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# Dynamics in the Impact of Entrepreneurship Orientation on Corporate the Moderating Role of Environmental Performance

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**Abstract**

*This study examines the impact of environmental dynamics on the relationship between Entrepreneurial Orientation (EO) and corporate performance in the Malaysian aviation industry, specifically investigating the mediating effect of environmental performance. The focus is on the influence of technological advancement, economic policy reorientation, and political and security stability on EO, as documented by Hina et al. (2020) and Haider et al. (2017), in relation to business performance. Additionally, the study explores the effect of environmental dynamism on this relationship.A quantitative approach was adopted, collecting data from 100 staff members of three selected Chinese airlines. The findings show a high correlation between EO and variables such as technological innovations, economic policy reforms, political stability, and security. It is confirmed that environmental changes positively influence the relationship between EO and business performance. The results suggest that companies with a higher level of EO are more competent in managing technology, adjusting economic policies, and thriving in politically and security-stable environments.This study offers valuable insights for strategic decision-making in the aviation industry, emphasizing the importance of fostering entrepreneurial behaviour and adaptive capacities to enhance organizational performance within dynamic business environments.*

**Keywords:** *Integration Of Higher Education, Pedagogical Competence, Novice Teacher, University, Professional Competence of a Teacher.*

## Introduction

All organizations strive for positive performance to remain viable. According to Hina et al. (2020), performance can be defined as the organization's ability to adapt to every key element, including outputs, inputs, feedback, and transformations. This adaptation should align with the organization's goals (Evan, 2019). Corporate performance is heavily dependent on entrepreneurial dimensions that often work synergistically to improve the firm's performance (Haider et al., 2017). Studies suggest that an entrepreneurial approach, characterized by a dynamic search for creative ideas and dramatic bounds in various elements of uncertainty, influences decision-making (Press, 2013). It is widely agreed that firms operating entrepreneurially yield better results than those that do not. Moreover, the orientation of the entrepreneur is positively correlated with both short-term and long-term organizational gains (Gupta et al., 2014).

Another variable that plays a crucial role in firm performance is environmental turbulence or dynamics. Environmental dynamics have two main dimensions: market turbulence (MT) and technological turbulence (TT). Market turbulence encompasses changes in client alignment and preferences, while technological turbulence involves the degree of change associated with procedures and product advancements in a firm (Glazer, 1991). Research indicates that environmental turbulence significantly impacts firm performance. In highly turbulent environments, entrepreneurial orientation may have no effect on performance. Tian and Xie (2019) state that environmental turbulence is dynamic, unpredictable, expansive, and inconsistent. Given these characteristics, this type of environment is marked by constant change. From a market turbulence perspective, the business sector consistently attracts new clients with desires similar to those of existing ones (Hanvanich & Hult, 2006). On the other hand, organizations experiencing high technological turbulence tend to endure more frequent changes in product and innovation procedures compared to those with low turbulence. Nevertheless, entrepreneurial orientation (EO) can manage various forms of

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turbulence. According to Rauch et al. (2009), EO positively impacts firm performance. This positive impact arises from the proactive and creative development of action plans, product cycles, and business models.

Past studies have used various mediating variables, such as reward philosophy and marketing capability, to examine the link between EO and corporate performance. However, these studies have encountered the complex relationship between firm performance and EO, as different patterns of association may exist in various contexts. This complexity creates the need for a moderating variable that reveals the conditions under which EO affects corporate performance (Wales et al., 2011). This study aims to examine the moderating role of the environment in the complex relationship between EO and corporate performance. Understanding this relationship will help characterize the impact of EO on the performance of business organizations.

This study has following specific objectives. (1) To examine the role of technological change on the relationship between EO and firm performance. (2) To determine role of economic policy change on the relationship between EO and firm performance. (3) To assess the role of political and security stability on the relationship between EO and firm performance. (4) To assess the mediating effect of environmental dynamism on the relationship between entrepreneurial orientation and firm performance

This study has four hypotheses, H1, H2, H3 and H4.

H1: Technological change has positive significant effect on the relationship between EO and firm performance

H2: Change in economic policy has positive significant effect on relationship between EO and firm performance

H3: Change in political and security stability has positive significant effect on relationship between EO and firm performance

H4: Environmental dynamism has positive mediating effect on relationship between EO and firm performance

Entrepreneurial orientation often comprises of dimensions that work together to improve performance of the organization. It is apparent the managerial effort to align the organization's goals with the current demand significantly influences their performance. However, the uncertain business environment leads to damaging effect as innovation effort is weakened. In order to escape the wrath of business pervasiveness, firms need to adopt strategies according to the nature of their business environment. This study will provide the much-needed information on strategies that firms should adapt to illuminate management decision in uncertain business environments. In addition, this study will provide information about the conditions under which EO influence firm performance.

## Literature Review

This chapter survey the existing literature on mediating role of business environmental dynamism on impact of EO on firm performance. Both past and current literature are surveyed and gap in research highlighted. The literature survey done forms the basis for hypothesis and questionnaire development.

Performance of the firm is greatly affected by broadness and depth of management association. Cui et al. (2017) states that firms that operate in very dynamic environment tend to perform better by embracing entrepreneurial orientation. Other studies have also noted that positive association between EO and firm performance occurs when environmental dynamism is strong. A study conducted by Hina et al. (2020) found that environmental dynamism significantly and negatively moderated the association between EO and firm performance. For instance, it is largely agreeable that when uncertainties come from the environment by abandoning the industry in administrative chaos, imposing regulations or simply failing to secure safety in the area can lead to lack of confidence in business environment. On the other side,

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interventions in terms of incentives from the government can create substantial leverage impact for businesses. Other factors such as tax facilities, simplified administrative procedures, and law enforcement can encourage business innovation leading to important impact on performance of the firms.

EO is defined by some authors as "a corporate strategic attitude towards entrepreneurship" (Anderson et al., 2014). EO is theoretically identified with practices and strategies for improving entrepreneurial activities and decisions plus the approaches that decision maker's use to keep their vision, increase firm's tenacity, and also create desirable benefits (Haider et al., 2017). According to Miller (1983) EO as a variable is made up of three major dimensions, namely risk-taking, innovativeness, and proactiveness that must co-vary positively at the same time for EO to be realized. Firm proactiveness is described as the ability to leaning in front of challenges when introducing new technologies, services or innovative items. It is defined with the ability to predict and act in the demand of the future (Taher et al., 2019). Innovativeness involves enhancing and searching for innovative opportunities. It involves firms leaning towards innovativeness and research in innovative work. Lastly, the theory of risk taking contain dimensions such as business, decision making, and leadership risks (Haider et al., 2017).

## Research Methodology

This chapter discusses steps and procedures that this study will follow to collect and process data. The steps give important rationale of every plan this study will employ. The steps include research design, research paradigm, questionnaire development, data collection and analysis, and finally chapter summary.

*Conceptual Framework*

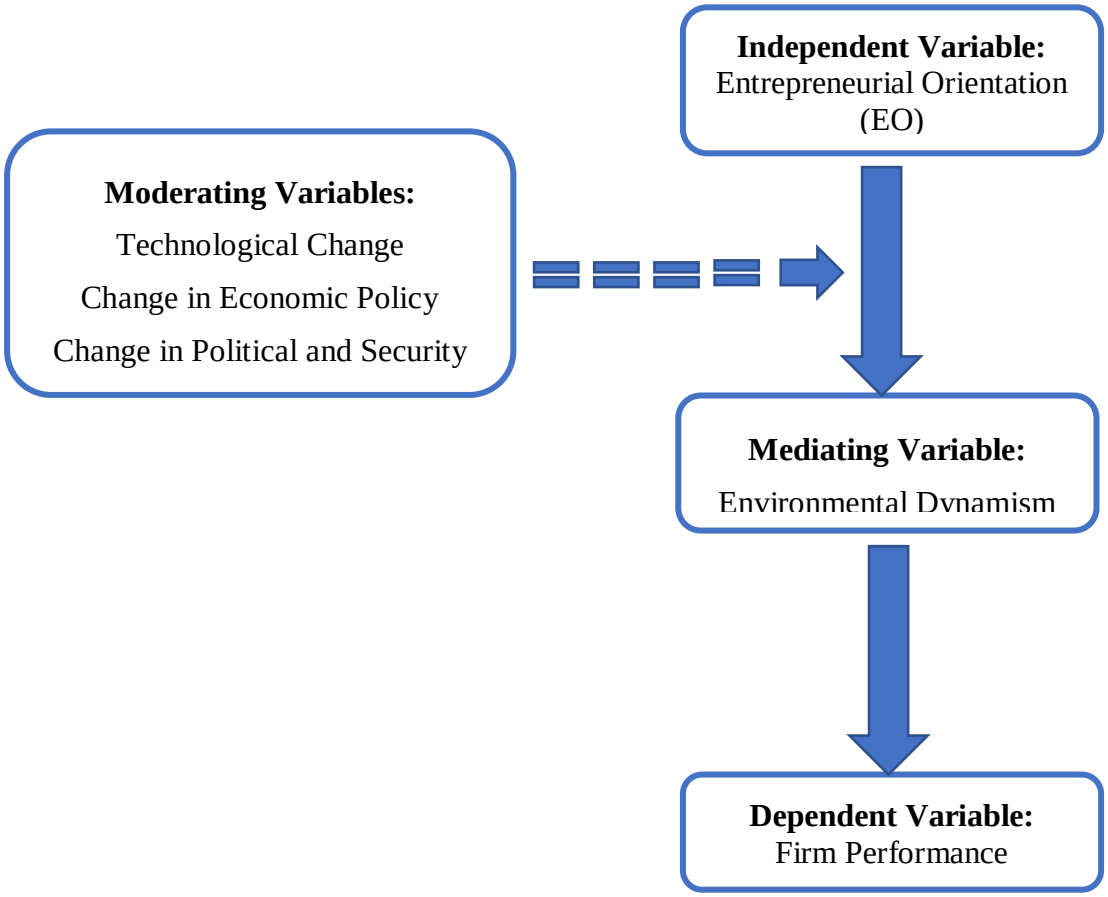


Figure 1. Conceptual Framework

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*Sampling Description*

*Sampling*

According to Taherdoost (2016) sampling is an important process in a research study. Sampling allows researchers select the appropriate population that is representative of the universe. In this study, research participants will be obtained from selected organization in China. The appropriate organization for this study is China Airline. This industrial sector faces a lot of challenges from political, economic, and environmental, among others. In addition, it is very innovative industry that must adapt with current demands to remain sustainable. It is therefore, the best-case study to explore the moderating role of environmental dynamism on entrepreneurial orientation effect on firm performance.

*Sampling Design*

Non-probability sampling design will be employed to select the desired sample size for this study. The target sampling frame will be from China Airline staffs particularly the top and middle managers. This is informed by the fact these group of people are very conversant with management of the company and are involved in decision making. They are the most appropriate individuals to give insights about entrepreneurial orientation. Non-probability sampling design the study items are deliberately selected and the decision of the researcher concerning the items is final. In this design, the researcher hopes that sample population selected will be adequate to represent the overall population in this case, airline companies in China and abroad.

*Sample Population*

This study will choose sample size of 100 staffs from Airline industry in China. The staffs will come from three selected airline in China where they will be divided into three groups, the first company having 30 representatives, the second also having 30 representatives, and the third company 40 representatives.

*Data Analysis*

Data collection process follows the definition of problem and design. The researcher decides which type of data and collection method to use. This study will use questionnaire surveys to collect data. The responses will be coded in Microsoft excel and exported into SPSS statistical analysis. Correlation analysis will be used to assess the relationship between technological change, economic policy change, and political stability on relationship between EO and firm performance. The mediating effect of environmental dynamism on the relationship between EO and firm performance will be analyzed using one-way Anova. Regression analysis will be used to test the effect of environmental dynamism components on effect of EO in firm performance of airline industries in China.

*Modelling*

*Correlation Analysis*

Correlation Analysis is a statistical method used to measure the strength and direction of a linear relationship between two variables. The commonly used correlation coefficient is the Pearson Correlation Coefficient. The formula is as follows:

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$$r = \frac{n(\Sigma xy)-(\sum x)(\sum y)}{\sqrt{[n\sum x^2-(\Sigma x)^2][n\sum y^2-(\Sigma y)^2]}} \quad (1)$$

Where: r is the Pearson correlation coefficient, n is the sample size, $\Sigma xy$ is the sum of the products of each pair of observations of variable x and variable y. $\sum x$ and $\sum y$ are the sum of the observed values of the variables $x$ and y. $\sum x^2$ and $\sum y^2$ are the sum of squares of the observations of the variables $x$ and $y$.

*Regression Analysis*

Regression analysis involves modelling the relationship between a dependent variable and one or more independent variables The formula is as follows:

$$Y = \beta_0 + \beta_1 X + \varepsilon \quad (2)$$

Where: $Y$ is Dependent variable, $\beta_0$ is Y-intercept, $\beta_1$ is Slope of the regression line, $X$ is independent variable, $\varepsilon$ is error term.

## Results and Discussion

In this chapter, the results and findings from this study on "The Moderating Role of Environmental Dynamics in the Impact of Entrepreneurship Orientation on Corporate Performance" within the Malaysian aviation industry are being presented and discussed in details. This was achieved through the use of correlations analysis, regression analysis and One-way Anova to identify the intricate relationships among these variables explored, to provide insights into the Moderating Role of Environmental Dynamics in the Impact of Entrepreneurship Orientation on Corporate Performance.

*Demographic Analysis*

*Age of Respondent*

**Table1. Age of Respondents**

| Age | | |
|---|---|---|
| **Age range** | **Frequency** | **Percent** |
| less than 25 | 8 | 8.0 |
| 25 - 40 | 48 | 48.0 |
| 41 - 55 | 36 | 36.0 |
| 56 and above | 8 | 8.0 |
| Total | 100 | 100.0 |

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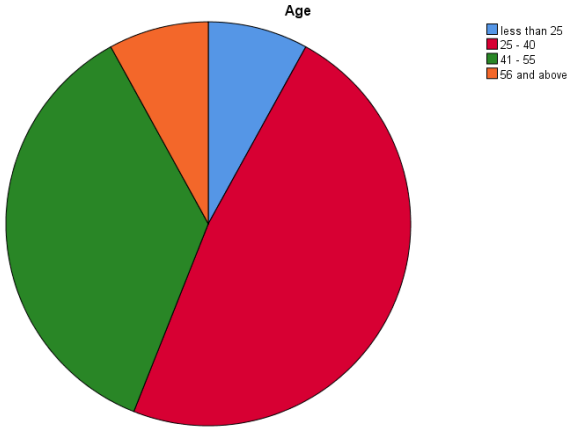


**Figure 2. Age of Respondent**

The age distribution of the respondents presents a diverse sample to determine how entrepreneurial attitude affects corporate behaviours, especially environmental performance as moderating effect. The number of adults between the ages 25 and 40 is still relatively high though, at around 48%; the addition to this group other age groups allows us not only gain an insight in regard for mature professionals but also gather opinions from people belonging to younger or more senior generations.

*Gender of Respondents*

**Table 2. Gender of Respondents**

| Gender | | |
|---|---|---|
| **Gender** | **Frequency** | **Percent** |
| **Male** | 61 | 61.0 |
| **Female** | 39 | 39.0 |
| **Total** | 100 | 100.0 |

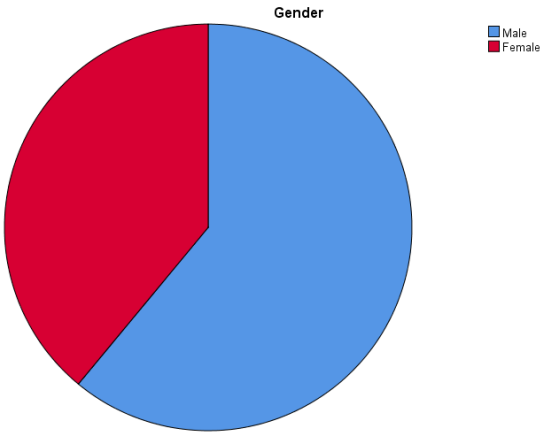


**Figure 3. Gender of Respondents**

Table 2 and figure 3 illustrates the gender distribution within a group of 100 individuals. of the total, 61% are male, accounting for 61 individuals, while 39% are female, totalling 39 individuals. This provides a clear snapshot of the proportion of males and females in this study. This shows that the industry is a male dominated industry.

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*Educational Qualification*

**Table 3. Educational Qualification**

| Education | | |
|---|---|---|
| | **Frequency** | **Percent** |
| **Foundation (Diploma)** | 16 | 16.0 |
| **Degree** | 63 | 63.0 |
| **Master** | 21 | 21.0 |
| **Total** | 100 | 100.0 |

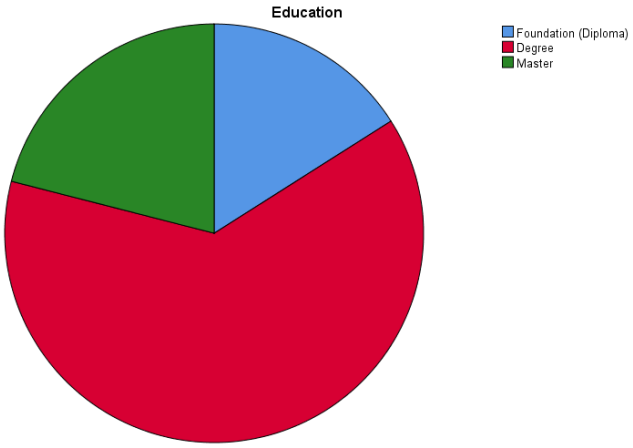


**Figure 4. Educational Qualification**

The educational qualifications of the respondents in the study reveal a diverse distribution: 16% hold foundation or diploma credentials, 63% possess a degree, and 21% have attained a master's degree. This breakdown emphasizes the varied educational backgrounds within the sample of 100 participants, providing insights into the potential influence of diverse perspectives on the study's objectives and outcomes.

*Correlation Analysis*

Correlation analysis was used to assess the relationship between technological change, economic policy change, and political stability on relationship between EO and firm performance.

**Table 4. Correlation Analysis**

| Correlations | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | Entrepreneurial Orientation | Role of technological change | Role of economic policy | Political and Security Stability | Mediating effect of environmental dynamism | Firm performance |
| Entrepreneurial Orientation | Pearson Correlation | 1 | .694** | .677** | .732** | .685** | .771** |
| | Sig. (2-tailed) | | .000 | .000 | .000 | .000 | .000 |
| | N | 100 | 100 | 100 | 99 | 100 | 100 |
| Role of technological change | Pearson Correlation | .694** | 1 | .721** | .781** | .768** | .792** |
| | Sig. (2-tailed) | .000 | | .000 | .000 | .000 | .000 |

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| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | N | 100 | 100 | 100 | 99 | 100 | 100 |
| Role of economic policy | Pearson Correlation | .677** | .721** | 1 | .782** | .717** | .732** |
| | Sig. (2-tailed) | .000 | .000 | | .000 | .000 | .000 |
| | N | 100 | 100 | 100 | 99 | 100 | 100 |
| Political and Security Stability | Pearson Correlation | .732** | .781** | .782** | 1 | .785** | .774** |
| | Sig. (2-tailed) | .000 | .000 | .000 | | .000 | .000 |
| | N | 99 | 99 | 99 | 99 | 99 | 99 |
| Mediating effect of environmental dynamism | Pearson Correlation | .685** | .768** | .717** | .785** | 1 | .753** |
| | Sig. (2-tailed) | .000 | .000 | .000 | .000 | | .000 |
| | N | 100 | 100 | 100 | 99 | 100 | 100 |
| Firm performance | Pearson Correlation | .771** | .792** | .732** | .774** | .753** | 1 |
| | Sig. (2-tailed) | .000 | .000 | .000 | .000 | .000 | |
| | N | 100 | 100 | 100 | 99 | 100 | 100 |

**. Correlation is significant at the 0.01 level (2-tailed).

Table 4 shows the relationships between different variables in the study. The relationship between Entrepreneurial Orientation (EO) and Role of Technological Change shows a Correlation Coefficient: 0.694 (significant at the 0.01 level). This implies that There is a strong positive correlation between Entrepreneurial Orientation and the Role of Technological Change. This suggests that organizations with a higher entrepreneurial orientation are more likely to embrace and adapt to technological changes.

This correlation analysis further shows a positive relationship between Entrepreneurial Orientation (EO) and the Role of Economic Policy with a Correlation Coefficient which is 0.677. This correlation is interpreted as high and statistically significant at the 0.01 level. This information supports the conclusion that firms with higher entrepreneurial characteristics are more likely to be affected by fluctuations in policy. The relationship between Entrepreneurial Orientation (EO) and Political and Security Stability is at 0.732 level, which implies statistical significance on the probability of 1%. This suggests a very strong positive correlation between Entrepreneurial Orientation and Political and Security Stability. Entrepreneurial-oriented organizations are more likely to be affected and responsive toward political security stability. The Mediating Effect of Environmental Dynamism, displayed a strong positive relationship with Entrepreneurial Orientation; 0.685 correlation coefficient ($p < .01$). This means that the extent to which change and unpredictability is in play determines how EO impacts on corporate performance.

Firm Performance shows relatively strong positive relations with EO, Role of Technological Change and the Role of Economic Policy in addition to Political Stability Security as well as environmental dynamism also produced a significant mediating effect on all three variables. All associations are statistically significant at $p < 0.01$ level. The results obtained shows that companies with greater entrepreneurial orientation, technological adjustability response to economic policies security and environmental dynamics are likely performing well. In summary, the correlation table supports the theoretical framework proposed in the introduction, highlighting the interconnectedness of entrepreneurial orientation with technological change, economic policy, political and security stability, environmental dynamism, and ultimately firm performance. These relationships are crucial for understanding the dynamics of entrepreneurship in different environmental contexts.

*One-Way Anova*

One-way Anova was used to test the effect of environmental dynamism components on effect of EO in firm performance of airline industries in China.

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**Table 5. Bayesian Estimates of Coefficients 1**

| Bayesian Estimates of Coefficients[a,b,c,d] | | | | | |
|---|---|---|---|---|---|
| Parameter | Posterior | | | 95% Credible Interval | |
| | Mode | Mean | Variance | Lower Bound | Upper Bound |
| Uncertain business environment pushes companies to engage in innovative activities hence influencing business orientation = Strongly Disagree | 1.400 | 1.400 | .087 | .820 | 1.980 |
| Uncertain business environment pushes companies to engage in innovative activities hence influencing business orientation = Disagree | 1.484 | 1.484 | .106 | .846 | 2.122 |
| Uncertain business environment pushes companies to engage in innovative activities hence influencing business orientation = Nuetral | 4.083 | 4.083 | .014 | 3.850 | 4.316 |
| Uncertain business environment pushes companies to engage in innovative activities hence influencing business orientation = Agree | 4.298 | 4.298 | .001 | 4.224 | 4.372 |
| Uncertain business environment pushes companies to engage in innovative activities hence influencing business orientation = Strongly Agree | 4.291 | 4.291 | .004 | 4.164 | 4.418 |
| a. Dependent Variable: firm performance | | | | | |
| b. Model: Uncertain business environment pushes companies to engage in innovative activities hence influencing business orientation | | | | | |
| c. Weighted Least Squares Regression - Weighted by Entrepreneurial Orientation | | | | | |

Assume standard reference priors.

The Bayesian estimates of coefficients for the model examining the influence of uncertain business environments on innovative activities and, consequently, business orientation are presented in the table 5. The model uses firm performance as the dependent variable, with the uncertain business environment as the driving factor influencing business orientation. The parameters include the mode, mean, variance, and the 95% credible interval, which provides a range of plausible values for each parameter. Bayesian estimates from table 5 suggest that a positive perception of the impact of uncertain business environments on engaging in innovative activities tends to be associated with higher firm performance. The more affirmative the respondents are about this influence, the stronger the positive association with firm performance, as indicated by the increasing coefficients from disagreeing to strongly agreeing with the statement.

**Table 6. Bayesian Estimates of Coefficients 2**

| Bayesian Estimates of Coefficients[a,b,c,d] | | | | | |
|---|---|---|---|---|---|
| Parameter | Posterior | | | 95% Credible Interval | |
| | Mode | Mean | Variance | Lower Bound | Upper Bound |
| High environmental dynamism can lead to too much innovative initiative which may result into counterproductive performance of the organization = Strongly Disagree | 1.484 | 1.484 | .107 | .841 | 2.127 |
| High environmental dynamism can lead to too much innovative initiative which may | 1.400 | 1.400 | .088 | .816 | 1.984 |

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| | | | | | |
|---|---|---|---|---|---|
| result into counterproductive performance of the organization = Disagree | | | | | |
| High environmental dynamism can lead to too much innovative initiative which may result into counterproductive performance of the organization = Nuetral | 4.237 | 4.237 | .012 | 4.024 | 4.450 |
| High environmental dynamism can lead to too much innovative initiative which may result into counterproductive performance of the organization = Agree | 4.319 | 4.319 | .002 | 4.234 | 4.405 |
| High environmental dynamism can lead to too much innovative initiative which may result into counterproductive performance of the organization = Strongly Agree | 4.240 | 4.240 | .003 | 4.141 | 4.340 |
| a. Dependent Variable: firm performance | | | | | |
| b. Model: High environmental dynamism can lead to too much innovative initiative which may result into counterproductive performance of the organization | | | | | |
| c. Weighted Least Squares Regression - Weighted by Entrepreneurial Orientation | | | | | |
| d. Assume standard reference priors. | | | | | |

The Bayesian estimates of coefficients in table 6 elucidate the impact of differing degrees of agreement with the statement "High environmental dynamism can lead to too much innovative initiative, which may result in counterproductive performance of the organization" on firm performance. The model, employing Weighted Least Squares Regression and weighted by Entrepreneurial Orientation, uses firm performance as the dependent variable. The Bayesian estimates results suggest that a positive perception of the relationship between high environmental dynamism and innovation correlates with higher firm performance, while negative perceptions show weaker positive associations. Neutral perceptions have the most substantial positive impact on firm performance.

**Table 7. Bayesian Estimates of Coefficients 3**

| Bayesian Estimates of Coefficients[a,b,c,d] | | | | | |
|---|---|---|---|---|---|
| Parameter | Posterior | | | 95% Credible Interval | |
| | Mode | Mean | Variance | Lower Bound | Upper Bound |
| Dynamic environment in the airline industry forces companies to develop strong entrepreneurial posture = Strongly Disagree | 1.480 | 1.480 | .103 | .851 | 2.109 |
| Dynamic environment in the airline industry forces companies to develop strong entrepreneurial posture = Disagree | 1.400 | 1.400 | .093 | .800 | 2.000 |
| Dynamic environment in the airline industry forces companies to develop strong entrepreneurial posture = Nuetral | 4.328 | 4.328 | .011 | 4.124 | 4.531 |
| Dynamic environment in the airline industry forces companies to develop strong entrepreneurial posture = Agree | 4.299 | 4.299 | .002 | 4.213 | 4.384 |

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| | | | | | |
|---|---|---|---|---|---|
| Dynamic environment in the airline industry forces companies to develop strong entrepreneurial posture = Strongly Agree | 4.246 | 4.246 | .003 | 4.144 | 4.347 |

a. Dependent Variable: firm performance

b. Model: Dynamic environment in the airline industry forces companies to develop strong entrepreneurial posture

c. Weighted Least Squares Regression - Weighted by Entrepreneurial Orientation

d. Assume standard reference priors.

The Bayesian estimates of coefficients in the presented in table 7 elucidate the impact of varying degrees of agreement with the statement "Dynamic environment in the airline industry forces companies to develop strong entrepreneurial posture" on firm performance. Employing Weighted Least Squares Regression and weighted by Entrepreneurial Orientation, the model uses firm performance as the dependent variable. In summary, the Bayesian estimates suggest that a positive perception of the dynamic environment in the airline industry influencing a strong entrepreneurial posture correlates with higher firm performance. Neutral perceptions have the most substantial positive impact, while negative perceptions show weaker positive associations. Positive perceptions show strong positive associations with firm performance.

*Regression Analysis*

The mediating effect of environmental dynamism on the relationship between EO and firm performance was analyzed using regression analysis.

**Table 8. Coefficients[a]**

| Coefficients[a] | | | | | | |
|---|---|---|---|---|---|---|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | -.092 | .297 | | -.309 | .758 |
| | Entrepreneurial Orientation | .595 | .096 | .481 | 6.203 | .000 |
| | Mediating effect of environmental dynamism | .432 | .079 | .424 | 5.474 | .000 |

a. Dependent Variable: firm performance

Table 8 displays the coefficients from a regression model, with firm performance as the dependent variable. The model includes two independent variables: Entrepreneurial Orientation and the Mediating effect of environmental. The constant term (B = -0.092) represents the estimated value of firm performance when both Entrepreneurial Orientation and the Mediating effect of environmental dynamism are zero. However, the coefficient is not statistically significant (p = 0.758), suggesting it may not contribute significantly to explaining the variation in firm performance. The coefficient for Entrepreneurial Orientation (B = 0.595) is statistically significant (p < 0.001). This implies that a one-unit increase in Entrepreneurial Orientation is associated with a 0.595 unit increase in firm performance. The standardized coefficient (Beta = 0.481) indicates the strength and direction of this relationship, suggesting a positive and moderately strong impact. The mediating environmental dynamics coefficient (B = 0.432) is statistically significant at p < 0. It means that for every mediating the effect of ecological turbulence by one unit, there is an increase in firm performance standing at 0.432 units. The size of Beta (B = 0.424) points to a significant and moderately strong positive effect computed for the outcome variable Y The regression model shows that both Entrepreneurial Orientation and the Mediating role of environmental dynamism have positive effects with statistical significance on business performance.

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## Conclusion

The findings of the study align closely with the objectives and hypotheses set forth in the research. Below are the reviews of each objective and hypothesis in relation to the study's outcomes:

Objective One: To examine the role of technological change on the relationship between EO and firm performance. Hypothesis 1 (H1): Technological change has a positive significant effect on the relationship between EO and firm performance. In line with Objective one and hypothesis one, the correlational study was able to show strong and positive correlation between Entrepreneurial Orientation (EO) and technological development. The results of the Bayesian estimates and regression analysis provided a sort of complementing evidence in validating one positive, significant relation between entrepreneurial orientation (EO) and firm performance. It highlights the significance of technological innovations in improving organizational performance.

Objective Two: To assess economic policy change in terms of the role it plays on the EO-firm performance relationship. Hypothesis 2 (H2): There is a significant and positive effect on the relationship between EO and firm performance from economic policy change. The results of the study showed that EO was positively and significantly associated with economic policy changes in relation to entrepreneurial orientation. The Bayesian estimates and regression analysis reinforced this by revealing a relationship between positive attitude toward economic policy change positively being linked to better performance in companies, hence the hypothesis was valid.

Objective Three: To evaluate the contribution of political and security stability on the connection between EO and performance. Hypothesis 3 (H3): The change in political and security stability is closely associated with EO and highly significantly related to firm performance. The results of the study revealed that EO was significantly positively associated with political and security stability. The above was corroborated by the Bayesian estimates and regression analysis that demonstrated a positive perception of political stability increases performance therefore supporting the hypothesis.

Objective Four: To assess the mediating effect of environmental dynamism on the relationship between entrepreneurial orientation and firm performance. Hypothesis 4 (H4): Environmental dynamism has a positive mediating effect on the relationship between EO and firm performance. The correlation study yielded a strong positive relationship between entrepreneurial orientation (EO) and the mediational impact of environmental dynamism. It confirmed the positive and statistically significant impact of EO as well as, Environment Dynamism Mediating effect on company performance through regression analysis. This result supports the idea that environmental dynamics have a mediating effect in the relationship between EO and firm outcomes.

The correlation analysis reveals strong positive associations between EO and important factors of the environment, which means that firms with higher EO are more capable to meet changes in technological development; change technology differentiation economical policy political security and environmental catastrophe. The results are also supported by One-Way Anova findings and Bayesian estimates which states how the positive attitude towards unstable business surroundings, high environmental dynamism and dynamic industry pressures can help in improving firm performance.

The regression analysis gives significant data on which the impact of both Entrepreneurial Orientation and Mediating Effect for Environmental Dynamism on business performance is positive, as it proves to be statistically meaningful. Such results offer significant insight into strategic decisions in aviation industry. They emphasize that businesses should encourage entrepreneurial behavior and be able to adapt well in reaction to changes around them so as get better corporate results. The findings of the study serve as a foundation for successful organizational strategies and policies that enable organizations to achieve long-term success in ceaseless corporate climates.

In conclusion, this paper presents a detailed understanding of the nature and dynamics involved in the effects Entrepreneurial Orientation (EO) on corporate performance as well evaluating how environmental

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responsiveness moderates this relationship within Malaysian aviation industry The demographic data in the research show that mid-career professionals play a key role on how entrepreneurial strategies are viewed and reacted to within the business.

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*Questionnaire*

*Please complete all the questions below with (✓)*

Which of the following categories best describe your age?

Less than 25 ( )

25 – 40 ( )

41 – 55 ( )

Above 55 ( )

What is your gender?

Male ( )

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Female ( )

Which of the following describe your education level?

Foundation (Diploma)

Degree

Masters

*Please tick (/) in the corresponding box, from scale 1 to 5, as shown below. Kindly choose only ONE answer per question.*

| **Scale** | **Strongly disagree** | **Disagree** | **Neutral** | **Agree** | **Strongly agree** |
|---|---|---|---|---|---|
| **Items** | 1 | 2 | 3 | 4 | 5 |

Entrepreneurial Orientation

| **Statement** | **Sources** | **1** | **2** | **3** | **4** | **5** |
|---|---|---|---|---|---|---|
| Firm orientation is key in setting the goals of the company | Evan, 2019 | | | | | |
| Entrepreneurial orientation is influenced by search for creative ideas , and dramatic bounds in various elements of uncertainty | | | | | | |
| Entrepreneurial orientation can provide safety against environmental turbulence | | | | | | |
| China Airlines are oriented towards innovation and risk taking to manage the dynamic changes in the airline industry | | | | | | |
| Industries that are politically oriented survive changes in regulation policies | | | | | | |

Role of technological change on the relationship between EO and firm performance

| **Statement** | **Sources** | **1** | **2** | **3** | **4** | **5** |
|---|---|---|---|---|---|---|
| rapid technological changes affects firms internal ability and eventually performance | Fu et al., 2021 | | | | | |
| Constant technological changes further affect business environment | | | | | | |
| Expensive technologies can cost the firm a lot of money to implement it thereby affecting their profitability | | | | | | |
| Firms that adopt technology builds competitive advantage over those that do not adopt it | | | | | | |
| High organization adaptability leads to high perseverance to changes in product and innovation procedures | | | | | | |

Role of economic policy change on the relationship between EO and firm performance

| **Statement** | **Sources** | **1** | **2** | **3** | **4** | **5** |
|---|---|---|---|---|---|---|

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| | | | | | | |
|---|---|---|---|---|---|---|
| Airlines international collaboration allows high adaptation hence profitability of the firms | (Liu, Tang, Chen, & Poznanska, 2017 | | | | | |
| High GPD in the country positively increases purchase of airline services by travellers hence profitability to the firm | | | | | | |
| China's health policies on travel ban and covid-19 test affected airline ticket sales hence reduced profits | | | | | | |
| High inflation rates reduces purchasing power hence low sales of airline services and eventually low profit to the firms | | | | | | |
| The shrinking trade opportunities due to trade wars limits airlines in China to expand their market hence low profitability | | | | | | |