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Driving Dynamic Capability Towards Enterprise Performance: Mediating Role of Disruptive Innovation

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Abstract

In the face of a constantly changing environment, enterprises are increasingly realising that only by developing dynamic capability and disruptive innovation can they improve performance and bring about long-term growth. Dynamic capability and disruptive innovation have become the focus of corporate strategy research. This study aims to examine the relationship between dynamic capability and enterprise performance and the mediating role of disruptive innovation between dynamic capability and firm performance. A quantitative approach is used to achieve the objectives of this study. The data for this study were obtained from 445 respondents and analysed in two steps. The first step was to assess the measurements through confirmatory factor analysis and the second step was to test the hypotheses developed for this study using structural equation modelling and Bootstrap tests. The results of the study revealed that all three dimensions of dynamic capability positively affect firm performance. All three dimensions of dynamic capability positively affect disruptive innovation. Both dimensions of disruptive innovation positively affect firm performance. Both dimensions of disruptive innovation mediate the relationship between dynamic capabilities and firm performance. This study also presents the limitations and some suggestions for future research.

Keywords: Dynamic capability, Disruptive innovation, Enterprise performance, Resource, Product, Mode

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Introduction

Scholars have conducted many studies to explore the small black box of corporate performance growth, from the Porter Five Forces model that combines industrial economics with management, to the resource-based view that emphasizes that enterprises are a collection of various resources, and to the dynamic capability view that is based on the constantly changing environment (Teece et al., 1997). The emergence of a dynamic capability view is rooted in a dynamic and uncertain environment, emphasizing the continuous replacement of previously determined sources of competitive advantage with new capabilities, thereby promoting the growth of enterprises. It has been recognized by scholars as the most important factor supporting enterprise development (Helfat & Raubitschek, 2018).

Since Teece proposed dynamic capability, the relationship between dynamic capability and organizational performance, as well as how it affects organizational performance, has always been a

core issue in the study of dynamic capability. Some early scholars believed that dynamic ability directly affects performance (Karimi &Walter, 2018). Xiong et al. (2017) argued that dynamic capabilities are necessary but not sufficient to directly improve organizational performance. Tallott and Hilliard (2016) proposed that there is a certain intermediate mechanism between dynamic capabilities and corporate performance. Pasamar et al. (2015) analyzed the impact mechanism of dynamic capabilities on performance from the perspective of organizational structure and found that dynamic capabilities of enterprises have a positive impact on performance through embedded internal and external structures. Helfat et al. (2015) argued that dynamic capabilities are not directly related to product production or market services, and therefore do not directly affect the output of the enterprise. They have an indirect impact on the production process by integrating, restructuring, acquiring, and releasing resources, in order to respond to environmental turbulence or create internal and external changes. Fu et al. (2016) studied the relationship between dynamic capabilities and innovation performance at multiple levels and found that network dynamic capabilities have a U-shaped impact on innovation performance. Environmental uncertainty negatively regulates the relationship between dynamic management capabilities and innovation performance, and positively regulates the relationship between enterprise dynamic capabilities, network dynamic capabilities, and innovation performance. Xie and Zhao (2020) analyzed the impact of imitators' dynamic capabilities on independent innovation performance in specific industrial environments based on the theory of dynamic capabilities. They found that all three abilities of dynamic capabilities were positively correlated with independent innovation performance. Teece (2017) further pointed out that the dynamic capabilities of a company affect the design and operation of business models, and the formulation, refinement, implementation, and transformation of business models are essentially the output of high-level capabilities of the enterprise. The high-level capabilities of enterprises are supported by organizational processes and management skills, relying on the dynamic capabilities of the enterprise and obtained by establishing and reconfiguring internal resources. Foss and Saebi (2019) pointed out that previous research on disruptive innovation was mostly conceptual and descriptive, rather than theoretical and explanatory. Jiao et al. (2021) pointed out that enterprises can integrate and utilize enterprise assets from both internal and external sources by enhancing dynamic capabilities, and achieve disruptive innovation by creating value to operate business models, often surpassing companies without dynamic capabilities.

The above research clarifies that dynamic capabilities do not necessarily directly bring competitive advantages, as they need to indirectly create value through the reconfiguration of the enterprise's resource base, thereby promoting the development of performance. Dynamic capabilities can have no value in a certain scenario due to resource reconstruction not producing the expected results, but may also reflect value in other scenarios (Malone, 2022). This means that an organization with dynamic capabilities will be able to rapidly improve product production and business models for disruptive innovation. The strength of a company's dynamic capabilities affects its ability to innovate and realize value, which is crucial for organizational performance.

However, there is a lack of studies on the relationship between dynamic capability and disruptive innovation. In addition, the existing research has not given a reasonable explanation to the question of "what kind of innovative actions can be taken by dynamic capability to improve enterprise performance". Therefore, this paper starts from a dynamic capability perspective and takes an explanatory perspective on disruptive innovation, aiming to explore the impact mechanism of enterprise performance. It integrates dynamic capability, disruptive innovation, and enterprise performance into a research framework, and provides new ideas for enterprise growth by delving into the relationship between the three.

Literature Review

Dynamic Capability

Teece et al. (1997) proposed the idea of dynamic capacity since the resource-based approach and core competence theory are unable to explain how firms react to environmental changes. Dynamic capability was categorised into four categories by Mudalige et al. (2019): perception and integration, learning, reconstruction, and transformation. Dynamic capacities are broken down into four

categories by Ilmudeen et al. (2020): perception, coordination, learning and integration, and reconfiguration. When Chen et al. (2021) studied the impact of data-driven dynamic capability on future competitive advantage, they divided dynamic capability into three dimensions: perception capability, acquisition capability and reconstruction capability. Dynamic capabilities are further broken down into organisational flexibility, the ability to integrate and reconstruct, and the ability to recognise opportunities (Qu, 2022). This study divides dynamic capability into sensing opportunities capability, resource integration capability and organizational reconfiguration capability.

Most researchers have looked into the connection between dynamic capability and corporate performance and agree that dynamic capacity can boost performance. According to Wang et al. (2015), dynamic capability can increase an organization's competitive advantage and further enhance organisation performance. Chen et al. (2021) proposed that businesses who are adept at turning big data into knowledge and creating innovation inertia, using Alibaba as an example, can eventually gain a competitive edge by enhancing their dynamic capability.

Enterprise Performance

Li (2019) proposed that enterprise performance is a multi-level notion in the management world, a crucial metric for gauging the effectiveness and efficiency of organisational operations, and a catch-all phrase for all the accomplishments made by businesses in the execution of their production and operation activities.

Both financial and non-financial metrics can be used to assess an organization's performance. Profitability, solvency, asset management skills, growth potential, equity expansion skills, primary business status, and other financial indicators are only a few. To assess a company's performance status, four financial indicators can be used, including profitability, operational capacity, growth capacity, and solvency (Huang, 2022). Economic performance can be measured using the Tobin Q ratio between the market value of the business and the replacement cost of capital (Bassiti et al., 2018). The total assets yield can be used to gauge an organization's performance. Business performance can be gauged from two perspectives: financial performance and market performance, according to research on the relationships between management innovation, professional knowledge search, and business performance (Yu et al., 2020). Building a balanced scorecard performance evaluation system is required for the traits of high-tech enterprises (Hu, 2023). This paper combines financial and non-financial indicators to measure enterprise performance through a scale.

Disruptive Innovation

Disruptive innovation has emerged as a key element in boosting the overall power and core competitiveness of businesses. Whoever can lead the disruptive innovation will be able to take the initiative (Koberg, 2022). According to Christensen et al. (2006), disruptive innovation is the process through which businesses develop technology goods or business models to fulfil the demands of low-end or new consumers, eventually overthrow established norms, and even replace current businesses. Disruptive innovation can be separated into export-oriented innovation and inward-oriented innovation from the viewpoint of destructive cognition. Innovation that is focused on exports places a strong emphasis on the introduction of goods or services from outside the market. The inward type concentrates on importing goods or services from the existing market in an effort to reduce and eventually replace the market share held by the mainstream (Lin et al., 2017). This study divides disruptive innovation into product disruptive innovation and mode disruptive innovation.

Balanced pricing continues to diminish as the strategic business unit's autonomy inside the company rises, which influences consumer preference and boosts market performance (Shi et al., 2017). It is difficult to assume that small businesses will be successful in challenging the market monopoly of large businesses, but small businesses (or businesses with inadequate marketing capabilities) have the potential to do so through disruptive innovation. Small businesses will find it easy to adopt aggressive disruptive innovation strategies as long as large enterprises can consistently

maintain sensitive insight into the development prospects of disruptive innovation technologies and necessary innovation investment in the process of improving existing products (Chen and Yu, 2019).

Link between Dynamic Capability, Disruptive Innovation, and Enterprise Performance

The ability to recognize opportunities has a big impact on an enterprise's development, relative performance, and financial and non-financial performance (Chien, 2023). Businesses with strong environmental awareness will adapt their operations in line with shifting market conditions, preserve their competitive edge through appropriate strategies, and maintain their profitability and development potential (Guo et al., 2019). Enterprises with excellent integration capabilities are better able to swiftly, sensitively, and unexpectedly adjust their current strategy and resource base than their rivals in order to adapt to the changing environment (Muhammad, 2019). When an organization has strong integration capabilities, it can integrate the appropriate resources quickly and affordably. It can also continuously adjust its routine processes to fit the environment, preventing the stagnation of performance growth brought on by routine solidification. By upgrading the mix of internal and external resources, the integration ability can also help businesses uncover new opportunities for profit growth (He et al., 2018). Even if many organizations encounter comparable change drivers, have accurate environmental perceptions, and develop comparable change strategy plans, due to variances in change capacity, they may also experience various practical outcomes. Enterprises that are adept at organizational change frequently have greater success rates (Meyer, 2021).

Enterprises must immediately integrate and utilize existing resources after spotting opportunities. It is simpler for entrepreneurial enterprises to lay the knowledge foundation for the best scheme to develop the opportunities above, quickly develop new markets or develop new technologies, and other innovative achievements to match options, bring new products, and effectively implement disruptive innovation with the aid of resource integration capability (Parry & Kawakami, 2017). Organizational and cultural changes are necessary to foster disruptive innovation, which requires new administrative systems and management. The modification of corporate management and procedure is the core of organizational change. The implicit knowledge of executive members is gradually turned into a new understanding of the organization with the aid of organizational reconfiguration capability, creating new knowledge and supporting changes to operational procedures and business practices (Cao et al., 2020).

The adoption of new technologies and the acquisition of new skills can significantly improve the performance level of currently available products, develop the functional effects of new products, significantly lower investment costs, develop new product lines and the newest business sectors, actively support the functional relationship between suppliers and customers, and expand the market for the newest developments (Rice et al., 2018). According to Salomo (2019), businesses that can substantially implement quick changes in formal institutions and decision-making management can perform better than those that opt for incremental reform. Based on the above discussion, this study hypothesized as follows:

H1: Dynamic capability has a positive impact on enterprise performance.

H1a: Sensing opportunities capability has a positive impact on enterprise performance.

H1b: Resource integration capability has a positive impact on enterprise performance.

H1c: Organizational reconfiguration capability has a positive impact on enterprise performance.

H2: Dynamic capability has a positive impact on disruptive innovation.

H2a: Sensing opportunities capability has a positive impact on product disruptive innovation.

H2b: Resource integration capability has a positive impact on product disruptive innovation.

H2c: Organizational reconfiguration capability has a positive impact on product disruptive innovation.

H2d: Sensing opportunities capability has a positive impact on mode disruptive innovation.

H2e: Resource integration capability has a positive impact on mode disruptive innovation.

H2f: Organizational reconfiguration capability has a positive impact on mode disruptive innovation.

H3: Disruptive innovation has a positive impact on enterprise performance.

H3a: Product disruptive innovation has a positive impact on enterprise performance.

H3b: Mode disruptive innovation has a positive impact on enterprise performance.

H4: Disruptive innovation plays a mediating role between dynamic capability and enterprise performance.

H4a: Product disruptive innovation plays a mediating role between sensing opportunities capability and enterprise performance.

H4b: Product disruptive innovation plays a mediating role between resource integration capability and enterprise performance.

H4c: Product disruptive innovation plays a mediating role between organizational reconfiguration capability and enterprise performance.

H4d: Mode disruptive innovation plays a mediating role between sensing opportunities capability and enterprise performance.

H4e: Mode disruptive innovation plays a mediating role between resource integration capability and enterprise performance.

H4f: Mode disruptive innovation plays a mediating role between organizational reconfiguration capability and enterprise performance.

Methodology

Sample and Data Collection

According to Sekaran and Bougie (2017), a population is the total group of individuals, occasions, or objects of interest that the researcher desires to study. The high-tech businesses in Guangdong, China, serve as the study's analysis unit. The company must be one that has been legally recognised and regularly run for at least a year. Based on the above principles, the target population of this study is 8821 high-tech enterprises in Guangdong Province, China. The population is first identified, and then the sampling strategy is decided. In order to generalise the features of the sample to the population, a sample is chosen from the population. Decisions about sample size and design are both included in sampling (Sekaran & Bougie, 2017). Probability and nonprobability sampling are the two categories under which sampling designs can be categorised. The population's components have a known chance or probability of being chosen as sample subjects in probability sampling. Contrarily, with nonprobability sampling, the chances of the elements being chosen as subjects are unknown or undetermined (Sekaran & Bougie, 2017). A specific sample matrix is chosen during the data collecting process in order to get as many useful data points as possible, and the survey principle of random sampling is then used to gather data. The sample size is 445 according to Krejcie and Morgan's (1970) methodology. Senior managers, strategic decision-makers, heads of technical divisions, or another pertinent management personnel familiar with the firm are required to complete the questionnaire.

Measures

All structures included in the research model, such as corporate performance, dynamic capabilities, and disruptive innovation, were measured using 8, 17, and 10 items, respectively, which reported high statistical reliability and validity. All structural items were measured on a 7-point Likert scale (1="strongly disagree", 7="strongly agree"). The reason for choosing a 7-component scale instead of a 5-component scale is because it can more accurately measure the true evaluation of respondents, making it more suitable for electronic distribution of questionnaires (Finstad, 2010).

Data Analysis and Results

In this study, the measurement model assessment was done using AMOS, and the CFA was adopted. The measuring model was evaluated in two steps: the first step was a goodness-of-fit evaluation, and the second was a construct validity evaluation that included evaluating convergent and discriminant validity. The structural model is the second step in determining the critical ratio value by Byrne (2016), which is used to estimate the significance degree of the link between the variables.

Demographic Profile of Respondents

Table 1: Demographic and Profile Details of the Respondents

Characteristics	Category	Frequence	Percent
Age (years)	<5 years	10	2.25
	5 to 10 years	149	33.48
	11 to 20 years	188	42.25
	21 to 30 years	70	15.73
	>30 years	28	6.29
Nature	State-owned Enterprise	67	15.06
	Private Enterprise	334	75.06
	Foreign controlled Enterprise	14	3.15
	Domestic Holding Enterprise	26	5.84
	Collective Enterprise	4	0.90
Sales	<1 million	3	0.67
	1 to 3 million	28	6.29
	3 to 10 million	48	10.79
	10 to 30 million	76	17.08
	30 to 100 million	129	28.99
	100 to 300 million	64	14.38
	300 million to 1 billion	50	11.24
	1 to 5 billion	34	7.64
	5 to 10 billion	7	1.57
	>10 billion	6	1.35

Table 1 showed the demographic and profile details of the respondents. The total sample for this study is 445 middle and senior management personnel from Guangdong Province, China.

Assessment of Measurement Model

Results of the model fitting are shown in Tables 2 to 5. The measurement model's findings of fitting indicate that the chi square value is 523.264. DF is 363, and χ^2/DF equals 1.441, which is less than 2. CFI is more than 0.9 and equivalent to 0.981. TLI is higher than 0.9 at 0.979. NFI is higher than 0.9 at 0.942. Less than 0.08, RMSEA is 0.032. RMR, or the Root of Mean Square Residual, is 0.106. It is discovered that SRMR was 0.035, less than 0.05, after standardising RMR. The aforementioned findings show that the model and sample data suit each other well.

Table 2: CMIN

Model	NPAR	CMIN	DF	P	CMIN/DF
Default model	72	523.264	363	0.000	1.441
Saturated model	435	0.000	0		
Independence model	29	9045.782	406	0.000	22.280

Table 3: Baseline Comparisons

Model	NFI Delta1	RFI rho1	IFI Delta2	TLI rho2	CFI
Default model	0.942	0.935	0.982	0.979	0.981
Saturated model	1.000		1.000		1.000
Independence model	0.000	0.000	0.000	0.000	0.000

Table 4: RMSEA

Model	RMSEA	LO 90	HI 90	PCLOSE
Default model	0.032	0.025	0.037	1.000
Independence model	0.219	0.215	0.223	0.000

Table 5: RMR, GFI

Model	RMR	GFI	AGFI	PGFI
Default model	0.106	0.926	0.912	0.773
Saturated model	0.000	1.000		
Independence model	1.125	0.190	0.132	0.177

Structural Model

The 11 influence paths that were specified in the structural equation model were validated in this study using the AMOS26.0 program. The operation's results were used to gauge how well the correlation patterns between variables and the actual data fit together. Figure 1 displays the fitting results.

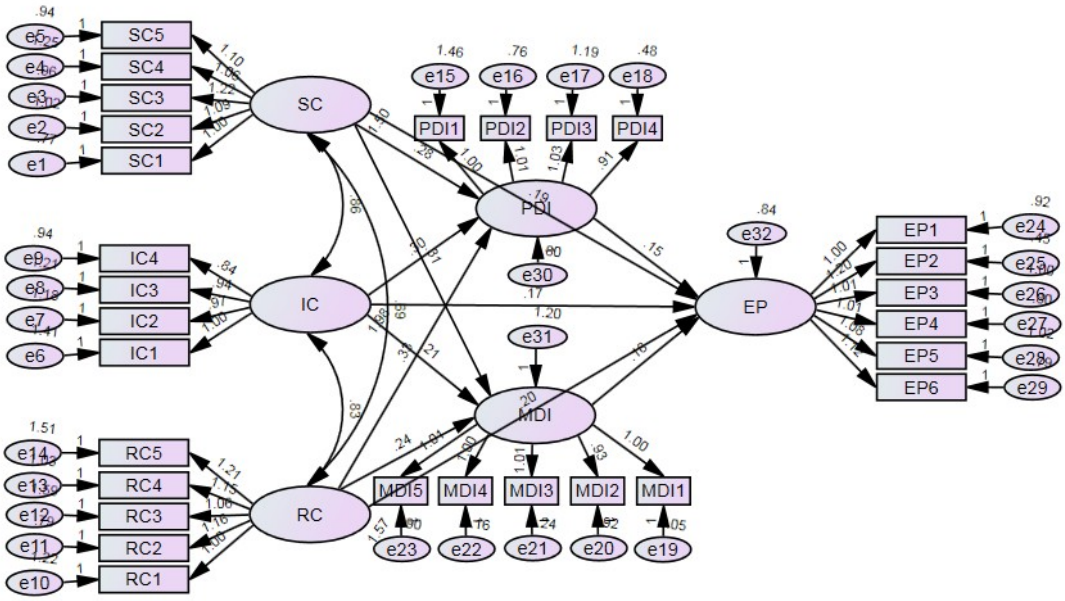

Figure 1: Structural Equation Model

Hypothesis Testing

In Table 6, the standardized path coefficient for EP<-- SC is 0.192 (P<0.001). EP<-- IC is 0.171 (P<0.001). EP<-- RC is 0.201 (P<0.001). PDI<-- SC is 0.282 (P<0.001). PDI<-- IC is 0.297 (P<0.001). and PDI<-- RC is 0.332 (P<0.001). The standardized path coefficient for MDI<--- SC is 0.311 (P<0.001). MDI<--- IC is 0.206 (P<0.001). MDI<--- RC is 0.236 (P<0.001). EP<--- PDI is 0.149 (P<0.001), and EP<--- MDI is 0.184 (P<0.001). The fitting results of the initial structural equation model show that all path coefficients pass the significance test.

Table 6: Standardized Regression Estimation

Path	Estimate	S.E.	C.R.	P
EP<---SC	0.192	0.055	3.481	***
EP<---IC	0.171	0.05	3.425	***
EP<---RC	0.201	0.053	3.806	***
PDI<---SC	0.282	0.075	3.75	***
PDI<---IC	0.297	0.069	4.303	***
PDI<---RC	0.332	0.073	4.559	***
MDI<---SC	0.311	0.064	4.889	***
MDI<---IC	0.206	0.057	3.596	***
MDI<---RC	0.236	0.06	3.908	***
EP<---PDI	0.149	0.038	3.864	***
EP<---MDI	0.184	0.048	3.809	***

Notes: SC, IC, RC, PDI, PMI, EP correspond tosensing opportunities capability, resource integration capability, organizational reconfiguration capability, product disruptive innovation, mode disruptive innovation, and enterprise performance, respectively.
*** indicates significant at the 0.001 level.

Bootstrap Test

A bias-corrected Bootstrap was used to further evaluate the mediation path once the best fit model had been identified. The mesomeric effect test via Bootstrap simulates the process of randomly selecting several samples from the population. By repeatedly sampling the original sample, a large number of Bootstrap samples are recovered, and statistics are acquired. This method treats the original sample as a population of Bootstrap sampling. The Sobel test, which has a complicated

calculation process and requires that the normal distribution hypothesis be met, cannot compete with this method. Therefore, this study uses 5000 samples and a 95% confidence interval to examine the mesomeric effect of the study. The results are shown in Table 7.

Table 7: Bootstrap Test

Indirect Effect Path			Standardized Effect			Effect Size %	Biased Corrected 95% CI	
			Mediating Effect	Direct Effect	Total Effect		Lower	Upper
SC	PDI	EP	0.21*0.188=0.039**	0.181**	0.274**	14.23	0.010	0.089
	MDI		0.283*0.19=0.054**			19.71	0.011	0.138
IC	PDI	EP	0.254*0.188=0.048**	0.186**	0.275**	17.45	0.013	0.106
	MDI		0.215*0.19=0.041**			14.91	0.005	0.120
RC	PDI	EP	0.253*0.188=0.048**	0.194**	0.284***	16.90	0.016	0.100
	MDI		0.22*0.19=0.042**			14.79	0.006	0.108

Note: * denotes p<0.05. ** denotes p<0.01.*** denotes p<0.001.

Hypothesis Testing Results

After modelling the structural equations and testing the hypothesized relationships between the variables, a total of 17 significant paths were found between the variables and the results of the tests of the specific research hypotheses are shown in Table 8.

Table 8: Hypothesis Testing Results

Test Path	significant
SC — EP	Y
IC — EP	Y
RC — EP	Y
SC — PDI	Y
IC — PDI	Y
RC — PDI	Y
SC — MDI	Y
IC — MDI	Y
RC — MDI	Y
PDI — EP	Y
MDI — EP	Y
SC — PDI — EP	Y
SC — MDI — EP	Y
IC — PDI — EP	Y
IC — MDI — EP	Y
RC — PDI — EP	Y
RC — MDI — EP	Y

Discussions

The standardized path coefficient between SC and EP is 0.192 (P<0.001), the standardized path coefficient between IC and EP is 0.171 (P<0.001), and the standardized path coefficient between RC and EP is 0.201 (P<0.001), indicating that SC, IC, and RC have a significant positive effect on EP.

The standardized path coefficient between SC and PDI is 0.282 (P<0.001), the standardized path coefficient between IC and PDI is 0.297 (P<0.001), and the standardized path coefficient between RC and PDI is 0.332 (P<0.001), indicating that SC, IC, and RC have a significant positive effect on PDI. The standardized path coefficient between SC and MDI is 0.311 (P<0.001), the standardized path coefficient between IC and MDI is 0.206 (P<0.001), and the standardized path coefficient between RC and MDI is 0.236 (P<0.001), indicating that SC, IC, and RC have a significant positive effect on MDI.

The standardized path coefficient between PDI and EP is 0.149 (P<0.001), and the standardized path coefficient between MDI and EP is 0.184 (P<0.001), indicating that PDI and MDI have a significant positive effect on EP.

The mesomeric effect coefficient of PDI on the relationship between SC and EP is 0.039 (P<1%). The mesomeric effect coefficient on the relationship between IC and EP is 0.048 (P<1%), and the mesomeric effect coefficient on the relationship between RC and EP is 0.048 (P<1%). The mesomeric effect coefficient of MDI on the relationship between SC and EP is 0.054 (P<1%). The mesomeric effect coefficient on the relationship between IC and EP is 0.041 (P<1%), and the mesomeric effect coefficient on the relationship between RC and EP is 0.042 (P<1%). The above results indicate that DI plays a crucial mediating role as a link between DC and EP.

The study not only confirms Koberg's (2022) research on the driving forces behind disruptive innovation and their impact on business success, but it also broadens the knowledge base of previous studies. It is not only theoretically possible to study disruptive innovation in organizations from the perspective of dynamic capacity theory, but it has also withstood empirical testing, revealing new development directions for decision-making and disruptive innovation implementation. This conclusion also validates the research theory proposed by scholar Salomo (2019).

Implications of the Study

The traditional perspective on disruptive innovation established by Christensen (2006) is carried forward in this study, which divides disruptive innovation into two distinct constituent dimensions: product disruptive innovation and mode disruptive innovation. This study focuses on the direct influence of disruptive innovation on corporate performance and deepens and enhances current research. This is due to the tremendous importance of disruptive innovation in organisational adaptability and the acquisition of strategic competitiveness. The study not only confirms Koberg's (2022) research on the disruptive innovation driving variables and the impact of disruptive innovation on enterprise performance, but it also broadens the conclusions of previous studies. It provides fresh insights for the development of disruptive innovation theory and further affirms the crucial influence of disruptive innovation behaviour on business performance.

In practical implications, enterprises need to enhance the awareness of cultivating and building dynamic capabilities. A company's dynamic ability to attain is its one-of-a-kind asset for maintaining and growing its beneficial function (Griffith et al., 2020). It is challenging to achieve this ability when carrying out market transactions because it demands the organisation to develop and build itself. Dynamic capabilities are more high-level capabilities for organisations to achieve change, development, and expansion. They can have a significant impact on the level of sales, production effectiveness, and other capabilities attained by enterprises (Ahmed et al., 2017). This is the main distinction between dynamic capabilities and production and operation related capabilities. Because of this, it's important to consider how dynamic capabilities differ from conventional abilities when cultivating and building them. Enterprises should be able to focus on the three sub capabilities' synergistic development effects when accomplishing development in order to cultivate and grow dynamic capabilities.

Conclusion

There is a lack of comprehensive research on the kind of creative initiatives dynamic capability can implement to boost business success. This paper constructs a theoretical model of dynamic capability, disruptive innovation, and enterprise performance and extracts pertinent propositions based on literature review and theoretical discussion.

The primary contributions of this study in comparison to earlier ones are as follows: from the perspective of disruptive innovation, this study helps to explain the mechanism and course of the relationship between dynamic capability and enterprise performance. Enriching, developing, and advancing the theory of enterprise performance is crucial for encouraging businesses to enhance their disruptive innovation and dynamic capabilities, which will ultimately boost performance.

Research Limitation and Future Direction

There are some limitations in this study. As innovation-driven strategies are practiced by high-tech businesses, a large sample of high-tech businesses in China could be good for the generalisation of the findings. Hence, we recommend that larger sample can be chosen to participate in a questionnaire survey to test the theoretical framework and related hypotheses based on the theoretical framework and related propositions developed in this paper. The relationship between dynamic capability, disruptive innovation and enterprise performance can also be further shown via mixed studies and even comparative studies.

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