

A Study on the Impact of Entrepreneurial Orientation on Business Performance

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Abstract: *With the advancement of globalization, the dynamic nature and uncertainty of the environment in which enterprises live are significantly enhanced, and the competition among enterprises is becoming increasingly fierce. In order to cope with the increasingly complex and dynamic external environment, enterprises must adjust their strategic policies in time. Innovation plays a vital role in the development of enterprises, and its innovation ability can not only inject vitality into enterprises, but also form core competitiveness. Therefore, it is of great significance to introduce entrepreneurship-oriented strategy into enterprises. With organizational learning and organizational resilience as intermediary variables, this paper discusses the impact of entrepreneurial orientation on firm performance and puts forward relevant suggestions, aiming to provide theoretical support and practical guidance for enterprises to implement entrepreneurial orientation strategy smoothly, improve firm performance and enhance firm competitiveness.*

Keywords: *Entrepreneurial Orientation; Organizational Learning; Organizational Resilience; Enterprise Performance*

1. Introduction

With the change of economic situation, enterprises are faced with a very dynamic external environment, and many uncertainties urge enterprises to continuously improve their core capabilities through learning, integration and innovation, so as to obtain sustainable competitive advantages. Entrepreneurship is regarded as a new driving force for the development of the current country and various regions, and it is a process of discovering opportunities, capturing opportunities, and creating new products and services with the help of opportunities. Therefore, entrepreneurial behavior has always been regarded as the key for enterprises to explore core competitiveness and obtain sustainable competitive advantages. Entrepreneurial behavior means that enterprises need to innovate and bear the risks brought by such behaviors. In the highly competitive economic environment, entrepreneurial behavior requires entrepreneurs to have keen vigilance and give priority to seizing opportunities. Therefore, it is necessary for enterprises to introduce entrepreneurial oriented strategy.

The research on the relationship between entrepreneurial orientation and firm performance is one of the hot issues in academic circles. Early scholars emphasized the direct influence of organizational and environmental regulatory factors on the relationship between the two, but ignored the indirect relationship between the two.^[1] In recent years, the environment with VUCA characteristics seems to be more and more normal, and enterprises are in a changing and unpredictable era, whether enterprises are rebounding or winding down, and their own organizational resilience is closely related. In order to quickly adapt to the changes of dynamic environment, enterprises must continue to learn, learning has gradually become an indispensable part of enterprise development. Entrepreneurial oriented strategy must fall into the actual behavior of the enterprise, closely combined with it and play a certain guiding role, in order to ultimately affect the performance of the enterprise.

2. Overview of entrepreneurial orientation, organizational learning, organizational resilience, and enterprise performance

2.1. Entrepreneurial orientation

The concept of entrepreneurial orientation has a long and tortuous stage of development, and many scholars distinguish and define it from different angles, and form two mainstream concepts.

Entrepreneurial orientation was first put forward as a kind of strategic orientation, which is the tendency of entrepreneurial enterprises to pursue innovation, take the initiative and dare to bear corresponding risks. Covin and Slevin put forward the concept of entrepreneurial strategic posture and explained the relationship between a company's entrepreneurial strategic posture and external environment, strategy, internal factors and organizational performance. There are often differences between the strategic decision-making styles of different companies, and those companies that exhibit entrepreneurial orientation will exhibit innovative, risk-taking, and proactive characteristics. Existing studies generally divide entrepreneurial orientation into three dimensions: innovation, initiative and risk taking. (1) Innovation, that is, the tendency of enterprises to engage in innovative activities, including a series of technological innovations and adaptive transformation of products and services and iteration of management skills; (2) Risk-taking, that is, the tendency of an enterprise to take risks in order to obtain high returns, can reflect the ability and willingness of an enterprise to still invest in value under unknown conditions; (3) proactivity, that is, the tendency of enterprises to predict the industry prospects with strategic sensitivity and take actions ahead of competitors to seize the initiative in the market.

2.2. Organizational learning

The concept of organizational learning originated in the 1950s and 1960s. Formally proposed by scholar Argyris et al., organizational learning is a process in which organizations respond to changes in the external environment and correct problems in mindfulness, structure and behavior concerning the sustainable and stable development of the organization. March applied duality to organizational learning for the first time and divided it into exploratory learning and exploitative learning according to the way organizations learn different knowledge from the perspective of environmental adaptability. From the perspective of adapting to the new environment, he believes that exploratory learning and exploitative learning are two important dimensions of organizational learning. Exploratory learning is a new knowledge acquisition behavior that focuses on adapting to the future environment, and exploitative learning is a knowledge deepening behavior that focuses on acquiring current knowledge. Domestic scholars have also conducted a lot of research on organizational learning. For example, Yu Haibo et al. integrates and generates new knowledge through knowledge resources acquired by enterprises on the basis of existing knowledge, and then accumulates and creates knowledge in the management process, which is repeated. Zhu Zhaohui proposed that both exploratory learning and exploitative learning are conducive to the improvement of enterprise innovation performance. Exploratory learning can break the habitual thinking and enter the new knowledge field, thus bringing some degree of innovation. Exploitative learning specialises in existing areas, improves the status quo, and provides opportunities to move into new areas.

2.3. Organizational resilience

Meyer (1982) introduced the topic of "organizational resilience" into the field of business and management for the first time, pointing out that organizational resilience is essentially a multidimensional concept, involving the joint action of different dimensional capabilities, and is related to the survival and recovery of organizations.^[2] Organizational resilience, as an indispensable trait to help an organization tide over difficulties, can reflect how an organization ADAPTS to and copes with failure under uncertain circumstances, help an organization quickly cope with adversity, enable it to rebound and recover, and promote reflection and improvement to make it stronger than the current situation. This definition goes beyond the basic maintenance of organizational functions and focuses on the process of organizational adjustment in the face of crisis and the improvement of capabilities in various aspects, which means that resilient organizations are more able to adapt, integrate and reconfigure internal and external resources and capabilities to match the needs of the changing external environment, and this ability is critical to the success of the organization. Weick believes that organizational resilience emphasizes not only the ability of organizations to adapt, but also the ability to deal with difficult problems encountered in volatile environments through creative and forward-looking solutions. For an organization to be resilient, it needs to have three capabilities: adaptability, resilience, and situational awareness.

2.4. Enterprise performance

Enterprise performance refers to the enterprise management results and managers' performance in a certain time span, which is the most objective evaluation standard for the enterprise operation and management performance. The external factors affecting enterprise performance, namely the macro environment, include population, economy, nature, science and technology, political law, and social

culture. Since these factors are largely uncontrollable, many scholars focus on studying the internal factors of enterprises. The internal factors can be summarized as four factors: personal characteristics, capital resources, strategic orientation and ability behavior. This paper adopts a subjective self-evaluation method to measure enterprise performance, that is, it is divided into two dimensions of profitability and growth. The growth index consists of employee growth, sales growth and profit growth. The profitability index includes return on fixed assets, return on sales and return on investment. This is more conducive to in-depth and comprehensive investigation of whether the strategies and behaviors implemented by the enterprise have helped the enterprise achieve substantial growth and efficiency improvement, and comprehensively reflect the enterprise performance.

3. The mechanism of entrepreneurial orientation on *enterprise* performance

3.1. *The influence of entrepreneurial orientation on enterprise performance*

During the economic transition period, the market environment changes frequently and technology iteration is accelerated, forcing enterprises to constantly develop new technologies and seek potential opportunities to safeguard their own development, thus improving corporate performance. The innovation, advance action and risk taking characteristics of entrepreneurial orientation reflect the positive effect of entrepreneurial orientation on enterprise performance. Innovation is one of the core characteristics of entrepreneurial orientation, which reflects how enterprises create new products and services through technological innovation in competition. The focus is on how enterprises can use new technologies to create new products and services to meet market needs, thus bringing high innovation performance to enterprises. Innovation can not only help enterprises meet the diversified needs of customers, but also create new sources of growth and profit for enterprises, especially in the rapidly changing industry, innovation has become a key means for enterprises to maintain competitiveness. Through continuous innovation, companies can form a differentiated advantage in the market, thereby improving the overall market performance. In highly competitive markets, companies that are the first to capture opportunities tend to dominate the market. Advance action enables companies to act quickly when market opportunities first emerge, accumulating experience and resource advantages. When other competitors enter the market, the first mover has reduced costs and formed entry barriers through experience accumulation, thus obtaining monopoly benefits. This first-mover advantage not only enhances the company's market position, but also ensures that the company stays ahead of the competition in the future. In the process of pursuing innovation and moving ahead, enterprises often need to take certain risks, especially in the case of high resource constraints and uncertainties. Companies with a strong risk taking attitude ignore the limitations of existing resources and actively invest in new projects or market opportunities. By taking these risks, companies can respond quickly to opportunities as they arise, improve resource efficiency, and ultimately translate into higher business performance. Risk-taking helps companies build a stronger ability to identify opportunities, while optimizing the allocation of internal resources in the process of seizing opportunities, thereby driving performance improvement.^[3]

3.2. *The mediating role of organizational learning*

Forced by the uncertainty of the environment, organizations begin to continuously learn in order to improve their adaptability to the dynamic environment. In such a rapidly changing and highly competitive market environment at any time, exploratory learning and exploitative learning have gradually become two kinds of organizational learning modes that enterprises must have to obtain competitive advantages. Organizational learning is the process by which an organization develops or expands knowledge and skills on the basis of previous activities and experiences, and applies these knowledge and skills to future actions. It is good for performance for an organization to learn from its successes and failures and generate new insights. Through the dynamic process of organizational learning, enterprises can better absorb and acquire external knowledge, transform and utilize internal knowledge, so as to change their own behavior and thinking mode, and promote themselves to take innovative and proactive actions under the dynamic internal and external environment, which can improve the viability of new enterprises. Therefore, organizational learning plays an important role in the process of improving enterprise resource capability and adapting to dynamic environment, and is a key element of organizational entrepreneurial success. Through organizational learning, not only the knowledge, belief and behavior of the organization are changed, but also the innovation ability of the enterprise is strengthened and the sustainable growth of the enterprise is promoted. Learning organization can create a good learning atmosphere for the organization, fully mobilize the enthusiasm of department members,

and organizational learning plays an important role in helping enterprises adapt to environmental changes and reduce uncertainty.

3.3. The mediating role of organizational resilience

In a complex market environment such as the digital economy, double cycle, and epidemic, enterprises need to rely on organizational resilience to face the challenges of the crisis. At present, the view that organizational resilience is a kind of "ability" has been widely recognized by the academic circle. Organizational resilience refers to the ability of an enterprise to foresee, prepare, cope with and adapt to changes in a highly uncertain environment, which is manifested as a resilience in adversity.^[4] Under crisis situation, total factor innovation can promote enterprises to flexibly mobilize and stimulate resources, better adapt to and overcome adverse factors, and thus promote the formation of organizational resilience. When enterprises with entrepreneurial orientation face small and trivial disruptive events in daily situations, the organization will produce corresponding risk awareness, cooperation preference, improvisation and other organizational resilience characteristics. Therefore, entrepreneurial orientation helps to promote the formation of organizational resilience of enterprises. In addition, resilience helps improve business performance. Organizational resilience enables companies to adapt and react quickly in the face of uncertainty and crisis, thereby maintaining operational stability and flexibility. When an enterprise has strong organizational resilience, it can effectively mobilize resources, optimize the decision-making process, and improve the ability to respond to challenges. This adaptability not only reduces risk, but also fosters innovation, which drives performance. In addition, enhancing organizational resilience can motivate employees, improve team cohesion, and further promote overall performance growth.

3.4. The chain mediated relationship between organizational learning and organizational resilience

Dynamic capability theory proposes that in the context of uncertain environment, enterprises need to create unique and difficult to be imitated high-level capabilities to maintain competitive advantages. For enterprises, knowledge is the most unique and imitable resource, and knowledge is the core of enterprise dynamic capability. As a high-level capability, binary learning can enhance organizational resilience. The specific manifestations are as follows: First, exploitative learning not only improves the efficiency of knowledge search, absorption and combination, but also deepens the understanding of the functions of existing knowledge and resources, making the organization more capable of reorganizing and developing them, and achieving predictable performance improvement by conducting localized search in the limited knowledge field of the enterprise and seeking for clear solutions. Utilization learning can also help enterprises sum up the experience of coping with crisis, improve the organizational structure and process, and enhance the organization's awareness of crisis and anti-risk ability. Second, by expanding the knowledge base and exploring new technologies, exploratory learning enables enterprises to achieve breakthrough innovation and form organizational dynamic capabilities. Meanwhile, exploratory learning can drive organizations to perceive changes in the external market environment in a timely manner and enhance their ability to continuously improve, change and overcome in the face of adversity, which is conducive to strengthening organizational resilience. Thirdly, knowledge absorption ability from the perspective of dynamic capability is crucial. Simultaneously carrying out exploitative learning and exploratory learning is conducive to promoting the horizontal and vertical flow of knowledge within the organization, thus promoting the absorption and dissemination of new knowledge and making the organization more innovative and flexible.^[5]

4. Conclusions and Practical inspiration

4.1. Cultivate a strategic orientation based on entrepreneurship

The entrepreneurial oriented strategy provides guidance and help for the development of enterprises. Enterprises should rely on entrepreneurial-oriented strategies, pay attention to their own product and service innovation, and achieve diversification of innovation levels and forms, so as to attract more potential consumers. At the same time, enterprises should pay attention to the role of employees in innovation, so that innovation becomes the mainstream culture of enterprises. Enterprises can pay attention to employees with innovative spirit during the recruitment and training of employees, make efforts to "delegate power" to give employees more freedom, build an open and inclusive innovation culture, encourage employees to boldly propose ideas and support them to carry out experiments, and

stimulate the entrepreneurial spirit of all employees by setting up reward mechanisms and innovation competitions, and stimulate their enthusiasm and innovation. Provide the source power for enterprise innovation. In addition, when entering a new market, enterprises should not only take the attitude of brave risk, but also make accurate judgment of the market situation, improve the flexibility of the decision-making mechanism, encourage moderate risk, actively explore new business growth points in the case of limited resources, seize new opportunities and seize the market under the premise of minimizing mistakes and reducing entry risks, so as to improve performance.

4.2. Strengthen the resilience of enterprise organizations

Enterprises need to build a resilient strategy to ensure that they can quickly adjust their goals and plans in the face of uncertainty and flexibly respond to changes in the external environment. This kind of resilient strategy requires enterprises to have a high degree of agility and the ability to adjust quickly, to make effective response plans according to market trends and risk dynamics, and to avoid falling into a passive situation in the crisis. Secondly, optimize resource management, establish a diversified supply chain and flexible capital operation mode, avoid over-dependence on a single supplier or channel, so as to enhance the flexibility and anti-risk ability of the supply chain, and ensure the sustainability of key resources in the crisis. At the same time, enterprises should strengthen risk management, regularly carry out emergency plan drills, and improve the response speed and decision-making ability of the organization in the crisis. In terms of corporate culture construction, it is necessary to cultivate employees' resilience thinking and adaptability, encourage innovation and cross-departmental cooperation, enhance the team's collaborative ability and creativity under pressure, and stimulate creativity and problem-solving ability in times of crisis. In addition, technology empowerment is also the key to enhance the resilience of enterprises, through digital transformation and data analysis, enterprises can more accurately predict market changes, timely adjustment of operational strategies. The introduction of technology tools can speed up the flow of information and decision-making, and help enterprises make more forward-looking and data-driven judgments in the face of crises, thereby improving the accuracy and efficiency of crisis response.

4.3. Improve the organizational learning ability of enterprises

First of all, a learning culture should be established, and the management should lead by example, take the lead in learning and innovation, set an example, and convey the message of attaching importance to learning and continuous improvement. By creating a positive and open work environment, companies can encourage employees to constantly explore new ways of thinking and working, and stimulate their innovation drive. This cultural atmosphere not only promotes individual growth, but also gradually translates into the overall innovation ability of the enterprise. Secondly, enterprises should improve the knowledge management system, through the construction of efficient knowledge sharing platform, to ensure that employees at all levels can quickly and easily obtain the required knowledge and information, improve their work efficiency and decision-making quality. A sound knowledge management system should not only facilitate the storage and retrieval of information, but also have the function of continuous updating and knowledge integration, so that the knowledge system of the enterprise can evolve with the changes of the market and technology. At the same time, companies should ensure that employees are up to date on the latest industry trends and technological developments by setting up internal training, knowledge-sharing sessions and online learning platforms. At the same time, cross-departmental collaboration can break the "information island" within the organization and promote the generation of innovative thinking through knowledge complementarity and resource sharing among different departments. Regular cross-functional exchanges, brainstorming sessions and joint projects can effectively promote collaboration between teams, facilitate the transfer of knowledge and experience, and enhance the overall innovation capacity of the team. Finally, establish a continuous feedback and reflection mechanism to regularly evaluate the learning effect to ensure that the learning effect is effectively evaluated and improved. Through regular performance evaluations and feedback on learning outcomes, companies are able to identify which learning strategies are working and which need to be adjusted. This feedback mechanism not only helps identify and resolve problems, but also drives continuous improvement within the organization. At the same time, enterprises can organize reflection meetings or learning summary meetings to allow employees to share learning experiences and reflect on their shortcomings in work, so as to continuously improve their adaptability and innovation ability, and ultimately promote the improvement of the overall performance of enterprises.

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