

The Mediating Role of Sustainability in the Relationship between Non-Technical Innovation and Competitive Advantage.

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Abstract

Today's hypercompetitive business environment requires organizations to find new ways to stand out and sustainability has emerged as a crucial strategy. The intricate relationship that exists between sustainability, competitive advantage, and non-technical innovation is examined in this research. We investigate how non-technical innovations, such as organizational strategies, marketing efforts, and human resource management practices, impact competitive advantage via the mediating pathway of sustainability practices, using a mixed-method approach. This research emphasizes the importance of non-technical innovation to sustainability-driven practices inside firms by drawing on an extensive literature assessment. Our findings indicate that non-technical innovation significantly predicts the adoption of sustainable strategies, thereby fostering the creation of a sustainable competitive advantage. Further illustrating the critical role that sustainability practices play in leveraging creative efforts for sustained competitive success, sustainability mediates the link between non-technical innovation and competitive advantage. The research adds to the body of knowledge by explaining the role of sustainability as a moderator in the link between non-technical innovation and competitive advantage. The study's conclusions have significant management implications as they highlight how crucial it is to incorporate sustainability efforts that originate from non-technical innovation to strengthen competitive positioning in ever-changing market environments.

Keywords: Non-technical Innovation, Management Innovation, Marketing Innovation, Sustainability, Competitive advantage

Introduction

There is growing pressure on enterprises to integrate sustainable practices into their operations as the worldwide attention on sustainability keeps growing (UN DESA, 2019). Sustainability is seen as both a moral duty and a strategic necessity for preserving a competitive advantage in the modern corporate world. The growing realisation that business models must alter to meet the issues of climate change, resource depletion, and social inequity is the reason behind the increased focus on sustainability (El-Kassar & Singh, 2019; Hermundsdottir & Aspelund, 2021). Businesses are starting to understand that sustainability is not only a strategic need, but also a moral duty. The incorporation of sustainable concepts into corporate operations has been recognized by emerging research as a determinant of competitive advantage (Gadenne et al., 2012). It has been emphasised that sustainability encompasses not only environmental management but also social and economic aspects. Organizations are now searching for sustainable models that take into account the various facets of sustainability while making decisions at the strategic level as a result of this shift in viewpoint (Tang et al., 2018).

The global business landscape of the twenty-first century is characterised by rapid changes and uncertainty, compelling organisations to explore beyond traditional management methods, which are under examination in terms of innovation (P. Drucker, 2013; Kuratko et al., 2015). Firms must now be flexible in their behaviour to respond to a variety of shifting stimuli, and organisations that innovate by using their internal resources can contribute to improving corporate efficiency (Vihari & Rao, 2017). Innovation is an iterative process that begins with the perception of a problem or unmet customer need and ends with developing, producing, and promoting a product or service that addresses this opportunity (Nisula et al., 2023).

Innovation is regarded as one of the key aspects of an organization's success, especially in the modern-day dynamic world (Urban & Verachia, 2019). In light of its potential to significantly impact organisational performance, innovation has consequently become a top priority for many organisations (Bernardi et al., 2022). This acknowledgement includes both technological (product and process) innovation and non-technological innovation (organisational and marketing), (OECD, 2005), and management innovations (Hamel, 2006). Despite extensive research on innovation, most of the research has focused on various aspects of technological innovation, and the innovation literature has paid insufficient attention to other aspects of innovation (Wei et al., 2020b). Scarce research on non-technological innovation implies two reasons, the growth stage of non-technological innovation and the growing significance of technological innovation on the firm performance (Kraśnicka et al., 2016).

Non-technical innovation is a crucial component of businesses' innovation efforts that support and enhance technological innovation (Ul Haque et al., 2018). "Non-technological innovation is defined as the introduction of new organisational methods or the introduction of new marketing methods" (Schmidt & Rammer, 2007). Unlike technological innovation, management innovation and marketing innovation influence a firm's 'social' aspects rather than physical technologies (Nelson & Sampat, 2001). Oslo Manual (OECD, 2005) identified non-technological innovation consisting of marketing innovation and Organisational innovation. The term organisational innovation is similar to management innovation (Damanpour & Aravind, 2012; Meuer, 2014) and Ganter & Hecker (2013) argue that both can be considered consistent.

Management Innovation is defined as developing and implementing new managerial techniques, methods, or structures designed to improve firm performance (Birkinshaw et al., 2008; Damanpour & Aravind, 2012). Simply, it discusses changes in what and how managers carry out their duties. Even though in recent years a number of publications on management innovation have been released, the observation made in 2006, that "despite its importance, management innovation remains poorly managed and poorly understood", is still pertinent (Birkinshaw, 2006).

According to the Oslo Manual (OECD, 2005), Marketing innovation is "the deployment of a novel marketing approach, involving major modifications in product design or packaging, product positioning, product promotion, or pricing.". The Oslo Manual (OECD, 2005) emphasises that marketing innovation can open new markets, answer customer demands, and reposition items in the market to enhance sales. Product or service innovations will be meaningless if they do not attain commercial success (Byrd, 2003).

Currently, it is in need of research studies with new perspectives that go beyond the technological sphere and focus on the human side of innovation (Weiss et al., 2022). In the present study, the researcher attempts to examine the influence of management and marketing innovation on the competitive advantage of SMEs also considers the mediating role of sustainability on this relationship. The work theoretically adds to the limited body of research on the relationship between non-technological innovation and organisational performance

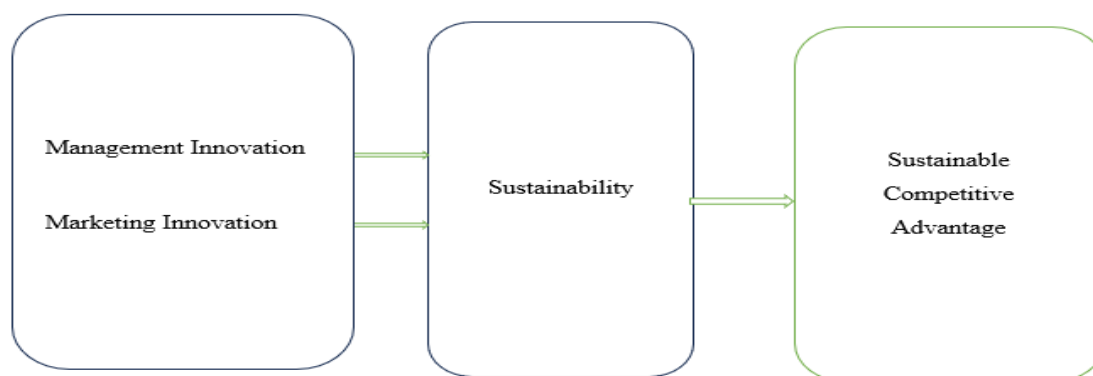


Figure 1. Conceptual model

Source: Author's own Work

Theoretical framework & Developing Research Hypotheses

A plethora of research has been conducted on the influence of innovation on competitive advantage, and recently sustainability emerged as a focal point in management research. The underlying theory for this study is taken from the Value Creating Theory, Resource Based View (RBV), Dynamic Capability Theory (DCT) and Natural Resource Based View (NRBV), an extension of RBV theory, since the topic of the study is related with sustainability, innovation and competitive advantage. Both RBV and DCT emphasize the importance of resources and capabilities in helping businesses stand out from the competition, improve performance, and gain a competitive edge.

Sustainability and Competitive Advantage

Companies aim to create and preserve a sustainable competitive edge in the cutthroat competition of today. The capacity of a business to continuously and persistently outperform rivals over an extended period of time is referred to as a sustainable competitive advantage. Development of core competences, such as innovation, is one of the primary traits of a sustainable competitive advantage (Stoyanova & Angelova, 2018). These key capabilities help businesses stand out from the competition and provide superior service to their target customers. Businesses may meet their ethical and environmental obligations and obtain a competitive advantage in the market by adopting sustainable management strategies (Novitasari & Agustia, 2022). Moreover, sustainability has an effect on manufacturing companies' overall competitiveness (Hermundsdottir & Aspelund, 2021). Businesses can improve their brand image, draw in eco-aware clients, and adhere to ever-tighter environmental rules by incorporating sustainability principles into their operations. This article will look at the connection between sustainability and competitive advantage, with emphasis on how sustainable supply chain management may help a business succeed over the long run in its sector.

Management innovation and Competitive Advantage

Management Innovation is defined as "generation and implementation of management practice, process, structure, or technique that is new to the art and is intended to further organisational goals" (Birkinshaw et al., 2008). In simple terms, it explains changes in the ways managers do their work. Thus, Management Innovation deals with changes such as how managers formulate their goals, make decisions, plan activities, and inspire employees (Gary Hamel, 2006). Despite the fact that Schumpeter proposed various types of innovation, such as product, market, process, and organisation, some innovations involving top level managerial activities are better for an organisation's success due to R&D initiatives and inventive strategies (Nemlioglu & Mallick, 2017). Additionally, it is claimed that MI helps companies to implement a variety of cutting-edge and technological practices that are necessary for the efficient execution of organizational operations (Hollen et al., 2013). MI has been acknowledged as a crucial instrument for boosting business economic growth and profits. MI can greatly improve business performance in challenging circumstances (Seo & Chae, 2016). Management Innovation improves organisations in different ways, but it has a crucial part in improving business output and efficiency (Mol & Birkinshaw, 2009). Hinterhuber & Liozu (2017) claimed that an inventive managerial system makes use of a variety of rules and procedures to efficiently use resources, enabling companies to establish long-term competitive heights. Top level management believes that MI plays a critical role in corporate excellence. As a result, they devote sufficient attention to design MI in different areas (Mol & Birkinshaw, 2009). Although management activities benefit businesses in a variety of ways, their influence on the technological innovation, which boost the profits of the business should never be underrated (Haneda & Ito, 2018). MI assists the businesses in attaining high performance by combining different activities in new ways inside the firms. More importantly, MI is a key factor in determining how well a business performs (Hervas-Oliver et al., 2017; Jackson et al., 2016). MI is said to have a substantial and favourable impact on a company's financial success (Walker et al., 2015).

Therefore,

Hypothesis 1: Management innovation improves Competitive Advantage

Marketing innovation and Competitive Advantage

Half a century ago, Drucker commended: "Because the purpose of business is to create a customer, the business enterprise has two and only two basic functions: marketing and innovation. Marketing and innovation produce results; all the rest are costs" (P. F. Drucker, 1955). Marketing innovation is the adoption of a new marketing strategy that involves

major changes in product design or packaging, product positioning, product promotion, or pricing (OECD, 2005). Marketing innovations aim to better answer customer wants, open up new markets, or reposition a company's product on the market in order to increase sales. Marketing innovations are heavily tied to price tactics, product package design qualities, product placement, and promotion activities along the lines of the marketing four P's (Armstrong & Kotler, 2018). Businesses innovate their marketing strategies to increase the effectiveness of their operations (Polder et al., 2010). When compared to product innovation, marketing innovation might be simpler and less expensive for a company (Karabulut, 2015). Despite considerable development of product and process innovations, little attention has been dedicated to creative marketing methods (Claudy et al., 2015; Geldes et al., 2017). Recently there have been multiple requests to explore marketing innovations (Brexendorf et al., 2015; Grimpe et al., 2017; Nguyen et al., 2015). Bhaskaran (2006) discovered that Australian SMEs that concentrated on sales and marketing innovations could successfully compete with large corporations.

Hypothesis 2: Marketing innovation improves Competitive Advantage

Mediating role of sustainability on the relationship between innovation and competitive advantage

In today's rapidly changing business environment, companies are increasingly recognizing the importance of sustainability in gaining a competitive advantage (Semenova et al., 2023). Sustainable competitive advantage goes beyond traditional business strategies and emphasizes the significance of sustainable practices and innovation. By incorporating sustainability into the core competencies of the organization, firms can continuously discover and implement innovative approaches (Tang et al., 2018). This continuous process of innovation, as highlighted by Barney, can lead to the development of sustainable competitive advantage (Barney, 2016). Moreover, sustainability is not only crucial for meeting stakeholders' expectations but also for achieving the company's objectives for sustainable development. It is evident that sustainability has become a vital component of achieving a competitive advantage, not only in the business world but also in society as a whole (Riaz et al., 2023). In conclusion, it is imperative for manufacturing firms to recognize the significance of sustainability in building and maintaining a competitive advantage.

A majority of studies found a positive relationship between sustainability innovations and firm competitiveness, but the relationship is complex and influenced by various factors (Hermundsdottir & Aspelund, 2021). Studies also explain the mediating role of sustainability, Zhang et al., (2019) found sustainability playing a partial mediating role between technical innovation and organisational performance and similar to that, present study hypothesize that

Hypothesis 3: Sustainability improves Competitive Advantage

Hypothesis 4: Sustainability mediates the relationship between management innovation and competitive advantage.

Hypothesis 5: Sustainability mediates the relationship between management innovation and competitive advantage.

Methodology

The purpose of the investigation was to verify the proposed relationships depicted in the conceptual model (Figure 1). A self-administered survey was used to gather empirical data from Indian companies. The study targeted only the manufacturing companies, which ensured homogeneity and eliminated major differences in the sample characteristics. As India is a growing economy, Indian companies provide an appropriate setting for the study. The sample was made up of owners and senior managers of the companies, who were aware of all the strategies of the business. A total of 216 completed questionnaires were received and the profile of the respondents are shown in Table 1.

Table 1. Demographic profile of the sample

Characteristics	N=216 Frequency	%
Number of employees		
Below 10	23	11

11 to 30 years	87	40
31 to 50 years	69	32
More than 50	37	17
Gender		
Male	164	76
Female	52	24
Education		
Secondary	72	33
Graduate	103	48
Post Graduate	41	19
Experience		
Below 10 years	34	17
11 to 20 years	65	30
21 to 30 years	68	31
More than 30 years	49	22

Common method bias

After the data were gathered, further tests were run to determine the existence of CMB. we first used Harman's single-factor test. A total of 24 items from the questionnaire were tested. Using this method, the first component accounted far less than half of the variance in the variables, specifically 25.917%. As a result, there was no significant CMB. Second, the entire collinearity evaluation technique was applied in the partial least squares (PLS) analysis to examine if CMB influences the study model's outcomes (Kock, 2015). Table 2 shows that the variance inflation factors (VIFs) of latent variable items are less than 3.3, indicating that there is no major common bias mechanism in our model.

Measurement model

This study's scales have been adapted from prior verified research. All items and responses have been evaluated on a 5-point Likert scale ranging from 5 (strongly agree) to 1 (strongly disagree). Present study adopted scale developed by Zhang et al., (2019) for measuring management innovation and sustainability (Zhang et al., 2019). The scale for measuring market innovation was adapted from (Mabenge et al., 2020) and competitive advantage from (Kim et al., 2012). The descriptive statistics of the variables are presented in Table 2. Mean values of all the constructs were above average and there was no high correlation between the constructs, all values less than 0.80, this ensured discriminant validity and eliminated the multi-collinearity in the sample (Hair et al., 2017a). Both Cronbach's alpha and composite reliability (CR) showed strong convergent validity, higher than (0.7). Average variance extracted (AVE) was applied to each latent variable and all the constructs had an AVE greater than (0.5).

Table 2. Measurement model

Construct	indicators	loadings	VIF	Alpha	Composite reliability	AVE
Management innovation	MI1	0.87	3.13	0.91	0.93	0.69
	MI2	0.86	3.03			
	MI3	0.85	2.34			
	MI4	0.88	2.57			
	MI5	0.86	2.07			

Marketing innovation	MkI1	0.81	1.87	0.89	.92	.61
	MkI2	0.85	1.77			
	MkI3	0.81	2.02			
	MkI4	0.79	2.30			
	MkI5	0.83	2.24			
Sustainability	S1	0.84	1.95	0.86	0.91	.70
	S2	0.86	2.23			
	S3	0.81	1.78			
	S4	0.82	1.90			
	S5	0.84	1.78			
Competitive advantage	CA1	0.78	1.89	0.90	0.94	0.62
	CA2	0.83	2.29			
	CA3	0.85	2.64			
	CA4	0.84	2.24			
	CA5	0.83	2.14			
	CA6	0.80	2.39			

Table 3. Discriminant validity

	Fornell–Larcker criterion				Heterotrait–Monotrait ratio (HTMT)			
	MI	MKI	S	CA	MI	MKI	S	CA
MI	0.731							
MKI	0.582	-0.025			0.753			
S	0.618	-0.089	0.627		0.737	0.151		
CA	0.608	0.024	0.589	0.765	0.751	0.107	0.690	

Data analysis

PLS Structural Equation Modeling (PLS-SEM) was selected to investigate the study hypotheses (Ringle et al., 2018; Lee and Tang, 2017; Song, 2015). PLS was chosen for this current investigation as PLS is less sensitive to sample size (Lee and Tang, 2017) and also enable complex cause-and-effect connection models (Henseler et al., 2015).

Results

Measurement model

Estimating the reliability and validity of the constructs is a prerequisite to analysing the study hypotheses (Lee and Zhou's, 2012, Limaj and Bernroider, 2017). The suitability of the measurement model is evaluated using criteria: convergent validity and discriminant validity. This is because the model constructs management innovation (MI), marketing innovation (MKI), sustainability (S) and competitive advantage (CA) are reflective (Hair et al., 2017). All the items had a loading of more than 0.5, which is acceptable (Hair et al., 2017). Furthermore, Cronbach's alpha, AVE and CR are also checked, Cronbach's alpha of all constructs are above 0.7, AVE of all constructs are above 0.5 and CR of all constructs are above 0.7, which are suitable for the model. In order to evaluate the discriminant validity of the research model, this study employed the Fornell–Larcker and Heterotrait–Monotrait (HTMT) criteria. The Fornell-Larcker criterion's on-diagonal values, as seen in Table 3, are larger than the others' and less than the square root of AVEs. Additionally, the HTMT results show that a score below 0.90 is suitable and significant (Henseler et al., 2015).

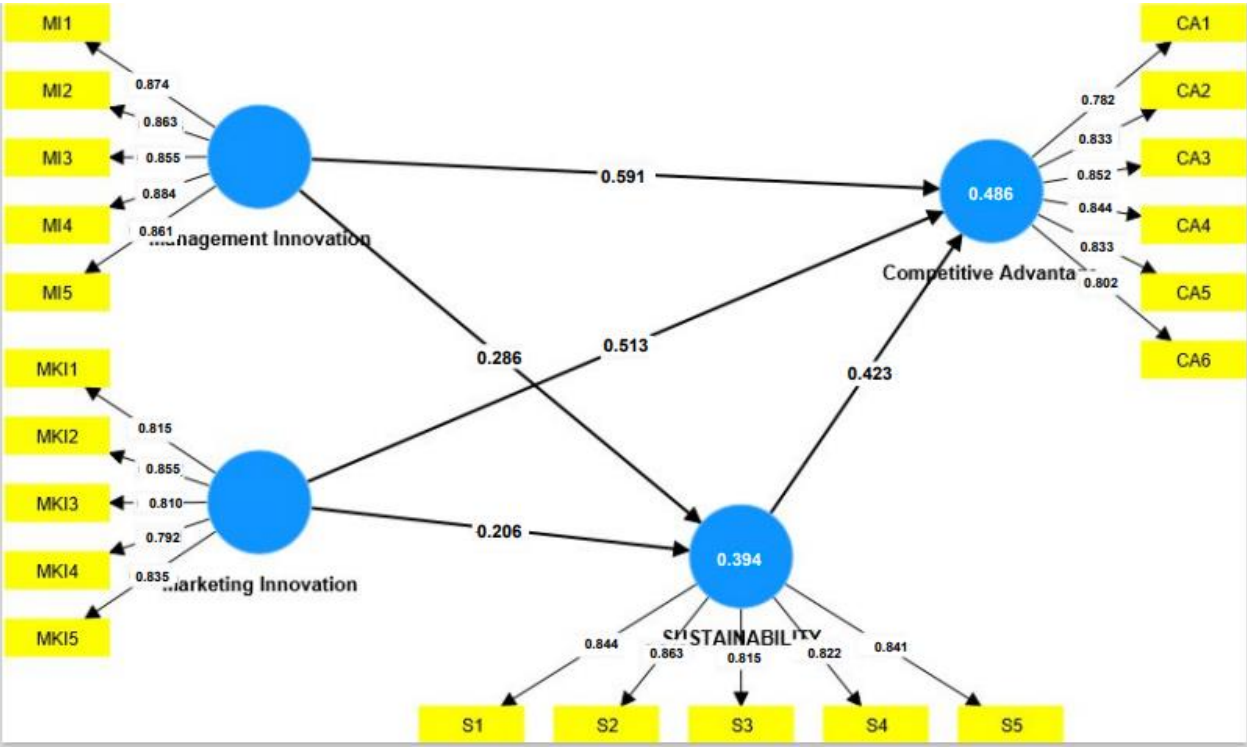


Figure 2. Structural model

Table 4. Structural model results

Structural Path	Path co-efficient	Significant Difference (p<0.05)	95% BCa confidence Interval	Effect size (f²)
Management innovation-Competitive advantage	0.59***	yes	(0.49, 0.67)	0.52
Marketing innovation-Competitive advantage	0.51***	yes	(0.39,0.61)	0.37
Sustainability-Competitive advantage	0.42	yes	(0.29, 0.53)	0.21
Management innovation-Sustainability	0.29	yes	(0.17,0.40)	0.14
Marketing innovation-Sustainability	0.21	yes	(0.13,0.35)	0.11

SRMR Composite model = 0.08

R² (Competitive advantage) = 0.50

Q² (Competitive advantage) = 0.32

R² (sustainability) = 0.44

Q² (sustainability) = 0.26

Structural model

The first step in the PLS structural model evaluation technique is to check for collinearity (VIF). The results demonstrate VIF values below the limit, shown in Table 2. PLS-SEM was used to find the path coefficients among the constructs in order to evaluate the importance of the structural model relationship. t-values and p-values for all structural path coefficients were measured with bootstrapping approach using 5,000 subsamples (Hair et al., 2017). The coefficient of determination (R² value) shows the level of variance in the dependent variables, which is demonstrated by all of the independent variables connected to it (Sarstedt et al., 2014). The coefficient of determination (R² value) with values of 0.67, 0.33, and 0.19, respectively, is characterized as a substantial, moderate, and weak value (Chin, 1998, Hair et al., 2017). Table 4. illustrates that the R² values for Competitive advantage (0.50) and Sustainability (0.44) are medium, while the effect size, or f² (effect size), shown in table 4, measures the impact of an independent latent variable on a dependent variable. The effect size, or f² (effect size), measures the impact of an independent latent variable on a dependent variable. The effect size (f²) with the values of 0.35, 0.15, and 0.02 may be interpreted as large, medium, and small effects, (Cohen and Levinthal, 1990, Hair et al., 2017). Q² value establishes the model's predictive ability. Models with a good structural fit can forecast the properties of the model's endogenous structures. values of 0.02, 0.15, and 0.35, respectively, suggest modest, medium, or strong predictive value (Hair et al., 2017). All the independent variables in the current study have a medium predictive power.

Model fit and hypothesis test

The standardized root mean square residual (SRMR) is used to verify the model fit as it helps to prevent model misspecification (Henseler et al, 2015). The root mean square difference between the correlations that are observed and those that are implied by the model is known as the SRMR. Hair et al. (2017) indicate that a good fit has a value of less than 0.10 or 0.08 and Table 4 illustrates that the model is fit as the SRMR value is 0.08.

Hypothesis testing

H1, H2 and H3 which propose the direct relationship between management innovation, marketing innovation and sustainability on competitive advantage, respectively was tested and table 4 shows that, management innovation has a positive relationship with competitive advantage ($\beta = 0.59^{***}$, $p < 0.001$), marketing innovation ($\beta = 0.51^{***}$, $p < 0.001$) and sustainability ($\beta = 0.42^{***}$, $p < 0.001$) supporting H1, H2 and H3. A comparison of their path coefficients using a t-test revealed that management innovation had a higher effect on competitive advantage than on marketing innovation ($t = 11.92$, $p < 0.001$).

Mediating role of sustainability

In this study, the bootstrapping approach is used to test the indirect effects using both bias-corrected confidence intervals and percentiles. The current study explores the direct impacts of the independent variable on mediation factors as well as the direct effects of mediation variables on the dependent variables. As shown in Table 5, the results show that the direct impacts of management innovation on sustainability and marketing innovation on sustainability are totally significant. The nonparametric bootstrapping approach was employed to assess the importance of sustainability as a mediator (Nitzl et al., 2016; Preacher and Hayes, 2008). The primary direct effect remains significant even after the direct effects of management innovation on competitive advantage and marketing innovation on competitive advantage were reduced. Table 4 shows that H4 and H5 are supported since their confidence intervals do not include zero (0) (Preacher and Hayes, 2008).

Table 5. mediation analysis results

	Direct effect on competitive advantage	Indirect effect on competitive advantage through sustainability
Management innovation	0.49	0.19
Marketing innovation	0.46	0.11

Discussion

This study examined how sustainability mediated the relationship between management innovation and competitive advantage as well as between Marketing innovation and competitive advantage. However, a number of research, particularly in developed markets, have looked at the direct association between dimensions of innovation and organization performance. On the other hand, this study aims to evaluate the concept using actual data gathered from a rising economy of India. We hereby reaffirm that competitive advantage in developing markets is considerably enhanced by sustainability. Our findings support the views put out by Gao (Gao et al., 2018) by demonstrating a positive correlation between sustainability and financial performance.

Furthermore, our results significantly support the RBV hypothesis, which indicates that a company may achieve better performance in a market and a durable competitive position by acquiring special and valuable resources and skills (Zhang et al., 2019b). Additionally, we verified that a company possessing innovation skills might accomplish its objective of creating a long-lasting position and surpassing rivals in a volatile industry. Furthermore, the upper echelon hypothesis, which holds that senior management plays a crucial influence in an organization's performance and results, is also evaluated in this study.

The results of our research, which supported H1 and H2, demonstrated that Management Innovation and marketing innovation significantly affect competitive advantage. According to Azar and Ciabuschi's analysis, Management Innovation and Technical Innovation are important indicators that can improve organizational performance in a volatile market. Additionally, Mol and Birkinshaw (Mol & Birkinshaw, 2009) noted that while MI benefits businesses in a variety of ways, it notably raises output and performance. Furthermore, research suggests that MI innovation facilitates high performance by creatively fusing several organizational strategies. More importantly, MI has a major role in influencing how well a company performs (Wei et al., 2020a; Zhu et al., 2019). According to our research, Management Innovation and Marketing Innovation have a considerable favourable impact on organizational sustainability, which supports our research's H4 and H5. Consistent with the findings of Weiss et al., (2022), MI can increase the sustainable competitive advantage considerably despite being a little difficult to implement. In addition, companies employ many strategies to attain sustainability in the contemporary globalized world. But among several options, MI has been identified as a crucial component, particularly in developing nations (Wei et al., 2020a; Zhu et al., 2019).

We came to the conclusion that sustainability greatly improves competitive advantage, which is consistent with our research's hypothesis H3. In keeping with the findings of Eccles, Ioannou, and Serafeim, who discovered that sustainability enables businesses to achieve high performance over the long term (Geldes et al., 2017). Furthermore, sustainable policies may help businesses operate better during a challenging period, according to Alonso-Almeida et al. Therefore, it is highly advised that managers improve sustainability because it may have a substantial impact on the competitive success of their company. Furthermore, firms using sustainable practices perform well.

Our findings suggested that sustainability plays a partial mediating role in the relationships between MI and competitive advantage as well as between marketing innovation and competitive advantage, which in turn partially supported research hypotheses H4 and H5. Our results might support those of (Zhang et al., 2019b), who discovered that sustainability completely mediates the link between management innovation and financial performance. To put it briefly, our findings demonstrated that, in developing economies, sustainability plays a role as a partial mediator between MI and competitive advantage as well as between marketing innovation and competitive advantage (Zhang et al., 2019a).

Our findings offer insightful information about the decision-making process. In the modern day, the conventional methods might not yield sufficient outcomes. Therefore, in order for commercial organizations to exist over the long term, particularly in volatile markets, they require creative techniques, both technical and non-technical. Our study provides senior executives, CEOs, and practitioners with a number of thoughts for developing strategies and policies that will lead to greater performance and sustainability. In emerging economies, adopting sustainable practices is a great way to improve competitive advantage. Instead of focusing on conventional methods and mass manufacturing, we advise corporate organizations to prioritize management innovation and Marketing Innovation in order to improve sustainability and performance. Promoting Management Innovations and implementing marketing innovations are options for organizations that have a higher chance of achieving outstanding performance and a sustainable competitive position. In order to achieve

sustainability and high performance, managers can invest in MI and Marketing Innovation rather than riskily choosing to spend large sums of money on solutions that may not provide the same results (Graafland, 2018).

Limitations and Future Research

This research also has several limitations that should be taken into account for further investigations. Specifically, the important categories of innovation (such Management Innovation and Marketing Innovation) are the only ones included in our study. However, a variety of innovations, such as those related to organization, knowledge management, organization processes, and other dimensions of innovation, may have an impact on an organization's success and sustainability. There is still much to be done to more thoroughly define and then experimentally investigate this field in order to completely investigate the distinct impact of each innovation. Future research should take into account a deeper approach in order to more clearly present the findings.

Conclusion

This study presents an extensive overview of conflicting theories, such as the value-destroying and value-creating theories, about the link between financial success and sustainability, as well as RBV theory. While value destroying theory contends that emphasizing social and environmental activities would negatively impact financial performance, value creating theory maintains that sustainability has a substantial beneficial impact on both. This study also examined the supplementary hypothesis of RBV, which asserts a strong positive correlation between a firm's success and its unique resources.

This research aims to investigate the effect of Management Innovation and Marketing Innovation in the competitive advantage of the organisations with a mediating role of sustainability, taking into account the inconsistent results of previous studies. We used Structural Equation Modeling in PLS-SEM and SPSS analyses of the empirical data gathered from 216 CEOs and senior managers in order to evaluate this concept. The findings show that Marketing Innovation and Management Innovation have a positive impact on competitive advantage. The relationship between Management Innovation and competitive advantage, as well as the relationship between Marketing Innovation and competitive advantage, is partially mediated by sustainability. This study refutes the value-destroying notion and supports the idea that sustainability has a major beneficial impact on competitive advantage. Our research, taking into account the significant role in Management Innovation and Marketing Innovation, supports the RBV theory and suggests that in order for enterprises to achieve better performance, they should prioritize their internal capabilities, which we have designated as Management Innovation and Marketing Innovation. Our findings suggested that sustainability plays a partial mediating role in the relationships between MI and competitive advantage as well as between marketing innovation and competitive advantage. According to our research, Management Innovation is more important for business sustainability and competitive advantage than Marketing Innovation. As Management Innovation greatly boosts efficiency and sustainability, top management of enterprises must devote adequate attention to configuring it across several departments. Since both MI and Marketing Innovations are important indicators of sustainability and competitive advantage, it is advised that organizations concentrate on both forms of innovations rather than just one. In conclusion, in order to thrive over the long term, we advise CEOs and senior management to give Non-technical Innovation the attention it deserves.

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