

A Study of Spirit of Zhejiang Entrepreneurs, Enterprise Innovation and Enterprise Growth in China

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Abstract

The purpose of this paper is to take Zhejiang entrepreneurs as the object, constructs a research model of "entrepreneurship-enterprise innovation-enterprise growth", collects sample data by questionnaire survey, and makes an empirical analysis to explore the influence of the Spirit of Zhejiang Entrepreneurs on enterprise growth and the intermediary effect of enterprise innovation between them. Based on the quantitative research design, the main findings and conclusions of this paper are as follows: First, each dimension of the Spirit of Zhejiang Entrepreneurs has a direct role in promoting the growth of enterprises, and the spirit of innovation has the strongest role in promoting the growth of enterprises. In addition, the contractual spirit of private enterprises promotes the growth of enterprises more strongly than that of state-owned enterprises. Secondly, each dimension of the Spirit of Zhejiang Entrepreneurs has an obvious positive promotion effect on technological innovation and business model innovation, and the spirit of risk-taking has a stronger promotion effect on business model innovation of state-owned enterprises than private enterprises. Third, technological innovation and business model innovation have an obvious role in promoting the growth of enterprises, which is more obvious in private enterprises. Fourth, technological innovation and business model innovation play an obvious intermediary role between the Spirit of Zhejiang Entrepreneurs and enterprise growth. For the implication of this study, among them, the Spirit of Zhejiang Entrepreneurs mainly influences the growth of state-owned enterprises through the intermediary role of business model innovation. Finally, combined with theoretical analysis and empirical research, the research results are further discussed, and the corresponding countermeasures to promote the healthy growth of Zhejiang enterprises are put forward from the perspective of carrying forward the excellent the Spirit of Zhejiang Entrepreneurs and promoting the innovation and development of enterprises.

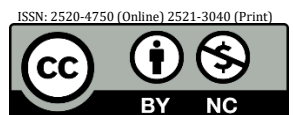


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Introduction

Research background

In today's China, Zhejiang Entrepreneurs is undoubtedly an entrepreneur group with the largest number, the widest distribution, and the strongest strength, and its popularity, reputation, and influence have far exceeded the provincial scope. Zhejiang is the most economically developed province in China. According to China's unified preliminary accounting, in 2022, Zhejiang Province ranked fourth in China with a total GDP of 7,771.5-billion-yuan, accounting for 6.46% of the total GDP of China, with a GDP increase of 367.42 billion yuan and a nominal growth rate of 4.96%. In terms of industries, the added value of the primary, secondary, and tertiary industries was 232.5 billion yuan, 3,320.5 billion yuan, and 4,218.5 billion yuan respectively, up by 3.2%, 3.4%, and 2.8% respectively over the previous year, and the tertiary industrial structure was 3.0: 42.7: 54.3. The per capita GDP was 118,496 yuan (US \$17,617 at the annual average exchange rate), an increase of 2.2% over the previous year. In the rich list of mainland China published by Forbes over the years, the number of rich people from Zhejiang ranks first. With the rapid economic development, the international competitiveness of Zhejiang's economy is constantly emerging. (Drucker 1985; Dunford et al. 2010; Guan et al. 2019; Pedersen et al. 2020; Thomas 2021; Wei et al. 2014; Zahra & Covin 1995; Zhai et al. 2018; Sirmon et al. 2017; Subramaniam 2021). Fortune magazine (2022) published the latest list of the worlds top 500. In 2022, the total operating income of 500 enterprises in the list reached 37.8 trillion US dollars, up 19.2% year-on-year, equivalent to 40% of the global GDP, close to the sum of the GDP of China and the United States; The total net profit reached 3.1 trillion US dollars, up 88% year-on-year, the largest increase since 2004. The threshold for entering the list (minimum sales revenue) jumped from US \$24 billion to US \$28.6 billion, which further increased the difficulty of entering the list.

There are 145 listed enterprises in China, ranking first in the world for four consecutive years, with an increase of 2 over the same period of last year, including 99 state-owned enterprises and 46 private enterprises. Although the shadow of the novel coronavirus pneumonia epidemic hangs over the whole world and the world economy continues to slump, the leading enterprises in Zhejiang still perform well. Nine enterprises in Zhejiang are listed on the list, namely Alibaba, CUHK, Rong Sheng Holdings, Geely Holdings, Qingshan Holdings, Hengyi Group, Zhejiang Jiaotou, Hangzhou Iron and Steel Group, and Hailiang Group, with one more (Hangzhou Iron and Steel Group) than in 2021. The overall scale of listed enterprises in Zhejiang is growing and their global competitiveness is strengthening. Statistics are both boring and the most convincing. The above analysis shows that many entrepreneurs in Zhejiang are the main body creating the miracle of Zhejiang's rapid economic development, the most precious resource, the most important driving force, and the most obvious advantage to promoting Zhejiang's rapid economic development, and the main force of Zhejiang's economic development. The Spirit of Zhejiang Entrepreneurs is an important driving force for enterprise growth. At present, scholars have carried out abundant research on the relationship between the the Spirit of Zhejiang Entrepreneurs and firm growth from theoretical and empirical perspectives. However, under the current background of vigorously promoting excellent entrepreneurship and actively promoting the high-quality development of enterprises, it is of great theoretical and practical significance to regain the research on the relationship between the the Spirit of Zhejiang Entrepreneurs and enterprise growth.

Problem Statement

The role of Spirit of Zhejiang Entrepreneurs in promoting enterprise growth has been generally recognized by academic circles. However, to promote excellent Spirit of Zhejiang Entrepreneurs at present, it is necessary to systematically study the internal mechanism and

boundary conditions between Spirit of Zhejiang Entrepreneurs and enterprise growth, to reveal the influence path of entrepreneurs on enterprise transformation, upgrading, and high-quality development. (Drucker 1985; Dunford et al. 2010; Guan et al. 2019; Pedersen et al. 2020; Thomas 2021). Innovation is the important driving force of high-quality economic development, and enterprises and entrepreneurs are the important subjects of innovation. Therefore, promoting high-quality economic development requires entrepreneurs to actively seek the growth path of innovation-driven enterprise transformation and upgrading. Based on such practical needs, this study explores how Spirit of Zhejiang Entrepreneurs influences the growth of enterprises through enterprise innovation and realizes the internal mechanism of innovation, development, and transformation and upgrading of enterprises. Although scholars have done abundant research on the Spirit of Zhejiang Entrepreneurs, enterprise innovation, and enterprise growth, there is still a certain distance from the current practical requirements of promoting excellent Spirit of Zhejiang Entrepreneurs and promoting high-quality development of enterprises.

At present, scholars' research on the Spirit of Zhejiang Entrepreneurs mostly draws lessons from Western research results and expands around two core spirits: innovation spirit and risk-taking spirit. Carrying forward the strategy of excellent Spirit of Zhejiang Entrepreneurs to promote high-quality economic development not only requires entrepreneurs to actively exert their innovative spirit and adventurous spirit to realize the leap-forward growth of enterprises but also requires entrepreneurs to uphold the spirit of contract and promote the sustained and healthy development of enterprises. Therefore, it is necessary to redefine the new connotation of entrepreneurship in combination with the realistic requirements of promoting excellent Spirit of Zhejiang Entrepreneurs to promote the transformation, upgrading, and healthy growth of enterprises, and reveal the internal path of Spirit of Zhejiang Entrepreneurs affecting the growth of enterprises from the perspective of enterprise innovation. Although the relevant research supports the direct promotion significance of Spirit of Zhejiang Entrepreneurs to enterprise innovation and the important influence of enterprise innovation on enterprise growth, it is different from the previous direct relationship between entrepreneur entrepreneurship and enterprise creation, and between the company Spirit of Zhejiang Entrepreneurs and enterprise innovation behavior. Whether entrepreneurs' personal values and behavior tendencies can be successfully transformed into enterprise innovation behavior and promote enterprise growth and high-quality development through enterprise innovation behavior and innovation achievements, this practical problem needs to be further demonstrated from theoretical and empirical perspectives. (Drucker 1985; Dunford et al. 2010; Guan et al. 2019; Pedersen et al. 2020; Thomas 2021; Wei et al. 2014; Zahra & Covin 1995; Zhai et al. 2018; Sirmon et al. 2017; Subramaniam 2021)

Research Questions

According to the above problem statement, this study puts forward the specific research questions mentioned as: 1. Does the Spirit of Zhejiang Entrepreneurs positively affect the growth of enterprises? 2. Does the Spirit of Zhejiang Entrepreneurs positively affect enterprise innovation?

Research Objectives

This study mainly analyzes the relationship between Spirit of Zhejiang Entrepreneurs, innovation spirit, and enterprise growth, discusses the internal and external factors of Spirit of Zhejiang Entrepreneurs, and analyzes the influence mechanism of Spirit of Zhejiang Entrepreneurs on enterprise growth from two perspectives of opportunity identification and resource integration. The specific objectives are mentioned as: 1. Explore the influence of the

Spirit of Zhejiang Entrepreneurs on the growth of enterprises. 2. Explore the influence of Spirit of Zhejiang Entrepreneurs on enterprise innovation.

Scope of the Study

This study integrates Spirit of Zhejiang Entrepreneurs, enterprise innovation, and enterprise growth into a research framework, discusses the influence of Spirit of Zhejiang Entrepreneurs on enterprise growth by combining theoretical and empirical methods, and discusses the intermediary role of enterprise innovation between them, revealing the internal mechanism of Spirit of Zhejiang Entrepreneurs affecting enterprise growth, and providing a theoretical basis for giving full play to Spirit of Zhejiang Entrepreneurs to promote enterprise transformation and upgrading.

Literature review

The Spirit of Zhejiang Entrepreneurs

Existing scholars have defined entrepreneurship from different perspectives. Psychologists mostly take entrepreneurs as their research object, aiming at summing up the personality traits that are different from ordinary people from many entrepreneurs and defining them as entrepreneurship. (Drucker 1985; Dunford et al. 2010; Guan et al. 2019; Pedersen et al. 2020; Thomas 2021; Wei et al. 2014; Zahra & Covin 1995; Zhai et al. 2018; Sirmon et al. 2017; Subramaniam 2021). However, many successful entrepreneurs have different personality traits, and it is one-sided to define entrepreneurship with a series of personality traits. Opportunity discovery is a cognitive process, and entrepreneurs are the main body of this cognitive process, so lifeless enterprises cannot undertake the responsibility of opportunity discovery (Audretsch, 1995). Therefore, the process of opportunity discovery, evaluation, and utilization is the choice made by entrepreneurs under the leadership of entrepreneurship, and the research on entrepreneurs gradually turns to the discussion of entrepreneurship. In the early 18th century, Cantillon mentioned that entrepreneurship is the combination of entrepreneurial spirit and skills. Mises (1949) thinks that entrepreneurship is a kind of ability, which is the ability of individuals to discover and create opportunities that can generate profits and actively utilize such opportunities. Mises (2010) strongly criticizes the wrong idea that entrepreneurship is regarded as a risk-taking ability and production factor. From the perspective of human resources, Schultz thinks that entrepreneurship is a kind of "ability to achieve balance". With the continuous advancement of research, scholars have launched a rich discussion on entrepreneurship from the perspectives of psychology, economics, management, sociology, and even law, which is also the main reason for the fuzziness of the concept of entrepreneurship. Based on the relevant literature, the typical concepts of entrepreneurship are shown in Table 2-1.

Table2- 1 Typical Entrepreneurship Concept

Research perspective	Definition of the Connotation of Entrepreneurship	Source
Protestant ethics	Puritan "dedication to the cause", including loyalty and responsibility to the cause, hard work, the pursuit of wealth and frugality, or "capitalist spirit"	Weber (2002)
Achievement motivation theory survival theory	Entrepreneurs' personality characteristics that influence entrepreneurial activities are the struggle of some disadvantaged minority groups in society to change their current situation	McClellan (1954) Hager (1960)

Cultural values	It is people's attitude towards work, social interaction, money and risks, and it is a value system	Lynn (1991)
It is innovative action, not personality characteristics	It is entrepreneurs' ability to find opportunities in change, innovate and integrate resources, and carry out planned innovative actions.	Schumpeter (1934) Drucker (1985) Covin and Slevin (1991)
It is the behavioral tendency of running a business, not the personality trait	And the tendency to pursue technological leadership and actively participate in industrial competition	
Entrepreneur talent allocation theory	The act of allocating entrepreneurial talents to the field of innovative production	Baumol (1990), Lv (2018) Liu et al. (2013)
Entrepreneurial behavior	Equate entrepreneurship with entrepreneurs' entrepreneurial behavior	
It is an enterprise with personal characteristics as its dominant characteristics	Entrepreneurs' value system, risk preference, adventure and other personal characteristics are the dominant elements of entrepreneurship. These dominance	

Source: collation of this study.

Schumpeter, the pioneer of modern entrepreneurship theory, thinks that innovation is the essence of entrepreneurship, and entrepreneurship is a "creative destruction process". After Schumpeter, American economists made outstanding contributions to entrepreneurship. Knight (1916) directly defined entrepreneurship as the spirit of innovation and risk-taking to open new paths with the most creative actions in the face of uncertainty. Drucker (1985) believes that entrepreneurship is an innovative way to creatively utilize existing resources to achieve innovation. Peter Senge, a contemporary management scientist, has a more pragmatic understanding of entrepreneurship, believing that entrepreneurs are "a group with the greatest power to change the world and create a fair and just society. When faced with human survival crises such as hunger, poverty, environmental deterioration, and moral decay, entrepreneurs should give up their responsibilities " Subsequently, the research on entrepreneurship is becoming more and more detailed. Gartner, a well-known IT research and consulting organization in the United States, has studied the understanding of entrepreneurship in academic, business, and political circles, and found that entrepreneurship should include entrepreneurs' personality characteristics and abilities, innovation, resource reallocation and utilization, value creation, enterprise growth, unique thinking mode, strategic vision, and the ability to develop potential opportunities.

Enterprise Growth

The concept of enterprise growth was once abstracted from mainstream economics to increase or decrease production capacity. Finally, through the efforts of Penrose (1959) and other scholars, the "black box" of the enterprise growth process and growth difference was gradually uncovered, and the research on enterprise growth led to the exploration of enterprise resources and capabilities. Traditional research measures the growth of enterprises with the expansion of enterprise scale. Since Penrose (1959), the discrimination of enterprise growth is no longer limited to scale expansion, but extended to scale expansion and capacity improvement, thus more comprehensively reflecting the connotation of enterprise growth. The theory of enterprise growth has also jumped from the equilibrium "theory" held by economics school to the two mainstream theories of management: the resource-based view and the capability-based view. In the research on enterprise growth, how to judge the growth of an enterprise becomes a difficult point. (Pedersen et al. 2020; Thomas 2021; Wei et al. 2014; Zahra & Covin 1995; Zhai et al. 2018; Sirmon et al. 2017; Subramaniam 2021). According to the needs

of research, scholars judge the growth of enterprises from different angles, generally including "quantitative change" and "qualitative change" of enterprise growth. "Quantitative change" mainly refers to the expansion of enterprise scale, and "qualitative change" mainly refers to the promotion of enterprise growth ability.

1. Expansion of enterprise scale

How to distinguish the growth of enterprises is the main difficulty in relevant research. The most intuitive judgment of enterprise growth is economic scale expansion, including production scale, market scale, and management scale, among which production scale expansion is the main measure taken by scholars at present.

(1) Expansion of production scale

Adam Smith (1776), a representative of classical economists, believes that the improvement of production division and specialization can promote the expansion of production scale, then realize economies of scale with increasing returns to scale, and finally make the scale of enterprises change from small to large, and realize the expansion. John Mill (1848), based on Adam Smith's theory of production scale expansion and enterprise growth, further extended the theory of production scale expansion to the scale expansion of capital stock. Scholars mostly use indicators such as total assets and the number of employees to measure the production scale of enterprises (Richardson, 2006; Hermuningsih, 2018), and use asset increase rate or employee increase rate to measure the expansion of the production scale of enterprises.

(2) Expansion of market scale

Marshall (1890) thought that the market scale of enterprises may reach a very large scale, and it can continue to grow until the industry monopolizes. In the process, the market influence of enterprises will be continuously strengthened. The economies of scale of monopoly enterprises may also benefit the public, and the economies of scale generated by the large-scale production capacity brought by monopoly may greatly reduce the unit cost of products. Most of them are "oligopolies", that is, there is a limited monopoly. Therefore, the price increase brought by monopoly may help attract new entrants, thus breaking the monopoly structure of the market and promoting the growth of new entrants. Most scholars use market share or sales to measure the market size of enterprises (Ray et al. 2018) and use market share increase or sales growth rate to measure the market size expansion of enterprises (Jiao, & Yang, 2019).

(3) Increased management team

The bigger the management team, the stronger the management ability. Williamson (1975) believes that the complicated hierarchical division of labor system is more effective than vertical and holding structure systems, because the expansion of management scale reduces the internal transaction costs of the organization, and the cost saved is greater than that generated by the expansion of management scale. The complicated organizational form of the business division system is to adapt to the expansion of enterprise production scale and market scale and improve the efficiency of resource allocation. At present, the commonly used indicators to measure the scale of enterprises are assets, sales, and the number of employees. Although management scale is considered by Penrose (1956) as a restrictive factor of enterprise growth, there are few empirical studies on measuring enterprise scale expansion by management scale.

Enterprise Innovation

Since Schumpeter (1934) put forward the theory of "innovation" completely and systematically for the first time in his book "Economic Development Theory", innovation has been a hot topic that scholars generally pay attention to. Schumpeter thinks that innovation is a process of "creative destruction". In the dynamic process of innovation, when new equipment and technology are introduced, old equipment and technology will be eliminated. Innovation

implies destruction at the same time, which is an important force of technological progress. Schumpeter believes that the key to innovation is to create or introduce new things for the production and operation of enterprises, which has been the mainstream of innovation theory research for many years. Schumpeter innovation is mainly aimed at manufacturing enterprises. Schumpeter-style innovation holds that innovation is a "new combination" of new production factors and production conditions, which includes five types: new products, new production methods, new markets, new raw material supply sources, and new organizational forms. After Schumpeter, scholars began to study innovation from different perspectives, and a large number of academic literatures on market innovation, process innovation, management innovation, and product innovation emerged, among which technological innovation is the focus of innovation research. With the rise and rapid development of the tertiary industry and the Internet, some scholars have further expanded the connotation of innovation and put forward service innovation (Lusch and Nambisan, 2015) and business model innovation (Guo, 2019 & ClauG, 2017), and other concepts. Some scholars believe that innovation is a process from creativity to commercialization (Utterback, 1974; Roberts, 1988; Zhang, et al., 2019).

Enterprise innovation is a multi-dimensional concept. Scholars have divided the dimensions of enterprise innovation into three aspects: innovation object, innovation intensity, and innovation method. According to different innovation objects, scholars divide enterprise innovation into technological innovation, product and service innovation, process innovation, strategic innovation, management innovation, organizational innovation, and business model innovation (Zhang, et al. 2019; Daman Pour, 2014; Casadesus-Masanell Zhu, 2013; Rennings et al. 2013; James and Leiblein, 2013; Schumpeter, 1934). According to whether the object of innovation includes technological change, innovation can be generally divided into technological innovation and non-technological innovation. Schumpeter's (1934) concept of innovation includes technological innovation and non-technological innovation. Some scholars emphasize the importance of technical innovation. For example, in his book *Invention and Economic Growth*, Schmookler (1966) thinks that understanding the technological innovation of products and processes is the key to understanding the innovation of enterprises. Grossman (1991) believes that all innovation of enterprises can be explained by technological innovation and other forms of innovation are all aimed at realizing the value of technological innovation. However, Drucker (1985) believes that innovation is to invent and create new things or change the value of original things, open new markets and develop new customer groups, improve labor productivity, and increase resource output, and it is not limited to whether it includes technology. In addition, according to the different innovation intensity, scholars divide enterprise innovation into two dimensions: gradual innovation and breakthrough innovation (Qi, et al. 2020; Li, & Zeng, 2019; Yang Fei, 2018; Forees and Camison, 2016; Dang, et al. 2016; Subramaniam and Youndt, 2005). According to different innovation models, scholars divide innovation into integrated innovation (Li, & Yang, 2019), combined innovation (Li, et al. 2019), cooperative innovation and independent innovation (Zhang, & Li, et al. 2020), closed innovation and open innovation (Schumpeter, 1947; Gao, & Ma, 2014).

Methodology

Research Design

Firstly, this paper constructs a theoretical model of the relationship among the main variables, such as the Spirit of Zhejiang Entrepreneurs, firm growth, and firm innovation. Based on the theoretical analysis and local context, this paper defines the connotation of the Spirit of Zhejiang Entrepreneurs from three dimensions: innovation spirit, risk-taking spirit, and contract spirit, and puts forward research hypotheses. Secondly, it quantitatively measures the Spirit of Zhejiang Entrepreneurs from three dimensions: innovation spirit, risk-taking spirit,

and contract spirit, and comprehensively evaluates enterprise growth from three aspects: economic value, social value, and ability improvement. Drawing on the relevant research of scholars, the questionnaire is designed according to the standard process, and the data is collected by the questionnaire. Through SPSS 25.0 software and AMOS 7.0, the reliability and validity of the collected first-hand data are analyzed to test the validity of the sample data and lay a foundation for hypopaper testing. Finally, the correlation analysis of the sample data is used to judge the relationship among the variables, and linear regression analysis is used to test the relationship between the dimensions of the Spirit of Zhejiang Entrepreneurs, enterprise innovation, and enterprise growth; Secondly, Bootstrap method is used to test the mediating effect of enterprise innovation between the Spirit of Zhejiang Entrepreneurs and enterprise growth. Finally, the inconsistencies between the empirical test results and research hypotheses are further discussed.

Measurement of Variables

1. Enterprise growth

Enterprise growth is a comprehensive index, and most of the research on enterprise growth takes enterprise growth as a single dimension. With the continuous advancement of research, the evaluation of enterprise growth has shifted from single index to multi-index. At present, empirical research mostly adopts some indicators that comprehensively reflect the performance and ability of enterprises to measure growth of enterprises (Sun, 2017), and the measurement methods include objective indicators and subjective surveys. Combined with previous research results, this study also takes enterprise growth as a single dimension, adopts a subjective survey method to design indicators, and evaluates the change of comprehensive strength of enterprises from three aspects: economic value growth, social value growth, and capacity improvement, to measure the growth of enterprises.

2. The Spirit of Zhejiang Entrepreneurs

Drucker (1985) believes that the core of entrepreneurship is the spirit of innovation. Covin and Slevin (1991) divided the entrepreneurial spirit into the innovative spirit, adventurous spirit, and competitive spirit. Based on this dimension division of entrepreneurship, foreign scholars have expanded the dimension of entrepreneurship in many ways around the spirit of innovation and adventure, but there is no unified standard for dividing the dimension at present. Domestic-related research mainly refers to the research results of the West. This paper holds that the Spirit of Zhejiang Entrepreneurs is inseparable from the specific social environment and economic development level, and the existing scholars' dimension division of the Spirit of Zhejiang Entrepreneurs is difficult to reflect the special background of our country. At present, to promote high-quality economic development and healthy growth of enterprises, Zhejiang entrepreneurs need not only to carry forward the spirit of innovation and adventure but also to vigorously carry forward a series of other excellent qualities including dedication, honesty, cooperation, dedication, and self-worth realization. According to the definition of the Spirit of Zhejiang Entrepreneurs (The Spirit of Zhejiang Entrepreneurs is composed of a value system and behavior tendency, its essence is innovation, and its main content includes pursuing innovation and excellence, being brave and taking risks, and abiding by contracts), this paper sums up these excellent qualities of entrepreneurs as contract spirit and combines the core content of the Spirit of Zhejiang Entrepreneurs, divides the dimension of the Spirit of Zhejiang Entrepreneurs into three dimensions: innovation spirit, risk-taking spirit, and contract spirit.

(1) Innovative spirit

Innovative spirit is the behavioral tendency of entrepreneurs to pursue new opportunities (Lumpkin and Dess, 1996). Entrepreneurs often purposefully seek innovation opportunities in environmental changes and a series of signs and actively formulate and implement innovative

plans to seize new opportunities, which is the embodiment of the entrepreneurial innovation spirit (Drucker, 1985). An innovative spirit is embodied in the whole process of entrepreneurs finding, evaluating, and utilizing opportunities and creating new products and services (Shane and Venkataraman, 2000). Innovative spirit includes entrepreneurs' innovative thinking mode, innovative behavioral tendency, and a series of actions to take innovative actions.

(2) Risk-taking spirit

Risk-taking is the nature of entrepreneurs. Entrepreneurs' innovative and entrepreneurial activities are accompanied by many uncertainties, and there are unpredictable risks at any time. Drucker (1985) thinks that when entrepreneurs transfer resources from low productivity to high productivity, there is a risk of failure. Lee and Peterson (2000) think that a risk-taking spirit is the entrepreneur's acceptance of risk. Cantillon and Knight also associate the Spirit of Zhejiang Entrepreneurs with risk-taking and uncertainty. Knight (1916) believes that people who cannot take risks independently cannot become entrepreneurs. Entrepreneurs must be brave enough to take risks to seize the fleeting opportunities for development. Miller and Friesen (1983) believe that risk-taking refers to the willingness to invest important resources in uncertain opportunities and the degree of commitment to large-scale high-risk projects. Therefore, the spirit of taking risks should be the attitude towards risks and uncertainties, the active and bold actions taken, and the corresponding degree of risks and uncertainties.

(3) The spirit of contract

Contract spirit is the product of the transition from a natural economy to a commodity economy and identity society to a contract society, and it is a spiritual culture that grows with a market economy, commodity economy, and democratic politics (Li, 2018). The spirit of a contract comes from a contractual relationship. The enterprise itself is a collection of a series of contractual relationships (Wang, 2014), including explicit contracts such as written laws and regulations and commercial contracts, and implicit contracts such as unwritten social contracts and psychological contracts. Honesty is the ethical basis of contract spirit, and law is the bottom-line requirement of contract spirit. Violation of explicit contracts or implicit contracts will affect the long-term survival and sustainable development of enterprises (Diao, 2013). Entrepreneurs are agents of enterprises internally and represent enterprises externally. Therefore, entrepreneurs not only need to fulfill the obligation of agency management but also need to abide by explicit contracts such as written laws and regulations and commercial contracts, as well as implicit contracts such as non-becoming moral norms and conventions. The spirit of contract is the consciousness and action of entrepreneurs to abide by various contractual relationships.

3. Enterprise innovation

Existing studies usually discuss enterprise innovation as a single dimension or discuss the influence of a certain aspect of enterprise innovation. Enterprise innovation is a comprehensive enterprise innovation faced by enterprise management. To guide for optimizing the current business environment, this study discusses enterprise innovation as a single dimension. Combined with the discussion of enterprise innovation content in this study, this paper draws lessons from the research of Fan Gang and Wang (2016) to evaluate enterprise innovation from the aspects of the relationship between government and the market, the market competition environment, and the level of rule of law. A scale is a tool that transforms abstract conceptual variables into measurable items and carries out quantitative measurement. To test the theoretical model proposed in this paper, it is necessary to quantitatively measure the conceptual variables involved in the model, so it is necessary to design a scientific, standardized, and reasonable scale. Scale design is an important link in sample selection and data quantitative tests, and its accuracy directly determines the effectiveness and reliability of the hypothesis test results of the relationship between quantities. In the process of variable selection and use, except that the contract spirit scale is developed by us, other scales all draw

lessons from foreign maturity scales. To better express the meaning of research ideas and items, this study follows the procedure and principle of "translation-back translation" and revises the scale according to the actual situation and Chinese expression habits, combined with the results of expert discussion, to make the scale design as effective and reasonable as possible.

1. Dependent variable: Enterprise growth

Enterprise growth is the dependent variable of this paper. Based on the relevant research of Haber and Reichel (2005), Zhao (2019), etc., this paper comprehensively evaluates the change of comprehensive strength of enterprises from three aspects: economic value, social value, and ability improvement, to measure the growth of enterprises. Based on this, a scale containing 13 items is designed, as shown in Table 3-1 for details. The scale covers the expansion of "quantity" and the improvement of "quality" of enterprises, which is in line with Penrose (1959)

Table3- 1 Enterprise Growth Scale

Measurement plane	Number in g	Measurement item	Source
Economic value increase	CZ1	The total fixed assets of the company have increased obviously	Haber and Reichel (2005), Zhao (2019)
	CZ2	The market share of the company has increased significantly	
	CZ3	The company's sales revenue has increased significantly	
	CZ4	The profit margin of the company has increased significantly	
	CZ5	The company's consumer satisfaction has improved significantly	
	CZ6	The market value of the company has been significantly improved	
	CZ7	The social image of the company has been significantly improved	
	CZ8	The industry status of the company's main products has been significantly improved	
Increased social value	CZ9	The asset structure of the company has been significantly improved	
	CZ10	The risk management level of the company has been significantly improved	
	CZ11	The company's ability to cope with environmental changes has been significantly improved	
Enterprise capability improvement	CZ12	The ability of the company to identify development opportunities has been significantly improved	
	CZ13	The overall competitiveness of the company has been significantly improved	

Source: Author's collation

2. Independent variable: The Spirit of Zhejiang Entrepreneurs

The Spirit of Zhejiang Entrepreneurs is the driving force for Zhejiang enterprises to overcome internal and external difficulties and last forever, and it is also the source of power for successfully building Zhejiang enterprises. The Spirit of Zhejiang Entrepreneurs is manifested as an innovative spirit, risk-taking spirit, contract spirit, etc., which is embodied as entrepreneurs' never-ending value pursuit. Based on the previous definition of the Spirit of Zhejiang Entrepreneurs, this paper measures the Spirit of Zhejiang Entrepreneurs from three dimensions: innovation spirit, risk-taking spirit, and contract spirit. The specific measurement process is described as follows:

(1) Innovative spirit

Covin and Slevin (1989) first developed entrepreneurship from three dimensions: innovation, risk-taking, and pioneering. The internal consistency of this scale is 0.937, and the consistency

of innovation, risk-taking, and pioneering is 0.857, 0.853, and 0.842, respectively, which has good constructive validity. This scale is generally adopted by scholars at home and abroad. This paper also uses the scale developed by Covin and Slevin (1989) to measure the innovative spirit of Zhejiang entrepreneurs. See Table 3-2 for specific measurement items.

Table3- 2 Zhejiang Entrepreneur Innovation Spirit Scale

Dimension	Numberin	Measurement item	Source
Innovative spirit	CXJS1	I always consider introducing new products and services to the market	Covin and Slevin (1989)
	CXJS2	I always consider pushing products and services to new markets	
	CXJS3	I always consider adopting new ways and means to conduct business	
	CXJS4	I like to try new ways to achieve my goals	
	CXJS5	I like to solve problems in innovative ways	
	CXJS6	I often see problems and changes as opportunities	
	CXJS7	I am good at integrating thought problem resources from different	

Source: Collation of this study

(2) Risk-taking spirit

A risk-taking spirit is an entrepreneur's risk preference and attitude toward uncertainty. Based on the maturity scale developed by Covin and Slevin (1989), this paper measures Zhejiang entrepreneurs' risk-taking spirit from the aspects of entrepreneurs' attitude towards uncertainty, risk-taking, and the degree of risk-taking. See Table 3-3 for specific measurement items.

Reliability and Validity Test

When using a questionnaire to collect data, only when the reliability and validity of the scale are convincing can we get valuable research results. The research items come from literature research and expert discussion. Although the scale has a certain validity guarantee, it still needs to carry out internal consistency tests, reliability, and validity analysis on the recovered sample data to further test its effectiveness. This study is based on the results of expert interviews and discussions to develop the entrepreneur contract spirit scale, so we need to use exploratory factor analysis to test the effectiveness of the contract spirit scale. Because the spirit of contract is a dimension of the Spirit of Zhejiang Entrepreneurs, this study uses 58 sample data collected in the pre-investigation stage to conduct exploratory factor analysis on all measurement items of the Spirit of Zhejiang Entrepreneurs variables. The internal consistency of the Spirit of Zhejiang Entrepreneurs was 0.911.

1. Reliability analysis of the Spirit of Zhejiang Entrepreneurs scale

(1) Reliability analysis of items of innovative spirit scale

Reliability analysis of seven items of the innovative spirit scale is carried out, and the results are shown in Table 3-9. The analysis results show that Cronbach's A of innovative spirit factor is 0.837, which is greater than 0.8, indicating that its reliability is good and meets the research needs. According to Cronbach's A after deleting items, deleting any items can not increase the overall reliability of the scale, so it is not recommended to delete them, and finally keep the seven items with innovative spirit.

Table3- 3 Reliability analysis results of innovative spirit scale (N=58)

Scale	Question	Scaled average	Scale side after	Correlation	After deleting	the Cronbach's
Innovative	CXJS1	24.66	14.393	0.432	0.831	0.837
	CXJS2	24.66	15.312	0.350	0.830	
	CXJS3	24.34	14.664	0.659	0.810	
	CXJS4	24.47	14.040	0.676	0.804	

CXJS5	24.97	12.243	0.692	0.797
CXJS6	24.87	12.280	0.724	0.791
CXJS7	24.76	13.915	0.686	0.802

Findings

Summary of Respondents

1. Distribution characteristics of samples

A total of 323 samples were collected in the formal investigation stage of this study, and the distribution characteristics of the samples are shown in Table 4-1. According to the distribution characteristics of samples, the samples collected in this paper are close to the actual situation and can meet the requirements of empirical research.

Table4- 1 Sample Distribution Characteristic Distribution (N=323)

Project	Classification	Quantity	Proportion (%)	Project	Classification	Quantity	Proportion (%)	
Company Establish Years	Within 3 years	26	8	Gender	Male	220	68.10	
	3 ~ 5 years	32	9.9		Female	103	31.90	
	5 ~ 10 years	67	20.7		Under 20 years	20	1.50	
	10-20 years	101	31.3		20-30 years	62	19.20	
	Over 20 years	97	30		30-45 years	178	55.10	
Company Registration Capital	Less than 1 million	27	8.4	Age	45 to 55 years	75	23.20	
	1 million to 5 million	40	12.4		Over 55 years	3	0.90	
	5 million to 30 million	88	27.2		Highest Educational background	Junior college	19	5.90
	30 million to 100 million	47	14.6		Junior college	33	10.20	
	More than 100 million	121	37.5		Undergraduate	138	42.70	
Company Employees Number of people	Under 100 persons	90	27.9	In Ben Company Work Years	Master	113	35.00	
	100 to 200 persons	34	10.5		Doctoral	20	6.20	
	200 to 500 people	48	14.9		Within 3 years	90	27.90	
	500 ~ 1000 people	28	9.7		3 ~ 5 years	76	23.50	
	More than 1000 people	123	38.1		5 ~ 10 years	95	29.40	
Company Nature Belonging to Industry	State-owned	72	22.3		Over 10 years	62	19.20	
	Non-state-owned	251	77.7					
	Traditional	99	30.7					
	Service industry	85	26.3					
	High-tech industry	96	29.7					
	Other industries	43	13.3					

2. Descriptive statistical analysis

In this study, SPSS25.0 software is used to analyze the correlation of the variables involved in this study. The analysis results of the mean value, standard deviation, and correlation coefficient of all variables are shown in Table 4-2. The analysis results show that there is a significant positive correlation among the variables such as entrepreneurial innovation spirit, risk-taking spirit, contract spirit, enterprise innovation and enterprise growth, which is consistent with some assumptions of this study, and lays the foundation for the next hypopaper testing process.

Table4- 2 Descriptive and Correlation Analysis (N=323)

	CZ	CXJS	FXJS	QYJS	JSCX	SYMS	YSHJ	Age	Scale
Average	3.60	3.94	3.71	4.13	3.97	3.96	7.88	3.65	3.19
Standard deviation	0.66	0.64	0.63	0.50	0.83	0.66	2.70	1.23	1.67
CZ	1								
CXJS	0.45**	1							
FXJS	0.38**	0.51**	1						
QYJS	0.27**	0.31**	0.40**	1					
JSCX	0.39**	0.36**	0.30**	0.25**	1				
SYMS	0.46**	0.32**	0.23**	0.44**	0.36**	1			
YSHJ	0.04	0.03	-0.05	0.17**	0.04	0.08	1		
Age	0.02	-0.12*	-0.09	-0.08	-0.01	-0.08	0.07	1	
Scale	0.17**	-0.16**	-0.03	-0.08	0.09	-0.06	0.05	0.64**	1

Note: * means $P < 0.05$, ** means $P < 0.01$, Where P is double-tailed

Table4- 3 Regression Results of the Relationship between the Spirit of Zhejiang Entrepreneurs and Enterprise Growth (N=323)

Enterprise growth			Enterprise growth		Technological innovation			Business innovation		model	
A1	A2	A3	B1	B2	C1	C2	C3	D1	D2	D3	
CXJS	0.50** *				0.71** *			0.65* **			
FXJS		0.40* **				0.60***			0.65** *		
QYJS			0.37** *				0.75** *			0.73** *	
JSCX				0.30** *							
SYMS					0.46* **						
Nature	-0.02	0.06	-0.07	0.04	0.09	-0.12** *	-0.24*	-0.32** *	-0.16*	-0.26** *	-0.34**
Scale	0.10** *	0.13* **	0.11** *	0.09**	0.10* **	0.10	0.05	0.08	0.04	0.01	0.03
Age	-0.07*	-0.05	-0.07	-0.06	-0.06	-0.05	-0.02	-0.04	-0.03	0.01	-0.02
Industry	Control	Control	Control	Control	Control	Control	Control	Control	Control	Control	Control
R 2	0.53	0.46	0.34	0.44	0.27	0.63	0.57	0.57	0.64	0.57	0.59
F	17.99	11.95	7.85	10.88	16.78	29.81	21.18	21.13	31.09	21.63	24.18

Note: * means $P < 0.05$, ** means $P < 0.01$, where P is two-tailed significance.

Table4- 4 Regression Results of the Relationship between the Spirit of Zhejiang Entrepreneurs and Enterprise Growth-Comparison of Different Company Properties (N=323)

Enterprise growth			Enterprise growth		Technological innovation			Business innovation		model
A1	A2	A3	B1	B2	C1	C2	C3	D1	D2	D3
CXJS	0.53**				0.68**			0.61*		
					*			*		
FXJS						0.57***			0.51**	
									*	
QYJS							0.77**			0.75**
							*			*
JSCX										
SYMS										

Nature	0.54	0.29	1.01	0.98**	0.76	-0.65	-0.84	0.05	0.77	-1.25	0.01
NatureCXJS	-0.13					0.14			0.16		
NatureFXJS		0.07					0.16			0.27*	
NatureQYJS			-0.26*					-0.07			-0.08
NatureJSCX				-	0.25**						
NatureSYMS						-0.17*					
Control	Control	Control	Control	Control	Control	Control	Control	Control	Control	Control	Control
R2	0.54	0.46	0.49	0.46	0.53	0.63	0.57	0.57	0.65	0.58	0.55
F	15.89	10.46	10.19	10.74	15.11	26.22	18.65	18.47	27.59	19.65	21.09

Note: * means $P < 0.05$, ** means $P < 0.01$ and *** means $P < 0.001$.

According to the above assumptions, enterprise innovation not only has a direct impact on enterprise growth but also plays a bridge role between the Spirit of Zhejiang Entrepreneurs and enterprise growth. In this paper, the Bootstrap method is used to test the mediation effect, Bootstrap=5000, and the confidence level is set at 95%. If the 95%CI (confidence interval) of the mediation effect does not contain 0, it indicates that the mediation effect is significant; If the 95%CI of the mediation effect includes 0, the mediation effect is not significant. This paper constructs a theoretical model of the influence of the Spirit of Zhejiang Entrepreneurs on enterprise growth, discusses the influence mechanism of the Spirit of Zhejiang Entrepreneurs on enterprise growth, and the intermediary role of enterprise innovation, and makes an empirical analysis and hypothesis test on the theoretical model through 323 sample data. See Table 4-8 for a summary of hypothetical test results. This paper puts forward 21 research hypotheses, and through empirical analysis, 21 of them are supported. The research results show that both the Spirit of Zhejiang Entrepreneurs and enterprise innovation can obviously promote the growth of enterprises, and enterprise innovation plays an obvious intermediary role between the Spirit of Zhejiang Entrepreneurs and enterprise growth, and enterprise innovation has a partial intermediary role in its mechanism. (Wei et al. 2014; Zahra & Covin 1995; Zhai et al. 2018; Sirmon et al. 2017; Subramaniam 2021).

Conclusion

With the globalization of the economic market and the rapid development of science and technology, the upgrading of products is accelerating day by day. High-quality development of the economy puts forward higher requirements for the growth of Zhejiang enterprises. Carrying forward the excellent the Spirit of Zhejiang Entrepreneurs and promoting the high-quality development of Zhejiang enterprises have been mentioned at a strategic height. Based on this, this study analyzes the relationship among the Spirit of Zhejiang Entrepreneurs, enterprise innovation, and enterprise growth in theory by combing the relevant literature and constructing a theoretical model of the influence of the Spirit of Zhejiang Entrepreneurs on enterprise growth with enterprise innovation as the intermediary variable. The Spirit of Zhejiang Entrepreneurs is defined as innovation spirit, risk-taking spirit, and contract spirit, and enterprise innovation is defined as technological innovation and business model innovation. (Drucker 1985; Dunford et al. 2010; Guan et al. 2019; Pedersen et al. 2020; Thomas 2021; Wei et al. 2014; Zahra & Covin 1995; Zhai et al. 2018; Sirmon et al. 2017; Subramaniam 2021). This paper analyzes the internal mechanism that affects the growth of enterprises and puts forward research hypotheses. First-hand data obtained through a questionnaire survey is used to test the conceptual model and research hypothesis, and the following conclusions are drawn. The Spirit of Zhejiang Entrepreneurs plays an important role in promoting enterprise

growth. The Spirit of Zhejiang Entrepreneurs is an important driving force for enterprise growth. Although many theoretical studies have confirmed this influence, the existing studies mostly focus on the two core elements of innovation spirit and risk-taking spirit, and extend them to other elements such as competition spirit, cooperation spirit, sense of responsibility, dedication spirit, enterprising spirit, etc. And there is no research involving the entrepreneur's contractual spirit. Based on the needs of the times to promote the excellent the Spirit of Zhejiang Entrepreneurs and promote the transformation and upgrading of enterprises and high-quality development, this study puts the spirit of contract into the study of the Spirit of Zhejiang Entrepreneurs and divides the spirit of Zhejiang Entrepreneurs into three dimensions: innovation spirit, risk-taking spirit, and contract spirit to study its influence mechanism on enterprise growth. It is found that entrepreneurs' innovative spirit, risk-taking spirit, and contractual spirit have a significant direct role in promoting the growth of enterprises. The more innovative entrepreneurs are, the more conducive they are to the growth of enterprises (Guan et al. 2019; Zhai et al. 2018). The innovative spirit of entrepreneurs affects the business dynamics and strategic orientation of enterprises and urges enterprises to pay more attention to the acquisition and utilization of external resources and the optimal allocation of internal resources. The innovative spirit of entrepreneurs promotes enterprises to collect market information quickly, sort out and analyze valuable information, find market gaps, and identify new growth opportunities. The innovative spirit of entrepreneurs will also stimulate the external resource demand of enterprises and improve their resource acquisition ability (Liu, 2019). The enterprise's strong demand for resources can urge enterprises to actively seek external resources and devote themselves to obtaining and distributing these resources to meet the needs of enterprise growth. Entrepreneurial risk-taking spirit has a significant role in promoting the growth of enterprises. There are many uncertain factors and risks in the growth process of an enterprise. Entrepreneurs with high risk-taking spirits usually have a positive and optimistic attitude and dare to face uncertainty and take business risks. (Drucker 1985; Dunford et al. 2010; Guan et al. 2019; Pedersen et al. 2020; Thomas 2021; Wei et al. 2014; Zahra & Covin 1995; Zhai et al. 2018; Sirmon et al. 2017; Subramaniam 2021).

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