

The Impact Of Intangible Resources' And Dynamic Capability's Factors On Business Performance In The Mediation Of Innovation Capability: A Case Study Of Tourism Companies In Ho Chi Minh City, Vietnam.

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Abstract

Purpose: This study investigates the impact of intangible resource's and dynamic capability's factors on business performance in the mediation of innovation capability in tourism companies in Ho Chi Minh City, Vietnam.

Design/Methodology/Approach: Impact of intangible resource's and dynamic capability's factors on business performance in the mediation of innovation capability was confirmed by 535 managers who operated directly tourism companies applying the CB-SEM estimation method.

Findings: The results shows that both intangible resource's factors and dynamic capability's factors have impacted on business performance via the mediation of innovation capability.

Conclusion: Business performance and innovation capability are directly impacted by both intangible resource's factors and dynamic capability's factors. Besides there also confirmed the mediating role of innovation capability towards the relationship between intangible resource's factors and dynamic capability's factors and business performance.

Practical Implications: The study's investigation has implications for both managers when build performance oriented strategics for their company.

Limitations: this study has been examined in Ho Chi Minh City – Vietnam; there, there could impact the generalization in research scope.

Contribution to literature: This study focuses to examine the impact of the second-order scale of intangible resource and dynamics capability on business performance in the mediation of innovation capability that previous studies haven't still referred yet.

(Keywords: intangible resource, dynamic capability, business performance, tourism companies, Ho chi minh city,...)

JEL Classification Code: L74, M11, M51, O31, P25

1. Introduction

Up to now, the impact of intangible resource's and dynamic capability's factors on business performance in the mediation of innovation capability in the tourism industry haven't still paid attention yet. Therefore, under the impact of the Covid-19 epidemic, many tourism companies in Ho Chi Minh City- Vietnam were severely impacted on business performance. According to data reported by the Department of Tourism in Ho Chi Minh City (HCMC), due to the impact of the Covid-19 epidemic, the indicators of the tourism industry in 2020 and the early 9 months in 2021 are seriously affected (Hiep, 2021). Only in the first 9 months of 2021, the number of new foreigner tourists to Ho Chi Minh - Vietnam is 0; local tourists are forecast at 7,750,000, down 31% confronted to 9 months in 2020 and down 52% confronted to 9 months of 2019 (Hiep, 2021). Total turnover reached VND 39,523 billion in 9 months of 2021 down 31% confronted to 9 months of 2020, down 62% compared to 9 months of 2019 (Hiep, 2021).

However, on February 8, 2022, the Department of Tourism in Ho Chi Minh City said that from January 31 to February 6, the tourism's revenue of Ho Chi Minh City reached about 3,100 billion VND (Hiep, 2022). Specifically, the number of visitors during Tet holiday in Ho Chi Minh City reached 300,000, reaching a revenue of 300 billion VND. The number of guests staying is 500,000 rooms, reaching 1,200 billion VND in revenue. Moreover, revenue in other tourism services such as dining and transportation reached about 1,600 billion VND (Hiep, 2022). The data shows that the number of tourists from all over the world has increased significantly, which is a positive signal for the tourism industry in the coming time. Typically during and after the 2022 Lunar New Year, Saigontourist travel company serves more than 6,800 guests via road, air and other services. Vietravel company serves about 15,000 visitors (Hiep, 2022). The above signs of improvement are only a signal but not necessarily a signal of a comprehensive recovery of tourism businesses in Ho Chi Minh City (Hiep, 2022).

To achieve the goal of business performance of enterprises in the tourism industry, Nguyen Van It, Hoang Thi Chinh, & Tran Anh Minh (2019) believes that it is necessary to focus on investing in factors such as financial capacity, information technology, service capacity, marketing capacity, social responsibility, management capacity, and corporate culture, products, services and brand image; Those are the decisive factors to the business performance of tourism enterprises (Nguyen Van It, Hoang Thi Chinh, & Tran Anh Minh, 2019). However, Mai Diem Lan Huong (2022) thought to achieve business performance of the tourism industry after the impact of the Covid-19 epidemic, it is necessary to need to have reduction policies of tax for enterprises in the tourism industry.

In summary, there are still many debates, there are many different and conflicting opinions about the factors affecting business performance, so there exist limitations on the business performance. Therefore, further studies are needed to increase the generalizability of factors affecting business performance.

2. Literature review

2.1. Resource-Based Theory (RBT) and Theory Dynamic Capabilities

The resource-based view confirms that internal resources are the more essential for a firm than external factors in sustaining and achieving competitive advantage (David & David, 2017). Proponents of the RBV view further explain that organizational performance will be better when to apply internal resources and internal resources can be grouped into three all-encompassing categories: human resources, organizational resources, and physical resources (David & David, 2017). *Human resources* include all employees, experience, intelligence, knowledge, skills, training, abilities; and *organizational resources* include planning processes, information systems, patents, trademarks, copyrights, firm structure, databases. *Physical resources* include all plant and technology, raw materials, and machines, equipment, location (David & David, 2017). A firm's resources can be tangible, such as land, plant, equipment, capital, labor or resources can be intangible, such as culture, intellectual property, brand equity, reputation and knowledge (David & David, 2017). However tangible resources can be easily sold and bought; but intangible resources are difficult to imitate and more important than tangible resource. Resource-based view theory explains that resources are actually to support a firm find opportunities and balance threats. RBV theory can be helpful in exploring targets (David & David, 2017).

In new economic conditions, the intangible resources keep an important role to the performance as well as in the existence of the firms (David & David, 2017). Therefore, the internal resources, especially the intangible ones, is vital in the resource theory (David & David, 2017).

Besides, a capability is the ability to perform a particular task or activity. Operational capabilities help an organization to exist in the competitive environment (Helfat et al, 2007). A dynamic capability is an organization's competence to purposefully create, enhance, or change its resource base (Helfat et al, 2007). Dynamic capabilities include many forms. Some dynamic capabilities help firms to enroll new businesses and enhance old ones through acquisitions, strategic alliances, and internal growth (Helfat et al, 2007). Other capabilities enable a firm to develop new products and production processes (Helfat et al, 2007).

2.2. Human capital (HC)

Human capital is both the element of intellectual capital and intangible resource (Lekić et al, 2022). Particularly, Human capital consist of the level of level of employee education, work experience of employees, labor productivity, average age of employees, knowledge and competencies (Lekić et al, 2022). Besides, it mentions to "learning capacity - knowledge sharing, problem solving capacity, management ability, level of education and skills and education methods" (Lekić et al, 2022)

Furthermore, human capital is obvious through employee expertise, employee satisfaction and loyalty, professional development of employees, innovation, work experience, level of formal education and number of employees (Lekić et al, 2022). Especially, each of these components positively impacts on business performance (Lekić et al, 2022). More importance, some studies have confirmed that human capital positively impacts on innovation (Liu et al, 2020). Any

company that possesses human capital can generate and develop of innovation capabilities (Liu et al, 2020). Therefore, hypothesis is suggested

Hypothesis: Human capital impact significantly and positively on both innovation capability and business performance of tourism enterprises.

2.3. Structure capital (SC)

Structure capital is both the element of intellectual capital and intangible resource (Lekić et al, 2022). Particularly, structural capital is also the element of intellectual capital and involves working culture, atmosphere, the working procedures, operations and quick market reaction of a firm (Aljuboori et al, 2022). Besides, structural capital indicates to the processes, systems, databases, solutions, and patents that could increase firm performance (Aljuboori et al, 2022). Furthermore, a firm will gain superior performance and can carry out a range of value-creation jobs if there possess a strong structural capital (Aljuboori et al, 2022). Especially, Structure capital positively impacts on innovation capability (Khan et al, 2019). Therefore, hypothesis is suggested.

Hypothesis: Structure capital impact significantly and positively on both innovation capability and business performance of tourism enterprises.

2.4. Relation capital (SC)

Relation capital is both the element of intellectual capital and intangible resource (Lekić et al, 2022). Particularly, relation capital is described as the level of trust, respect mutual, friendship, commitment and distinguished during interaction between the partners in an organization (Ali et al, 2021). Lately, it is considered that mutual believe and close interaction involved to components such as social interaction, trust and wish to achieve similar goals (Ali et al, 2021). Particularly, relational capital mentions to all of resources connected with friendship, respect, mutual understanding, and trust that subsist at the organizational (Ali et al, 2021). Furthermore, relation capital is also impact significantly and positively on business performance (Kalkhoran et al, 2022). Especially, relation capital positively impacts on innovation capability (Khan et al, 2019). Therefore, hypothesis is suggested.

Hypothesis: relation capital impact significantly and positively on both innovation capability and business performance of tourism enterprises.

2.5. Adaptive capability (Adapt)

Adaptability is considered as an intangible resource (Wojciechowska, 2016). Particularly, Organizational adaptive capability focuses on exploiting and searching strategies (Chen et al, 2019). Adaptive capability helps organizations to recognize and seize market opportunities quickly and flexibly (Chen et al., 2019). These firms can be fast learners and allot their internal resources to respond market needs (Chen et al., 2019). Adaptive capability refers greater operational cost; however, benefits of higher performance can overbalance the costs. A firm can improve its performance and product quality if there use adaptive capability (Chen et al., 2019). Consequently, adaptive capacity is positively related with its innovation performance (Chen et al., 2019). Especially, adaptive capacity positively impacts on innovation capability (Ali et al, 2017). Therefore, hypothesis is suggested.

Hypothesis: Adaptive capability impact significantly and positively on both innovation capability and business performance of tourism enterprises.

2.6. Technology capability (TC)

Technological capability belongs to intangible resource (Li et al, 2006). Particularly, it has been considered as the firm's ability to process and upgrade skills and knowledge, develop and design new product about the environment in private way and changing the knowledge and designs and instructions to create the desired performance (Salisu & Bakar, 2020). TC involves not only technical mastery capacity, but also the capability to deploy and extend the company's core capacity and effectively unify the mobilize technological resources and different streams of technologies via the firms (Salisu & Bakar, 2020). TC has been described to allow companies to grow and bring valuable services or product to customers and secure customer relationship which impact performance significantly (Salisu & Bakar, 2020). Especially, TC positively impacts on innovation capability (Juárez & Vergara, 2021). Therefore, hypothesis is suggested.

Hypothesis: technology capacity impact significantly and positively on both innovation capability and business performance of tourism enterprises.

2.7. Corporate reputation (CR)

Reputation is considered as an intangible resource (Wojciechowska, 2016). Particularly, firm reputation is extensively known as an effective strategic resource and is a core asset for an organisation to achieve the competitive advantage (Bahta et al, 2021). Good firm reputation can assist enterprises align with the attract investments, motivate workers, market demand (Bahta et al, 2021). Firm reputation impacts enterprises' services and products in the market (Bahta et al, 2021). Several empirical studies have admitted the relationship between firm reputation and performance. (Bahta et al, 2021) Furthermore, firm reputation is highly valuable to create the competitive advantage (Bahta et al, 2021). Especially, corporate reputation positively impacts on innovation capability (Ou & Hsu, 2013). Therefore, hypothesis is suggested

Hypothesis: corporate reputation impact significantly and positively on both innovation capability and business performance of tourism enterprises.

Up to now, the resources' factors and especially intangible resources' factors impact on both innovation capability and business performance that are discrete factors; there are few studies that integrate intangible resources' factors as well as second-order scale of intangible resource and there tested the impact of second-order scale of intangible resource on both innovation capability and business performance for tourism enterprises in Ho Chi Minh City, Vietnam that it is still rare. This is the research gap, and this study will examine the impact of second-order scale of intangible resource on both innovation capability and business performance for tourism enterprises in Ho Chi Minh City, Vietnam. Therefore, proposed hypothesis as follows

H1: Intangible resource (Human capital, structure capital, relation capital, adaptive capability, technology capability, corporate reputation) impact directly and significantly on innovation capability for tourism enterprises in Ho Chi Minh City, Vietnam.

H2: Intangible resource (Human capital, structure capital, relation capital, adaptive capability, technology capability, corporate reputation) impact directly and significantly on business performance for tourism enterprises in Ho Chi Minh City, Vietnam.

2.8. Customer relationship management (CRM)

Customer relationship management (CRM) has appeared as well as one of the most wish programs for managers because it's difficult to attract the customers (Vu et al, 2018). Thus, CRM is considered an important tool to identify the target customers more accurately (Vu et al, 2018). Customer relationship management (CRM) is explained as the processes that help firms to effectively govern relationship with core customers to aim at maximizing the profit for both stakeholders and customers (Vu et al, 2018). CRM is the consequence of the combination and extension of marketing concepts and advanced in new information (Vu et al, 2018).

Furthermore, Customer relationship management directly and positively impacts on innovation capability (Pour et al, 2018). Especially, Customer relationship management directly and significantly impacts on business performance (Mohammad et al, 2013). Therefore, hypothesis is suggested

Hypothesis: Customer relationship management impact significantly and positively on both innovation capability and business performance of tourism enterprises.

2.9. Market orientaion (MO)

Market orientation (MO) involve to a firm's capacity to form the customer value to base on customer and competitor's intellect (Lekmat et al, 2018). The strategy theory confirms MO as a core define to enhance performance. Through some case studies, MO can lead to increased profitability (Lekmat et al., 2018). Particularly, a firm that utilizes MO can obtain both high business performance and competitive advantage (Lekmat et al, 2018). Especially, MO also impacts on innovation capability (Huhtala el al, 2014). Therefore, hypothesis is suggested

Hypothesis: market orientation impact significantly and positively on both innovation capability and business performance of tourism enterprises.

2.10 Knowledge management (KM)

Knowledge management (KM) is considered as the process of creating, using, storing, sharing, and managing information and knowledge within an organization to obtain its goals (Jiménez et al, 2021). Obviously, KM can help to supervise by simplifying the adaptation, management, and implementation of sustainable practices (Jiménez et al, 2021). KM effects on both the innovation and the performance of companies in industry groups (Jiménez et al, 2021). Therefore, hypothesis is suggested

Hypothesis: knowledge management impact significantly and positively on both innovation capability and business performance of tourism enterprises.

Up to now, the dynamic capacity's factors impact on both innovation capability and business performance that are discrete factors; there are few studies that integrate dynamic capacity's factors as well as second-order scale of dynamic capacity and there tested the impact of second-order scale of intangible resource on both innovation capability and business performance for tourism enterprises in Ho Chi Minh City, Vietnam that it is still rare. This is the research gap, and this study will examine the impact of second-order scale of dynamic capacity on both innovation capability and business performance for tourism enterprises in Ho Chi Minh City, Vietnam. Therefore, proposed hypothesis as follows

H3: dynamic capability (customer relationship management, market orientation, knowledge management) impact directly and significantly on innovation capability for tourism enterprises in Ho Chi Minh City, Vietnam.

H4: dynamic capability (customer relationship management, market orientation, knowledge management) impact directly and significantly on business performance for tourism enterprises in Ho Chi Minh City, Vietnam.

2.11 The relationship between Innovation capability (IC) and business performance

A firm's innovation capability is important characteristic that a firm needs and help growth and maintain competitive advantage (Ilmudeen et al, 2021). The firm's innovation capability is considered as a core asset for firm to create both the competitive position and performance (Ilmudeen et al, 2021). In literature, there is a wealth of evidence that innovation capability has relationship to firm performance (Ilmudeen et al, 2021). Therefore, hypothesis is suggested.

H5: innovation capability impact directly and significantly on business performance for tourism enterprises in Ho Chi Minh City, Vietnam.

2.12. The mediation role of innovation capability between intangible resource, dynamic capability, and business performance

**** The mediation role of innovation capability (IC) between intangible resource (IR) and business performance (BP)***

The impact indirectly of human capital, structure capital and relation capital on business performance in the mediation of innovation capability have confirmed in the some of some of research journal (Barkat et al, 2018; Aljuboori et al, 2022). Besides, technology capability also impacts on business performance through the mediation of innovation capability (Feranita et al, 2017). Furthermore, adaptive capability also effects on business performance in the mediation of innovation capability (Wiwoho et al, 2020). Finally, Vargas (2013) is confirmed that corporate reputation impacts indirectly on business performance through the mediation of innovation capability. Therefore, hypothesis is suggested

H6: Intangible resource (Human capital, structure capital, relation capital, adaptive capability, technology capability, corporate reputation) impact indirectly and significantly on business performance for tourism enterprises in Ho Chi Minh City, Vietnam through the mediation of innovation capability.

**** The mediation role of innovation capability (IC) between dynamic capability (DC) and business performance (BP)***

The impact indirectly of market orientation on business performance in the mediation of innovation capability have confirmed in literature (Huhtala et al, 2014). Besides, customer relationship management is also confirmed to impact on business performance through the mediation of innovation capability (Battor & Battor, 2010). Finally, there tested the impact indirectly of knowledge management on business performance in the mediation of innovation capability is also confirmed and significantly (Byukusenge & Munene, 2017). Therefore, hypothesis is suggested.

H7: dynamic capability (customer relationship management, market orientation, knowledge management) impact indirectly and significantly on business performance for tourism enterprises in Ho Chi Minh City, Vietnam through the mediation of innovation capability.

3. Research Methods

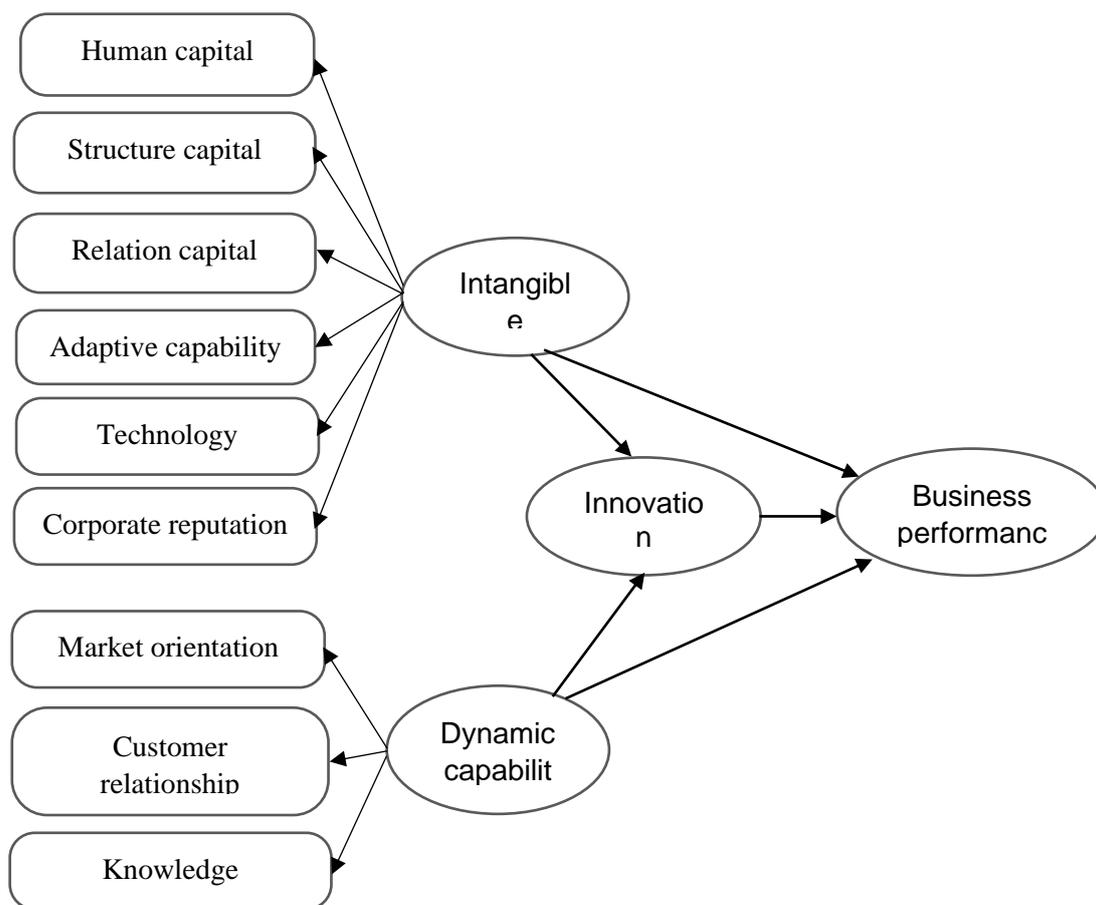
3.1. Sample

This study investigates the impact of intangible resources and dynamic capability's factors on IC and BP, especially the mediation of IC between intangible resource's and dynamic capability's factors towards BP. Data is collected to validate the measure and examine the effect as well as the necessity of intangible resources and dynamic capability's factors – innovation capacity – for business performance. There insure to be level of reliability, the author used 570 survey questionnaires in Ho Chi Minh City (HCMC) area. The reliability answer sheets were 535 to obtain successful ratio of surveys was 93,85%. Key informant approaches (a senior manager) were used face-to-face and discussion group interviews. Self-completed questionnaires are sent directly managers who directly operate tourism enterprises in HCMC.

The survey was performed from December 12th, 2022, to May 12th, 2023.

3.2. Measures

Constructs examined were intangible resources that was as a second order scale comprising six factors, i.e., human capital (four items from Khalique et al, 2020), structure capital (four items from Khalique et al, 2020), relation capital (three items from Zhang et al, 2022), adaptive capability (three items from Chrysochoidis et al, 2016), technology capability (three items from Juárez & Vergara, 2021), corporate reputation (four items from Bahta et al, 2020). Next, construct of dynamic capability was also measured by a second order scale comprising their factors, i.e., market orientation (four items from Lekmat et al, 2018), customer relationship management (four items from Vu et al, 2018), knowledge management (four items from Jiménez et al, 2021). Nearby, innovation capability was measured by four items (Samad, 2022); finally, business performance was measured by five items (Samad, 2022).



Conceptual Framework

3.3. Data Analysis

Tho and Trang (2011) changed and examined the measures applied at Vietnamese firms. This research reconfirmed their validity and reliability (CFA) and reused these scales. Measure validation was practiced in two stages. The intangible resource and dynamic capability's CFA model was tested before merged with two first-order constructs (i.e., IC and BP) to shape a final measurement model.

4. Results and Discussion

4.1. Construct Validity of KMO

To test the validity, this research used Exploratory factor analysis (EFA) and confirmatory factor analysis (CFA) (Hair et al., 2017). The Promax rotation was used for EFA. Every item loading must be higher than 0,7 for precise validity due to convergent validity and 0,5 for adequate validity. Furthermore, the indexes of Average Variance Extracted (AVE) must

be greater than 0,5 to ensure reliability and validity. Discriminant validity obtained the reliability when The square root of the AVE must be greater than the shared variance (table 1 & table 2).

Table 1 Constructs Validity of intangible resource (Technology Capability, Corporate Reputation, Human Capital, Structure Capital, Relation Capital, Adaptive capability)

| | CR | AVE | MSV | MaxR(H) | TC | CR | HC | SC | RC | ADAPT |
|-------|-------|-------|-------|---------|--------------|--------------|--------------|--------------|--------------|--------------|
| TC | 0,908 | 0,711 | 0,540 | 0,908 | 0,843 | | | | | |
| CR | 0,877 | 0,640 | 0,525 | 0,882 | 0,638 | 0,800 | | | | |
| HC | 0,865 | 0,616 | 0,540 | 0,868 | 0,735 | 0,637 | 0,785 | | | |
| SC | 0,864 | 0,614 | 0,525 | 0,865 | 0,657 | 0,72 | 0,644 | 0,784 | | |
| RC | 0,859 | 0,671 | 0,464 | 0,863 | 0,662 | 0,537 | 0,681 | 0,599 | 0,819 | |
| ADAPT | 0,866 | 0,683 | 0,472 | 0,868 | 0,658 | 0,633 | 0,648 | 0,687 | 0,602 | 0,827 |

CMIN/df=1,786; TLI=,976;CFI=,980; GFI=,943;RMSEA=,038

Table 2 displays Composite Reliability (CR), and AVE scored and reports that innovation capability and business performance and all factors of intangible resource are completely

| | CR | AVE | MSV | MaxR(H) | MO | CRM | KM | BP | IC |
|-----|-------|-------|-------|---------|--------------|--------------|--------------|--------------|--------------|
| MO | 0,880 | 0,646 | 0,396 | 0,881 | 0,804 | | | | |
| CRM | 0,869 | 0,624 | 0,557 | 0,874 | 0,629 | 0,790 | | | |
| KM | 0,862 | 0,611 | 0,557 | 0,865 | 0,630 | 0,746 | 0,781 | | |
| BP | 0,834 | 0,503 | 0,140 | 0,840 | 0,307 | 0,351 | 0,308 | 0,709 | |
| IC | 0,816 | 0,527 | 0,140 | 0,826 | 0,347 | 0,314 | 0,252 | 0,374 | 0,726 |

CMIN/df=1,158; TLI=,994;CFI=,995; GFI=,965;RMSEA=,017

Table 3 shows the items to mean for every factor with Alpha, CR, and AVE scored and reports that factors are exact, with AVE significantly larger than 0,5. (Fornell & Bookstein, 1982); both Alpha and CR values exceed 0,7 (Nunnally & Bernstein, 1994). Furthermore, Table 2 and table 4 show that standardized factor loadings exceed the required > 0,50 threshold (Gefen et al., 2000).

There use five incremental fit indices to evaluate model fit: Root Mean Square Error of Approximation (RMSEA), Tucker Lewis index(TLI), chi-square/degree of freedom (CMIN/DF), Comparative Fit Index (CFI), Goodness-of-Fit Index (GFI). Particularly, RMSEA < 0,08; TLI > 0,9; 2 < CMIN/df < 5; CFI > 0,9; GFI > 0,9 (Hair et al, 2014)

Clearly, the CFA model in this study obtained reliability: **RMSEA = 0,025; TLI = 0,977; CMIN/DF = 1,341; CFI = 0,979; GFI = 0,916**; thus, strong support for innovation capability, business performance and factors of intangible resource and dynamic capability in confirmatory factor analysis.

Table 3: Constructs with Cronbach’s alpha, Composite Reliability (CR), AVE and MSV

| | ALPHA | CR | AVE | MSV | MaxR(H) | TC | CR | HC | SC | RC | ADAPT | MO | CRM | KM | BP | IC |
|-------|-------|-------|-------|-------|---------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| TC | 0,908 | 0,908 | 0,712 | 0,540 | 0,908 | 0,844 | | | | | | | | | | |
| CR | 0,875 | 0,877 | 0,640 | 0,525 | 0,882 | 0,638 | 0,800 | | | | | | | | | |
| HC | 0,864 | 0,865 | 0,616 | 0,540 | 0,867 | 0,735 | 0,637 | 0,785 | | | | | | | | |
| SC | 0,863 | 0,864 | 0,614 | 0,525 | 0,865 | 0,657 | 0,725 | 0,644 | 0,784 | | | | | | | |
| RC | 0,857 | 0,859 | 0,671 | 0,464 | 0,863 | 0,662 | 0,538 | 0,681 | 0,599 | 0,819 | | | | | | |
| ADAPT | 0,865 | 0,866 | 0,683 | 0,472 | 0,868 | 0,658 | 0,633 | 0,648 | 0,687 | 0,602 | 0,827 | | | | | |
| MO | 0,879 | 0,880 | 0,646 | 0,396 | 0,881 | 0,084 | 0,051 | 0,047 | 0,013 | 0,015 | 0,007 | 0,804 | | | | |
| CRM | 0,868 | 0,869 | 0,624 | 0,557 | 0,874 | 0,064 | 0,108 | 0,061 | 0,075 | 0,097 | 0,057 | 0,630 | 0,790 | | | |
| KM | 0,861 | 0,862 | 0,611 | 0,557 | 0,865 | 0,059 | 0,030 | 0,013 | 0,011 | 0,002 | 0,002 | 0,629 | 0,747 | 0,781 | | |
| BP | 0,833 | 0,834 | 0,503 | 0,142 | 0,840 | 0,220 | 0,217 | 0,149 | 0,167 | 0,136 | 0,262 | 0,307 | 0,351 | 0,307 | 0,709 | |
| IC | 0,814 | 0,817 | 0,527 | 0,142 | 0,823 | 0,206 | 0,272 | 0,161 | 0,091 | 0,080 | 0,001 | 0,348 | 0,314 | 0,251 | 0,377 | 0,726 |

CMIN/df=1,341; TLI=,977;CFI=,979; GFI=,916;RMSEA=,025

This study model differs from past studies; particularly, this study has examined CFA of the intangible resource’s factors (human capital, structure capital, relation capital, adaptive capability, technology capability, corporate reputation) and dynamic capability’s factors (market orientation, customer relationship management, knowledge management) and business performance and innovation capability.

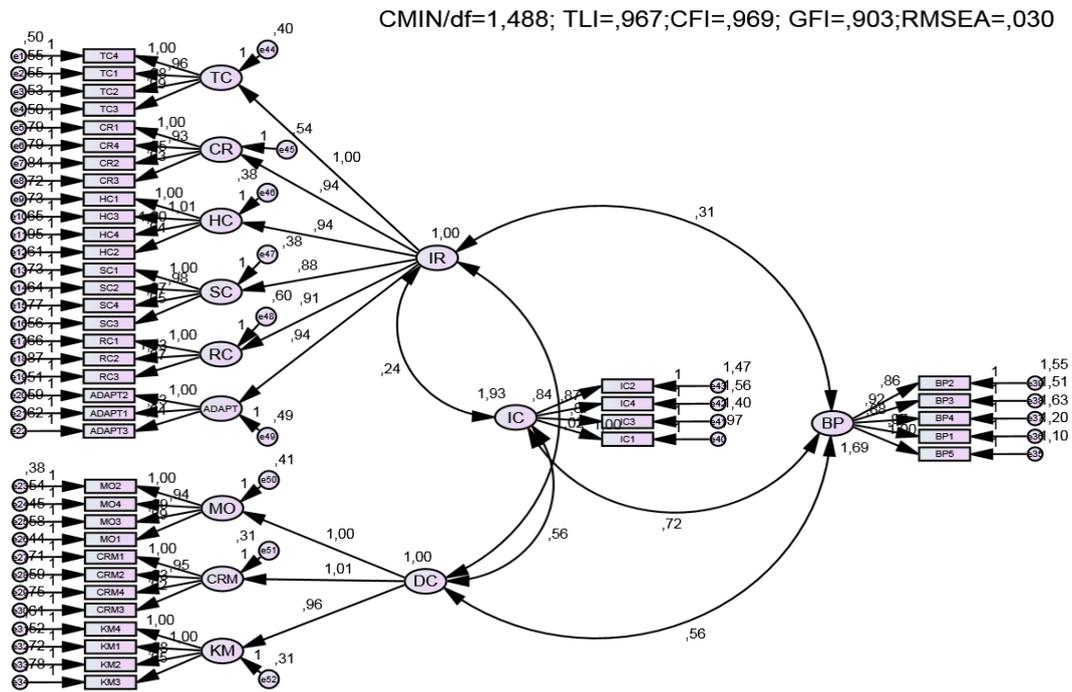


Figure 1: CFA model of intangible resource's factors and dynamic capability's factor

Table 4. Constructs with, composite Reliability (CR), AVE, MSV, SQRTAVE of CFA of second-order of intangible resource (IR) and dynamic capability (DC)

| | CR | AVE | MSV | SQRTAVE | MaxR(H) | BP | IC | IR | DC |
|----|-------|-------|-------|---------|---------|--------------|--------------|--------------|--------------|
| BP | 0,839 | 0,512 | 0,183 | 0,715 | 0,845 | 0,715 | | | |
| IC | 0,821 | 0,535 | 0,162 | 0,732 | 0,831 | 0,395 | 0,732 | | |
| IR | 0,919 | 0,656 | 0,057 | 0,810 | 0,922 | 0,238 | 0,172 | 0,810 | |
| DC | 0,896 | 0,742 | 0,183 | 0,861 | 0,897 | 0,428 | 0,402 | 0,021 | 0,861 |

4.2. Structural Model Results

Table 3 shows that the mean, standard deviation and bivariate correlation, KMO and Cronbach's values for IC, BP, all constructs of intangible resource and dynamic capability. All factors exceeded the required value of 0,7; cronbach's alphas ranged from 0,814 to 0,908; the CR ranged from 0,817 to 0,908; it mean well that scale stability and internal consistency. The AVE for all factors was higher than 0,503.

The model fit is well: *CMIN/DF = 1,488; TLI = 0,967; CFI = 0,969; GFI = 0,903 and RMSEA = 0,030*. Therefore all hypotheses (H1, H2, H3, H4, H5, H6, H7 in table 4) are supported and statistical meaning statistical significance. These findings favour the whole of the empirical research to related the dynamic capability and resource-based theory. Factors of intangible resource and dynamic capability appeared that considered the most important hypothesis, which is compatible with earlier empirical research related to the resource-based theory Lin, 2013) and dynamic capability theory (Helfat et al, 2007).

Table 4: Structural Model Results

| Hypothesis | Effect | Coefficient | P-value | Conclusion |
|------------|--------------------|-------------|---------|-----------------|
| H1 | IR → BP | 0,249 | 0,000 | Accepted |
| H2 | IR → IC | 0,228 | 0,000 | Accepted |
| H3 | DC → BP | 0,432 | 0,000 | Accepted |
| H4 | DC → IC | 0,554 | 0,000 | Accepted |
| H5 | IC → BP | 0,214 | 0,000 | Accepted |
| H6 | IC mediate IR & BP | 0,037 | 0,001 | Accepted |
| H7 | IC mediate DC & BP | 0,091 | 0,001 | Accepted |

CMIN/df=1,488; TLI=,967; CFI=,969; GFI=,903;RMSEA=,030

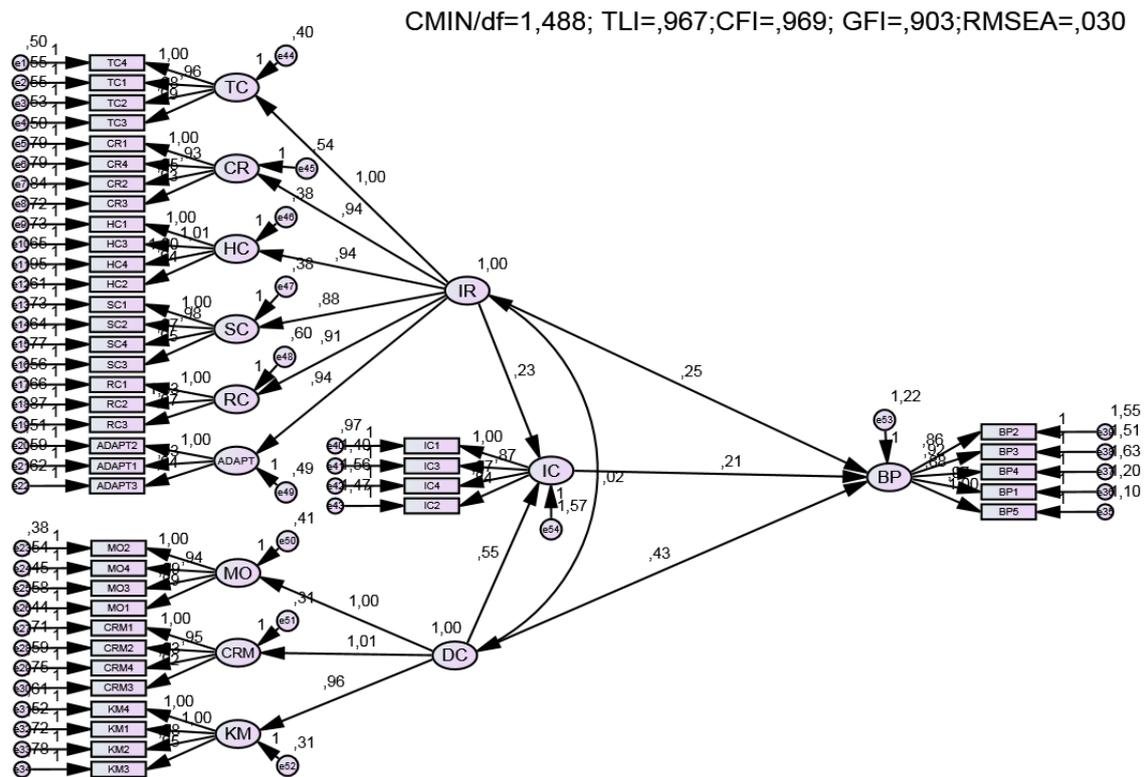


Figure 2. Result of structural equation modeling

These findings showed the relationship between IC and BP at tourism enterprises, as well as the mediation role of innovation capability between factors of intangible resource and dynamic capability and BP. These findings are consistent with earlier research (Feranita et al, 2017; Vargas, 2013; Barkat et al, 2018; Aljuboori et al, 2022; Savitri et al, 2021; Wiwoho et al, 2020; Huhtala et al, 2014; Mahmoud et al, 2016; Battor and Battor, 2010; Frimpong et al, 2022; Byukusenge and Munene, 2017; Deni et al, 2020).

5. The Implications of improving business performance through innovation capabilities for businesses in the tourism industry in Ho Chi Minh City, Vietnam

Firstly, Intangible resource (*Human capital, structure capital, relation capital, adaptive capability, technology capability, corporate reputation*) has a substantial and direct influence on both innovation capability and corporate performance. Managers should focus on intangible resource, particularly; there involves the human capital that managers should build suitable recruitment policies in order to obtain recruitment goals as well as recruit high quality personnel. Besides there usually organizes the training programs to enhance personnel's skill, expertise to relate to the job, market, customer. In relation to the structure capital, managers need to improve the working environment, infrastructure for staff feeling the more comfortableness. Furthermore, managers often check and control the processes and procedures to concern the service and task from that there adjust theses for being suitable.

As regards the relation capital; managers should often organize the interaction relationship to whole of employee (i.e., team building, staff's benefit involving conference, symposium). Besides, there need to maintain the key suppliers as well as care and contact usually to them; specially for organizations is managing and control tourism enterprises. In the competitive circumstance as well as covid 19 pandemic, many tourism enterprises must stop the business operation and some change the business activity; therefore, there need to form the new strategy for suitable to survive in the market. Similarly, market responding strategy is also important for tourism enterprises at present. In the age of technology 4.0 is important for tourism enterprises to upgrade the information technology for supporting the personnel to work well; it's ease to communicate to the customer, suppliers, partners, and another organizations that concern to tourism enterprises and industry. Besides, information technology training programs are essential for all staff in tourism enterprises in current context. Finally, there need to upgrade the tourism enterprises' reputation as well as improvement of staff's working attitude, behavior, rearrangement of organization chart. Besides, it's ensured that all tour service is always safe and satisfactory for all customers.

Secondly, dynamic capability (customer relationship management, market orientation, knowledge management) has a substantial and direct influence on both innovation capability and corporate performance. Therefore, managers should

issue customer caring policies that consist of customer caring activity, customer conference. Besides, managers always observe the market circumstance (competitors' behavior and strategy, customers' behavior, market situation) to plan the strategy to cope with competitors and adjust for customer's behavior to be able to survive. Finally, managers need to share new ideas for whole of personnel; besides, managers compose and issue the reward policies for any staff that contribute new ideas and innovation to help the company in order to achieve the growth and business performance higher than before. Limitation: The sample size in the study was only 535, so the representativeness was not high. The research was only conducted in Ho Chi Minh City, Vietnam, so generalization was limited. In addition to this study focus only the factors of intangible resources (**Human capital, structure capital, relation capital, adaptive capability, technology capability, corporate reputation**) and dynamic capabilities (customer relationship management, market orientation, knowledge management) in this study.

Future suggestion: there need to use the bigger sample size than for the next research. There extend research scope larger than this study, such as Northern Region – Vietnam. There need to use other factors: brand image, leadership style, company culture for intangible factor and learning capability, absorb capability, human resource management capability, marketing management capability for dynamic capability.

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