

Factors affecting the performance of construction material companies in Bangkok and its vicinity

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ABSTRACT

The construction materials sector plays a vital role in supporting the infrastructure and real estate development of Thailand, particularly in Bangkok and its surrounding regions. This study aims to develop a conceptual framework that identifies and links critical factors affecting the business performance of construction material companies. Drawing on an extensive review of prior empirical studies and theoretical literature, the research highlights four major constructs: Leadership, Company Policy, Innovative Management, and Organizational Agility. These factors are examined for their direct and indirect influence on Business Performance. The methodology employed is documentary research, utilizing content analysis to synthesize findings from diverse sources. The proposed framework suggests that effective leadership and adaptive company policies facilitate innovation and organizational agility, which in turn drive enhanced business outcomes. The results offer significant theoretical contributions and practical implications, providing a foundation for future empirical research and guiding industry stakeholders in strategic decision-making

Keywords: Company management policy, Organizational agility, Company performance results, Construction materials

INTRODUCTION

The building materials sector is a critical upstream industry that plays a vital role in supporting both the construction and real estate sectors. Sales trends in building materials often mirror trends in construction investment because material costs typically account for as much as 60 percent of total construction expenditures. As a result, fluctuations in material prices have a direct impact on the overall value of construction projects. This close linkage positions the building materials sector as a reflection of economic expansion and a key indicator of national growth (Krungsri Research, 2024; Kasikorn Research Center, 2016; Department of Business Development, Ministry of Commerce, 2016). The construction industry itself serves as a fundamental pillar of national development. Its expansion reflects broader economic momentum, as increased construction activity leads to widespread employment ranging from unskilled laborers to technical experts. It also stimulates related industries, reinforcing confidence in the economy's future prospects (Ribjaem & Phutachote, 2023; Sornklin, 2019; Tangpaisan & Somsawat, 2015). Retail sales of building materials have shown consistent growth in line with the recovery of domestic construction activities. This recovery is driven by public sector investments in infrastructure projects as well as increased foreign direct investment from neighboring countries. These trends have significantly boosted demand for construction materials (Sornklin, 2019; Thumawongsa, 2018). In addition, new real estate developments have resumed in Bangkok, surrounding metropolitan areas, and major provincial cities. This signals growing business confidence and demand for home renovation, especially during periods of economic recovery and improving consumer purchasing power (Krungsri Research, 2024; Department of Business Development, 2016; Land & Houses Bank Business Research, 2024).

According to Krungsri Research (2024), the building materials sector is projected to continue expanding in 2025, driven by both domestic and international market demand. Public investments in major infrastructure projects are expected to support this growth, with average annual growth projected between 3.0 and 3.5 percent. One of the key initiatives contributing to this growth is the Eastern Economic Corridor (EEC), which aims to improve national infrastructure and economic capacity. In 2024, private construction investment increased to 598 billion baht. Ongoing investments in road and rail infrastructure across various regions also serve to drive demand for building materials, especially within the recovering private residential construction sector. These dynamics have had a positive effect on the revenues of manufacturers and distributors in the building materials supply chain (Siam Commercial Bank, 2024; Ribjaem & Phutachote, 2023; Thumawongsa, 2018). Studies by Khuntree (2011), Sornklin (2019), and Thumawongsa (2018) have found that the retail business for building and home improvement materials is poised for growth, particularly during periods of rising consumer purchasing power. The continued expansion of real estate markets contributes not only to increased demand for core construction materials but also generates opportunities for businesses offering decorative products and home renovation services, targeting both urban and rural customers. Despite the positive growth outlook, the industry faces several risks. A major challenge is the influx of inexpensive steel products from China, which are often sold directly to Thai consumers without going through local intermediaries. This has placed significant pricing pressure on domestic businesses. Additionally, fluctuations in global oil prices affect energy costs, leading to unstable material prices and creating uncertainty for small-scale buyers. Another key issue is the shortage of skilled labor in the sector, where physically demanding and potentially hazardous working conditions make it difficult to attract workers. Online platforms that allow consumers to buy directly from international sellers, particularly from China, have also intensified competition. While such products may be of lower quality, their competitive pricing appeals to many customers (Department of International Trade Promotion, 2023; Government Housing Bank Real Estate Information Center, 2017). Local retailers must respond with strategic measures, such as managing energy costs, adapting to pricing pressures from imported goods, developing skilled labor, and enhancing competitiveness through digital platforms and online marketing strategies (Ribjaem & Phutachote, 2023; Tangpaisan & Somsawat, 2015; Thumawongsa, 2018; Khuntree, 2011). Construction materials in the market can be categorized into two main groups: structural materials and finishing materials. Structural materials, including cement and construction steel, account for the highest proportion of sales, representing approximately 39 percent of the total market. Decorative materials such as ceramic tiles and sanitary ware represent about 10 percent. Most core building materials, except sanitary ware, are sold in greater volume domestically than they are exported, indicating strong and stable internal demand (Krungsri Research, 2024). This continued reliance on structural materials reflects the ongoing need to support infrastructure development and new construction nationwide (SCG JWD Logistics, 2024; Department of Business Development, 2016). As of 2024, there are approximately 980 companies in the building materials retail business. These consist of 35 large enterprises, 127 medium-sized businesses, and 818 small-scale operators. The sector is further divided into two business models: Modern Trade and Traditional Trade. Modern Trade businesses, mostly medium and large companies, operate through comprehensive systems that include in-store management and post-sale services. These businesses offer a wide array of construction and home improvement products, including furniture. They generally possess strong financial resources and efficient management, enabling them to expand into provincial markets and provide convenient access for customers. Modern retailers also offer after-sales services, such as installation and maintenance. Although they represent a smaller number of total businesses, they account for up to 75 percent of total market revenue.

Traditional Trade businesses, by contrast, are small-scale operators that focus on selling basic materials like cement, sand, and hardware to nearby customers. These businesses emphasize local service and quick responsiveness to neighborhood demands. While their market share is smaller, they play a vital role in supporting local construction needs, particularly for low-income households (Krungsri Research, 2024; SCG JWD Logistics, 2024; ReadyPlanet Plc., 2024; Land & Houses Bank Business Research, 2024). Although many small-scale retailers are adapting by improving store design, diversifying product offerings, and expanding into online sales, they still face significant disadvantages in terms of capital, marketing, and brand recognition. These limitations hinder their ability to compete with Modern Trade operators who benefit from larger budgets, more advanced technology, and stronger market presence (TODAY Bizview, 2024; Kasikorn Research Center, 2016; Department of Business

Development, 2016). Studies show that many family-run traditional stores are experiencing declining sales due to weakening local economies. Farmers, who represent a major customer base, have seen reduced income due to low crop prices and have insufficient funds for home improvement. Meanwhile, middle-income consumers are increasingly drawn to Modern Trade outlets that offer a more engaging shopping experience and a broader range of products. This has led to a loss of key customers and threatens the long-term viability of small retailers (Ribjaem & Phutachote, 2023; Tangpaisan & Somsawat, 2015; Thumawongsa, 2018; Khuntee, 2011; Department of International Trade Promotion, 2023). A synthesis of studies by Tangpaisan and Somsawat (2015), Sornklin (2019), Ribjaem and Phutachote (2023), and Thumawongsa (2018) reveals consistent findings that small traditional retailers lack business management expertise. They often fail to effectively adapt to market changes, suffer from poor financial planning, and lack robust marketing and inventory management systems. As a result, they are not well-positioned to respond to market volatility, leading to financial strain and reduced competitiveness. The rise of Modern Trade, with its financial stability and strong brand recognition, further diminishes the market position of small retailers. Regional economic challenges, particularly in agricultural areas, continue to reduce demand for construction materials, intensifying the pressure on these businesses.

To survive and thrive, traditional building materials businesses must embrace innovation and adapt to shifting consumer expectations. This includes developing multi-channel distribution strategies, introducing online and app-based purchasing, and improving in-store environments to enhance the customer experience. Providing modern, relevant product offerings and using digital tools to communicate effectively with consumers are also essential for maintaining competitiveness (Department of Business Development, 2016; ReadyPlanet Plc., 2024; Land & Houses Bank Business Research, 2024). Bangkok remains the most concentrated area for building materials retailers, accounting for 32 percent of all enterprises in the country and having a combined registered capital of more than 52 billion baht. As Thailand's economic hub with high population density, Bangkok consistently generates strong demand for construction and renovation materials. This demand is fueled by continuous infrastructure and residential development projects across all zones, including townhouses, condominiums, and commercial buildings. The city's high-density urban environment creates an ongoing need for both new construction and maintenance of existing structures, making it the strategic core of the sector (Kasikorn Research Center, 2018; Thumawongsa, 2018; TODAY Bizview, 2024; Department of Business Development, 2016; Land & Houses Bank Business Research, 2024).

In conclusion, the building materials business plays an essential role in the country's overall economic development, supporting both construction and infrastructure industries. Bangkok and surrounding areas serve as the central hub of activity. However, small-scale traditional retailers continue to face rising challenges due to intensifying competition and changing consumer preferences. The ability to adapt and improve business capacity is vital for these businesses to remain viable. This study focuses on the performance of building material retailers in Bangkok and its metropolitan region, with the aim of identifying factors that influence their operations, including management, financial strategies, marketing approaches, and distribution channels. The findings will not only benefit operators directly but also support broader economic development across the country.

Based on the background and significance of the problem, the researcher is therefore interested in studying and developing a conceptual framework to identify the key factors that influence the performance level of construction material companies in Bangkok and its vicinity.

OBJECTIVE

(1) To explore and identify variables from the literature review that may influence the performance level of construction material companies in Bangkok and its vicinity.

(2) To develop a research conceptual framework that explains the causal relationships among variables expected to influence the performance level of construction material companies in Bangkok and its vicinity.

METHODOLOGY

This study employs a documentary research method focused on analyzing literature that addresses innovative and sustainable tourism models tailored for the elderly population in Thailand. The investigation encompasses both historical perspectives and current practices, offering a well-rounded understanding of the topic. To collect data, the researcher conducted an extensive review of a range of written sources, such as official government publications, scholarly texts, journal articles, academic theses, and related documents. These materials were carefully chosen based on their academic credibility and alignment with the study's aims and research questions. The data collection relied on accessing electronic databases, university libraries, and information centers with specialized resources. Once gathered, the materials were organized into major themes that reflect key aspects of the subject. This thematic categorization laid the groundwork for a descriptive analysis that sought to clarify the meaning and broader implications of the literature. To maintain a methodical and structured evaluation, content analysis techniques were applied. The findings are presented in a narrative essay format, aiming to deliver a cohesive argument supported by well-grounded evidence.

RESULTS

Anderson, Acur, and Corney (2018) conducted a study on how SMEs utilize open innovation in the development of new business models. The research focused on the application of open innovation theory within small and medium-sized enterprises (SMEs) seeking to evolve their business models in the modern era. Access to external knowledge has become a vital tool for accelerating innovation and enhancing product or service development. As such, business processes must become more open and willing to transcend traditional boundaries. The study aimed to assist SMEs in identifying and integrating external ideas, innovations, and resources for commercial application. Open innovation has gained widespread recognition, with SME leaders perceiving it as a strategic imperative for rapid organizational development. The findings indicate that leaders with visionary outlooks and high-level skills can effectively implement open innovation strategies, facilitating transformative organizational growth. Dwyer (2019) investigated leadership self-efficacy through a comprehensive literature review and its implications for leader development. This research synthesized studies published over the past 25 years on leaders' perceptions of their own capabilities, aiming to understand the influence of such perceptions on leadership development programs and their effectiveness. The review highlighted the diversity in methods used to assess leadership self-efficacy and underscored its critical role in leadership success. It found a positive correlation between self-efficacy and leadership that fosters innovative capability. Leaders who possess strong self-confidence are better equipped to devise new management processes that enhance performance and promote further leadership development. Muller and Niessen (2018) explored self-leadership and self-control strength in the workplace context. Their study examined the relationship between creative self-leadership behaviors, task quality, and the capacity for self-regulation in developing new work strategies. Utilizing a quantitative approach, data were collected from participants across 142 universities at two time intervals—morning and afternoon. The analysis, conducted using hierarchical regression, revealed a positive relationship between strong self-leadership and self-control, as well as the proactive pursuit of innovative work methods. The findings advocate for fostering self-leadership traits to create a more effective and supportive work environment. Krampitz, Tenschert, Furtner, Simon, and Glaser (2022) studied the effectiveness of online self-leadership training on the development of leadership skills and recovery experiences. The research aimed to determine how online training programs enhance self-leadership competencies and promote experiential growth. Using a survey-based instrument, participating leaders assessed the leadership skills and benefits acquired through training. The results indicated substantial improvements in self-leadership abilities, with participants reporting enhanced capacity to integrate innovative processes within their organizations. Additionally, those who completed the training exhibited improved emotional regulation and stress management, contributing positively to their overall well-being. Nugroho (2018) investigated the effects

of collaborative cultures and knowledge sharing on organizational learning. The research aimed to assess how collaborative environments and knowledge exchange practices influence an organization's learning capacity and developmental agility. The study surveyed 288 nonprofit organizations selected through simple random sampling and tested the hypotheses using least squares regression analysis. The results offered valuable insights, revealing that visionary and skilled leaders play a pivotal role in fostering the adoption of innovations—both technological and procedural. Furthermore, a culture that supports knowledge sharing significantly enhances organizational agility and strengthens its capacity for innovative development.

H:1 Leadership has direct effect on innovative management

Rameshwar and Sachin (2011) conducted an empirical study on the innovative atmosphere relating to success factors of entrepreneurial managers in organizational agility. The research examined the mediating role of innovation-oriented leaders in driving organizational change and promoting innovative behaviors among managers and employees. The study revealed that such leadership roles significantly stimulate employees' intellectual engagement, inspire motivation, and encourage thoughtful behavior—key contributors to fostering innovation within organizations. Inspired employees were found to be more willing to explore and experiment with new methods of operation. However, the study also noted that the relationship between the leader's innovative mediation and employee creativity, including the influence of systematic problem-solving approaches, was not statistically significant. This finding implies that creativity and structured problem-solving alone may not suffice in promoting innovative behavior without additional organizational support, such as a culture that encourages change and inclusive participation.

Melis and Aleem (2020) explored the role of agile leadership in organizational agility, emphasizing the complexities, ambiguities, and volatility that characterize the modern business landscape. The study argues that to thrive under such dynamic conditions, organizations must fully adopt agility as an operational principle. Agile leaders play a crucial role in guiding organizations through uncertainty by establishing strategic direction and mechanisms that sustain continuous adaptability. These leaders not only implement frameworks but also cultivate a culture that promotes holistic agility throughout the organization. The study highlights the multidimensional attributes of organizational agility and underlines its value in enabling rapid, effective responses to change. It concludes that agile leadership—grounded in adaptability and forward-thinking—is essential for fostering true agility in today's competitive environment.

Ade, Eko, and Wahyu (2022) investigated organizational agility in an Indonesian telecommunications company, focusing on the direct and indirect impacts of leadership. The study acknowledged agility as a critical capability in the highly competitive digital age, particularly within the telecommunications sector. Using data from 1,073 employees and a non-probability sampling method, the researchers analyzed how adaptive leadership influenced organizational agility. The findings indicated a significant and positive direct relationship between adaptive leadership and organizational agility. Moreover, factors such as employee readiness, innovative culture, technological capability, and organizational structure were found to mediate this relationship. These results underscore the importance of having leaders who can adjust to rapid digital transformations and ensure that organizations remain resilient and competitive.

Maryam and Farzad (2016) focused on the role of organizational agility and transformational leadership in service recovery prediction within the public sector. Recognizing the centrality of service recovery in enhancing customer satisfaction, the study developed a conceptual model to assess how these two variables interact. Using a sample of 149 public sector employees, the study demonstrated that both transformational leadership and organizational agility had a significant positive impact on effective service recovery. Leaders who could guide organizations through change and cultivate agility enabled quicker and more effective responses to service challenges. These findings suggest that combining

transformational leadership with agile organizational practices is key to improving public service quality and organizational responsiveness.

Denning (2017) discussed the next frontier for agile strategic management, emphasizing that achieving true agility in large organizations requires more than technology or product innovation. Instead, it hinges on visionary leadership that can inspire employees and foster a responsive, adaptable organizational culture. Denning highlighted the importance of strategic agility—integrating agile principles with long-term strategic planning—to drive breakthrough innovation. This involves anticipating unspoken customer needs and creating unexpectedly delightful experiences. The study also recommends blending agile management with strategic frameworks such as “Jobs-to-be-Done” theory and “Blue Ocean Strategy” to unlock new market opportunities. It concludes that agile leadership enables organizations to remain flexible, avoid rigid structures, and lead innovation in rapidly changing environments.

H2: Leadership has a direct influence on Organizational Agility

Liang et al. (2024) examined the bright side of being uncertain: the impact of economic policy uncertainty (EPU) on corporate innovation. This study aimed to hypothesize and empirically test how EPU affects corporate innovation performance. Economic uncertainty often leads firms to reduce their innovation investments due to increased risks. However, the findings revealed an inverted-U relationship between EPU and innovation performance, suggesting that moderate levels of uncertainty can enhance innovation if firms manage risk appropriately. The study employed longitudinal data from multiple sources, with robust analytical models to assess the stability and consistency of findings. Furthermore, companies with stronger operational and marketing capabilities were better positioned to innovate under economic uncertainty. The authors recommended enhancing organizational flexibility and adaptability as key strategies to stimulate innovation during periods of uncertainty. Rehman and Prokop (2023) conducted a comparative study on the interplay between management practices, innovation, the business environment, competition, and environmental policy. Using 2019 World Bank enterprise survey data from Greece, Italy, Turkey, Portugal, and Jordan, and analyzing it through PLS-SEM, the study found that management practices significantly and positively influenced organizational innovation in all countries except Italy. Additionally, management practices positively affected the implementation of environmental policies and shaped the business environment and competitive dynamics—all of which further impacted innovation. These findings offer a comprehensive model that underscores the interconnectedness of policy, competition, and management in fostering innovation, providing actionable insights for both policymakers and entrepreneurs.

Rui, Yongmei, and Yajun (2021) explored the impact of corporate strategy on enterprise innovation through the mediating effect of corporate risk-taking. Using panel data from A-share listed manufacturing firms in China (2008–2018), they found an inverted-U relationship between corporate strategy intensity and innovation performance. Moderate strategic intensity was associated with enhanced innovation, while overly aggressive strategic application led to diminished results. Moreover, risk-taking was identified as a key mediating variable, highlighting that strategic orientation must be supported by an organization’s willingness and ability to absorb risk to effectively foster innovation. The findings contribute to a better understanding of how strategy and risk interrelate in shaping innovation performance and sustainability. Bogolyubov, Alegre, and Soule (2023), in their guest editorial, examined the connection between learning organizations, organizational learning, and innovation. They argued that modern company policies—particularly those fostering structured leadership and knowledge management—play a pivotal role in promoting innovation. Effective leadership contributes to a knowledge-sharing environment that encourages creativity, adaptability, and sustained organizational learning. The research emphasizes that organizational policies supporting internal knowledge circulation and adaptive learning cultures are critical in driving innovation and maintaining competitive advantage in rapidly evolving markets.

H3: Company Policy has a direct influence on Innovative Management

Abrishamkar, Abubakar, and Mitra (2021) investigated the influence of workforce agility on high-growth firms, focusing on the mediating role of innovation. The study addressed whether workforce agility, particularly in high-tech manufacturing sectors in developing countries like Iran, contributes to firms achieving high growth. Given the increasingly volatile and uncertain environment, agility has become essential for firm adaptability. Although prior studies highlight the positive impact of organizational agility on firm performance, few have provided empirical evidence specific to high-growth firms (HGFs). The study proposed that a flexible and adaptive workforce facilitates innovation—particularly product innovation—which, in turn, enhances the likelihood of a firm becoming an HGF. Empirical testing with Iranian manufacturing firms confirmed that workforce agility directly contributes to firm growth potential, with innovation acting as a key mediator. These findings have both theoretical and practical implications, emphasizing the need for policies that support workforce flexibility and innovative capacity. Sayyadi (2024) examined how improved data quality can enhance decision-making and business strategy agility in the AI age. The research argued that advanced technologies such as Machine Learning (ML), Predictive Analytics (PA), Explainable AI, and Cloud Computing significantly improve data quality and, consequently, organizational agility. These tools help firms forecast trends, make data-driven decisions, and adapt to changing markets efficiently. However, the study also emphasized that these technological benefits materialize only when supported by clear and proactive company policies. Executive leadership must implement strategies that promote technological adoption while enhancing data governance. The research concludes that strategy agility in the AI era relies on the synergy between technological capability and a flexible, policy-driven organizational culture.

Holbeche (2019) studied organizational cultural shifts when implementing agility. The research highlighted that top-level leadership, effective company policy, and external business pressures have pushed organizations toward agile transformation in strategic planning and operations. The study identified the barriers that arise from traditional organizational culture—such as linear thinking and rigid change management practices—which often hinder large-scale agile adoption. Even though agile methods promote innovation and flexibility, cultural transformation at only one level is insufficient for sustainable change. The research proposed strategies for aligning leadership behavior, organizational culture, and change management to achieve long-term value through agility. It stressed the critical role of senior leadership in modeling and championing agile principles across the organization. Bui, Nguyen, and Chau (2020) investigated the impact of CEO duality on corporate entrepreneurship and strategic agility in privatized Vietnamese firms. By analyzing responses from 114 CEOs and top executives, the study revealed that CEO duality does not necessarily enhance entrepreneurial activity. Instead, it is the clarity and effectiveness of company policy that plays a central role in promoting organizational agility. Strategic agility was found to be more dependent on how well leaders could utilize organizational resources and respond to market changes. The study reinforces the importance of governance frameworks and adaptive leadership in sustaining competitiveness in global markets.

Sari and Ahmad (2022) explored the connection between entrepreneurial leadership and strategic agility in enhancing SME competitiveness. This study, situated in a developing country context, argued that SMEs must cultivate strategic agility to survive and thrive amid complexity and uncertainty. The findings demonstrated that both entrepreneurial leadership and supportive government policy significantly enhance SMEs' adaptive capacity. Moreover, well-designed company policies act not only as internal governance tools but also as enablers for strategic shifts in response to external disruptions. Policies promoting flexibility, entrepreneurship, and dynamic management systems allow SMEs to turn challenges into growth opportunities. The study provides key insights for policymakers and business leaders seeking to empower SMEs in rapidly evolving markets.

H4: Innovative management has a direct influence on Organizational Agility

Cegarra-Navarro and Martelo-Landroguez (2020) investigated the effect of organizational memory on organizational agility, emphasizing the roles of counter-knowledge and knowledge application. Drawing from data collected from 112 firms and analyzed using SmartPLS version 3.2.8, the study revealed that while organizational memory facilitates knowledge utilization, it may also contribute to the proliferation of misinformation and unproductive beliefs. Furthermore, simultaneous development and application of knowledge may generate ambiguity, thereby reducing organizational

agility. The authors suggest that managers should proactively manage knowledge resources and adopt timely countermeasures—especially during sensing, decision-making, and response processes—to maintain agile operations. Tang et al. (2022) explored a moderated mediating model examining how distributed innovation, digital entrepreneurial opportunities, and IT-enabled capabilities influence digital innovation performance. With 399 valid responses, the study confirmed that distributed innovation positively impacts digital innovation outcomes. Furthermore, digital entrepreneurial opportunity serves as a significant mediating variable, enhancing the relationship between distributed innovation and performance. This underscores the critical interplay between decentralized innovation processes and digitally enabled entrepreneurial behavior in enhancing organizational performance. Wu, Ku, and Wu (2022) focused on improving restaurants' sales performance by examining the linkage between chefs and suppliers. Using survey data from 166 culinary professionals, the study found that collaborative innovation between chefs and suppliers—particularly in developing novel food products—directly improved restaurant performance and customer retention. Emphasis was placed on aligning product innovation with emerging market trends to increase customer satisfaction and brand loyalty. Gómez-Rico et al. (2022) investigated the role of motivation, self-congruity, and restaurant innovativeness in shaping creative food tourism experiences. Surveying 407 food tourists using structural equation modeling, the study found that emotional and social motivations significantly influence culinary innovation in restaurants. These innovations not only enhance customer satisfaction but also reinforce the authenticity of the cultural food experience, particularly for first-time and repeat tourists.

Thongsri et al. (2022) proposed a novel design thinking-based approach to develop and assess user acceptance of the Food Friend Application (FFA) during the COVID-19 pandemic. This quantitative study employed structural equation modeling to analyze user behavior. Findings indicate that prototype development significantly influences user acceptance. The study also emphasizes the role of organizational human capital in digital innovation, where expertise and creativity among staff contribute to effective digital marketing and operational resilience. Wang and Scrimgeour (2022) analyzed consumer adoption of online-to-offline (O2O) food delivery services in China and New Zealand. Surveying 1,185 consumers, they used structural modeling to evaluate consumer motivations, perceived ease-of-use, food safety confidence, and processing convenience. The research categorized consumers into three segments—conservatives, value-seekers, and pioneers—demonstrating that food service providers must tailor strategies based on user typologies, backed by agile and knowledgeable human resources. Roblek et al. (2022) conducted a bibliometric study on the evolution of organizational agility. The study highlighted the expanding research paradigm covering information systems, business intelligence, market orientation, strategic alignment, and socio-computational modeling. It emphasized the necessity of digital transformation and data management as foundational elements for fostering a new organizational culture. Future research should focus on human-machine collaboration and knowledge management systems as mechanisms to enhance agility and competitiveness.

H5: Innovative Management has a direct influence on Organizational Agility

Anusonpanichaku (2020) conducted a study on the impact of transformational leadership and innovative management on the success of community enterprises in the lower northern region of Thailand. The findings indicated that both transformational leadership and innovative management contribute significantly to organizational success. Specifically, transformational leadership directly influenced both innovative management and the success of the enterprise. Innovative management, in turn, exerted a direct influence on business performance and served as a mediating factor through the influence of leadership. Business performance in this context included financial outcomes, customer satisfaction, internal process optimization, and long-term organizational development. The study proposed a practical framework composed of three core components and thirteen indicators, supporting

its applicability in real business settings. The first component, transformational leadership, was characterized by inspirational motivation, intellectual stimulation, and individualized consideration. The second component, innovative management, emphasized the development of creative processes, optimal utilization of innovation resources, and ongoing managerial development. The third component focused on business performance, with particular attention to financial results, customer relationship management, internal process improvement, and sustained growth. The study demonstrated that effective leadership and well-structured innovation management are closely interlinked and significantly enhance enterprise success.

Nutchanat and Sukaboon (2023) investigated the role of technology adoption and product innovation as mediating variables that link modern entrepreneurs' potential with the sustainability of local businesses in Pak Kret District, Nonthaburi Province. The research highlighted that entrepreneurs showed high levels of readiness in terms of technological perception and innovation capabilities. It also found that technology adoption and product innovation served as essential mediators between entrepreneurial potential and sustainable business outcomes. Among the examined factors, the entrepreneurs' inherent potential was found to be the most influential in driving sustainability, while technology perception and innovation further supported this relationship. The study concluded that entrepreneurial potential remains a key determinant for local business sustainability, even more than technological and innovation adoption on their own. Pimonratnakan and Jadesadalug (2017) explored the impact of organizational climate perception on in-role performance, through the mediating effects of job satisfaction and organizational commitment. The study found that several factors such as entrepreneurial characteristics, change management, strategic partnerships, innovation management capability, and market achievement significantly influenced business performance in the agricultural sector. The findings underscored the importance of deliberate business planning and strategic development, especially in the areas of human capital enhancement, adaptive management, and competitive positioning. Applying both theoretical and practical perspectives, the study provided insight into how entrepreneurs could strengthen their organizations and improve long-term business outcomes. Petchuay, Paijit, and Rodsisen (2021) focused on the characteristics of entrepreneurs that contribute to the successful administration of small and medium-sized enterprises in the palm oil industry in Surat Thani Province. The study identified several key attributes among entrepreneurs, including risk-taking, decision-making, creative innovation, self-directed learning, and adherence to ethical business practices. These characteristics were found to have a statistically significant relationship with business success. Among the most influential factors were continuous self-development and innovation, both of which contributed directly to the improved business performance of SMEs. The research emphasized that entrepreneurs who prioritize innovation and personal growth are more likely to achieve sustainable success in competitive markets.

H6: Innovation Management has a direct influence on Business performance

Bao and Zhu (2022) conducted a study examining the mechanisms influencing customers' intention to reuse food delivery applications in China. Using a quantitative research design with an online survey of 312 respondents, the study identified key factors that influence user satisfaction and perceived value. These included information quality, ease of use, and variety of choices available within the application. These elements were found to significantly affect users' intention to reuse the app. Additionally, social influence—both informational and normative—played an important role in shaping reuse intentions, either directly or indirectly. The findings emphasize the importance of service quality and cohesive teamwork in driving organizational success within the digital food delivery industry. Thomas-Francois and Somogyi (2022) explored consumers' intention to adopt virtual grocery shopping (VGS), focusing on the roles of technological readiness and the optimization of consumer learning.

Utilizing a structural equation modeling approach on data collected from 1,034 respondents, the study found that several factors influenced attitudes toward VGS. These included convenience motivation, perceived ease of use, perceived risk, and the level of consumer learning. The research also identified four distinct consumer segments in the Canadian market based on attitudes and behavioral intentions toward virtual grocery shopping. This segmentation provides valuable insights into how tailored marketing strategies can effectively meet the needs of diverse consumer groups. Khan, Talukder, Islam, and Islam (2022) examined the impact of business analytics capabilities on innovation, information quality, organizational agility, and firm performance, while also considering the moderating role of industry dynamism. Drawing data from 192 firms in Bangladesh, the study found that business analytics capabilities enhanced both innovation and information quality, which in turn improved organizational agility. However, industry dynamism was shown to weaken organizational agility in certain contexts, which negatively affected firm performance. The findings underscore the importance of effectively utilizing business resources and adapting to external industry dynamics in order to maintain competitiveness and organizational responsiveness. Puriwat and Hoonsopon (2022) investigated the comparative impacts of organizational agility and flexibility on different types of product innovation performance under technological turbulence. The study collected data from 431 managers responsible for new product development across three sectors: food and beverage, chemicals, and machinery. Regression analysis revealed that organizational agility significantly enhances breakthrough innovation performance, regardless of environmental stability or technological disruption. In contrast, organizational flexibility positively influenced incremental innovation performance. These results suggest that agility and flexibility play distinct roles in driving innovation, with agility being more critical in navigating disruptive change, while flexibility supports gradual improvement.

H7: Organizational Agility has a direct influence on Business performance

Based on these hypotheses, the researcher can develop the following conceptual framework for the study.

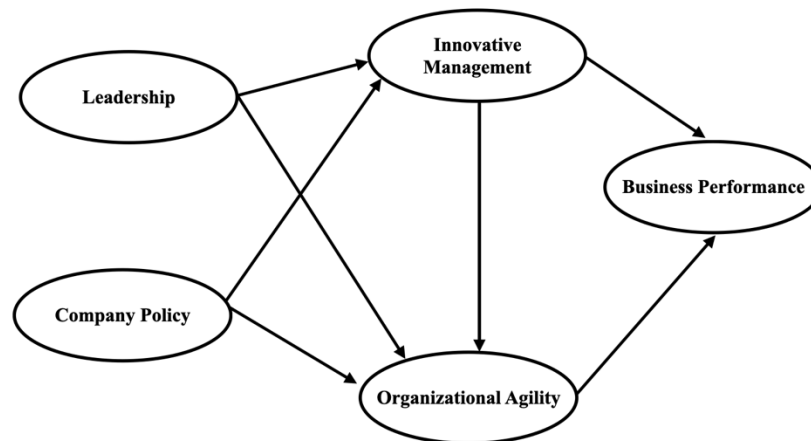


Figure 1: The Research Framework

CONCLUSION

This study set out to develop a conceptual framework identifying key factors that influence the performance of construction material companies in Bangkok and its vicinity. Drawing upon a comprehensive review of prior literature and empirical findings, the research emphasized the importance of leadership, company policy, innovative management, and organizational agility in shaping business performance. The review of existing studies supports the hypothesis that each of these variables exerts either a direct or mediating influence on firm outcomes, particularly in dynamic and competitive market conditions. The findings highlight that effective leadership fosters a culture of innovation and agility, while well-structured company policies provide a foundation for adaptability and sustainable growth. Innovative management, in particular, emerges as a central mechanism through which organizations respond to change, enhance productivity, and meet evolving customer demands. Furthermore, organizational agility is shown to be instrumental in enabling firms to navigate uncertainties, capitalize on emerging opportunities, and sustain long-term performance.

The conceptual framework proposed by this study offers a structured understanding of the causal relationships among these critical variables, laying the groundwork for future empirical investigation. It serves as a valuable resource not only for academic researchers but also for industry practitioners and policymakers seeking to strengthen the competitiveness and resilience of construction material businesses in Thailand. Ultimately, this research contributes to the broader discourse on organizational performance by providing a theoretically grounded and context-specific model tailored to the construction materials sector in Bangkok and its surrounding regions.

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