teams to fill out questionnaires to preliminarily verify the reliability and validity of the scales involved in the research model. Through 56 pre-survey samples from 17 teams, we found that the reliability and validity of the scale used in this paper met the standard, as shown in Table 1. Subsequently, we conducted a formal data survey. To facilitate data matching, we required each participant to leave the last four numbers of their mobile phone number in the two-stage survey.

**Table 1.** Reliability and validity testing of the scales during pre-investigation.

| Variables | Items | Loading | Items | Loading | CA | Structural Validity | CR | AVE |
|---|---|---|---|---|---|---|---|---|
| Organizational legitimacy (OL) | OL1 | 0.874 | OL7 | 0.738 | 0.856 | χ2/df = 1.279 CFI = 0.943 TLI = 0.919 RMSEA = 0.071 | 0.931 | 0.556 |
| | OL2 | 0.800 | OL8 | 0.752 | | | | |
| | OL3 | 0.644 | OL9 | 0.883 | | | | |
| | OL4 | 0.632 | OL10 | 0.778 | | | | |
| | OL5 | 0.658 | OL11 | 0.808 | | | | |
| | OL6 | 0.570 | | | | | | |
| Regional entrepreneurial ecosystem (REE) | REE1 | 0.822 | REE10 | 0.765 | 0.914 | χ2/df = 1.301 CFI = 0.926 TLI = 0.903 RMSEA = 0.074 | 0.968 | 0.630 |
| | REE2 | 0.608 | REE11 | 0.713 | | | | |
| | REE3 | 0.751 | REE12 | 0.835 | | | | |
| | REE4 | 0.777 | REE13 | 0.907 | | | | |
| | REE5 | 0.720 | REE14 | 0.897 | | | | |
| | REE6 | 0.804 | REE15 | 0.816 | | | | |
| | REE7 | 0.759 | REE16 | 0.793 | | | | |
| | REE8 | 0.741 | REE17 | 0.796 | | | | |
| | REE9 | 0.877 | REE18 | 0.849 | | | | |
| Strategic flexibility (SF) | SF1 | 0.808 | SF4 | 0.767 | 0.884 | χ2/df = 1.724 CFI = 0.972 TLI = 0.940 RMSEA = 0.114 | 0.911 | 0.630 |
| | SF2 | 0.706 | SF5 | 0.816 | | | | |
| | SF3 | 0.824 | SF6 | 0.864 | | | | |
| Sustainable performance (SP) | SP1 | 0.863 | SP7 | 0.737 | 0.907 | χ2/df = 1.459 CFI = 0.936 TLI = 0.912 RMSEA = 0.091 | 0.953 | 0.630 |
| | SP2 | 0.697 | SP8 | 0.823 | | | | |
| | SP3 | 0.841 | SP9 | 0.759 | | | | |
| | SP4 | 0.788 | SP10 | 0.821 | | | | |
| | SP5 | 0.827 | SP11 | 0.820 | | | | |
| | SP6 | 0.726 | SP12 | 0.807 | | | | |

We started the first stage of data collection in early June 2020 and asked the respondents to complete the organizational legitimacy (OL), regional entrepreneurial ecosystem (REE), and strategic flexibility (SF) scales. We issued 807 questionnaires, of which 783 were returned. The second phase of data collection started in early August 2020. We required these participants to complete the SF scale. Based on the number of questionnaires returned in the first stage, 783 questionnaires were distributed to the respondents who returned data; 769 were returned, of which 608 were valid (effective rate = 79.06%, 237 teams). Finally, all the questionnaire data were numbered, paired, and entered into the database. To more clearly demonstrate our research ideas, we present our research design roadmap in Figure 2.
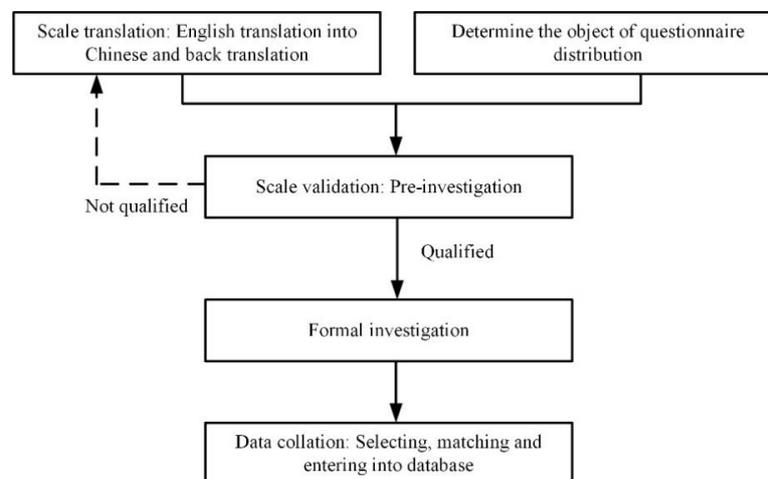


**Figure 2.** Research design roadmap.

*3.2. Measures*

The scales primarily involved mature foreign scales for reference, and a five-point Likert scale was used, with scores ranging from 1 (strongly disagree) to 5 (strongly agree). Two bilingual professors were asked to translate the original English scale into Chinese individually, and two other bilingual professors then compared the translations to the original and determined which version to use. See Appendix A for specific items.

### 3.2.1. Organizational Legitimacy (OL)

A mature scale has not yet been formed for organizational legitimacy. Certo and Hodge constructed a seven-point scale of OL that measures OL by asking customers, suppliers, employees, and competitors about their acceptance of the organization [30]. However, this method of measuring legitimacy is simple, but requires comprehensive measurement. Palazzo and Scherer regarded practical legitimacy as the degree to which the output, procedure, structure, and leadership behavior of a company are recognized by key stakeholders [62]. An organization can either directly or indirectly meet the expectations of stakeholders, so practical legitimacy can be divided into two types: (1) Exchange legitimacy: similar to the resource (or power) interdependence model of the interaction between organization and environment, the ability to provide legitimacy or reject legitimacy is a kind of resource owned by stakeholders, and the organization meets the expectations of stakeholders and obtains legitimacy recognition. (2) Affect legitimacy: the legitimacy of influence is often applied to organizations whose output is difficult to measure, and they often let stakeholders join the organizational process in some forms. We used three items to measure practical legitimacy, such as "the exchange between us and our customers is reasonable and fair". Secondly, combined with the research of Suchman [26], we used five items to measure moral legitimacy, such as "the products and services we provide are popular". Cognitive legitimacy is the degree to which an organization is considered "meaningful". Based on Suchman [26], we used three items to measure cognitive legitimacy, such as "we have become an indispensable part of local social life". Thus, 11 items were included in this scale and Cronbach's $\alpha$ was 0.903 in this study.

### 3.2.2. Regional Entrepreneurial Ecosystem (REE)

Liguori et al. opined that the indicators and measurement methods for measuring the entrepreneurial ecosystem are not mature [32]. Based on the relevant literature, they developed a six-dimension scale with 18 items and tested the applicability of this scale through reliable procedures. The scale considers six aspects (culture, policy, finance, supports, human capital, and markets) to comprehensively evaluate the entrepreneurial ecology in the region. Typical entries of each dimension include "there are local individual investors in the region who are willing to financially support entrepreneurial venturing", "the region has the infrastructure necessary to start, and run most businesses", "there are ample local institutions of higher education", "the social values and culture of the region emphasize self-sufficiency, autonomy, and personal initiative", "the region's multinational diversity helps keep me connected the global economy", and " regional leaders regularly advocate for entrepreneurs". Cronbach's $\alpha$ was 0.952 in this study.

### 3.2.3. Strategic Flexibility (SF)

The Strategic Flexibility scale was developed by Zhou and Wu and contains six items [40], including typical items such as "resources are highly shared among all departments of the team", "we can actively respond to external competition", and "we can quickly find new resources or new combinations of existing resources". Cronbach's $\alpha$ was 0.882 in this study.

### 3.2.4. Sustainable Performance (SP)

On the basis of relevant literature, Khan and Quaddus developed a three-dimension scale with 12 items and tested the applicability of this scale through reliable procedures [63]. They found four indicators for the economic factor—i.e., employment, sales growth, income stability, and return on investment; four indicators for the social factor—i.e., basic needs, social recognition, empowerment, and freedom; and clusters of indicators for the environmental factor—i.e., water and energy use, waste and emission, waste management, and a hygiene factor. Thus, we used this scale and Cronbach's $\alpha$ was 0.845 in this study.

### 3.2.5. Control Variables

As sustainable performance is affected by team type, scale, and age, we considered them as control variables [63]. We measured the control variables in the following ways: team type: manufacturing coded as 1, service coded as 2, Internet and finance coded as 3, and others coded as 4; team scale: less than 20 people coded as 1, 21 to 40 people coded as 2, 41 to 60 people coded as 3, and more than 60 people coded as 4; team age: less than 2 years coded as 1, 2 to 4 years coded as 2, 4 to 6 years coded as 3, and 4 for more than 6 years coded as 4.

## 4. Results

### 4.1. Common Method Bias

We used SPSS 22 and AMOS 22 for data analysis and processing. According to Edwards and Lambert, we chose Harman's single-factor test technique to check for common method bias of the data [64]. First, we put all the items of the questionnaire used in this study into the factor analysis in SPSS 22.0 without rotation. We found the first common factor accounted 23.89%, which is lower than the established standard of 40%. Therefore, there was no common method bias among the variables in the study.

### 4.2. Reliability and Validity Analysis

First, Cronbach's $\alpha$ (CA) is an important index used to measure the reliability of the questionnaire. Through our analysis, we found the research had a good reliability, with values of 0.903 for organizational legitimacy (OL), 0.952 for regional entrepreneurial ecosystem (REE), 0.882 for strategic flexibility (SF), and 0.845 for sustainable performance (SP). The CA for the total items was 0.919. The factor loading, construct reliability (CR), and average variance extracted (AVE) of all the items satisfied the requirements [65], which indicated that the questionnaire had good structural validity (Table 2).

Furthermore, we conducted a confirmatory factor analysis to test the structural validity of the measurement model. We used Chen and Lim's method to revise the model [66]. Through the test, we found the discriminant validity of the four-factor model best matched the actual data, as shown in Table 3 ($\chi^2$ = 2353.914, df = 1022, $\chi^2$/df = 2.303, CFI = 0.910, IFI = 0.911, TLI = 0.905, RMR = 0.046, and RMSEA = 0.046) Thus, the four factors involved in this research were found to have a good discriminant validity. Through the test above, both the reliability and validity of variables in this study were found to be acceptable, so we proceeded with the following analysis.

**Table 2.** Reliability and validity testing of the scales.

| Variables | Items | Loading | Items | Loading | CA | Structural Validity | CR | AVE |
|---|---|---|---|---|---|---|---|---|
| Organizational legitimacy (OL) | OL1 | 0.729 | OL7 | 0.672 | 0.903 | χ2/df = 3.239 CFI = 0.968 TLI = 0.959 RMSEA = 0.060 | 0.919 | 0.509 |
| | OL2 | 0.875 | OL8 | 0.711 | | | | |
| | OL3 | 0.692 | OL9 | 0.664 | | | | |
| | OL4 | 0.690 | OL10 | 0.684 | | | | |
| | OL5 | 0.706 | OL11 | 0.681 | | | | |
| | OL6 | 0.724 | | | | | | |
| Regional entrepreneurial ecosystem (REE) | REE1 | 0.725 | REE10 | 0.779 | 0.952 | χ2/df = 2.948 CFI = 0.943 TLI = 0.935 RMSEA = 0.069 | 0.957 | 0.557 |
| | REE2 | 0.786 | REE11 | 0.767 | | | | |
| | REE3 | 0.753 | REE12 | 0.695 | | | | |
| | REE4 | 0.728 | REE13 | 0.776 | | | | |
| | REE5 | 0.717 | REE14 | 0.765 | | | | |
| | REE6 | 0.751 | REE15 | 0.775 | | | | |
| | REE7 | 0.758 | REE16 | 0.749 | | | | |
| | REE8 | 0.742 | REE17 | 0.720 | | | | |
| | REE9 | 0.717 | REE18 | 0.726 | | | | |
| Strategic flexibility (SF) | SF1 | 0.786 | SF4 | 0.792 | 0.882 | χ2/df = 4.255 CFI = 0.984 TLI = 0.971 RMSEA = 0.073 | 0.910 | 0.630 |
| | SF2 | 0.797 | SF5 | 0.783 | | | | |
| | SF3 | 0.794 | SF6 | 0.810 | | | | |
| Sustainable performance (SP) | SP1 | 0.860 | SP7 | 0.776 | 0.845 | χ2/df = 2.455 CFI = 0.975 TLI = 0.967 RMSEA = 0.049 | 0.953 | 0.632 |
| | SP2 | 0.785 | SP8 | 0.716 | | | | |
| | SP3 | 0.797 | SP9 | 0.702 | | | | |
| | SP4 | 0.794 | SP10 | 0.821 | | | | |
| | SP5 | 0.848 | SP11 | 0.833 | | | | |
| | SP6 | 0.791 | SP12 | 0.801 | | | | |

**Table 3.** Competition model of the confirmatory factor analysis.

| Models | $\chi^2$ | df | $\chi^2$/df | CFI | IFI | TLI | RMR | RMSEA |
|---|---|---|---|---|---|---|---|---|
| Four-factor model | 2353.914 | 1022 | 2.303 | 0.910 | 0.911 | 0.905 | 0.046 | 0.046 |
| Three-factor model | 4616.314 | 1031 | 4.477 | 0.758 | 0.759 | 0.747 | 0.067 | 0.076 |
| Two-factor model | 6204.726 | 1033 | 6.006 | 0.652 | 0.653 | 0.636 | 0.089 | 0.090 |
| Single-factor model | 8979.428 | 1034 | 8.684 | 0.465 | 0.467 | 0.441 | 0.107 | 0.113 |

Notes: four-factor model: OL, REE, SF, SP; three-factor model: OL, REE, SF + SP; two-factor model: OL, REE + SF + SP; single-factor model: OL + REE + SF + SP.

### 4.3. Correlation Analysis

Table 4 indicates that there was a significant positive correlation between the organizational legitimacy and the sustainable performance ($r$ = 0.276, $p < 0.001$). Entrepreneurial ecosystem and sustainable performance were also significantly positively correlated ($r$ = 0.365, $p < 0.001$). The confirmation of the correlation between these variables provided preliminary evidence for our hypotheses and laid a foundation for subsequent research.

**Table 4.** Descriptive statistics and correlation analysis.

| Variables | M | SD | 1 | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|---|---|---|
| 1. Age | 2.21 | 0.924 | | | | | | |
| 2. Scale | 2.61 | 0.769 | 0.138 ** | | | | | |
| 3. Type | 2.23 | 0.907 | −0.003 | −0.052 | | | | |
| 4. OL | 3.41 | 0.553 | 0.014 | −0.059 | −0.060 | | | |
| 5.REE | 3.64 | 0.702 | −0.029 | −0.064 | 0.063 | 0.085 * | | |
| 6. SF | 3.52 | 0.731 | −0.008 | 0.032 | 0.003 | 0.080 * | 0.025 | |
| 7. SP | 3.32 | 0.548 | −0.029 | 0.001 | −0.016 | 0.276 *** | 0.365 *** | 0.217 *** |

Notes: * $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$.

### 4.4. Hypotheses Testing

#### 4.4.1. Hypotheses 1 to 3

We used SPSS 22.0 for regression analysis (Table 5). Firstly, the direct impact indicated that organizational legitimacy had a significant positive effect on sustainable performance ($\beta = 0.276$, $p < 0.001$, M2), which indicated that organizational legitimacy could improve teams' sustainable performance. Secondly, the regional entrepreneurial ecosystem had a significant positive effect on sustainable performance ($\beta = 0.288$, $p < 0.001$, M3), indicating that the entrepreneurial ecosystem could foster teams' sustainable performance. Thus, H1 and H2 were confirmed. Finally, we found that the interaction between organizational legitimacy and regional entrepreneurial ecosystem had a significant positive impact on sustainable performance ($\beta = 0.261$, $p < 0.001$, M4), indicating that under the interaction of organizational legitimacy and the regional entrepreneurial ecosystem, teams' sustainable performance is promoted. Thus, H3 was supported.

**Table 5.** Hypothesis testing of direct and moderating effects.

| Variables | SP | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **M1** | **M2** | **M3** | **M4** | **M5** | **M6** | **M7** | **M8** | **M9** | **M10** |
| Age | −0.018 | −0.021 | −0.013 | −0.009 | −0.017 | −0.007 | −0.020 | −0.021 | −0.011 | −0.018 |
| Scale | −0.011 | 0.002 | −0.027 | −0.009 | −0.015 | −0.020 | 0.000 | 0.003 | −0.027 | −0.033 |
| Type | 0.003 | 0.014 | 0.016 | 0.002 | 0.025 | 0.029 | 0.009 | 0.011 | 0.011 | 0.018 |
| Direct effect | | | | | | | | | | |
| OL ($b_1$) | | 0.276 *** | | | 0.246 *** | 0.202 *** | 0.259 *** | 0.240 *** | | |
| REE ($b_2$) | | | 0.288 *** | | 0.271 *** | 0.194 *** | | | 0.284 *** | 0.158 *** |
| OL × REE ($b_5$) | | | | 0.261*** | | 0.301 *** | | | | |
| $OL^2$ ($b_3$) | | | | | | −0.140 ** | | | | |
| $REE^2$ ($b_4$) | | | | | | −0.156 *** | | | | |
| X = Y: Slope ($m_1 = b_1 + b_2$) | | | | | | 0.396 *** | | | | |
| X = Y: Curvature ($m_2 = b_3 + b_4 + b_5$) | | | | | | 0.005 | | | | |
| X = −Y: Slope ($n_1 = b_1 − b_2$) | | | | | | 0.008 | | | | |
| X = −Y: Curvature ($n_2 = b_3 + b_4 - b_5$) | | | | | | −0.597 *** | | | | |
| Moderating | | | | | | | | | | |
| SF | | | | | | | 0.147 *** | 0.158 *** | | |
| OL × SF | | | | | | | | 0.179 ** | 0.156 *** | 0.158 *** |
| REE × SF | | | | | | | | | | 0.195 *** |
| $R^2$ | 0.001 | 0.078 | 0.136 | 0.024 | 0.196 | 0.247 | 0.116 | 0.132 | 0.179 | 0.210 |
| $\Delta R^2$ | 0.001 | 0.077 | 0.135 | 0.023 | 0.195 | 0.050 | 0.115 | 0.016 | 0.178 | 0.031 |
| $F$ | 0.221 | 12.706 *** | 23.710 *** | 3.680 ** | 29.425 *** | 24.544 *** | 15.749 *** | 15.249 *** | 26.237 *** | 26.681 *** |

Notes: ** $p < 0.01$, *** $p < 0.001$; organizational legitimacy (OL, X), regional entrepreneurial ecosystem (REE, Y), strategic flexibility (SF), sustainable performance (SP), model (M).

#### 4.4.2. Hypotheses 4 and 5

Among the many methods available for measurement matching, polynomial analysis and response surface analysis, which can provide more accurate results, were adopted in this study. These methods can overcome the limitations of different scoring methods and profile similarity indexes, and present a three-dimensional map depicting the effects of different matching relations between two variables on the dependent variable, which makes the conclusion more intuitive [67]. According to the model formula proposed by Edwards and Parry [68], the model formula constructed in this study is as follows:

$$Z = b_{00} + b_{01}Age + b_{02}Scale + b_{03}Type + b_1X + b_2Y + b_3X^2 + b_4Y^2 + b_5(X * Y) + e,$$

where $X$ represents organizational legitimacy, $Y$ represents the regional entrepreneurial ecosystem, $X*Y$ is the cross term of the two, $X^2$ and $Y^2$ are the square terms of the corresponding variables, $b_{00}$ represents the intercept, $b_{01}$–$b_{03}$ are coefficients of the control variables, $b_1$ is the coefficient of $X$, $b_2$ is the coefficient of $Y$, $b_3$ is the coefficient of $X^2$, $b_4$ is the coefficient of $Y^2$, $b_5$ the is coefficient of the interaction term, and $e$ is the error term. Regression was carried out on the matched five items: the two

variables ($X$, $Y$), the square terms ($X^2$, $Y^2$), and their intersection ($X*Y$). Firstly, the control variables were put into the first layer, the organizational legitimacy and regional entrepreneurial ecosystem into the second layer, and its square term and its interactive term into the third layer. To avoid multicollinearity, we first centered the measurement indexes $X$ and $Y$, and then calculated $X^2$, $Y^2$, and the product term $X*Y$. If the determination coefficient ($R^2$) of the last model changes significantly, then response surface analysis can be conducted, and the results can be presented by drawing three-dimensional graphics.

We used polynomial regression and response surface analysis to test H4 and H5. This method can be used to predict how two variables jointly affect dependent variables [67]. Expressly, during the congruence of the two independent variables, the significant slope ($m_1 = b_1 + b_2$) indicated that the congruence had a linear relationship with the dependent variable. If the slope was positive, then the sustainable performance was the highest during high congruence. Conversely, the sustainable performance was the lowest during low congruence. The significant curvature ($n_2 = b_3 + b_4 - b_5$) indicated that the congruence had a curvilinear relationship with the dependent variable. The positive and negative curvature indicated inverted U-shaped relationships. In a U-shaped relationship, the sustainable performance is lower from incongruence to congruence, whereas in an inverted U-shaped relationship the sustainable performance is higher from incongruence to congruence.

As shown in Table 5, when congruent, the slope ($m_1 = 0.396$, $p < 0.001$, M6) was significantly positive, and its curvature ($m_2 = 0.005$, $p > 0.05$, M6) was not significant, which indicated that the high congruence of organizational legitimacy and the regional entrepreneurial ecosystem demonstrated a higher sustainability than low congruence (Figure 3). Thus, H4 was supported. When incongruent, the curvature ($n_2 = -0.597$, $p < 0.001$, M6) was significant, which indicated that congruence results in a higher sustainable performance than the incongruence of organizational legitimacy and the regional entrepreneurial ecosystem (Figure 3). Thus, H5 was supported.
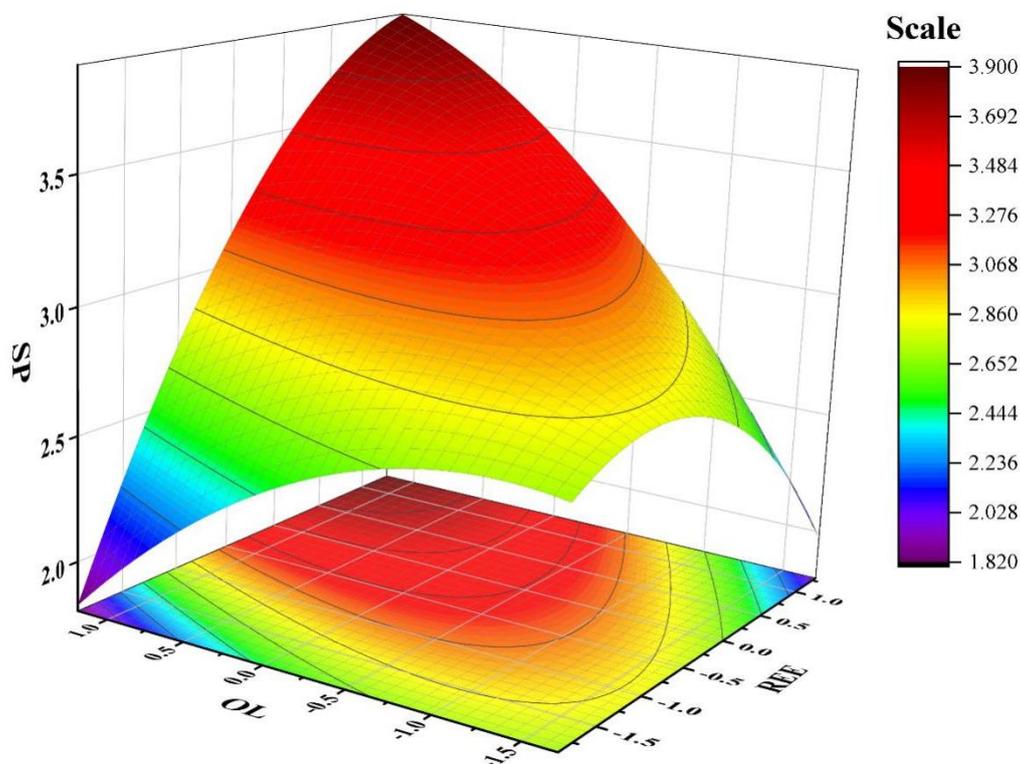


**Figure 3.** Response surface analysis of the organizational legitimacy, regional entrepreneurial ecosystem, and sustainable performance.

### 4.4.3. Hypotheses 6 and 7

For the moderating effect test, before testing, the organizational legitimacy, regional entrepreneurial ecosystem, and strategic flexibility were concentrated and interaction items were produced. The regression results showed the following (Table 5): First, when organizational legitimacy, strategic flexibility, and their interaction term were considered independent variables and sustainable performance was considered a dependent variable in hierarchical regression, the interaction term had a significantly positive effect on sustainability ($\beta = 0.179$, $p < 0.01$, M8), indicating that strategic flexibility had a positive moderating effect between organizational legitimacy and sustainable (Figure 4a). Thus, H6 was supported. Similarly, the test showed that the interaction between regional entrepreneurial ecosystem and strategic flexibility had a significantly positive impact on sustainable performance ($\beta = 0.195$, $p < 0.001$, M10), indicating that strategic flexibility had a positive moderating effect between regional entrepreneurial ecosystem and sustainable performance (Figure 4b). Therefore, H7 was supported.
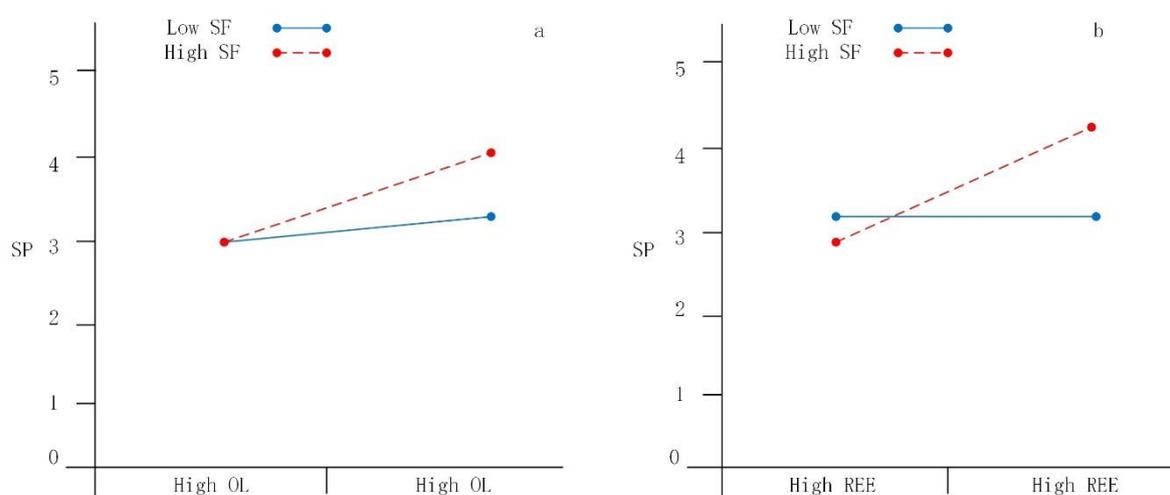


**Figure 4.** The moderating effect of strategic flexibility.

After the preliminary moderating effect test, we used the PROCESS program in SPSS 22.0 to test the adjustment effect using the bootstrap method. The bootstrap sampling number was set to 5000 times, and the confidence level of the confidence interval was set to 95%. Through the test, we found that strategic flexibility played a moderating role between the main effects, so H6 and H7 were both supported. The specific regulation effect is shown in Table 6.

**Table 6.** Moderating effect test of the bootstrap method in PROCESS program in SPSS 22.0.

| Moderating: Strategic Flexibility | Effect | SE | LCI | UCI |
|---|---|---|---|---|
| | Organizational legitimacy→Sustainable performance | | | |
| Low | 0.109 | 0.058 | −0.005 | 0.224 |
| High | 0.371 *** | 0.050 | 0.272 | 0.470 |
| | Regional entrepreneurial ecosystem→Sustainable performance | | | |
| Low | 0.128 ** | 0.042 | 0.044 | 0.211 |
| High | 0.413 *** | 0.038 | 0.336 | 0.489 |

Note: ** $p < 0.01$, *** $p < 0.001$; If the CI does not include 0, the effect is significant; otherwise, it is not significant.

To solve the problem of how nonlocal entrepreneurial teams can achieve sustainable performance, we linked organizational legitimacy, regional entrepreneurial ecosystem, strategic flexibility, and sustainable performance and verified the causal relationship and boundary conditions among them. Through hierarchical regression, polynomial regression, and response surface analysis, we obtained

interesting results. These results supported our hypothesis. To more clearly demonstrate our research results, we summarize the results in Table 7.

**Table 7.** Summary of results.

| Item | Hypothesis | Result |
|---|---|---|
| H1 | Organizational legitimacy positively impacts the sustainable performance of the entrepreneurial team. | Supported |
| H2 | Regional entrepreneurial ecosystem positively impacts the sustainable performance of the entrepreneurial team. | Supported |
| H3 | The interaction between organizational legitimacy and the regional entrepreneurial ecosystem positively impacts the sustainable performance of the entrepreneurial team. | Supported |
| H4 | High consistency between organizational legitimacy and the regional entrepreneurial ecosystem produces a higher sustainable performance than low consistency. | Supported |
| H5 | The consistency between organizational legitimacy and the regional entrepreneurial ecosystem produces a higher sustainable performance than inconsistency. | Supported |
| H6 | Strategic flexibility has a positive moderating role between organizational legitimacy and the sustainable performance of the entrepreneurial team. | Supported |
| H7 | Strategic flexibility has a positive moderating role between the regional entrepreneurial ecosystem and the sustainable performance of the entrepreneurial team. | Supported |

## 5. Discussion and Implications

The level of entrepreneurial activity is considered a measure of a country's happiness and is one of the key determinants of regional economic development. Nonlocal entrepreneurship is common in Chinese society, and compared with local people entrepreneurs in different places often perform better in terms of entrepreneurial activities [14]. Achieving the sustainable development of start-up enterprises and teams has been widely studied by scholars [12,13], and we continued to focus this topic. From the perspectives of the object and subject of entrepreneurship, researchers have reported different and even contradictory conclusions [14,18–25] about the factors influencing nonlocal entrepreneurship. These single-perspective studies do not truly and comprehensively reflect whether these factors positively affect entrepreneurship in different places and when they would produce a stronger promotion effect. Therefore, we thought that the research on the sustainable performance of nonlocal entrepreneurship needed to integrate the object and subject factors, and we explored the influence on sustainable performance under the interaction of subjective and objective factors (legitimacy, entrepreneurial ecosystem, and strategic flexibility) in cross-regional entrepreneurship activities. Through theoretical deduction, hypothesis presentation, and empirical testing, we arrived at the following important conclusions, and these findings have important theoretical and practical implications:

### 5.1. Conclusions and Theoretical Implications

First, we found that organizational legitimacy and the entrepreneurial ecosystem can promote the sustainable performance of nonlocal entrepreneurial teams. For nonlocal entrepreneurial teams, essential material resources and information technology must be obtained to gain the acceptance, recognition, and trust of stakeholders to achieve sustainable development [43]. Legitimacy fully reflects whether the entrepreneurial activities of nonlocal entrepreneurial teams can be recognized by the local

government along with other stakeholders [28], which helps the entrepreneurial enterprises to become more thoroughly embedded in the external ecological environment, eliminates the influence of the above unfavorable factors on entrepreneurial enterprises, and helps them more easily obtain external resources and cooperation opportunities, thus promoting sustainable performance. Suchman stated that organizational legitimacy means that an organization's behavior is reasonable and justified within the standards, values, and belief systems of a certain social structure [26]. According to the literature, legitimacy is a kind of positive evaluation obtained by organizations through constructive activities. Legitimate organizations can easily obtain the required resources, information, and knowledge from society and their environment, which can effectively help new ventures achieve innovative performance [29]. Prior studies mainly examined the constructive role of organizational legitimacy from a single perspective, but the legitimacy problems faced by start-up teams are extremely complex. As noted by Fisher, scholars need to evaluate and understand legitimacy from different perspectives to consider the impact on enterprises when multiple legitimacies are working at the same time [69]. Here, we explored the relationship between organizational legitimacy and the sustainable performance of nonlocal entrepreneurial teams, and found the relationship to be positive. This conclusion is based on the research background on nonlocal entrepreneurial teams, and introduces organizational legitimacy and sustainable performance into the research model in a forward-looking method, which has important theoretical value and provides reference for follow-up research. By revealing the relationship between organizational legitimacy and sustainable performance, the findings in the relevant literature are indirectly confirmed [29].

Liguori et al., based on the existing literature on entrepreneurial environment research [49,50], considered the concept of the entrepreneurial ecosystem in the external environment, and defined it as the condition that makes the ecosystem more or less conducive to entrepreneurial activities [32]. The entrepreneurial ecosystem is the overall organic relationship among entrepreneurial resource providers, entrepreneurial enterprises, and customers, and is related to the entrepreneurial environment to a certain extent. Our conclusion shows that, in a good entrepreneurial ecosystem, nonlocal entrepreneurial teams can achieve better sustainable performance. Previous studies have found a positive relationship between a good entrepreneurial environment and the performance of start-ups. For example, Hackett and Dilts found that the government can provide technical support to start-ups by creating business incubation centers and technical service centers, which strongly promote the new product development ability of start-ups [51]. Soetanto and Jack also proved that building an entrepreneurial ecosystem can effectively cultivate and support high-tech start-up enterprises [52]. From the research appeal of Liguori et al. [32], we introduced the entrepreneurial ecosystem into the research model to explore the relationship between it and the development of entrepreneurial enterprises. We found a positive correlation between the entrepreneurial ecosystem and the sustainable performance of nonlocal entrepreneurial teams. Stam and van de Ven reported that the prevalence of high-growth enterprises in a region is closely related to the quality of their entrepreneurial ecosystem [70]. The strong interrelation between ecosystem elements reveals their interdependence and the need for a systematic viewpoint. Therefore, this conclusion not only responds to the research call of Liguori et al. [32], but also supports previous research conclusions of the literature [51,52,70].

Secondly, based on the perspective of the subject and object of entrepreneurship, we integrated the internal factors with the external factors and drew important conclusions. Researchers examining the perspective of entrepreneurs think that entrepreneurs will capture some new opportunities in the process of starting businesses in different places which break through the limitations of local entrepreneurship, thereby strongly promoting entrepreneurial passion and the success rate of entrepreneurs in different places [14,18]. However, some scholars have stated that nonlocal entrepreneurial teams face a lack of resources because they are in a strange environment and have a single entrepreneurial network [19–21]. From the perspective of entrepreneurial subjects, scholars think that entrepreneurial success depends on entrepreneurs' creative imagination and socialization skills [22] and has a direct connection with the adopted entrepreneurial strategy [23]. However, the literature shows that some

seemingly constructive behaviors of entrepreneurs did not considerably promote entrepreneurial ability [24,25]. These researchers have reached different and even contradictory conclusions about the factors influencing starting a business in different places and whether they support this kind of entrepreneurial activity. Through integrated research, we found that the sustainable performance of nonlocal entrepreneurial teams is higher when the matching of entrepreneurial ecosystem and organizational legitimacy is high. Compared with when the matching of the entrepreneurial ecosystem and organizational legitimacy is low, the high matching status of the entrepreneurial ecosystem and organizational legitimacy has a higher sustainable performance. These conclusions show that, although the entrepreneurial ecosystem and organizational legitimacy can positively affect the sustainable performance of teams, the effects will be stronger under their interaction. That is to say, it is necessary to not only consider the subject factor but also the object factor in the research framework to enable a more comprehensive analysis. To summarize, these conclusions provide new insights based on previous literature and a new research perspective for subsequent research.

Finally, strategic flexibility can play a positive role in regulating organizational legitimacy, the entrepreneurial ecosystem, and sustainable performance. Organizational legitimacy and the entrepreneurial ecosystem can reflect whether the subject and object can obtain and provide entrepreneurial resources. Enterprises with strategic flexibility can effectively integrate and allocate resources based on internal adjustments and changes and deal with complex internal and external environmental uncertainties [55]. Our research shows that, although organizational legitimacy and the entrepreneurial ecosystem can help nonlocal entrepreneurial teams achieve sustainable performance by providing and obtaining resources, nonlocal entrepreneurial teams with strategic flexibility can effectively identify market opportunities and scarce resources according to their own development needs. Therefore, such entrepreneurial teams with a high strategic flexibility can achieve higher sustainable performance when they have organizational legitimacy and a good entrepreneurial ecosystem. Our research conclusions support other scholars' views. For example, Herhausen found that there is abundant research on strategic flexibility, but its boundary function is still fuzzy [71]. They verified the boundary function of strategic flexibility through meta-analysis, and thought that it played an important moderating role in the process of performance [71]. Therefore, we found the boundary conditions for the remote entrepreneurial teams to achieve higher sustainable performance under the subjective and objective factors (organizational legitimacy and entrepreneurial ecosystem).

*5.2. Implications for Practice*

Entrepreneurial teams in different places need to improve their organizational legitimacy. Organizational legitimacy helps new ventures to better complete market access from regulation and standardization perspectives, to better adapt to the market environment from a cognitive perspective, and to reach a long-term cooperation model with other teams to promote the development of sustainable performance. Organizational legitimacy also provides a reference for the establishment of the entrepreneurial ecosystem and helps enterprises find a balance point suitable for their development in the market environment [72]. Therefore, for nonlocal entrepreneurial teams, improving their organizational legitimacy can help enterprises to integrate into the local market environment more quickly, accurately, and smoothly. Organizational legitimacy can lay a good foundation for the long-term development of entrepreneurial teams and increase opportunities for them to obtain more resources and information and cooperate and exchange with other industries. When an enterprise develops to a certain level and needs to make new rules or technical improvements in combination with its characteristics, those nonlocal entrepreneurial teams with a high organizational legitimacy can often gain more experience from the market. The new guidelines that they construct will affect them and other enterprises in more market environments, influencing developing toward a direction that is favorable for their own enterprise, thus promoting the improvement of market rules or the emergence of new rules.

A good entrepreneurial ecosystem (government, enterprises, and universities) must be actively built. Firstly, the government should provide more stable social resources support for the establishment of the entrepreneurial ecosystem, rationally control and plan the trend of the entrepreneurial ecosystem in terms of management and system, quickly adjust the direction according to the actual development, and provide timely assistance in terms of material resources and market policies [73]. Managers should not hold an "anticlimactic" attitude—that is, strict access—and fail to grasp the trends of subsequent development over time, resulting in loose and careless management, which will negatively affect the entrepreneurial ecosystem. Secondly, as the guide to entrepreneurial development direction, colleges and universities should pay more attention to the trend of enterprises and deeply analyze entrepreneurial enterprises to understand their development status to provide a clearer direction for the future development of the entrepreneurial ecosystem and guide it to develop in the right direction. Finally, as practitioners of entrepreneurial development, enterprises should pay close attention to the current situation and problems of the market environment that are closely related to their development, and understand and solve problems through reasonable channels. Problems that cannot be solved should be quickly reported to relevant management departments, and the ecosystem of the market should be maintained through practical actions. When clarifying its development direction, the ecosystem actively connects information with the government and universities and complements resources. The construction of the regional entrepreneurial ecosystem requires the joint efforts of resource providers, direction guides, and development practitioners, and can also promote the benign construction and sustainable development of the regional entrepreneurial ecosystem through a series of communications and cooperation.

The role of strategic flexibility in the process of starting a business should be examined. Enterprises must be able to dynamically respond to environmental changes by exerting strategic flexibility to allocate and reconfigure organizational resources, processes, and strategies [74]. Therefore, in the process of starting a business, we should give full rein to the role of strategic flexibility from the following three aspects: (1) The use of coordinated flexibility to overcome inertia. After the entrepreneurial team gradually adapts to the market environment, the internal team members become inert because they gradually become familiar with and adapt to the work rhythm. At this time, flexible coordination is reflected in the reorganization and planning of organizational processes and strategies. Based on the original processes, new processes are prepared for the fields to be explored or the businesses to be carried out and the existing organization's customary form is reshaped so that members' enthusiasm can be encouraged, and members' sense of competition and cooperation can be cultivated to overcome inertia within the organization and achieve the purpose of preparing for danger in times of peace. (2) The flexibility of resources should be used to seize opportunities. Resource flexibility reflects the existence of various potential uses of enterprise resources and reflects the enterprise's concern for existing resources. Many new projects are based on existing resources and finding new and potential directions through the grafting of weak relationships, thus better serving the survival and development of enterprises. Therefore, the entrepreneurial team should pay attention to the existing surrounding resources when completing established daily work and flexibly use these resources through integration and other means to seize new opportunities with development potential [75,76]. (3) The adaptability of enterprises to the market environment should be improved. When an enterprise can overcome inertia and seize opportunities through strategic flexibility, its performance level can be developed and enhanced sustainably. At this time, the entrepreneurial team should focus on integrating the development characteristics of the enterprise and the market environment and flexibly change or adjust the existing and future enterprise strategies to better adapt to the development pace of the market environment and ensure the competitive advantage of the enterprise.

### 5.3. Limitations and Directions for Future Research

Although some important research conclusions have been drawn in this paper, limitations still exist. First, our research conclusions are based on China's local entrepreneurial situation, and we did

not study the entrepreneurial activities of other economies, so whether our conclusion is reliable needs to be tested again. Secondly, we revealed the positive relationship between organizational legitimacy, entrepreneurial ecosystem, and sustainable performance of nonlocal entrepreneurial teams, but there is still an important problem that has not been solved: in what ways do organizational legitimacy and entrepreneurial ecosystem affect the sustainable performance of nonlocal entrepreneurial teams, such as entrepreneurial efficiency or entrepreneurial orientation? Therefore, we call on researchers to examine the mechanism through which organizational legitimacy and entrepreneurial ecosystem affect the sustainable performance of nonlocal entrepreneurial teams and open the theoretical black box. Finally, more boundary conditions need to be discovered. We only considered the moderating effect of strategic flexibility on organizational legitimacy, the entrepreneurial ecosystem, and sustainable performance, but it is not known whether there are other important boundary conditions between these relationships. Therefore, this is an important research direction for subsequent research.

## 6. Conclusions

The level of entrepreneurial activity is considered a measure of a country's happiness and is one of the key determinants of regional economic development. Nonlocal entrepreneurship is common in Chinese society. Determining how to realize the sustainable development of start-up enterprises and teams has been widely studied by scholars, and we here continued to focus on this topic. Therefore, we integrated the object and subject factors and explored their influence on sustainable performance (legitimacy, entrepreneurial ecosystem, and strategic flexibility) in cross-regional entrepreneurship activities. Through theoretical deduction, hypothesis presentation, and empirical testing, we concluded the following: legitimacy and the entrepreneurial ecosystem have positive effects on the sustainable performance of nonlocal entrepreneurship, and strategic flexibility has a positive moderating effect on these relationships. The literature provided evidence of the positive relationship between organizational legitimacy, the entrepreneurial ecosystem, and performance, and our results again verified the conclusions of the literature. Notably, our originality was integrating organizational legitimacy and entrepreneurial ecosystem into a research framework and exploring the relationship between them from the perspective of the subject and object of entrepreneurial teams. Secondly, we considered the sustainability of nonlocal entrepreneurial teams in China, which has rarely been mentioned in previous literature.

## Appendix A

*Appendix A.1. Organizational Legitimacy*

1.  The exchange between us and our customers is reasonable and fair.
2.  We let customers participate in product production and service provision.
3.  We listen carefully to customers' opinions in product production and service provision.
4.  The products and services we provide are popular.
5.  Our process of providing products and services is appropriate.

6. Our technology for producing products and services is appropriate.
7. Our institutional setup is understandable and appropriate.
8. Our leaders and employees are attractive.
9. We have become an indispensable part of local social life.
10. In the eyes of local people, our existence is taken for granted and completely understandable.
11. The locals all accept us.

*Appendix A.2. Entrepreneurial Ecosystems*

1. The region has a sufficient number of banks who are willing to lend to entrepreneurs.
2. There are local individual investors in the region who are willing to financially support entrepreneurial venturing.
3. Financing for entrepreneurship is available in this region.
4. Local educational institutions offer specialized courses in entrepreneurship.
5. There are entrepreneurial training programs, such as entrepreneurship boot camps, available in this region.
6. There are ample local institutions of higher education.
7. The diversity in this region provides a great test market for many other locations.
8. My community networks could help me distribute new products across a variety of new markets.
9. The region's multinational diversity helps keep me connected the global economy.
10. The local government actively seeks to create and promote entrepreneurship-friendly legislation.
11. The local government has programs in place to help new entrepreneurs, such as seed funding programs or entrepreneurship training programs.
12. Regional leaders regularly advocate for entrepreneurs.
13. The social values and culture of the region emphasize creativity and innovativeness.
14. The social values and culture of the region encourage entrepreneurial risk-taking.
15. The social values and culture of the region emphasize self-sufficiency, autonomy, and personal initiative.
16. The region has the infrastructure necessary to start, and run most businesses.
17. Professional services for entrepreneurs are readily available in this region.
18. I believe the resources in this region are well designed to support business growth.

*Appendix A.3. Strategic Flexibility*

1. Resources are highly shared among all departments of the team.
2. We can actively respond to external competition.
3. We can quickly find new resources or new combinations of existing resources.
4. The cost of changing the use of resources is lower.
5. It takes less time to find alternative resources.
6. We quickly arrange resources through the organization system and apply them to the target use.

*Appendix A.4. Sustainable Performance*

1. Provides employment to us and others.
2. Sales growth.
3. Income stability.
4. Return on investment.
5. Ensures basic needs for our family.
6. Enhances our social recognition in society.
7. Improves our empowerment in society.
8. Provides freedom and control.

9. Uses utilities in an environment-friendly manner.
10. Produces few wastes and emissions.
11. Concerned about waste management.
12. Concerned about hygiene factors.

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