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Entrepreneurial ability, entrepreneurial orientation and new-startup challenges: Basis for Chinese startups growth mechanism framework

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Abstract

In today's economic society, startups have become an important force for national economic development. However, in the post-pandemic era, the growth of startups is not optimistic. Some startups are unable to overcome the various challenges they encounter, leading to failure. This article conducts in-depth research on the growth of startups. It constructs a framework and system for the growth mechanism of Chinese startups based on entrepreneurial ability and entrepreneurial orientation. This framework serves as an important practical foundation for startups to overcome challenges. This paper utilized the descriptive research method and the questionnaire as the source of data collection. Specifically, assessed the entrepreneurial abilities of the respondents in terms of organization improvisation, resource bricolage, and dynamic capability. The entrepreneurial orientation was determined based on innovativeness, proactiveness, and risk-taking. The challenges faced by new startups were described in terms of marketing, funding, talent hiring, and innovation. All respondents agreed with the content reflected in the questionnaire. Correlation analysis was used for statistical analysis of the data. The research shows that there is a significant correlation between entrepreneurial ability and entrepreneurial orientation, and the stronger entrepreneurial ability, the more it affects entrepreneurial orientation. At the same time, entrepreneurial ability has a highly significant correlation with the challenges of new startups. The stronger entrepreneurial ability, the newer startups can make full use of existing resources, break through resource constraints, respond to sudden problems in a timely manner, develop flexibly, and dynamically adapt to changes in internal and external environment, the newer startups can overcome challenges and improve growth. Then, entrepreneurial orientation has a highly significant correlation with the challenges of new startups. High entrepreneurial orientation encourages new startups to prioritize innovation strategies, take the lead in responding to changes in the external environment, and take calculated risks to seize fleeting business opportunities. Therefore, the more challenges they can overcome, the more can improve business performance. Finally, a framework for improving the growth mechanism of Chinese new startups is given, and relevant opinions and suggestions on the growth and development of new startups are put forward.

Keywords: entrepreneurial ability, entrepreneurial orientation, new-startup challenges, startup growth mechanism framework

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1. Introduction

Entrepreneurship has emerged as a critical driver of China's economic growth, contributing significantly to the country's transformation and optimization. The government recognizes the importance of entrepreneurial activities and has integrated them into various aspects of economic development, providing targeted support and creating new opportunities for growth. In particular, the government has emphasized the role of entrepreneurship in driving employment and promoting flexible forms of work. This underscores the central role of entrepreneurial activities in China's ongoing economic and social development.

New startups have become a new force in the development of the market economy, playing an important role in promoting economic development, technological progress, and cultural prosperity (Ye & Chen, 2019). According to the Global Entrepreneurship Monitor (GEM) data for 2020/2021, China has a high score in the entrepreneurship environment evaluation. However, the Total Early-Stage Entrepreneurial Activity (TEA) and the Established Business Ownership (EBO) ratio in China are relatively low, and the growth of new startups in China is an urgent issue that needs to be addressed. The challenges posed by the pandemic include cash flow problems, unstable supply chains, customer loss, reduced market activities, low work efficiency, etc (Ma, et al., 2020). Therefore, it is important to enhance entrepreneurs' ability to cope with entrepreneurial challenges, especially in the post-pandemic period, to enable new businesses to weather the crisis and further enhance market vitality and promote economic development. According to available data, the average age of new businesses in China is less than 4 years, and the failure rate of new businesses remains high. In addition, unclear entrepreneurial direction is also a major factor contributing to entrepreneurial failure, which is reflected in the various entrepreneurial challenges faced by new businesses.

Currently, active entrepreneurial activity and low entrepreneurial ability are the reality of entrepreneurship in China. Therefore, exploring the entrepreneurial ability and entrepreneurial orientation of new businesses and studying the mechanisms for their healthy growth is of great significance to the new businesses themselves and to promoting market economy development and employment.

Entrepreneurial ability is a potential characteristic of entrepreneurs, including specific knowledge, skills, and more importantly, these characteristics can help them maintain the survival and development of new enterprises (Almeida et al., 2021). In addition, entrepreneurial ability itself is a kind of reintegration of resources (Adomakoet al., 2018). Entrepreneurial ability is a source of sustained production of innovative thinking, which enables companies to have sustainable competitive advantages and has different characteristics in different stages of entrepreneurship (He et al., 2023). Opportunity recognition is one of the most important entrepreneurial abilities, and effectively identifying viable entrepreneurial opportunities is the first step in entrepreneurial activities. Due to the influence of three factors: knowledge, cognitive ability, and creativity level that individuals possess, the opportunity recognition ability of different individuals is different. However, the three factors of knowledge, cognitive ability, and creativity level are all acquired through learning. In addition, the ability to acquire and integrate resources is also an important criterion for measuring entrepreneurial ability.

Studies on entrepreneurial ability in entrepreneurial literature mainly focus on the behavior and cognition of individual entrepreneurs, focusing on entrepreneurial tasks and the behaviors that support these tasks, which helps to better understand the importance of entrepreneurial ability. From the reviewed literature, the current research on entrepreneurial ability has not received widespread attention and research in the academic community, and research on entrepreneurial ability is still relatively scarce, and there is still great room for development in existing research (Huang, Li & Xie, 2018). Therefore, this study hopes to provide a new

analytical perspective for entrepreneurial leaders' entrepreneurial ability from three aspects: resource, organizational, and external environment perspectives, introducing resource bricolage, improvisation, and dynamic capabilities into entrepreneurial ability theory, and constructing a new entrepreneurial ability framework structure that is suitable for new Chinese startups.

Without resources, no enterprise can develop. However, new start-ups often face various entrepreneurial challenges at the beginning of their development due to social networks and information asymmetry, which hinder their entrepreneurial development. Therefore, how to solve the resource constraints of new start-ups has always been a hot topic in the practice and academic communities. Solving this problem is of great significance for overcoming the development challenges of new start-ups. Resource bricolage and improvisation have the characteristics of "breaking through inherent thinking and deviating from established organizational plans". New start-ups with limited resources and a changing environment often need to use resource bricolage and improvisational abilities to overcome the challenges of resource scarcity and time pressure, seize new opportunities, and improve output. Based on the dynamic resource-based view and dynamic capability theory, static resources are not enough to enable enterprises to effectively respond to the risks and impacts brought about by internal and external environmental changes. It is necessary to cultivate dynamic capabilities that can maintain new start-ups' ability to improve innovation performance through resource bricolage, i.e., dynamic capabilities.

Laaksonen & Peltoniemi (2018), among other scholars, believe that dynamic capabilities are important abilities for enterprises to achieve sustained innovation processes. Scholars have conducted in-depth studies on the direct and mediating effects of dynamic capabilities. For example, Yuan (2021) pointed out that dynamic capabilities have a positive impact on the efficiency and novelty of business model design and mediate the relationship between balanced strategies of dyadic learning and the efficiency and novelty of business model design. Most studies on entrepreneurial abilities start from the scattered personal abilities of entrepreneurs and are not systematic. This study starts from the perspective of resource bricolage, improvisation, and dynamic capabilities, which can better explore the coping and action abilities of new start-ups in the face of challenges such as resource constraints, organizational flexibility, and unstable environments, and discover key factors that enable new start-ups to successfully face these challenges.

The impact of entrepreneurial orientation on the performance of general enterprises has received a lot of attention from scholars. For example, some studies have pointed out that entrepreneurial orientation has a dual effect on firms' merger and acquisition behavior and its outcomes (Zhu, 2015). The adoption of an entrepreneurial orientation strategy in the early stage of a start-up can promote the growth of the enterprise, and the growth of the enterprise will also feedback to the entrepreneurial orientation strategy of the current period (Li, Hao & Zheng, 2022).

Entrepreneurial ability is a prerequisite for startups to explore new territories and has an important impact on overcoming challenges and achieving success. Entrepreneurial orientation, as a perennial focus in the field of entrepreneurship, reflects the strategic will of enterprises to seize opportunities and constantly improve themselves in a market environment characterized by overlapping transitions. As the author of this article, I work at a financial and economic university, which enables me to interact frequently with numerous newly established enterprises. However, I have observed that some of these startup companies have short lifespans and are prone to failure. This has prompted me to contemplate the growth of new startups in China and conduct in-depth research on how entrepreneurial capabilities can assist these startups in mitigating risks, the significance of entrepreneurial orientation in formulating their development strategies, and how they can overcome challenges and enhance their growth potential. Supported by a comprehensive theoretical foundation, I have conducted on-site and online research to gather a wealth of research materials，and provide some assistance for the development and growth of new startups in China.

Objectives of the Study - This study aims to explore the relationship between entrepreneurial ability,

entrepreneurial orientation and new startup challenges, so as to help startups overcome challenges successfully and improve their growth. Specifically, this study assessed the entrepreneurial abilities of the respondents in terms of organization improvisation，resource bricolage, and dynamic capability, determined the entrepreneurial orientation of the respondents from the perspectives of innovativeness, proactiveness, and risk-taking, described start-up challenges in terms of marketing, funding, hiring talent, and innovation, analyzed the significant relationship between entrepreneurial ability, entrepreneurial orientation, and new startup challenges, finally developed a framework for the growth mechanism of Chinese startups business

2. Methods

Research Design - This study adopts both normative and empirical analysis research designs. Normative analysis examines the evaluation of economic activities, with the aim of providing evaluation criteria and behavioral norms to follow. For example, in this study, normative analysis aims to clarify what kind of entrepreneurial model is "good" and "worth implementing", and what kind of model is "bad" and "not worth implementing". Empirical methods, on the other hand, examine causal relationships in economic activities within the established evaluation criteria. For example, in this study, empirical analysis aims to clarify the factors that affect new startup companies in overcoming challenges. Both normative and empirical analysis can be used within a certain range to meet the requirements of this study. This study establishes its theoretical basis and framework by analyzing domestic and foreign literature, and then adopts a questionnaire survey method to collect data. The questionnaire collection method combines both online and offline approaches. The offline approach involves visiting new startup companies in the province for face-to-face communication and data collection, while the online approach involves using questionnaire platforms such as "Wenjuan" to collect data from new startup companies in other regions.

The research content includes the theoretical foundation and literature review, which systematically and comprehensively sorts out relevant studies on variables related to this research and summarizes and evaluates them. Secondly, variable definition and data collection, which involves the design and release of questionnaires, including the questionnaire design process and variable measurement items in this study. Finally, empirical research on variables, which involves conducting reliability and validity tests on sample data to ensure data reliability, and then attempting to find the relationships and influences between variables through descriptive analysis, correlation analysis, and regression analysis.

Specifically, the study used literature research to search for domestic and foreign literature on entrepreneurial ability, entrepreneurial orientation, challenges faced by new startups, and enterprise growth, to determine the research framework and direction. Based on this, a questionnaire survey method was used to determine the definition and measurement dimensions of each variable according to the actual national conditions and characteristics of new startups in China, to determine the content of the questionnaire interview and obtain real and effective data. Quantitative analysis methods were used to analyze the data, including descriptive analysis and correlation analysis, using software such as SPSS, and the results were comprehensively analyzed to try to construct the growth mechanism of new startups in China.

Participants of the Study - In this study, we aim to explore the relationship between entrepreneurial competence, entrepreneurial orientation, and challenges faced by new startups, with the goal of uncovering a clear growth mechanism for new startups in China. Therefore, the study focuses on Chinese new startups, with the participants being the owners and leaders of these startups. As the owners and leaders of new startups have a better understanding of their own entrepreneurial competence, orientation, and challenges faced, the data they provide can make the study more objective and accurate. However, our investigation found that unlike the owners and leaders of large enterprises, the owners and leaders of many new startups are the same person, which is in line with the "weak and small" characteristics of new startups.

This survey was conducted in the author's home province (Anhui Province), the Yangtze River Delta region,

and the Pearl River Delta region. In Anhui Province, the author mainly distributed questionnaires through on-site visits, while in the Yangtze River Delta and Pearl River Delta regions, questionnaires were collected and summarized through questionnaire platforms. The Yangtze River Delta and Pearl River Delta regions are relatively developed areas in China, covering provinces with relatively developed economies. These two regions have good economic development, high-quality personnel, a strong entrepreneurial atmosphere, and a large number of new start-up companies, which can provide us with a rich sample and data for our research. A total of 448 questionnaires were distributed in this survey, and 401 questionnaires were collected. After excluding invalid questionnaires, a total of 379 valid questionnaires were obtained.

In this study, the researchers encountered some limitations. Some potential survey participants refused to be interviewed, and some respondents were found to have a perfunctory attitude in answering questions. However, the researchers improved the survey methods to address these issues and removed invalid questionnaires from the dataset.

Data Gathering Instrument **-** To ensure the validity and accuracy of the data obtained from the questionnaire survey in this study, the scales used in this study were based on classic scales in existing domestic and foreign literature, improved in combination with the research purpose, research object and Chinese situation. The questionnaire is the main measuring tool in questionnaire surveys, and the accuracy and effectiveness of research results largely depend on the quality of the questionnaire. It follows the following process and rules: first, we need to read extensively related research literature, summarize existing questionnaires, and select classic questionnaires. Existing classic questionnaires have generally been verified by predecessors and have high reliability, validity, and acceptance. However, there are also certain limitations, including cultural limitations, temporal limitations, and linguistic limitations. Therefore, we need to follow scientific principles based on existing classic questionnaires to develop high-quality questionnaires that are closely related to the measured variables. The second principle is universality, which means that the survey indicators should be understood and accepted by the subjects and have uniform standards.

The third principle is simplicity and clarity, and the selection of survey indicators should not be too long and should be as precise as possible, which is an important operational principle. The fourth principle is feasibility, which means that the survey indicators must be measurable in survey practice and can reflect the corresponding real situations of the subjects. Therefore, before formal data collection and empirical research, this study formulated rigorous questionnaires for the measurement variables and tested the reliability and validity of the questionnaires through pre-survey. Before formal testing, we first selected a small sample of the same population for pre-survey and analyzed the reliability and validity. Based on the results of the pre-survey, we revised and improved the questionnaire to ensure the effectiveness of the tools used in formal research.

The questionnaire design of this study includes four parts. First, there is an introduction to the questionnaire and basic information about the survey participants, including the establishment time of the company, the number of employees, the industry it belongs to, and annual income, which can provide a basic understanding of the company. The second part of the questionnaire is about measuring entrepreneurial capability. Based on the concept of entrepreneurial capability previously summarized and in combination with mature scales from domestic and international sources, this study developed a 20-item scale for measuring entrepreneurial capability. The scale was developed by integrating measurement dimensions of organizational improvisation ability from Vera and Crossan (2005), resource leveraging ability from Senyard et al. (2010), dynamic capability from Jiang et al. (2018), and feedback from interviews with new startup companies on their descriptions and feedback of organizational improvisation, resource leveraging, and dynamic capability. The scale includes five items each for organizational improvisation ability, resource leveraging ability, and dynamic capability. The Likert scoring method was used, with "1" indicating complete inconsistency and "4" indicating complete consistency.

The third part of the questionnaire is the measurement of entrepreneurial orientation. There has been ongoing debate in academia regarding which dimensions should be included in entrepreneurial orientation. The

most classic dimension is the three-dimensional division proposed by Miller (1983), which includes risk-taking, proactiveness, and innovativeness. In this study, we use the more classic three-dimensional division proposed by Miller (1983) and refer to the measurement method of Covin and Wales (2019) to measure entrepreneurial orientation. Zhu (2015) used the Chinese version of this scale to conduct research in China. Therefore, based on the original scale of Covin and Wales (2019) and the translated version used by Zhu (2015), we comprehensively adjusted and revised the questionnaire items, using 15 items to measure the entrepreneurial orientation of the research subjects. The scale adopts a 4-point scoring system, with 1 representing "completely inconsistent" and 4 representing "completely consistent". The first five items measure the risk-taking of new startups, the middle five items measure the proactiveness of new startups, and the last five items measure the innovativeness of new startups.

The fourth part of the questionnaire measures the challenges faced by startups. Based on previous literature research, few domestic and international studies have conducted multidimensional measurements on the challenges encountered by entrepreneurial enterprises. This study selects the four factors that have the greatest impact on the growth of startups: marketing, funding, talent management, and innovation. These four aspects are used to describe the challenges faced by startups. 21 items were designed from the perspective of overcoming challenges to measure the challenges encountered by the research subjects. The scale adopts a 4-point scoring method, where 1 represents complete non-compliance and 4 represents complete compliance. The lower the score given by the research subjects, the more difficult it is for the enterprises to overcome the challenges encountered, indicating poor growth potential. Conversely, a higher score indicates better growth potential and the ability to effectively overcome the challenges encountered. Reliability refers to the extent to which a questionnaire can be trusted to measure the intended variables.

There are several methods to assess the internal consistency of a scale. In this study, Cronbach's alpha coefficient and item-total correlation (CITC) values were used as measures of scale reliability. The results are presented in Table 2. From Table 2, it can be observed that the Cronbach's alpha coefficient values for each variable range from 0.789 to 0.888, all exceeding the recommended threshold of 0.75. The item-total correlation coefficients (CITC) range from 0.737 to 0.872, all above 0.35. Furthermore, there are no items that, when deleted, would increase the Cronbach's alpha coefficient. These findings demonstrate that the scale used in this study exhibits high reliability and thus enables further analysis.

Data Gathering Procedure **-** The sample consists of new startups in China, and data is collected through visits and online survey platforms. The study participants are in the Yangtze River Delta region, the Pearl River Delta region, and Anhui Province, including four provinces and one municipality. These regions have relatively developed economies, which provide a good foundation for the incubation of new startups, and the diverse distribution of startups helps ensure the universality of the sample data and research results. As the questionnaire covers aspects such as entrepreneurial abilities, entrepreneurial orientation, and challenges faced by new startups, to ensure that the research participants are familiar with and understand these aspects, and to guarantee the objectivity and accuracy of the questionnaire survey, this study focuses on the founders and senior managers of new startups. Before collecting data, we explain the purpose of the study to the participants and promise that all collected information will be kept confidential. After obtaining the participants' consent, we distribute the questionnaire and begin the survey.

Ethical Considerations **-** This study is based on academic ethics and morality, and the research process and results are open and transparent. The survey questionnaire used in the study was improved based on existing research results, tailored to the specific variables and national conditions of the research. Before the survey began, the respondents were assured that the research data would be strictly confidential and used only for the purpose of academic research, and their personal information would not be disclosed. Sharing their information without the consent of the respondents is unethical. When designing the questionnaire, respondents were not required to provide their names, and missing or incorrect data was represented by the number 0.

Data Analysis - This study uses SPSS software to describe and statistically analyze the research data. Firstly, descriptive statistical analysis involves the frequency statistics of the sample and the descriptive statistics of each variable. The frequency statistics of the sample involve the first part of the questionnaire, and the descriptive statistics involve the second, third, and fourth parts of the questionnaire, mainly describing the mean, standard deviation, and other variables to quantitatively obtain an overview of the related variables. Secondly, analysis of variance is performed to check the significance of the differences between the means of each sample. Then, correlation tests are conducted to verify the correlation between each variable, providing a basis for subsequent regression analysis. Finally, based on the previous descriptive statistical analysis and correlation results, we will examine the influence of entrepreneurial ability and entrepreneurial orientations on the ability of startups to overcome challenges, as well as the mediating role of entrepreneurial orientations. This study is based on academic ethics and morality, and the research process and results are open and transparent.

3. Results and Discussion

Table 1

Entrepreneurial Ability

Indicators	Weighted Mean	Verbal Interpretation	Rank
1. Organization Improvisation	3.03	Agree	2
2. Resource Bricolage	3.02	Agree	3
3. Dynamic Capability	3.12	Agree	1
Composite Mean	3.05	Agree	

Legend: 3.50 – 4.00 = Strongly Agree; 2.50 – 3.49 = Agree; 1.50 – 2.49 = Disagree; 1.00 - 1.49 = Strongly Disagree

The respondents' evaluation of entrepreneurial ability in terms of improvisation, bricolage, and dynamic capabilities. The composite mean is 3.05, indicating a consensus among the respondents regarding the importance of improvisation, bricolage, and dynamic capabilities as key dimensions of entrepreneurial ability. Among these dimensions, dynamic capabilities received the highest score of 3.12. Dynamic capabilities refer to a firm's ability to integrate and reconfigure internal and external resources to adapt to the constantly changing market environment. By continuously exploring and innovating, dynamic capabilities enable firms to create new advantages and allow startups to adapt and innovate, overcoming the limitations of existing capabilities and routines while developing more environment-responsive abilities and practices. For instance, Alibaba Group, when initially established, successfully navigated the highly turbulent and uncertain market environment of the internet industry. Through continuous exploration and innovation, they seized the opportunities presented by e-commerce and maintained a dominant position in fierce competition (Qiaoet al., 2023).

Moreover, dynamic capabilities emphasize openness and learning. They not only focus on internal knowledge acquisition but also give significant importance to absorbing external knowledge, considering the ability to acquire knowledge from external sources as a crucial and distinct capability for firms. Dynamic capabilities require startups to not only accumulate knowledge internally but, more importantly, adapt to changes in the external environment and engage in dynamic learning, trial-and-error learning, and improvisational learning. This enables startups to quickly adapt to environmental changes, overcome challenges and difficulties, and sustain their growth. Additionally, as dynamic capabilities continuously update the firm's abilities in a dynamic environment, a key characteristic is their keen understanding of the market environment. By timely, systematic, and scientific tracking and monitoring of the external environment, analyzing and grasping changes in competitors, and accurately predicting their strategic dynamics, firms can constantly adapt to changes, abandon outdated capabilities, and create new competitive advantages. This allows startups to maintain and strengthen their competitiveness (Du Junyi & Cui Hailong, 2019).

Furthermore, improvisation received a score of 3.03, ranking second. Improvisation is a vital capability for startups facing heightened uncertainty in the external environment and time pressure, enabling them to overcome challenges and survive. It serves as a powerful safeguard for startups in addressing issues such as resource scarcity, lack of experience, and environmental turbulence. The ability to improvise emphasizes spontaneity and

creativity. Spontaneity highlights the need for entrepreneurs and managers to react promptly to unforeseen events under time pressure. Improvisation is a deliberate and purposeful action taken by entrepreneurs, meaning that it can be consciously triggered and performed. However, it is important to note that spontaneity does not imply that it can be pre-planned.

On the other hand, improvisational capabilities encompass creativity, reflecting the pursuit of novelty and practicality. It emphasizes how startups can engage in improvisational and creative behaviors in complex and ambiguous industries and market environments. The inherent disadvantages of startups make it challenging for them to acquire and integrate resources through detailed planning. In such cases, improvisational capabilities become particularly crucial as they help startups engage in creative activities under pressures such as time and financial constraints. This allows them to overcome resource constraints, reduce potential risks and challenges, and facilitate the rapid integration of limited resources and capabilities to adapt to turbulent environments and enhance organizational performance. Organizational improvisation helps companies spontaneously address unexpected new situations.

Lastly, resource bricolage received a score of 3.02, indicating the respondents' recognition of the capability of bricolage. Resource bricolage refers to the ability of startups to creatively reassemble the resources at hand to explore new opportunities and address emerging problems. It involves three core factors: the resources at hand, immediate action, and the recombination of resources for new purposes. The resources at hand can be considered as everything that the firm currently has access to, regardless of whether these resources are relevant or useful in the current environment, including resources that may be perceived as useless. These resources can be fragmented ideas, skills, knowledge, tools, and other assets. Recombining resources for new purposes refer to the organization's ability to reassemble existing resources based on new goals. In this context, bricolage is more akin to "welding techniques," where the same resources can yield different outcomes driven by different objectives. In other words, bricolage endows resources with new attributes, forming an innovative driving mechanism. Immediate action is a preference for acting, whereby startups proactively and swiftly search for solutions when faced with problems. It implies that the focus is on finding the most suitable choice in the current environment rather than pursuing the perfect solution (Cao et al., 2022).

Janssen et al., (2018) point out that resource bricolage is not only a practical behavior but also a mindset and concept for entrepreneurs to transcend the limitations of existing resources, emphasizing the action orientation of entrepreneurs when faced with resource constraints. Therefore, resource bricolage is a critical entrepreneurial ability that startup entrepreneurs must possess. When startups face resource constraints and dynamic environments, they can adopt flexible strategies to recombine existing resources swiftly and creatively.

Table 2

Entrepreneurial Orientation

Indicators	Weighted Mean	Verbal Interpretation	Rank
1. Innovativeness	3.10	Agree	2
2. Proactiveness	3.12	Agree	1
3. Risk-taking	3.09	Agree	3
Composite Mean	3.10	Agree	

Legend: 3.50 – 4.00 = Strongly Agree; 2.50 – 3.49 = Agree; 1.50 – 2.49 = Disagree; 1.00 - 1.49 = Strongly Disagree

The respondents' evaluation of entrepreneurial orientation in terms of innovativeness, proactiveness, and risk-taking, with a comprehensive average score of 3.10. This reflects the respondents' recognition of entrepreneurial orientation. All items received consistent ratings. The concept of entrepreneurial orientation encompasses an attitude characterized by innovation, risk-taking, and proactiveness. It is a strategic approach that enables companies to act when facing market opportunities quickly and purposefully to achieve success.

Among them, the score for proactiveness is 3.12, ranking first. Proactiveness refers to the extent to which a company introduces new products or services ahead of competitors, anticipates future market demands, and acts. Compared to innovativeness, both can create a first-mover advantage, but proactiveness emphasizes the

company's ability to execute and act. In certain contexts, companies take proactive measures or actions to enhance their competitive position and stand out in the industry. When faced with competition and market changes, companies introduce new products or services ahead of competitors, act based on market expectations, create future demand, and change and shape the market environment. This is a crucial factor for a company's sustainable development and long-term success. Proactive activities by companies can be manifested in the following ways. First, companies proactively pursue favorable business opportunities in response to competitors. To secure market share, first movers take action to respond to future market demands, seek potential opportunities related or unrelated to existing product lines, and introduce products or brands ahead of competitors. Therefore, proactiveness refers to the degree or tendency of new startups to monitor market changes and act strategies ahead of competitors to achieve organizational strategic objectives.

Entrepreneurial foresight is crucial for the operation of a new startup. Entrepreneurs who possess foresight can keenly identify market opportunities and take decisive action ahead of their competitors, ultimately achieving high economic returns (Jiao et al., 2021). Proactiveness is key for a company to maintain a strong market competitiveness. Founders who can adjust their business activities ahead of the market can adapt to upcoming environmental changes. Companies that take proactive action can establish their brand in the market, benefiting from the primacy effect, as people tend to develop loyalty towards the first-established brands. Additionally, they can seize market share after environmental changes before their competitors, thereby enhancing their own competitiveness. Therefore, adopting a proactiveness orientation in business operations helps companies identify and seize market opportunities, leading to substantial economic rewards.

Innovation, with a score of 3.10, ranks second among the evaluated entrepreneurial orientations. Innovation refers to the willingness and inclination of a company to engage in innovation. It can be assessed by measuring the willingness, eagerness, and enthusiasm of entrepreneurs to introduce products or services that have not yet been introduced by other companies in the existing market. Innovation also represents the search for creative, unique, or unconventional solutions to problems and needs. The outcomes of innovation can transform into standardized processes and practices within the organization, expanding the company's existing competitive scope. Innovation can be classified into two categories: product-market innovation and technological innovation. Product-market innovation focuses on product design, market research, advertising, and marketing, while technological innovation involves the development of core products and processes, engineering research and development, and the application of technical and industrial knowledge. Whether it is technological innovation or product-market development, innovation is considered one of the important elements of entrepreneurial orientation.

The role of risk-taking propensity in entrepreneurial orientation can be classified into two categories. First is the relationship between risk-taking propensity and resource acquisition. Risk-taking propensity is initially demonstrated by the identification and evaluation of new opportunities that have high risks, long cycles, and high returns in new startups (Sun & Ding, 2018). Similarly, to successfully develop new investment opportunities, startups need to acquire corresponding resources through various means. This process guides the flow of internal resources and attracts the injection of external resources. Numerous studies have confirmed a positive relationship between risk-taking propensity and performance, as startups that are willing to invest in projects with uncertain outcomes already demonstrate their willingness to forgo projects with higher certainty and the potential for substantial losses. When startups have low risk-taking propensity and choose to avoid risks by adopting conservative strategies, they may inadvertently miss out on new opportunities in the industry, thereby inhibiting the potential for profit (Ince, Imamoglu & Karakose, 2023).

The challenges faced by new startups in marketing, funding, talent, and innovation. The composite average score for these items is 3.06, indicating that respondents agree with each of the indicators. Among them, the weighted average score for innovation challenges is the highest at 3.12, followed by talent challenges at 3.08, funding challenges at 3.05, and marketing challenges with the lowest weighted average score of 2.99.

Table 3

Start-up Challenges

Indicators	Weighted Mean	Verbal Interpretation	Rank
1. Marketing	2.99	Agree	4
2. Funding	3.05	Agree	3
3. talent hiring	3.08	Agree	2
4. innovation	3.12	Agree	1
Composite Mean	3.06	Agree	

Legend: 3.50 – 4.00 = Strongly Agree; 2.50 – 3.49 = Agree; 1.50 – 2.49 = Disagree; 1.00 - 1.49 = Strongly Disagree

Marketing plays a significant role in the growth of startups. If a startup fails to strengthen its brand, neglects market feedback and return on investment, fails to balance marketing investments, and cannot improve customer satisfaction and loyalty, it will struggle to overcome marketing challenges, which can severely hinder its growth. Marketing activities help startups gain a competitive advantage and enhance their growth capabilities by understanding consumer preferences, market competition, and enhancing brand value. Effective marketing helps increase consumer awareness and expand market share. The expansion of market share can improve profit levels and promote growth capabilities. In an increasingly competitive market environment, having strong marketing capabilities enables companies to effectively implement their strategic positioning, achieve specific goals, and drive profit growth (Bayighomog et al., 2020). According to the 4R marketing theory, startups should establish long-term interactive relationships with customers to prevent customer attrition and secure a stable market. Additionally, in the face of rapidly changing market demands, startups should listen to customer opinions, proactively identify, and exploit potential market changes, and establish rapid response mechanisms. Building long-term and stable relationships with customers is crucial to transitioning from sales-oriented to responsibility and commitment-oriented approaches, thereby maintaining customer repurchases and loyalty.

Due to factors such as low collateralizable of assets, high information asymmetry, and short operating periods, funding issues for startups have become a consensus, especially for startups in China. Influenced by negative external and internal factors, Chinese startups face challenges such as difficulties in obtaining financing, managing funds, and lacking sufficient cash flow. Overcoming these funding challenges is crucial for the growth of startups (Wang, 2019). Startups have limited resources and relatively low cash flow, making it challenging to accumulate funds. Therefore, the rational allocation and coordinated utilization of resources to generate revenue is the primary concern for these businesses. Firstly, it is important to determine an appropriate investment scale. Given the limited resources in the initial stage, the investment scale should align with the available funds. Concentrating resources on developing advantageous industries, increasing sales volume in key business areas, and expanding market share can help accumulate original capital for the startup. Secondly, the financing method should be determined based on the startup's own situation.

High-end talent refers to a group of individuals with high comprehensive abilities and special skills in a particular field. High-end talent often exhibits higher efficiency in problem-solving. However, both the cultivation and acquisition of high-end talent pose significant challenges. Recruiting high-end talent can greatly improve the efficiency of an enterprise, promote the scientific management of its operations, and facilitate its sustainable and healthy development (Ye, 2017). By hiring high-end talent, startups can provide crucial support for the efficiency of their production, operations, and management. The participation of high-end talent can greatly facilitate smooth and efficient management activities. High-end talent can enhance an enterprise's innovative capacity, drive its competitiveness, and actively respond to various challenges. Lastly, high-end talent can optimize the overall talent pool of an enterprise, standardize work processes, and enable the business to operate more robustly in the current era (Hou, 2019). However, due to insufficient attractiveness of startups to high-end talent, inadequate recruitment processes and channels, lower levels of human resource management, and incomplete employee motivation and welfare mechanisms, startups often face challenges in attracting high-end talent.

Innovation is a double-edged sword for startups. On one hand, innovation entails high risks and high returns.

In the initial stages, investments in research and development and recruitment of technical talent increase the operating costs of the startup. Furthermore, new technologies and products need to be validated by the market and tested by customers, resulting in a lag in profitability for the startup. If the new products or technologies fail at any stage, the initial investments of the startup will be wasted, posing significant survival challenges for financially vulnerable startups (Ba et al., 2022). However, if startups can overcome these challenges and dilemmas, they can reap significant rewards. As we enter the era of economic knowledge, startups that fail to actively reform and innovate, and lack technological and product updates, cannot achieve sustainable growth. The current market competition follows the law of survival of the fittest, and innovation is the driving force behind an enterprise's core competitiveness and sustained growth.

Relationship Between Entrepreneurial Ability and Orientation - The relationship between entrepreneurial ability and entrepreneurial orientation. The calculated r-values indicate a moderate positive correlation, with p-values for the results being smaller than the alpha level. This suggests a significant and positive relationship between entrepreneurial ability and entrepreneurial orientation. It indicates that the stronger the entrepreneurial ability, the better the entrepreneurial orientation is manifested, and vice versa.

Entrepreneurial orientation plays a crucial role in fostering an entrepreneurial mindset and entrepreneurial actions within an organization. Under the influence of entrepreneurial orientation, entrepreneurial organizations are more likely to develop innovative thinking and take proactive actions ahead of competitors. They are willing to face risks, uncertainties, and the unknown, thereby increasing the success rate of their entrepreneurial activities. However, having only the guiding principles and spirit without the assurance of action capability would render any entrepreneurial orientation ineffective. entrepreneurial ability can transform the entrepreneurial strategies of a company into reality based on the guidance provided by entrepreneurial orientation (Su et al., 2022).

The improvisational capability plays a positive role in the emergence of entrepreneurial orientation. This can be observed in several aspects. Firstly, entrepreneurial orientation can foster a culture of bold innovation and transformative change within the organization, promoting an environment and institutional norms that encourage innovation, knowledge sharing, and tolerance for trial and error. The deployment of improvisational capability can provide the organizational foundation and institutional environment for this.. Furthermore, the forward-looking nature of entrepreneurial orientation requires organizations to anticipate market trends, identify market opportunities, and seize them through proactive actions to gain a competitive edge. The strategic positioning of market leadership places higher demands on the organization's ability to make decisions, manage unexpected situations, and respond quickly. The deployment of improvisational capability lays the foundation for such responsiveness and agility, providing the necessary action guarantee for proactive requirements (Luo et al., 2020).

If a new startup can enhance its resource bricolage capability, aligning it with entrepreneurial behavior and choosing more widely effective strategic decision-making approaches, the firm's ability to innovate, engage in proactive actions, and take risks will be strengthened. Innovativeness is a core element of entrepreneurial orientation, and the process of innovation is essentially a process of resource transformation. The stronger the resource bricolage capability, the easier it is to acquire the necessary resources and optimize resource allocation, thereby promoting the transformation of resources into capabilities. A unique resource configuration structure enhances innovativeness. In the process of resource bricolage, innovative firms introduce new products or services to obtain high profits. A strong resource bricolage capability enables firms to gain a relative time advantage through proactive strategies.

When firms engage in proactive actions to enter new domains, efficient resource allocation capabilities reduce resistance from external environmental uncertainties, consolidating their first-mover advantage, rapidly occupying sales channels, and expanding brand awareness, thus gaining a competitive edge. Risk-taking reflects a firm's willingness to take bold actions to seize market opportunities regardless of the outcomes. resource

bricolage capability influences a firm's attitude towards external risks because a stronger resource bricolage capability increases the likelihood of successful bold actions and provides sufficient resources to support the capture of business opportunities. Firms with more effective resource bricolage often make entrepreneurial decisions that carry higher risks but lead to higher performance (Zhang et al., 2018).

Entrepreneurial orientation also plays a driving role in resource bricolage capability. The willingness to engage in entrepreneurial bricolage is primarily driven by entrepreneurial orientation. Companies with entrepreneurial orientation are bold in their approach to innovation. Innovation can manifest in various ways, not limited to product and service innovation, technological development, or organizational transformation. It can also be a new capability or a unique mindset that helps entrepreneurs break conventional norms and take special actions. Bricolage itself is an innovative means of searching for and recombining resources, which is an important manifestation of organizational innovativeness. The innovativeness of a company makes it more likely to break conventions and explore alternative problem-solving approaches through bricolage. At the same time, companies with entrepreneurial orientation are proactive, and bricoleurs are quick to act in the face of opportunities. The proactive nature of companies in the face of new opportunities strengthens the ability of bricoleurs to seize opportunities rapidly, allowing them to boldly discard conventional behavioral norms and respond to rapid changes in the environment and the market. Additionally, the risk-taking nature of entrepreneurial orientation facilitates an organization's tolerance for the uncertainties of bricolage behavior.

Dynamic capability is the core ability of top-level leaders in an organization, and these leaders are the key elements that determine the extent to which entrepreneurial orientation is implemented. Their experience, beliefs, skills, personality, adaptability, willingness to embrace change, and ability to implement change all influence how the organizational elites lean towards adopting a particular entrepreneurial orientation to adapt to environmental changes, ultimately significantly impacting the organization's dynamic capability. Furthermore, as critical agents of the organization, the leaders at the decision-making level actively influence the outcomes of organizational change. When the organization needs to adapt to external environmental changes, these leaders can trigger the dynamic capabilities embedded in organizational processes while shedding redundant resources that lag the uncertain environmental changes. This enables the organization to reset its high-quality resources and ultimately develop effective capabilities in existing and new markets (Zou et al., 2023).

The information processing capabilities of a few elite individuals at the top level of the organization are still unable to fully anticipate the complexity of a dynamically uncertain environment, the presence of a certain number of "internal entrepreneurs" with innovative, risk-taking, and proactive spirits in the organization is crucial. Their sharp and rapid environmental sensing abilities strongly promote the dissemination and replication of knowledge within the organization, enabling the organization to actively adjust processes that are not adaptable to environmental changes and ultimately dynamically adapt to environmental changes. In summary, dynamic capability has a significant impact on the manifestation of entrepreneurial orientation through the enhancement of internal processes.

Relationship Between Entrepreneurial Ability and Start-Ups Challenge **-** The relationship between entrepreneurial ability and entrepreneurial challenges. We can observe that the calculated r-values indicate a moderate degree of direct correlation, with all p-values being smaller than the α level. This indicates a significant relationship between the two variables, suggesting that stronger entrepreneurial ability enable new startups to better overcome challenges encountered during the entrepreneurial process. As a result, new startups face fewer challenges and exhibit higher growth potential.

Before discussing the relationship between entrepreneurial ability and challenges faced by new startups, it is necessary to analyze the mechanisms behind the formation of entrepreneurial challenges. Entrepreneurial challenges are the result of the combined effects of internal and external uncertainties in new startups. These factors include the capabilities and skills of entrepreneurs, the timing and choice of entrepreneurial opportunities, the formulation and implementation of business strategies, operational and management aspects of the enterprise,

integration of various production factors, and the external environment. The formation of entrepreneurial challenges can be summarized into three aspects: the endogenous mechanism of entrepreneurial challenges, the exogenous mechanism of entrepreneurial challenges, and the synergistic mechanism of entrepreneurial challenges.

Entrepreneurs and the internal factors of new startups are the main sources of internal challenges. The qualities and resources of entrepreneurs directly influence the identification of entrepreneurial opportunities. Insufficient innate qualities or inadequate acquired skills of entrepreneurs can negatively impact the identification of entrepreneurial opportunities, leading to significant challenges. In the early stages of establishment, entrepreneurs also serve as the actual leaders and managers of the business. If the entrepreneurs themselves lack the necessary qualities and abilities, it will affect the management and operations of the company, posing challenges for the business. The identification of entrepreneurial opportunities further influences the formulation of business strategies, which serve as guidelines for the company's operations. A strategic error in the early stages of a new startup can bring about substantial entrepreneurial challenges. The operations and management of a company encompass various factors such as research and development, financial management, human resources, organizational structure, effectiveness of information systems and communication, products and services, and corporate culture. Any problem in these areas can present challenges for a new startup. Additionally, if the internal organizational structure of the startup is not sound, the financial systems are inadequate, information communication efficiency is low, or the corporate culture has not yet formed, it can result in low operational efficiency, thereby posing challenges for entrepreneurial activities (Sun, 2016).

The dynamic changes in the external environment can affect the effectiveness of entrepreneurial opportunity identification, leading to entrepreneurial challenges. External environmental factors are also crucial considerations in the formulation of business strategies. Failure to effectively grasp the status and future trends of external environmental factors can result in deviations in strategic planning, leading to entrepreneurial challenges. External environmental factors can directly impact the operations of a company. Changes in the economic and natural environment, policy fluctuations, capital market dynamics, technological advancements, and shifts in the product market all directly influence the daily operations of a business. They can have adverse effects on aspects such as the company's financial stability, the availability of technology and human resources, and the promotion of products or services, thereby presenting challenges for the entrepreneurial activities of new startups.

Entrepreneurial ability based on improvisational ability, resource bricolage capability, and dynamic capability is proactive in dismantling the challenges that new startups may encounter by addressing the internal and external factors of challenge formation. Its main characteristic is to depart from traditional paradigms of resource environment analysis and not be confined to resource attributes. Instead, it examines the value of existing resources from a fresh perspective, creates new means-end relationships through "making do" and reintegration, takes immediate action, adapts to the changing dynamic environment, and seizes entrepreneurial opportunities or meets challenges. Through the analysis above, we can see that this entrepreneurial ability, through the core concepts of “resources at hand”, “resource making do”, and “resource recombination for new purposes”, helps new startups overcome various challenges and thereby enhances their growth potential (Zhu, et al., 2016).

"Resources at hand" refer to the resources that already exist in new startups or existing markets but have not been explored or undervalued. These resources can be acquired by entrepreneurs through social exchanges or non-contractual forms at a low cost. They also include unique strategic thinking and knowledge capabilities possessed by entrepreneurs at the mindset level. It is through an exceptional understanding of the value and significance of existing resources under different constraint environments that entrepreneurs can create something out of nothing by leveraging resource bricolage. In the field of "Internet+" transportation, companies like Uber and Didi creatively utilize the existing idle vehicles in society, while accommodation platforms like Airbnb creatively utilize existing vacant properties. These companies have discovered tremendous commercial

value by using resources without owning them and by building an economy based on multi-party sharing. As a result, they have transformed from small startups to unicorns in their respective fields. “Resource making do" refers to the behavioral bias of entrepreneurs to use existing resources to address new challenges or opportunities in the face of resource constraints. The emphasis of improvisational ability is on the proactive action of improvising, rather than hesitating or questioning the beneficial outcomes of the resources at hand (Borah et al., 2020).

When WeChat was first launched, it had only simple features such as instant messaging, photo sharing, and changing avatars. It was not highly regarded by the public. However, with the development of mobile search, e-commerce, and social networking, the designers of WeChat quickly perceived environmental changes and enriched and improved its functionalities. As a result, WeChat became a leading open communication platform with social interaction at its core. Despite Tencent's reputation for imitating with unique Chinese characteristics, the company has always been able to grasp the core features of competitors and the market, building its own unique advantages.

Enhanced entrepreneurial ability empowers new startups to efficiently integrate and leverage existing resources for marketing activities. By utilizing entrepreneurial ability, startups can acquire vital market information, establish partnerships, and execute effective marketing strategies. Dynamic capabilities, for instance, enable startups to understand target market needs through research and competitor analysis, facilitating the formulation of precise marketing strategies. Collaborating with other businesses allows entrepreneurs to expand market coverage, increase brand exposure, and access shared resources and distribution channels. resource bricolage and dynamic capabilities help address resource scarcity and information asymmetry, enhancing market competitiveness. entrepreneurial ability also enables startups to flexibly address talent recruitment, development, and retention. Entrepreneurs need improvisational skills to attract and collaborate with talented individuals by actively engaging in networks, establishing connections, and adjusting recruitment strategies and compensation systems based on company needs. Moreover, improvisational skills play a role in talent development and retention by adapting training, promotion, and incentive measures according to performance and individual needs, increasing satisfaction and loyalty (Wei, 2022). entrepreneurial ability helps startups stand out in the competitive talent market, attracting and retaining crucial human resources.

Relationship Between Entrepreneurial Orientation and Start-Ups Challenge **-** The relationship between entrepreneurial orientation and challenges faced by startups, analyzing the impact of entrepreneurial orientation's innovativeness, proactiveness, and risk-taking propensity on market marketing, funding, top-tier talent, and innovation in startups. We observe that the calculated r-values indicate a moderate level of direct correlation, with all resulting p-values being lower than the α level. This suggests a strong relationship between the two, indicating that entrepreneurial orientation significantly influences the challenges faced by startups. As entrepreneurial orientation increases, the ability of startups to overcome challenges strengthens, resulting in fewer challenges for the startups.

Compared to mature companies, startups face resource constraints due to their status as "latecomers" and disadvantages in terms of experience and economies of scale. They are also more susceptible to suppression from industry leaders in the market. In situations where resources are limited, startups with a high entrepreneurial orientation need to think outside the box since it's challenging to acquire external resources. They must fully integrate internal resources, fill market gaps by introducing innovative technologies and products, and demonstrate proactive behavior to establish a first-mover advantage in new markets and industries.

First is the relationship between innovation and the challenges faced by startups. Innovation reflects the tendency of startups to support creative, experimental, and inventive activities that may lead to new products, services, or technologies. Innovative startups can reasonably enhance their innovation by means of market innovation, technological innovation, marketing innovation, and management innovation, thereby gaining a competitive advantage and acquiring the resources necessary for business development. This helps startups

overcome growth obstacles and reduces the probability of encountering challenges. Innovative startups have a higher probability of technological and product innovation, enabling them to seek and explore new market opportunities. Management innovation can make functional departments within the company operate more efficiently (Fouad et al., 2018).

For startups, due to immature management systems or structures, they need a structured management framework to reduce uncertainty, improve organizational efficiency, and respond to external environments (Symeonidou et al., 2022). Management innovation can enhance the internal operational and human resource management capabilities of startups, strengthening their ability to withstand changes in the external environment. Through marketing innovation activities, startups can better meet consumer needs, effectively influence consumers' purchase decisions through the market positioning of their products relative to competing products and the selection of target markets. At the same time, the experience effect allows innovation-oriented startups to quickly reduce costs compared to their competitors. Cost advantages put competitors without a learning curve at a competitive disadvantage, while allowing innovative companies to enjoy relative price advantages and rapidly acquire customer value, thereby enhancing the growth of the enterprise.

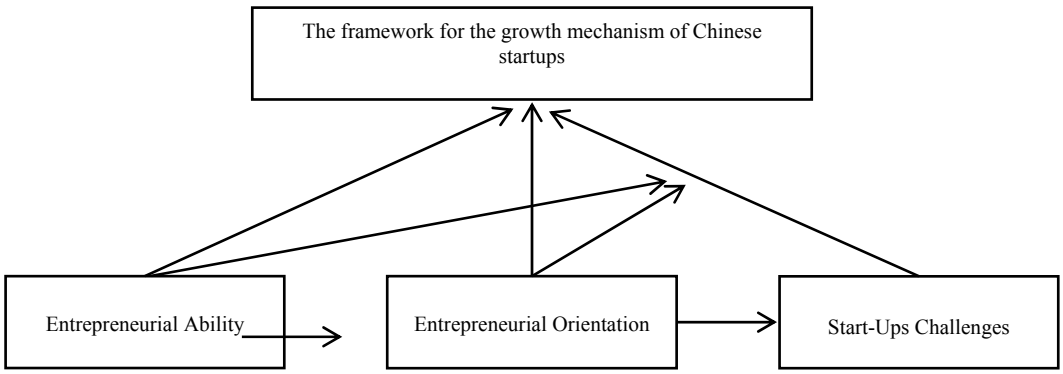
The second aspect is the relationship between proactiveness, and the challenges faced by startups. Proactiveness refers to the forward-looking characteristics of a company in the process of seeking new opportunities, manifested as taking actions and pioneering spirits in various aspects. Proactiveness can guide startups to quickly take the initiative and seize opportunities in new market areas or through new technological means, thereby gaining a market foothold, achieving a leading position, and attaining high levels of business growth, overcoming growth challenges (Du et al., 2018). In this process, the key role of proactiveness is to prompt startups to make decisive decisions in market areas that most people have not yet realized, quickly occupy the market, and use the first-mover advantage to establish consumer brand awareness (Yao, er al, 2018), thereby gaining high profits.

Once proactive startups swiftly enter new markets, the market share they acquire not only helps them generate high profits and achieve high financial performance in the short term, but more importantly, this market advantage persists due to early brand penetration (Zhang, et al., 2016). Moreover, startups with high proactiveness are more likely to leverage new opportunities to gain a first-mover advantage and overcome various types of challenges. This first-mover advantage can stem from the following factors: (1) Image and reputation: Proactive companies have a reputation advantage as their new products enter the market first, enjoying a positive image shaped by innovation and proactiveness. (2) Brand loyalty: Proactive companies have the opportunity to cultivate loyal customers for their new products. Over time, customers become familiar with the startup's products and even form regular consumption habits. (3) Occupying the best market position: Proactive companies have the best timing to position their products. If startups can accurately understand the market and accurately predict the most important product characteristics for consumers, they can seize the most favorable market position. (4) Technological leadership: Through their proactive actions, startups can maintain a leading position in technology and the market, continuously developing next-generation technologies. (5) Setting product standards: Proactive companies have the opportunity to establish industry standards based on their own product structures. (6) Acquiring distribution channels: In many cases, distribution channels can only accommodate a few limited brands. By entering the market first, startups can ensure that their products occupy the distribution channels. (7) Patent advantage: After obtaining patents for innovative products, proactiveness enables startups to control the key components of the innovative products and gain economic benefits. (8) Switching costs: Proactive companies can also create barriers for competitors by establishing long-term mutually beneficial relationships with users. These relationships maintain user loyalty and increase switching costs for users (Dong et al, 2019; Sun Qian & Gao Jingmei, 2022).

The last aspect is the relationship between risk-taking propensity and the challenges faced by startups. Risk-taking propensity reflects the willingness of startups to take risks and seize potential market opportunities. The establishment of risk-taking propensity usually relies on the courage of entrepreneurs and the

entrepreneurial team, enabling entrepreneurs to be more willing to take risks and formulate action strategies and investment decisions in the face of uncertainty.

Figure 1. The framework for the growth mechanism of Chinese startups



From Figure 1, it can be observed that for Chinese startups, the growth mechanism framework consists of three components: entrepreneurial ability, entrepreneurial orientation, and startup challenges. Firstly, in the post-pandemic era, with comprehensive adjustments in the global economic value chain and a downturn in the domestic and international economic environment, Chinese startups face significant challenges. Enhancing entrepreneurial ability enables startups to integrate and utilize resources more efficiently, improve responsiveness and proactive action, increase organizational flexibility, and adapt to dynamic environmental changes, thereby enhancing the growth potential of Chinese startups. Secondly, entrepreneurial orientation plays a crucial role in achieving competitive growth for Chinese startups. The entrepreneurial orientation of founders directly influences the development strategy of startups. A high entrepreneurial orientation prompts startups to prioritize innovative strategies, proactively respond to external environmental changes, and take calculated risks to seize fleeting business opportunities, all of which contribute to the growth of startups. Finally, during the growth process of startups, various challenges will be encountered. Failure to overcome these challenges hinders the growth of Chinese startups. However, enhancing entrepreneurial ability and entrepreneurial orientation can improve the effectiveness of overcoming challenges and reduce the negative impact of such challenges. Therefore, entrepreneurial ability and entrepreneurial orientation enhance the growth potential of Chinese startups and eliminate obstacles posed by startup challenges, forming the growth mechanism for Chinese startups.

4. Conclusions and Recommendations

Respondents agreed on the importance of organizational improvisation, resource bricolage and dynamic ability in entrepreneurial ability. The entrepreneurial orientation in terms of Innovativeness, Proactiveness and risk-taking was rated agree by the respondents. Respondents agreed on the challenges of new startup in terms of marketing, funding, talent hiring and innovation. Research shows that there is a highly significant relationship between entrepreneurial ability, entrepreneurial orientation, and new venture competition. The stronger the entrepreneurial ability, the stronger the entrepreneurial orientation, the more able to overcome challenges, the better their growth. A proposed framework for growth mechanism of Chinese new enterprises has been formulated. This study recommends that Chinese startups may consider establishing a systematic entrepreneurial ability training system. Startups may enhance their growth performance through fostering an entrepreneurial orientation. Start-up leaders may maximize the advantages of "small and flexible" startups, pay attention to technology, market, and policy changes, and establish information monitoring and feedback systems. The framework developed may be used as a tool to improve the growth dilemma of Chinese new startups and reduce

the probability of failure. Future research may explore entrepreneurial ability and entrepreneurial orientation using dimensions such as perception ability, autonomy, and competitive enthusiasm to enrich the theoretical framework of this study.

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