

LEVERAGING KNOWLEDGE SHARING AND CULTURE INNOVATION TO SMES SUSTAINABLE COMPETITIVE ADVANTAGE OF ELDERLY CARE BUSINESS IN THAILAND

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Abstract

The number of elderly people has been increasing consistently, leading to a rise in the new number of entrepreneurs who cater the needs of the elderly. Elderly people who are dependent on others for their care often face a shortage of geriatric medical personnel particularly caregivers, due to an increase in the number of elderly individuals and a shortage of qualified medical professionals. Consequently, the competitive advantage of elderly care business plays a crucial role in their growth and return on investment. This research aims to 1) examine the level of exploitation of knowledge sharing, innovation culture, SME operating strategy, and sustainable competitive advantage of the elderly care business in Thailand, 2) explore the influence of exploitation of knowledge sharing, innovation culture and SMEs operating strategy towards sustainable competitive advantage of the elderly care business in Thailand, and 3) develop the model of sustainable competitive advantage of the elderly care business in Thailand. The study employed a mixed research methodology that combined quantitative and qualitative approaches. For the quantitative aspect, the sample group 240 entrepreneurs involved in elderly care businesses Thailand. The sample size was calculated based on 20-time criteria of the observed variables through the multi-stage sampling. Data was collected using questionnaires and analyzed using structural equation modeling. For the qualitative aspect 20 primary informants, who were elderly care business entrepreneurs and experts in Thailand. Were interviewed in-depth to gather information. The findings revealed that 1) exploitation of knowledge sharing, innovation culture, SMEs operating strategy, and sustainable competitive advantage of the elderly care business in Thailand were all at a high level, ; 2) exploitation of knowledge sharing, innovation culture, and SMEs operating strategy affected sustainable competitive advantage of the elderly care business in Thailand at a statistical significance level of .05, ; and 3) the model of sustainable competitive advantage of the elderly care business in Thailand as developed by the researcher was called IPO Model for Sustainable Competitive Advantage of Elderly Care Business in Thailand. Furthermore, the qualitative findings suggest that for an elderly care business to be successful in Thailand, entrepreneurs must prioritize quality, standards, and security. These research can serve as a blueprint for defining business policy that promote sustainable competitive advantage for the elderly care industry in Thailand.

Keyword: Knowledge Sharing/Sustainable Competition/Elderly/Care Business/Thailand

INTRODUCTION

The current trend in Thai society is that the number of elderly people is increasing every year. It is expected that by 2030 Thailand will have elderly people making up nearly 30 percent of the entire country's population. The related businesses include the beauty business, medical business, health food business, and elderly care business. At present, there are real estate developers and large hospital affiliates expanding their businesses in nursing home, a

rehabilitation facility near the hospital, and retirement community, which are a residence for the elderly, with 24-hour health and medical services. There is also a medical tourism industry and a retreat for retired foreigners. There are currently more than 68,000 retired foreigners residing in Thailand, which is a group with high purchasing power. To compete in this business, entrepreneurs must build trustworthiness and confidence in providing services with quality and standards.

The Department of Business Development has promoted the development of the elderly care business to have quality management by generating knowledge, strengthening management potential according to the guidelines of the National Quality Award, and creating sustainable market opportunities in the elderly care business (Department of Business Development Ministry of Commerce, 2021)

As the number of elderly people continues to increase, this allows entrepreneurs to establish businesses that can better meet the needs of the elderly. Creating a competitive advantage in the elderly care business is therefore important for business growth and returns. Hence, each business must find different strategies and methods that can motivate and create a difference in service quality at acceptable prices as well as more market power (Kulander, 2018).

The advantage of businesses dealing with the elderly comes from the standard of services, such as care or providing accommodation services for the elderly. This will make the elderly have more confidence in the services. Each elderly person expects the standard in services according to the specific context (Ng et al., 2020).

Elderly care business that is efficient in providing services and able to build confidence in customers until word of mouth is created will have competitive advantage (Kabadayi et al., 2020) due to the loyalty of customers who are elderly and relatives make the target customers accept because the business has a good image.

The market, moreover, has continuous demand. The network efficiency of the elderly care business is important in affecting the confidence of the elderly (Khaksar et al., 2021). Taking advantage of knowledge sharing among personnel in the elderly care business can make services for the elderly more efficient and have more marketing power (Ma & Reed, 2018).

Sharing knowledge allows personnel to use knowledge in management and operations at both the individual and team levels (Kabadayi et al., 2020; Ng et al., 2020; Khaksar et al., 2021).

LITERATURE REVIEW

Sustainable competitive advantage

Currently, there are advancements in innovation and modern technology that make the world's population live longer (Yuziani & Maulina, 2018), causing every country around the world to enter a situation where there are more elderly people. The condition of elderly people aged 60 years and above has many different conditions, both being able to help oneself and having a strong body and mind or have some congenital disease but are able to take care of themselves and the elderly who have a situation of dependency and bed-ridden. Therefore, many elderly

care businesses have arisen various formats to meet the needs of the elderly and relatives. The competitiveness in the market is important for the elderly care business. As a result, the business is sustainable from customer satisfaction (Ng et al., 2020; Yuziani & Maulina, 2018). Thus, entrepreneurs are looking for various strategies that can make a difference in the services of the elderly business to be able to meet the needs of customers as much as possible.

These include developing the potential of human resources in the organization by sharing knowledge, creating an innovative culture that results from bringing new ideas and methods to serve customers, and using marketing strategies in operations of business, which are mostly small and medium sized businesses.

Many academicians have given ideas about variables that affect the competitive advantage of the business that knowledge sharing is important for improving operational capabilities and organizational performance (Ali et al., 2018; Yuziani & Maulina, 2018; Yuziani & Maulina, 2018).

Taking advantage of knowledge sharing

Creating organizational efficiency in order to develop the potential of human resources in the organization to have the ability to run the business stably and have market power needs knowledge sharing in the organization to benefit management, operation, and building good relationships with business networks. Taking advantage of knowledge sharing can greatly improve project performance (Yuziani & Maulina, 2018; Ali et al., 2018). It is about applying the knowledge gained from co-workers to further work in order to make the organization more efficient (Zhang, 2018). Some agencies provide rewards for those who share knowledge in the organization to create incentives for sharing and adopting.

Knowledge sharing in the organization can be used in effective care for elderly people with depression and stress. Caring for the elderly is different for each gender (Yuziani & Maulina, 2018). Employees' knowledge acquisition from knowledge sharing in the organization can appropriately care for the elderly of each gender (Quashie, 2018).

Knowledge exchange in the organization can make the practices of elderly care employees develop, resulting in sustainable organizational efficiency (Kulander, 2018; Ma & Reed, 2018; Zhang, 2018).

Culture innovation

The important part of improving the efficiency of the elderly care business to have a sustainable competitive advantage in the market is cultivating ideas and using a new and different way of the business operations. There are management practices that have been passed down, continuously, to provide care for the elderly according to the needs of customers. The cooperation of personnel in the organization creates novelty in operations and acceptance of the management methods.

All personnel follow it until it becomes an innovation culture. The cooperation of teams in organizations in providing quality services to the elderly people make them satisfied, confident, trustworthy and create a good image for the business (Kerdpitak et al., 2022).

This gives the elderly care business a competitive advantage. Innovation culture is caused by working with a new concept and method that result in greater efficiency. The personnel's acceptance and satisfaction affects the success of the organization (Zhang, 2018). Innovation culture is a novelty that the organization has used and practiced continuously both at the individual level and at the team level.

It combines technological, social and policy dimensions, resulting in higher organizational performance (Formica & Curley, 2018; Ma et al., 2021). Executive leadership will be an important driving force in developing an organization's innovation culture towards acceptance and implementation in business operations (Gil et al., 2018; Zeb et al., 2021).

Business strategy

Running a successful business and being able to expand the market sustainably depends on business strategy of both medium and small businesses. Business policies are planned in line with customer needs and changing trends in the market in order to respond to the needs of customers. Especially, the elderly care business focuses on providing high quality services that the elderly and their relatives need. In addition, the marketing strategy of the business towards each target customer is determined.

Assessing customer needs and responding by customizing services with marketing strategies can impress customers in the elderly care business. Moreover, directing, monitoring, inspecting and evaluating business are an important part in using the evaluation results to develop the business efficiency (Zhang, 2018). These can give businesses a competitive advantage (Cabrilo & Dahms, 2018; Yang et al., 2022).

Business strategy is an important method in planning business operations and marketing to satisfy customers as much as possible in accordance with organizational goals. It affects marketing efficiency and competition. While business strategies for the elderly based on planning and policy setting that corresponds to needs of the elderly will allow businesses to be recognized for their confidence and trust in service quality. Establishing a business's marketing strategy can ensure that elderly's needs are met (Naick, 2018; Quashie, 2018).

METHODOLOGY

The mixed methods research, with Embedded Design (Cresswell, 2003), was conducted by integrating quantitative and qualitative research methods to leverage the strengths of each method, enhancing the overall research quality (Johnson & Turner, 2003).

The study primarily began with quantitative research, involving a literature review and analysis of documents and research works related to variables influencing the sustainable competitive advantage of elderly care businesses in Thailand. These variables include taking advantage of knowledge sharing, culture innovation, and business strategy of SMEs.

Data was synthesized and summarized into specific research definitions. Measurement indicators for variables were defined within the research conceptual framework. Subsequently, these indicators were used to develop a questionnaire based on a 5-level Likert Rating Scale

(Likert, 1932). Prior to data collection, the validity and reliability of the measurement tools were tested.

The collected data were then subjected to statistical analysis using Structural Equation Modeling (SEM) technique. For qualitative research, the researchers employed in-depth interview methods with 10 entrepreneurs in the elderly care businesses in Thailand and 10 experts in elderly care businesses in Thailand, totaling 20 key informants.

Purposive sampling was used. The qualitative data was then organized, categorized, analyzed, interpreted, connected, concluded to enable detailed and reasoned explanations in the quantitative analysis.

RESULTS

The normal distribution of the 12 observed variables studied in the structural equation model was examined, using the chi-square test (χ^2). If it was found to be statistically significant at the .05 level, it means that such variables were non-normally distributed. On the other hand, if it was found to be not statistically significant (P-value > .50), it means that such variables were normally distributed.

Table 1: Mean (M), Standard Deviation (SD), percent coefficient of variation (%CV), skewness (Sk), kurtosis (Ku) and P-value of the chi-square test (χ^2) of the empirical variables (n=240)

Variable	\bar{X}	S.D.	%CV	Sk	Ku	χ^2	P-value
ADUT	4.27	.73	17.10	-2.702	-1.165	8.661	.013
OPRU	4.06	.79	19.46	-1.943	-1.463	5.917	.052
NETU	4.22	.75	17.77	-2.542	-1.997	10.452	.005
ACPI	4.21	.74	17.58	-3.081	-1.563	11.934	.003
IMPC	4.18	.75	17.94	-2.565	-1.257	8.156	.017
CORT	4.23	.73	17.26	-2.507	-1.189	7.698	.021
PLAN	4.15	.78	18.80	-2.262	-.973	6.065	.048
DTSG	4.20	.70	16.67	-1.916	-.369	3.809	.149
SMIE	4.35	.73	16.78	-3.481	-1.511	14.398	.001
CTQL	4.29	.75	17.48	-3.207	-1.703	13.184	.001
DEMD	4.26	.74	17.37	-2.731	-1.571	9.926	.007
NHEF	4.14	.78	18.84	-2.627	-1.214	8.374	.015

Note: chi-square (χ^2) with statistical significance (P-value <.05) indicates a non-normal distribution

The construct validity of latent variables was checked using the confirm factor Analysis technique by considering standardized factor loading of greater than .30 to indicate that the empirical variable is a good factor of latent variable. In addition, the reliability of empirical variables was considered from the R^2 . Moreover, construct reliability (ρ_c) of latent variables greater than or equal to .60 and average variable extracted (ρ_v) greater than or equal to .50 were tested (Diamantopoulos and Siguaw, 2000) as follows.

Table 2: Factor Loadings (n = 240)

Variable	Factor Loading (λ)	Error (θ)	T	R ²
Taking Advantage of Knowledge Sharing (TAKSR)				
Administrative Utilization (ADUT)	.76	.42	11.66	.58
Operational Utilization (OPRU)	.72	.49	10.94	.51
Business Network Utilization (NETU)	.73	.47	11.10	.53
Culture innovation (CULIV)				
Acceptance of Culture innovation (ACPI)	.79	.37	13.13	.63
Implication of Culture innovation (IMPC)	.82	.33	13.66	.67
Team-level Cooperation towards Culture Innovation (CORT)	.74	.46	12.04	.54
Business Strategy of SMEs (BSGSE)				
Policy Planning (PLAN)	.76	.43	11.74	.57
Determining Marketing Strategy (DTSG)	.84	.29	13.07	.71
Supervision, Monitoring, Inspection, and Evaluation (SMIE)	.64	.59	9.90	.41
Sustainable Competitive Advantage of Elderly Care Businesses in Thailand (SCAEC)				
Continuous Quality and Standard (CTQL)	.79	.38	12.26	.62
Continuous Market Demand (DEMD)	.80	.36	12.52	.64
Business Network with High Efficiency (NHEF)	.66	.57	10.20	.43
$\rho_c = .79$ $\rho_v = .56$				
Chi-Square=0.00, df=0, P-value=1.00000, RMSEA=0.000				

Table 3: Direct, indirect and total effects from the adjusted structural equation model (n=240)

Dependent Variables	R ²	Effects	Independent Variables		
			Business Strategy of SMEs (BSGSE)	Taking Advantage of Knowledge Sharing (TAKSR)	Culture innovation (CULIV)
Business Strategy of SMEs (BSGSE)	.90	DE	-	.72*(4.54)	.84*(3.67)
		IE	-	-	-
		TE	-	.72*(4.54)	.84*(3.67)
Sustainable Competitive Advantage of Elderly Care Businesses in Thailand (SCAEC)	.78	DE	.83*(4.67)	.66*(4.26)	.61*(4.01)
		IE	-	.30*(3.52)	.32*(3.49)
		TE	.83*(4.67)	.96*(4.68)	.93*(5.02)
$\chi^2 = 50.77$ $df = 46$ $p\text{-value} = .29119$, $\chi^2 / df = 1.10$, $RMSEA = .021$, $RMR = .016$, $SRMR = .027$, $CFI = 1.00$, $GFI = .97$, $AGFI = .94$, $CN = 332.78$					

*statistical significance at the .05 level

Note: In parentheses, they were the t-value. If the value was not between -1.96 and 1.96, it was statistically significant at the .05 level. DE=Direct Effect, IE=Indirect Effect, TE=Total Effect

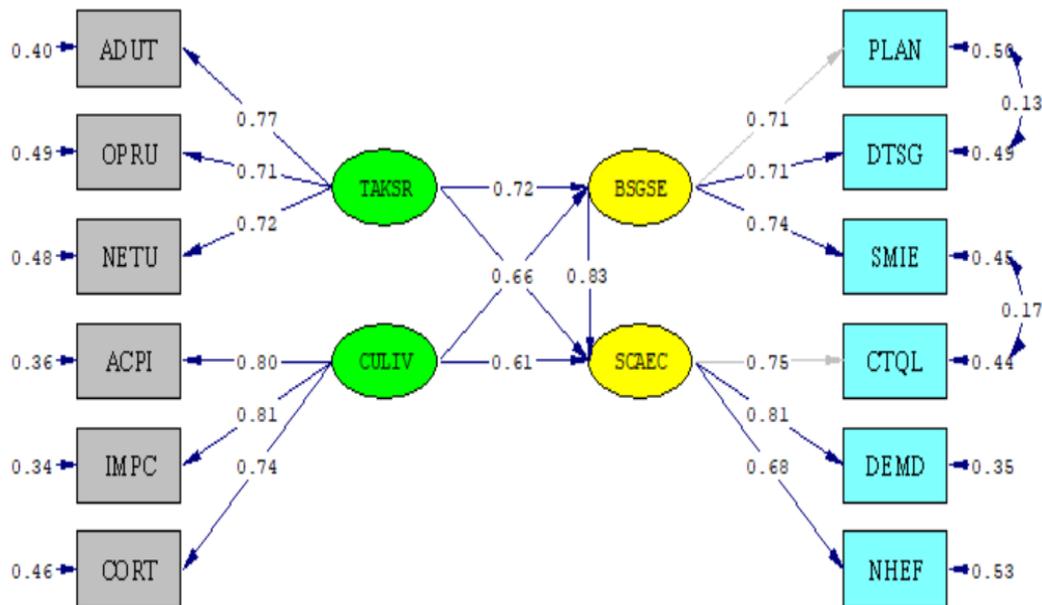


Figure 1: Adjusted Model (n=240)

The results showed that the hypothesized model was fit to the empirical data by allowing the variance of the standard error (θ) of 2 pairs of empirical variables to be related (df before adjustment equals 48 and df after adjustment equaled 46). It was found that the adjusted model was fit to the empirical data which was considered from the fit indexes as follows: $\chi^2=50.77$, $df=46$, $p\text{-value}=.29119$, $\chi^2/df=1.10$, $RMSEA=.021$, $RMR=.016$, $SRMR=.027$, $CFI=1.00$, $GFI=.97$, $AGFI=.94$, $CN=332.78$.

The results of fit indexes found that $\chi^2=50.77$, $df=46$, $p\text{-value}=.29119$ passed the criteria because it was not statistically significant ($P\text{-Value}>.05$). In addition, $\chi^2/df(1.10<2.00)$, $RMSEA(.021<.050)$, $RMR(0.16)$, $SRMR(.027<.050)$, $CFI(1.00>.90)$, $GFI(.97>.90)$, $AGFI(.94>.90)$ and $CN(332.78>200.00)$, indicating a good fit, was considered. Therefore, it can be concluded that the adjusted structural equation model was fit to the empirical data. The estimation of parameters in such models was therefore acceptable.

CONCLUSION

The adjusted structural equation model of Leveraging knowledge sharing and culture innovation to SMEs Sustainable Competitive Advantage of Elderly Care Business in Thailand is fit with the empirical data at an acceptable level, which is considered from the following fit indexes: $\chi^2=50.77$, $df=46$, $p\text{-value}=.29119$, $\chi^2/df=1.10$, $RMSEA=.021$, $RMR=.016$, $SRMR=.027$, $CFI=1.00$, $GFI=.97$, $AGFI=.94$, $CN=332.78$

The estimation was found in the structural equation model as follows.

- 1) Taking Advantage of Knowledge Sharing (TAKSR) directly influences Sustainable Competitive Advantage of Elderly Care Business in Thailand (SCAEC) with a coefficient equal to $0.66*(4.26)$, statistically significant at the 0.05 level. This aligns with hypothesis 1: taking advantage of knowledge sharing directly influences sustainable competitive advantage of elderly care businesses in Thailand.
- 2) Taking Advantage of Knowledge Sharing (TAKSR) directly influences Business Strategy of SMEs (BSGSE) with a coefficient equal to $0.72*(4.54)$, statistically significant at the 0.05 level. This supports hypothesis 2: taking advantage of knowledge sharing directly influences business strategy of SMEs.
- 3) Culture Innovation (CULIV) directly influences Business Strategy of SMEs (BSGSE) with a coefficient equal to $0.84*(3.67)$, statistically significant at the 0.05 level. This confirms hypothesis 3: culture innovation directly influences business strategy of SMEs.
- 4) Culture Innovation (CULIV) directly influences Sustainable Competitive Advantage of Elderly Care Business in Thailand (SCAEC) with a coefficient equal to $0.61*(4.01)$, statistically significant at the 0.05 level. This supports hypothesis 4: culture innovation directly influences sustainable competitive advantage of elderly care businesses in Thailand.
- 5) Business Strategy of SMEs (BSGSE) directly influence Sustainable Competitive Advantage of Elderly Care Business in Thailand (SCAEC) with a coefficient equal to $0.83*(4.67)$, statistically significant at the 0.05 level. This aligns with hypothesis 5: business strategy of SMEs directly influences sustainable competitive advantage of Elderly Care Businesses in Thailand.
- 6) Business Strategy of SMEs (BSGSE), Taking Advantage of Knowledge Sharing (TAKSR), and Culture Innovation (CULIV) together predict Sustainable Competitive Advantage of Elderly Care Business in Thailand (SCAEC) by 78%.
- 7) Taking Advantage of Knowledge Sharing (TAKSR) and Culture Innovation (CULIV) together predict Business Strategy of SMEs (BSGSE) by 90%.

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