

The Influence of Learning Orientation, Strategic Renewal, and ICT Usage on Organizational Performance through Innovation Capability

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ABSTRACT

This study analyzes the influence of learning orientation, strategic renewal, and information and communication technology usage on organizational performance through innovation capability in Indonesia's automotive component industry. Using a quantitative descriptive-verification design with Structural Equation Modeling (SEM), the research surveyed 248 companies selected from 362 units in Jakarta, Banten, and West Java through purposive sampling. Respondents were company leaders or owners. The findings show that learning orientation and innovation capability usage positively affect both innovation capability and organizational performance. Strategic renewal, however, only directly influences organizational performance without significantly affecting innovation capability. Furthermore, innovation capability plays a mediating role, strengthening the impact of learning orientation, strategic renewal, and innovation capability usage on organizational performance. These results highlight the importance of fostering innovation in services and processes, supported by innovation capability adoption, to enhance competitiveness and productivity in the national automotive component industry. The study provides practical insights for industry leaders in making strategic decisions to adapt to intense market competition.

Keywords: *Environmental and Social Governance, Innovation Capability, Responsible Investments, Organizational Performance.*

ABSTRAK

Penelitian ini menganalisis pengaruh orientasi pembelajaran, pembaruan strategis, dan penggunaan teknologi informasi dan komunikasi terhadap kinerja organisasi melalui Kapabilitas Inovasi di industri komponen otomotif Indonesia. Menggunakan desain kuantitatif deskriptif- verifikasi dengan Structural Equation Modeling (SEM), penelitian ini menyurvei 248 perusahaan yang dipilih dari 362 unit di Jakarta, Banten, dan Jawa Barat melalui purposive sampling. Responden terdiri dari pimpinan atau pemilik perusahaan. Hasil penelitian menunjukkan bahwa orientasi pembelajaran dan penggunaan kapabilitas inovasi berpengaruh positif terhadap kapabilitas inovasi dan kinerja organisasi. Pembaruan strategis, bagaimanapun, hanya berpengaruh langsung terhadap kinerja organisasi tanpa memengaruhi kapabilitas inovasi secara signifikan. Selanjutnya, kapabilitas inovasi berperan sebagai mediator, memperkuat pengaruh orientasi pembelajaran, pembaruan strategis, dan penggunaan kapabilitas inovasi terhadap kinerja organisasi. Hasil ini menekankan pentingnya mendorong inovasi dalam layanan dan proses, yang didukung oleh adopsi kapabilitas inovasi, untuk meningkatkan daya saing dan produktivitas di industri komponen otomotif nasional. Penelitian ini memberikan wawasan praktis bagi pemimpin

JIMKES

INTRODUCTION

Indonesia is the third-largest automotive component exporter in ASEAN after Thailand and Vietnam, with exports reaching 187.752 units in 2018, up 10.4% from 2017. However, Indonesian firms still lag behind neighbors like Singapore, Malaysia, and Thailand in utilizing Information and Communication Technology (ICT) and innovation (Salam et al., 2018). Enhancing innovation is crucial, as organizational performance depends on the ability to manage new ideas and adapt to dynamic environments (Tamayo-Torres et al., 2016; Khalil & Belitski, 2020; Tian et al., 2021). Research by Kallio and Lappainen (2015), Kamasak (2017), Lin et al. (2018) and Feng et al. (2021) show innovation generally improves performance, though some studies by Kumar et al. (2020) report no direct impact.

Furthermore, innovation emerges from a learning orientation developed within an organization. A learning orientation within an organization is a key factor in achieving organizational performance by strengthening the organization's competitiveness (Mohammad, 2019; Kumar et al., 2020; Tian et al., 2021). New knowledge gained from implementing an organizational learning orientation will minimize competency gaps within an organization, ensure competency remains dynamic, and thus support performance improvement.

Several previous studies have shown that learning orientation has a positive influence on organizational performance (Sirait et al., 2015; Kharabsheh et al., 2017; Kim et al., 2017; Mohammad, 2019). Learning orientation is highly dependent on the influence of the organization's internal and external environments, where dynamic and uncertain environmental changes influence strategic decision-making. However, previous studies have found conflicting results regarding the influence of learning orientation on organizational performance.

To anticipate dynamic environmental changes, organizations need to implement strategic solutions, including the resource-based view and dynamic capability theories. Dynamic capabilities are defined as the company's ability to build, restructure the company's internal and external competencies to face a rapidly changing environment (Phan, 2019). To face this rapidly changing environment, an adjustment or new strategy update is needed that allows organizations to make improvements to business processes through innovation supported by the use of communication and information technology to increase organizational productivity, and continue to renew themselves to remain competitive with a rapidly changing market environment, regardless of the size and age of the organization (Klammer et al., 2017; Karakara & Osabuohien, 2020). Furthermore, several previous studies found that strategic updates have a positive effect on organizational performance, including research conducted by Yi et al. (2017), Klammer et al. (2017), Beraha et al. (2018), Donkor et al. (2018), and Mohammad (2019).

Yi et al. (2017) argue that proactive organizations leverage strategic renewal and innovation to capture opportunities, making innovation capability central to competitive advantage. ICT plays a critical role by reducing costs, strengthening customer ties, and enabling innovation (Cuevas-Vargas et al., 2016). Azam (2015), Wang and Wang (2017), and Wu et al. (2021) state that effective ICT use enhances organizational efficiency, while Yunis et al. (2017) emphasize that ICT drives innovations in products, processes, and services. Studies confirm a positive link between ICT intensity and performance through innovation (Arvanitis & Loukis, 2016; Cuevas-Vargas et al., 2016; Barba-Sanchez et al., 2018).

Previous studies emphasize the importance of ICT in fostering innovation capabilities and enhancing organizational performance. Jarmooka et al. (2021) found that specific ICT components positively influence innovation, while Khalil and Belitski (2020) highlighted ICT governance as a dynamic capability linked to performance. Innovation, defined as the adoption of new ideas to sustain competitive advantage, has consistently shown a positive relationship with organizational outcomes (Uduma et al., 2015; Popa & Soto-Acosta, 2015; Tajeddini, 2016; Tamayo-Torres et al., 2016; Domínguez-Cc & Barroso-Castro, 2017; Muchemi & Moronge, 2017; Khan & Naeem, 2018; Roostika, 2019; Bahta et al., 2021; Feng et al., 2021). However, evidence on the role of learning orientation remains inconsistent, with some studies reporting no significant effect on performance (Goh et al., 2012; Zgrzywa-Ziemak, 2015; Beneke et al., 2016). The research contributes theoretically by integrating dynamic capability and learning orientation perspectives to better understand performance drivers. The study provides insights for automotive component firms to leverage innovation and ICT strategically to enhance competitiveness and organizational outcomes. This study analyzes the influence of learning orientation, strategic renewal, and information and Communication Technology (ICT) Usage on Organizational Performance through Innovation Capability in Indonesia's automotive component industry.

LITERATURE REVIEW & HYPOTHESIS DEVELOPMENT

The Determinant of Innovation Capability

Learning orientation refers to collective organizational efforts to achieve performance goals through knowledge development, acting as a learning unit, and pursuing continuous improvement (Sirait, 2015; Örténblad, 2018). It is strongly associated with innovation capability, reflected in the implementation of new ideas in products, processes, or services to strengthen competitiveness (Varadarajan, 2018). Sustained innovation is vital for competitive advantage, whether through radical technological breakthroughs or incremental improvements (Perez-Luno et al., 2014; Dogan, 2017). Empirical studies show that learning orientation positively influences organizational innovation (Sirait et al., 2015) and supports managerial adaptation to environmental change (Tamayo-Torres et al., 2016). Further evidence confirms that it promotes both exploitative and explorative innovation, contributing to enhanced innovation performance (Berraies & Chaher, 2014; Tian et al., 2021).

Strategic renewal is a strategic decision made to respond to dynamic environments (Dominguez & Barroso-Castro, 2017). Vithessonthi and Thoumrungroje (2011) note that its outcomes can be beneficial or harmful depending on alignment with organizational needs. Strategic renewal plays a crucial role in dynamic environments, enabling organizations to create innovation capabilities and maintain competitiveness (Wang & Wang, 2017; Oltra et al., 2018; Munte et al., 2025). Komodromos et al. (2019) note that renewal often requires structural, cultural, technological, and product adjustment. Beraha et al. (2018) found that strategic renewal enhances business innovation, while Gupta and Gupta (2014) report positive effects on SME innovation capabilities.

Information technology is an integrated tool to collect, process, and transmit data electronically for user benefit (Toader et al., 2018). ICT is equally vital for product and process innovation, improving efficiency and competitiveness (Brynjolfsson & Saunders, 2010). Higón (2012) finds ICT positively influences innovation in SMEs, consistent with Zoroja (2016), who emphasizes ICT's role in fostering innovation. Arvantis and Loukis (2015) confirm ICT's significant impact on both process and product innovation, while Wu et al. (2021) show that internal and external ICT capabilities enhance innovation performance.

H1: Learning orientation has a significant influence on innovation capability.

H2: Strategic renewal has a significant influence on innovation capability.

H3: Information and communication technology usage has a significant influence on innovation capability.

The Determinant of Organizational Performance

Organizational performance reflects the extent to which goals are achieved and remains central to organizational survival (Singh et al., 2016). Performance entails convergence of orientations, functioning as both outcome and comparison between results and objectives (Mohammad, 2019). The success of implementing learning orientation in organizations depends heavily on managerial strategy (Fang & Chen, 2016). Vithessonthi and Thoumrunroje (2011) emphasize that learning orientation is an effective approach to addressing dynamic challenges and ensuring flexibility in achieving performance. Santos-Vijande et al. (2012) highlight its role in creating customer value and designing competitive strategies. Empirical findings confirm that learning orientation positively impacts company performance, supported by Hooi and Ngui (2014) and Tajeddini (2016). Kim et al. (2017) reveal that learning orientation enhances financial performance through knowledge performance, while Kharabsheh et al. (2017) find that learning orientation, market orientation, and absorptive capacity significantly improve performance.

Strategic renewal similarly affects organizational outcomes. Vithessonthi and Thoumrunroje (2011) describe its relationship with performance as inverted U-shaped, while Yang et al. (2015) show that renewal is shaped by financial policy flexibility. Sáez-Martínez (2011) views renewal as developing new strategies or refining existing ones to maintain competitiveness. Empirical evidence by Klammer et al. (2017) and Thoumrunroje (2015) confirms its positive impact on SME performance.

ICT also plays a vital role. Barba-Sanchez et al. (2018) highlight its significant effect, with Azam (2015) confirming positive outcomes for SMEs. Yunis et al. (2017) emphasize ICT as a strategic resource for sustainable advantage. Innovation capability is widely recognized as enhancing organizational performance. Salim and Sulaiman (2011) and Roostika (2019) confirm its positive impact on SMEs, while Al-Ansari et al. (2013), Hilman and Kaliappen (2015), and Arvanitis and Loukis (2016) reach similar conclusions. Further studies reinforce that innovation capability significantly contributes to organizational success (Jiménez & Sanz, 2011; Tajeddini, 2016; Sofalchian et al., 2018; Feng et al., 2021).

H4: Learning orientation has a significant influence on organizational performance.

H5: Strategic renewal has a significant influence on organizational performance.

H6: Information and communication technology usage has a significant influence on organizational performance.

H7: Innovation capability has a significant influence on organizational performance.

Innovation Capability as a Mediating Variable

Innovation involves adopting new ideas to sustain competitive advantage and is essential amid intensifying global competition (Batra, 2016; Dominguez & Barroso-Castro, 2017). It reflects the ability to exploit emerging opportunities driven by technological and environmental change (Bakar & Ahmad, 2010). Empirical evidence shows that learning orientation positively drives innovation capability and supports managerial adaptation to dynamic environments (Berraies & Chaher, 2014; Sirait et al., 2015; Tamayo-Torres et al., 2016). Tian et al. (2020) further demonstrate that exploitative and explorative learning orientations enhance innovation performance in SMEs. Enhanced innovation capability directly strengthens organizational performance, supported by findings showing positive effects on competitive outcomes and growth (Jimenez-Jimenez & Sanz-Valle, 2011; Al-Ansari et al., 2013; Hilman & Kaliappen, 2015; Tajeddini, 2016; Farhang et al., 2018; Feng et al., 2020).

Strategic renewal plays a key role in adapting to environmental changes, requiring modifications in structure, technology, culture, and products (Komodromos et al., 2019). Gupta and Gupta (2014) and Beraha et al. (2018) found that strategic renewal positively affects innovation capability. Innovation capability is also closely tied to performance in

SMEs, as shown by Salim and Sulaiman (2011) and Roostika (2019), suggesting that it helps organizations sustain competitiveness and productivity in dynamic environments.

Information and communication technology supports organizations by managing data into useful information, thereby driving innovation. Barba-Sanchez et al. (2018) found ICT positively impacts performance, while Azam (2015) and Yunis et al. (2017) confirmed its role in enhancing organizational outcomes. ICT thus facilitates innovation by digitizing business activities, improving efficiency, and strengthening performance (Salim & Sulaiman, 2011; Roostika, 2019; Widiarti et al., 2025). Learning orientation, strategic renewal, innovation capability, and ICT usage emerge as interrelated drivers of organizational innovation and performance. Venturi (2015) emphasizes its direct impact on efficiency and competitive advantage, while Torrent-Sellens and Diaz-Chao (2014) highlight its indirect influence on innovation capabilities and productivity.

H8: Learning orientation has a significant influence on organizational performance through innovation capabilities.

H9: Strategic renewal has a significant influence on organizational performance through innovation capabilities.

H10: Information and communication technology usage has a significant influence on organizational performance through innovation capabilities.

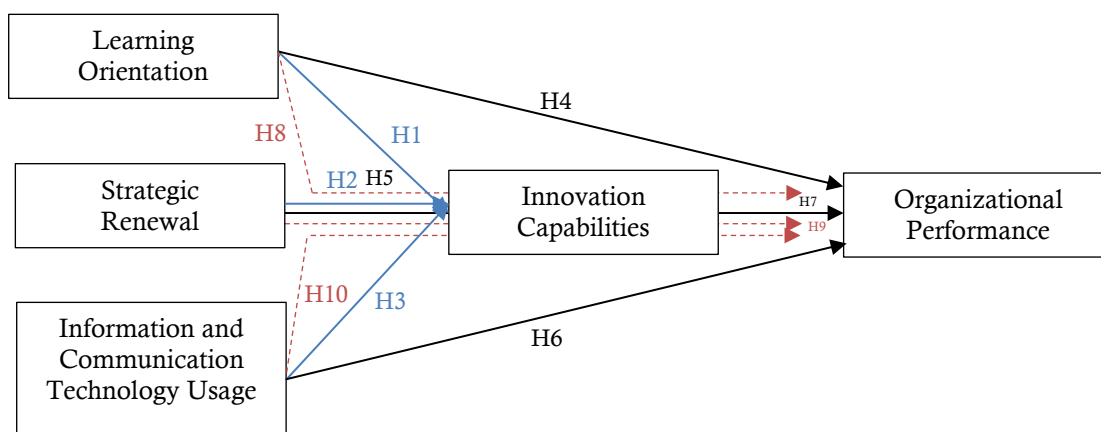


Figure 1. Research Framework

Figure 1 illustrates this research framework. It emphasizes the role of Innovation Capability as a mediating variable that bridges the relationship between internal organizational factors and performance. Learning Orientation, Strategic Renewal, and Information and Communication Technology (ICT) Usage are assumed not only to have a direct effect on Organizational Performance, but also indirectly through the improvement of Innovation Capability. Learning Orientation encourages the creation of new knowledge and creativity that strengthens innovation capabilities, while Strategic Renewal is a means for organizations to adapt to changing business environments through strategy and process updates. On the other hand, the use of ICT provides technological support that accelerates the process of product and service innovation. Innovation Capability is further seen as a key factor that allows organizations to gain a sustainable competitive advantage, thus having a positive impact on improving organizational performance. Thus, this study examines the direct and indirect relationship of the three main factors to organizational performance through the mediating role of Innovation Capability.

RESEARCH METHODS

This research is a quantitative study in strategic management science using a descriptive and verification research design. The population of this study was the national automotive component industry located in DKI Jakarta, Banten, and West Java, totaling

362 factories. Sampling used a non-probability sampling method with a purposive sampling technique, a type of judgment sampling, which is a sampling method based on specific criteria or considerations (Sekaran & Bougie, 2016). Based on the criteria outlined by Hair et al. (2010) and Wijayanto (2025), the required sample size for this study was $5 \times 49 = 249$. However, to anticipate unusable samples, 260 samples were selected, with the respondents being the leaders or owners of national automotive component industry companies. This study has five variables and their respective dimensions. The five variables are learning orientation, strategic renewal, information and communication technology usage, innovation capability, and organizational performance. Learning orientation has three dimensions: shared vision/purpose, commitment to learning, and open-mindedness (Hakala, 2011; Marsick, 2013). Furthermore, the strategic renewal variable has three dimensions, namely: strategy making/strategic planning, exploitative renewal (products or services), and explorative renewal (products or services) (Sáez-Martínez, 2011; Jansen & Grance, 2011). Then, the information and communication technology usage variable consists of two dimensions, namely: ease of use, and usefulness (Jaganathan et al., 2018).

Meanwhile, the innovation capability variable has two dimensions, namely: service innovation and process innovation (Grawe et al., 2009). Then, finally, the organizational performance variable has two dimensions, namely: financial performance, and non-financial performance (Klammer et al., 2017). This study used interval scale measurements with the Likert scale measurement method. The Likert scale is a measurement method that measures respondents' attitudes regarding their agreement or disagreement with certain subjects, objects, or events (Sekaran & Bougie, 2016). Likert scale measurements range from 1 to 5, where (1) = strongly disagree, (2) = disagree, (3) = neutral, (4) = agree, and (5) = strongly agree.

The data analysis method used in this study is the Structural Equation Model (SEM) method using the AMOS-24 program as a statistical tool. Testing the validity and reliability of variables is carried out by evaluating the measurement model through Confirmatory Factor Analysis (CFA). According to Hair et al. (2010), construct validity testing is done by looking at Standardized Loading Estimates or Standard Loading Factor (SLF). If the SLF value is ≥ 0.5 and ideally ≥ 0.7 then the indicator is declared valid, while the reliability test is carried out by looking at the CR and VE values for each construct, if the CR value ≥ 0.7 and VE ≥ 0.5 then the construct is declared reliable (Hair et al., 2010).

RESULTS

The descriptive statistics for the Learning Orientation variable have a mean score of 4.352, indicating a strong implementation of Learning Orientation in the company. The descriptive statistics for the Strategic Renewal variable have a mean score of 4.317, indicating a strong implementation of Strategic Renewal in the company. The descriptive statistics for the Information and Communication Technology Usage variable have a mean score of 4.217, indicating a strong implementation of Information and Communication Technology Usage in the company. The descriptive statistics for the Innovation Capability variable have a mean score of 4.017, indicating a strong implementation of Innovation Capability in the company. The descriptive statistics for the Organizational Performance variable have a mean score of 4.008, indicating a strong Organizational Performance in the company.

Table 1. Validity and Reliability Test

Variable	Dimension	Item	Loading Factor	Composite Reliability	AVE	
Learning Orientation	Shared Vision/ Purpose	SV1	0.908	0.939	0.795	
		SV2	0.881			
		SV3	0.867			
		SV4	0.909			
	Commitment to Learning	CL5	0.889	0.925	0.754	
		CL6	0.865			
		CL7	0.865			
		CL8	0.855			
	Open-mindedness	OM9	0.869	0.921	0.745	
		OM10	0.895			
		OM11	0.862			
		OM12	0.862			
Strategic Renewal	Strategy making/strategic planning	SP1	0.783	0.918	0.651	
		SP2	0.807			
		SP3	0.826			
	Exploitative renewal	ETR7	0.712	0.918	0.651	
		ETR8	0.908			
		ETR9	0.923			
		ETR10	0.897			
	Explorative renewal	ERR11	0.778	0.880	0.647	
		ERR12	0.790			
		ERR13	0.830			
		ERR14	0.819			
	Information and Communication Technology Usage	Ease of Use	EU1	0.897	0.942	0.803
			EU2	0.885		
			EU3	0.902		
EU4			0.900			
Usefulness		US4	0.878	0.943	0.847	
		US5	0.957			
Innovation Capability	Service Innovation	US6	0.924	0.888	0.673	
		SI1	0.958			
		SI2	0.959			
		SI3	0.662			
	Process Innovation	SI4	0.645	0.916	0.788	
		PI5	0.984			
		PI6	0.970			
Organizational Performance	Financial Performance	PI7	0.675	0.890	0.681	
		FP1	0.998			
		FP2	0.599			
		FP3	0.996			
	Non-Financial Performance	FP4	0.614	0.878	0.590	
		NFP5	0.829			
		NFP6	0.737			
		NFP7	0.737			
		NFP8	0.743			
NFP9	0.779					

Table 1 shows the validity and reliability test. Based on the results of the validity and reliability test, all indicators in the variables Learning Orientation, Strategic Renewal, ICT Usage, Innovation Capability, and Organizational Performance showed a loading factor value of > 0.6, so it was valid. In addition, all constructs meet the criteria of Composite Reliability (CR > 0.7) and Variance Extracted (AVE > 0.5), which means the research instrument is reliable and has good convergent validity.

A goodness-of-fit test is conducted to assess the extent to which the data and model meet the assumptions of the Structural Equation Model (SEM). The evaluation is conducted on the overall model, followed by evaluations of the measurement and structural models separately (Hair et al., 2010). The Goodness of Fit Test in SEM is divided into three parts, as shown in Table 2.

Table 2. Goodness of Fit Test

Types of Measurement	Measurement	Acceptance Limits	Value	Conclusion
Absolute fit measures	Chi-square	Small chi- square	1566.901	Poor Fit
	p-value chi-square	≥ 0.05	0.000	Poor Fit
	RMSEA	0.05 – 0.08	0.041	Good Fit
	GFI	≥ 0.90	0.805	Marginal Fit
Incremental fit measures	NFI	≥ 0.90	0.878	Marginal Fit
	TLI	≥ 0.90	0.958	Good Fit
	RFI	≥ 0.90	0.870	Marginal Fit
	CFI	≥ 0.90	0.960	Good Fit
	IFI	≥ 0.90	0.960	Good Fit
	AGFI	≥ 0.90	0.784	Poor Fit
	Parsimonious fit measures	CMIN/DF	Lower Limit: 1.0 Upper Limit: 2.0	1.418
PCFI		>0.6	0.902	Good Fit
PNFI		>0.6	0.825	Good Fit

Hair et al. (2010) stated that from several Absolute Fit Measure and Incremental Fit Measure test results, if a single result “fits,” it can be concluded that the model used is fit. Based on the model fit index table above, the research model is declared good of fit because the RMSEA and CMIN/DF values indicate a good fit. Thus, the model is declared to have passed the test and can be tested in the next stage. The following is the structural equation model test results using the AMOS-24 program, illustrated in Figure 2.

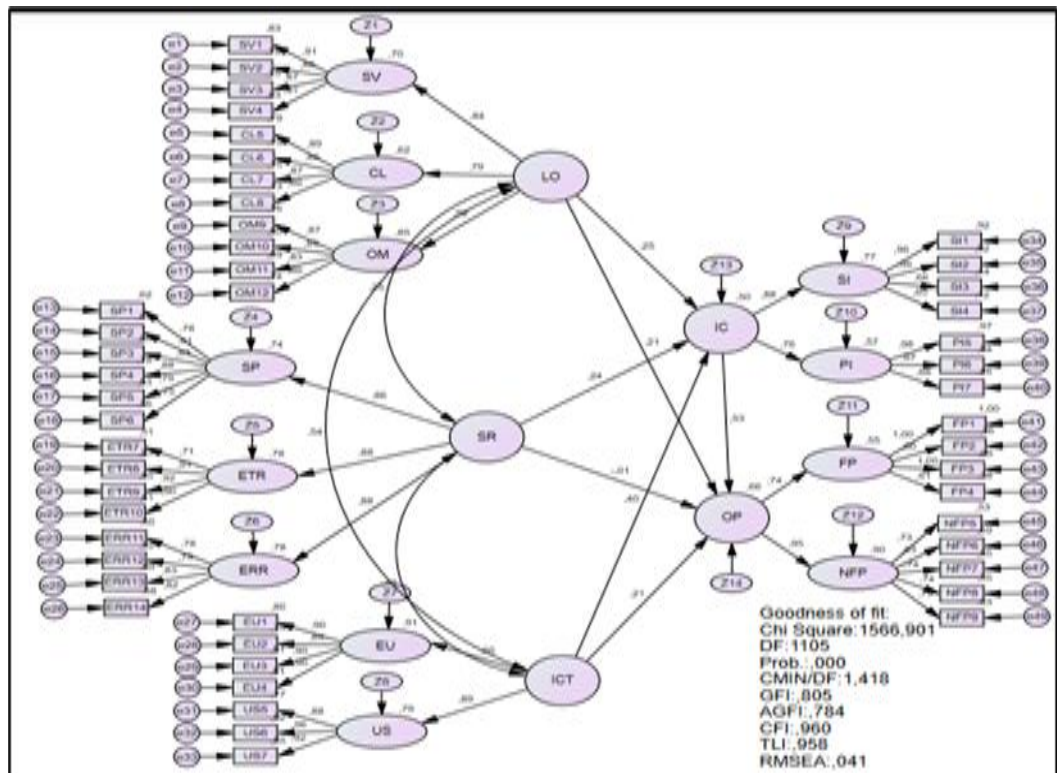


Figure 2. Full Model Structural Equation Modeling

Table 3. Hypothesis Direct Testing

Variable			Coefficient	t-value	Total Influence	p-value	Decision
Exogenous	Mediation	Endogenous					
Learning Orientation		Innovation Capability	0.246		0.246	0.002	H1 Accepted
Strategic Renewal		Innovation Capability	0.241		0.241	0.000	H2 Accepted
Information and Communication Technology Usage		Innovation Capability	0.401		0.401	0.000	H2 Accepted
Learning Orientation		Organizational Performance	0.211		0.211	0.004	H4 Accepted.
Strategic Renewal		Organizational Performance	-0.013		-0.013	0.840	H5 Rejected
Information and Communication Technology Usage		Organizational Performance	0.209		0.209	0.015	H6 Accepted
Innovation Capability		Organizational Performance	0.530		0.530	0.000	H7 Accepted

Table 3 shows that hypothesis (1) is supported, meaning there is a positive influence of learning orientation on innovation capability. Hypothesis (2) is supported, meaning there is a positive influence of strategic renewal on innovation capability. Hypothesis (3) is supported, meaning there is a positive influence of information and communication technology usage on innovation capability. Hypothesis (4) is supported, meaning there is a positive influence of learning orientation on organizational performance. Hypothesis (5) is rejected, meaning there is no positive influence of strategic renewal on organizational performance; Hypothesis (6) is supported, meaning there is a positive influence of information and communication technology usage on organizational performance. Hypothesis (7) is supported, meaning there is a positive influence of innovation capability on organizational performance.

Table 4. Mediation Effects

Variable			Coefficient	t-value	Total Influence	p-value	Decision
Exogenous	Mediation	Endogenous					
Learning Orientation	Innovation Capability	Organizational Performance	0.130	2.196		0.028	H8 Accepted
Strategic Renewal	Innovation Capability	Organizational Performance	0.128	2.072		0.038	H9 Accepted
Information and Communication Technology Usage	Innovation Capability	Organizational Performance	0.212	3.553		0.000	H10 Accepted

Table 4 shows that Hypothesis (8) is supported, meaning innovation capability mediates the influence of learning orientation on organizational performance. Hypothesis (9) is supported, meaning innovation capability mediates the influence of strategic renewal on organizational performance. Hypothesis (10) is supported, meaning innovation capability mediates the influence of information and communication technology usage on organizational performance.

DISCUSSION

The first hypothesis (H1) is supported, showing that Learning Orientation positively affects Innovation Capability with a path coefficient of 0.25. Respondents' mean score of 4.35 on Learning Orientation dimensions indicates that companies foster shared vision, commitment to learning, and open-mindedness to stimulate innovative ideas, which aligns with prior studies by Sirait et al. (2015), Tamayo-Torres et al. (2016), and Tian et al. (2021) and confirms the link between learning orientation and innovation capability.

The strongest influence was from the open-mindedness dimension (loading factor 0.92), where firms critically evaluate assumptions to explore new strategies (Hakala, 2011). On Innovation Capability, the service innovation dimension dominated (loading factor 0.88), highlighting customer-oriented priorities (Varadarajan, 2018).

The second hypothesis (H2) is also supported, with Strategic Renewal positively influencing Innovation Capability (coefficient 0.24). Companies adapting to environmental changes through strategic planning, exploitative, and explorative renewal enhance innovation capability (Klammer et al., 2017). Explorative renewal had the strongest effect (loading factor 0.89), particularly product trials (mean 4.30), followed by exploitative renewal (loading factor 0.88), emphasizing efficiency. These findings affirm that renewal strategies build innovation through better organizational management and human resources (Kask, 2011; Beraha et al., 2018).

Hypothesis three (H3) is supported, showing that ICT Usage positively influences Innovation Capability with the highest path coefficient (0.40). Respondents highlighted ease of use (loading factor 0.95), particularly ICT tools that enhance communication with customers (mean 4.23). Usefulness also played a role, especially in sending product information electronically (mean 4.25). Prior studies confirm ICT's role in strengthening innovation through efficient data use and knowledge management (Arvanitis & Loukis, 2016; Cuevas-Vargas et al., 2016; Zoroja, 2016; Wu et al., 2021). Thus, ICT adoption helps firms develop both service and process innovations (Karakara & Osabuohien, 2020).

Hypothesis four (H4) indicates Learning Orientation directly improves Organizational Performance (coefficient 0.21). Open-mindedness again emerged as the most influential dimension (loading factor 0.92), consistent with Hakala (2011). Previous studies also demonstrate that learning orientation drives better performance through knowledge integration and experimentation (Hooi & Ngui, 2014; Tajeddini, 2016; Kim et al., 2017; Kharabsheh et al., 2017).

In contrast, hypothesis five (H5) is rejected. Strategic Renewal does not directly improve Organizational Performance (coefficient -0.01 ; $p=0.840$). This finding diverges from earlier research, such as Klammer et al. (2017) and Shin and Pérez-Nordtvedt (2020), but aligns with Naranjo-Gil et al. (2008), who argued that renewal efforts often trigger employee resistance. Kotter (2007) highlights resistance as a key barrier to strategic change, particularly in uncertain environments, which explains why firms remain cautious in implementing renewal strategies.

Hypothesis six (H6) is supported, with ICT Usage positively influencing Organizational Performance (coefficient 0.21). Firms leverage ICT to improve productivity, reflecting prior findings that ICT enhances efficiency and competitiveness (Azam, 2015; Arvanitis & Loukis, 2016; Barba-Sanchez et al., 2018). Hypothesis seven (H7) also gains support, as Innovation Capability strongly influences Organizational Performance (coefficient 0.53). Service innovation was the dominant factor (loading factor 0.90), underscoring customer focus. These findings are consistent with prior studies that highlight innovation as a driver of competitive advantage (Al-Ansari et al., 2013; Hilman & Kaliappen, 2015; Roostika, 2019; Feng et al., 2021).

Regarding mediation effects, hypothesis eight (H8) shows Innovation Capability partially mediates Learning Orientation's influence on performance (total effect 0.34). Firms must first build innovation through learning processes to enhance performance (Farhang et al., 2018). Hypothesis nine (H9) reveals Innovation Capability fully mediates the effect of Strategic Renewal on performance (total effect 0.12), suggesting renewal only improves outcomes when translated into innovation. Hypothesis ten (H10) demonstrates that Innovation Capability partially mediates the relationship between ICT Usage and performance (total effect 0.42). This aligns with findings that ICT-driven innovation boosts competitiveness in dynamic environments (Wu et al., 2019; Khan et al., 2020). The findings emphasize that Innovation Capability is the central mechanism linking Learning Orientation, Strategic Renewal, and ICT Usage to Organizational Performance. This highlights the critical role of learning processes, adaptive strategies, and digital

technologies in enabling firms to innovate and compete in the automotive component industry.

CONCLUSION

This study confirms that learning orientation, strategic renewal, and information and communication technology usage significantly enhance innovation capability, which in turn strengthens organizational performance in the national automotive component industry. Learning orientation and ICT usage also directly improve performance, while Strategic Renewal shows no direct effect, highlighting that renewal efforts must first translate into innovation to yield results. Furthermore, innovation capability is proven to mediate the effects of learning orientation, strategic renewal, and ICT usage on organizational performance, emphasizing its pivotal role as a bridge between organizational strategies and performance outcomes.

Despite these contributions, the study has several limitations. This study focus on the national automotive component industry may restrict the generalizability of the findings to other sectors or regions. Additionally, the cross-sectional design limits the ability to draw conclusions about long-term causal relationships among the variables. This study is limited to the national automotive component industry, which may restrict the generalizability of findings across different sectors or regions. The cross-sectional design also limits the ability to capture long-term causal relationships between variables. Despite these limitations, the findings carry important managerial implications: firms should strengthen learning orientation, adopt adaptive renewal strategies, and maximize ICT utilization to foster innovation as a pathway to superior performance. For policymakers, the results highlight the need for supportive infrastructure and digital readiness programs to enhance industry competitiveness. Future research could expand the scope to other manufacturing sectors or employ longitudinal and comparative studies across industries and countries to better capture the dynamic interplay between learning, innovation, and performance.

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