Enterprise Social Capital, Dynamic Capability and Technological Performance among Textile Industries in Zhejiang, China

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Abstract - *Drawing from 500 managers of 30 textile enterprises in three different cities, this paper presented the textile industry profile including the nature of company, subdivision type, number of years of incorporation and enterprise scale. This study aimed to determine the enterprise social capital, the dynamic capability and the technological performance among textile industries, test the difference among the three variables when grouped according to profile variable and the significant relationship across the three variables, in order to propose the plan of action to improve dynamic capability and technological performance of textile enterprises in Zhejiang province. Findings revealed that enterprise social capital, which is composed of structural dimension, relational dimension and cognitive dimension, as well as enterprise dynamic capability composed of resource acquisition ability and resource integration ability, is the necessary condition for the improvement of enterprise technological innovation performance. Furthermore, this study found out that enterprise dynamic capability plays an intermediary role in the positive effect of social capital on the technological innovation performance of textile enterprises.*

Keywords: Enterprise social capital, Dynamic capability, Technological performance, Textile industries, Zhejiang

INTRODUCTION

Faced with the market and technological constraints of domestic construction of resource conservation and the adverse international economic and trade situation under the tide of US Trump's new trade protectionism, how to stimulate the vitality of innovation to promote the sustainable development of Chinese conventional industries is a problem worth exploring. In recent years, more and more scholars divide social capital into different dimensions, and explore the role of social capital in promoting the technological performance through quantitative analysis and empirical research [1]. And the results are further applied to the overall planning of enterprise social capital strategy. However, the stock of social capital does not naturally bring about good technological performance. The key factor lies in the full play of the enterprise's initiative during the process of transforming the social capital into technological performance.

In this study, the importance of taking Zhejiang as a sample of Chinese textile industries is that Zhejiang is a developed commercial province and an intelligent interconnected area, not only owning powerful manufacturing enterprises including Wahaha, Geely, Wanxiang, but also possessing modern Internet enterprises leading the trend of economic development in the new era of China including Alibaba, Net Ease. Using the strategy of independent innovation and brand internationalization, these large enterprise groups embed modern Internet technology into stakeholder innovation networks, and look at the global strategic layout and integration of internal and external resources of enterprises [2]. This ability to adapt to technological updates according to the changes in market environment at home and abroad and to make corresponding strategic adjustments is precisely the organizational dynamic capability that Chinese conventional enterprises lack in the process of innovation and growth. As a traditional superior industry and a labor-intensive industry which are in the developed economic and social network, how do Zhejiang textile industries rely on the state-level specialized market to utilize social capital and cultivate dynamic capability in order to improve the technological innovation performance? It is an important subject worth studying.

The relationship between enterprise social capital and technological performance is a hot spot in the research of technological innovation. Chinese and

foreign scholars explored the relationship between capital and technological innovation performance from multiple different perspectives in recent years [3]. To sum up, these studies generally verify the conclusion that enterprise technological innovation activities are embedded in a certain social structure and relational network. Social capital plays a role in providing resources, sharing information and transferring knowledge in the process of technological innovation, and improving the technological performance of enterprise organization [4]. In view of the intermediary variable of the interaction between enterprise social capital and technological innovation performance, many scholars have deeply explored it and classified it as knowledge management capability [5], resource and knowledge sharing [6], absorptive capability [7], resources acquisition [8], knowledge transfer[9], which provides a useful reference for further revealing the mechanism of action between enterprise social capital and technological performance.

However, the intermediate variables between enterprise social capital and technological performance have not come to a conclusion in academic circles[10]. Especially, scholars rarely consider the comprehensive role of enterprise resource acquisition capability and resource integration capability, and rarely take into account the influence of control variables in the process of technological performance. Because the subjects are different, the relationship between the three-dimensional degree of social capital and technological performance is not completely consistent. In addition, in the selection of research objects, most of the previous research is about high-tech enterprises or large enterprises, rarely involving the enterprises which are dominated by small and medium-sized companies and have obvious agglomeration characteristics in the traditional industrial field. In fact, enterprises in traditional industries such as Zhejiang textile have greater demand for technological innovation[11]. Therefore, this study takes Zhejiang textile enterprises in China as the research object, and explores the intermediary role of enterprise dynamic capability in the influence of enterprise social capital on the technological innovation performance. It will also provide theoretical basis and reference for enterprises in traditional industry to improve their technological performance.

OBJECTIVES OF THE STUDY

This paper takes Zhejiang textile industries as the research sample, discusses the influence of enterprise social capital on the technological performance, and probes into the intermediary role of enterprise dynamic capability between social capital and technological innovation performance. The specific objectives of this study are as follows： (1) Present the textile industry profile including the nature of company, subdivision type, number of years of incorporation and enterprise scale. (2) Determine the enterprise social capital in terms of structure, relational and cognitive dimension, determine the dynamic capability with regards to resource acquisition and resource integration, and identify the technological performance. (3) Test of significant relationship across the three variables.

METHODS

Based on a large number of relevant literature at home and abroad, as well as a thorough investigation of China's economic reality, this paper constructs the research framework of "Enterprise Social Capital-dynamic capability-technological performance". The measurement method of the above three variables is determined on the basis of the previous experience, so as to lay a solid foundation for the questionnaire design and follow-up research. The survey questionnaire mainly includes four parts: the basic information of the applicant and the enterprise, the measurement item of enterprise social capital, the item of dynamic capability measurement and the item of measuring the performance of technological innovation.

Drawing from 500 managers of 30 textile enterprises in three different cities, the paper presented the textile industry profile including the nature of company, subdivision type, number of years of incorporation and enterprise scale. The specific methods of data analysis include literature combing and logical deduction, questionnaires and case studies, qualitative and quantitative analysis is used in the research. Furthermore, this study utilized the use of SPSS in analyzing the data being gathered, in order to draw final scientific conclusions and serve policy recommendations. Correlation analysis is adopted to test the effect of the enterprise social capital to technological performance through dynamic capability. The influence of the structural dimension, the relationship dimension and the cognitive dimension of the enterprise social capital on the dynamic capability and the technological innovation performance is also investigated. It also discusses whether enterprise dynamic capability plays an intermediary role between enterprise social capital and technological innovation performance.

The given scale was used to interpret the result of the data gathered: 1.00-1.49: Poor; 1.50-2.49: Fair; 2.50-3.49: Good; 3.50-4.49: Very good;4.50-5.00: Excellent

RESULTS AND DISCUSSION

In this study, a total of 593 questionnaires were distributed to Hangzhou, Shaoxing and Ningbo city, where textile enterprises were concentrated in Zhejiang Province, and 545 were recovered, with a recovery rate of 91.9 percent. In the study, 45 invalid questionnaires with incomplete information or identical contents were excluded, and 500 valid questionnaires were obtained. The recovery rate of valid questionnaires was 84.3%, which meet the order of magnitude requirement of statistical analysis.

Table 1 shows the enterprise social capital of textile Industry in terms of structural dimension as specified by network size and network strength. The computed composite mean score of 3.29 implies that all the managers have good level of response.

Table 1. Enterprise social capital of Textile Industry in terms of Structural Dimension

Network Size	**WM**	**VI**	**Rank**
1. Number of customers, suppliers and other enterprises in the industry	3.90	Very Good	1
2. Number of institutions of universities, scientific research institutes and technical intermediaries organizations	3.05	Good	2
3. Number of government departments, financial institutions, trade associations	2.99	Good	3
Mean	**3.31**	**Good**	
Network Strength			
4. Frequency and closeness with customers, suppliers and other enterprises in the industry	3.87	Very Good	1
5. Frequency and closeness with universities, scientific research institutes and technical intermediary organizations	3.04	Good	2
6. Frequency and closeness with government departments, financial institutions and trade associations	2.91	Good	3
Mean	**3.28**	**Good**	
Composite Mean	**3.29**	**Good**	

Table 2 Enterprise social capital of Textile Industry in terms of Relational Dimension

Trust	**WM**	**VI**	**Rank**
1. Trust with customers, suppliers and other enterprises in the industry	3.91	Very Good	1
2. Trust with universities, scientific research institutes and technical intermediary organizations	3.46	Good	2
3. Trust with government departments, financial institutions, industry associations	3.35	Good	3
Mean	**3.57**	**Very Good**	
Standard			
1. Compliance with consistent rules and standards of conduct with customers, suppliers and other enterprises in the industry	3.98	Very Good	1
2. Compliance with consistent rules and standards of conduct with universities, scientific research institutes and technical intermediary organizations	3.52	Very Good	2
3. Compliance with consistent rules and standards of conduct with government departments, financial institutions and trade associations	3.37	Good	3
Mean	**3.62**	**Very Good**	
Commitment			
1. Responsibilities and obligations in communication with customers, suppliers and other enterprises in the same industry	4.03	Very Good	1
2. Responsibility and obligation of communication with universities, scientific research institutes and technical intermediary organizations	3.58	Very Good	2
3. Responsibilities and obligations in communication with government departments, financial institutions and trade associations	3.41	Good	3
Mean	**3.67**	**Very Good**	
Composite Mean	**3.62**	**Very Good**	

The mean score of the network size is slightly higher than that of network strength. From the overall point of view, in terms of the above two dimensions, the number of customers, suppliers and other enterprises in the industry and the degree to which they are closely connected are the most critical factors affecting the level of social capital of textile enterprises. Second in the rank is the number of institutions of universities, scientific research institutes and the frequency and closeness with technical intermediaries organizations. However, the government departments, financial institutions and trade associations has relatively lowest impact on the social capital of Zhejiang textile enterprises. Therefore, Zhejiang should not only set up the exchange and cooperation platform between textile enterprises and scientific research institutions, which can effectively promote the level of industry-university-research cooperation. Moreover, the communication and dialogue platform between textile enterprises and the government should be set up, which is conducive to solving the problems encountered in the process of technological innovation in enterprises.

Table 2 indicates the level of enterprise social capital of textile Industry in terms of relational dimension as specified by trust, standard and commitment. The computed composite mean score of 3.62 implies that the managers have high level of response on enterprise social capital of textile Industry in terms of relational dimension as specified by trust, standard and commitment. Comparatively speaking, the measurement of enterprise social capital in the relational dimension is the highest.

In terms of trust, the computed composite mean score of 3.57 implies that the managers have very good level of response on enterprise social capital of textile Industry in terms of relational dimension as specified by trust. Among the three measurements, trust with customers, suppliers and other enterprises in the industry obtained the highest score (3.91).The motivation for the production and maintenance of enterprise social capital is utilitarian at first, which enables enterprises and stakeholders to obtain scarce resources through interaction [12]. Direct profit motivation promotes multiple contacts among textile enterprises, customers and suppliers. Frequent contacts between enterprises, customers and suppliers have laid the foundation for mutual trust. It's also a good indication that trust are the source of enterprise social capital of Textile Industry in terms of relational dimension.

In terms of standard, the computed composite mean score of 3.62 implies that the managers also have very good level of response on enterprise social capital of textile industry in terms of relational dimension as specified by standard. Most enterprises only attach importance to their own short-term benefits, but pay less attention to the long-term benefits brought by the cooperative partners, which leads to the reluctance of both sides to continue to cooperate in depth and ultimately unable to maximize their competitive advantages to realize the maximum benefits of the supply chain as a whole. Compliance with consistent rules and standards of conduct with customers, suppliers and other enterprises in the industry is the key to realizing the short-term profit of textile enterprises. But working with scientific institutions for research and development must take longer to recover costs and profits. Further more, cooperation with the government is even more so. That's the best explanation that compliance with consistent rules and standards of conduct with government departments, financial institutions and trade associations got the least weighted mean score.

In terms of commitment, the computed composite mean score of 3.67 implies that the managers have high level of response on enterprise social capital of textile industry in terms of relational dimension as specified by standard. Because the responsibility and obligation to communicate with customers, suppliers and other enterprises in the same industry directly determine the production and short-term economic returns of textile enterprises, but the responsibility and obligation to communicate with universities, scientific research institutes and technical intermediary organizations only determine long-term economic returns, the responsibility and obligation to communicate with government departments, financial institutions and trade associations determine the sustainable development prospects of textile enterprises. Most textile enterprises are small and medium-sized enterprises, so they pay more attention to responsibilities and obligations in communication with customers, suppliers and other enterprises in the same industry, which is closely related to the short-term survival problem of the enterprise.

Table 3 depicts the level of enterprise social capital of textile industry in terms of cognitive dimension as specified by shared language and similar values. The computed composite mean score of 3.54 implies that the managers have good level of response on enterprise social capital of textile industry in terms of cognitive dimension as specified by shared language and similar values.

Table 3 Enterprise social capital of Textile Industry in terms of Cognitive Dimension

Shared Language	WM	VI	Rank
1. Effectiveness of communication with customers, suppliers and other companies in the industry	4.02	Very Good	1
2. Effectiveness of communication with universities, scientific research institutes and technical intermediary organizations	3.49	Good	2
3. Effectiveness of communication with government departments, financial institutions and trade associations	3.30	Good	3
Mean	**3.60**	**Very Good**	
Similar Values			
1. Similarity of value orientation with customers, suppliers and other enterprises in the same industry	3.91	Very Good	1
2. Similarity of value orientation with universities, scientific research institutes and technical intermediary organizations	3.37	Good	2
3. Similarity of value orientation with government departments, financial institutions and trade associations	3.17	Good	3
Mean	**3.48**	**Good**	
Composite Mean	**3.54**	**Good**	

Scale: *1-1.49: Poor; 1.5-2.49: Fair; 2.5-3.49: Good; 3.5-4.49: Very good;4.5-5: Excellent.*

Consanguinity and geographies lead to the lack of trust within the organization, and patriarchal leadership can not form an effective social capital network. Social capital plays an important role in the corporate cohesion and cultural construction[13]. However, the flexible and arbitrary characteristics of textile enterprises in Zhejiang lead to lack of standardization, especially for private textile enterprises. Zhejiang textile enterprises are focusing on the construction of trust, standard and commitment with the most of the existing partners, and have achieved some good results. But the most urgent thing in Zhejiang textile industry is to strengthen the enterprise social capital of textile industry in terms of structural dimension as specified by network size and network strength.

In terms of shared language, the computed composite mean score of 3.60 implies that the managers have very good level of response on enterprise social capital of textile industry in terms of cognitive dimension as specified by shared language. The communication methods or strategies used by one enterprise usually result in the other party responding in the same way or strategy. But as an exception, the use of mandatory strategies in formal communication by one party not only induces the other party to use more formal mandatory communication strategies, but also increases the use of informal means of communication by the other party. As a result, the effectiveness of communication between enterprises in the same supply chain is relatively high. If a company uses different communication methods or strategies, and its partners feel different about the relationship, which in turn affects the partner's choice of communication style and strategy. Based on different interest needs, the communication between the government and the enterprise is relatively lowest.

In terms of similar values, the computed composite mean score of 3.48 implies that the managers have good level of response on Enterprise social capital of textile industry in terms of cognitive dimension as specified by similar values. Corporate culture includes two dimensions, one is values, the other is code of conduct [14]. As the soul of the construction of enterprise culture, the core values require enterprises to pay more attention to it through many ways. The values of different enterprises are different, but in the same supply chain, the similarity of their values is also higher, such as meeting the needs of customers. But the values of universities and research institutions are to serve society, and the government wants businesses to take on more social responsibility, so it's not surprising that similarity of value orientation with government departments, financial institutions and trade associations obtained the lowest weighted mean.

Table 4 presents the level of enterprise dynamic capability of textile industry in terms of resource acquisition capacity as specified by information, knowledge and fund acquisition. The computed composite mean score of 3.32 implies that the managers have good level of response.

Table 4 Enterprise Dynamic Capability of Textile Industry in terms of Resource Acquisition Capacity

Information Acquisition	**WM**	**VI**	**Rank**
1. The efficiency of obtaining Market demand information	3.76	Very Good	1
2. The efficiency of obtaining Technology Innovation Information	3.13	Good	3
3. The efficiency of obtaining Government Policy Information	3.19	Good	2
Mean	**3.36**	**Good**	
Knowledge Acquisition			
1. Quantity and quality of acquisition of relevant knowledge such as Market Development	3.79	Very Good	1
2. Quantity and quality of knowledge acquisition such as Technology Research and Development	3.25	Good	2
3. Quantity and quality of knowledge acquisition such as Innovation Management	3.14	Good	3
Mean	**3.39**	**Good**	
Fund Acquisition			
1. Possibility of obtaining government funding or tax incentives	3.58	Very Good	1
2. Possibility of obtaining financial support from relevant financial institutions	3.15	Good	2
3. Possibility of working with universities, research institutes or other enterprises to tackle the key problems and reduce the burden	2.93	Good	3
Mean	**3.22**	**Good**	
Composite Mean	**3.32**	**Good**	

*Scale**:** 1-1.49: Poor; 1.5-2.49: Fair; 2.5-3.49: Good; 3.5-4.49: Very good;4.5-5: Excellent.*

Dynamic capability of textile industry in terms of resource acquisition capacity as specified by knowledge acquisition is the highest, followed by enterprise dynamic capability of textile industry in terms of resource acquisition capacity as specified by information acquisition, and then enterprise dynamic capability of textile industry in terms of resource acquisition capacity as specified by fund acquisition. This fully shows that the knowledge acquisition ability plays a more important role in the enterprise dynamic capability than the information acquisition ability and the fund acquisition ability.

First in the rank is enterprise dynamic capability of textile industry in terms of resource acquisition capacity as specified by knowledge acquisition. The computed composite mean score of 3.39 implies that the managers have good level of response on enterprise dynamic capability of textile industry in terms of resource acquisition capacity as specified by knowledge acquisition. This indicates that the acquisition capability of Zhejiang textile enterprises is relatively stronger for relevant knowledge such as market development, and is relatively weak for relevant knowledge such as technology research and innovation management. Under the condition that market knowledge, technical knowledge and management knowledge are interrelated, the difficulty and efficiency of information acquisition, knowledge acquisition and fund acquisition for the textile enterprises are different. The knowledge of market development is relatively obvious and is the easiest to acquire. Technological knowledge and innovative management knowledge are the core secrets of enterprises, so it is more difficult to obtain them.

Second in the rank is enterprise dynamic capability of textile industry in terms of resource acquisition capacity as specified by information acquisition. The computed composite mean score of 3.36 implies that the managers have good level of response on enterprise dynamic capability of textile industry in terms of resource acquisition capacity as specified by information acquisition. Zhejiang has developed textile professional markets such as cotton, knitting, silk, wool and polyester, among which China Light Textile City, located in Shaoxing City, Zhejiang Province, is the largest textile distribution center with the largest scale, full facilities and the most variety of operations in China at present. As Asia's largest textile professional market, China Textile City is making every effort to create a professional online textile trading platform with textile industry information, trade information database, online textile products and public information services. In addition, China Yiwu small Commodity Trading Market located in Zhejiang Province can also provide a good opportunity for the development of textile and garment industry in Zhejiang Province. Because of the remarkable advantage of the textile specialized market which combines entity and virtual,

the efficiency of Zhejiang textile enterprises to obtain market demand information is obviously higher than that of obtaining government policy and technological innovation information.

Third in the rank is enterprise dynamic capability of textile industry in terms of resource acquisition capacity as specified by fund acquisition. The computed composite mean score of 3.22 implies that the managers have good level of response on enterprise dynamic capability of textile industry in terms of resource acquisition capacity as specified by fund acquisition. In recent years, Zhejiang Province has carried out the implementation of "2017-2020 traditional industry transformation and upgrading", in which textile manufacturing industry has also been included in the scope of Zhejiang Province traditional industrial transformation and upgrading. In order to promote the sustainable and healthy development of small and medium-sized textile enterprises, Zhejiang government introduced the key points of promoting the development of small and medium-sized enterprises to cultivate the new development energy of the enterprises through a variety of measures including simplifying the administrative approval process, increasing financial and tax support, widening financing channels and other aspects. As a result, Zhejiang textile enterprises are more likely to receive corporate development funds or tax benefits from local governments than universities, research institutions and related financial institutions.

Table 5 shows the enterprise dynamic capability of Zhejiang textile industry in terms of resource integration capacity as specified by fusion and coordination, configuration and utilization, and sharing and creation. The computed composite mean score of 3.24 implies that the managers have good level of response. Overall speaking, the measurement of enterprise dynamic capability of Zhejiang textile industry in terms of resource integration capacity as specified by sharing and creation gets the highest weighted mean, followed by the enterprise dynamic capability of textile Industry in terms of resource integration capacity as specified by configuration and utilization, and then is the enterprise dynamic capability of textile industry in terms of resource integration capacity as specified by fusion and coordination.

First in the rank is the enterprise dynamic capability of Zhejiang textile industry in terms of resource integration capacity as specified by sharing and creation. The computed composite mean score of 3.30 implies that the managers have good level of response on the enterprise dynamic capability of textile industry in terms of resource integration capacity as specified by sharing and creation. Compare the two measurements of sharing and creation, the possibility of refactoring resources and enabling enterprise departments to share better results obtained the higher score(3.40), followed by The possibility of exploiting other resources dynamically by refactoring resources (3.20).

Table 5. Enterprise Dynamic Capability of Textile Industry in terms of Resource Integration Capacity

Fusion and Coordination	**WM**	**VI**	**Rank**
1. Sensitivity to the effective integration of acquired information, knowledge and funds with existing resources	3.37	Good	1
2. Sensitivity to the coordinate adjustment of acquired information, knowledge and funds with existing resources	2.90	Good	2
Mean	**3.14**	**Good**	
Configuration and Utilization			
1. Level of rapid response to adjusting and allocating old and new information, knowledge and funds	3.49	Good	1
2. Level of rapid response to activation and utilization of old and new information, knowledge and funding	3.08	Good	2
Mean	**3.28**	**Good**	
Sharing and Creation			
1. The possibility of refactoring resources and enabling enterprise departments to share better results	3.40	Good	1
2. The possibility of exploiting other resources dynamically by refactoring resources	3.20	Good	2
Mean	**3.30**	**Good**	
Composite Mean	**3.24**	**Good**	

Scale: 1-1.49: Poor; 1.5-2.49: Fair; 2.5-3.49: Good; 3.5-4.49: Very good;4.5-5: Excellent.

Zhejiang textile enterprises have made positive progress in the integration of internal resources in recent years, but the internal resources of many textile enterprises are scattered, the competitiveness of the main industry is not strong, and the problem of too many management levels is still more prominent. This also shows that the requirements of exploiting other resources are higher than that of sharing resources. Under the dual pressure of environmental protection and transformation and upgrading, Zhejiang textile enterprises will also face greater challenges in the resources reconstruction and exploiting other resources.

Next in the rank is the enterprise dynamic capability of Zhejiang textile industry in terms of resource integration capacity as specified by configuration and utilization. The computed composite mean score of 3.28 implies that the managers have good level of response on the enterprise dynamic capability of textile industry in terms of resource integration capacity as specified by configuration and utilization. Compare the two measurements of configuration and utilization, Level of rapid response to adjusting and allocating old and new information, knowledge and funds obtained the higher score(3.49), followed by Level of rapid response to activation and utilization of old and new information, knowledge and funding (3.08). The efficiency of resource allocation and utilization in textile enterprises determines to a great extent the size of their market competitiveness. The difference between the weighted mean of the two measurements indicates that Zhejiang textile enterprises have better ability to adjust and distribute information, knowledge and funding. However, Zhejiang textile enterprises must activate and utilize information, knowledge and funding to a greater extent.

Finally, lowest in the obtained weighted mean is the enterprise dynamic capability of Zhejiang textile industry in terms of resource integration capacity as specified by fusion and coordination. The computed composite mean score of 3.14 implies that the managers have good level of response on the enterprise dynamic capability of textile industry in terms of resource integration capacity as specified by fusion and coordination. Compare the two measurements of fusion and coordination, the sensitivity to the effective integration of acquired information, knowledge and funds with existing resources obtained the higher score(3.37), followed by the sensitivity to the coordinate adjustment of acquired information, knowledge and funds with existing resources (2.90). Of all the secondary indicators, the weighted mean of the sensitivity of the obtained information, knowledge and funds to the coordinated adjustment of available resources is the lowest, indicating that Zhejiang textile enterprises need to improve the response capability to coordinate knowledge and funding with existing resources urgently.

Table 6. Enterprise technological performance of Textile Industry

Indicators	WM	VI	Rank
1. The number of new products compared with the main competitors in the same industry	3.28	Good	3
2. Number of patents filed each year compared with the main competitors in the same industry	3.18	Good	5
3. Speed of development and marketization of new product	3.26	Good	4
4. The success rate of new products in the enterprise	3.36	Good	1
5. Proportion of new product sales volume in gross sales volume	3.33	Good	2
Weighted Mean	**3.28**	**Good**	

Scale: 1-1.49: Poor; 1.5-2.49: Fair; 2.5-3.49: Good; 3.5-4.49: Very good;4.5-5: Excellent.

Table 6 depicts the enterprise technological performance of Zhejiang textile industry. The computed composite mean score of 3.28 implies that the managers have good level of response on enterprise technological innovation performance of textile industry. Overall speaking, the success rate of new products in the enterprise ranks first (3.36). The proportion of new product sales volume in gross sales volume ranks second (3.33). The number of new products compared with the main competitors in the same industry ranks third (3.28), followed by Speed of development and marketization of new product(3.26). Furthermore, the managers also agree that number of patents filed each year compared with the main competitors in the same industry contribute to the enterprise technological innovation performance of Zhejiang textile industry, which obtained the least Weighted Mean score(3.18).

With the increasingly fierce competition and the rapid development of science and technology, the insufficient ability of technological innovation has seriously restricted the sustainable development of textile industry in Zhejiang Province. Textile industry

has become the first pillar industry in the economic development of Zhejiang Province. However, with the continuous change of market demand and the double pressure of rising domestic production costs, the textile industry in Zhejiang Province appears the phenomenon of "first-class equipment, second-rate technology, third-class products" in the process of development. The characteristics of extensive growth and the slow upgrading of industrial structure are becoming more and more prominent, and many textile enterprises with labor-intensive mode of production are struggling. In recent years, Zhejiang Province has implemented a plan of action to upgrade the traditional manufacturing industry. Through active and effective reform and innovation, Zhejiang textile industry has made a certain breakthrough in the success rate of new products in enterprises and the proportion of new products sales to total sales. In the future, Zhejiang textile industry should further speed up the development and marketization of new products, and strive to make breakthrough progress in patent application of new products.

Data showed in Table 7 indicates correlation matrix of social capital, dynamic capability and technological performance. There is a significant relationship across the three variables as denoted by the computed p-values which are less than 0.01 alpha level.

Firstly, the above table indicates the correlation between the three dimensions of enterprise social capital and the two dimensions of enterprise dynamic capability. Obviously, the result shows that the cognitive dimension of social capital has the greatest influence on the resource acquisition ability (0.804), next in the rank is the relationship dimension(0.780), and the structural dimension has the least influence on the resource acquisition ability(0.740). Also, the cognitive dimension of social capital has the greatest influence on the resource integration ability(0.783), following in the rank is the relationship dimension(0.775), and the structural dimension has the least influence on the resource integration ability(0.755). The reason is that the dynamic capability is the ability to utilize the identified, acquired and allocated resources comprehensively. The dimension of enterprise social capital structure reflects the relationship network between the enterprise and the internal and external, and the dynamic ability is the ability of comprehensive utilization of the identified, acquired and allocated resources. It is directly related to the abundance of resource exchange and allocation among members, but the effect of this kind of inter-firm relationship network on the activation and utilization of matched resources by the relevant functional departments within the enterprise is not obvious enough.

Secondly, the above table indicates the correlation between resource acquisition ability and resource integration ability (0.872). The ability of textile enterprises to obtain information, knowledge and funds has a direct impact on the level of integration and coordination of resources and the efficiency of allocation and utilization. The resource integration ability of textile enterprises, in turn, determines the full play of resource acquisition capacity. The relationship between resource acquisition ability and resource integration ability is interdependent and mutually promoting. Textile enterprises can only improve the acquisition efficiency of market demand information, technological innovation information and government policy information, and promote the quantity and quality of obtaining market development, technological research and development.

Table 7 Correlation Matrix of Social Capital, Dynamic Capability and Technological Performance

			Resource Acquisition Capacity	Resource Integration Capacity	Technological Innovation Performance
Social Capital	Structural Dimension	Correlation Coefficient	.740(**)	.755(**)	.736(**)
		Sig. (2-tailed)	.000	.000	.000
	Relational Dimension	Correlation Coefficient	.780(**)	.775(**)	.712(**)
		Sig. (2-tailed)	.000	.000	.000
	Cognitive Dimension	Correlation Coefficient	.804(**)	.783(**)	.691(**)
		Sig. (2-tailed)	.000	.000	.000
Dynamic Capacity	Resource Acquisition Capacity	Correlation Coefficient	1.000	.872(**)	.791(**)
		Sig. (2-tailed)	.	.000	.000
	Resource Integration Capacity	Correlation Coefficient	.872(**)	1.000	.916(**)
		Sig. (2-tailed)	.000	.	.000

***Significant at p-value<0.01*

Innovation management and other related knowledge, improve access to government funds or tax incentives, access to relevant financial institutions financial support, and cooperation with universities, research institutes or other enterprises to reduce the burden of the possibility, only in this way can we provide favorable conditions for the integration of enterprise resources. On the other hand, the sensitivity of effective integration and synergy of access to information, knowledge and funds with existing resources increases, the allocation of new and old information, the rapid response level of knowledge and funds, and the use of old and new information, After the rapid response level of knowledge and funds is improved, the ability of enterprises to obtain the related resources will be further enhanced.

Further more, the dynamic capability of enterprises has a significant positive impact on the technological innovation performance of textile industry. Among them, the enterprise resource acquisition ability has Medium level of influence on the technological innovation performance (0.791), while the enterprise resource integration ability has a higher impact on the enterprise technological innovation performance (0.916). Compared with the ability of resource acquisition, the ability of resource integration has a greater impact on improving the performance of technological innovation in textile industry. It can be seen that only when the acquired resources are fully integrated and utilized, can we really promote the effective improvement of textile technology innovation performance. The sensitivity of effective integration and synergy of access to information, knowledge and funds with existing resources, the allocation of rapid levels of response using old and new information, knowledge and funds, and the reconfiguration of resources and better sharing of results among all sectors of the enterprise, The possibility of exploiting other resources dynamically by refactoring resources plays an important role in the performance of technological innovation.

Finally, enterprise social capital has a significant positive impact on the technological innovation performance of textile industry. Among them, the structural dimension has the highest influence on the technological innovation performance (0.736), while the relational dimension has the high influence on the enterprise technological innovation performance (0.712), while the cognitive dimension has the lowest influence on the technological innovation performance (0.691). The dimensions of corporate social capital structure have the greatest impact on the performance of technological innovation, that is, enterprises and competitors, such as customers, suppliers, and competitors, have the greatest impact on the performance of technological innovation. The cooperation between scientific research institutes, government agencies and other external networks, as well as the communication among various departments within the enterprise, are the key factors influencing the smooth development of technological innovation activities.

CONCLUSION

Through the investigation and analysis of enterprise social capital, dynamic ability and technical performance among textile industries in Zhejiang , the paper presents four findings as follows:

1.The managers of Zhejiang textile industries have good level of response on enterprise social capital of textile Industry in terms of structural dimension and cognitive dimension, and very good in terms of relational dimension. The measurement of enterprise social capital in the relational dimension as specified by trust, standard and commitment is the highest in the three different dimensions.

2. The dynamic capability of textile industry is both good in terms of resource acquisition capacity and resource integration capacity. The result shows that the level of resource acquisition capacity of textile enterprises is higher than that of resource integration. On the one hand, the measurement of enterprise dynamic capability of Zhejiang textile industry in terms of resource integration capacity as specified by Knowledge Acquisition gets the highest weighted mean. on the other hand, the measurement of enterprise dynamic capability of Zhejiang textile industry in terms of resource integration capacity as specified by fusion and coordination gets the lowest weighted mean.

3.The result shows that there is good enterprise technological performance in Zhejiang textile industries. The success rate of new products in the enterprise, the proportion of new product sales volume in gross sales volume and the number of new products compared with the main competitors in the same industry are in the top three key factors determining technical performance of Zhejiang textile Industry. Furthermore, the managers also agree that number of patents filed each year compared with the main competitors in the same industry contribute to the enterprise technological innovation performance of

Zhejiang textile industry, which obtained the least weighted mean score.

4. There is a significant relationship across the three variables in the textile industry. Enterprise social capital has a positive impact on dynamic capability, dynamic capability of enterprises has a significant positive impact on the technological performance, and enterprise social capital has a significant positive impact on the technological performance. Those industries with higher level of social capital and dynamic capacity are also those with higher response in terms of technological performance. Enterprise dynamic capability plays an intermediary role in the positive effect of social capital on the technological performance of textile enterprises

RECOMMENDATION

Through theoretical analysis and situation observation, the paper propose the following plan of action to improve dynamic capability and technological performance of textile enterprises in Zhejiang.

1.Zhejiang textile enterprises should vigorously expand contacts with customers, suppliers, scientific research institutes, government departments and so on, in order to promote the social capital level of the structural dimension in particular. At the same time, the government can set up the exchange platform between the enterprises and the relevant subjects in the market, optimize and perfect the corporate social network and strengthen the communication and cooperation between enterprises and external organizations, so as to promote the social capital level of the textile enterprise in structural dimension.

2. Zhejiang textile enterprises urgently need to strengthen the ability of information acquisition and fund acquisition, in order to improve the level of resource acquisition ability in an all-round way. On the other hand, taking the resource integration ability as the index to measure the dynamic capability of Zhejiang textile enterprises, and the weighted mean of resource integration capability stipulated by the resource fusion and coordination is the lowest. Therefore, Zhejiang textile enterprises should improve the sensitivity to the effective integration of acquired information, knowledge and funds with existing resources, and strengthen the sensitivity to the coordinate adjustment of acquired information, knowledge and funds with existing resources.

3. Zhejiang textile industry should increase the number of patent applications each year through a series of policies to improve the contribution to the technological performance of enterprises while maintaining the success rate of new products, the proportion of new product sales to total sales and the number of new products with major competitors in the same industry. Also, while maintaining the advantage of dynamic capability in dyeing industry, Zhejiang textile industry should pay attention to the cultivation of enterprise social capital and dynamic capability of knitting industry and silk industry in order to improve the technical performance level of these weak textile industries.

4. The degree of dependence between enterprises will limit the sharing of resources[15]. Zhejiang textile industries should strengthen trust and norms among enterprises, Improve the level of sharing of R&D and innovation resources, promote the effective communication between enterprises and external organizations, and forms the cooperative idea of benefit sharing, which can provide guarantee for enterprises to grasp all kinds of innovation resources in time, help enterprises to better apply integrated internal and external resources to enterprise innovation, and avoid the risk of innovation brought by uncertainty and limitation of external information.

5. Resource acquisition capability and resource integration capability play an important intermediary role in promoting enterprise technological innovation performance by corporate social capital. Zhejiang textile industry must identify, acquire, allocate and utilize resources such as social capital through stable adjustment, rich refinement and creation, so that these resources can really be used by the textile enterprises. The enhancement of resource acquisition capability and resource integration capability will bring innovation capability to enterprises, in order to promote the further technological innovation activities of Zhejiang textile industry.

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