

Predicting Organizational Innovation from Entrepreneurial Orientation and Dynamic Capabilities: The Moderating Role of Environmental Dynamism

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1. Round 1

1.1. Reviewer 1

Reviewer:

The final portion of the Introduction appropriately identifies several research gaps, but the manuscript should convert these gaps into explicit hypotheses. The study currently transitions directly from the theoretical discussion to the sentence “The aim of this study was to predict organizational innovation...” without formally stating directional hypotheses. Based on the theoretical framework, the authors should formulate separate hypotheses for the positive effect of entrepreneurial orientation on organizational innovation, the positive effect of dynamic capabilities on organizational innovation, and the moderating effects of environmental dynamism on each relationship. If environmental dynamism is also treated as a direct predictor, an additional hypothesis or theoretical justification for that path is needed.

The Study Design and Participants paragraph reports that “A total of 450 questionnaires were distributed... [and] 412 valid questionnaires remained for statistical analysis,” but no statistical justification for the target sample size is provided. The

manuscript should include an a priori power analysis or another defensible sample-size determination procedure based on the most complex analysis in the study, particularly the interaction effects in hierarchical regression or the confirmatory factor analysis. Reporting only the final sample and response rate does not establish that the study was adequately powered to detect moderation effects, which are often substantially smaller than main effects.

The participant-selection procedure described as “a combination of purposive and stratified sampling procedures” requires much more detail for reproducibility. The manuscript should explain the sampling frame, the source from which eligible Thai SMEs were identified, the basis of the strata, the proportion allocated to each business sector, the method used to select organizations within strata, and the procedure used to identify one respondent within each organization. It should also clarify whether multiple respondents could come from the same firm. Without this information, it is difficult to evaluate selection bias, representativeness, or the independence assumption underlying the regression analysis.

The Data Collection Tools section states that “The entrepreneurial orientation measure consisted of nine items adapted from the widely applied scale developed by Covin and Slevin,” whereas the remaining instruments are described more generally as being adapted from established measures. The manuscript should provide the exact original source, number of items, dimensional structure, scoring procedure, and example item for every construct, including dynamic capabilities, organizational innovation, and environmental dynamism. The authors should also specify whether any items were deleted or modified following pilot testing or confirmatory factor analysis. Such information is essential for measurement transparency and future replication.

The paragraph describing the Thai translation procedure is appropriate, but the psychometric adaptation process should be reported more rigorously. The manuscript states that the items were “translated into Thai by a bilingual researcher” and “back-translated into English by an independent bilingual expert,” yet it does not report whether the translators were blinded to the original version, how discrepancies were adjudicated, or how cultural equivalence was assessed. The number and qualifications of content-validation experts and the size of the pilot sample should also be reported. If quantitative content-validity indices were calculated, such as CVI or CVR, these should be presented.

Table 4 and the accompanying moderation analysis require greater methodological detail. The manuscript reports that the continuous variables were mean-centered before constructing interaction terms, but it does not state whether standardized or unstandardized variables were used for simple-slope calculations, how conditional effects were estimated, or whether bootstrapped confidence intervals were obtained. The authors should report 95% confidence intervals for both interaction coefficients and conditional slopes. A Johnson–Neyman analysis would provide an even more informative account of the moderator by identifying the range of environmental dynamism across which the focal effects are statistically significant rather than restricting interpretation to arbitrary ± 1 SD values.

Authors revised the manuscript and uploaded the new document.

1.2. Reviewer 2

Reviewer:

The Data Analysis section indicates that “Potential multicollinearity among predictor variables was examined through tolerance and variance inflation factor values,” but the Findings section does not report the corresponding diagnostic statistics. Because entrepreneurial orientation and dynamic capabilities correlated at $r = .57$ and both entered the same regression model along with interaction terms, the authors should report tolerance and VIF values for the final regression equation. Regression diagnostics should also include residual normality, homoscedasticity, influential observations, and independence of errors. The manuscript should state the thresholds applied and provide sufficient evidence that the assumptions were satisfied before interpreting regression coefficients.

Table 1 requires clarification regarding the interpretation of the descriptive means. The manuscript states that mean scores “were above the theoretical midpoint... indicating generally favorable levels” of all constructs, including environmental dynamism. A score above the midpoint for environmental dynamism does not necessarily represent a favorable organizational

condition; it indicates greater perceived environmental change and unpredictability. The terminology should therefore be revised so that descriptive interpretations remain conceptually neutral. In addition, confidence intervals for means or correlations would improve the statistical reporting, particularly because the manuscript makes substantive comparisons between the relative magnitudes of associations.

The paragraph reporting Table 2 concludes that “Discriminant validity was also considered satisfactory because the constructs remained empirically distinguishable and the correlations among them were below levels suggestive of construct overlap.” This is insufficient evidence for discriminant validity. Given the conceptual proximity between entrepreneurial orientation, particularly its innovativeness dimension, and organizational innovation, a formal discriminant-validity assessment is essential. The manuscript should report the HTMT ratio, Fornell–Larcker criterion, or preferably both, together with their acceptance thresholds. A comparison of the proposed four-factor CFA model against plausible alternative models, such as models combining entrepreneurial orientation and organizational innovation, would provide especially important evidence.

The hierarchical regression results in Table 3 should be reconsidered with respect to the treatment of “business sector” as a control variable. The table reports one regression coefficient for business sector, suggesting that a multicategory nominal variable may have been entered as though it were continuous. Because the sample includes manufacturing, wholesale and retail, ICT, hospitality, professional services, and other sectors, business sector should normally be dummy-coded or effect-coded using an explicitly stated reference category. The regression should be re-estimated using appropriate categorical coding, and the Methods and Findings should identify the reference group and report the resulting coefficients.

The statement following Table 3 that “Dynamic capabilities exhibited the strongest standardized direct effect on innovation” should be interpreted more cautiously. A larger standardized coefficient does not by itself establish that one predictor is statistically more important than another. If the authors intend to claim that dynamic capabilities have a stronger effect than entrepreneurial orientation, they should formally test the difference between the regression coefficients or use appropriate relative-importance procedures. Otherwise, the wording should simply state that dynamic capabilities produced the larger standardized coefficient within the fitted model without implying a statistically established superiority.

Authors revised the manuscript and uploaded the new document.

2. Revised

Editor’s decision after revisions: Accepted.

Editor in Chief’s decision: Accepted.