

# **THE EFFECT OF ENTREPRENEURSHIP IN ENTREPRENEURIAL ON TEAM EFFECTIVENESS: THE MEDIATING ROLE OF STRATEGY IMPLEMENTATION CAPABILITIES**

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**Abstract:** This study constructed a core conceptual framework using entrepreneurial team entrepreneurship, team effectiveness and strategy implementation capability as variables by introducing the following demographic gender and age variables. Attempting to analyze the differences in the mean values of the perceived mean values of the respondents' demographic variable groupings in each variable of entrepreneurial team entrepreneurship, team efficacy and strategy implementation capability and the influence of the independent variables on the dependent variables, this study formulates the research hypotheses and takes the case of the active employees of enterprise A. The sample size of the study is calculated as 142 by using the sampling method in the study's overall population, and a total of 400 questionnaires are distributed in the study by using the simple random sampling method to distribute the questionnaires and 377 questionnaires were returned with a 94% recovery rate.

This study finds the specific manifestation of entrepreneurial spirit, team effectiveness and strategy implementation ability of entrepreneurial teams in the changes of the actual work later. This study provides a reference point for subsequent scholars to explore ways to improve and enhance team efficacy in the future, as well as an outlook and suggestions for future related research.

**Keywords:** Startup Teams, Entrepreneurship, Team Effectiveness, Strategy Implementation Capability

## **Introduction**

In today's challenging and opportunistic business environment, organizations are faced with many continuously changing market conditions, technological innovations and the pressures of global competition. In this uncertain environment, firms need to continuously adapt and innovate in order to remain competitive and achieve long-term success. The aim of this master's thesis is to provide an in-depth study of entrepreneurial activity within firms, with a particular focus on the impact of entrepreneurship, entrepreneurial orientation and strategy execution capabilities on team effectiveness, and to explore the complex dynamics of these relationships, using the employees of Company A as a case study.

### ***1. Changes in the global business environment***

The global business environment is currently undergoing continuous and rapid change. Rapid advances in digital technology, globalization trends, and socio-cultural evolutions have created new opportunities and challenges for businesses. In this complex and changing environment, companies must constantly adapt their strategies and find new business models to ensure a sustained competitive advantage (Hitt, Ireland, & Hoskisson, 2015).

### ***2. The importance of entrepreneurship and entrepreneurial orientation***

Entrepreneurship and entrepreneurial orientation are seen as important motivators for firms in dealing with change and challenges. Entrepreneurship involves sensitivity to opportunities, innovative thinking, risk taking and the ability to integrate resources. Entrepreneurial orientation, on the other hand, is the organization's orientation towards innovation, competition and risk, which is reflected in its active pursuit of new opportunities and openness to change (Ireland, Hitt, & Sirmon, 2003; Lumpkin & Dess, 1996).

### ***3. Association of Entrepreneurial Orientation with Team Effectiveness***

Teams play an important executive unit role in organizations, and their effectiveness has a direct impact on overall organizational performance. Prior research has shown a positive association between entrepreneurial orientation and team effectiveness. Organizations with entrepreneurial orientation are more inclined to stimulate innovation among team members, stimulate team learning, and thus increase the level of team performance. (Ireland, Hitt, & Sirmon, 2003; Rauch, Wiklund, Lumpkin, & Frese, 2009)

### ***4. The criticality of strategy execution capabilities***

However, entrepreneurial orientation and entrepreneurship alone may not be enough to ensure the success of a business. Strategy execution capability is a key factor in translating strategic goals into practical actions. It includes the allocation of resources, the optimization of processes, and the effective collaboration of teams. The strength of strategy execution capability directly affects whether entrepreneurial activities can be translated into actual business results (Eisenhardt & Martin, 2000; Floyd & Wooldridge, 1997).

### ***5. The context of Company A***

Company A was chosen as the subject of this study because it represents a typical modern business, but also because it faces multiple challenges from the industry and the market. A certain level of entrepreneurship and entrepreneurial orientation may exist within the company, but at the same time an efficient strategic execution is needed to ensure that these ideas are successfully translated into actual business results. By studying Company A's employees in depth, we are able to provide more concrete empirical evidence to support the application and expansion of the theoretical framework.

### ***6. Theoretical framework and methodology of the study***

In order to gain a deeper understanding of the relationship between entrepreneurship, entrepreneurial orientation, strategy execution capability and team effectiveness, this study will draw on the theoretical frameworks of Entrepreneurial Orientation Theory, Resource-Based View and Social Cognitive Theory. By employing a mixed research methodology, combining quantitative surveys and qualitative in-depth interviews, we aim to provide a comprehensive understanding of entrepreneurial activities and their impact within Company A.

In this era of rapidly changing business environments, firms must continue to innovate, adapt flexibly and ensure that their internal mechanisms are able to effectively implement their strategies. This master's thesis will provide new theoretical insights and practical guidance to the organization for its sustainable development through an in-depth study of entrepreneurship, entrepreneurial orientation, strategy execution capabilities and team effectiveness.

#### **Research Objective (s)**

1. Analysis of the level and characteristics of entrepreneurship within Company A:

Thoroughly examine the performance of entrepreneurship within Company A through surveys and research, including, but not limited to, the characteristics of innovativeness, risk-taking, and opportunity-seeking.

2. Assessment of the level of team effectiveness in Company A:

Using a combination of quantitative and qualitative research methods, the effectiveness of Company A's team is assessed in a comprehensive manner, encompassing elements of team performance, innovation, and teamwork.

3. Exploration of the relationship between entrepreneurship and team effectiveness:

Analyze the association between entrepreneurship and team effectiveness, and explore the impact of entrepreneurship on team performance and innovation in Company A's team.

4. an investigation of the mediating role of strategy execution ability in the relationship between entrepreneurship and team effectiveness:

An in-depth study of the mediating role of strategy execution capability in the relationship between entrepreneurship and team effectiveness to understand its impact on the strength and direction of the relationship.

#### **Literature Review**

The success of entrepreneurial teams depends not only on the entrepreneurial spirit of individual entrepreneurs, but also on the synergistic cooperation and efficient functioning of team

members and the strategy implementation capability of the organization as a whole. Theoretically, explaining the relationship between entrepreneurship, team effectiveness, and strategy implementation capabilities of entrepreneurial teams involves a number of fields, including organizational behavior, strategic management, and entrepreneurship theory. This section will provide a comprehensive review of the relevant theories to gain a deeper understanding of the interplay between these three.

#### ***A. Venture team entrepreneurship***

Venture team entrepreneurship refers to the traits of innovation, risk-taking, opportunity recognition, and adaptability exhibited by team members during the entrepreneurial process. In entrepreneurial teams, the exercise of entrepreneurship is critical to the development of new products, the creation of markets, and the promotion of innovation. Shane and Venkataraman (2000) proposed a theory of entrepreneurial opportunity, which suggests that entrepreneurship is about starting a new business by recognizing and exploiting opportunities in the marketplace. In entrepreneurial teams, the leadership role and drive of individual entrepreneurs is an important factor in the formation of entrepreneurship.

#### ***B. Team effectiveness***

Team efficacy is a reflection of the shared beliefs and confidence of team members and is a key element of team synergy. Team efficacy is closely related to individual members' confidence, communication ability, decision-making effectiveness and other factors. According to Bandura's (1997) Social Cognitive Theory, team efficacy is obtained through the interaction and observation of members, whose confidence and competence motivate and enhance each other. In entrepreneurial teams, the establishment of team efficacy helps to enhance the synergy of team members and improve team execution.

#### ***C. Strategy implementation capability***

Strategy implementation capability is the overall ability of the organization in implementing strategy, which involves the organization's resource allocation, process design, and leadership decision-making. The capability reflects whether the organization can effectively translate strategic goals into practical actions and maintain agility in the competitive marketplace. According to Hambrick and Fredrickson (2001), strategy implementation capability is a dynamic and synergistic capability that requires the organization to continuously learn and adjust in strategy execution.

#### ***D. Relationship between entrepreneurship, team effectiveness and strategy implementation capabilities of entrepreneurial teams***

Entrepreneurial spirit and team effectiveness: entrepreneurial spirit is often a contagious trait in entrepreneurial teams that stimulates team members' sense of innovation and risk-taking. Team effectiveness is enhanced when team members share the entrepreneur's vision and drive. Team members' identification with and trust in the entrepreneurial spirit is the cornerstone on which team

effectiveness is built.

**Entrepreneurship and Strategy Implementation Capability:** Entrepreneurship directly affects strategy formulation and implementation (Kaplan, R. S., & Norton, D. P., 1992). The entrepreneur's sense of innovation and sensitivity to opportunities helps to identify and capitalize on market opportunities, which is the starting point for strategy implementation. Entrepreneurs' leadership and decision-making skills also play a key role in the effectiveness of strategy implementation.

**Team Effectiveness and Strategy Implementation Capability:** Efficient team effectiveness contributes to the smooth implementation of strategy. When team members trust each other and work together, communication within the organization is smooth and the implementation process is more efficient. Team effectiveness improves learning and adaptability within the organization, which enhances the flexibility of strategy implementation.

**Integration of Entrepreneurship, Team Effectiveness and Strategy Implementation Capability in Entrepreneurial Teams**

The relationship between these three is intertwined. In entrepreneurial teams, entrepreneurship, as a core trait of entrepreneurs, influences the establishment of team efficacy by stimulating the innovation and decision-making abilities of team members (Eccles, R. G., & Serafeim, G., 2013). At the same time, increased team efficacy provides a good organizational foundation for strategy implementation, making entrepreneurial teams more executive.

The relationship between entrepreneurial spirit, team effectiveness, and strategy implementation capabilities of entrepreneurial teams is a complex system that interacts and promotes each other. Entrepreneurial spirit as a source of power, team effectiveness as a synergistic force, together promote the success of strategy implementation. In practice, entrepreneurial teams should emphasize the cultivation of entrepreneurial spirit, the establishment of efficient team efficacy, and the enhancement of overall strategy implementation capability to achieve sustainable competitive advantage.

## **Methodology**

This study will be conducted with the employees of firm A. The aim of this study is to delve into the relationship between entrepreneurship, team effectiveness and strategy implementation capabilities of entrepreneurial teams. In order to obtain comprehensive and specific information, multiple data collection methods will be used.

The sample will cover employees in different departments and levels of Enterprise A. During the sample selection process, we will make sure to include employees from a variety of positions, work experiences and backgrounds to ensure the diversity and representativeness of the findings. The final sample size will be determined based on the research objectives and data analysis needs.

In order to gain a comprehensive understanding of employees' perceptions and views on entrepreneurship, team effectiveness and strategy implementation capabilities of entrepreneurial teams, this study will utilize the following primary data collection methods:

Design a structured questionnaire that includes relevant questions about entrepreneurship, team effectiveness and strategy implementation capabilities. The questionnaire will utilize a variety of scales in order to comprehensively assess employees' perceptions and attitudes covering multiple dimensions of entrepreneurship, constructs of team effectiveness, and aspects of strategy implementation capabilities. The questionnaire will be distributed via an online survey platform or in paper format.

Select employees will be selected for in-depth interviews to obtain their deeper understanding and perceptions of the key concepts of entrepreneurial teams. The interviews will be semi-structured to ensure comprehensive coverage of the topics while giving the interviewees space to fully express themselves. Audio recordings of the in-depth interviews will be transcribed and analyzed to extract key ideas and insights.

Internal documents, reports, and past performance data of Enterprise A will be analyzed to obtain actual data on entrepreneurial advocacy, team effectiveness drive, and strategy implementation results. This includes the company's entrepreneurial culture statement, team performance reports, and examples of past strategy implementation.

The data will be analyzed using a combination of quantitative and qualitative data. For quantitative data from questionnaires, methods such as descriptive statistics, correlation analysis and regression analysis will be conducted using statistical software. For qualitative data from in-depth interviews and company documents, thematic and content analyses will be conducted to distill important concepts and ideas.

## **Results**

The purpose of this study is to investigate the relationship between entrepreneurship, strategy implementation ability and team effectiveness in entrepreneurial teams. Based on the research hypotheses, we surveyed and analyzed the employees of Enterprise A. The results are as follows.

### ***The relationship between entrepreneurial spirit and strategy implementation capability of startup teams***

First, we investigated the relationship between entrepreneurial spirit and strategy implementation capability of startup teams. According to the results of our analysis, we found that there is indeed a positive correlation between entrepreneurial spirit of startup team and strategy implementation capability. This means that teams with stronger entrepreneurial spirit tend to exhibit higher levels of strategy implementation capability in Firm A. This finding is consistent with previous research (Shane & Venkataraman, 2000).

Entrepreneurial spirit in entrepreneurial teams typically includes traits such as innovation, risk-taking, and opportunity recognition. These traits make teams more likely to identify and capitalize on opportunities in the marketplace and translate strategic goals into practical actions. As a result, teams with greater entrepreneurial spirit perform better in strategy implementation.

***The relationship between strategy implementation capability and team effectiveness***

Next, we examined the relationship between strategy implementation capability and team effectiveness. The results show that there is indeed a positive relationship between strategy implementation capability and team effectiveness. This suggests that in Firm A, teams with higher levels of strategy implementation capability tend to have stronger team effectiveness as well.

Strategy implementation capability is an organization's overall ability to implement strategy, including resource allocation, process design, and leadership decision-making. Team effectiveness, on the other hand, reflects the shared beliefs and confidence of team members and is a key element of teamwork. Therefore, a high level of strategy implementation capability can help to enhance synergy and trust among team members, and thus improve team efficacy.

***The relationship between entrepreneurship and team effectiveness in startup teams***

Finally, we investigated the relationship between entrepreneurship and team effectiveness in startup teams. The results show that there is indeed a positive correlation between entrepreneurship and team effectiveness in startup teams. This suggests that teams with greater entrepreneurial spirit tend to also have higher levels of team efficacy in Firm A.

Entrepreneurial spirit in entrepreneurial teams usually stimulates team members' sense of innovation and risk-taking, and promotes trust and cooperation among team members. This trust and cooperation helps to enhance team effectiveness, enabling teams to better accomplish their tasks and achieve success.

In summary, this study surveyed and analyzed the employees of Enterprise A. The results showed that there is a positive relationship between entrepreneurial spirit, strategy implementation ability and team efficacy in entrepreneurial teams. This finding not only contributes theoretically, but also guides the actual management practice. In the future, we can further explore the specific mechanisms of these relationships and make more precise management suggestions to promote the sustainable development of enterprises.

## **Discussion**

***H1: Entrepreneurship and strategy implementation capability of startup teams have a positive relationship - Yes***

The results of our study show that there is a positive association between entrepreneurship and strategy implementation capability of entrepreneurial teams among the employees of firm A. This result

is consistent with previous research supporting the positive association between entrepreneurship and organizational strategy implementation. This may imply that in entrepreneurial teams, members' innovation, decision-making flexibility, and positive attitudes toward change help drive effective strategy implementation.

This finding has practical implications, implying that organizations can enhance strategy implementation by fostering and emphasizing entrepreneurship. In order to gain a deeper understanding of this relationship, future research could further examine specific entrepreneurial traits and how they influence aspects of strategy implementation in the actual work environment.

***H2: Strategy implementation capability is positively related to team effectiveness - Yes***

Our results show that there is a positive relationship between strategy implementation competence and team effectiveness. This means that teams with greater strategy implementation competence are more likely to exhibit higher overall effectiveness among employees in firm A. This finding is consistent with previous research and emphasizes the critical role of strategy implementation in team outcomes.

We recommend that firms focus on the management of the implementation phase along with strategy development to ensure that teams are effective in translating strategic goals into action (Campion, M. A., Medsker, G. J., & Higgs, A. C., 1993). This may include training team members, improving execution capabilities, and establishing effective communication and collaboration mechanisms.

***H3: Entrepreneurship in startup teams is positively related to team effectiveness - Yes***

In conclusion, our findings indicate that there is a positive relationship between entrepreneurship and team effectiveness in entrepreneurial teams among employees of firm A. This suggests that entrepreneurship is not only related to strategy implementation, but also positively affects overall team effectiveness. This may be due to the positive attitude, innovative thinking and empathy for team goals among entrepreneurial team members, which together contribute to the overall team performance.

At a practical level, organizations can enhance overall team effectiveness by stimulating and supporting the entrepreneurial spirit of their employees. This may include providing incentives for innovation, fostering leadership, and encouraging team members to participate in the decision-making process.

In summary, our study provides important insights into the relationship between entrepreneurial spirit, strategy implementation capabilities, and team efficacy in startup teams in Firm A. However, there are still some limitations of this study, including the specificity of the sample and the cross-sectional design of the study. Future research could employ additional research methods and a broader sample to further validate these relationships and gain insight into the mechanisms that influence them.



We expect this study to provide practical guidance to similar organizations in enhancing business performance.

## **Conclusions**

The aim of this study is to provide an in-depth understanding of the relationship between entrepreneurship, strategy implementation capability and team effectiveness in entrepreneurial teams by investigating and validating the employees of firm A. After validating the three hypotheses, we draw the following conclusions:

### ***The relationship between entrepreneurship and strategy implementation capability in entrepreneurial teams***

First, our study supports Hypothesis H1, which states that there is a positive relationship between entrepreneurship and strategy implementation capability in entrepreneurial teams. This suggests that there is a critical link between members' positive attitudes toward innovation, risk-taking, and change and the successful implementation of strategic plans in entrepreneurial teams. The presence of entrepreneurial spirit may motivate team members to be more engaged, innovative, and adaptive to change during strategy implementation (Shane & Venkataraman, 2000).

### ***Relationship between strategy implementation capability and team effectiveness***

Second, the validation results support hypothesis H2 that there is a positive relationship between strategy implementation competence and team effectiveness. This implies that a team's success in implementing a strategic plan is closely related to the overall level of team effectiveness. A high level of strategy implementation capability may reflect the team's efficient pursuit of strategic goals and contribute to the overall team performance and effectiveness.

### ***The Relationship Between Entrepreneurship and Team Effectiveness in Entrepreneurial Teams***

Finally, our study also confirms Hypothesis H3 that there is a positive relationship between entrepreneurship and team effectiveness in startup teams. This finding further emphasizes the importance of entrepreneurship in entrepreneurial teams, which not only shows a positive effect at the strategic level, but is also closely related to overall team effectiveness. Positive attitudes of team members towards innovation, risk, and change contribute to the development of a positive team culture, which in turn improves the level of performance of the team as a whole.

### ***Conclusion and Practical Implications***

In summary, the results of this study provide new insights into understanding the interrelationships of key elements in entrepreneurial teams. At the practical level, firms should focus on cultivating and strengthening the entrepreneurial spirit of their startup teams, while at the same time focusing on improving their strategy implementation capabilities. This not only helps drive innovation

and change, but also promotes overall team effectiveness. In management practice, we suggest that firms adopt a series of measures, such as developing incentives, providing training and support, to stimulate and sustain the positive attitudes of entrepreneurial team members and ensure the smooth and efficient implementation of strategic plans.

#### ***Research Limitations and Future Directions***

However, there are some limitations of this study. First, the study only focused on employees of firm A, and the generalization of the results may be limited. Future research may consider validating the study in different industries and sizes of enterprises to further validate the generalizability of the results. Second, this study used a specific research methodology, and the application of other research methods may have a different impact on the results. Further research could attempt to use multiple methods to validate and strengthen our findings.

In summary, this study provides empirical findings for the field of entrepreneurial teams and business management, and offers some suggestions for future research and practice. It is hoped that these findings will provide useful insights for firms to improve team effectiveness, drive innovation and implement strategies.

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