

Entrepreneurship qualities, dynamic capability and innovation performance of enterprises: Basis for strategic business performance framework

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Abstract

This study takes the relationship among entrepreneurship qualities, dynamic capability and innovation performance as the main research object, and proposes a comprehensive framework for continuous improvement. This study takes the enterprises in Henan Province of China as the research sample, and reveals the shortcomings of the existing research on the basis of sorting out the Chinese and foreign literature; on the basis of 300 valid questionnaires, the SPSS analysis software was used to analyze the data obtained and thus empirically verify the research hypothesis, further prove the relationship between Entrepreneurship Qualities, Dynamic Capability and Innovation Performance, and finally propose an Integrated Framework. This paper draws the following conclusions through empirical research: there is a close relationship among entrepreneurship qualities, enterprise dynamic capabilities and enterprise innovative performance. The findings showed that these three variables were statistically correlated. According to the above statistical results, an Integrated Framework for Strategic Business Performance is proposed; entrepreneurship qualities have a positive impact on enterprise innovative performance, as well as the dimension of enterprise dynamic capabilities. Various dimensions of enterprise dynamic capabilities have a positive impact on enterprise innovative performance. As the researcher's research output, it is a contribution to the relevant theory of strategic business performance. In view of this, if entrepreneurs intend to practice entrepreneurship in their daily management activities, they should persist in innovation and dare to challenge; create an organizational atmosphere of active innovation and common learning, influence employees with entrepreneurial spirit, and shape the team to improve the company's dynamic capabilities and innovation efficiency.

Keywords: entrepreneurship qualities, dynamic capability, innovation performance, enterprise, strategic business performance

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1. Introduction

At present, China's economy has shifted from a stage of rapid growth to a stage of high-quality development, and innovation has become the primary driving force for development. According to the 14th Five-Year Plan, China faces new opportunities and challenges both now and in the future, and aims to achieve major breakthroughs in key core technologies by 2035 and become a leading innovation-oriented country. The 20th Report of the Communist Party of China (CPC) set the goal of becoming one of the most innovative countries by 2035. We need to fully implement the strategy of innovation-driven development, open up new areas and track for development, and create new drivers and strengths for development. These goals provide a roadmap and powerful policy guidance for Chinese enterprises to implement innovation-driven development.

According to the Global Innovation Index 2021 report released by the World Intellectual Property Organization (WIPO), China ranked 12th, up two places from 2020. It is clear that China's innovative development in recent years has begun to yield results. However, due to the weak foundation and insufficient accumulation of innovation resources and other subjective and objective factors, the current Chinese innovation performance level is low, the country's overall innovation capacity and strength will need to be further improved. How to stimulate the innovation gene of Chinese enterprises, improve the management capacity of enterprises to improve efficiency, gather the powerful new drivers of economic and social development, is one of the important issues to promote the adjustment of the economic structure, create a new engine of development, and enhance the new drivers of development. In the ever-changing business environment, enterprises need to stick to the path of innovation-driven development and constantly improve their capabilities to stand out in the fierce market competition.

Entrepreneurs are the main body and power source of enterprise innovation and the soul of an enterprise. In the process of enterprise innovation and development, Entrepreneurship qualities is an important force to promote enterprise innovation and technological progress. It is also an indispensable spiritual force for China's economic development to replace the old drivers of growth with the new ones. In the operation and management of enterprises, it is worth paying attention to use entrepreneurship qualities to promote the realization of enterprise innovation process and feedback through the fluctuation of enterprise innovation performance.

According to the theory of dynamic capability, dynamic capability is an important influencing factor for enterprises or organizations to integrate internal and external resources in order to better and faster adapt to the changing commercial market environment, so as to promote the transformation and innovation of enterprises and obtain competitive advantages. The innovation performance of an enterprise is a reflection of the development of technological innovation, as well as the change of the competitive advantage generated by the enterprise through reform and innovation, so it is an important index to measure the value of enterprise innovation.

It is of great significance to study the interaction mechanism of entrepreneurship qualities, dynamic capability and innovation performance to give full play to entrepreneurship qualities, enhance dynamic capability, improve innovation performance and make enterprises remain invincible in the fierce and complex global competition.

1.1 Objectives of the Study

The study aims to examine the Entrepreneurship qualities, dynamic capability and innovation performance of enterprises in Henan Province, China and developed a strategic business performance framework.

Specifically, it described the entrepreneurship qualities as to sense of innovation, sense of practice and spirit of cooperation; determined the enterprise dynamic capabilities in terms of perception ability, learning ability, integration ability and reconstruction ability; described enterprise innovative performance as to management innovation performance and technology innovation performance; tested the significant relationship between entrepreneurship qualities, dynamic capability and innovation performance and developed a Strategic Business Performance framework.

2. Methods

Research Design - This study employs a descriptive research design to help interpret the collected data to determine the relationship between these three variables. The descriptive research method is a simple research method, which describes and explains the existing phenomena, laws and theories through its own understanding and verification. It is a general explanation of various theories. While it is more about explaining others' arguments, it is essential in scientific research. It can ask questions in a directional way, reveal shortcomings, describe phenomena and introduce experience. The purpose of descriptive correlation studies is to describe the relationship between variables, not to infer causality. Descriptive correlation studies help describe the relationship between one phenomenon and another. Researchers collect information from respondents by providing and distributing survey questionnaires. This descriptive approach is used to efficiently collect data from respondents. Hence, the relationship among the three variables of enterprise qualities, enterprise dynamic capabilities and enterprise innovative performance is identified.

Participants of the Study - In this study, more than 300 business managers and employees from 50 companies in Henan Province participated in the questionnaire survey. In terms of distribution and recovery of questionnaires, a total of 350 questionnaires were sent out, and 317 questionnaires were returned. A total of 300 valid questionnaires were finally obtained after some questionnaires with missing information were excluded. The researcher tried to choose research companies from a variety of industries. In terms of the industries represented by the respondents' companies, data from more than 10 industries, including automotive, transportation, machinery, electrical and electronics, and medicine, is included. The researcher used stratified random sampling to select respondents. In terms of gender, there are 249 male respondents, accounting for 83%, and 51 female respondents, taking up 17%, which shows that there are significantly more males than females in China's manufacturing industry.

In terms of job distribution, 123 middle-level managers accounted for 41% of the total; 62 people are grass-roots managers, accounting for 21%; there are a total of 44 vice presidents, accounting for 14%; there are 42 chairman or general managers, accounting for 14%. There are 29 fillers who are general staff members, accounting for 10%. The respondents of the questionnaire involve personnel in various management positions, mainly middle and high-level managers, with a small number of front-line employees. It can be seen that the respondents in this study all have relatively high levels of enterprise ranks. Therefore, both the attitude towards research and the understanding of the internal situation of the enterprise can be guaranteed.

Data Gathering Instrument - According to the purpose of this study, the researcher conducted a survey on the managers and employees of some enterprises in Henan Province, China. The data gathering instrument is an adopted and modified questionnaire. The construction of the complete questionnaire combines Song & Teng (2011), HE (2021), HU (2021) and other questionnaires and research findings. The reliability of the questionnaire has been verified and tested before the large-scale distribution of the questionnaire. The composition of the questionnaire is as follows: The first part is a brief introduction to the participants, which is divided into two aspects. The first aspect is the basic information of the respondent's company, such as the industry, annual income, and total number of employees. The second aspect is the basic personal information of the respondents, such as age, educational background and gender. The second part conducts investigation, analysis and statistics from three aspects: enterprise qualities, enterprise dynamic capabilities and enterprise innovative performance. The researchers obtained data by distributing offline paper questionnaires.

Data Gathering Procedure - This sample selects manufacturing enterprises in the real economy of Henan Province, China, involving multiple industries, and the data is collected enterprise by enterprise. Henan Province is a large economic province located in the middle of China. The samples of this province can represent the average level of Chinese enterprises and have certain typicality. In addition, as I work in Henan Province, it is convenient to obtain relevant data, which can ensure the smooth acquisition of data. The questionnaire survey phase of this study lasted for 4 months, starting from January 2023 and ending in April 2023. The questionnaire survey of this study was carried out in two stages. The first stage was January 2023, mainly to conduct small sample tests within a certain range to judge the reliability of the questionnaire; the second phase started in February 2023 and ends in April 2023. After the questionnaires pass the small-sample test, the questionnaires were sent to relevant enterprises in Henan Province to start the formal investigation, and finally 300 valid questionnaires were collected. After retrieving all the questionnaire, the data was interpreted and analyzed.

Ethical Considerations - Ethical considerations have been fully considered before conducting research work. Firstly, at the prominent position of the questionnaire, we clearly explained to the respondents that this survey is only used for academic research in order to maintain the quality and integrity of the questionnaire recovery. Secondly, the researchers obtained permission from the management of the enterprises under study. Thirdly, the questionnaire is conducted anonymously, which fully guarantees the confidentiality of the target respondents. Finally, we guarantee that all information in the questionnaire will be kept strictly confidential and used only for the purpose of this research to fully protect the privacy of the respondents.

Data Analysis - To explore the integration of enterprise qualities, enterprise dynamic capabilities and enterprise innovative performance in strategic business performance, this paper uses different kinds of statistical analysis tools to count, analyze and interpret the data. This paper uses a weighted mean to describe entrepreneurship qualities, including perception ability, learning ability, and integration ability; enterprise dynamic capabilities were evaluated according to perception ability, learning ability, and integration ability; the enterprise innovative performance is evaluated from the aspects of management innovation performance, technology innovation performance, service innovation performances, etc. The Pearson-product-moment correlation method was used to test the significant relationship among enterprise qualities, enterprise dynamic capabilities and enterprise innovative performance, and an integrated framework of enterprise qualities, enterprise dynamic capabilities and enterprise innovative performance was developed. In addition, all data were processed using SPSS 26 statistical software for further interpretation and analysis of the study results.

3. Results and Discussion

Table 1 is the entrepreneurship qualities. It explains the relevant indicators of entrepreneurship qualities from three aspects: sense of innovation, sense of practice, and spirit of cooperation. The index has an average score of 3.27. The results show that these three aspects are suitable for explaining the relevant indicators of entrepreneurship qualities. When commenting on which of the entrepreneurship qualities are most important, spirit of cooperation is the most important with a score of 3.34, according to an analysis of the tabular data. As an old Chinese saying goes, the right time is not as good as the right place, and the right place is not as good as the harmony of people. Entrepreneurs don't necessarily have to be a superman, but entrepreneurs should try to become a "spiderman" and have a very strong "web-forming" ability and awareness. Cooperation is an open attitude, which requires entrepreneurs to be good at absorbing external experience, integrating the advantages and characteristics of each company, and concentrating efforts to achieve the goal of optimizing resource allocation.

In terms of "Sense of Practice", the indicator scored 3.26. This shows that the respondents believe that the execution ability of entrepreneurs is relatively important. Entrepreneurs can effectively identify risks and control risks in the course of operation, which is an important guarantee for the long-term stability of an enterprise. The "sense of innovation" indicator scored 3.22. This shows that for most respondents, the stable operation of enterprises is more important than bold innovation. Therefore, this score is the lowest. On the one hand, this is

due to the large number of respondents from state-owned enterprises, accounting for 40%, while foreign-funded enterprises accounted for only 2%; on the other hand, it is related to the location of the surveyed enterprises. Henan Province is located in the Central Plains of China, and has a history of thousands of years of farming civilization. The general psychology of the people is to seek stability, and a little wealth will lead to peace (Liao, 2014). It can be seen that the survey data also shows China's national conditions.

Table 1

Entrepreneurship Qualities

Key Result Areas	Weighted Mean	Verbal Interpretation	Rank
Sense of Innovation	3.22	Agree	3
Sense of Practice	3.26	Agree	2
Spirit of Cooperation	3.34	Agree	1
Composite Mean	3.27	Agree	

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

Table 2

Enterprise Dynamic Capabilities

Key Result Areas	Weighted Mean	Verbal Interpretation	Rank
Perception Ability	3.20	Agree	1
Learning Ability	2.88	Agree	3
Integration Ability	2.95	Agree	2
Composite Mean	3.01	Agree	

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

Table 2 describes the enterprise dynamic capabilities. It explains the relevant indicators of enterprise dynamic capabilities from three aspects: perception ability, learning ability, and integration ability. The average value of this index is 3.01. The results show that these three aspects are suitable for explaining the relevant indicators of enterprise dynamic capabilities.

Dynamic capability is the ability of an enterprise to maintain or create enterprise value by developing and deploying internal capabilities to best meet the requirements of a changing environment. According to the analysis of the tabular data, when commenting on which indicators in enterprise dynamic capabilities are the most important, perception ability is the most important with a score of 3.20. Perception ability is the enterprise's ability to perceive new market trends and new technologies and seize opportunities. Enterprises can identify, interpret and pursue opportunities from internal and external stimuli through perception capabilities. Once these opportunities are identified, businesses invest in these opportunities to improve their organizational capabilities. Therefore, perception capability is the prerequisite and starting point for enterprises to have dynamic capabilities. There is a Chinese saying goes that "One false step will make a great difference", and "Get in on the ground". Only when an enterprise correctly and keenly perceives the changes in the internal and external environment can it properly respond with a definite purpose (He et al., 2019). Therefore, this indicator scores the highest.

The indicator score of "Integration Ability" is 2.95, which shows that the respondents think that Integration Ability is relatively important. Integration ability means that enterprises use integration capabilities to comprehensively understand and make necessary changes to their operational capabilities, and use coordination capabilities to realize and use reconfigured operational capabilities. This is how an enterprise integrates, builds, and reconfigures internal and external resources and capabilities to generate a new capability after it perceives changes in the internal and external environment. When a business can reshape its capabilities and match them to the needs of a changing environment, the business will outperform its competitors. Therefore, this ability is also more important, and it is the motivation for the sustainable development of enterprises.

The indicator score for "learning ability" is 2.88, indicating that for most respondents, the organization's learning ability is not very important or does not perform well. Therefore, this score is the lowest. Firms with learning capabilities can identify which organizational capabilities need to be re-modified, rebuilt, or

reconfigured to generate new knowledge; to maintain a sustainable competitive advantage in a fierce environment, enterprises should continue to build and cultivate dynamic learning capabilities of independent learning, integrating, and restructuring as the environment changes on the basis of existing resources, helping enterprises to form high-quality characteristic advantages to promote the improvement of enterprise performance and the enhancement of market competitiveness. Learning must be part of the organization's daily work. By improving products and services through employee innovation, product research and development, customer opinions, best practice sharing and benchmarking learning, companies can ultimately develop new business opportunities, improve organizational efficiency, reduce quality costs, and better fulfill their social and civic duties. This is the direction for Chinese enterprises to work hard in the future.

Table 3*Enterprise Innovative Performance*

Key Result Areas	Weighted Mean	Verbal Interpretation	Rank
Management Innovation Performance	2.89	Agree	2
Technology Innovation Performance	2.81	Agree	3
Service Innovation Performance	2.99	Agree	1
Composite Mean	2.90	Agree	

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

Table 3 is the total assessment enterprise innovative performance. It explains the relevant indicators of enterprise innovative performance from three aspects: management innovation performance, technology innovation performance, and service innovation performance. The index has an average of 2.90. The results show that these three aspects are suitable for explaining the relevant indicators of enterprise innovative performance.

Innovation is the main driving force of enterprise development, and innovation performance is the reflection of enterprise technological innovation and development (Zhao et al., 2020). According to the analysis of the tabular data, service innovation performance is the most important when evaluating the enterprise innovation performance indicators of the company, with a score of 2.99. Service innovation is a process in which an enterprise introduces new ideas and technologies and upgrades existing services to improve service quality and efficiency, thereby better meeting consumer needs and creating higher benefits. Service innovation performance is an important way to measure the level of enterprise service innovation, and its measurement dimensions are generally reflected in financial indicators, market indicators, competitiveness indicators, etc. (Xie & Wang, 2023). With the transformation and upgrading of China's service industry and the development of servitization and service-oriented manufacturing in the manufacturing industry, the service-oriented logic has been accepted by most enterprises. The focus of enterprises has shifted from product innovation to service innovation (Xin & Mu, 2023). Service innovation has become an important meeting point for the current supply-side reform and demand-side organic coordination, and it is also a key driving force for the high-quality development of the service industry and manufacturing industry. Therefore, this indicator scores the highest.

The "Management Innovation Performance" indicator scored 2.89. This shows that the respondents think that management innovation performance is relatively important. The activities of an enterprise are a process in which an organization transforms resources such as labor, capital, raw materials, and technology into products and services of higher value. Management innovation is to coordinate and unify enterprise management with technology and product innovation. Enterprises in the new era should give full play to the unique role of management innovation in innovation-driven, sum up experience and practices, make up for shortcomings, consciously cultivate innovative brands, create highlights of management innovation, and promote high-quality development in China with the improvement of management innovation. Therefore, management innovation performance is also more important, it is an important part of corporate innovation performance.

The indicator score of "Technology Innovation Performance" is 2.81, which shows that most of the respondents are not very satisfied with the technological innovation performance of their companies. Core

technology innovation is crucial to the strength, quality and size of the Chinese economy and the enhancement of the core competitiveness of enterprises. In China, the core technological innovations of state-owned enterprises in the fields of manned spaceflight, UHV power transmission, deep-sea oil exploration, port equipment, mobile communications, Beside navigation, nuclear power generation, and even high-speed railways have reached the international cutting-edge level (Jia, 2023). However, in the current era of anti-globalization, the lack of innovation in some key technology fields is an important reason why Chinese companies are controlled by others (Xiong & Guo, 2019). These companies are facing major challenges of key core technology blockade and "stranglehold" issues. Therefore, this score is the lowest. Chinese enterprises should bravely assume the responsibility of the innovation vanguard, build innovative enterprises, and become the actors of technological innovation.

Table 4

Relationship Between Entrepreneurship Qualities and Enterprise Dynamic Capabilities

Variables	rho-value	p-value	Interpretation
Sense of Innovation			
Perception Ability	0.831**	0.000	Highly Significant
Learning Ability	0.715**	0.000	Highly Significant
Integration Ability	0.865**	0.000	Highly Significant
Sense of Practice			
Perception Ability	0.887**	0.000	Highly Significant
Learning Ability	0.801**	0.000	Highly Significant
Integration Ability	0.836**	0.000	Highly Significant
Spirit of Cooperation			
Perception Ability	0.754**	0.000	Highly Significant
Learning Ability	0.701**	0.000	Highly Significant
Integration Ability	0.849**	0.000	Highly Significant

***. Correlation is significant at the 0.01 level*

Table 4 illustrates the relationship between entrepreneurship qualities and enterprise dynamic capabilities. As seen in the table, the computed r-values ranging from 0.701 to 0.887 indicate a strong to very strong direct relationship among sub variables of entrepreneurship qualities and enterprise dynamic capabilities. There was a statistically significant relationship between entrepreneurship qualities and enterprise dynamic capabilities because the obtained p-values were less than 0.01. It means the better the entrepreneurship qualities, the higher the level of enterprise dynamic capabilities.

Entrepreneur trait theory holds that entrepreneurship qualities affect the behavior and performance of enterprises. Entrepreneurship activities can help small and medium-sized enterprises overcome crises in the process of growth, which is conducive to improving the company's dynamic capabilities and establishing competitive advantages. Entrepreneurship can make full use of existing competitive advantages and develop new competitive advantages for future opportunities. Changes in internal factors such as organizational learning, accumulation of resources and knowledge, and actual capabilities will affect the relationship between entrepreneurship and dynamic capabilities of enterprises. Dynamic capability is the ability of an enterprise to integrate internal and external resources to cope with a dynamic environment, and the dynamic nature of the environment is mainly reflected in customers, suppliers, competitors, and the government. On the one hand, entrepreneurship requires enterprises to extensively establish and maintain close ties with suppliers, customers, governments and other organizations.

Through such connections, enterprises can proactively monitor and predict dynamic changes in the external environment, gain insights into opportunities and threats, and transfer corresponding knowledge and information to the enterprise, organize the procedures for integrating and reconstructing internal and external resource capabilities, and thus the dynamic capability of the enterprise is also improved accordingly. On the other hand, entrepreneurship emphasizes that enterprises continue to exploit and explore on the basis of existing resource capabilities, and build new resource capabilities—dynamic capabilities—by rearranging and combining resource capabilities or even completely breaking the original resource foundation, promoting the emergence of new

products, new services, new processes, new markets and new technologies. Businesses are also able to take advantage of new opportunities in the external environment to avoid new threats. Therefore, entrepreneurship qualities and enterprise dynamic capabilities have a positive impact, and entrepreneurship qualities are an important factor affecting enterprise dynamic capabilities.

Table 5*Relationship Between Entrepreneurship Qualities and Enterprise Innovative Performance*

Variables	rho-value	p-value	Interpretation
Sense of Innovation			
Management Innovation Performance	0.898**	0.000	Highly Significant
Technology Innovation Performance	0.869**	0.000	Highly Significant
Service Innovation Performance	0.886**	0.000	Highly Significant
Sense of Practice			
Management Innovation Performance	0.918**	0.000	Highly Significant
Technology Innovation Performance	0.856**	0.000	Highly Significant
Service Innovation Performance	0.890**	0.000	Highly Significant
Spirit of Cooperation			
Management Innovation Performance	0.843**	0.000	Highly Significant
Technology Innovation Performance	0.818**	0.000	Highly Significant
Service Innovation Performance	0.862**	0.000	Highly Significant

***. Correlation is significant at the 0.01 level*

Table 5 illustrates the relationship between entrepreneurship qualities and enterprise innovative performance. As seen in the table, the computed r-values ranging from 0.818 to 0.918 indicate a very strong direct relationship among sub variables of entrepreneurship qualities and enterprise innovative performance. There was a statistically significant relationship between entrepreneurship qualities and enterprise innovative performance because the obtained p-values were less than 0.01. This means that the higher the entrepreneurship qualities, the better the enterprise innovation performance.

Innovation is the main driving force of enterprise development, and innovation performance is the reflection of technological innovation and development of enterprises. The innovation and development of enterprises cannot be separated from the leadership of entrepreneurial qualities. Entrepreneurship qualities are an important force to promote enterprise innovation and technological progress, and it is also an indispensable spiritual force for China's economic development to realize the transformation of new and old kinetic energy (Wu & Hu, 2021). First, the courage to innovate and aggressiveness in entrepreneurship qualities are a positive working state, which plays a key role in improving the innovation efficiency of enterprises and can drive the innovation enthusiasm and innovation ability of enterprise employees. Innovation capability can enable enterprises to obtain core competitiveness and thus improve enterprise innovation performance; second, risk taking and risk control in entrepreneurial qualities are a kind of good psychological characteristics, which shows that entrepreneurs not only dare to actively face market risks, meet external challenges, and avoid risks, but also bring new development opportunities for enterprises. In addition, this characteristic shows that entrepreneurs have high psychological toughness and risk control ability, and can show the characteristics of persistence, perseverance and never giving up in the face of external challenges and setbacks. This psychological trait will have a positive impact on employees and form a positive organizational effect. Therefore, entrepreneurial qualities have a significant positive impact on enterprise innovation performance.

Table 6*Relationship Between Enterprise Dynamic Capabilities and Enterprise Innovative Performance*

Variables	rho-value	p-value	Interpretation
Perception Ability			
Management Innovation Performance	0.888**	0.000	Highly Significant
Technology Innovation Performance	0.806**	0.000	Highly Significant
Service Innovation Performance	0.810**	0.000	Highly Significant

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Learning Ability			
Management Innovation Performance	0.804**	0.000	Highly Significant
Technology Innovation Performance	0.760**	0.000	Highly Significant
Service Innovation Performance	0.720**	0.000	Highly Significant
Integration Ability			
Management Innovation Performance	0.899**	0.000	Highly Significant
Technology Innovation Performance	0.846**	0.000	Highly Significant
Service Innovation Performance	0.883**	0.000	Highly Significant

***. Correlation is significant at the 0.01 level*

Table 6 illustrates the relationship between enterprise dynamic capabilities and enterprise innovative performance. As seen in the table, the computed r-values ranging from 0.720 to 0.899 indicate a strong to very strong direct relationship among sub variables of enterprise dynamic capabilities and enterprise innovative performance. There was a statistically significant relationship between enterprise dynamic capabilities and enterprise innovative performance because the obtained p-values were less than 0.01. This means that the stronger the enterprise dynamic capabilities, the better the enterprise innovation performance.

Dynamic capabilities can improve innovation performance from the following aspects: First, the ability to perceive opportunities. Enterprises obtain key information from a wide range of channels, analyze industrial structure change signals, identify new technological opportunities and adjust their own innovation strategies in a timely manner. The stronger the opportunity perception ability, the more external information and opportunities the enterprise can obtain, the stronger the ability to avoid risks, and the greater the potential innovation performance. Second, environmental adaptability. It is difficult for enterprises to maintain the innovation advantages established in a stable environment in a turbulent environment, and they need to constantly adjust their strategies to match the external environment. The flexible organizational structure establishes smooth internal communication channels of the enterprise, and helps respond to the dynamically changing external environment in a timely manner, and win opportunities for innovation. Third, coordination and integration capabilities. The key to improving the innovation capability of enterprises lies in the reconstruction of internal and external resources and the transformation of organizational structure. With the ability of coordination and integration, enterprises can establish various systems and incentives that are more suitable for R&D projects, and create a good internal environment for R&D activities. In this way, enterprises can promote itself to implement innovative behaviors such as new product development and new process establishment more efficiently. Fourth, learn absorptive capacity. Technology and product innovation are essentially knowledge creation, and knowledge transformation and utilization efficiency depend on learning absorptive capacity. The stronger this ability is, the more resources an enterprise can obtain from the R&D network across organizational boundaries, and the more it can introduce spillover knowledge and advanced technology into innovation projects to achieve technological breakthroughs and new product development. To sum up, dynamic capabilities positively affect corporate innovation performance.

Figure 1 shows an Integrated Framework for Strategic Business Performance, which is a theoretical framework proposed by researchers on the relationship between entrepreneurial qualities, enterprise dynamic capabilities and enterprise innovative performance. Through the theoretical analysis of the relationship between entrepreneurial qualities, enterprise dynamic capabilities and enterprise innovative performance, combined with empirical research results, the researchers believe that entrepreneurial qualities and enterprise dynamic capabilities have a significant positive impact on the improvement of enterprise innovative performance. Therefore, it is an effective way to improve enterprise innovative performance by focusing on improving entrepreneurial qualities and cultivating enterprise dynamic capabilities at the strategic level.

Moreover, entrepreneurial qualities also play an important role in influencing the formation of enterprise dynamic capabilities. Through the theoretical analysis of the relationship between the dimension of entrepreneurial qualities and the dimension of enterprise dynamic capabilities, the empirical research findings show that the dimension of entrepreneurial qualities has a positive impact on the dimension of enterprise dynamic capabilities. Therefore, having excellent entrepreneurs and management teams is a necessary

prerequisite for establishing enterprise dynamic capabilities. In particular, in today's highly competitive business environment, outstanding entrepreneurs with characteristics such as innovation, integrity, social responsibility and international vision play a vital role in the cultivation and construction of enterprise dynamic capabilities.

Strategic Business Performance Framework

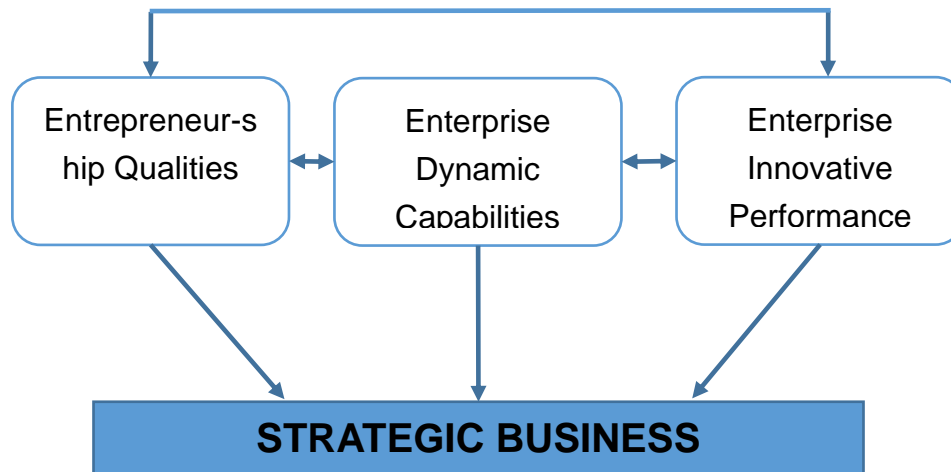


Figure 1 Integrated Framework for Strategic Business Performance

4. Conclusions and Recommendations

The study showed that respondents agreed that they possess the entrepreneurial qualities in terms of spirit of cooperation, practice and innovation. Respondents revealed that their dynamic capabilities are observed as to their perception ability, learning ability and integration ability. The innovative performance of the respondents are observed as to their service innovation, management innovation and technology innovation.. A high significant relationships exist between entrepreneurial qualities and enterprise dynamic capabilities; entrepreneurial quality and enterprise innovative performance and between dynamic capability and innovative performance. A strategic business performance framework was developed.

Although the three dimensions of enterprise qualities, enterprise dynamic capabilities and enterprise innovative performance have been well summarized, the situation of enterprises is constantly changing, and these three dimensions may be updated and improved over time. As explorers, organizers and leaders of innovative development, entrepreneurs may pursue excellence, dare to try, dare to take risks, actively promote innovation in production organization, technology, and market, pay attention to technology research and development and human capital investment, effectively mobilize the creativity of employees, and strive to build the enterprise into a strong innovation subject. Enterprises has to be committed to improving their dynamic capabilities. Firstly, the enterprise may create a corporate culture of learning for all employees and lifelong learning. Secondly, enterprises has to pay attention to the reasonable allocation of internal and external resources as well as changes in the external environment. Finally, enterprises may improve the communication and collaboration of various internal functions to stimulate their internal vitality. The strategic business performance framework may be recommended for the entrepreneurs to improve their entrepreneurial qualities, dynamic capabilities ad innovative performance. Future researchers may study entrepreneurial qualities, dynamic capabilities and innovative performance indifferent industries and context such as developing countries and emerging markets.

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