

Center The Driving Force of Entrepreneurial Performance in Microenterprises

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Abstract. The entrepreneurial imagination and ideas of micro-entrepreneurs play a pivotal role in fostering entrepreneurial success, serving as the driving force behind entrepreneurial performance. However, traditional entrepreneurial theories have predominantly employed symmetrical approaches for development and examination. This study aims to utilize Fuzzy Set Qualitative Comparative Analysis (fsQCA) to unveil hidden asymmetries in the data and explore diverse pathways to success for micro-enterprises. By identifying the configurations of entrepreneurial imagination and ideas that contribute to the dynamic development process of micro-entrepreneurship, this research seeks to provide profound insights into how individual imagination and ideas influence entrepreneurial dynamics. Through the application of fsQCA, our endeavor is to offer a novel perspective to entrepreneurial theories.

Keywords: Entrepreneurial Performance, Entrepreneurial Imagination, Entrepreneurial Ideas, fsQCA Analysis.

1. Introduction

Micro-enterprises play a crucial role at the grassroots level of the economic system, exerting a significant impact on the national economy. While mainstream academic research tends to focus on the competitive and cooperative relationships among large, medium, and small enterprises, there is a lack of in-depth exploration of micro-enterprises. In industrial systems, the imagination and creative thinking of micro-entrepreneurs are considered crucial for promoting entrepreneurial success, especially when micro-enterprises become integral parts of primary industries. The success or failure of these small-scale enterprises is directly correlated with the overall economic development direction.

Moreover, traditional entrepreneurial theories often use symmetrical methodologies, such as multiple regression analysis and structural equation models, which limit the possibility of diverse patterns by averaging concepts. This study employs Fuzzy Set Qualitative Comparative Analysis (fsQCA), providing a method for in-depth data exploration to explore asymmetric characteristics related to entrepreneurial factors and gain a new perspective on the dynamic patterns in entrepreneurial nature.

Furthermore, this theme explores issues related to the innovation economy. The impact of entrepreneurial ideas and imagination on the position and role of enterprises could be profound. This involves how businesses leverage entrepreneurial ideas and imagination to drive innovation, maintaining a competitive edge in a fiercely competitive market. Simultaneously, it may have positive implications for the entire economic system by encouraging more microenterprises to participate in the construction of the innovation economy, thereby promoting economic development and transformation.

2. Literature Review

2.1 Impact of Innovative Imagination on Entrepreneurial Performance

The entrepreneurial process has long been regarded as a journey of rethinking, involving deep exploration through experiments [1], games [2], reimagining existing problems, seeking new perspectives, and subsequent concrete actions [3]. Under economic pressures, the correlation between companies' ability to maintain a competitive advantage and the utilization of creative imagination becomes increasingly pronounced [4]. Companies are not only expected to leverage imagination to promote innovation and uniqueness but also to employ a synthesis of various imaginative approaches [5]. Despite the critical importance of imagination for businesses, its theoretical foundation remains relatively underdeveloped in management-related research [6]. The lack of imagination in the entrepreneurial process hinders companies from pursuing new directions, challenging prevailing representations and meaning frameworks [7]. Therefore, the creative imagination, social imagination, and practical imagination of individuals or teams have a positive impact on markets, industries, or the organizations themselves.

2.2 Impact of Entrepreneurial Ideas on Entrepreneurial Performance

Hill and Birkinshaw [8] define entrepreneurial ideas as integral components of an individual's comprehensive conceptualization. On the other hand, some scholars define entrepreneurial ideas as creatively generated concepts through artificial design (e.g., McCall [9]; Flynn et al. [10]; Brown [11]). Due to the diverse definitions and scopes of entrepreneurial ideas, they play a crucial role in the dynamic processes of entrepreneurship, providing the necessary impetus [12]. Many scholars recognize that the foundation of new enterprises lies in novel ideas [13], and generating higher-quality ideas can effectively save entrepreneurs time and money [14]. Therefore, entrepreneurial performance reflects the outcomes and effects that organizations or individuals achieve in innovative activities. This includes the successful launch of new products, services, processes, or business models and the positive impact on markets, industries, or the organizations themselves. Entrepreneurial mindsets, entrepreneurial concepts, and entrepreneurial performance are interconnected, collectively constituting different facets and elements of the innovation and entrepreneurial processes.

3. Research Methodology

This study employs Fuzzy Set Qualitative Comparative Analysis (fsQCA) as its research methodology, a qualitative research tool designed to comprehensively understand complex relationships among events, conditions, and outcomes. To gather data on micro-entrepreneurs, a questionnaire survey was conducted, utilizing a Likert-type six-point scale ranging from strongly disagree to strongly agree for assessment. The survey was conducted from November to December 2022, with a total of 84 respondents. During the measurement and calibration stages of fsQCA, data were analyzed for reliability and validity, and a correlation matrix was employed to confirm relationships among variables. Subsequently, the data were transformed into fuzzy sets using the direct method calibration. In the process of validating hypotheses and attributing practical significance, the study strategically centered its attention on intermediate solutions, complemented by simple solutions. This deliberate approach was instrumental in dissecting core and marginal conditions within the configuration paths, meticulously observing their respective degrees of impact on the outcome variable.

4. Analysis of Results

For the Necessity Analysis in this study, the degree of sample membership in a set is delineated using values of 0.95, 0.5, and 0.05. QCA necessity analysis was employed to examine the necessary

conditions for each outcome variable. The results indicate that the consistency of individual condition necessities is all below 0.9, suggesting the absence of necessary conditions causing the outcome variables. In the Configuration Analysis, causal relationship combinations influencing high and low entrepreneurial performance are organized in Table 1.

4.1 Analysis of Mechanisms Driving High Entrepreneurial Performance

An examination of Table 1 reveals that among the causal combinations influencing high entrepreneurial performance, imagination exerts the most significant impact. The fundamental conditions in all causal combinations include creative imagination, social imagination, and practical imagination. Among these, the combination of creative imagination and practical imagination, either jointly or individually, exhibits the highest consistency. The primary driving mechanisms consist of three paths:

H1: High Practical Imagination (PI * EM * EC), with a consistency of 0.864.

H2: High Creative Imagination with Practical Imagination (CI * PI * EC), with a consistency of 0.859.

H3: High Creative Imagination (CI * EM * -SI * -PI), with a consistency of 0.859.

4.2 Analysis of Mechanisms Driving Low Entrepreneurial Performance

From Table 1, it is evident that among the causal combinations influencing low entrepreneurial performance, the absence of imagination has a significant impact on reducing entrepreneurial performance. All causal combinations lack certain imagination conditions, and in the combination with the highest consistency, the absence of imagination is the primary source of influence. The three main paths leading to low entrepreneurial performance are:

NH1: Low Entrepreneurial Mindset, with Low Creative Imagination and Low Social Imagination (-EM * -CI * -SI * PI). Consistency is 0.868.

NH2: Low Creative Imagination with Low Practical Imagination (-CI * -PI * EM * SI). Consistency is 0.87.

NH3: Low Creative Imagination (-CI * EM * EC * SI). Consistency is 0.866.

Table 1: Configurations of High and Low Entrepreneurial Performance

	High Entrepreneurial Performance			Low Entrepreneurial Performance		
Causal Conditions	H1	H2	H3	NH1	NH2	NH3
Entrepreneurial mindset (EM)	●		●	⊕	●	●
Entrepreneurial Concept (EC)	●	●				●
Creative Imagination (CI)		●	●	⊕	⊕	⊕
Social Imagination (SI)			⊕	⊕	●	●
Practical Imagination (PI)	●	●	⊕	●	⊕	
Raw Coverage	0.613	0.606	0.32	0.314	0.327	0.32
Unique Coverage	0.008	0.025	0.003	0.018	0.001	0.012
Consistency	0.864	0.859	0.859	0.868	0.870	0.866

In the table, a large solid circle "●" represents the presence of a core condition, while a large hollow circle "⊕" signifies the absence of a core condition. A small solid circle "●" denotes the presence of a marginal condition, and a small hollow circle "⊕" indicates the absence of a marginal condition.

5. Conclusion

The existing body of research reveals a gap in providing comprehensive insights into the initiation and propulsion of entrepreneurial activities by entrepreneurial imagination. This study aims to contribute a novel perspective to entrepreneurial theories. By applying the fsQCA method, the research endeavors to reassess the dynamic configuration process of imagination and creativity in micro-enterprises. This approach aims to unveil hidden asymmetries and diverse pathways leading to micro-enterprise success within the dataset. The results of the study demonstrate that individuals characterized by elevated levels of entrepreneurial spirit, entrepreneurial ideas, and social imagination exhibit exceptional entrepreneurial performance. In the trajectory of entrepreneurial development, the presence of high-quality and original ideas emerges as a critical and pivotal factor, serving as key drivers toward attaining entrepreneurial success goals. Micro-enterprises, serving as substantial generators of employment and value, represent fundamental pillars for instigating industries and markets. Consequently, fostering the establishment of micro-enterprises has evolved into a primary avenue for addressing national economic and social challenges. As an integral component of the economic system, the influence of micro-enterprises on a nation's economic landscape cannot be understated. The heightened levels of innovative ideas and creative imagination significantly contribute to outstanding entrepreneurial performance, thereby creating substantial value for businesses and facilitating revenue growth and long-term profitability.

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