Organizational Innovation Capability of Investment-Promoted Businesses in Thailand
ศักยภาพนวัตกรรมองค์กรของธุรกิจที่ได้รับการส่งเสริมการลงทุนในประเทศไทย

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Article History
Receive: July 25, 2025
Revised: August 20, 2025
Accepted: August 21, 2025

บทคัดย่อ

การวิจัยครั้งนี้มีวัตถุประสงค์เพื่อศึกษาอิทธิพลของศักยภาพนวัตกรรมองค์กร (Organizational Innovation Capability: OIC) ต่อความเป็นเลิศทางธุรกิจ (Business Excellence: BE) การยอมรับของตลาด (Market Acceptance: MA) ความได้เปรียบทางการแข่งขันอย่างยั่งยืน (Sustainable Competitive Advantage: SCA) และผลลัพธ์การดำเนินงานในระยะยาว (Long-Term Performance: LTP) ของบริษัทที่ได้รับการส่งเสริมการลงทุนในประเทศไทย โดยมีการเรียนรู้ขององค์กร (Organizational Learning: OL) เป็นตัวแปรกำกับ การศึกษานี้ใช้กลุ่มตัวอย่าง 484 บริษัทที่ได้รับการส่งเสริมการลงทุนในประเทศไทย คัดเลือกด้วยวิธีการสุ่มตัวอย่างแบบสะดวกและใช้การวิเคราะห์การถดถอยเชิงพหุคูณเพื่อการทดสอบความสัมพันธ์ ผลการวิจัยพบว่า 1) OIC มีอิทธิพลอย่างมีนัยสำคัญต่อ BE, MA, SCA และ LTP โดย BE มีอิทธิพลอย่างมีนัยสำคัญต่อทั้ง SCA และ LTP ในขณะที่ SCA มีอิทธิพลอย่างมีนัยสำคัญต่อ LTP และ MA มีอิทธิพลอย่างมีนัยสำคัญต่อทั้ง SCA และ LTP 2) BE, SCA และ MA ทำหน้าที่เป็นตัวแปรคั่นกลางความสัมพันธ์ระหว่าง OIC-LTP 3) OL ทำหน้าที่เป็นตัวแปรกำกับความสัมพันธ์ระหว่าง OIC-SCA, BE-LTP และ MA-LTP แต่ไม่ทำหน้าที่กำกับความสัมพันธ์อื่นๆ ดังนั้น OIC มีบทบาทสำคัญในการกำหนดและอธิบายความสำเร็จในการดำเนินงานของบริษัทที่ได้รับการส่งเสริมการลงทุน ผู้บริหารควรพัฒนาความสามารถด้านนวัตกรรมและกลไกการเรียนรู้ขององค์กรเพื่อสร้างความได้เปรียบทางการแข่งขันอย่างยั่งยืนและเสริมสร้างประสิทธิภาพการดำเนินงานระยะยาวขององค์กร

คำสำคัญ : ศักยภาพนวัตกรรมองค์กร; ความเป็นเลิศทางธุรกิจ; การยอมรับของตลาด; ความได้เปรียบทางการแข่งขันอย่างยั่งยืน; การเรียนรู้ขององค์กร; ผลลัพธ์การดำเนินงานในระยะยาว

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ABSTRACT

This research aims to examine the effects of organizational innovation capability (OIC) on business excellence (BE), market acceptance (MA), sustainable competitive advantage (SCA), and long-term performance (LTP) among investment-promoted businesses in Thailand through organizational learning (OL) as the moderating variable. A total of 484 investment-promoted businesses in Thailand were selected as the sample for the study using convenience sampling method, and multiple regression analysis was applied to test the research relationships. The results showed that 1) OIC significantly influences BE, MA, SCA, and LTP. Furthermore, BE significantly affects both SCA and LTP while SCA has significantly influences LTP, and MA significantly affects both SCA and LTP. 2) BE, SCA, and MA serves as mediating variables in the OIC and LTP. 3) OL moderates the relationship between OIC-SCA, BE and LTP, and MA and LTP, but does not moderate other relationships. Thus, OIC plays a crucial role in determining and explaining investment-promoted businesses' performance achievement. Executives should focus on enhancing innovation capabilities and organizational learning (OL) mechanisms to foster sustainable competitive advantage (SCA) and enhance long-term organizational performance.

Keywords : Organizational Innovation Capabilities; Business Excellence; Market Acceptance; Sustainable Competitive Advantage; Organizational Learning; Long-Term Performance

Introduction

Contemporary business environments are characterized by unprecedented competitive intensity, where organizational survival increasingly depends on innovation capability rather than traditional competitive factors such as financial resources or operational scale (Mendoza-Silva, 2021). Organizations must continuously develop their capacity to conceive, create, and implement innovations that respond to rapidly evolving market demands and customer expectations (Khan et al., 2020). This paradigm shift has prompted governments worldwide to prioritize innovation driven economic development, with Thailand emerging as a notable example through its comprehensive investment promotion strategies.

Thai government has established innovation as a cornerstone of national economic transformation, with the Thailand Board of Investment (2024) implementing frameworks that emphasize technology adoption, creative thinking, and organizational capability development among 23,273 investment-promoted businesses across diverse industries. These organizations serve critical roles in economic development and employment generation, typically operating as medium to large enterprises with substantial technology investments and strong export orientations. Their strategic importance extends beyond immediate economic contributions, as they represent key drivers in Thailand's transition from Original Equipment Manufacturing toward value added production and proprietary brand development.

From a theoretical perspective, Resource Based View (RBV) theory provides valuable insights into how organizations achieve Sustainable Competitive Advantages (SCA) through developing valuable, rare, and inimitable resources (Barney, 1991 ; Khanra et al., 2021). Within this framework, Organizational Innovation Capability (OIC) represents a critical strategic resource that integrates knowledge, skills, experience, and organizational culture in ways that competitors find difficult to replicate. However, despite extensive research on innovation and performance relationships, significant knowledge gaps persist regarding the mechanisms through which Organizational Innovation Capability (OIC) influences specific organizational outcomes.

Current literature reveals several important limitations in innovation capability research. Most studies focus on direct relationships between innovation capability and performance without adequately examining mediating and moderating variables that may explain these complex relationships. Moreover, limited research has been conducted in developing country contexts, where resource constraints and infrastructure differences may influence innovation processes differently than in developed economies (Zhang, 2023).

These gaps are particularly significant when considering how Organizational Innovation Capability (OIC) influences critical organizational outcomes such as Business Excellence (BE), Market Acceptance (MA), and Sustainable Competitive Advantage (SCA), which ultimately determine Long-Term Performance (LTP). Understanding these complex relationships becomes essential for organizations seeking to maximize their innovation investments and for policymakers designing effective support mechanisms. This study adopts an explanatory approach examining organizational level relationships rather than a predictive approach for macro level investment promotion outcomes.

Objectives

This study aims to examine the influence of Organizational Innovation Capability (OIC) on Long-Term Performance (LTP) among investment-promoted businesses in Thailand. Specifically, the research objectives are:

1. To investigate the direct effects of Organizational Innovation Capability (OIC) on Business Excellence (BE), Market Acceptance (MA), Sustainable Competitive Advantage (SCA), and Long-Term Performance (LTP)
2. To analyze the mediating roles of Business Excellence (BE), Market Acceptance (MA), and Sustainable Competitive Advantage (SCA) in the relationship between Organizational Innovation Capability (OIC) and Long-Term Performance (LTP)
3. To examine the moderating effects of Organizational Learning (OL) on relationships within the proposed model

Literature Review

This literature review focuses on organizational level theories and empirical studies examining firm capabilities and performance relationships.

Long-Term Performance (LTP)

Long-Term Performance (LTP) refers to an organization's ability to create value and returns continuously and sustainably, encompassing financial, management, and infrastructure dimensions (Kim & Park, 2021). Creating a balance between growth strategies and profitability affects long-term survival. Investment in monitoring systems and data quality development helps reduce risks and enhance effectiveness (Zhou & Park, 2020). Resource management policies and asset selection affect operational performance differently, depending on market characteristics and financial ratios (Wang & Wang, 2021). Organizations with good Long-Term Performance (LTP) can create a balance between exploring new opportunities and exploiting existing capabilities, while maintaining financial stability and managing risks effectively (Tchakalova & Karastanev, 2023). Focusing on short-term results may negatively impact long-term competitiveness. Therefore, creating sustainable performance requires integrating innovation, efficient resource management, and organizational culture that supports growth.

Organizational Innovation Capability (OIC)

Organizational Innovation Capability (OIC) represents a critical factor in enhancing competitiveness and sustainability under rapidly changing business environments. It refers to the ability to transform knowledge and ideas into innovations across various dimensions, including products, processes, and operational systems (Zhang, 2023). According to Resource Based View (RBV) theory, innovation capability constitutes a dynamic capability that enables organizations to adapt effectively to changing business environments (Khan et al., 2023 ; Mendoza-Silva, 2021). Technological capabilities demonstrate positive relationships with product innovation, highlighting the importance of external network relationships for developing organizational creativity (Arboretti et al., 2021). Developing innovation capability requires integration between internal and external information sources (Shehzad et al., 2022). Management must therefore operate systematically and continuously, emphasizing development in technology, personnel, and processes while creating organizational culture that fosters innovation creativity.

Business Excellence (BE)

Business Excellence (BE) has been extensively developed and widely accepted in modern organizational management, focusing on enhancing organizational capabilities across all dimensions (Yan et al., 2021). This concept reflects the ability to deliver products and services that exceed customer expectations, viewing excellence as a continuous operational approach and development process (Snyder et al., 2020). The Business Excellence (BE) concept originates from Total Quality Management (TQM) and has evolved into various globally recognized Business Excellence Models (BEMs), including MBNQA, EFQM EM, and Deming Prize (Oon et al., 2021). Critical factors for achieving excellence encompass leadership and social responsibility, where leaders must create open work cultures based on shared values to drive organizations toward their objectives (Snyder et al., 2020).

Sustainable Competitive Advantage (SCA)

Sustainable Competitive Advantage (SCA) represents a concept that integrates economic competitiveness with social and environmental development to address long-term stakeholder needs. This foundation stems from enhancing organizational potential through efficient resource utilization and strategic relationship building within supply chains (Cheba et al., 2020 ; Shahbaz et al., 2022). Contemporary organizations must develop proactive capabilities to address changing business environments, requiring continuous adaptation and development to maintain competitive advantages and create sustainable innovations (Karman & Savaneviciene, 2021). Developing sustainability in social and environmental dimensions requires integrating diverse strategies, including circular economy concepts, green supply chain management, and socially responsible marketing to create shared value for all stakeholder sectors (Oliveira et al., 2021 ; Hermawati, 2020).

Market Acceptance (MA)

Market Acceptance (MA) represents the process whereby new products, services, or technologies achieve sustained consumer adoption. This process results from multiple determinants including technological changes, infrastructure development, regulatory frameworks, and consumer attitudes. Consumer willingness to experiment and repurchase constitutes a key indicator of market confidence (Dike et al., 2025). The acceptance process is influenced by external information sources, interpersonal communication, and direct user experiences (Cai et al., 2021). For multinational enterprises, Market Acceptance (MA) involves establishing legitimacy and trust through CSR activities and culturally aligned marketing strategies (Hung et al., 2022). In emerging technologies such as service robotics and renewable

energy, user experience quality and technological confidence represent critical acceptance determinants (Amelia et al., 2022 ; Peñaloza et al., 2022). Organizations achieving superior Market Acceptance (MA) demonstrate consumer adaptability, distinctive value propositions, and effective innovation communication. Sustainable Market Acceptance (MA) requires integrating consumer responsive development, strategic communication, credibility building, and infrastructure support for competitive success

Organizational Learning (OL)

Organizational Learning (OL) represents a critical process for enhancing organizational potential to adapt and respond to complex and uncertain environments. It connects to knowledge creation and transfer at all levels, from individual and group to organizational levels, affecting performance and strategic decision-making (Mousa et al., 2022 ; Peschl, 2023). Key components include organizational culture that supports learning, such as teamwork, knowledge sharing, and innovation utilization, which directly impact learning effectiveness (Al-Tarawneh & Al-Adaileh, 2021). Organizational Learning (OL) demonstrates positive relationships with innovation development and competitive capabilities by promoting knowledge and skill development necessary for creating sustainable strategic advantages

Conceptual Framework

Based on the literature review, this study proposes a conceptual framework examining the relationships between Organizational Innovation Capability (OIC) and performance outcomes. The framework posits that Organizational Innovation Capability (OIC) directly influences Business Excellence (BE), Market Acceptance (MA), and Sustainable Competitive Advantage (SCA). Additionally, the model demonstrates mediating relationships where Business Excellence (BE), Market Acceptance (MA), and Sustainable Competitive Advantage (SCA) serve as mediating variables that transmit the effects of Organizational Innovation Capability (OIC) to Long-Term Performance (LTP). The framework also incorporates Organizational Learning (OL) as a moderating variable that strengthens or weakens these direct and indirect relationships. This framework provides a systematic approach to understanding how innovation capabilities translate into Long-Term Performance (LTP) through both direct pathways and mediated channels under different levels of Organizational Learning (OL). As shown in Figure 1

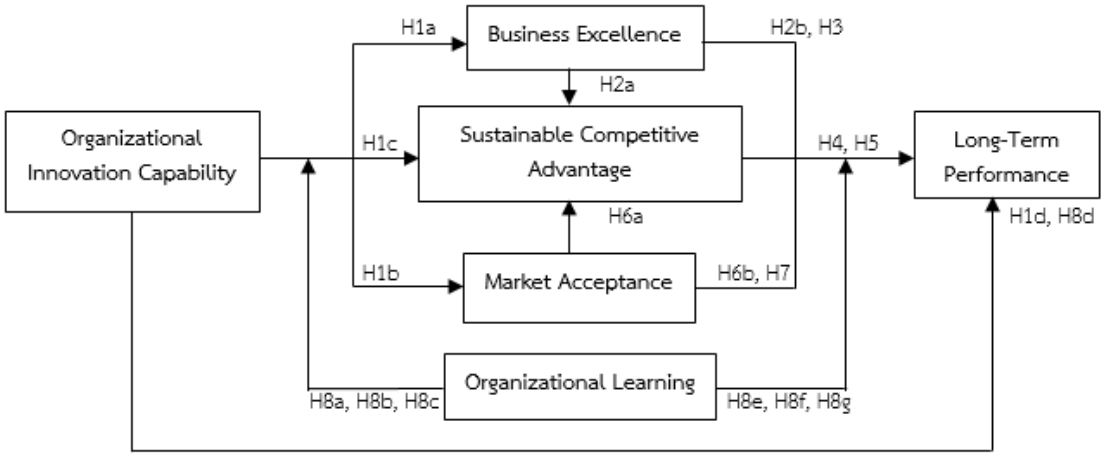

Figure 1 : Conceptual Model of the Organizational Innovation Capability (OIC) – Long-Term Performance (LTP) Relationships

Hypotheses

H1 : Organizational Innovation Capability (OIC) positively influences (a) Business Excellence (BE), (b) Market Acceptance (MA), (c) Sustainable Competitive Advantage (SCA), and (d) Long-Term Performance (LTP).

H2 : Business Excellence (BE) has a positive impact on both (a) Sustainable Competitive Advantage (SCA) and (b) Long-Term Performance (LTP).

H3 : Business Excellence (BE) mediates the relationship between Organizational Innovation Capability (OIC) and Long-Term Performance (LTP).

H4 : Sustainable Competitive Advantage (SCA) positively affects Long-Term Performance (LTP).

H5 : Sustainable Competitive Advantage (SCA) serves as a mediating variable in the relationship between Organizational Innovation Capability (OIC) and Long-Term Performance (LTP).

H6 : Market Acceptance (MA) exerts positive effects on both (a) Sustainable Competitive Advantage (SCA) and (b) Long-Term Performance (LTP).

H7 : Market Acceptance (MA) functions as a mediating variable in the relationship between Organizational Innovation Capability (OIC) and Long-Term Performance (LTP).

H8 : Organizational Learning (OL) moderates the relationships between (a) Organizational Innovation Capability (OIC) and Business Excellence (BE), (b) Organizational Innovation Capability (OIC) and Market Acceptance (MA), (c) Organizational Innovation Capability (OIC) and Sustainable Competitive Advantage (SCA), (d) Organizational Innovation Capability (OIC) and Long-Term Performance (LTP), (e) Business Excellence (BE) and Long-Term Performance (LTP), (f) Market Acceptance (MA) and Long-Term Performance (LTP), and (g) Sustainable Competitive Advantage (SCA) and Long-Term Performance (LTP).

This comprehensive framework provides a systematic approach to understanding the complex mechanisms through which Organizational Innovation Capability (OIC) influences Long-Term Performance (OTP) among investment-promoted businesses in Thailand.

Research Methodology

Population and Samples

The population comprises 23,273 investment-promoted businesses in Thailand (Thailand Board of Investment, 2024). Due to database limitations and accessibility constraints, complete contact information was available for 1,369 companies, which constituted the accessible population for this study.

Sample size was determined using Yamane (1967) formula at 95% confidence level with 5% margin of error, requiring 393 samples. The study employed convenience sampling method where questionnaires were distributed to accessible investment-promoted businesses.

Research Instruments

Table 1 illustrates the measurement framework for this study focusing on investment-promoted businesses in Thailand. All items were carefully reviewed for content validity and cultural appropriateness before data collection. The complete framework, including number of items and theoretical foundations, is summarized below.

Table 1 Summary of Measurement Scales for All Variables

Variables	Items	References
Organizational Innovation Capability (OIC)	7	Developed based on Mendoza-Silva (2021) ; Arboretti et al. (2021) ; Shehzad et al. (2022) ; Zhang (2023) ; Khan et al. (2023)
Business Excellence (BE)	5	Developed based on Snyder et al. (2020) ; Oon et al. (2021) ; Yan et al. (2021)
Sustainable Competitive Advantage (SCA)	5	Developed based on Cheba et al. (2020) ; Hermawati (2020) ; Karman & Savanevciene (2021) ; Oliveira et al. (2021) ; Shahbaz et al. (2022)
Market Acceptance (MA)	5	Developed based on Cai et al. (2021) ; Amelia et al. (2022) ; Hung et al. (2022) ; Peñaloza et al. (2022) ; Dike et al. (2025)
Organizational Learning (OL)	5	Developed based on Mousa et al. (2022) ; Peschl (2023) ; Al-Tarawneh & Al-Adaileh (2021).
Long-Term Performance (LTP)	7	Developed based on Zhou & Park (2020) ; Kim & Park (2021) ; Wang & Wang (2021) ; Tchakalova & Karastanev (2023)

Table 1 measurement scales assess key organizational capabilities and performance outcomes. All constructs were self-developed from existing literature due to their abstract nature, requiring measurement through theoretical definitions and frameworks. Multiple items measure each construct using a 5-point Likert scale (1 = strongly disagree to 5 = strongly agree). The measurement scales assess six key constructs. Organizational Innovation Capability (OIC) measures firms' ability to develop innovation potential and competitive capacity. Business Excellence (BE) evaluates systematic management approaches and continuous improvement processes. Market Acceptance (MA) examines consumer trust and product adoption. Sustainable Competitive Advantage (SCA) assesses long-term market positioning through distinctive capabilities. Organizational Learning (OL) measures knowledge acquisition and application processes. Long-Term Performance (LTP) captures sustained value creation over extended periods. Control variables include Firm Age (FA) measured by years in operation, Firm Size (FS) measured by number of employees, and Firm Capital (FC) measured by registered capital amount.

Data Collection

Data collection was conducted between July-October 2024. The questionnaire distribution employed a multichannel approach, utilizing postal mail, email, and Google Forms to maximize reach and accessibility. A systematic follow-up procedure was implemented, including reminder communications sent during the second week and direct telephone contact initiated in the third week for non-respondents.

The questionnaires were distributed to senior executives, specifically managing directors and managing partners, as key informants due to their strategic decision-making roles and comprehensive understanding of organizational operations.

The data collection process yielded 484 completed responses from 1,369 distributed questionnaires, achieving a response rate of 35.34%. This response rate significantly exceeds the 20% acceptable threshold (Aaker et al., 2001) and places the sample size within the "very good" category for statistical analysis (Comrey & Lee, 1992).

Data Analysis

Research instrument validity and reliability were verified through comprehensive psychometric testing. Statistical analysis employed descriptive statistics, Pearson correlations, and multiple regression to test hypotheses and examine variable relationships, including direct effects, mediation, and moderation within the theoretical framework. The validation process assessed construct validity through exploratory factor analysis and examined factor loadings for each item. Internal consistency reliability was evaluated using Cronbach's alpha coefficients, while item-total correlations were calculated to ensure adequate item contribution to their respective scales. The psychometric evaluation results are summarized in Table 2.

Table 2 Results of Measure Validation

Variable	Factor Loadings	Item-Total Correlation	Cronbach's Alpha
Organizational Innovation Capability (OIC)	0.64-0.78	0.65-0.77	0.82
Business Excellence (BE)	0.54-0.74	0.62-0.71	0.82
Sustainable Competitive Advantage (SCA)	0.76-0.88	0.76-0.87	0.86
Market Acceptance (MA)	0.67-0.84	0.68-0.83	0.83
Organizational Learning (OL)	0.69-0.80	0.70-0.79	0.79
Long-Term Performance (LTP)	0.71-0.81	0.77-0.81	0.89

Table 2 demonstrates satisfactory psychometric properties across all measurement scales. Factor loadings ranged from 0.54-0.88, exceeding the 0.40 threshold (Nunnally & Bernstein, 1994). Item-total correlations fell between 0.62-0.87, surpassing the 0.30 criterion (Churchill, 1979). Cronbach's alpha coefficients ranged from 0.79-0.89, all above the 0.70 benchmark (Nunnally & Bernstein, 1994), confirming measurement reliability. These results validate the appropriateness of the measurement instruments for hypothesis testing through multiple regression analysis.

Results and Discussion

Descriptive statistics and correlation analysis were performed to assess multicollinearity concerns between variables. The results are presented in Table 3.

Table 3 Descriptive Statistics and Correlations Matrix

Variable	LTP	OIC	BE	SCA	MA	OL
Mean	4.48	4.59	4.48	4.42	4.46	4.46
Standard Deviation	0.47	0.37	0.38	0.49	0.46	0.41
Long-Term Performance (LTP)	-					
Organizational Innovation Capability (OIC)	0.68***	-				
Business Excellence (BE)	0.66***	0.67***	-			
Sustainable Competitive Advantage (SCA)	0.80***	0.72***	0.66***	-		
Market Acceptance (MA)	0.80***	0.66***	0.67***	0.78***	-	
Organizational Learning (OL)	0.67***	0.61***	0.71***	0.64***	0.64***	-

***p < 0.01

Table 3 presents descriptive statistics and correlation coefficients for all study variables. Correlation analysis reveals coefficients ranging from 0.61-0.80, all statistically significant at the 0.01 level. According to established criteria, correlation coefficients between predictor variables should not exceed 0.80 to prevent multicollinearity problems (Hair et al., 2010). The analyzed coefficients fall below this threshold, indicating no multicollinearity concerns. These findings confirm that the variables are appropriate for subsequent statistical analysis and hypothesis testing.

To further validate the absence of multicollinearity, VIF and Tolerance statistics were computed as additional diagnostic measures. The results are presented in Table 4.

Table 4 Multicollinearity Assessment Results

Variable	VIF	Tolerance	Assessment
Organizational Innovation Capability (OIC)	1.03	0.97	Acceptable
Business Excellence (BE)	2.15	0.46	Acceptable
Sustainable Competitive Advantage (SCA)	2.97	0.33	Acceptable
Market Acceptance (MA)	2.86	0.34	Acceptable
Organizational Learning (OL)	1.69	0.59	Acceptable
Firm Age (FA)	1.38	0.72	Acceptable
Firm Size (FS)	1.53	0.65	Acceptable
Firm Capital (FC)	1.22	0.81	Acceptable

Table 4 confirms acceptable multicollinearity levels for all variables. VIF values ranged from 1.03-2.97 (below the 10.0 threshold) and Tolerance statistics ranged from 0.33-0.97 (above the 0.1 criterion) (Hair et al., 2010). Combined with the correlation analysis in Table 3, these results confirm no problematic multicollinearity exists, supporting the appropriateness of multiple regression analysis for hypothesis testing.

This section presents hypothesis testing results addressing two research objectives: examining direct effects of Organizational Innovation Capability (OIC) on Business Excellence (BE), Market Acceptance (MA), Sustainable Competitive Advantage (SCA), and Long-Term Performance (LTP); and analyzing the mediating roles of Business Excellence (BE), Market Acceptance (MA), and Sustainable Competitive Advantage (SCA) in the Organizational Innovation Capability (OIC)-Long-Term Performance (LTP) relationship. Results are presented in Table.

Table 5 Results of Variable Relationship Analysis and Hypothesis Testing

Hypothesis	Relationship	Coefficient	t-value	Result
H1a	OIC ⟶ BE	0.66***	19.62	Supported
H1b	OIC ⟶ MA	0.66***	19.27	Supported
H1c	OIC ⟶ SCA	0.73***	23.34	Supported
H1d	OIC ⟶ LTP	0.68***	20.49	Supported
H2a	BE ⟶ SCA	0.29***	8.18	Supported
H2b	BE ⟶ LTP	0.10***	3.09	Supported
H3	OIC ⟶ BE	0.66***	19.62	Supported
	BE ⟶ LTP	0.10***	3.09	Supported
H4	SCA ⟶ LTP	0.44***	11.17	Supported
H5	OIC ⟶ SCA	0.73***	23.34	Supported
	SCA ⟶ LTP	0.44***	11.17	Supported
H6a	MA ⟶ SCA	0.52***	16.06	Supported
H6b	MA ⟶ LTP	0.37***	9.53	Supported
H7	OIC ⟶ MA	0.66***	19.27	Supported
	MA ⟶ LTP	0.37***	9.53	Supported
H8a	OL⟶OIC⟶BE	-0.01	-0.34	Not Supported
H8b	OL⟶OIC⟶MA	-0.00	-0.10	Not Supported
H8c	OL⟶OIC⟶SCA	0.07**	2.49	Supported
H8d	OL⟶OIC⟶LTP	0.02	0.79	Not Supported
H8e	OL⟶BE⟶LTP	-0.24***	-4.89	Supported
H8f	OL⟶MA⟶LTP	-0.34***	-6.38	Supported
H8g	OL⟶SCA⟶LTP	0.02	0.43	Not Supported

***$p < 0.01$, ** $p < 0.05$

Table 5 presents hypothesis testing results for Organizational Innovation Capability (OIC) and performance relationships. Most hypotheses (H1a-H1d, H2a-H2b, H3-H7) received statistical support, demonstrating significant positive relationships. Organizational Innovation Capability (OIC) shows strong direct effects on all outcome variables (b = 0.66-0.73), with confirmed mediating effects through Business Excellence (BE), Sustainable Competitive Advantage (SCA), and Market Acceptance (MA).

1. Direct Effects of Organizational Innovation Capability (OIC)

The statistical analysis supports all hypotheses concerning direct effects of Organizational Innovation Capability (OIC) on performance outcomes (H1a-H1d). Organizational Innovation Capability (OIC) yields significant positive coefficients for Business Excellence (BE) (b = 0.66, p < 0.01), Market Acceptance (MA) (b= 0.66, p < 0.01), Sustainable Competitive Advantage (SCA) (b = 0.73, p < 0.01), and Long-Term Performance (LTP) (b = 0.68, p < 0.01).

The strongest Organizational Innovation Capability (OIC)-Sustainable Competitive Advantage (SCA) coefficient (b = 0.73) particularly reflects behaviors measured through always prioritizes creating innovative management methods and encourages creativity development as core management principle. Organizations demonstrating these systematic innovation approaches create competitive advantages that competitors find difficult to replicate, supporting Resource-Based View (RBV) theory regarding valuable resources (Barney, 1991). The uniform coefficients for Business Excellence (BE) and Market Acceptance (MA) (b = 0.66 each) indicate that effective ongoing innovation potential and consistent innovation management equally drive operational excellence and market recognition, extending Mendoza-Silva (2021), who found innovation capability enables environmental adaptation through knowledge transformation.

The measurement item focuses on continuous R&D of products and services explains the Long-Term Performance (LTP) effect (b = 0.68), while continuous creation of new products and seeking new development approaches jointly account for comprehensive performance impacts. These behaviors generate sustained competitive advantages through systematic innovation activities, supporting Khan et al. (2023), who established positive innovation capability performance relationships in SMEs through technology development processes.

2. Mediating Roles of Performance Variables

The mediation analysis confirms that Business Excellence (BE), Market Acceptance (MA), and Sustainable Competitive Advantage (SCA) function as transmission mechanisms between Organizational Innovation Capability (OIC) and Long-Term Performance (LTP) (H3, H5, H7 supported). Business Excellence (BE) influences both Sustainable Competitive Advantage (SCA) (b = 0.29, p < 0.01) and Long-Term Performance (LTP) (b = 0.10, p < 0.01), while Market Acceptance (MA) demonstrates stronger effects on Sustainable Competitive Advantage (SCA) (b = 0.52, p < 0.01) and Long-Term Performance (LTP) (b = 0.37, p < 0.01).

The modest Business Excellence (BE) coefficients reflect behaviors measured through operates with quality, efficiency, and effectiveness and adapts to environmental changes. The weaker Business Excellence (BE)-Sustainable Competitive Advantage (SCA) relationship (b = 0.29) suggests that operational excellence alone provides limited competitive differentiation unless combined with market-facing capabilities. Organizations scoring highly on manages growth despite limited resources demonstrate internal efficiency, but this yields smaller competitive advantages than market-oriented behaviors (Snyder et al., 2020 ; Yan et al., 2021).

The stronger Market Acceptance (MA) coefficients reflect external validation through customer trust and market recognition and market leadership in innovation. The substantial Market Acceptance (MA)-Sustainable Competitive Advantage (SCA) coefficient (b = 0.52) indicates that customer trust creates more

powerful competitive advantages than internal excellence. Organizations achieving frequent market discussion through innovative management and customer loyalty through persuasion demonstrate external visibility translating into competitive positioning, supporting findings that Market Acceptance (MA) emerges through consumer adaptation and innovation communication (Cai et al., 2021 ; Hung et al., 2022).

Sustainable Competitive Advantage (SCA) mediation operates through outperforming competitors in market response and developing distinctly different products. The strong Sustainable Competitive Advantage (SCA)-Long-Term Performance (LTP) coefficient (b = 0.44) reflects capabilities that remain difficult to imitate, particularly innovative operations delivering sustained advantages, validating that organizations enhancing dynamic capabilities through innovation integration develop sustainable competitive advantages (Karman & Savaneviciene, 2021).

3. Organizational Learning (OL) Moderation Effects

Multiple regression analysis examined how Organizational Learning (OL) influences relationships within the proposed model, including control variables (firm age, size, and capital) as shown in Table 6.

Table 6 Results of Multiple Regression Analysis

Independent Variables	Dependent Variables				
	BE	MA	SCA	LTP	LTP
OIC	0.35*** (0.03)				
OL	0.50*** (0.03)				
OL ⟶ OIC	-0.01 (0.02)				
OIC		0.42*** (0.04)			
OL		0.38*** (0.04)			
OL ⟶ OIC		-0.00 (0.02)			
OIC			0.55*** (0.03)		
OL			0.32*** (0.03)		
OIC				0.45*** (0.04)	
OL				0.39*** (0.03)	
OL ⟶ OIC				0.02 (0.02)	
OL					0.08** (0.03)
BE					0.11*** (0.03)
BE					0.11*** (0.03)
OL ⟶ BE					-0.24*** (0.03)
MA					0.30*** (0.03)
OL ⟶ MA					-0.34*** (0.04)
SCA					0.03 (0.42)
OL ⟶ SCA					0.02 (0.04)
FA	-0.09** (0.03)	0.00 (0.04)	-0.05* (0.03)	0.01 (0.03)	0.02 (0.02)
FS	0.03 (0.03)	0.03 (0.03)	0.14*** (0.03)	0.01 (0.03)	-0.03 (0.02)
FC	0.11*** (0.02)	-0.00 (0.03)	-0.10*** (0.02)	0.00 (0.02)	0.02 (0.02)
Adjusted R^2	0.60	0.52	0.60	0.56	0.77

***p < 0.01, **p < 0.05, p* < 0.10 Beta coefficients with standard errors in parentheses.

Table 6 presents multiple regression results with strong explanatory power across all models (adjusted R^2 = 0.52-0.77), explaining 52-77% of variance in dependent variables.

The moderation analysis reveals selective conditioning effects of Organizational Learning (OL) across performance pathways. Organizational Learning (OL) positively moderates Organizational Innovation Capability (OIC)-Sustainable Competitive Advantage (SCA) relationships (b = 0.07, $p < 0.05$, H8c supported) while negatively moderating Business Excellence (BE)-Long-Term Performance (LTP) (b = -0.24, $p < 0.01$, H8e supported) and Market Acceptance (MA)-Long-Term Performance (LTP) (b = -0.34, $p < 0.01$, H8f supported) connections.

The positive moderation operates through leverages organizational resources by combining learning processes and knowledge creation and integrates learning and knowledge creation in dynamic environments. Organizations scoring highly on adapts existing knowledge to various situations enhance their ability to transform innovation capabilities into competitive positioning through systematic knowledge integration. The modest coefficient (b = 0.07) suggests learning amplifies innovation competitive advantage relationships in constrained ways, supporting Peschl (2023), who found systematic rather than unlimited learning integration with innovation development.

However, negative moderation effects reveal constraining mechanisms through excessive learning behaviors. The stronger negative coefficient for Market Acceptance (MA)-Long-Term Performance (LTP) (b = -0.34) versus Business Excellence (BE)-Long-Term Performance (LTP) (b = -0.24) indicates learning orientation particularly disrupts market acceptance benefits. Organizations demonstrating confident that past learning ensures survival and leverages past-to-present learning for capabilities may over-rely on historical knowledge, creating organizational inertia that prevents adaptation to current market requirements. This supports Al-Tarawneh & Al-Adaileh (2021), who found learning factors require calibration rather than unlimited expansion.

The pattern of rejected hypotheses (H8a, H8b, H8d, H8g) indicates learning does not universally enhance innovation performance relationships. Instead, learning effects operate selectively, suggesting organizations must strategically manage learning activities to optimize rather than maximize learning orientation, extending Mutebi et al. (2021), who found learning effectiveness depends on balancing adaptability with operational clarity.

Conclusion

1. To investigate the direct effects of Organizational Innovation Capability (OIC) on Business Excellence (BE), Market Acceptance (MA), Sustainable Competitive Advantage (SCA), and Long-Term Performance (LTP). The empirical evidence supports this objective, indicating that Organizational Innovation Capability (OIC) yields statistically positive impacts on Business Excellence (BE), Market Acceptance (MA), Sustainable Competitive Advantage (SCA), and Long-Term Performance (LTP). Firms with enhanced innovation capabilities consistently outperform competitors across all measured dimensions. These findings establish Organizational Innovation Capability (OIC) as a critical strategic asset. Organizations that foster innovation as a fundamental competency attain superior business performance.

2. To analyze the mediating roles of Business Excellence (BE), Market Acceptance (MA), and Sustainable Competitive Advantage (SCA) in the relationship between Organizational Innovation Capability (OIC) and Long-Term Performance (LTP). The investigation confirms this objective through examining how Business Excellence (BE), Market Acceptance (MA), and Sustainable Competitive Advantage (SCA) function as intermediary mechanisms between Organizational Innovation Capability (OIC) and Long-Term

Performance (LTP). Business Excellence (BE) exerts positive influence on both Sustainable Competitive Advantage (SCA) and Long-Term Performance (LTP). Market Acceptance (MA) produces comparable positive effects on both constructs. Innovation capability operates through these intermediate pathways rather than functioning independently, establishing interconnected channels that amplify the consequences of innovation investments.

3. To examine the moderating effects of Organizational Learning (OL) on relationships within the proposed model. The analysis addresses this objective by illustrating that Organizational Learning (OL) influences relationships through three distinct mechanisms: reinforcing the association between Organizational Innovation Capability (OIC) and Sustainable Competitive Advantage (SCA), while attenuating the connections from Business Excellence (BE) to Long-Term Performance (LTP) and from Market Acceptance (MA) to Long-Term Performance (LTP). Organizational Learning (OL) functions selectively rather than universally across pathways. Learning capabilities exhibit differential effects on performance relationships, necessitating strategic management to maximize organizational outcomes.

Contribution

This study validates the Resource-Based View (RBV) as an effective theoretical framework for explaining relationships between Organizational Innovation Capability (OIC) and performance outcomes in emerging markets. The research integrates all key variables within a unified model, with empirical support for all hypothesized relationships. The unexpected negative moderating effects of Organizational Learning (OL) contribute new insights suggesting that learning mechanisms require reconceptualization and examination of threshold effects.

Future research should develop specific dimensions of innovation capability using inductive approaches and grounded theory methodologies. The negative moderating effects of Organizational Learning (OL) suggest future studies should reconceptualize learning mechanisms and examine threshold effects. To enhance generalizability, comparative studies across different industries, countries, and organizational contexts would strengthen theoretical foundations. Future research could also employ qualitative methods to understand mechanisms through which innovation capabilities create competitive advantages.

The findings provide strategic guidance for executives building innovation capabilities in competitive environments. Organizations must systematically allocate resources for long-term capability development rather than pursuing ad-hoc initiatives. The evidence shows innovation capability investments yield returns across multiple performance dimensions. Managers should establish dedicated innovation processes, create supportive reward systems, and maintain balance between innovation exploration and operational excellence.

The study reveals that excessive learning orientation can create complexity that undermines performance, requiring careful management of learning initiatives. Investment promotion agencies can use these findings to design capability building programs that emphasize knowledge transfer and innovation ecosystem development rather than focusing solely on financial incentives.

Suggestion

Organizations should prioritize Organizational Innovation Capability (OIC) investment alongside Market Acceptance (MA) enhancement as core strategies, given strong empirical support (H1a-H1d: b = 0.66-0.73). The significant mediating effects (H3, H5, H7 supported) demonstrate that innovation investments yield returns through multiple pathways, requiring systematic resource allocation toward innovation infrastructure and performance metrics capturing both immediate outputs and long-term

capability development. The strongest Organizational Innovation Capability (OIC)-Sustainable Competitive Advantage (SCA) relationship (*b* = 0.73) indicates innovation capability is crucial for sustainable competitive positioning, requiring long-term strategic commitment. However, critical attention is needed for managing Organizational Learning (OL) initiatives, as negative moderating effects on Business Excellence (BE)-Long-Term Performance (LTP) (*b* = -0.24) and Market Acceptance (MA)-Long-Term Performance (LTP) (*b* = -0.34) relationships suggest excessive learning can create performance undermining complexity.

Theoretical advancement opportunities exist through integrating Knowledge-Based View Theory and Innovation Systems Theory with the validated Resource-Based View (RBV) framework. The complex mediating relationships discovered, particularly interconnections among Business Excellence (BE), Market Acceptance (MA), and Sustainable Competitive Advantage (SCA), suggest knowledge-based perspectives could enhance explanatory power for innovation capability performance transformations. The unexpected selective Organizational Learning (OL) moderation effects (supporting only H8c, H8e, H8f while rejecting H8a, H8b, H8d, H8g) require reconceptualization of Organizational Learning (OL) mechanisms, potentially exploring threshold effects or positioning learning as an independent variable to examine contingency factors determining when learning enhances versus constrains performance outcomes.

Future research should expand across diverse industries and incorporate additional variables including competitive intensity, managerial capabilities, and environmental factors, building on this study's strong empirical foundation. Cross-national studies would enhance generalizability beyond investment-promoted businesses in Thailand. Longitudinal research designs could address cross-sectional limitations, enabling temporal causality examination. The negative Organizational Learning (OL) moderating effects (H8e: *b* = -0.24, H8f: *b* = -0.34) warrant deeper qualitative investigation to understand mechanisms through which excessive learning creates performance constraints, while threshold analysis could identify optimal organizational learning levels that maximize rather than undermine innovation performance relationships across different industry and organizational contexts.

Limitations

This study presents several constraints affecting interpretation and application of findings. The research focuses exclusively on investment-promoted businesses in Thailand, limiting generalizability to other industrial sectors or national contexts. The cross-sectional design prevents examination of temporal relationships and causality inference over time. Additionally, uncontrolled variables including cultural factors, policy environments, and economic conditions may influence observed relationships.

This study adopts a firm-level analytical approach examining organizational capabilities and performance relationships rather than macro-level investment promotion effectiveness. The literature review accordingly focuses on organizational theories and firm-level empirical studies rather than macro-economic prediction models. Therefore, findings should be interpreted as insights into organizational management practices rather than predictors of national investment promotion policy outcomes. These limitations should be acknowledged when applying findings to different organizational contexts or strategic decision-making processes.

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