

The Synthesis of Dynamic Capabilities, High-Performance Organization and Competitive Advantage in Manufacturing Industrial

Benyatip Kungwansomwong¹ Paratchanun Charoenarpornwattana² Jindapa Leeniwa³

¹Ph. D. Student of HRD, Faculty of Education, Burapha University, Thailand

E-mail: benyatip.r@gmail.com

²Assistant Professor, Faculty of Education, Burapha University, Thailand

E-mail: paratchanun@go.buu.ac.th

³Lecturer, Faculty of Education, Burapha University, Thailand

Email: jindapa@go.buu.ac.th

(Received: December 15, 2024 ; Revised: January 21, 2025 ; Accepted: January 24, 2025)

Abstract

To cope with a rapidly changing business environment, firms are required to maintain organizational performance and competitiveness in the long term. Dynamic capabilities allow employees in the organization to integrate, build, and transform internal and external resources to address environmental changes; this is mainly supported by managers or business leaders to integrate and reconfigure organizational resources. The potential of dynamic capabilities can also create new ideas for achieving high performance, and it is a key factor of competitive advantage. The objective of this paper is to synthesize the components of Dynamic Capabilities, High Performance Organizations, and Competitive Advantage in organizations. In summary, there are three components of Dynamic Capabilities as 1) Sensing Capability, 2) Transforming Capability, and 3) Learning Capability. There are five components of High-Performance Organizations as 1) Management Quality, 2) Continuous Improvement and Renewal, 3) Openness and Action Orientation, 4) Long-term Orientation, and 5) Employee Quality. There are three components of 1) Differentiation, 2) Cost Leadership, and 3) Innovative Technology and Process in this study.

Keywords : *Dynamic Capability, High Performance Organization, Competitive Advantage*

Introduction

Thailand has an established manufacturing sector, major industries include vehicle and automotive parts manufacturing, agricultural production and food processing, electronics manufacturing, and petrochemical production. With nearly 10 percent of the population employed in the manufacturing sector which the industry serves as one of the primary drivers of the Thai economy. (Statista, 2024).

Even Thailand was a large manufacturing, according to report of Satimanon (2017) and Chareonwongsak (2020) found that Thai labors skills was mismatch as business environment changes. In line with Department of Industrial Promotion (2015) mentioned that economic in Thailand will be driven by innovation that also need more higher skill of labor in Thai manufacturing sector. But currently, Thai labor quality in currently is productivity comparing with upcoming markets like Indonesia and Vietnam. This is possible a signal that the Thailand country is moving forward to low competitive advantage and dynamic capability.

To maintain competitive advantage and keep organization's performance for manufacturing sector in Thailand, Ministry of Economy, Trade, and Industry suggested that manufacturing industries need to have more strengthen on dynamic capabilities under the age of uncertainty. And increasing competitive advantage did not mean only machining investment but also decide based on existing data, included training and development people in an organization to adapt as rapidly external environment changes is needs (METI, 2020). According to employee recognized on organization value and then can continuously search other opportunities to create new product that impact to competitive performance. Therefore, manufacturing industrials are also required to invest and maximize knowledge and skills of employees to enhance high performance organizations (Kareem & Mijbas, 2019; Sowaphas, Duangdara, & Otayarak, 2020) and to maintain an organization's competitive advantage.

As mentioned previously, the ability of employee to integrate, build, and transform internal and external resources to address environmental changes is a process termed of "Dynamic Capability" (Siriyasub, Jadesadalug, & Thammaapipon, 2024). Dynamic Capability (DC) is the ability of an organization to perceive opportunity-based transformation to maintain competitive advantage and superior organizations by sensing opportunities and threats of the external environment (Siriyasub, Jadesadalung, & Thummaapipon, 2024). Dynamic capabilities contribute to

organizational effectiveness through the effective modification of existing operating routines along with focusing on learning and seeking a new competency of the organization to sustain competitive advantage in fluctuating market needs (Wongwanish & Laohavichien, 2023).

Dynamic Capability and High Performance Organization are often related to each other because dynamic capabilities aim to improve an organization's performance effectiveness (Zollo & Winter, 2002). In line with de Waal (2020), a High-Performance Organization (HPO) is an organization that accomplishes results (financial and non-financial) that are exceptionally better than competitors (in the same industry) over more than five years. The organization needs to design the effectiveness of working operations to quickly respond to such an environment (Schermerhorn, Hunt, & Osborn, 2003). This includes the need to have a clear backup plan to deal with various conditions, including scenario analysis of each impact for business achieving (Yaemsuda, 2023).

Meanwhile, Dynamic Capability is fundamental to Competitive Advantage (CA). CA is determined to a business strategy of cost reduction and creating a differentiation of products or services. It takes advantage of opportunities according to the environmental changes to increase organization efficiency and success as business objectives (Noordin & Mohtar, 2013; Beigi et al., 2023). CA is the consequence of strategy execution in creating, combining, and transforming various internal and external capabilities of an organization for growth over time (Sitanggang & Absah, 2019), including responsive service delivery that aligns with market needs and customer behavior (Kanjaikaew, Chemsripong, & Khorchuklang, 2023).

Dynamic capabilities framework underlines organizational and strategic managerial competencies that enable business leaders to achieve competitive advantage. Competitive advantage depends on dynamic capabilities that creating organization competency uniqueness and leads to the value of people development in an organization. And dynamic capabilities also lead competitive advantage of organization beyond competitors and to maintain long-term performance success. There are lots of components of dynamic capability, high-performance organization and competitive advantage. It is difficult to apply all components in organization according to time and energy investment of management and HR practitioner. Therefore, this paper aims to synthesize the components of Dynamic Capabilities, High Performance Organizations, and Competitive Advantage, included summary action needs for benefit of creating employee's dynamic capabilities, enhancing high performance organization, and maintaining competitive advantage of organization.

Literature Review

Dynamic Capability

The concept of dynamic capability was introduced by Teece et al. (1997) and defined as “the firm’s ability to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments” (p. 516). Later, dynamic capabilities were defined by many authors as Winter (2003) mentioned that they are capabilities that operate to extend, modify, or create ordinary capabilities. Pavlou and El Sawy (2011, p. 239) defined dynamic capabilities as a means for handling fluctuating environments by helping managers enhance, adapt, and reconfigure existing operational capabilities into new ones that better match the environment. Zhou et al. (2019) defined three dimensions: perception capabilities, integration capabilities, and resource allocation. In conclusion, it is the ability that allows employees in an organization to sense and shape opportunities and threats to maintain organization competitiveness by enhancing, combining, protecting, and reconfiguring the business firm’s intangible and tangible assets to address a rapidly changing environment. There are many important factors leading to an organization achieving high performance and competitive advantage. For this paper, the components are explained according to the synthesis table which showed in Table 1, component of Dynamic Capabilities found 7 components, the researcher selected the component which had frequency of used more than 50 percentages of literature review. There are 3 components as 1) Sensing capability, 2) Transforming capability, and 3) Learning capability in this study.

Table1 Synthesis components of Dynamic Capabilities

No.	Theorist/Scholar Components											Total	Summary	Component Selected
		Teece (2014)	Pavlou and ElSawy, (2011)	Rojanakorn (2019)	Pattanasing, et al. (2019)	Rashidirad and Salmian (2020)	Pattanasing et al. (2021)	Ali, et al. (2021)	Fatoki (2021)	Beigi, et al. (2023)	Chancharoen, et al. (2024)			
1	Sensing capability	✓	✓	✓	✓	✓	✓	✓	✓		✓	9	90%	✓
2	Seizing capability	✓		✓				✓			✓	4	40%	
3	Transforming capability	✓		✓	✓		✓	✓		✓	✓	7	70%	✓
4	Learning capability		✓		✓	✓	✓		✓	✓	✓	7	70%	✓
5	Innovative capability						✓					1	10%	
6	Integrating capability		✓						✓			2	20%	
7	Coordinating capability		✓						✓			2	20%	

Sensing capability. Sensing is the ability that allows business employees and leaders to perceive opportunity-based transformation quickly and to identify, assess, and develop opportunities while interacting with the external environment, regularly searching, exploring, and analyzing information and knowledge to provide the essential information for making an effective decision of management (Rashidirad & Salimian, 2020). Included developing a new product/service to create more opportunities in the market (Wongwanich & Chienwatthanasuk, 2021). Additionally, it is the forecasting ability to understand the future and transform toward the ability development of the organization (Teece & Leih, 2016; Teece et al., 2016).

Transforming capability. This is the ability to adapt, decrease, or increase existing resources to align with business transformation, and it is also linked to the capabilities of organizational development (Teece, 2012). Jurksiene and Pundziene (2016) and Eng and Okten (2011) explain more about the way management can transform processes, organizational resources, and knowledge, restructure capabilities, and create internal change to manage organizational learning and creativity. Therefore, transforming capability is the ability to transform processes, an existing organization's resources, and the capability to create the new organizational capabilities for the benefit of the firm.

Learning capability. Learning ability is the ability to obtain, absorb, adapt, and apply existing knowledge to create new knowledge, learn new things externally, and later adjust or apply this knowledge within the organization. (Teece, 2012; Darawong, 2017; Wang & Ahmed, 2007; Wongwanich & Chienwatthanasuk, 2021). Learning capability helps an organization to create value in business environment changes, and this is an organization's asset that allows employees in a firm to transform and use its internal and external resources appropriately (Zott, 2003; Nieves et al., 2017; Rashidirad & Salimian, 2020). In this study, learning capability is the ability to acquire through formal & informal learning by a firm while acquiring new external information by gaining through interaction with customers and suppliers.

High Performance Organizations

The concept of HPOs originally appeared in Peters and Waterman's (1982) book, which defined an HPO as an organization that keeps a strong culture among a group of employees as leadership, strategies, structure, and employee competencies. HPO's concept has been improved and developed over time. Several scholars provided a variety of definitions, depending on experiences or

perceptions for instance Miller (2002), similar with Schermerhorn et al. (2003), stated that an HPO is an organization designed to support employee work with effectiveness and for sustainable organization through people development. American Management Association (2007) stated that an HPO is an organization with accomplishments in excellent management in various aspects, and such accomplishments have been continued for a long period. De Waal (2020) stated that an HPO is an organization that is exceedingly better than competitors on financial and non-financial results for five years or more by concentrating in a well-organized way on what really matters to the organization. In conclusion, it is an organization that has excellent management in various aspects of financial and non-financial results, such as effective working design to support employees performing well on the people development system, strong leadership, high employee initiative level, productivity, and innovation. The perceptions of high-performance organization, there are many dimensions leading to an organization achieving high performance and competitive advantage. For this paper, the components are explained by the synthesis which showed in Table 2, the synthesis component of High-Performance Organization found 24 components in this literature review, however the researcher selected the component which had frequency of used more than 50 percentages. Therefore, in this study was apply those 5 components as 1) Openness and Action Orientation, 2) Management Quality, and 3) Long- term Orientation, 4) Continuous Improvement and Renewal, and 5) Employee Quality.

Table2 Synthesis components of High-Performance Organization

No.	Theorist/Scholar Components	Holbeche (2004)	Blanchard (2007)	de Waal (2015)	Zbierowski (2019)	HPO Center (2019)	Gerdrung & Bunchaphattanasakda (2021)	Wongwanich & Chienwathanasuk (2021)	Pattanasing, et al. (2021)	Charoenchai & Kumacheva (2022)	Xanthopoulou, et al. (2023)	Total	Summary	Component Selected
		1	2	3	4	5	6	7	8	9	10	10	%	
1	Openness and Action Orientation			✓	✓	✓			✓	✓	✓	6	60%	✓
2	Management Quality			✓	✓	✓			✓	✓	✓	6	60%	✓
3	Long- term Orientation			✓	✓	✓			✓	✓	✓	6	60%	✓
4	Continuous Improvement and Renewal			✓	✓	✓			✓	✓	✓	6	60%	✓
5	Employee Quality			✓	✓	✓	✓		✓	✓	✓	7	70%	✓
6	Organizational Changeability	✓										1	10%	
7	Creating a Knowledge-Rich Context for Innovation	✓										1	10%	
8	Creating a Boundary-less Organization	✓										1	10%	
9	Stimulating People to Achieve High Performance	✓										1	10%	
10	Becoming A Great Place to Work	✓										1	10%	
11	Becoming a Values-based Organization	✓										1	10%	
12	Share information and Open Communication		✓									1	10%	
13	Compelling Vision		✓									1	10%	
14	Ongoing Learning		✓									1	10%	
15	Relentless Focus on Customer Results		✓									1	10%	
16	Energizing Systems and Structures		✓									1	10%	
17	Shared Power and High Involvement		✓									1	10%	
18	Financial Perspective							✓				1	10%	
19	Customer Perspective							✓				1	10%	
20	Internal Process Perspective							✓				1	10%	
21	Organization structure						✓					1	10%	
22	Organization culture						✓					1	10%	
23	Technology						✓					1	10%	
24	Resources						✓					1	10%	

Management Quality. De Waal (2015) explained that the quality of management concerns maintaining trusting relationships with people on all organizational levels by valuing employees' loyalty, treating talented employees fairly, showing respect to each other, creating and maintaining relationships both individually and as a group, and encouraging belief and trust in others (Holbeche, 2004). Organizational leaders need to have a high level of leadership according to key success factors of organizational achievement (Sowaphas et al., 2020). Leadership needs to manage differences in norms and values, which are important for high performance organizations because of the variety of employees in an organization, whenever an organization changes, there might be resistance from those employees; when becoming an HPO is the destination, leadership is the engine.

Continuous Improvements and Renewal. HPO Center (2015) mentioned that in an HPO, employees are always motivated to bring out the best in themselves and their organization. The organization also tries to improve, reduce duplicate functions, and adapt working processes to be consistent with its products and/or services to create competitive advantages to respond to market development. This is in line with Buytendijk (2006) and Kaplan and Norton (2001), which proposed that an HPO must always upgrade itself by speedily creating skills to adjust to environmental changes while continuously modifying internal working processes, including measuring and reporting on important matters that must be organized (Rogers & Blenko, 2006); additionally, creative ideas and innovations must be realized (Linder & Brooks, 2004; de Waal 2008; Mische, 2001).

Long-Term Orientation. HPO Center (2015) mentioned that long-term success always takes priority over short-term benefits in High Performance Organizations. There is a safe and stable work environment. Safety means not just about physical employee safety but also employees feeling safe to speak up about issues and discuss with each other; there is an opportunity for career progress to align with more attention to long-term relationships with all groups of stakeholders, such as stockholders, employees, suppliers, clients, and society (HPO Center, 2019).

Employee Quality. An HPO is an organization that shares power and decision-making throughout the organization, not only from the top management, where its participation, collaboration, and teamwork are a way of life (Blanchard, 2007). De Waal (2015) explained that an HPO continuously develops employees by training them to be more resilient and flexible, allowing them to learn from stockholders (especially suppliers and customers), inspiring them to work their capabilities fully to achieve exceedingly good results, and letting them be creative in looking for new

productive working approaches to achieve the desired results. In addition, Buytendijk (2006) also suggested linking all programs in an organization, called “Performance Management,” to getting gap analysis for doing development in an organization.

Openness and Action Orientation. HPO Center (2015) proposes that managers and employees in High Performance Organizations share a dialogue. The members of an HPO spend their time exchanging knowledge, experience, and learning continuously to improve performance and to obtain new ideas to upgrade their work. Employees in an HPO are allowed to conduct experiments and let them learn from their mistakes; this is a way to drive their organization with total performance. This is in line with de Waal (2008), who mentions that an HPO has focused on employee engagement by exchanging internal and external knowledge in networking to create new ideas for organizational improvement with higher productivity and efficiency.

Competitive Advantage

In theory, competitive advantage was pioneered by Porter (1980), who defined competitive advantage as the value a firm can create for its buyers that exceeds the firm’s cost of creating it. Several authors kept the definition similar with Porter, such as Runyan, Huddleston, and Swinney (2007), who stated that competitive advantage is attributed to a firm’s resources and capabilities. Ehmke et al. (2022) and Hadj et al. (2020) stated that competitive advantage is the nature that a company can gain over competitors by offering customers greater value, delivering high quality products and services, either through lower prices or by providing additional benefits and services that justify similar, or possibly higher prices. In conclusion, competitive advantage is an advantage over competitors earned based on offering greater value or lower prices or through more benefits justifying higher prices, including providing value added by technology and processes through products. The perceptions of competitive advantage, there are several factors leading to an organization achieving competitive advantage. For this paper, the components are explained by the synthesis which showed in Table 3, the synthesis component of Competitive Advantage found 10 components in this literature review, the researcher selected the component which had frequency of used more than 50 percentages of literature on studied. Finally, the researcher got 3 components as 1) Differentiation, 2), Cost leadership and 3) Innovative Technology and Process in this study.

Table3 Synthesis components of Competitive Advantage

No.	Theorist/Scholar Components	Porter (1980)	Marcus (2011)	Sumer (2012)	Foss, et al. (2012)	Wannarak, et al. (2018)	Ramanut and Boonyoo (2019)	Thanapatra (2020)	Kaewjunant and Pongpeng (2020)	Jintana, et al. (2022)	Nur, et al. (2023)	Total	Summary	Component Selected
		1	2	3	4	5	6	7	8	9	10	10	%	
1	Cost leadership	✓	✓	✓		✓	✓		✓	✓	✓	8	80%	✓
2	Differentiation	✓	✓	✓		✓	✓			✓		6	60%	✓
3	Focus Orientation	✓		✓								2	20%	
4	Innovative Technology and process			✓	✓			✓	✓	✓	✓	6	60%	✓
5	Market Responsiveness			✓					✓			2	20%	
6	Strategic Management								✓			1	10%	
7	Neutralizing risk										✓	1	10%	
8	Customer Satisfaction										✓	1	10%	
9	Market Orientation							✓				1	10%	
10	Flexibility									✓		1	10%	

Differentiation. Differentiation is one of the strategy approaches for doing business whereby firms try to increase a competitive advantage by increasing the willingness of customers to pay for the products or services they sell (Barney, 2011). This is in line with Lepak and Gowan (2010), David and David (2017), Lumpkin and Eisner (2010), and Wen-Cheng et al., (2013), who emphasize achieving a competitive advantage over competing firms by providing something unique for which customers are willing to pay a premium. There are an unlimited number of potential sources of differentiation from competitors, such as unique product features, location, innovation, reputation, customer service, or quality as a source of competitive advantage (Lepak & Gowan, 2010). Also, Marcus (2011) supported that uniqueness can be achieved through a high level of quality and/or relations with suppliers.

Cost Leadership. A firm that chooses a cost leadership business strategy focuses on gaining an advantage by reducing its economic costs below all its competitors (Barney, 2011). David and David (2017) emphasized producing standardized products at a low per-unit cost for consumers who

are price sensitive or offering customers a range of products or services at the lowest price available compared to competitor's products with similar attributes. Moreover, cost advantage can support an organization to achieve long term competitive advantage through the efficiency and potential of cost position (Wang et al., 2014). If the cost is low or can be reduced significantly, the business will have a higher profit margin (Patcharachotsuthi, 2022).

Innovative Technology and Process. Adaption to change is like what we do in the context of competition among modern firms; management innovation is about finding or creating new activities, smarter, and more efficient ways of processes and structure in organization activities in firms (Foss, 2012). This is in line with Songsuntonchiwong (2016), who stated that innovation is for the development and improvement of better efficiency in operations such as material use, operation time consumption, and the ratio of waste from daily operations in organizations. Product innovations are products that are perceived to be new by either the producer or the customer; the latter includes both end-users and distributors. And Songsom (2019) mentioned, the ability of process innovativeness is about improvement or creativity in daily operations for higher productivity, including technology management applications.

Summary of Dynamic Capability, High Performance Organization and Competitive Advantage

In this study, which includes a review of literature on theory and research, the researcher concludes the components of Dynamic Capabilities, High Performance Organizations, and Competitive Advantage which showed in Figure 1.

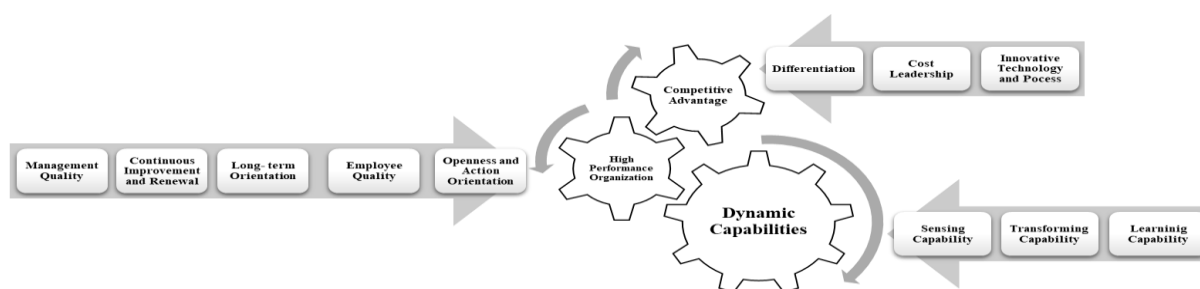


Figure 1 Components of Dynamic Capabilities, High Performance Organizations, and Competitive Advantage of Organizations

According to literature review found that dynamic capability is a tool for creating organizational competency uniqueness and leads to the value of people development in an organization. The organization must have an effective strategy to invest and maximize employees' knowledge skills and promote dynamic capability in organization. As the synthesis results of Dynamic Capability found that the component of Sensing Capability, Transforming Capability, and Learning Capability can increase employees' dynamic capabilities. **Sensing Capability** is the ability that allows employees to perceive opportunities and threats from transformation changes, then forecast and transform the existing resources and capabilities to be a better organization. Organizational leaders who have this capability can sustain profitable growth of the organization. **Transforming Capability** is the ability to modify, decrease, increase, and integrate resources to be in line with transformation; the organization could promote an employee to initiate improvement ideas to develop their daily working process, and it could support their capability. **Learning Capability** is the ability to apply existing knowledge to create new knowledge, learn new things externally, and transmit this new knowledge throughout the organization. Whenever employees have this capability, it helps an organization to create value in the transformation era. Moreover, learning capability is an organization's asset that allows employees to transform and apply their internal and external resources appropriately.

Regarding dynamic capabilities that aim to improve an organization's performance, having dynamic capabilities can upgrade an organization's performance towards achieving high-organization performance. The synthesis results of a High Performance Organization in this study found the components as Management Quality, Continuous Improvement and Renewal, Openness and Action Orientation, Long-term Orientation, and Employee Quality which are essential factors for enhancing High Performance Organizations. **Management Quality** is the ability of an organization leader to build a vision and manage the differences of a variety of employees to achieve a set of behaviors in an organization. Organizational leaders need to have a high level of leadership according to the key success factor of organization achievement; the management development concept is also important to develop the quality of management as the organization expects. **Continuous Improvement and Renewal** is an organization, and employees try to do everything to improve and upgrade products, services, and work processes in a smarter. This component helps the organization speedily adapt to the environment. **Long-term Orientation** is the long-term

relationship with all groups of stakeholders, such as employees, suppliers, clients, and society. Having a long-term strategic plan supports the organization's competitiveness, such as providing supplier development programs, which would result in the firms earning quality products at lower prices. **Employee Quality** is how power and decision making is shared and distributed throughout the organization. The organization inspires or drives employees to work fully on their performance so they can achieve better results or allow them to create or look for new productive and effective approaches to achieve the desired results that impact the organization's performance. **Openness and Action Orientation** are focused on employees' opinions by allowing them to conduct experiments while accepting their mistakes as lessons learned. This then returns to conducting a dialogue with each other to improve employee performance.

Dynamic capabilities are also the keywords to generate competitive advantage. The continual development of dynamic capabilities is needed to maintain a business's competitive advantage. The synthesis results of Competitive Advantage found that the components of competitive advantage as Differentiation, Cost Leadership, and Innovative Technology and Process are the key fundamentals for maintaining the competitive advantage of an organization. **Differentiation** is unique in product features, location, brand image, technology & innovation, dealers, network, customer service, or quality which customers are willing to pay. The difficulty of imitation is the key word of differentiation; the organization should focus on strength points based on core business, then develop them beyond competitors. **Cost Leadership** is when the firm takes advantage of economies of scale by producing high volumes of standardized products and then offering customers products or services at the lowest price compared to competitors' products with similar attributes. Additionally, it can encourage employees in the organization to conduct internal improvement in the operation process. This is beneficial for the organization's effectiveness, which indirectly impacts cost reduction. **Innovative Technology and Process** concerns finding or creating new activities, smarter, and more efficient ways of delivering products, services, processes, and structures in an organization. An organization needs to clarify the innovation needs, including the benefits or impact of technology. However, innovative technology means not only investment in machines, software, or applications but also the ideas and initiatives of employees for organizational improvement. Innovation can lead to better working processes that support the competitive advantage of an organization.

Recommendations

To support long-term business success, a manufacturing industrial needs to realize to create and utilize human resources as a strong foundation of organizations. Therefore, the employees can possess Dynamic Capabilities impact to organization performance, to enhance High Performance Organizations and to sustain the Competitive Advantage of the organization. To make it possible, an organization should understand and focus on developing each component. The recommendations for creating employee's dynamic capability, enhancing high-performance organization and sustain competitive advantage of manufacturing industry as follow. Developing on **Sensing Capability**, building a sense to all employee levels are very challenging. Organization should provide engagement activity by empowering employees to bring their skill to initial innovation in their work to align business needs or design communication kits which suitable for sharing business information with difference level of employees. **Transforming Capability**, organization can support employees in converting new ideas, processes into practical ways. Organization should encourage employee to conduct routine improvement activities. To motivate them, organization should add a recognition program (special benefits), including with adding improvement results into performance review each of them. **Learning Capability** is fundamental to build up a competitive advantage though the accumulation of knowledge and experiences, organization should design work process that encourage employee to explore the new methods of their routine, establish a structure learning and development framework that easy for employees to follow, create learning environment by providing knowledge-sharing platforms then apply new knowledge to their colleagues.

Enhancing **Management Quality**, organization should identify important managerial competencies, characteristics and behaviors that align with organization expected, then develop their performance through project management to allow manager to recognize and acquire essential skill according to financial outcome. To motivate management to drive KPIs success, the organization should offer specific benefits or package based on performance or results. Fostering **Continuous improvement and Renewal**, organization should provide employee with opportunities to innovate the work process and solve problem based on their experience, this component is paralleled develop on **Openness and Action Orientation**, encourage cross-functional improvement activity could support an open discussion, diverse ideas, acceptance, enhancing employee engagement and building trust in organization. Emphasizing **Long-Term Orientation**, organization should engage win-win

initiative that benefits to key stakeholders who significant influence over the organization – Supplier, organization should provide a development program for enhancing their ability to produce material with quality and low cost, and Employees, organization should provide a safety work environment both physical and mental health. Investing in **Employee Quality**, organization should design development program that cater to employee's varying performance level. For standard performance and high potential employee, organization should develop them by assign challenging project and providing them clearly on career opportunities. For underperforming employees should offer targeted training and development programs to help them meet or exceeding standards performance.

Strengthening on **Differentiation and Cost Leadership** are fundamental or manufacturing industry to sustaining business operations. To maintaining high product quality with cost-efficiency also enhance customer satisfaction, the organization should prioritize building expertise in employees according to employee skill can deliver superior quality and cost-effective solutions in manufacturing. And leveraging **Innovative Technology and Process**, innovation is the outcome of employees' ideas that add value to the business, fostering a culture of innovation, using dynamic capabilities to bridge the gap between intellectual capital and innovation performance, including with implementing new tools and systems to support improving initiatives of employee.

REFERENCE

- Ali, M. A., Hussin, N., Haddad, H., Alkhodary, D., & Marei, A. (2021). Dynamic Capabilities and Their Impact on Intellectual Capital and Innovation Performance. *Sustainability*, 13(18), 10028. <https://doi.org/10.3390/su131810028>
- American Management Association. (2007). *How to Build a High-Performance Organization: A Global Study of Current Trends and Future Possibilities 2007-2017*. Retrieved from <https://www.yumpu.com/en/document/view/10581445/how-to-build-a-high-performance-organization>
- Barney, J. B. (2011). *Gaining and Sustain Competitive Advantage* (4th ed.). Boston: Prentice-Hall.
- Beigi, S., Malekakhlagh, E., Nosratpanah, R., & Safari, M. (2023). A Framework for Firm Performance Under the Influence of Knowledge Management and Dynamic Capabilities: Examining the Mediating Role of Sustainable Competitive Advantage. *Iranian Journal of Management Studies*, 16(1), 205-227.
- Blanchard, K. (2007). *Leading at a high level: Blanchard on leadership and create high performance organization*. Boston: Prentice-Hall.
- Buytendijk, F. (2006). Five Keys to Building a High Performance Organization. *Business Performance Management Magazine*, 1(1), 36-47.
- Chancharoen, P., Pranee, S. & Pungnirund, B. (2024). Business performance model of butcher shop entrepreneur in Thailand. *The Journal of Development Administration Research*, 14(1), 223-235
- Charoenchai, W., Kunacheva, N., Niyomves, B., & Kenaphoom, S. (2022). The Composition Synthesis of High-Performance Organization (HPO). *Journal of Modern Learning Development*, 7(2), 438-454.
- Chareonwongsak, K. (2020). Preparing Thailand for the ASEAN Economic Community. *King Prajadhipok's Institute Journal*, 10(3), 1-17. Retrieved from https://so06.tci-thaijo.org/index.php/kpi_journal/article/view/244399
- Darawong, C. (2017). Enhancing Dynamic Capability of New Product Development Teams in Responding to Shifting Business Environment. *Journal of Business Economics and Communication*, 21(1), 22-31.

- David, F. R., & David, F. R. (2017). *Strategic Management Concepts: a Competitive Advantage Approach, Concepts*. London: Pearson.
- De Waal, F. B. (2008). Putting the Altruism Back into Altruism: the Evolution of Empathy. *Annu. Rev. Psychol.*, 59(1), 279-300.
- De Waal, A. (2015). *The Real Politics of the Horn of Africa: Money, War and the Business of Power*. New Jersey: John Wiley & Sons.
- De Waal, A. (2020). Future-proofing the high-performance organization. *Sustainability*, 12, 1-14.
doi:10.3390/su12208507
- Ehmke, M. D., Katare, B., Kiesel, K., Bergtold, J. S., Penn, J. M., & Boys, K. A. (2022). US agricultural university students' mental well-being and resilience during the first wave of COVID-19: Discordant expectations and experiences across genders. Retrieved from https://repository.lsu.edu/ag_econ_pubs/242/
- Eng, T. Y., & Okten, D. (2011). Exploring a dynamic framework of innovative capability: A theoretical integration of technological and marketing capabilities. *Technology Analysis & Strategic Management*, 23(9), 1001-1013.
- Fatoki, O. (2021). Dynamic Capabilities and Performance of Hospitality Firms in South Africa: the Mediating Effect of Innovation. *Geo Journal of Tourism and Geosites*, 36, 616-623.
doi:<https://doi.org/10.30892/gtg.362spl08-690>
- Foss, N. J. (2012). *Management Strategy: Achieving Sustained Competitive Advantage*. Boston: McGraw-Hill.
- Gerduang, A., & Bunchaphattanasakda, C. (2021). Development Guideline to be a High-Performance Organization of the Office of National Broadcasting and Telecommunication Commission (NBTC). *EAU Heritage Journal*, 11(1), 83-101.
- Hadj, T. B. (2020). Effects of Corporate Social Responsibility Towards Stakeholders and Environmental Management on Responsible Innovation and Competitiveness. *Journal of Cleaner Production*, 250, 119490.
- Holbeche, L. (2004). HR and the High-Performance Organization. *Strategic HR Review*, 5(2).
doi: 10.4324/9780080478333
- HPO Center (2019). *The High-performance organization (HPO) framework*. Retrieved from <https://www.hpocenter.com/hpo-framework/>

- Jintana, S., Boonlab, S., & Supromin, C. (2022). A Study of Capability to Create Competitive Advantages of Community Enterprises in Pathumthani Province. *Journal of Liberal Arts*, 3(2), 35-45.
- Jurksiene, L., & Pundziene, A. (2016). The Relationship Between Dynamic Capabilities and Firm Competitive Advantage: The Mediating Role of Organizational Ambidexterity. *European Business Review*, 28(4), 431-448.
- Kaewjunant, S., & Pongpeng, J. (2020). Factors for Evaluating Building Sustainability of Contractors Affecting Competitive Advantage. *Ladkrabang Engineering Journal*, 37(4), 26-35.
- Kanjaikaew, P., Chemsripong, S., & Khorchuklang, S. (2023). The Influence of IT-Enabled Dynamic Capabilities and Service Innovations Affecting Competitive Advantage and Business Performance of Modern Trade. *Journal of Business, Innovation and Sustainability (JBIS)*, 19(1), 205-221.
- Kaplan, R. S. (2001). Conceptual Foundations of the Balanced Scorecard. *Handbooks of Management Accounting Research*, 3, 1253-1269.
- Kareem, M. A., & Mijbas, H. A. (2019). The Impact of Human Resource Development on Employee Performance and Organizational Effectiveness. *Journal of Business, Economics and Communication*, 15(1), 150-173.
- Lepak, D., & Gowan, M. (2010). *Human Resources Management: Managing Employees for Competitive Advantage*. n.p.
- Linder, J. C. & Brooks, J. D. (2004). Transforming the public sector. *Outlook Journal*, 60 (10), 68-76.
- Lumpkin, D., & Eisner, A. B. (2010). Creating the Environmentally Aware Organization. *Leading Organizations: Perspectives for a New Era*, 21-36.
- Marcus, A. A. (2011). *Management Strategy: Achieving Sustained Competitive Advantage*. Boston: McGraw-Hill.
- Miller, L. M. (2002). *The High-Performance Organization: An Assessment of Virtues and Values*. Paris: European Bahá'í Business Forum.
- Ministry of Economic, Trade and Industry. (2020). *Overview of Manufacturing Industry*. Retrieved from https://www.meti.go.jp/english/policy/mono_info_service/overall/index.html
- Mische, A. (2001). Juggling Multiple Futures: Personal and Collective Project-Formation Among Brazilian Youth Leaders. *Leadership and Social Movements*, 137-159.

- Nieves, J. J., Stevens, F. R., Gaughan, A. E., Linard, C., Sorichetta, A., Hornby, G., ... & Tatem, A. J. (2017). Examining the Correlates and Drivers of Human Population Distributions Across Low-and Middle-Income Countries. *Journal of the Royal Society Interface*, 14(137), 20170401.
- Noordin, M. A., & Mohtar, S. (2013). Innovation Capability: a Critical Review of Its Role in Determining Firm Performance. *Research Journal of Social Science & Management*, 3(4), 220-226.
- Nur, W. W., Moertono, B., & Muafi. (2023). The mediating role of creativity on the effect of knowledge sharing on sustainable competitive advantage. *ABAC Journal*, 43(2), 42-61. <https://doi.org/10.14456/abacj.2023.14>
- Patcharachotsuthi, P. (2022). The Modern Service Strategies to Create a Competitive Advantage of Travel Agents in the Mekong Provinces in the Northeastern Region. *Journal of Business, Economics and Communications*, 17(1), 152-166.
- Pattanasing, K., Aujirapongpan, S., & Srimai, S. (2019). Dynamic Capabilities and High-Performance Organization of Hotel Business: Empirical Investigation into World Class Tourism Destination. *Tourism and Hospitality Management*, 25(2), 377-401. <https://doi.org/10.20867/thm.25.2.8>
- Pattanasing, K., Aujirapongpan, S., Ritkaew, S., Chanthawong, A., & Deelters, S. (2021). The Impact of Dynamic Capabilities and Dynamic Performance Measurement on Competitive Performance: Evidence from Thai Hotel Entrepreneurs. *Entrepreneurship and Sustainability Issues*, 8(3), 10-28. [https://doi.org/10.9770/jesi.2021.8.3\(1\)](https://doi.org/10.9770/jesi.2021.8.3(1))
- Pavlou, P. A., & El Sawy, O. A. (2011). Understanding the Elusive Black Box of Dynamic Capabilities. *Decision Sciences*, 42(1), 239-273.
- Porter, M. E. (1980). *Competitive Strategy*. New York: The Free Press.
- Ramanut, S., & Boonyoo, T. (2019). Influence of Sustainable Competitive Advantage as the Interacting Variables Between the Market Orientation and the Performance of Thai Frozen Seafood Industry. *Silpakorn University Journal*, 39(5), 146-158.
- Rashidirad, M., & Salimian, H. (2020). SMEs' Dynamic Capabilities and Value Creation: The Mediating Role of Competitive Strategy. *European Business Review*, 32(4), 591-613.

- Rogers, P., & Blenko, M. (2006). Who Has the D. *Harvard Business Review*, 84(1), 52-61.
- Rotjanakorn, A. (2019). The Effect of Disruptive Technology in Thai Automotive Industry. *Burapha Journal of Business Management*, 8(2), 1-14.
- Runyan, R. C., Huddleston, P., & Swinney, J. L. (2007). A Resource-Based View of the Small Firm: Using a Qualitative Approach to Uncover Small Firm Resources. *Qualitative Market Research: An International Journal*, 10(4), 390-402.
- Statista. (2024). *Manufacturing sector in Thailand*. Retrieved <https://www.statista.com/topics/9315/manufacturing-sector-in-thailand/#topicOverview>
- Satimanon, T. (2017). Thailand's labor mismatch: contemporary situations and solutions. *NIDA case Research Journal*, 9(1), 1-38.
- Sowaphas, R., Duangdara, A. & Otayarak, R. (2020). Organization Development for Creating High Performance Organizations in the 21st. Century. *Journal of Valaya Along Review (Humanities and Social Science)*, 10(2), 229-239.
- Schermerhorn, J. R., Hunt, J. G., & Osborn, R. N. (2003). *Organizational Behavior* (9th ed.). New York: John Wiley & Sons.
- Siriyasub, Y., Jadesadalug, V., & Thammaapipon, S. (2024). The Influence of Integrated Dynamic Capability, Risk Management by Environmental Considerations, Potentiality of Resource Management Towards Green Innovation Management in the Chemical Manufacturing Industry in Thailand. *Romphruek Journal of the Humanities and Social Sciences*, 42(1), 182-201.
- Sitanggang, C. H., & Absah, Y. (2019). The Influence of Innovation, Cost Leadership Strategy and Customer Orientation on Competitive Advantage and Its Impact on Customer Satisfaction at Container Depot of Pt Masaji Tatanan Container Branch of Belawan. *International Journal of Research and Review*, 6(1), 34-46.
- Songsom, A. (2019). Effects of Innovativeness on Competitive Advantage of Small and Medium Enterprises (SMEs) in Songkhla Province. *Humanities, Social Sciences and Arts*, 12(3), 821-835.
- Songsuntonchiwong, C. (2016). Service innovation: A strategy that create a competitive advantage of the service business organization. *Modern Management Journal*, 14(2), 13-24.

- Sowaphas, R., Duangdara, A., & Otayarak, R. (2020). Organization Development for Creating High Performance Organizations in the 21st Century. *Journal of Valaya Along Review (Humanities and Social Science)*, 10(2), 229-239.
- Sumer, M. (2012). Compressive Strength and Sulfate Resistance Properties of Concretes Containing Class F and Class C fly ashes. *Construction and Building Materials*, 34, 531-536.
- Teece, D. J. (2012). Dynamic Capabilities: Routines Versus Entrepreneurial Action. *Journal of Management Studies*, 49(8), 1395-1401.
- Teece, D. J. (2014). The Foundations of Enterprise Performance: Dynamic and Ordinary Capabilities in an (Economic) Theory of Firms. *The Academy of Management Perspectives*, 28(4), 328352. <https://doi.org/10.5465/amp.2013.0116>
- Teece, D. J. (2016). Dynamic Capabilities and Entrepreneurial Management in Large Organizations: Toward a Theory of the (Entrepreneurial) Firm. *European Economic Review*, 86, 202–216. <https://doi.org/10.1016/j.euroecorev.2015.11.006>
- Teece, D., & Leih, S. (2016). Uncertainty, Innovation, and Dynamic Capabilities: An Introduction. *California Management Review*, 58, 5-12. doi:10.1525/cmr.2016.58.4.5
- Teece, D. J., Pisano, G., & Shuen, A. (1997). Dynamic Capabilities and Strategic Management. *Strategic Management Journal*, 18(7), 509-533.
- Thanapatra, V. (2020). The Model of Competitive Advantage of Small Hotels in Thailand. *Journal of Modern Management Science*, 13(1), 21-32.
- Thapayom, A. (2022). The Relationships among Target Cost Management, Cost Advantage, Customer Satisfaction and Sustainable Competitive Advantage of Micro, Small and Medium-sized Enterprises (MSMEs) in Thailand. *Journal of Accountancy and Management*, 14(4), 198-215.
- Wang, Y., Jodoin, P. M., Porikli, F., Konrad, J., Benezeth, Y., & Ishwar, P. (2014). CDnet 2014: An expanded Change Detection Benchmark Dataset. In *Proceedings of the IEEE Conference on Computer Vision and Pattern Recognition Workshops* (pp. 387-394).
- Wannarak, J., Uon, V. & Teerathanachaiyakun K. (2018). The competitive advantage model of transporation and logistics business. *MCU Social Science Review* , 7(4), 264-276.
- Winter, S. G. (2003). Understanding Dynamic Capabilities. *Strategic Management Journal*, 24(10), 991-995.

- Wongwanich, B., & Chienwatthanasuk, K. (2021). The Casual Effect of Dynamic Capabilities and Information System Quality on the Performance of Small and Medium Enterprises in the Digital Age: The Study of Mediating Variables of Product, Process and Marketing Innovation. *Journal of Management Science Nakhon Pathom Rajabhat University*, 8(2), 422-445.
- Wang, C. L., & Ahmed, P. K. (2007). Dynamic capabilities: A review and research agenda. *International Journal of Management Reviews*, 9(1), 31-51.
- Xanthopoulou, S., Tsiotras, G., Kafetzopoulos, D., & Kessopoulou, E. (2023). Investigating the Relationships Among High-Performance Organizations, Knowledge-Management Best Practices, and Innovation: Evidence from the Greek Public Sector. *Sustainability*, 15(18), 13810. <https://doi.org/10.3390/su151813810>
- Zbierowski, P. (2019). Positive Deviance as a Mediator in the Relationship Between High Performance Indicators and Entrepreneurial Orientation. *Entrepreneurial Business and Economics Review*, 7(2), 217-233.
- Zhou, S. S., Zhou, A. J., Feng, J., & Jiang, S. (2019). Dynamic Capabilities and Organizational Performance: The Mediating Role of Innovation. *Journal of Management & Organization*, 25(5), 731-747. <http://dx.doi.org/10.1017/jmo.2017.20>
- Zollo, M., & Winter, S. G. (2002). Deliberate Learning and the Evolution of Dynamic Capabilities. *Organization Science*, 13(3), 339-351, <https://doi.org/10.1287/orsc.13.3.339.2780>
- Yaemsuda, T. (2023). Knowledge Management: tool for driving the learning organization and high-performance organization. *Royal Thai Nay Medical Journal*, 45(1), 170-181.