



PSL·巴黎九大  
高级工商管理博士

UNIVERSITÉ PARIS DAUPHINE-PSL  
Executive Doctorate In Business Administration

Executive DBA, Université Paris-Dauphine, PSL

PSL·巴黎九大高级工商管理博士学位项目

# **Research on the Impact and Influencing Mechanism of Entrepreneur Geju and Decision- making Logic on Enterprise Performance**

(Thesis submitted for the degree of Executive Doctorate in Business  
Administration)

Cohort: 2017

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June 21, 2023

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## ABSTRACT

Since the reform and opening up in 1978, China underwent a vast change from the previous single and rigid economic system to a diversified system of market economy. In the critical period of transformation from high-speed development to high-quality development of China's economy, entrepreneurs, as the "gene" and "soul" of enterprises, contributed their great effort to the rejuvenation of China's economy and social development. Their effort has also long been the focus of the industry and academia. With the rapid advancement of science and technology, the business ecosystem has radically changed and the internal and external environment of enterprises has become more complex and changeable. As the owner and ultimate decision-maker of an enterprise, the personal characteristics, spirit and broad-mindedness of an entrepreneur are pivotal and even irreplaceable for the sustainable and healthy growth of enterprise. Since 1980s, entrepreneur's strategic leadership has been a pivotal part of strategic management research. Although researchers acknowledge the important role entrepreneur's strategic leadership plays on enterprise performance, most of the studies are based on the Western management contexts, other than on the Chinese system and culture.

In the modern management practice, the term "entrepreneur Geju" frequently appears in people's disclosure, and many entrepreneurs are gradually attaching importance to entrepreneur Geju, a key variable that matters to the enterprise survival and development, a potential factor that may give rise to differences amidst development, and an important condition for the success of entrepreneurs. There are several questions that merit notice: What's exactly entrepreneur Geju? What does entrepreneur Geju mean? What's the impact of entrepreneur Geju on enterprise development? What are the elements that make up this concept extensively applied in the business circle? How should we evaluate entrepreneur Geju? How to develop entrepreneur Geju? This subject of strategic leadership originating in Chinese culture has been widely concerned by practitioners and reformers, but not yet been rigorously and systematically studied in academia. This research hence focuses on entrepreneur Geju to explore its dimensions and measurement and examine its influencing mechanism on enterprise performance. There are three key scientific questions that are answered herein: First, what is entrepreneur Geju? Second, how to measure entrepreneur Geju? Third, how does entrepreneur Geju affect enterprise performance?

Based on qualitative and quantitative data analysis, this research concludes as follows: (1) Identify the characteristics and dimensions of entrepreneur Geju in Chinese contexts. Although being considered crucial to organizational management in Chinese confucian culture and management practices, entrepreneur Geju has not yet been clearly defined. After literature review on strategic leadership and grounded theory analysis, this research extracts nine dimensions of entrepreneur Geju, namely modest & open-minded, unfazed by changes, keeping promises, unique insight, extraordinary courage and insight, dedication to knowledge learning, high ambition, co-creation & win-win and love for family and nation. (2) Develop and test the scale about Chinese entrepreneur Geju. The author reviews the literature on strategic leadership and develops an initial scale for entrepreneur Geju according to the dimensions refined through grounded theory study. With the initial scale, questionnaire survey is conducted along with exploratory factor analysis to split the scale into 6 dimensions and 18 test items, namely high ambition, modest & open-minded, co-creation & win-win, keeping promises, unfazed by changes and love for family and nation. The confirmatory factor analysis is done with the new scale, which is found to have a good construct validity and reliability, as well as ideal discriminant validity. (3) Investigate the influence mechanism of entrepreneur Geju on enterprise performance. Entrepreneur Geju typically manifests entrepreneur's strategic leadership in the Chinese context. Though it is identified critical to organizational management in management practices, there are no systematic and rigorous evidences to support this assumption. By investigating 298 SMEs, the author found that entrepreneur Geju will help to boost enterprise performance mainly by means of two different types of decision-making logic, i.e. causation and effectuation. Through rigorous empirical analysis, this research confirms that entrepreneur Geju plays an important role in enterprise performance in Chinese circumstances, and the inner mechanism. (4) Reveal the important influence of industry complexity and dynamism on entrepreneur Geju and enterprise performance. Industry environment is a key factor for entrepreneurs to make decisions, and the effectiveness of any given decision-making process or strategic measure will greatly depend on its alignment with the industry environment. The research findings show that the relationship between entrepreneur Geju and enterprise performance is also subject to the industry complexity and dynamism, as the former will reinforce the facilitative (inhibitory) effect of causation (effectuation) on enterprise performance, and the latter will work the other way round. Through analysis of the industry environmental factors, the boundary condition of the relationship between entrepreneur Geju and enterprise performance is further digested.

To sum up, this research develops a scale of entrepreneur Geju in the Chinese context for the first time, and then systematically test it, exploring the influence mechanism and functional boundary of entrepreneur Geju on enterprise performance. This research deepens the understanding and cognition of entrepreneur Geju in the Chinese environment, and also expands the analytic framework of strategic leadership, hopefully to provide effective suggestions for improving Chinese managerial practices.

**Keywords: Entrepreneur Geju, Decision-making Logic, Enterprise Performance, Industry Complexity, Industry Dynamism**

## ACKNOWLEDGEMENT

In the autumn of 2017,  
with great ambition for business,  
I came to Université Paris-Dauphine, PSL,  
where I got learnings from my kindhearted teachers,  
and from distinguished masters.  
Looking back to those old days,  
I found the shimmering Ganges on the other bank.  
To see the world in a grain of sand,  
I'm just a worm,  
glimmering with a faint glow...  
My great ambition for business  
all turned into a thin leaf.  
The leaf ignites a small fire.  
Make a pot of coffee  
for life changer.  
A drop of aroma  
connects to the boundless world,  
and to the future of memory.

First of all I would like to extend my sincere thanks to Prof. Fan Yushun!

My gratitude also goes to my teachers Prof. Pierre ROMELAER, Prof. Bernard FERNANDEZ, Prof. Herve ALEXANDRE, Prof. Jean-Pierre SEGAL, Prof. Horacio ORTIZ, Prof. Nicolas BERLAND, Prof. Jean-François CHANLAT, and then Prof. Hu Dongcheng, Prof. Yang Zhishu, Prof. Tang Ke, Prof. Zhu Wuxiang, Prof. Qin Rongsheng, Prof. Zhang Qinglong, Prof. Chen Jianxing, and Prof. Jing Runtian!

Thank you Teacher Zhang Yingjun, Niu Liqun, Yang Yindi, Li Kangning, and others from the faculty team!

Thank you my senior and junior schoolmates!

Lastly, I want to thank my family and friends for their support and help!

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