



Kaunas University of Technology

School of Economics and Business

The Role of Dynamic Managerial Capabilities in the Relationship Between Corporate Governance and Firm Performance

Master's Final Degree Project

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Kaunas, 2023



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International Business (6211LX029)

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Study field and area (study field group): Business, Business and Public Management.

Keywords: Corporate governance; Dynamic managerial capabilities; Competitive firm performance.

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Summary

Relevance of the topic: Dynamic managerial capabilities have received much attention from research these days and there are much scientific literature research on this topic (Kevill, 2021). Dynamic managerial capabilities are defined as a source of organization performance improvement and are strategically valuable for companies that successfully implement them (Helfat, 2009). Many authors analyze how dynamic capabilities come into play in various types of disciplinary fields, but just a few authors emphasize the role of these capabilities in corporate governance while seeking competitive firm performance.

In the recent 10-20 years topic of corporate governance became more interesting, especially for its relation with the firm results. Li et al., (2020) state that future research studies should use perspectives of behaviors to deep the understanding how corporate governance can influence or be influenced by executives or managers perceptions and behaviors. However, authors also highlight one of the hardest part for the research that, is to collect individual and team levels behavioral and perceptual variables and check their relations to competitive firm performance.

Though topics of corporate governance can be found in research, but most of the theoretical and empirical data is linked to big or state organizations in which excerpted from ownership, caused by the separation of ownership and control, positions power in the organization toward executives. While research has analyzed and deeper our understanding of how big corporations are governed, small and medium organization's corporate governance is still not very well known and studies of it has been found rarely. (Audretsch, 2014).

Hence, from the analysis of scientific researcher's works, could be see that the actual role of managers and their skill's importance for the corporate governance in the relation with competitive firm performance/results is not explored very well.

Object of the research. The role of dynamic managerial capabilities within the corporate governance seeking competitive firm performance.

Aim of the research. Explore dynamic managerial capabilities expression into firm's corporate governance seeking competitive firm performance.

Research objectives:

1. Based on problem analysis, reveal importance of the dynamic managerial capabilities during corporate governance in relation to competitive firm performance.

2. To find out a theoretical analysis of corporate governance expression, type, theories related with dynamic managerial capabilities and their role, while seeking competitive firm performance.
3. Justify the methodology for dynamic managerial capabilities, corporate governance and competitive firm performance.
4. To perform an empirical research, to find out the role of dynamic managerial capabilities, provide findings and recommendations for useful corporate governance while seeking competitive firm performance.

Methods of the research. Analysis of the scientific papers, statistical data analysis, comparison, visual/graphical data representation, empirical research with quantitative data survey method, analysis of collected data by SPSS program.

Results of the research.

A theoretical analysis of the scientific literature revealed that CG, CFP and DMC have long been studied in the context of different disciplines, but the interrelationships between them have been explored relatively recently. Researchers have found that CG has a positive effect on CFP and DMC has a positive effect on CFP. This nature of the relationship implies that the effect of CG on the propensity to DMC and CFP may be conditional - CG may depend on the strength of DMC and accordingly to CFP. Conducted theoretical analysis of DMC found that DMC has various interpretations of conceptualization, but the most recognized by different authors that DMC is a 3-dimension phenomenon and consists of sensing opportunities, seizing opportunities and transforming resources base. Many definitions of DMC are existing, but the most of authors accept that DMC phenomena consist of some of the internal and external competencies while seeking and achieving some of the targeted goals. In this research was chosen Teece (2007) definition, which sounds as the ability of a firm to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments. In the literature CG analyzed through different prisms, the most common analyze CG through BR, which as well used in this research, but also TMT and all the managerial levels were included in the research for the purpose of more validated and correct data about CG in the firms.

After conducted empirical research, was found that CG positive effects competitive firm performance and relationship between these constructs exists. Nevertheless that relations are medium, low or very low, most of the results are statistically significant. Also analysis has revealed that the role of DMC takes the mediator place in the scheme and CG has a statistically significant indirect positive effect on CFP when mediating DMC, i.e. as CG improves, the propensity to DMC increases, which in turn has a positive effect on CFP.

Urbonavičius Julius. Dinaminių vadybinių gebėjimų vaidmuo korporatyvinio valdymo ir įmonės veiklos rezultatų santykyje. Magistro baigiamasis projektas. Vadovė Prof. dr. Jurgita Sekliuckienė; Kauno technologijos universitetas, Ekonomikos ir verslo fakultetas.

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Kaunas, 2023. 62 p.

Santrauka

Temos aktualumas: Dinaminiai vadybiniai gebėjimai šiais laikais sulaukė didelio tyrėjų dėmesio ir šia tema yra daug mokslinės literatūros tyrimų (Kevill, 2021). Dinaminiai vadybiniai gebėjimai apibrėžiami kaip organizacijos veiklos gerinimo šaltinis ir yra strategiškai vertingi įmonėms, kurios juos sėkmingai įgyvendina (Helfat, 2009). Daugelis autorių analizuoja, kaip dinaminiai gebėjimai pasireiškia įvairaus pobūdžio disciplininėse srityse, tačiau tik nedaugelis autorių pabrėžia šių gebėjimų vaidmenį korporatyviniame valdyme.

Nors įmonių valdymo temos moksliniuose tyrimuose aptinkamos jau 10 ir daugiau metų, dauguma teorinių ir empirinių duomenų yra susiję su didelėmis arba valstybinėmis organizacijomis, kuriose dėl nuosavybės ir kontrolės atskyrimo iš nuosavybės išskirtos galios organizacijos vadovai turi daugiau galios. Nors moksliniai tyrimai analizavo ir pagilino mūsų supratimą apie tai, kaip valdomos didelės korporacijos, mažų ir vidutinių organizacijų korporatyvinis valdymas vis dar nėra labai gerai žinomas, o tyrimų apie jį randama retai. (Audretsch, 2014).

Pastaruosius 10-20 metų įmonių valdymo tema tapo įdomesnė, ypač dėl jos ryšio su įmonės rezultatais. Li ir kt. (2020) teigia, kad ateityje atliekant mokslinius tyrimus reikėtų naudoti elgsenos perspektyvas, siekiant geriau suprasti, kaip įmonių valdymas gali daryti įtaką vadovų ar vadybininkų suvokimui ir elgsenai. Tačiau vienas iš sunkiausių tyrimo aspektų yra surinkti individualaus ir komandos lygmens elgsenos ir suvokimo kintamuosius ir patikrinti jų sąsajas su konkurencingais įmonės veiklos rezultatais.

Taigi, atlikus mokslinės literatūros analizę užsienio ir Lietuvos autorių darbuose, trūksta informacijos apie tai, koks vaidmuo tenka DMC santykyje tarp CG ir CFP.

Tyrimo objektas. Dinaminių vadybinių gebėjimų vaidmuo korporatyviniame valdyme siekiant konkurencingų įmonės veiklos rezultatų.

Tyrimo tikslas. Ištirti dinaminių vadybinių gebėjimų raišką įmonės korporatyviniame valdyme siekiant konkurencingų įmonės veiklos rezultatų.

Tyrimo uždaviniai:

1. Remdamiesi problemos analize, atskleisti dinaminių vadybinių gebėjimų svarbą korporatyvinio valdymo metu, susijusią su konkurencingais įmonės veiklos rezultatais.
2. Išsiaiškinti teorinę įmonių korporatyvinio valdymo raiškos, tipo, teorijų, susijusių su dinaminiais vadybiniais gebėjimais ir jų vaidmeniu, siekiant konkurencingų įmonės veiklos rezultatų, analizę.

3. Pagrįsti dinaminių vadybinių gebėjimų, korporatyvinio valdymo ir konkurencingų įmonės veiklos rezultatų metodiką.
4. Atlikti empirinį tyrimą, išsiaiškinti dinaminių vadybinių gebėjimų vaidmenį, pateikti išvadas ir rekomendacijas dėl naudingo korporatyvinio valdymo, siekiant konkurencingos įmonės veiklos rezultatų.

Tyrimo metodai. Mokslinių straipsnių analizė, statistinė duomenų analizė, palyginimas, vizualinis / grafinis duomenų vaizdavimas, empirinis tyrimas kiekybiniu duomenų tyrimo metodu, surinktų duomenų analizė SPSS programa.

Tyrimo rezultatai.

Teorinė mokslinės literatūros analizė atskleidė, kad CG, CFP ir DMC jau seniai tiriama skirtingų disciplinų kontekste, tačiau jų tarpusavio ryšiai nagrinėjami palyginti neseniai. Mokslininkai nustatė, kad CG daro teigiamą poveikį CFP, o DMC daro teigiamą poveikį CFP. Toks ryšio pobūdis reiškia, kad CG poveikis polinkiui į DMC ir CFP gali būti sąlyginis - CG gali priklausyti nuo DMC stiprumo ir atitinkamai nuo CFP. Atlikta DMC teorinė analizė parodė, kad DMC konceptualizavimas turi įvairių interpretacijų, tačiau labiausiai įvairių autorių pripažįstama, kad DMC yra 3 dimensijų reiškinyje ir susideda iš galimybių pajautimo, pasinaudojimo galimybėmis ir išteklių bazės transformavimo. egzistuoja daug DMC apibrėžimų, tačiau dauguma tyrimų pripažįsta, kad DMC reiškinį sudaro tam tikros vidinės ir išorinės kompetencijos ir jų diegimas įmonėje, siekiant ir įgyvendinant tam tikrus užsibrėžtus tikslus. Šiame tyrime pasirinktas Teece (2007) apibrėžimas, kuris skamba kaip įmonės gebėjimas integruoti, kurti ir perkonfigūruoti vidines ir išorines kompetencijas, kad būtų galima reaguoti į sparčiai kintančią aplinką. Literatūroje DMC analizuojamas per įvairias prizmes, dažniausiai DMC analizuojamas per BR, kuris taip pat naudojamas šiame tyrime, tačiau siekiant gauti daugiau patvirtintų ir teisingų duomenų apie DMC įmonėse, į tyrimą buvo įtrauktas ir TMT bei visi valdymo lygiai.

Atlikus empirinį tyrimą, nustatyta, kad įmonių valdymas daro įtaką konkurencingiems įmonės veiklos rezultatams ir ryšys tarp šių konstrukto egzistuoja. Nepaisant to, kad ryšiai yra vidutinio, mažo arba labai mažo lygio, dauguma rezultatų yra statistiškai reikšmingi. Taip pat analizė atskleidė, kad Dinaminių vadybinių gebėjimų vaidmuo sferoje užima tarpininko vietą, o CG, tarpininkaujant DMC, turi statistiškai reikšmingą netiesioginį teigiamą poveikį CFP, t. y. gerėjant CG, didėja polinkis į DMC, o tai savo ruožtu daro teigiamą poveikį CFP

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List of abbreviations and terms

Abbreviations:

TMT – Top Management Team

DMC – Dynamic Managerial Capabilities

DC – Dynamic Capabilities

CG – Corporate Governance

OECD – Organization of Economic Cooperation Development

SWOT – Strengths, Weaknesses, Opportunities, Threats

CEO – Chief Executive Officer

Prof. – professor

ROA – return on assets

ROE – return on equity

BR – Board role

Introduction

Relevance of the topic: In these days, world is changing very fast, as well as conditions in which firms competing, so all the market players are forced to catch up with the changes foot by foot. Companies every day are trying to find out new strategies and ways how to win against competitors (Teece, 2018). With fast-changing technologies environmentally, businesses have a many great opportunities how to adapt it and manage their firms. But as well organizations, which have existed in quite long period, have to adapt their established activities, implement changes and base on good practices to improve competitive firm performance and outcomes. Such adaptation behaviors can include different problem-solving strategies, including developing dynamic managerial capabilities (Guajardo Treviño, 2020).

Dynamic managerial capabilities have received much attention from research these days and there are much scientific literature research on this topic (Kevill, 2021). Dynamic management capabilities are defined as a source of organization performance improvement and are strategically valuable for companies that successfully implement them (Helfat, 2009). Many authors analyze how dynamic capabilities come into play in various types of disciplinary fields, but just a few authors emphasize the role of these capabilities in corporate governance.

In the recent 10-20 years topic of corporate governance became more interesting, especially for its relation with the firm results. Li et al., (2020) state that in the future research studies should use perspectives of behaviors to deep the understanding how corporate governance can influence or be influenced by executives or managers perceptions and behaviors. However, one of the hardest part for the research that, is to collect individual and team levels behavioral and perceptual variables and check their relations to competitive firm performance.

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Hence, from the analysis of scientific researcher's works, could be seen that actual role of managers and their skill's importance for the competitive firm performance/results is not explored very well. This study is focused on how CG related with the CFP and what role in that relationship plays DMC.

Object of the research. The role of dynamic managerial capabilities within the corporate governance seeking competitive firm performance.

Aim of the research. Explore dynamic managerial capabilities expression into firm's corporate governance seeking competitive firm performance.

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Methods of the research. Analysis of the scientific papers, statistical data analysis, comparison, visual/graphical data representation, empirical research with quantitative data survey method, analysis of collected data by SPSS program.

Results of the research.

A theoretical analysis of the scientific literature revealed that CG, CFP and DMC have long been studied in the context of different disciplines, but the interrelationships between them have been explored relatively recently. Researchers have found that CG has a positive effect on CFP and DMC has a positive effect on CFP. This nature of the relationship implies that the effect of CG on the propensity to DMC and CFP may be conditional - CG may depend on the strength of DMC and accordingly to CFP. Conducted teoretical analysis of DMC found that DMC has various interpretations of conceptualization, but the most recognised by different authors that DMC is 3-dimension phenomenon and consists of sensing opportunities, seizing opportunities and transforming resources base. Many definitions of DMC are existing, but the most of researches accept that DMC phenomena consists of some of the internal and external competencies and implement them into the firm, seeking and achieving some of the targeted goals. In this research was chosen Teece (2007) definiton, which sounds as the ability of a firm to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments. In the literature CG analyzed through different prisms, the most common analyze CG through BR, which as well used in this research, but also TMT and all the managerial levels were included in the research for the purpose of more validated and correct data about CG in the firms.

After conducted empirical research, was found that Corporate governance effects competitive firm performance and relationship between these constructs exists. Nevertheless that relations are medium, low or very low, most of the results are statistically significant. Also analysis has revealed that the role of DMC takes the mediator place in the scheme and CG has a statistically significant indirect positive effect on CFP when mediating DMC, i.e. as CG improves, the propensity to DMC increases, which in turn has a positive effect on CFP.

Structure of the research. The master thesis consists of 4 parts, 62 pages, 23 tabels, 12 figures and 1 annex – survey.

1. Problem analysis

1.1. The importance of corporate governance in organization

Claessens (2006) in the World Bank research presents how corporate governance is related to the organization's performance and outcomes:

- Firm has better opportunities for external financing, which enables higher investment, faster improvement and more space for job creation.
- Associated higher firm valuation and lower cost of capital – firm looks more accessible for the investors.
- Corporate governance creates wealth in the organization through better operational performance, which improved with better allocation of resources and better management.
- Case of financial crises risk is reduced – firm can expect to avoid huge economic and social costs which are created by financial crisis and this effect is particularly important.
- Relationships are improved with all of the stakeholders, this allows to improve social and labor relationships and areas like environmental protection.

By the author all of presented channels make impact for company's growth, employment, poverty and well-being in general context. There are empirical evidence (Figures 1, 2 and 3) as well in the connection with the presented characteristics of corporate governance at country, individual business unit and also at the investor perspective.

Increased access to financing – markets of capital and financial are in better condition in countries where exists strong protection of property rights. Especially, better creditors rights and shareholder rights directly related with deeper and more developed banking and capital markets. Figure 1 and 2 shows the interaction between index of creditor rights and the depth of financial system (Claessens, 2006). In this context La Porta, Lopez – de – Silanes, Shleifer and Vishny (1997) created the creditor rights and equity rights indexes. Also in the World Bank research by Claessens (2006) all the evaluated countries where grouped into four quartiles, depending on the results showed in the scale based on the product of their creditor rights and on the efficiency of the judicial system, which are related to corporate governance.

Figure 1. The creditors rights index based on Claessen (2006), source La Porta et al. (1997)

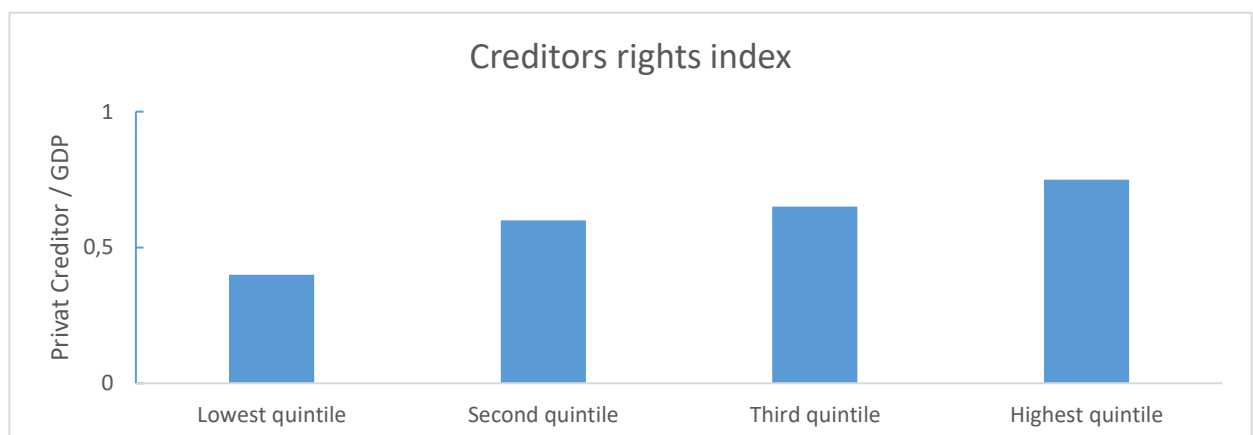
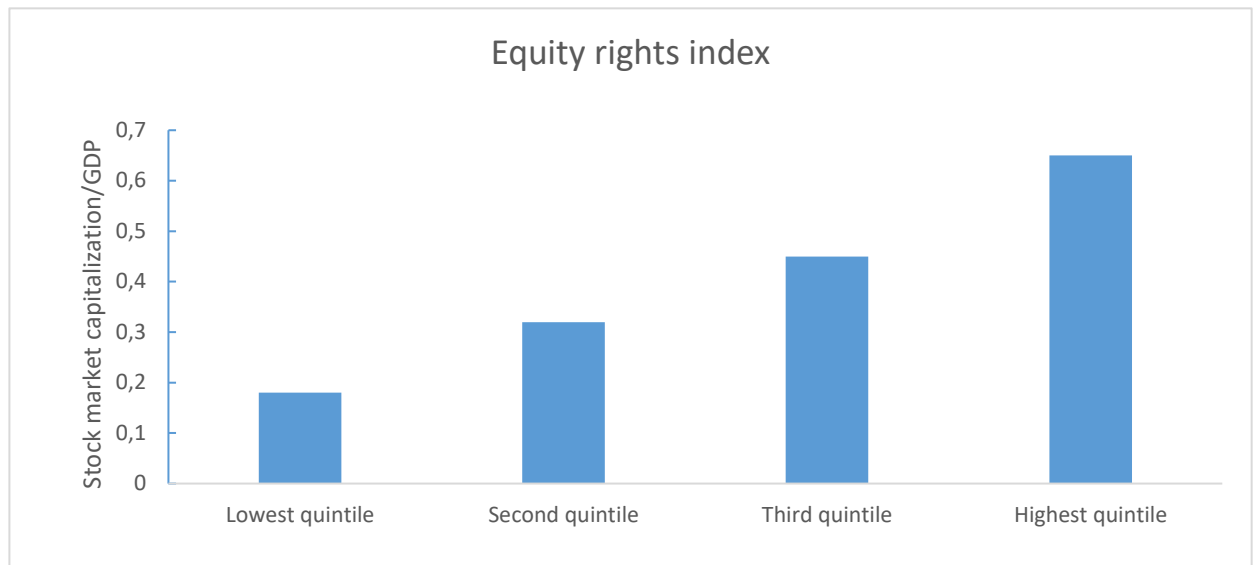


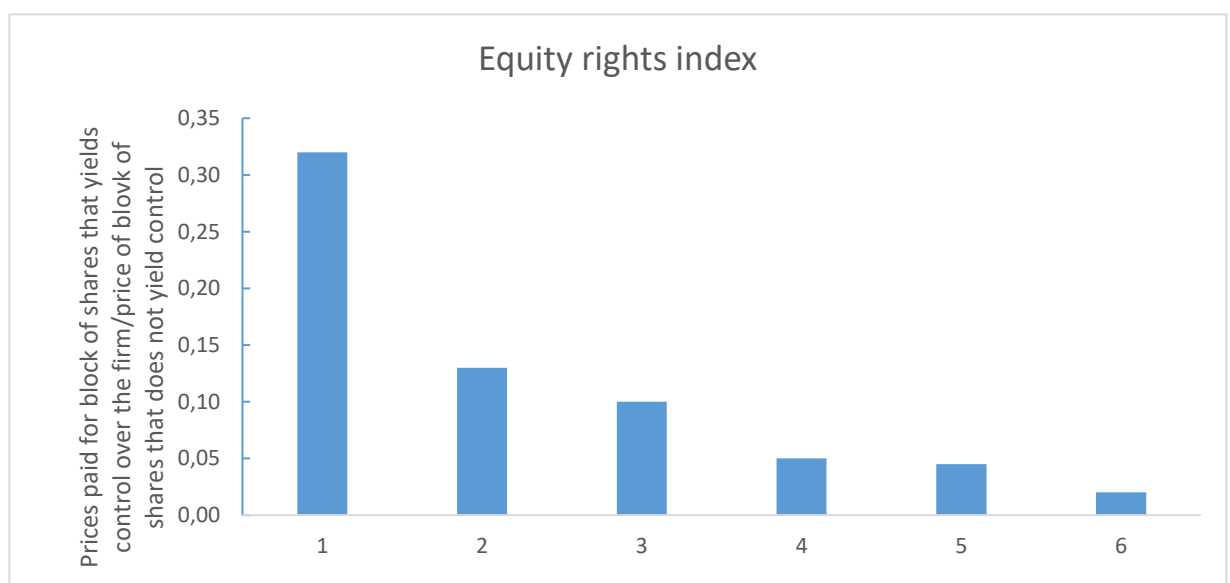
Figure 2. Equity rights index based on Claessen (2006), source La Porta et al. (1997).



According to the author, the better creditor rights are defined and enforced - the more willing lenders are to extend credit, while the stronger shareholder protection – the larger a country's stock markets.

Higher firm valuation – the condition of CG system respond not only for financing but also connected with the cost of capital and valuation of the firm. “Outsiders are less willing to provide financing and more likely to charge higher rates if they are less assured that they will earn an adequate rate of return” (Morck, Shleifer and Vishny, 1988). Author Claessen (2006) relies on other authors and presents that this effect also has empirical evidence “the cost of capital has been shown to be higher and valuation to be lower in countries with weaker property rights”, as well “investors also seem to discount their valuation of firms and countries with worse corporate governance” and this data presented in figure 3.

Figure 3. based on Claessen (2006) source Dyck and Zingales (2004) and Nenova (2003)



According to the author higher costs of capital is directly related with the poor corporate governance system: “examination of the prices paid in actual transactions for a block of shares that implies transferring control over the firm relative to the price of shares that do not and the equity rights index

reveals “. In this case the lower firm valuation is and the higher cost of capital corresponding, transfers to high economic costs for that countries where corporate governance is in bad condition. As consequence country or firm do not look so attractive and possible investors avoid it.

Better operational performance – corporate governance can bring better performance of the organization, by using effective management, more efficient asset allocation, better labor practices or any improvements related with the efficiency. The World Bank research made by Claessen (2006) using other authors data, but states that there is also evidence based on data that at the firm level, better corporate governance brings to higher rates of return on equity, higher valuation, and higher increase of sales and profits.

1.2.The challenges in the governance process faced by firms

OECD (2015) state the principles of corporate governance and highlighted that „The corporate governance framework should promote transparent and fair markets, and the efficient allocation of resources. It should be consistent with the rule of law and support effective supervision and enforcement “.

By OECD (2015) effective corporate governance needs law, regulation, and institutional systems, that participants of the market can trust, before organizations set their private relationships which are contracted. The corporate governance system typically consists of essential features like legislation, regulation, self-regulatory, arrangements, voluntary commitments and business practices that are the result of a country’s specific characteristics, traditions, and history. The union of different mentioned elements in different countries could be also different. The regulatory and legislative elements of corporate governance essential features can useful add “comply or explain” principle such as corporate governance rules, which seeks to ensure flexibility and figure out solutions at individual level. Also, need to be mentioned that what successfully works in one company, or for particular investor, or any stakeholder, not in all cases could be implemented the same actions and the result will be the same in most of the cases circumstances and context of environmental are different. OECD notes that when businesses achieve some experience and knowledge, or conditions changed, corporate governance requires re-evaluation and if need – adaptation.

At the organizational level OECD describes that CG framework should be developed with a view to its impact on overall economic performance, market integrity and the incentives it creates for market participants and the promotion of transparent and well-functioning markets.

1.3. Dynamic managerial capabilities importance for the firm results

Dynamic managerial capabilities (DMCs) refer to a firm's ability to respond to changes rapidly and effectively in its environment, including changes in markets, technologies, and competitors. DMCs are important for firms to stay competitive and achieve sustainable growth.

According to a study by Zhou, Wu, and Barnes (2020), DMCs are positively associated with a firm's financial performance. The study found that firms with higher DMCs had higher profitability, as measured by return on assets (ROA) and return on equity (ROE).

Another study by Yu, Ramanathan, and Nath (2019) found that DMCs are particularly important for firms operating in dynamic environments, such as the technology industry. The study found that firms

with higher DMCs were better able to adapt to changing market conditions and were more likely to introduce new products and services.

In addition to financial performance, DM are also important for a firm's ability to innovate. A study by Li, et al. (2020) found that DMCs were positively associated with a firm's innovation performance, as measured by the number of patents filed.

Overall, statistical data suggests that DMC are important for a firm's financial performance, innovation, and ability to adapt to changing market conditions. Firms that prioritize developing and maintaining DMC are more likely to achieve sustainable growth and long-term success.

As well in business landscape, companies confront multiple challenges that necessitate prompt adaptation and response to sustain competitiveness. This has led to a growing interest in the notion of dynamic capabilities, which pertains to an organization's ability to sense, capture, and transform resources and capabilities to meet evolving market circumstances (Tecee, 2007; Abrosini and Altintas, 2019.)

Dynamic managerial capabilities, a subset of dynamic capabilities, are the competencies and skills of managers to recognize, cultivate, and leverage resources and capabilities to attain strategic objectives. These competencies are crucial for organizations to attain and maintain a competitive advantage in an ever-changing business environment. However, while there is information about DMC and its elements, activities, there are not many studies where DMC researched in the relationship between CG and CFP.

1.4. Competitive firm performance in the relation with the firm position in the market

Competitive firm performance refers to a firm's ability to outperform its rivals in terms of profitability, market share, and other key performance indicators. Statistical data suggests that firms with higher levels of competitive performance enjoy several advantages in the market.

First, firms with higher levels of competitive performance are more likely to achieve higher levels of profitability. A study by Cavusgil and Zou (2019) found that firms with higher levels of competitive performance had higher gross profit margins, net profit margins, and return on assets (ROA) than their less competitive peers.

Second, firms with higher levels of competitive performance are more likely to capture a larger share of the market. A study by Homburg, Stierl, and Bornemann (2018) found that firms with higher levels of competitive performance were more likely to have a larger market share than their less competitive peers.

Third, firms with higher levels of competitive performance are more likely to be perceived positively by consumers. A study by Lai, Chang, and Wu (2019) found that firms with higher levels of competitive performance had higher levels of customer satisfaction and loyalty.

Finally, firms with higher levels of competitive performance are more likely to be financially stable and able to withstand economic downturns. A study by Ali, Zhou, and Hussain (2019) found that firms with higher levels of competitive performance were less likely to experience financial distress during economic recessions.

All in all, scientific data suggests that competitive firm performance brings several benefits to a firm's position in the market, including higher profitability, larger market share, positive consumer perception, and financial stability. Firms that prioritize developing and maintaining a competitive edge are more likely to achieve long-term success in the market.

To conclude chapter, literature analysis showed, that are some of the research where could be found relation with DMC and CFP, authors researched relations between DMC and firm performance/outcomes, which could be direct or indirect (Helfat et al., 2009; Protogerou et al., 2012; Zott, 2003). The other authors (Drnevich and Kriauciunas, 2011; Karna et al., 2015.) researched how environmental dynamics impacts DMC in the relationship between CFP. However, while there are studies where constructs studied separately or where on this topic analyzed at the concept/elements level (Helfat and Peteraf, 2009; Teece, 2007; Augier and Teece, 2009) there are still hard to find studies where all three constructs (DMC, CG and CFP) were analyzed. For this purpose, master thesis is directed to fill the research gap and investigate the role of DMC in the relationship between CG and CFP.

2. Theoretical preconditions

2.1. Corporate governance importance for organization supervision, resources and results

Although the idea of corporate governance is known for a long time, but its importance for the successful organization activities noticed not so long ago. Conception corporate governance became especially important and interesting after financial and economic crisis that started in 2007, because it showed lack of information and ability in corporate governance (Festić et al., 2020).

Authors Tugrul and Cimen (2016) researched the importance of corporate governance using quantitative SWOT analysis. They found that corporate governance and related activities are crucial and refers in wide range to the mechanisms, processes and relations by which corporations are monitoring and pointing out security. While these authors made research in energy in sustainable development and evaluation context, however by authors corporate governance importance results could be applied and be relevant for many other contexts or fields in the future.

In 2020 authors Festic, Črepinko and Bratina made other research which examined the importance of corporate governance in the context of banks concerning the ownership in the international environment. In the research was made not only empirical analysis of corporate governance importance but also its influence on bank operations in selected countries. Authors highlight that by the information presented in their research, corporate governance has the main role and is an important factor which in the future has to be studied more in the context what impact it has for company performance. In the last decades were made huge amount of researchs but the authors did not stay on the same opinion how corporate governance influence performance of company or what important factors, efficient measures or conditions are crucial for improvement of corporate governance. According to the authors it is noticeable that corporate governance importance for firms results, outcomes and performance should be studied more deeper.

Authors Rizani, Syam and Lisandri (2022) made a research how corporate governance impacts financial performance in banking sector. They found that good corporate governance has a important effect on managing earnings and that leads to the better company financial performance. Also authors point out that future research should cover not only banking sector, but also others sectors companies, where should be add more qualitative reviews from corporate managers, where personal expierences will be shared. This point also were highlighted in limitations of authors study, because research relies on only secondary data and the results evaluated without support by personal expierence.

In 2021 Durguti and Kryeziu made a research where importance of corporate governance was investigated in Kosovo's banking sector. Authors find out that all of the variables which depend on corporate governance impact evaluation, have the impact for the banking sector performance. Authors highlight that in the future studies the other sectors and characteristics of corporate governance could be included in the research.

Below in the Table 1 presented the importance of corporate governance in organization scientific research systemic review which includes research authors, research object, research method and the outcomes, concluded by the author.

Table 1. Connections between the corporate governance and its importance scientific articles systemic review (concluded by author)

Research authors	Research object	Research method	Results of the research
Festic, Črepinko and Bratina, 2020	The importance of corporate governance in banks concerning the ownership	Designed a matrix based on a review of annual reports – qualitative analysis	Empirical analysis showed that smaller ownership concentration and foreign ownership impacts corporate governance positive. But authors says that they can not to prove or justify any negative influence on corporate governance from state ownership side
Turgul and Cimen, 2016	The importance of corporate governance for energy in sustainable development	Quantitative SWOT analysis	Mechanisms, processes and relations by which corporations are controlling and directing are key related activities for corporate governance, especially for energy and energy supply security.
Rizani, Syam and Lisandri, 2022	Effect of corporate governance on financial performance	Quantitative, structural equation modeling and partial least squares	Authors find out that high quality corporate governance scheme lets stay out from agency conflicts, avoid earnings manipulation by managers and achieve reliable company performance valuations
Durguti and Kryeziu, 2021	The impact and effect of corporate governance on the performance	Quantitative, dynamic approach through 2SLS estimation.	The research showed that all the variables assigned for the corporate governance have a significant impact on the performance of the banking sector.

To sum up presented research with systemic review for connections between corporate governance and its importance for organizations, noticeable that all of the authors investigated corporate governance importance. Two of the articles confirmed that corporate governance has the impact and it is key activities for the organization performance (Durguti and Kryeziu, 2021; Turgul and Cimen, 2016), the other two authors find out, that corporate governance has positive impact for the firm results and outcomes (Rizani, Syam and Lisandri, 2022; Festic, Črepinko and Bratina, 2020). For research method no recurring trend is observed, quantitative (Durguti and Kryeziu, 2021; Rizani, Syam and Lisandri, 2022; Turgul and Cimen, 2016), qualitative (Festic, Črepinko and Bratina, 2020), with different tools and schematics applied.

2.2. Corporate governance definitions

CG is well known topic and in the literature could be found various definitions how different authors describe CG in the scientific literature. Shleifer and Vishny (1997) defined corporate governance as

a mechanism that ensures investors in corporations get a return on their investments. This means that corporate governance mechanism is a set of predefined rules which guide the actions of managers resulting in the best interest of investors. Jensen and Meckling (1976) claims that contemporary definitions of CG encompass a broader set of principles, practices, and mechanisms that govern the relationships between various stakeholders, including the board of directors, shareholders, management, and other stakeholders. The Organization for Economic Co-operation and Development (OECD) state that CG provides the structure through which objectives of the company are set and the means of attaining those objectives and monitoring performance are determined. Authors also emphasize that effective CG framework should establish appropriate incentives for the board and management to pursue objectives aligned with the company's and shareholders' interests, while also facilitating efficient monitoring processes. Hermalin and Weisbach (2003) outlines CG as structure which deals with the ways in which suppliers of finance to corporations assure themselves of getting a return on their investment. Becht, Bolton, and Roell (2005) discuss CG as a system of mechanism and relationships that govern the control and direction of corporations. Authors also examine aspects of CG, including the role of boards of directors, ownership structures, executive compensation and market for corporate control. Brown and Caylor (2009) contribute to the understanding of corporate governance by studying its effects on firm performance. Authors suggest that firms that implement strong CR practices have a higher likelihood of achieving favorable financial results. Hitt, Ireland, and Hoskisson authors (2017) define corporate governance as the way in which a company is managed and controlled, and the mechanisms through which its various stakeholders influence its decisions and actions. While Hitt, Ireland, and Hoskisson CG define as a relationship among stakeholders that is used to determine and control the strategic direction and performance of organizations.

Table 2 represents how different authors describe CG phenomenon.

Table 2. Corporate governance definitions by different authors

Author	Definition	Year
Jensen and Meckling	Define corporate governance as the set of mechanisms through which outside investors protect their investments from expropriation by insiders.	1976
Shleifer and Vishny	Corporate governance refers to the mechanisms, processes, and relations by which corporations are controlled and directed.	1997
The Organization for Economic Co-operation and Development (OECD)	Defines corporate governance as the system by which companies are directed and controlled.	1999
Hermalin and Weisbach	Define corporate governance as the way in which suppliers of finance to corporations assure themselves of getting a return on their investment.	2003
Becht, Bolton, and Roell	Define corporate governance as the set of mechanisms that define the distribution of rights and responsibilities among different participants in the corporation, such as the board of directors, management, shareholders, and other stakeholders, and the rules and	2005

	procedures for making decisions on corporate affairs.	
Brown and Caylor	Define corporate governance as the system of principles, policies, and procedures that guide the behavior of corporate actors, and ensure that they act in the best interests of the company and its stakeholders.	2009
Hitt, Ireland, and Hoskisson	Define corporate governance as the way in which a company is managed and controlled, and the mechanisms through which its various stakeholders influence its decisions and actions.	2017
Bhattacharya and Ritter	Define corporate governance as the set of mechanisms and practices that enable a company to achieve its objectives, and ensure that its decisions and actions are aligned with the interests of its stakeholders.	2017

Overall, corporate governance can be understood as the system of rules, practices, and processes by which a company is directed and controlled, and by which it manages its relationships with its various stakeholders, including shareholders, management, employees, customers, suppliers, and the broader society. The specific definition may vary depending on the author's perspective and focus on different aspects of corporate governance.

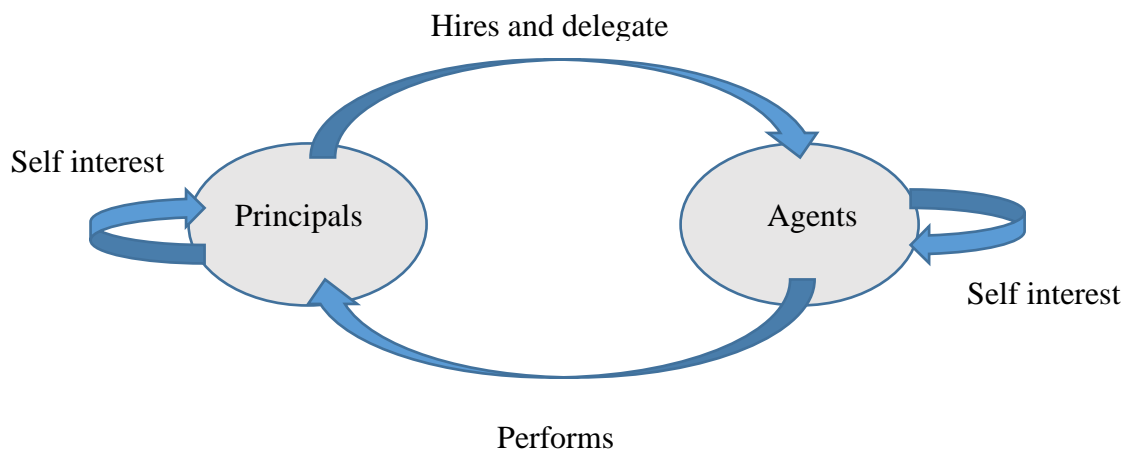
2.3. Corporate governance concept theories

According to Grantham (2020) corporate governance role in the global context is taking important part because firms have been developed very quick in recent times. Also corporate governance process even existing in countries where this process is not well known and regulated for organizations. Exactly this process in recent decades is so important and researched all over the world, because it is the main tool for successful firm operating and high performance. Therefore, the implementation and adaptation of corporate governance practices, theories, activities and mechanisms in business should bring effective organization performance monitoring, especially when disclosure and transparency is existing.

Existing couple theoretical approaches, which analyzing corporate governance concept. Researchers corporate governance construct in different scientific research contexts analyzing based on different theories:

The agency theory – the first one author, who mentioned this theory was Adam Smith in 1776 he said that only the owner can take care of his money like that, but not the managers of other people's money. Challenges which agency facing controlled through decision systems (processes of decisions) which separate management decisions (application, implementation) and control decisions (monitoring and ratification) at all levels of organization (Fama and Jansen, 1983).

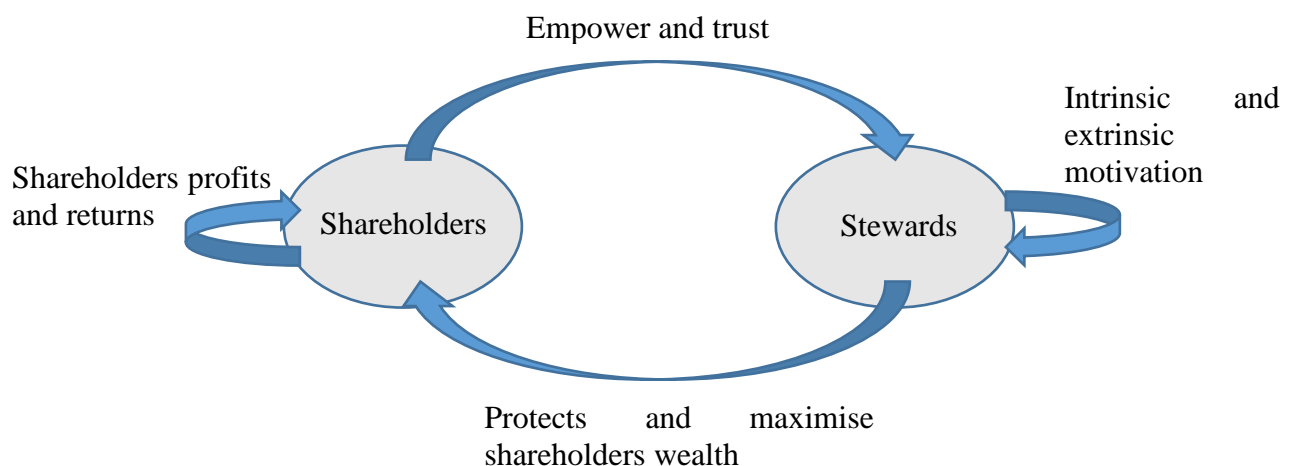
Figure 4. Agency theory based on Papertyari library, Theories of Corporate governance.



Based on agency theory scheme there is relationship between principals and agents (could be between shareholders and directors). According to this theory, principals hires agent and delegate for him the work of running the firm, in this case directors or managers are agents of principals, which are shareholders. The main idea of this theory is to split ownership and control. The principals believe that agents will take the best decisions according shareholders interests. Of course agent could delegate self interests, but in this case principals expectations would be not satisfied. So the theory also highlights that organization employees are responsible for results and according to them system of punishment or rewards could be used.

Stewardship theory – in this theory interests of the owners and the managers goes foot by foot together and seeks to create firm structure which ensure good company performance, achieve better results. According to this theory authors describe managers as “non-opportunistic” agents but good managers (Donaldson and Davis, 1991). This theory does not means that manager not has personal objectives, but otherwise, understands about his relationship between his individual objectives and the goals of the organization. The both parties seeks to find the best way how to achieve the aims and to work together forward collective goals (Garzon Castrilon, 2021).

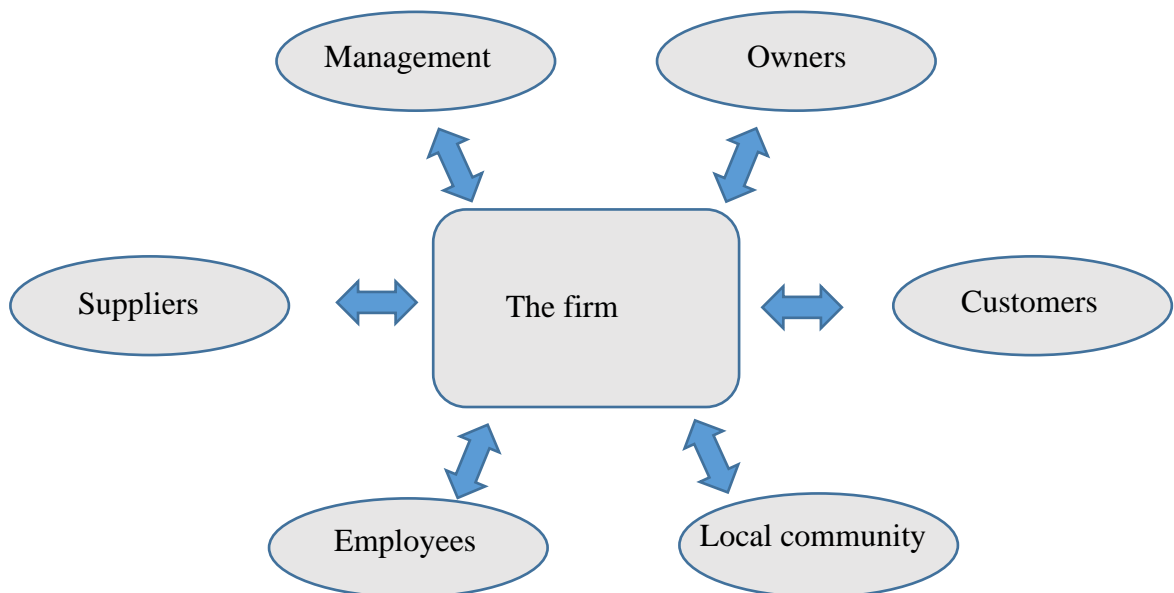
Figure 5. Stewardship theory based on Papertyari library, Theories of Corporate governance



According to stewardship theory, stewards completely protects and maximal grow shareholders profit. From the other side the stewards (firm executives and managers), when firm goals are achieved, get awarded and motivated. In this case, position of the employees and executives to trust on their owns is encouraged to seek the best results and profits for the shareholders. The employees are fully responsible for their results and decisions.

Stakeholder theory- the idea of this theory basis is assigned to Edward Freeman and he state that the firm has to be developed without opposing to the ethical rules which organization is set, however at the same interests of employees, suppliers, creditors and clients have to be noted (Freeman et al., 2010). The other author Mansell (2013) in his book criticizes capitalism and says that stakeholder theory objects for the basis of market economy with direct social interaction to organization approach. However all the participants of value creation chain have the right to participants, but the fact is that in organization at the same time all the interested parties participating in corporate governance and the main goal for the internal company organization is to manage all for collective objectives (Garzon Castrilon, 2021).

Figure 6. Stakeholders theory scheme based on Barter (2011).



According to the stakeholders theory included liability of the management to a wide range of stakeholders. It defines that executives in the companies have a connected relationship between suppliers, employees and other business partners which they have to supervise and care. The main focus in the theory for decision making in the managing level and all of the interests of stakeholders create one or another value for the organization.

Resource dependence theory – this theory described that organization is directly related to context in which organization is operating. Organization ability to manage resources and the information provided of other companies will be directly related to the results which they achieve in the same context. In these conditions firm has to face other participants competition in the same context especially when the same limited resources are used by different organizations (Garzon Castrilon, 2021).

From the organization side in this theory Akram and Abrar Ul Haq (2022) notes that in this theory context executives play a crucial role in the company performance. Managers should have unique

human and social abilities which lets firm to connect with outside environments and prepare for new mechanisms installation. However experience from the past influence their possibilities to accept strategic decisions which has impact on organization performance.

To conclude presented theories, table with structured information were made, based on Castro, De la Concha, Gravel and Perinan (2009).

Table 3. Theories conclusion based on Castro et al. (2009)

	Agency theory	Stewardship theory	Stakeholders theory	Resource dependence theory
Board role	Control and supervision	Service and advice	Uphold interest of all stakeholders	Links the firm to the resources required to maximize performance
Theoretical basis	Economics and finance	Sociology and psychology	Management	Organizational theory and sociology
Effective boards	Independent (outsider dominated board, no social, personal or professional ties between board and CEO/management) CEO – chairperson separated	Insider dominated board. Joint CEO – chairperson (duality) CEO – board social ties	Maximizing the shareholder returns is not the sole objective. Interests of all stakeholders should be equally honored	Large board members diversity. External networks among board members and other firms.
Representative studies	Fama and Jensen (1983); Hill and Snell (1988); Baysinger and Hoskisson (1990); Baysinger, Kosnik and Turk (1991)	Donaldson (1990); Donaldson and Davis (1991,1994); Davis et al. (1997)	Freeman (1984); Donaldson and Preston (1995)	Pfeffer (1973); Pfeffer and Salancik (1978); Hillman et al. (2000)

The big amount of studies analyzing the powerful variety of methods and techniques of theoretical examination of corporate governance. However most usually researchers study not the fact of how executives govern and manage the business but more likely deepens to structural and administration contexts (Garzon Castrilon, 2021).

2.4.The role of dynamic managerial capabilities in corporate governance

In this chapter literature analysis of DMC is provided, first, for understanding the Dynamic managerial capabilities concept and phenomenon - definitions of different authors are presented in Table 4.

Table 4. Dynamic managerial capabilities definitions by different authors

Author	Definition	Years
Teece	the ability of a firm to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments.	2007
Helfat and Winter	differentiate between dynamic capabilities, which allow firms to adapt and change over time, and operational capabilities, which allow firms to execute current strategies effectively	2011

Zollo and Winter	the firm's capacity to sense and seize new opportunities, reconfigure resources, and adapt to changing environments through deliberate learning	2002
Eisenhardt and Martin	the firm's ability to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments	2000
Helfat et al.	the firm's ability to create, deploy, modify, reconfigure, upgrade, or leverage its resources and assets in response to rapidly changing environments	2007
Wang and Ahmed	dynamic managerial capabilities as the set of cognitive, behavioural and social processes through which managers identify, assimilate, transform and exploit new knowledge, skills and resources to adapt to changing environments and create sustainable competitive advantage	2021
Ritala et al.	the cognitive and behavioural processes through which managers sense, seize and transform external knowledge, skills and resources, and integrate them with internal capabilities to enable innovation and competitive advantage	2021
Lee et al.	dynamic managerial capabilities as the set of cognitive, behavioural and social processes through which managers acquire, assimilate, transform and exploit digital technologies and resources to enhance innovation, customer value and firm performance in the digital era	2021

Dynamic managerial capabilities refer to a set of cognitive, behavioral, and social processes through which managers identify, assimilate, transform, and exploit new knowledge, skills, and resources to adapt to changing environments, enhance innovation, and create sustainable competitive advantage. These processes include sensing, seizing, and transforming external and internal resources, integrating them with organizational values and goals, and modifying, reconfiguring, or leveraging resources and assets in response to rapidly changing environments. Different researchers have provided slightly varying definitions, but all agree that dynamic managerial capabilities are critical for firms to survive and thrive in today's business environment.

Teece, Pisano and Shuen (1997) more than 20 years ago introduced dynamic managerial capabilities as an ability to gain new conditions of competitive advantage and splits it into two sections. The term ‘dynamic’ describes as ability to gain and renew competences as well catch up with the environment of the business which is changing very fast, also to answer for these changing conditions on time, when market circumstances require special attention for timing, especially when it is difficult to predict market changes and future competition. The second part “capabilities” authors describe as crucial role of strategic management during adaptation, integration and reconfiguration of internal and external company abilities, resources and skills to conform to conditions which is changing.

The indication that executives (in young and also established firms) don’t and likely should not, establish solutions or routines “one time and for long” for their operating work but time to time should be revised what dynamic managerial capabilities are developed and must be adapted. (Zahra, Sapienza and Davidsson, 2006). The same authors highlight that organization dynamic managerial capabilities are “dynamic ability to change or reconfigure existing substantive capabilities” and this is the main difference between substantive capabilities. Nevertheless authors distinguish that together with these new capabilities presented, the organization at the same time expand its ability to improve routines and blend it into company operations. By Zahra et al. (2006) this description suggests three

elements: the ability to solve a problem (a substantive capability); the presence of rapidly changing problems (an environmental characteristic); and the ability to change the way the firm solves its problems (a higher – order dynamic capability to alter capabilities).

Kevill, Trehan, Harrington and Kars-Unluoglu (2021) describes dynamic managerial capabilities as ability of the firm to adapt or launch or act to the changes in organization outside circumstances. The same authors distinguished 3 characteristics DMC which is presented in Table 5.

Table 5. Characteristics of dynamic managerial capabilities presented in Kevill et al. (2021) research.

Characteristic	Explanation
Specific change – oriented purpose that is strategically and economically important	Each DMC has a specific functional purpose, such as new product/service development, organizational acquisitions or diversification (Helfat and Winter, 2011). DMC enable change that is strategically and economically important to an organization (Helfat and winter, 2011; Teece, 2007)
Repeatable	DMC enable repeatable changes (Helfat et al. 2007; Teece, 2007) For example, a DMC to develop new services would lead to the development of several new services over time.
Routine and non-routine elements	The changes underpinned by a DMC are undertaken in similar ways (Helfat et al. 2007) meaning there is a routine/patterned element to the changes as evidenced through common practices being enacted. DMC include both routine and non-routine elements (Teece, 2012)

The first one mentioned characteristic by author notes that DMC are related with the changes. In this conception the main role plays change and that suggests this difference is main that excludes dynamic managerial capabilities from just operational capabilities which let to live and work on the everyday, basic tasks. The other two characteristics repeatable and routine in Table 4 make some discussions in the literature and could be also seen some of objections between the characteristics. Authors highlight that routine includes repeatedly models which are connected to each other. Winter (2003) describe concept of DMC as “highly patterned and routine in nature, the enactment of those routines in practice will typically involve some improvisational and non-routine elements resulting from individual agency and contextual considerations”. But also Teece (2012) complains that dynamic managerial capabilities requires more imagination, entrepreneurship and non-routine conducts expressed in parallel with routine behaviours. Despite fact that Winter (2003) says that firms not usually have routine characteristic of the dynamic managerial capabilities authors Kevill et al. (2021) joins opinion of the Teece (2012) who stated that dynamic managerial capabilities in reality include together two basis – routine and non-routine.

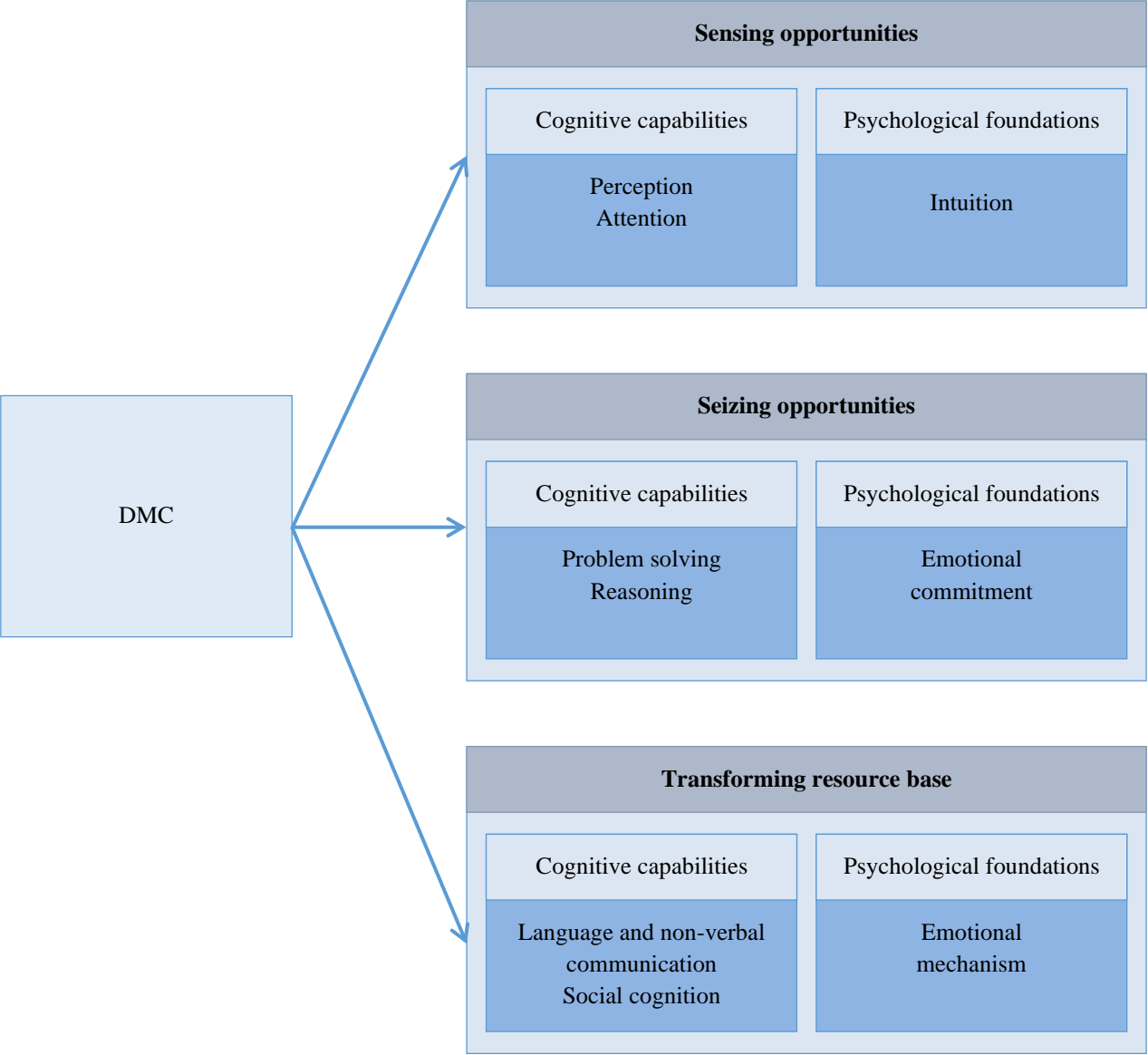
Ambrosini and Altintas (2019) in their research analyzing the three core antecedents to DMC. But first Teece (2007) explicitly of dynamic capabilities must be presented – they include 3 main key capacities: the capacity to sense and shape opportunities and threats, to seize opportunities and to transform the resource base. These three capacities could be found as in young organizations and also in established firms where executives have a role in each part:

- **Sensing and shaping opportunities** – Sensing or shaping new opportunities is related to activities where processes of scanning, creating, learning and interpreting could be found (Teece, 2007). For identification of opportunities there could be used different organizational sources such as research, development and scanning activities in the context of organizational processes. Identifying opportunities includes not only how technology change or customers' needs should be satisfied but as well organization should pay attention to industry and market in which they exist, must recognize suppliers and competitors' feedback and hidden demand, changes of structure (Teece, 2007). Despite the fact that sometimes scanning activities could be assisted by existing every-day routines, but this activity is less appropriate for successful sense of opportunities, which is the main core of entrepreneurial activity (Teece, 2016). Teece (2016) states that "it is closely linked to opportunity recognition described in the entrepreneurship literature.
- **Seizing opportunities** – This bullet is described by decision making. When opportunities were recognized, executives have to have knowledge for further actions such as targeting the right one market segment, what technology is required or how to manage new ways for development (Teece, 2007). Teece (2018) provides couple approaches for the executive character that supports this ability. By choosing the service or product roadmap and related business models managers describe how value will be delivered for the customers. Managers calculate costs and revenues and evaluate if it is realistic to reach customer expectations. Also the executives must choose by which technologies company should trust, or how the right market segment should be targeted. As well businesses seek to avoid wrong decisions, so managers have to apply rules in which organization could be trusted in decision making process. During these activities according to Teece (2016) managers at the same time have to trust in their entrepreneurial and leadership skills.
- **Transforming the resource base** – According to Teece (2007) the last one capacity covers all the activities which were mentioned in sensing and shaping capacity and seizing capacity: opportunities recognition, to select technologies and products items, implementation of new business structure or model, as well as planning organizations' finances that firm could use opportunities, gain profits and grow. The same author explains that there are 4 factors which consist in long term changing organizational assets. The first – dividing decisions and adding wide structure and people for decisions making, this factor lets for managers make better decisions, responsibility is more clear and bureaucracy in the organization is avoided as consequence decisions are accepted more faster. The second one – cospecialization, this factor enables executives to create dynamic managerial capabilities and create value for the customers because one asset is connected to others and create integral system. The third – governance as transformation phase, this helps managers to create "learning organization", improve firms structure and activities as well ensure confidentiality, so all the know-how is kept inside company. The last one – knowledge management, in the phase "transforming the resource base" this is part where managers' leadership in hard times of business is highlighted, executives in these times have to take the role and responsibility, create new business models, strategy and structure as well to ensure that organization will be able to seek opportunities which they planned.

Ambrosini and Altintas (2019) in their research of dynamic managerial capabilities describes 3 main core antecedents: managerial human capital, managerial social capital and managerial cognition. Authors stated that executives work in the frames of that three antecedents and these conditions

determines different outcomes. As well Abrosini and Altintas (2019) states that these antecedents uphold DMC three phases (sensing opportunities, seizing opportunities and transforming the resource) which were presented before, and provide scheme (Figure 7) of DMC through cognitive and psychological foundations.

Figure 7. Dynamic managerial capabilities through cognitive and psychological foundations



Framework highlights the importance of a company's ability to sense and shape opportunities, seize opportunities, and transform its resource base. By recognizing and taking advantage of new opportunities, making informed decisions, and making long-term changes to organizational assets, companies can create value for their customers and achieve sustainable growth. The framework emphasizes the critical role of entrepreneurial and leadership skills (DMC) in driving business and success in competitive business environment.

2.5. Corporate governance and dynamic managerial capabilities interaction for firms results

The study conducted by Jia et al. (2014) linked to investigate the relationship between executive competency and corporate performance in EO firms. The research used a sample of 217 Chinese

firms, which were selected from the high-tech, manufacturing, and service industries. The study measured executive competency based on 15 competencies that were classified into four groups: profession features, concept features, interpersonal features, and individual internal driven features.

The findings of the study indicated that executive competency had a positive impact on corporate performance. Specifically, the research showed that executives who had a good understanding of the market, were forward-looking, and demonstrated good decision-making ability and judgment were more likely to seize opportunities in a timely manner, leading to better corporate performance.

Moreover, the study highlighted the importance of interpersonal features, such as communication skills and team-building abilities, as well as individual internal driven features, such as self-confidence and initiative-taking, in driving executive competency and entrepreneurial performance.

Authors Jia et al. (2014) made research where the role of executives competency was explore for corporate performance, in the context of EO firms. Authors find out that executives competency which directly related with the dynamic managerial capabilities has a positive influence for the firms results and confirmed that managers competency is dependent variable for the firm performance. Authors highlights that if managers have top management skills for a specific market conditions: “they can be forward-looking, and show good decision-making ability and judgment, as well as seizing opportunities in a timely manner, they must bring in better corporate performance”. This study covering not just separate 15 competencies, but also it divided into different groups: *profession features, concept features, interpersonal feature and individual internal driven features*, what makes research more informative and more precise and valuable.

Huynh, Wilden and Gudergan (2022) made research how top management team and their DMC (human capital, social capital and cognition) affects strategic change in their firms. Authors find out that there is both ways connection between board and top management team not only for advice giving, but also for monitoring. Hypothesis were tested and the results showed that in monitoring of board and dynamic managerial capabilities both influence the speed of the strategic change. However authors state that advice – giving plays crucial role in the context of strategic change, because when board members point of view in general reflecting to the top management team point of view, decision giving from board to the TMT enables dynamic managerial capabilities and the initiatives and the implementation of strategic change by top management team speed is much more faster.

Sirmon and Hitt's (2009) research focused on the role of DMC in achieving a resource-based advantage and enhancing organizational performance. They argued that in order to achieve a competitive advantage, managers need to be able to identify and deploy firm resources in a way that is congruent with the changing external environment. This requires a set of DMC that enable managers to effectively acquire and deploy resources, adapt to changing environmental conditions, and achieve superior organizational performance.

The authors identified two critical components of DMC: (1) resource investment decisions and (2) resource deployment decisions. Resource investment decisions involve the identification, acquisition, and development of firm resources, while resource deployment decisions involve the allocation and bundling of resources to create value for customers and achieve a competitive advantage.

The authors found that the most successful firms were those that made balanced resource management and deployment decisions, rather than maximizing or economizing either decision independently.

They argued that the changing circumstances in which managers have to act are critical in achieving a resource-based advantage, and that managers must be able to effectively manage firm assets in order to achieve superior organizational performance.

Sirmon and Hitt's research highlights the importance of DMC in achieving a resource-based advantage and enhancing organizational performance. Their findings suggest that managers must be able to effectively identify, acquire, and deploy firm resources in a way that is congruent with the changing external environment in order to achieve success in competitive business conditions.

Overall, Sirmon and Hitt (2009) analyze how DMC focus on managers "resource – related" decisions. Authors find out that the best firm performance is achieved "by making congruent resource investment and deployment decisions as opposed to maximizing or economizing either decision independently". The changing circumstances in which managers have to act are "critical in achieving a resource-based advantage". Specifically, how executives manages firm assets, in this case how they choose (acquire or develop through investments) and expand (bundle or leverage) resources substantially influence organization performance.

Helfat and Martin's (2015) research focuses on the role of DMC on strategic change and organizational performance. They identify three main elements of DMC: managerial cognition, managerial social capital, and managerial human capital.

The study is based on an empirical analysis of executives' differences in their approach to strategic change and organizational performance. The authors find that there is significant variation in the cognitive, social, and human capital of executives, and this variation has a significant impact on firm outcomes.

The study highlights the importance of DMC in achieving strategic change and improving firm performance. The authors suggest that executives need to develop a range of skills and abilities, including cognitive, social, and human capital, in order to be effective in driving strategic change and achieving better organizational outcomes.

The research underscores the importance of DMC in shaping the performance of organizations, and highlights the need for executives to continually develop and refine these capabilities in order to remain effective in a business environment.

Overall, authors analyze through three main elements of DMC: managerial cognition, managerial social capital and managerial human capital. The authors find out that in the relation with the DMC concept, empirical research revealed that executives difference in their force on the strategic change and organization performance and that variation in managerial cognition, social capital and human capital brings to different firm performance.

To conclude, the role of DMC has been studied extensively in the literature, with several studies highlighting the importance of these capabilities in driving strategic change and seeking competitive firm performance. Jia et al. (2014), Sirmon and Hitt (2009), both emphasize the importance of executives' abilities to effectively identify, acquire, and deploy firm resources in a way that is congruent with the changing external environment. Helfat and Martin (2015) research further underscores the importance of executives developing a range of skills and abilities, including cognitive, social, and human capital, in order to remain effective in driving strategic change and

achieving better competitive firm performance. These studies provide valuable insights into how organizations can develop and refine the capabilities through corporate governance and how for executives to remain competitive.

2.6. Competitive firm performance phenomenon and understanding

In the literature could be found various concepts about CFP, in table 6 presented how different authors describe and define the Competitive firm performance in scientific research.

Table 6. Competitive firm performance definitions by different authors

Author	Definition	Year
Porter	the ability of a firm to achieve superior returns on investment in relation to its industry peers	1980
Barney	the degree to which a firm outperforms its rivals in terms of profitability, growth, and other measures of financial success	1991
Teece, Pisano, and Shuen	the ability of a firm to create and capture value from its resources and capabilities in a dynamic and competitive environment	1997
Prajogo and Sohal	the ability of a firm to achieve and sustain a competitive advantage in its industry through the effective deployment of its resources and capabilities	2004
Lengnick-Hall and Lengnick-Hall	the ability of a firm to generate superior returns on investment, by effectively managing its resources and capabilities, adapting to changing market conditions, and meeting the needs and expectations of its stakeholders	2016
Hitt, Ireland, and Hoskisson	the degree to which a firm is able to achieve its strategic objectives and outperform its rivals in a given industry	2017
Chang, Wu, and Huang	the ability of a firm to achieve and sustain a leading position in its industry, by effectively deploying its resources and capabilities, continuously innovating, and fostering a culture of collaboration and learning	2019
Liu, Xu, and Zhang	the ability of a firm to achieve superior financial returns, by effectively managing its resources and capabilities, engaging in strategic innovation, and cultivating a strong organizational culture and leadership	2021

Overall, these definitions suggest that CFP is affected by a variety of factors, including effective resource management, strategic innovation, market adaptation, stakeholder engagement, and organizational culture and leadership. In a business environment, organizations, which are able to

efficiently implement mentioned factors are more probable to take a leading position in their industry and generate superior returns on investment.

One of the most important factors that affects a CFP in a competitive market is its strategic focus. According to Helfat and Peteraf (2015), firms that have a clear strategic focus and are able to align their resources and capabilities with their strategic goals are more likely to achieve sustained competitive advantage. A strong leadership team is also critical for success, as it can help to ensure that the organization is focused on achieving its strategic objectives and is able to fast adapt during changing market conditions.

Innovation is another important driver of competitive firm performance. Kumar and Subramanian (2019) found that firms that invest in research and development and are able to continuously innovate are more likely to achieve sustained competitive advantage. Innovation can take many forms, from new product development to process improvements to new business models, and firms that are able to consistently innovate are better positioned to stay ahead of their competitors.

Collaboration and knowledge sharing among employees is also critical for competitive firm performance. Jain et al. (2017) found that university scientists who were involved in commercialization activities were able to modify their role identity and become more entrepreneurial, but only if they were part of a collaborative environment that supported knowledge sharing and idea generation. By fostering a culture of collaboration and knowledge sharing, firms can ensure that their employees are able to identify and respond quickly to changing market conditions.

Finally, customer satisfaction and loyalty are essential for competitive firm performance. Reichheld and Sasser (1990) argued that zero defections, or the ability to retain customers over the long term, is critical for success in service industries. This is because satisfied customers are more likely to remain loyal to a brand and recommend it to others, leading to increased sales and revenue.

To sum up, a variety of factors influence competitive firm performance, including strategic focus, innovation, collaboration, and customer satisfaction. By focusing on these areas, firms can increase their chances of success and achieve sustained competitive advantage in a dynamic business environment.

2.7. Dynamic managerial capabilities and corporate governance role for the competitive firm performance conceptual model

In this subsection, based on an analysis of the scientific literature, the relationship between the theoretical constructs under investigation is justified, hypotheses are formulated and a theoretical model is presented, which will then be empirically tested.

Relationship between the Corporate governance and Competitive firm performance.

CG pertains to the set of regulations, customs, and procedures that direct and oversee the operations of a company. It involves harmonizing the interests of numerous stakeholders, including shareholders, executives, clients, suppliers, creditors, regulators, and society. The efficiency of CG can significantly influence a firm's competitive achievements.

There is substantial research backing the idea that sound corporate governance enhances firm performance. For instance, Bhagat and Bolton (2008) discovered that companies with superior

governance frameworks had greater market worth and financial accomplishments. They also observed that improved governance was associated with decreased risk, lower cost of capital, and amplified profitability.

Likewise, Gompers, Ishii, and Metrick (2003) found that corporations with more potent shareholder rights had higher valuations, profits, and growth rates than those with weaker shareholder rights. Their study also revealed that companies with more autonomous boards of directors had better performance.

In a comparable vein, Chen, Chen, and Wei (2012) investigated the impact of CG on business performance in developing markets. They found that firms with more robust governance mechanisms had better financial outcomes, such as higher return on assets and return on equity.

In summary, the evidence indicates that sound CG practices can have a favorable influence on a CFP. Companies that prioritize openness, accountability, and engagement with stakeholders are likely to have higher market worth, lower risk, and better financial results.

H1 Corporate Governance has a positive effect on competitive firm performance

Dynamic managerial capabilities take the mediator role. DMC are the ability of a company to recognize changes in the business environment, take advantage of opportunities, and adjust to changes to sustain competitiveness. While DMC are considered a major contributor to firm performance, the connection between CG, DMC, and CFP is not entirely clear. Numerous studies have examined this relationship.

For instance, Hsu and Chen (2019) analyzed the influence of CG on DMC and CFP among Taiwanese companies. They found that corporate governance practices like CEO duality and board independence were positively linked to DMC, which, in turn, were associated with better firm performance. The study also discovered that DMC served as a partial mediator between CG and CFP.

Similarly, Chen et al. (2018) investigated the relationship between CG, DMC, and CFP the Chinese setting. They found that CG practices like board independence and institutional ownership were positively associated with DMC, which, in turn, were related to better CFP. They also found that DMC functioned as a mediator between CG and CFP.

In another study by Wang et al. (2018), the researchers examined the relationship between CG, DMC, and firm innovation performance in China. They found that CG practices like board independence and board size were positively linked to DMC, which, in turn, were associated with better firm innovation performance. They also discovered that DMC partially mediated the relationship between CG and firm innovation performance.

Overall, the evidence shows that DMC can act as a mediator between CFP and CFP. CG practices that promote transparency, accountability, and stakeholder engagement can enhance DMC, which, in turn, can contribute to better CFP. Companies that invest in developing DMC may be better equipped to sense and respond to changes in the business environment and maintain a competitive edge.

H2 Dynamic managerial capabilities are mediator in the relationship between CG and CFP

Dynamic managerial capabilities take the moderator role. Dynamic managerial capabilities are a firm's ability to detect changes in the business environment, seize opportunities, and adapt to maintain

competitiveness. Research shows that good CG practices can have a positive effect on CFP, but the role of DMC in moderating this relationship is unclear.

In a study by Berrone et al. (2013), the authors explored the moderating effect of DMC on the relationship between CG and CFP in Spanish firms. The findings revealed that firms with high levels of DMC had a stronger relationship between CG and CFP, highlighting the ability of DMC to amplify the positive effects of good CG practices.

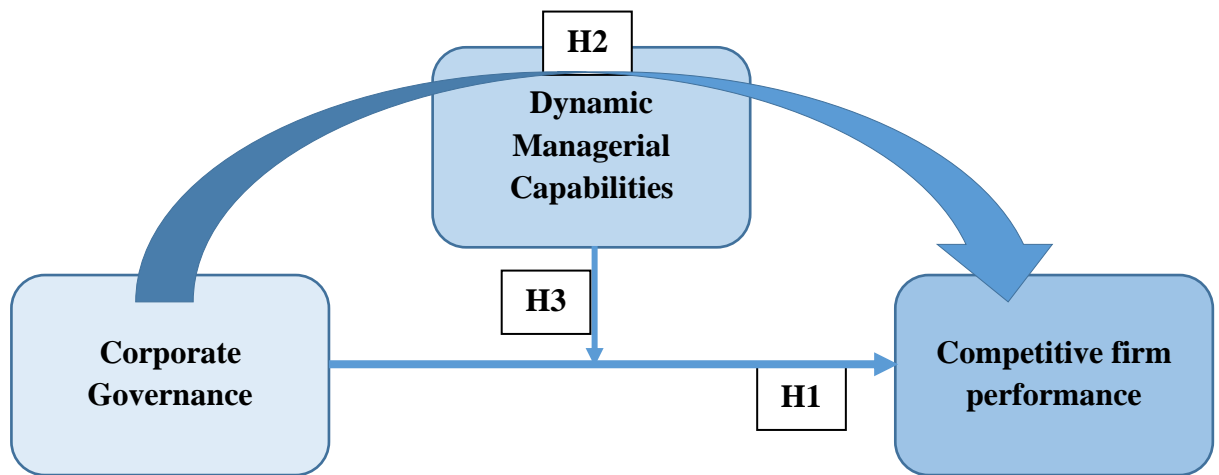
Similarly, Jiang and Zhao (2018) investigated the moderating effect of DMC on the relationship between CG and firm innovation in China. The study found that firms with high levels of DMC had a stronger relationship between CG and firm innovation, indicating that DMC can enhance the effectiveness of CG practices in promoting firm innovation.

Hitt et al. (2018) examined the moderating effect of DMC on the relationship between board diversity and CFP in the US context. The study found that firms with high levels of DMC had a stronger relationship between board diversity and CFP, suggesting that DMC can facilitate the effective use of board diversity as a CG practice to improve CFP.

In summary, the evidence suggests that DMC can act as a moderator between CG and CFP. Investing in the development of DMC can enable firms to effectively implement good CG practices and achieve improved CFP. DMC can enhance the effectiveness of CG practices by either amplifying their positive effects or facilitating their effective use.

H3 Dynamic managerial capabilities are moderator in the relationship between CG and CFP

Figure 8. Conceptual corporate governance, dynamic managerial capabilities and competitive firm performance model.



H1 Corporate Governance has a positive effect for competitive firm performance

H2 Dynamic managerial capabilities are mediator in the relationship between CG and CFP

H3 Dynamic managerial capabilities are moderator in the relationship between CG and CFP

The main objective of this Master's thesis was to theoretically justify and empirically test the relationship between corporate governance, competitive firm performance and dynamic managerial capabilities. In order to achieve the research objective, the research literature was analysed and 3 hypotheses were proposed. The literature review showed that corporate governance, dynamic managerial capabilities and competitive firm performance are widely researched topics, but the links between these constructs have not been fully explored. Therefore, in part, the present study aimed to fill these gaps.

3. Methodology of the research

This chapter presents the methodology of the empirical research of the final Master's project. Based on the conceptual model developed, this chapter will present the object of the research, the aim and objectives, the research method, the framework of methodological and technical tools used in the research and discuss the research process.

3.1. Aim, objectives and hypotheses of the empirical study

By analyzing the CG in relation with CFP and what role plays DMC various theoretical approaches can be found. Nevertheless there are also lack of practice examples related to the managers and executives impact for the corporate governance for competitive firms performance/outcomes with the help of DMC. Based on that empirical research will focus on corporate governance and how dynamic managerial capabilities influence competitive firm performance and outcomes.

Aim of the empirical research – to find out how dynamic managerial capabilities drive CG and firm's competitive performance/results.

Based on the conceptual model developed from the theoretical analytical results, this study raises hypotheses that will be tested in an empirical study by analysing the respondents' answers to a survey questionnaire. The hypotheses of the study are presented below (see Table 7):

Table 7. Hypotheses of the empirical study

Number	Hypothesis of the empirical study
H1	Corporate Governance has a positive effect for competitive firm performance.
H2	Dynamic managerial capabilities are mediator in the relationship between CG and CFP
H3	Dynamic managerial capabilities are moderator in the relationship between CG and CFP

3.2. Type of empirical study, method of data collection and operationalisation of research constructs

Type of empirical study. The type of empirical research chosen for this master thesis project is quantitative research. The main reason for this choice is that quantitative research allows to find out and clarify the relations between CG/CFP and find out if DMC is moderator, or mediator.

Data collection method. Taking into account the objectives of the study, the resources available and the time available for the study, a questionnaire survey was chosen to collect the data for the quantitative study. The questionnaire survey is a simple and convenient method of collecting information, it is easy and convenient to distribute the questionnaire via the Internet, it is possible to monitor the progress of the data collection, and the data obtained can be evaluated by statistical and mathematical methods.

Research instrument and operationalisation of research constructs. Based on the conceptual model developed and in order to test the hypotheses of the study, a research instrument - a questionnaire - was developed. The questionnaire consists of 6 questions and 7 blocks of statements,

5-9 blocks related with DMC and consists of 20 statements, 10 block related with CG and consists of 9 statements, 11 block related with CFP and consists of 4 questions (see Table 8). In order to avoid socially desirable results, the description of the survey questionnaire and the questionnaire do not mention the constructs to be investigated in the study: dynamic managerial capabilities role in the relationship between CG and CFP, while the aim of the study is described as aiming to investigate how dynamic managerial capabilities drives CG and CFP. The research propositions were selected using measurement scales developed, validated and tested by researchers presented below in Table 8

Table 8. Summary of questionnaire questions

Serial number of the question	Purpose of the question	Authors
1-2	The aim is to identify respondent's work position, period/experience.	Khongmalai, O., Tang, J. C., & Siengthai, S. (2010)
3-4	The aim is to identify respondent's firm size and turnover, sector.	Firm size described according to Lithuania Law statement; sectors described based on Classification of Economic Activities (EVRK)
5-9 (1-20)	Claims to be investigated dynamic managerial capabilities	Pundziene, A., Nikou, S., & Bouwman, H. (2022)
10 (1-9)	Claims to be investigated corporate governance	Khongmalai, O., Tang, J. C., & Siengthai, S. (2010)
11 (1-4)	Claims to be investigated competitive firm performance	Pundziene, A., Nikou, S., & Bouwman, H. (2022)
12-13	Questions describing the respondents that will be used to analyse the overall aggregation of the sample: gender, age.	-

At the beginning of the questionnaire, respondents are informed about the data processing and security instructions.

The *first* and *second* questions of the questionnaire are designed to clarify the respondent's job position and period/experience in years. The first question is preceded by a description of each of the job roles to help respondents choose the answer that is right for them (non managerial > first-level > middle – level > top level).

The *third* and *fourth* questions of the questionnaire are designed to determine the size and turnover of the respondent's business. The respondent is asked to select one of the answer options indicating the number of employees and the annual turnover of the enterprise.

The *fifth* to *ninth* statements of the questions are intended to be investigated dynamic managerial capabilities. For this purpose, 20 questions are assigned to the respondent, which are presented one after the other in sequence. The respondent is asked to choose one answer option for each of the statements. The constructs are measured on a *Likert scale*, where 1 means 'strongly disagree' and 5 means 'strongly agree'.

The *tenth* block of questions is designed to assess corporate governance. Nine statements are assigned to measure this construct. The respondent is asked to choose one answer option for each of the statements. The constructs are measured on a *Likert scale*, where 1 means 'strongly disagree' and 5 means 'strongly agree'.

Question 11 is designed to investigate competitive firm performance. Four statements related to the respondent's organisation are selected to measure this construct. The respondent is asked to choose one answer option for each of the statements. The constructs are measured on a *Likert scale*, where 1 means 'strongly disagree' and 5 means 'strongly agree'.

Question 12-13 is designed to elicit respondents' socio-demographics: gender and age in order to better understand and obtain more information about the respondents participating in the survey. The sex of the respondent is determined by a scale of ranks, and the age of the respondent is asked in years.

3.3.Procedures for conducting the empirical study and analysing the data

Determining the sample size of the survey. In order to estimate the sample size required for the survey, the sample size estimation method is used to determine the sample size of the general sample (population), and the survey sample is determined on the basis of the results of this method.

Sample size estimation based on the size of the general sample (population) (Cohen et.al., 2000). In order to obtain meaningful results in this study, the size of the population under study must be estimated. As the study is carried out within the borders of the Republic of Lithuania, the results of the study must reflect this population. The population size chosen is about 3 million. The confidence level chosen for the study is 95 % and the sampling error is 5 %. The sample size was calculated using the Sample Size Calculator. This calculator based on whole population calculations According to this method, the sample size of the survey should be at least 385 respondents. A-priori test sample size calculator (Soper, 2014). In this method, the sample size of the study is divided according to the estimated effect size, the confidence level, the number of variables and the sampling error. The sample size was estimated with a 95% confidence level, a 5% sampling error. Based on the method developed by Soper (2014), the sample size of the survey should be at least 128 respondents. The sample size is calculated as average of two represented statistical methods, which seeks to estimate the sample size. (Table 8.)

Table 8. Sample size summary

Author	Method name	Method type	Calculated sample size
Cohen et.al., 2000	Sample size estimation based on the size of the general sample (population)	Statistical	384
Soper, 2014	A-priori test sample size calculator	Statistical	138
		Average	261

The sample size for this Master's project is considered to be close to the established mean, which is equal to **261** respondents. However, it should be noted that the author of the Master's project is constrained by resources, and therefore a probability sampling approach will not be used in this thesis.

The latter limitations do not allow to generalise the results to the whole population. The method chosen is discussed in order to have an indication of the number of respondents that would need to be interviewed in order to be able to implement a probability sampling method. Sampling method. The sampling method used was non-probability, convenience sampling. The sample is drawn from the first occurring elements of the population or from the most accessible part of the population.

Study sample size. The survey was answered to **323** respondents.

Study ethics. Before the survey, respondents were briefed on the topic, purpose and duration of the survey. Respondents were also informed that the results of the questionnaire would only be used to inform the results of this final project and would not be made publicly available. The questionnaire was developed and administered using a secure and reliable platform. The questionnaire did not request confidential respondent data (name, address) that could identify a specific respondent. The respondent was free to opt in or out of the survey.

The process of conducting a study. The investigation was carried out between 15 March 2023 and 10 April 2023. The survey was carried out via the online survey platform www.qualtrics.com. The online survey questionnaire was distributed via Facebook, Instagram, LinkedIn social networks, hosted in specialised groups and by personalised e-mail to specific target respondents. These methods of distribution were chosen for their efficiency in reaching the maximum number of respondents in a limited period of time.

Data analysis. The data obtained during the empirical study were analysed using the statistical data analysis software "IBM SPSS".

Research limitations - The study was based on correlational method, which does not allow to confirm causal links. Presumably causal sequence should be confirmed in the future using an experimental research design; CG construct was evaluated through board and all of the managerial employees role's prism, the other elements of CG were excluded from the empirical research.

4. Results/data analysis of empirical research

This chapter presents the results of the empirical study, their interpretation, and justifies the reliability of the results in accordance with the data analysis procedures described in section 3.3 of this Master's thesis project. It also provides a summary discussion of the results, limitations of the study, further recommended research directions and suggestions.

4.1. Profile and social demography data

Table 9. Respondents age

	N	Minimum	Maximum	Mean
Your age (years):	323	21	70	33.89
Valid N (listwise)	323			

The first step was to analyse the respondents who took part in the empirical study. In the survey, respondents were asked to indicate their age and gender. The age characteristics are presented in Table 9. The sample consisted of 323 subjects. Accordingly of all respondents 35% consists men and 65% women. The age of the subjects ranged from 21 to 70 years, it means that the youngest respondent was 21 years old, while the oldest respondent was 70 years old with a mean age of 34 years (Table 9).

Table 10. Respondents profile work position and experience

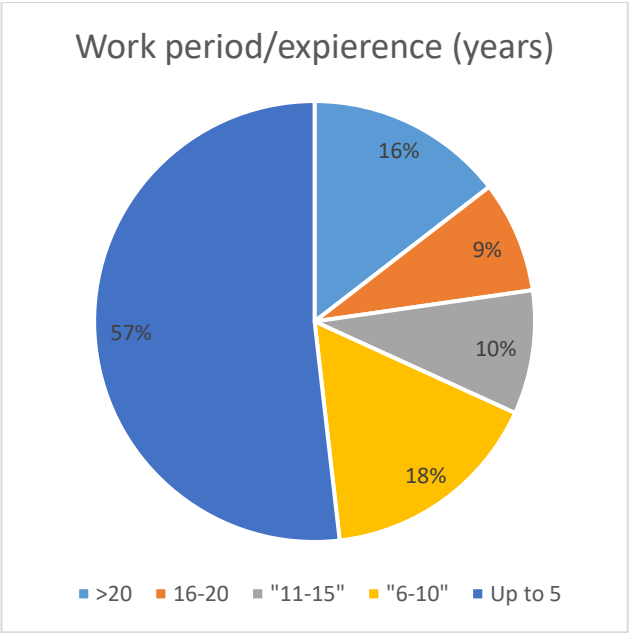
Work period/experience (years)	Work position (N)				Total
	First – level manager	Middle – level manager	Top-level manager	Non-managerial	
>20	9	11	15	18	53
16-20	3	6	7	14	30
11-15	4	8	6	13	31
6-10	9	9	5	34	57
Up to 5	36	22	6	88	152
Total	61	56	39	167	323

Table 10 represents respondents work experience dependent on work position. It is observed that more than 20 years work position mainly includes respondents who work position is non-managerial (N=18), at least – first level manager (N=9). Meanwhile 16-20 work experience mainly includes respondents who work position is also non-managerial (N=14), at least also – first level manager (N=3). Those whose work experience is 11-15 the main work position is non-managerial (N=13). 6-10 years work position mainly includes respondents who work position is also non-managerial (N=34), the same has been observed for up to 5 years work position respondents (N=88). It is noticeable that a significant proportion of respondents with more than 5 years' experience are first-level managers (N=36). Looking at the overall distribution of respondents, the largest number of

respondents to the survey has up to 5 year work experience (N=152) and non-managerial work position (N=167).

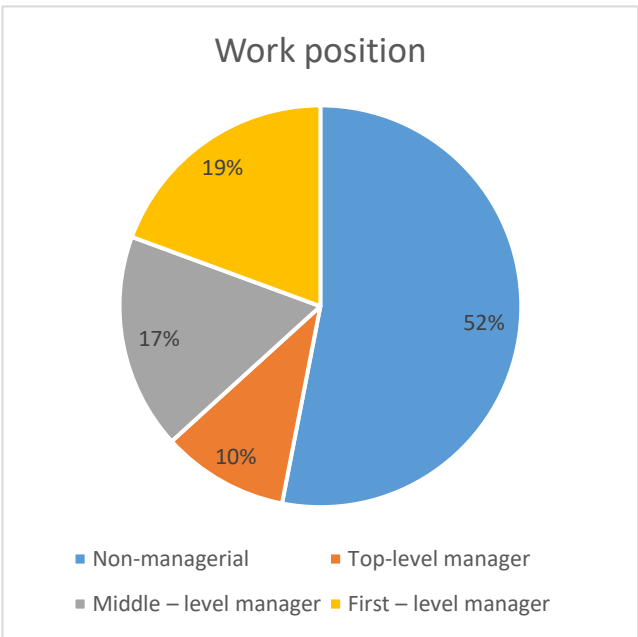
Respondents work period/experience profile data is showed in **Figure 9**. The biggest part of respondents work period consist of more than 20 years (57%). Those who firm work experience is 6-10 years includes 18%. Respondents who work in their companies 16-20 years are 16 %. Finally whose who work 11-15 years in firm are 10% and whose who experience is 16-20 years are just 9%.

Figure 9. Respondents profile work period/experience



Respondents work position profile data is showed in **Figure 10**. The biggest part of the respondents consist of non-managerial work position (52%). Less, 19% of respondents highlight that they work as first-level managers. Ant at least, 17% of respondents work position is middle-level managers and just 10% of respondents work as top level managers.

Figure 10. Respondents profile work position



The survey questionnaire also sought to identify respondents' working firm profile sector. Respondents profile sectors analysis is respresented in **table 11**.

Table 11. Respondents profile sector

	Frequency	Percent
Agriculture, forestry or fish-farming	18	5,6
Manufacturing	18	5,6
Electricity, gas, steam supply and air conditioning	8	2,5
Water supply, waste water treatment or recycling	2	0,6
Construction	16	5,0
Retail, wholesale or repairing motor vehicles and motorcycles	63	19,5
Transport or security	10	3,1
Accomodation and cattering	8	2,5
Information and communication	14	4,3
Finance and insurance	16	5,0
Real estate operations	3	0,9
Professional, scientific and technical activity	13	4,0
Administrative and service	14	4,3
Public administration and defence, compulsory social security	11	3,4
Education	14	4,3
Human health care and social work	29	9,0
Artistic, entertainment and recreational activities	11	3,4
Other service activities	55	17,0

Collected data about firm's profile, sectors in which firm is involved presented in Table 11. The biggest part of respondents answered that their firm is operating in Retail, wholesale or repairing motor vehicles and motorcycles sector and consists of 19.5 %, other service activities 17 %, Human health care and social work 9 %, Agriculture, forestry or fish-farming 5.6 %, Manufacturing 5.6 %, Construction 5%, Finance and insurance 5 %. The other sectors consists less than 4 % (see values in Table 11). To conclude, nor retail, wholesale or repairing motor vehicles and motorcycles, other

services and health care and social work consists 45,5 % of all respondents, it can be argued that the data are collected from different sectors and may reflect overall market trends.

Table 12. Respondents profile firm size

	Frequency	Percent
Less than 10 employees and yearly turnover less than 700 000 eur	71	22,0
11-50 employees and yearly turnover 700 000 - 4 000 000 eur	95	29,4
51 -250 employees and yearly turnover 4 000 000 - 40 000 000 eur	78	24,1
More than 250 employees and/or more than 40 000 000 eur yearly turnover	79	24,5

Collected data about firm size show that respondents distributed almost equally, 22 % consists very small size firms, 29.4 % small size firms, 24.1 % medium size firms and 24.5 % large size firms (see Table 12). According data could be stated that data is valid and reflecting the whole market.

4.2.Factor analysis

4.2.1. CG Factor analysis

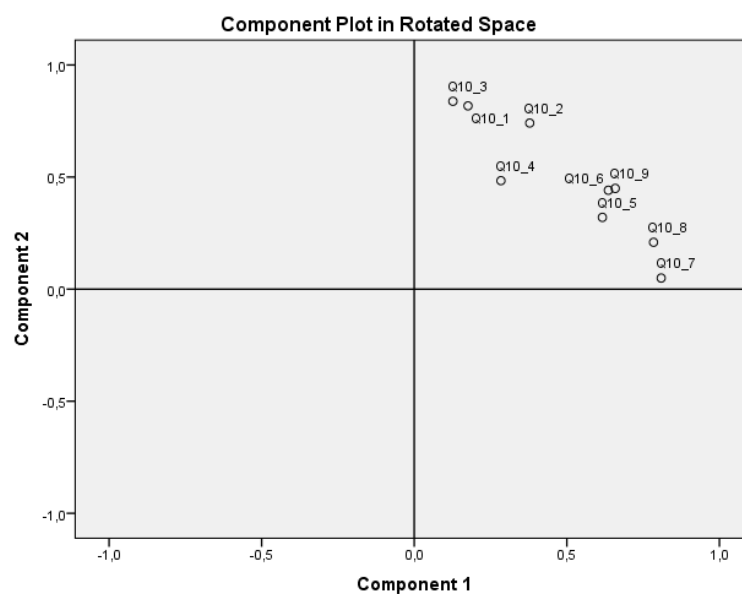
The questionnaire data were processed with the statistical data analysis software SPSS for Windows 26.0 (Statistical Package for Social Sciences). The descriptive statistics module was used to summarise the data using frequency tables and position measures.

For factor analysis, the Kaiser-Meyer-Olkin (KMO) coefficient of sampling adequacy was used to assess the adequacy of the data. CG, CFP and DMC features were segmented using principal factor selection with Varimax rotation and Kaiser normalisation. Correlations less than 0.5 were not evaluated in factor analysis.

The results of the factor analysis were split into quartiles and used to determine the relationship with other factors. The association analysis method was used to assess the strength of the relationship. The strength of the relationship between the factors obtained was assessed by the phi coefficient. Statistical differences were considered to be reliable within a margin of error of 5%.

Table 13. CG Factor analysis results

Attributes	Factors	
	1	2
Having experiences in finance or economic areas	,809	
Following up on the progress of board resolutions	,784	
Ensuring the effective management system	,659	
Participating in the strategic planning	,636	
Having experiences in the relevant industries	,616	
Exchanging critical information and comments		,838
Understanding the operating environments		,818
Understanding the business process		,741
Being independent in decision-making		,484
Faktoc dispersion, pct.	48,6	12,0
Cronbach's Alpha	0,819	0,768

Figure 11. CG Factor analysis visual results

Factor analysis (KMO 0.872,) was performed on the CG attributes, which yielded a two-factor matrix with a total factor variance of 60.6%.

The first factor identified is named Strategic CG attributes and has been assigned attributes 1-5, while the second is named Behavioural CG attributes. The second one is attributed attributes 6-9. All the results of the factor analysis and the internal consistency of the scales are presented in table 13 and figure.

After examining the relationships between the elements specific to each factor, they were grouped into the following groups; factor 1 was named “Strategic CG attributes”; factor 2 “Behavioural CG attributes”. All factor loadings were above 0.50.

The results of the factor analysis show that the most informative factor in the CG structure is the Strategic CG attributes factor, which explains almost half of the total variance of all factors. The second factor Behavioural CG attributes explains the rest of the total variance of the factors. The coefficients of agreement between the scales of the two extracted factors are satisfactory (Cronbach's Alpha = 0.819, Cronbach's Alpha = 0.768).

The Cronbach's a values of the two factors ranged from 0.768 to 0.819, indicating sufficient scale reliability.

4.2.2. CFP factor analysis

Another factor analysis (KMO 0.774,) was carried out on the CFP, which yielded a single factor matrix with a total factor variance of 63.5% and satisfactory internal consistency of the scale with a Cronbach's Alpha = 0.805. (see Table 14)

Table 14. CFP factor analysis results

Attributes	CFP Summarized
Sales of our enterprise rise faster than sales of our competitors	,855
Our enterprise creates more products/services per year than our competitors	,814
Our enterprise's new products/services receive better evaluations than the new products/services of our competitors	,781
Sales of our enterprise rise more than 20% per year	,732
Cronbach's Alpha	0,805

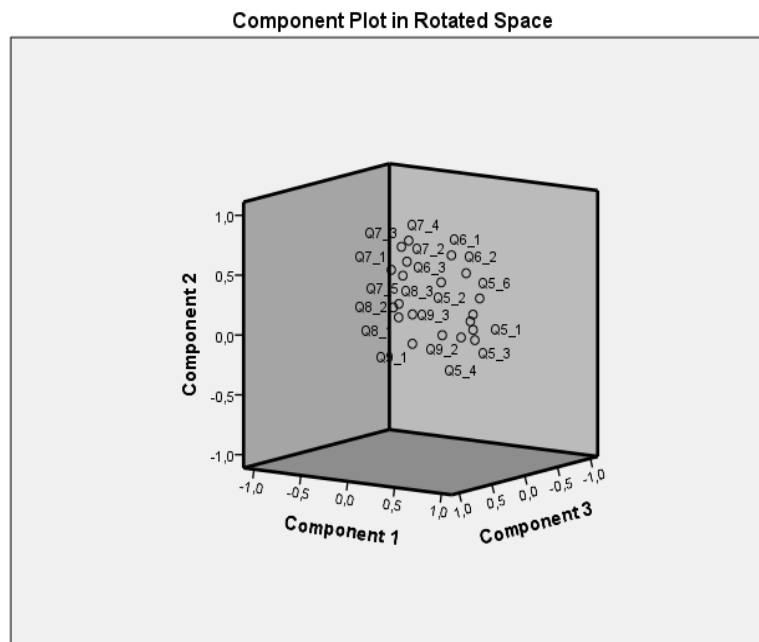
4.2.3. DMC factor analysis

Factor analysis (KMO 0.914,) of the DMC yielded a three-factor matrix with a total factor variance of 54%. The first factor extracted was named Scanning attributes and was assigned attributes 1-7, the second was named Initiative/engagement attributes. It was assigned attributes 8-15. The third is defined as Implementation/learning attributes. It is defined as attributes 16-20 All the results of the factor analysis and the internal consistency of the scales are presented in Table 15.

Table 15. DMC factor analysis results

		Factors		
	Attributes	1	2	3
1.	On a regular basis, appraises competitors and their products/services	,725		
2.	Spares enough time for observing and evaluating the business environment	,692		
3.	On a regular basis, assesses local and international market trends	,685		
4.	On a regular basis, assesses customers' experiences and emerging needs	,685		
5.	On a regular basis, follows technology development trends	,675		
6.	Takes early notice of forthcoming environmental changes	,635		
7.	Know that there is a database (or other tools) for storing needed information and experience	,475		
8.	Mostly are initiators of innovation projects		,791	
9.	Invest their own time to work on innovation projects or services		,746	
10.	Orients to high finance value projects even if they are risky		,631	
11.	Are encouraged to take calculated risks while implementing innovative ideas		,630	
12.	On a regular basis, submit innovative product/service ideas		,570	
13.	Take part in the commercialisation of innovative products/services		,535	
14.	Takes bold strokes when looking for new opportunities		,528	
15.	Is looking for new and original ideas		,467	
16.	Are capable of scaling up and commercialising our successful innovative products/services in local markets			,670
17.	Are always looking for innovative means around a barrier constraining consumption			,660
18.	Are happy about the success and return of innovative products/services			,660
19.	Perceive failure of the project as an opportunity for learning and improvement			,627
20.	Consider permanent learning (in various forms) an important component of their work activities			,529
	Factor dispersion, pct.	37,8	10,2	5,9
	Cronbach's Alpha	0,840	0,855	0,790

Figure 12. DMC factor analysis visual results



The results of the factor analysis show that the most informative factor in the DMC structure is the F1 factor, which explains more than half of the total factor variance. The other factors, F2 and F3, explain the rest of the total factor variance. The coefficients of agreement between the scales of all the extracted factors are quite high (Cronbach's Alpha = 0.840, Cronbach's Alpha = 0.855, Cronbach's Alpha = 0.790).

4.2.4. Relationship between the CG and CFP

The results of the factor analysis were split into quartiles and used to determine the relationship with other factors. The chi-square test was used to assess the association. The strength of the relationship between the factors obtained was assessed by Kramer's V coefficient. Statistical differences were considered reliable within a margin of error of 5%.

Table 16. Association analysis

	Pearson Chi-Square	Cramer's V	df	Sig.
CG F1 * CFP	27.522	0.169	9	0.001
CG F2 * CFP	19.890	0.143	9	0.019

The association analysis method was used to analyse the relationship between CG and CFP factors. The analysis of the association between CG and CFP factors showed a moderate association between CG F1 and CFP factors (Kramers V=0.169, $p<0.05$). The analysis of the association between CG and CFP factors showed a weak association between CG F2and CFP factors (Kramers V=0.143, $p<0.05$) see Table 16. To set values of efect size were used ranges from Table 17.

Table 17. Conditional interpretation of Kramer's V coefficient by Cohen (for behavioural sciences). Source: (Mangiafico 2016b).

Effect size	„low“	„medium“	„high“
min. k = 2	0.10 – < 0.30	0.30 – < 0.50	≥ 0.50
min. k = 3	0.07 – < 0.20	0.20 – < 0.35	≥ 0.35
min. k = 4	0.06 – < 0.17	0.17 – < 0.29	≥ 0.29

Notation: min. k - minimum number of categories in the rows or columns of the frequency table.

The relationship between the individual attributes of CG, CFP and DMC was analysed using correlation analysis (Spearman's correlation coefficient). Correlations below 0.5 were not assessed.

Table 18. Preliminary assessment of Pearson correlation coefficient.

Preliminary correlation assessment	Correlation coefficient values
No correlation	0
Very weak	[-0,2; 0) or (0; 0,2]
Weak	[-0,4; -0,2) or (0,2; 0,4]
Medium	[-0,7; -0,4) or (0,4; 0,7]
Strong	[-0,9; -0,7) or (0,7; 0,9]
Very strong	[-1,0; -0,9) or (0,9; 1,0]
Linear relationship	-1 or 1

The relationship between individual CG and CFP attributes was analysed using correlation analysis (Spearman's correlation coefficient). The correlation results are presented in Table 19.

Table 19. Correlation between CG and CFP

		Sales of our enterprise rise more than 20% per year	Sales of our enterprise rise faster than sales of our competitors	Our enterprise creates more products/services per year than our competitors	Our enterprise's new products/services receive better evaluations than the new products/services of our competitors
Understanding the operating environments	Correlation Coefficient	,183**	,289**	,243**	,298**
	Sig. (2-tailed)	,001	,000	,000	,000
	N	323	323	323	323
Understanding the business process	Correlation Coefficient	,181**	,264**	,162**	,227**
	Sig. (2-tailed)	,001	,000	,003	,000
	N	323	323	323	323
Exchanging critical information and comments	Correlation Coefficient	,165**	,199**	,215**	,153**
	Sig. (2-tailed)	,003	,000	,000	,006
	N	323	323	323	323
Being independent in decision - making	Correlation Coefficient	,120*	,192**	,109	,133*
	Sig. (2-tailed)	,032	,001	,051	,017
	N	323	323	323	323
Having experiences in the relevant industries	Correlation Coefficient	,106	,241**	,118*	,188**
	Sig. (2-tailed)	,058	,000	,033	,001
	N	323	323	323	323
Participating in the strategic planning	Correlation Coefficient	,088	,184**	,164**	,182**
	Sig. (2-tailed)	,117	,001	,003	,001
	N	323	323	323	323
Having experiences in finance or economic areas	Correlation Coefficient	,205**	,240**	,219**	,210**
	Sig. (2-tailed)	,000	,000	,000	,000

	N	323	323	323	323
Following up in the progress of board resolutions	Correlation Coefficient	,147**	,146**	,188**	,191**
	Sig. (2-tailed)	,008	,009	,001	,001
	N	323	323	323	323
Ensuring the effective management system	Correlation Coefficient	,161**	,225**	,190**	,213**
	Sig. (2-tailed)	,004	,000	,001	,000
	N	323	323	323	323

The data in Table 19 show that almost all variables are statistically significantly correlated ($p < 0.001$ or $p < 0.05$). All statistically significant relationships are positive, only the strength of the relationship varies. Based on the interpretation of the correlation coefficients presented in table 18, it can be said that the model is dominated by a slight or low correlation, which means that the relationships between the constructs under study are very weak ($0.00 \geq r \leq 0.19$) or weak ($0.2 \geq r \leq 0.39$). Also, all the correlation coefficients between different variables are positive that means that relationship between CG and CFP is positive.

H1 hypothesis that CG has a positive effect for CFP is confirmed.

4.3.Mediation/Moderation DMC

To determine whether DMC is a mediator and to test the **H2** hypothesis, a regression-based pathway analysis was performed using PROCESS v3.4.1, a software add-in for IBM SPSS (Hayes, 2012), with 5000 self-reported replicates. Hypothesis **H2** - Dynamic managerial capabilities between CG and CFP relationship are mediator. The results of the regression analyses are presented in Table 20 and Table 21.

Table 20. Mediation of DMC

R	Dependant variable											
	M: DMC				Y:CFP				Y:CFP			
	→	Koef.	SE	p	→	Koef.	SE	p	→	Koef.	SE	p
Constant	$i_M \rightarrow$	1.4454	0.1966	0.0000	$i_Y \rightarrow$	0.8678	0.2722	0.0016	$i_Y \rightarrow$	1.5154	0.2664	0.0000
X: CG	$a \rightarrow$	0.6322	0.0478	0.0000	$c' \rightarrow$	0.1889	0.0762	0.0136	$c \rightarrow$	0.4722	0.0648	0.0000
M: DMC		-	-	-	$b \rightarrow$	0.4481	0.0715	0.0000	-	-	-	-
Model	$R^2=0.3523$; $F(1;323)=174.6027$; $p=0.0000$				$R^2=0.2356$; $F(1;323)=49.3113$; $p=0.0000$				$R^2=0.1418$; $F(1;323)=53.0305$; $p=0.0000$			

CG – Corporate governance; DMC – Dynamic managerial capabilities; CFP – competitive firm performance; R – Regressors.

The data presented (see Table 21) show that there is a statistically significant relationship between all constructs. Table 21 shows the direct, indirect and sum effects of DMC in the relationship between CG and CFP.

Table 21. Mediation effect size

Direction	Effect (EF)	95% confidence interval	
		LLCI	ULCI
Direct			
CG→ CFP (c’)	0.1889	0.0391	0.3388
Indirect			
CG → DMC → CFP (a*b)	0.2833	0.1632	0.4191
Total			
CG → CFP (c)	0.4722	0.3446	0.5998

Figure 13. Mediation scheme

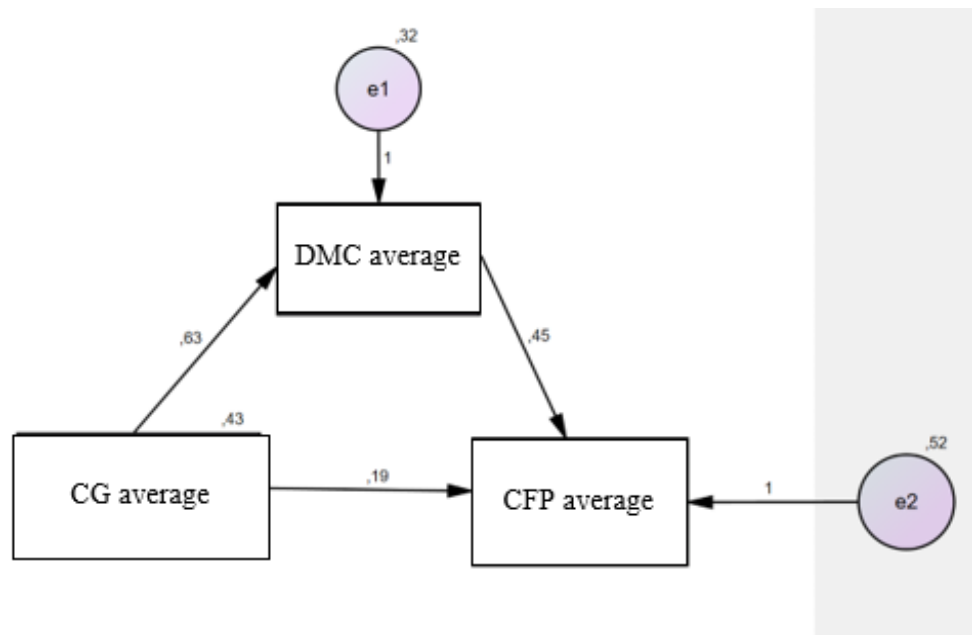


Table 22. Mediation results

	Standardized Estimation	P-Value	Result
Total Effect	0,472	0,007	Significant Impact
Direct Effect	0,151	0,0136	Significant Impact
Indirect Effect	0,226	0,005	Significant Impact

The results in Table 22 and Figure 12 show that the confidence intervals for the indirect effect ($a*b$) are non-zero, demonstrating that DMC is a mediator in the relationship between CG and CFP. In view of the results of this analysis, hypothesis **H2** - The relationship between CG and CFP is mediated by DMC, such that better CG management leads to an increase in the quality of DMC, which in turn has a positive effect on CFP, is confirmed.

Based on the conceptual model, the assumption that DMC acts as a moderator between CG and CFP is further tested. Hypothesis H3 is tested using the IBM SPSS software add-in PROCESS v3.4.1 model 1 with 5000 self-selection replications. The results of the regression analyses are shown in Table 23.

Table 23. Moderation results

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant) DMC avg. CG avg. ZCG and ZDMC	,847	,302		2,803	,005
	,450	,072	,382	6,226	,000
	,192	,079	,153	2,444	,015
	,005	,028	,009	,164	,870
Characteristics of the regression model: R ² =0,236; N=323; p=0,000					

The data in Table 23 show that the model explains 23.6% of the variance of DMC around the mean by linear regression on the frequency of positive affect for CG and CFP. The data also show that although DMC avg. and CG avg. are statistically significant, the association between CG and DMC is statistically insignificant (B=0.005 Beta=0.009 t=0.164 p=0.870), so **H3** - that DMC plays a moderating role between CG and CFP is rejected and the further analysis of the regression was not provided and necessary.

To conclude data analysis and empirical research, was found that Corporate governance effects competitive firm performance and relationship between these constructs exists. Nevertheless that relations are medium, low or very low, most of the results are statistically significant. Also analysis has revealed that the role of DMC takes the mediator place in the scheme and CG has a statistically significant indirect positive effect on CFP when mediating DMC, i.e. as CG improves, the propensity to DMC increases, which in turn has a positive effect on CFP.

4.4.Directions for the future research and practical recommendations

Directions for the future research - This study was carried out using convenience sampling. Future research would benefit from conducting a similar study using other sampling methods such as criterion or maximum-difference sampling, or conducting the study as an experiment, in this case more informative data could be collected; As well in the future include other CG characteristics to collect more detailed data and provide deeper understanding and results; the last, this empirical

research was made without any context, in the future will be valuable to make empirical research where some context or sector will be targeted and likely collect and provide results from the more practical side. In the future, it would be useful to investigate the causal relationships between the individual constructs and to explore this topic in much more depth in order to be able to provide more concrete conclusions and results.

The role of DMC in the relationship between CG and CFP practical implications and recommendations:

- In this empirical research investigated 3 constructs: Dynamic managerial capabilities, Corporate governance and Competitive firm performance. These phenomenas exist in the every business (it could be in different shapes and conditions), knowledge how constructs related with each other allows to firms get understandig and set the some of actions how to control it.
- Enable Corporate governance structure and rules to relevant activities helps firms to adopt Dynamic managerial capabilities which allows to firm achieve better results on the competitive firm performance and this is directly related with the general results of all the company.
- Empirical research showed that DMC plays the mediator role, that proof that in practice from firm side it is useful to help employees improve their individual skills which related with DMC to achieve better results on CFP.
- As well empirical research shows that CFP is effected by CG. Clear structure, BR, TMT and all the managerial staff through CG prism make impact for the CFP and are related with each other.

Conclusions

Following a review and the proposed objectives of the research and empirical verification, the role of DMC in the relationship between CG and CFP can be concluded that:

1. Good CG management brings better opportunities for financing, looks more attractive for possible investors, as well creates wealth in organization, can easier survive financial crisis, realationship with stakeholders is in better condition and financial index, such as creditors rights index, equity rights index are higher. During importance analysis find out that DMC are important for firms to stay competitive and achieve sustainable growth. As well there are studies, which found that higher quality of DMC brings higher profitability and higher ROA and ROE, as well could be mentioned that firms with higher DMC are better able to adap to changing market conditions and are more likely to introduce new products or services in the market. For CFP important to highlight that there are several advantages about it's importance – first, more competitive firms reach higher gross profit margins, net profit margins, and higher ROA; second, firms with higher level of CFP are more likely to capture a larger share of the market; the last, higher level of CFP is related with higher levels of customers satisfaction and loyalty.
2. Theoretical analysis showed that the newest studies describe CG as the way or set of mechanisms that enable a company to achieve its objectives, controll and manage while ensuring that decisions are aligned with interests of stakeholders. In the literature the most common concept theories of CG are: agency, stewardship, stakeholders and resource dependence theories. Teece, who wrote many works about DMC, describe DMC as ability to integrate, build and reconfigure internal and external competencies to adress rapildy changing environments. Many authors agree that DMC are 3-dimensional phenomenon, which consists of sensing opportunities (perception,attention, intuition), seizing opportunities (problem solving, reasoning and emotional commitment) and transforming resource base (language and non-verbal communication, social cognition and emotional mechanism). Porter, who one of the first described CFP, identifies CFP as the ability of a firm to achieve superior returns on investment in a relation to its industry peers. Authors find out that CFP influenced by a variety of factors: effective resource management, strategic innovation, market adaptation stakeholder engagement and organizational culuture and leadership. As well authors highlights that innovation is one of the main drivers of CFP.
3. For methodology conceptual model was made and 3 hypothesis were formulated. H1 – Corporate Governance has a positive efect for Competitive Firm Performance. H2 – Dynamic Managerial Capabilities are mediator in the relationship between CG and CFP. H3 – Dynamic Managerial Capabilities are moderator in the relationship between CG and CFP. To test these hypothesis empirical quantitative research was conducted. For data collection used survey, which composed of 6 questions and 7 blocks of statements. 5-9 blocks related with DMC and consists of 20 statements, 10 block related with CG and consists of 9 statements, 11 block related with CFP and consists of 4 questions. Data collected during the emirical study were analysed using the statistical data analysis software “IBM SPSS”.
4. Empirical research revealed that CG makes statistically significant effect on the CFP. Results showed that relations between constructs are weak or very weak, but all the correlation analysis values were positive. As well factor analysis relations between CG F1 and CFP found as medium efect size and between CG F2 and CFP low effect size, so it can be considered that

CG has positive effect and relationship with CFP and the H1 confirmed. Factor analysis showed that CG has 2 factors, DMC has 3 factors and CFP has only 1 factor. To test H2 and H3 regression-based pathway analysis conducted. Results showed that DMC has statistically significant mediating relationship between the CG and CFP and the role of DMC was revealed as mediator. To fully confirm H2 and reject H3 the same regression was made to test or DMC is moderator. Results showed that there is no statistically significant relations between constructs, further analysis do not provided and H3 rejected.

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List of information sources

1. Papertyari library, Theories of Corporate governance (entered 2023) information source: https://www.papertyari.com/general-awareness/management/theories-corporate-governance-agency-stewardship-etc/?fbclid=IwAR2pZxkwM-qqcF-sqahikQHhMvVvqurWQBTHgr2JPTiqvK_QvXtp6I6w_Qg
2. Classification of Economic Activities (EVRK) (entered 2023): <https://osp.stat.gov.lt/600>

Appendices

Appendix 1. Empirical research survey

Dear Respondent,

I am a student of Kaunas University of Technology's Master's degree program in International Business and I am conducting a research **aimed at determining corporate governance and dynamic managerial capabilities interaction for the competitive firm performance**.

This survey is addressed to current working people, therefore if You are unemployed please do not participate in the survey.

I assure that the data obtained during the survey will remain **confidential** and will be used only in a summarised form for the preparation of the final Master's project. The questionnaire contains questions with rating scales (from strongly disagree to strongly agree with the statements made).

The questionnaire will take approximately **5-7 minutes** to complete.

In case of any uncertainties or questions related to the research, please contact: julurb4@ktu.lt

I very much look forward to your help and thank you in advance for your sincere answers!



Along with the board, **top-level** management establishes overall policy. **Middle-level** and **first-level** management carries out this policy and provides daily supervision of the employees. Finally, **non-managerial** employees are those who actually perform the work.

Non-managerial → first-level → middle-level → top-level

1. My work position is (please choose one answer):

- ☐ First-level manager
- ☐ Middle-level manager
- ☐ Top-level manager
- ☐ Non – managerial

2. Work period/experience (years) (please choose one answer):

- ☐ >20
- ☐ 16-20
- ☐ 11-15
- ☐ 6-10
- ☐ Up to 5

1. Your firm has (If one of the following number is higher, please choose the option with a value which is higher) (please choose one answer):

- ☐ Less than 10 employees and yearly turnover less than 700 000 eur
- ☐ 11-50 employees and yearly turnover 700 000 - 4 000 000 eur
- ☐ 51 -250 employees and yearly turnover 4 000 000 - 40 000 000 eur
- ☐ More than 250 employees and/or more than 40 000 000 eur yearly turnover

2. Our firm belongs to sector (please choose one answer):

- ☐ Agriculture, forestry or fish-farming.
- ☐ Mining
- ☐ Manufacturing
- ☐ Electricity, gas, steam supply and air conditioning
- ☐ Water supply, waste water treatment or recycling

- Construction
- Retail, wholesale or repairing motor vehicles and motorcycles
- Transport or security
- Accommodation and catering
- Information and communication
- Finance and insurance
- Real estate operations
- Professional, scientific and technical activity
- Administrative and service
- Public administration and defence, compulsory social security
- Education
- Human health care and social work
- Artistic, entertainment and recreational activities
- Other service activities

3. In Your firm *(please choose one answer for each following statement):*

	Strongly disagree (1)	Disagree (2)	Neither agree nor disagree (3)	Agree (4)	Strongly agree (5)
1. On a regular basis, assesses local and international market trends	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2. On a regular basis, follows technology development trends	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3. On a regular basis, appraises competitors and their products/services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4. On a regular basis, assesses customers' experiences and emerging needs	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

5. Spares enough time for observing and evaluating the business environment	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6. Takes early notice of forthcoming environmental changes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

4. Your firm (please choose one answer for each following statement):

	Strongly disagree (1)	Disagree (2)	Neither agree nor disagree (3)	Agree (4)	Strongly agree (5)
1. Orients to high finance value projects even if they are risky	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2. Takes bold strokes when looking for new opportunities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3. Is looking for new and original ideas	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

5. Employees in Your firm (please choose one answer for each following statement):

	Strongly disagree (1)	Disagree (2)	Neither agree nor disagree (3)	Agree (4)	Strongly agree (5)
1. On a regular basis, submit innovative product/service ideas	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2. Are encouraged to take calculated risks while implementing innovative ideas	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3. Invest their own time to work on innovation projects or services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4. Mostly are initiators of innovation projects					

5. Take part in the commercialisation of innovative products/services					
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6. Employees in Your firm *(please choose one answer for each following statement):*

	Strongly disagree (1)	Disagree (2)	Neither agree nor disagree (3)	Agree (4)	Strongly agree (5)
1. Are happy about the success and return of innovative products/services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2. Are capable of scaling up and commercialising our successful innovative products/services in local markets	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3. Are always looking for innovative means around a barrier constraining consumption	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

7. Your firm *(please choose one answer for each following statement):*

	Strongly disagree (1)	Disagree (2)	Neither agree nor disagree (3)	Agree (4)	Strongly agree (5)
1. Perceive failure of the project as an opportunity for learning and improvement	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2. Know that there is a database (or other tools) for storing needed information and experience	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3. Consider permanent learning (in various forms) an important component of their work activities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

8. Board /team of directors including all levels of managers *(please choose one answer for each following statement):*

	Strongly disagree (1)	Disagree (2)	Neither agree nor disagree (3)	Agree (4)	Strongly agree (5)
1.Understanding the operating environments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2.Understanding the business process	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3.Exchanging critical information and comments	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4.Being independent in decision-making	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
5.Having experiences in the relevant industries	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
6.Participating in strategic planning	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
7.Having experiences in finance or economic areas	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
8.Following up on the progress of board resolutions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
9.Ensuring the effective management system	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

9. Your firm *(please choose one answer for each following statement):*

	Strongly disagree (1)	Disagree (2)	Neither agree nor disagree (3)	Agree (4)	Strongly agree (5)
1. Sales of our enterprise rise more than 20% per year	<input type="radio"/>		<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

		<input type="radio"/>			
2. Sales of our enterprise rise faster than sales of our competitors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
3. Our enterprise creates more products/services per year than our competitors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
4. Our enterprise's new products/services receive better evaluations than the new products/services of our competitors	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

10. Your gender (*please choose one answer*):

- ☐ Man
- ☐ Woman

11. Your age (*please write your age in years*):

Thank you for participating in this survey!