

A Causal Relationship Model Analysis of Innovations Affecting Value Added Creation of Social Business

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Abstract: Innovation is important to every human being on the planet. Due to the limitations of the various resources available in the world, which are steadily dwindling and are about to run out. Consequently, businesses, especially those that rely on natural resources, must try to find ways to make their businesses survive in a sustainable way, which is clearly a serious problem in the world's economy. Objective of this research is to study the causal influence of innovations affecting added value creation of social enterprises. Theory in this paper is Diffusion of Innovation theory. Research Methodology in the term of sample for structural equation conceptual analysis should be at least 200 sample sizes from social entrepreneurs in Thailand. Researcher analysis statistics with the structural equation model.

The result found that Results of the framework analysis of the modified structural equation model. The added value ($t=4.15$) was statistically significant. and there was a statistically positive correlation with the intrinsic variables in competitiveness ($t=4.57$), which was a new finding in the research. The intrinsic variables in value-added were statistically significant ($t=3.60$), 3. The external latent variables in process innovation were related to the intrinsic variables in the value-added aspect ($t=2.89$), and 4. Finally, there was a statistically significant relationship between the external latent variables in product innovation and the internal latent variables in marketing innovation. ($t=6.41$)

The results of the analysis of the causal influence between the internal latent variable and the internal latent variable found that 1. The latent variable in the value-added aspect had a statistically significant relationship with the latent variable in the competitive advantage. ($t=20.16$)

Recommendation: develop products at the corporate level or entrepreneurs to be able to create added value, such as creating new modern packaging formats, developing sales promotions through social media. Create a new marketing strategy create a marketing experience with consumers. Moreover, At the national level, there are departments as well as to promote products to be able to compete with international is constantly evolving Encourage quality products to meet national standards including packaging that must meet the needs of consumers in each region.

Keyword: Innovations, Value Added, Social Business, Causal Analysis

1. Introduction

Innovation is important to every human being on the planet. Due to the limitations of the various resources available in the world, which are steadily dwindling and are about to run out. Consequently, businesses, especially those that rely on natural resources, must try to find ways to make their businesses survive in a sustainable way, which is clearly a serious problem in the world's economy. For example, the sharp rise in oil prices has driven the automobile business, which is a commodity that relies on gasoline for energy must try to find other energy to replace until a Hybrid Car is born, a hybrid vehicle that uses both oil and electric powered It saves a lot of fuel. and help reduce pollution. (Namburi, 2019)

When considering the impact of innovation on local development, it is a product, a new management process invented. and developed from the knowledge and experience of the community to solve occupational problems productivity enhancement and systematically enhancing health according to the social landscape of the community bring benefits to the economy and society in line with the Sufficiency Economy and Sustainable Development. (Kaewket, 2012)

For that reason, the researcher is interested in studying the variables and elements that affect innovation that affect the creation of added value for social enterprises in order to find the variables and develop social enterprises to create innovations for businesses that will be able to deliver Effects on creating added value for the economy and further increase the competitiveness at the national and international level.

2. Objective

To study the causal influence of innovations affecting added value creation of social enterprises.

3. Related Theories and Research

A. Diffusion of Innovation theory

Boston University (2019) proposes that this theory, developed by Rogers in 1962, is one of the oldest social science theories. It originated from communication to describe how over time. An idea or product is driven and diffused. How does it spread (or spread) through a specific population or social system? The result of this diffusion is People who are part of a social system adopt new ideas, behaviors, or products. Adoption means that a person does something different than they used to (for example, buy or use a new product or use a new product). The key to adoption is that the person perceives an idea, behavior, or product as new.

B. Related research

Organizational innovation can occur in a variety of forms, both from within the organization such as employees or people involved in development of goods and services, etc., and outside the organization, such as from customers or from experts, etc., to help develop the organization to be the ability to respond to competitive demands in business quickly, many organizations innovate by learning new things through thought processes and experimentation to gain access to knowledge. and needs clearly. The concept of organizational innovation consists of innovation in Product innovation in marketing, innovation in process, innovation in behavior and innovation in strategy.(Sawangrat, 2020)

The study by Pundang (2020) found that marketing innovation had a positive direct influence on the performance of SMEs, which was consistent with the research hypothesis. When businesses have marketing innovations in terms of changing new markets new pricing model Distribution channel changes and the development of marketing promotion at a high level It will make the management of business innovations that affect the operation of SMEs business more efficiently. Therefore, market innovation has a positive impact on financial performance. Customer performance In-house process performance and learning and growth performance and marketing direction are the adjustments to innovative marketing strategies that contribute to the success of a business.

According to a study of Kositkanin (2021) and Chummee (2021) found that in terms of product innovation process innovation and behavioral innovation influencing the performance Export operations because innovation has become important to business operations both domestically and internationally. Exporting companies must develop innovations in exports to keep up with rapidly changing markets. and affecting the ability to continue to operate sustainably Moreover, the factors that enable the concept of export innovation to be successfully applied in the organization must be the integration of marketing-oriented concepts to be successful.

Antoine (2018)who say that process innovation is the integration of business activities related to the image and activities of an organization, innovation management processes. project management Evaluation and selection specific resource allocation project management, quality, time and cost management, professional and technological resource management.

A study by Pornparisa (2020) reveals that, to sustain competitive advantage, Thai shoe industry entrepreneurs must adapt quickly to cope with the competition in the dynamic business world. Sustainable Agile Supply Chain Management It is a dynamic enhancement of potential enabling continuous agility capabilities. Utilize the organization's potential, resources, and personnel of the entire network together for maximum benefit. Systematic product lifecycle management creating added value can reduce overall costs.

The results of a study by Lina(2021) suggest that value-added should consist of 1) product development processes, product improvement and assortment that respond to consumer demand, or 2) product use processes. that supports food management access to information, entertainment, sensory experiences, and finally, more flexibility. social relations There is critical consideration in consumer use of these technologies, such as privacy concerns and the risk of misinformation influence. Finally, implications for the industrial adoption of interactive communication technologies are provided. food, as well as recommendations for future research.

4. Research Methodology

This research is applied research. Researchers focus on finding answers in research through fact-finding. or find the relationship between data or variables with the aim of bringing the research results or findings to be used for real benefit Therefore, the method of conducting research requires cross-sectional research to be appropriate for a one-time study in a company that can collect data.

A. Target Population and Sample size

The target population is social entrepreneurs in Thailand. By searching for demographic data from the Department of Business Development on September 15, 2021, there were a total of 295 social enterprise entrepreneurs in the country using Krejcie and Morgan's sampling formula. A total of 165 cases were randomized. To prevent zero data loss, a total of 170 cases were collected from social enterprises in all regions of Thailand. In addition to having a small number of samples, the variables were not multiplied at all. However, the researcher

determined to collect all samples until the required number was reached by using the concept of collecting samples

from a small number of samples or small sample size. From the study, it was found that approximately 100-150 samples should be used for analytical analysis. conceptual framework of structural equations Furthermore, the confirmation component analysis should have a minimum of 150 samples, while the minimum sample size for structural equation conceptual analysis should be at least 200 sample sizes.(Hoyle, 1999)

B.research tools

This research uses questionnaires to collect data. It consists of a 7-part questionnaire structure.

C.Validity Test

The results of the questionnaire quality examination in terms of content validity, questionnaire coverage Suitability and clarity of use Language from 5 experts found that the consistency value is between 0.57 – 0.97 which meets the criteria. Therefore, every question in the questionnaire is consistent between the question and the objectives of the research to be measured are accurate in the content and have clarity of language and cover the content that the researcher wants to study can therefore be used to collect data for both researchers Has made improvements to the questionnaire according to the issues that experts advise, such as adding a subject to the question sentence. Fixed unofficial language Correct the words to be appropriate. The confidence value of the whole questionnaire was 0.97.

The results of the factor analysis test of 30 found that all questions passed the minimum threshold of greater than 0.50 except for question 36. The number of innovations under Intellectual Property Protection (INNO 4), which is an indicator of the innovation capability variables defined by the researcher are latent variables having a component weight of less than 0.50, therefore, it was eliminated from the question before it was distributed.

D. Research Statistics

Descriptive statistics are descriptive analysis of the details of the factors used in the analysis. It describes the general condition of the data collected and describes the general properties of the population studied.

Inferential Statistics causal influence analysis to address the lack of representation of the relationship between the variables, the researcher used a causal influence analysis. To solve such problems to assist in the research, it is possible to test the correlation path between different variables by applying the conceptual framework of the structural equation model or research model to see if they are influenced or not. and can also test the hypothesis that is correct in accordance with the set or not. Incidentally, it was found that the researchers who used for example, Gunday (2009) analyzed the types of innovations in Turkey and Nuryakin (2018) analyzed innovations in Indonesia. This is a guideline to prove and develop the type of innovation of community enterprises in Thailand.

5. Research Results

The results of the research by descriptive statistics revealed that the population group was 166 males, representing 83%, 34 females, accounting for 17%, 132 had lower than a bachelor's degree, or 66% had a level education. The number of 68 graduates accounted for 34 percent, and 30 postgraduate students accounted for 15 percent. Recall the age analysis, it was found that between 41-50 years of age, 127 cases accounted for 63.5 percent, secondary. Down is aged between 30-40 years, accounting for 40 cases, 17%, and aged 51-60 years, 22 cases, accounting for 11%.

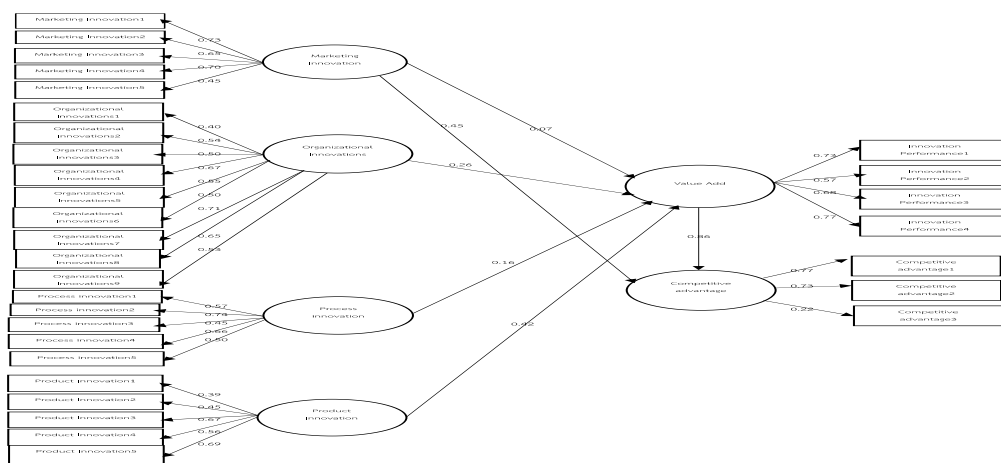


Figure 1: Causal Analysis (Modified model)

The results of the influence path analysis showed the following results: between endogenous latent variables to internal observables, it was found that the latent variables of organizational innovation to the external observable variables found that the strategy improvement in the organization had the highest statistical value, i.e., the most correlated ($t=14.13$). It was found that the observed variables outside the process specification and reduced non-value-added activities in the production process had the highest statistical value ($t=11.84$). In terms of cost reduction in production, there was the highest statistical value ($t=16.41$) and the latent external variable in marketing innovation to the internal latent variable had the lowest statistical value ($t=16.09$). The results of the analysis of influence paths between latent variables and internal observable variables were as follows: internal latent variable In terms of latent variables in terms of adding value to internal observable variables, it was found that the market share had the highest statistical value ($t=14.13$), and in terms of internal observable variables, the competitive advantage to The observed variable within the differentiation aspect had the greatest statistical value ($t=4.16$) as shown in Figure 1.

Moreover, from Figure 1, the results of the framework analysis of the modified structure equation (Modified model). There was a statistically significant correlation between the latent variables within the value-added aspect ($t=4.15$). and there was a statistically positive correlation with the intrinsic variables in competitiveness ($t = 4.57$), which was a new finding in the research. The intrinsic variables in value-added were statistically significant ($t=3.60$), 3. The external latent variables in process innovation were related to the intrinsic variables in the value-added aspect ($t=2.89$), and 4. Finally, there was a statistically significant relationship between the external latent variables in product innovation and the internal latent variables in marketing innovation ($t=6.41$).

The results of the analysis of the causal influence between the internal latent variable and the internal latent variable found that 1. The latent variable in the value-added aspect had a statistically significant relationship with the latent variable in the competitive advantage ($t = 20.16$) (as shown in Figure 1)

The results of the fit index assessment showed that the Chi-square statistic (Chi-square: χ^2) was 447.55, the degree of freedom (df) was 437, and the relative chi-square (Relative Chi-square: χ^2/df) was 1.02. The Goodness of Fit Index (GFI) was 0.90 for qualifying. which must be greater than 0.90. The Adjusted Goodness of Fit Index (AGFI) is equal to 0.90 to qualify. This must be greater than 0.90. Also, the root mean square residual (RMR) index is 0.050.

The result of foot mean square error of approximation (RMSEA) was 0.050 passed the criteria which must be less than 0.05. comparative fit index (CFI) was equal to 0.90 that passed the criteria. which must be greater than 0.99 In addition, the normed fit index (NFI) is equal to 0.90 to pass the consideration criteria. which must be greater than 0.90 and the non-normed fit index (NNFI) is 0.99.

6. Summary and Discussions

The results of the analysis of internal latent variables revealed that the latent external variable in marketing innovation was statistically positively correlated with the internal latent variable on competitiveness ($t=4.57$). There is a new packaging style. Selling through online channels will increase competitiveness. Consistent with a study by Murray (2010), a study of 491 Chinese companies found a statistically significant positive correlation between marketability and competitive advantage, consistent with study of Handoyo (2015), a study of 388 companies in Indonesia found a statistically significant positive influence between market prowess and competitive advantage ($t = 2.292$), based on a study of 387 Ferreira (2018) in Portugal, the results showed a statistically significant positive causal influence between marketability and direct competitive advantage. found that it can create competitive advantages and added value.

The influence path between internal variables in organizational innovation and external variables in value-added was statistically significant. This is consistent with the findings of Alimohammadi(2014) as well as the study of [18] found a statistically significant relationship between organizational innovation and competitive advantage. Because corporate innovation promotes added value creation.

The influence path between process innovation and added value was found to be statistically significant. Consistently, the study found an influence pathway between process innovation and value-added. A study by Alimohammadi(2014) and Zainurossalamia (2016) found that there was a significant correlation between organizational innovation and competitive advantage with statistically significant.

The influence path between product innovation and added value was found to be statistically significant. Consistent with the results of Damilano (2018), there was a statistically significant correlation between competitive advantage and value-added.

Influence pathways between value creation and competitive advantage were found to be statistically significant ($t=20.16$), consistent with the results of the study. Because creating added value can help build competitiveness. due to causing increased income, etc. This is consistent with the study by Alimohammadi(2014), as the creation of added value creates a competitive advantage.

7. Recommendations

1. Develop products at the corporate level or entrepreneurs to be able to create added value, such as creating new modern packaging formats, developing sales promotions through social media. Create a new marketing strategy Create a marketing experience with consumers.

2. At the community level, there should be a group to produce Provide the resources required for production. Do not produce duplicate products, share work, promote modern ideas. Open opportunities and listen to ideas from outside and new generations to join in creating modern ideas. Develop products to be able to compete with international by designing products to be able to respond to consumers in each country.

3. At the national level, there are departments as well as to promote products to be able to compete with international is constantly evolving Encourage quality products to meet national standards including packaging that must meet the needs of consumers in each region.

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