

An Empirical Study on the Relationship between Entrepreneurship and Dynamic Capabilities of Chinese Family Owned Businesses

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Abstract

This study focuses on the generation of dynamic capabilities of Chinese family owned business. The purpose of our research is to develop a model and empirically verify the relationship between entrepreneurship and dynamic capabilities of Chinese Family Owned Businesses. Family owned business is still the most common form of business organization. More than 90 percent of private enterprises in China are family owned businesses with their family management styles. Currently Chinese family owned business is in a critical period in which it is transferred from the first-generation entrepreneurs to the second-generation successor. But due to the lack of effective institutional arrangements, succession, and survival strategy, Chinese family owned businesses are facing the challenge of intergenerational entrepreneurial growth. Existing research has begun to consider the entrepreneur's influence on the generation of enterprises' dynamic abilities. But this viewpoint still need effective empirical research as its support. Compared with state-owned and foreign-funded enterprises, Chinese family owned businesses is relatively small-scale and still imperfect in terms of system mechanism construction, therefore the growth and success of family owned business are more dependent on the entrepreneurs themselves.

Keywords: Entrepreneurship; Dynamic capabilities; Family Owned Businesses