



Organizational unlearning as an antecedent of management excellence: The mediating role of innovation capability

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Abstract

Management excellence has traditionally been associated with continuous learning, process improvement, and the adoption of best managerial practices. However, in environments characterised by rapid technological change, increasing uncertainty, and growing complexity, knowledge accumulation alone may be insufficient to sustain excellence over time. In this context, organisational unlearning, defined as the deliberate capability to identify, question, and abandon obsolete routines, practices, and assumptions, has emerged as an important mechanism for organisational renewal and adaptation.

This study examines the relationship between organisational unlearning and management excellence, considering innovation capability as a mediating mechanism. A quantitative, explanatory, and cross-sectional research design was adopted. Data were collected through a structured questionnaire administered to 153 managers and professionals involved in organisational decision-making across different sectors. The proposed conceptual model was analysed using Partial Least Squares Structural Equation Modelling (PLS-SEM).

The results indicate that organisational unlearning is positively associated with innovation capability ($\beta = 0.521$, $p < 0.001$) and management excellence ($\beta = 0.245$, $p < 0.01$). Innovation capability also demonstrates a significant positive relationship with management excellence ($\beta = 0.498$, $p < 0.001$) and partially mediates the relationship between organisational unlearning and management excellence. The structural model explains 23.5% of the variance in innovation capability and 40.5% of the variance in management excellence, indicating satisfactory explanatory and predictive capability.

The study contributes to the management literature by positioning management excellence as a dynamic outcome of organisational renewal capabilities rather than solely as the result of continuous learning and accumulated best practices. By integrating organisational unlearning, innovation capability, and management excellence within a single empirical framework, the study extends current knowledge on organisational adaptation in turbulent environments. From a managerial perspective, the findings highlight the importance of deliberately abandoning obsolete managerial practices while simultaneously strengthening innovation capability to promote sustained organisational adaptability and long-term management excellence.

Keywords: Innovation Capability; Managerial Excellence; Organisational Renewal; Organisational Unlearning; PLS-SEM.

1. Introduction

Management excellence is widely recognised as a critical determinant of organisational competitiveness, adaptability, and long-term sustainability. In increasingly dynamic and complex business environments, organisations are expected to continuously improve their management systems, enhance operational

effectiveness, and develop capabilities that support superior performance. Consequently, the management literature has traditionally associated management excellence with the adoption of best managerial practices, continuous learning, process improvement, and the accumulation of organisational knowledge (Oakland, 2014; Teece, 2018).

However, contemporary organisational environments are characterised by rapid technological change, digital transformation, global competition, and heightened uncertainty. Under these conditions, knowledge and practices that were once valuable may become obsolete and, in some cases, hinder adaptation and innovation. Organisations that remain attached to outdated routines, assumptions, and managerial approaches often experience strategic rigidity, reducing their ability to respond effectively to changing environmental demands (Leonard-Barton, 1992; Argote, 2020).

Although organisational learning and organisational unlearning are frequently viewed as complementary processes, they represent conceptually distinct organisational capabilities. Organisational learning primarily concerns the acquisition, dissemination, and application of knowledge to improve organisational performance (Fiol & Lyles, 1985; Argote & Miron-Spektor, 2011). In contrast, organisational unlearning refers to the deliberate process of identifying, questioning, and abandoning obsolete routines, assumptions, and managerial practices that no longer create value (Tsang & Zahra, 2008). Whereas learning expands the organisational knowledge base, unlearning removes cognitive and structural rigidities that constrain organisational adaptation. From the perspective of dynamic capabilities (Teece, 2018), both processes are essential: learning facilitates the development of new capabilities, while unlearning enables organisations to reconfigure existing resources and routines in response to environmental change. Consequently, sustained organisational renewal depends not only on acquiring new knowledge but also on purposefully discarding obsolete knowledge.

Recent studies increasingly recognise organisational unlearning as a strategic capability that supports organisational renewal by enabling firms to challenge established assumptions, overcome cognitive inertia, and create favourable conditions for innovation (Tsang & Zahra, 2008; Klammer et al., 2025). By abandoning practices that no longer generate value, organisations free cognitive and organisational resources that can be redirected towards experimentation, flexibility, and the development of innovative managerial approaches. Despite its growing theoretical relevance, however, empirical research examining the organisational consequences of unlearning remains relatively limited.

At the same time, innovation capability has become one of the most important organisational capabilities for sustaining competitiveness in dynamic environments. Organisations with strong innovation capability are better able to transform ideas into effective managerial practices, processes, and solutions, thereby strengthening organisational adaptability and performance. Innovation capability may therefore constitute an important mechanism through which organisational unlearning contributes to higher levels of management excellence.

Despite growing scholarly interest in organisational renewal and dynamic capabilities, dominant management excellence frameworks continue to emphasise continuous learning, standardisation, and the adoption of best practices while paying comparatively little attention to the strategic role of organisational unlearning. Although unlearning has been recognised conceptually as an important process for organisational renewal, relatively few empirical studies have examined its direct influence on management excellence or explored the mechanisms through which this relationship operates. Consequently, important questions remain regarding how organisations transform the abandonment of obsolete knowledge into superior managerial performance.

To address this research gap, the present study examines the relationship between organisational unlearning and management excellence while investigating the mediating role of innovation capability. By integrating the literature on organisational unlearning, innovation capability, and management excellence, the study proposes and empirically tests a conceptual model that contributes to a more comprehensive understanding of organisational renewal in dynamic environments.

The research question guiding this study is:

How does organisational unlearning contribute to management excellence, and what role does innovation capability play in this relationship?

This study makes three principal contributions to the management literature. First, it positions organisational unlearning as a direct antecedent of management excellence. Second, it identifies innovation capability as a mediating mechanism linking organisational unlearning and management excellence. Third, it extends organisational learning and dynamic capability perspectives by demonstrating that sustainable management excellence depends not only on the acquisition of new knowledge but also on the deliberate abandonment of obsolete routines, practices, and assumptions.

2. Literature Review

2.1. Organisational Learning: Theoretical Advances and Limitations

Organisational learning has been widely recognised as a fundamental mechanism for adaptation, innovation, and performance in competitive environments. Broadly speaking, this construct refers to the processes through which organisations acquire, share, interpret, and apply knowledge to improve their actions and outcomes (Fiol & Lyles, 1985; Argote & Miron-Spektor, 2011).

Recent studies reinforce the notion that organisational learning contributes to the development of dynamic capabilities, enabling organisations to respond more effectively to environmental changes (Teece, 2018). However, the dominant literature implicitly assumes that the continuous accumulation of knowledge leads, in a linear fashion, to performance improvement and organisational excellence.

This cumulative perspective has been increasingly questioned. Contemporary research indicates that the excessive retention of knowledge, routines, and practices can lead to organisational rigidity, path dependency, and resistance to change (Leonard-Barton, 1992; Argote, 2020). In contexts characterised by accelerated digital transformation and high uncertainty, previously institutionalised knowledge may become obsolete, or even detrimental, limiting the adaptive capacity of organisations. In such scenarios, the need emerges to complement organisational learning with unlearning processes.

2.2. Organisational Unlearning: Conceptualisation and Dimensions

Organisational unlearning has gained increasing attention in the management literature as a critical process for organisational renewal. Unlike passive forgetting, unlearning refers to an intentional, deliberate, and reflective process of questioning, discarding, and replacing knowledge, routines, and assumptions that are no longer effective (Tsang & Zahra, 2008; Klammer et al., 2025).

Recent research emphasises that unlearning involves multiple dimensions, including the revision of managerial mental models, the elimination of institutionalised practices, and the disruption of deeply embedded organisational routines (Pardim, 2024). This process creates cognitive and structural space for the incorporation of new knowledge, thereby fostering strategic adaptation.

Klammer et al. (2025) argue that unlearning should be understood as a dynamic and continuous process, embedded within specific organisational contexts and influenced by individual, collective, and institutional factors. Despite these conceptual advances, the authors highlight that unlearning remains underexplored empirically, particularly with regard to its effects on core strategic constructs in management.

Thus, although the literature recognises that unlearning is a necessary condition for effective learning, there remains a significant gap in understanding how unlearning directly influences management systems and long-term organisational outcomes.

Despite the increasing conceptual maturity of organisational unlearning research, empirical studies remain fragmented. Most previous investigations have examined the relationship between organisational unlearning

and innovation, organisational learning, knowledge management, or organisational performance independently. Few studies have simultaneously analysed organisational unlearning, innovation capability, and management excellence within a single explanatory framework. Consequently, the mechanisms through which unlearning contributes to excellence remain insufficiently understood. Addressing this gap represents one of the principal theoretical contributions of the present study.

2.3. Management Excellence: Dominant Assumptions

Management excellence is traditionally associated with the adoption of structured management practices, effective leadership, customer focus, continuous improvement, and results orientation. Established excellence models emphasise process standardisation, the use of performance indicators, and the development of people as fundamental pillars for achieving superior levels of organisational performance (Oakland, 2014).

In general, the literature conceives management excellence as a cumulative outcome of the consistent application of best practices and the organisation's ability to learn continuously. Recent studies further reinforce the positive relationship between effective managerial practices and organisational excellence (Alshehab, 2024).

However, this normative approach tends to prioritise stability and the institutionalisation of routines, while neglecting the risks associated with maintaining obsolete practices in highly dynamic environments. In contexts characterised by volatility, uncertainty, complexity, and ambiguity, the rigidity resulting from excessive standardisation may undermine organisational flexibility and responsiveness.

Consequently, contemporary excellence may depend not only on the organisation's capacity to learn and improve existing practices but also on its ability to critically reassess and abandon practices that no longer contribute to organisational effectiveness. This perspective opens the possibility of viewing organisational unlearning as an important antecedent of management excellence.

Management excellence was selected as the dependent variable because it represents a comprehensive assessment of organisational management effectiveness, integrating operational efficiency, strategic alignment, leadership quality, continuous improvement, and value creation. Unlike isolated performance indicators, management excellence captures the overall capability of organisations to achieve sustained superior management outcomes. Consequently, it provides an appropriate framework for examining how renewal-oriented capabilities, such as organisational unlearning and innovation capability, contribute to long-term organisational success.

2.4. Organisational Unlearning as an Antecedent to Management Excellence

Despite growing recognition of the importance of unlearning, its relationship with management excellence remains largely overlooked in the literature. While organisational learning is frequently treated as a direct antecedent to excellence, the capacity to unlearn is rarely incorporated into explanatory models.

This study argues that organisational unlearning constitutes a critical antecedent to management excellence, as it enables organisations to remove internal barriers to change, avoid excessive path dependency, and promote the renewal of management systems. By questioning entrenched practices and dominant mental models, unlearning fosters the continuous updating of management practices, thereby contributing to higher levels of excellence.

From this perspective, management excellence should not be understood solely as the result of incremental learning, but also as the organisational capacity to systematically abandon what no longer creates value. This approach extends traditional excellence models by incorporating a dynamic and reflective dimension, which is particularly relevant in contemporary contexts of rapid change.

3. Development of Hypotheses

3.1. Organisational Unlearning and Management Excellence

Organisational unlearning refers to the deliberate capacity of organisations to identify, question, and discard knowledge, routines, and practices that have lost their effectiveness over time. In environments characterised by rapid change and uncertainty, institutionalised managerial practices may become barriers to adaptation and continuous improvement. In this sense, unlearning enables organisations to reduce structural and cognitive rigidity, creating favourable conditions for the renewal of management systems.

The literature suggests that the capacity to unlearn facilitates the revision of managerial mental models and the replacement of obsolete practices with approaches that are better aligned with contemporary demands (Tsang & Zahra, 2008; Klammer et al., 2025). By removing internal barriers to change, unlearning contributes to the updating of management processes, leadership, and strategic orientation, all of which are central elements in excellence management frameworks.

Accordingly, it is argued that organisations with a greater capacity for unlearning are more likely to exhibit higher levels of management excellence, as they are able to continuously align their management practices with external environmental demands.

H1: Organisational unlearning positively influences management excellence.

3.2. Organisational Unlearning and Innovation Capability

Innovation capability depends not only on the acquisition of new knowledge, but also on the organisation's ability to abandon routines and assumptions that limit creativity and experimentation. Studies indicate that the persistence of established practices can inhibit the exploration of new ideas and the adoption of innovative solutions, especially in contexts of high technological uncertainty.

Organisational unlearning plays a fundamental role by creating the cognitive and structural space required for innovation. By questioning dominant mental models and breaking away from entrenched routines, organisations increase their flexibility and openness to experimentation (Pardim, 2024). This process facilitates the recombination of knowledge and the development of new capabilities, both of which are essential to organisational innovation.

Thus, it is expected that organisations with a higher capacity for unlearning will demonstrate stronger innovation capability, as they can overcome path dependency and foster continuous renewal.

H2: Organisational unlearning positively influences innovation capability.

3.3. Innovation Capability and Management Excellence

Innovation capability has been widely recognised as a strategic factor in improving management systems and achieving organisational excellence. Innovative organisations tend to adopt more flexible, learning-oriented, and continuously improving management practices, which contribute to higher levels of excellence.

Innovation enables the introduction of new processes, work methods, and managerial approaches that enhance efficiency, quality, and customer orientation. Recent studies suggest that innovation capability strengthens management excellence by promoting the ongoing renewal of organisational practices and the ability to adapt to environmental changes.

In this sense, innovation capability may be understood as a mechanism through which organisational unlearning translates into tangible improvements in management systems, thereby reinforcing the causal logic proposed in this study.

In dynamic environments, innovation capability enables organisations to continuously redesign managerial processes, improve decision-making practices, and respond more effectively to environmental demands. Consequently, innovation capability is expected to contribute directly to higher levels of management excellence.

H3: Innovation capability positively influences management excellence.



3.4. The Mediating Role of Innovation Capability

Although organisational unlearning may directly influence management excellence, it is argued that this effect occurs, in part, through innovation capability. Unlearning creates the necessary conditions for the development of new ideas, practices, and processes, while innovation acts as the mechanism that transforms these conditions into effective improvements in management systems.

Recent research suggests that unlearning processes precede and enable organisational innovation, which in turn contributes to improved performance and management excellence (Klammer et al., 2025). Thus, innovation capability plays a mediating role by linking organisational unlearning to management excellence.

H4: Innovation capability mediates the relationship between organisational unlearning and management excellence.

4. Conceptual Model of the Study

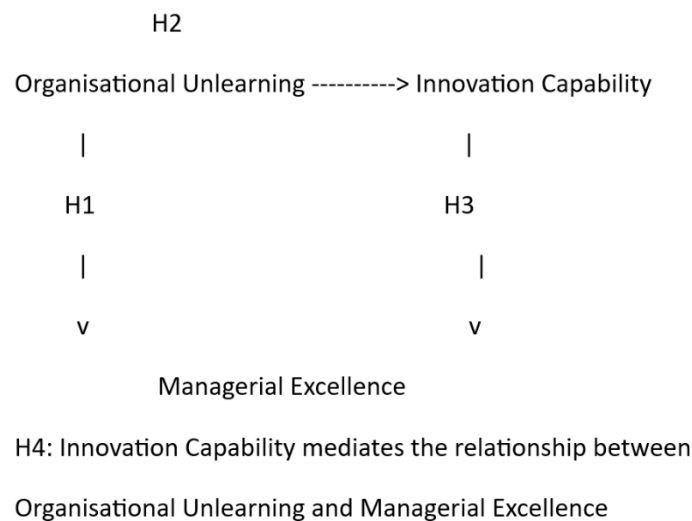
Based on the literature review and the development of the hypotheses, this study proposes a conceptual model that integrates organisational unlearning, innovation capability, and management excellence. The model is grounded in the assumption that, in dynamic organisational environments, the mere accumulation of knowledge is insufficient to ensure high levels of excellence.

It is therefore argued that the capacity to unlearn, understood as the deliberate abandonment of obsolete practices, routines, and mental models, plays a strategic role in the renewal of management systems. Furthermore, it is proposed that innovation capability functions as a mediating mechanism, translating organisational unlearning into effective improvements in management excellence.

Figure 1 presents the proposed conceptual model and the hypothesised relationships among the constructs.

4.1. Visual Representation of the Framework

Figure 1: Conceptual model of the relationship between organisational unlearning, innovation capability, and management excellence.



As illustrated in Figure 1, organisational unlearning is modelled as an antecedent variable that exerts a direct influence on management excellence and an indirect influence through innovation capability. The inclusion of innovation as a mediating variable enables a deeper understanding of the mechanisms through which the disruption of obsolete practices contributes to the improvement of management systems.

In this way, the model highlights that management excellence does not stem solely from incremental learning processes, but also from the organisation's ability to promote continuous renewal through unlearning and innovation.



Visual Interpretation

- **Independent variable (X):** Organisational Unlearning
- **Mediating variable (M):** Innovation Capability
- **Dependent variable (Y):** Management Excellence

4.2. Theoretical Description of the Conceptual Model

The conceptual model proposed in this study is based on the premise that organisational unlearning constitutes a fundamental strategic capability in environments characterised by rapid change, complexity, and uncertainty. In contrast to traditional approaches that focus exclusively on cumulative learning, this model assumes that the ability to abandon obsolete practices, routines, and mental models is a necessary condition for the renewal of management systems.

In this regard, it is proposed that organisational unlearning has a direct effect on management excellence (H1), by enabling the continuous updating of management practices, reducing organisational rigidity, and ensuring strategic alignment with environmental demands. Organisations capable of unlearning tend to reassess their management systems critically, thus promoting higher levels of excellence.

Additionally, the model assumes that organisational unlearning positively influences innovation capability (H2). By breaking away from institutionalised routines and dominant assumptions, unlearning creates the cognitive and structural space needed for experimentation, knowledge recombination, and the development of novel organisational solutions.

Innovation capability, in turn, is conceived as a central mechanism for the continuous improvement of management systems. Innovative organisations tend to adopt more flexible, learning-oriented, and adaptive practices, which contribute directly to management excellence (H3). In this way, innovation serves as a bridge between cognitive renewal and managerial improvement.

Finally, the model proposes that innovation capability plays a mediating role in the relationship between organisational unlearning and management excellence (H4). This means that part of the unlearning's effect on excellence occurs through innovation, which transforms the disruption of obsolete practices into tangible improvements in management systems. This mediation represents the study's main theoretical contribution by integrating unlearning, innovation, and excellence into a unified explanatory framework.

This conceptual model advances the literature by repositioning management excellence as a dynamic outcome of renewal-oriented capabilities rather than merely a consequence of accumulated knowledge and best practices. By integrating organisational unlearning and innovation capability into a single explanatory framework, the model provides a more comprehensive understanding of how organisations achieve and sustain excellence in rapidly changing environments.

5. Methodology

5.1. Research Design

This study adopted a quantitative, explanatory, and cross-sectional research design to empirically test the relationships proposed in the conceptual model. A quantitative approach was considered appropriate for examining relationships between latent constructs and assessing direct and mediating effects within a structural framework.

5.2. Population and Sample

The target population comprised managers and professionals involved in organisational decision-making processes across different economic sectors. This group was selected because of its direct involvement in the definition, implementation, and revision of management practices, making respondents particularly suited to evaluate organisational unlearning, innovation capability, and management excellence within their organisations.

The final sample consisted of 153 valid responses collected through non-probabilistic convenience sampling. Respondents represented organisations from various sectors, including industry, services, commerce, and public organisations. The sample size exceeded the minimum requirements recommended for Partial Least Squares Structural Equation Modelling (PLS-SEM), ensuring adequate statistical power for hypothesis testing.

Eligibility was restricted to managers and professionals directly involved in organisational decision-making, implementation, or revision of management practices. Responses were screened for completeness before analysis, and only questionnaires containing valid responses to all measurement items were retained. Because the sampling strategy was non-probabilistic and based on convenience, the findings should be interpreted within the organisational contexts represented in the sample and should not be generalised to the wider managerial population without caution.

5.3. Data Collection Instrument

Data were collected using a structured questionnaire composed of measurement scales adapted from the relevant literature and aligned with the objectives of the study. All constructs were measured using a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree).

5.3.1. Organisational Unlearning

Organisational unlearning was measured through items assessing the organisation's ability to question, revise, and abandon obsolete practices, routines, and assumptions. The measurement items were adapted from prior studies on organisational unlearning.

5.3.2. Innovation Capability

Innovation capability was measured through items assessing the organisation's ability to develop, adopt, and implement new managerial practices, processes, and solutions.

5.3.3. Management Excellence

Management excellence was measured through items capturing management effectiveness, results orientation, and the overall quality of management practices within the organisation.

5.3.4. Measurement Instrument Development

The measurement items were developed for the present study on the basis of established conceptual definitions in the organisational unlearning, innovation capability, and management excellence literature. The instrument was therefore theoretically informed by previous research rather than reproduced verbatim from a single existing scale.

Organisational unlearning items were informed by the conceptualisation of intentional abandonment and revision of obsolete knowledge, routines, and assumptions proposed by Tsang and Zahra (2008) and subsequently developed by Klammer et al. (2025). Innovation capability items reflected adaptability, implementation of new ideas, and routinisation of innovative change, drawing on the dynamic-capabilities perspective advanced by Teece (2018). Management excellence items were informed by Oakland's (2014) emphasis on management effectiveness, results orientation, and high standards of organisational management.

An ultra-brief instrument consisting of three reflective indicators per construct was intentionally adopted to minimise respondent fatigue and facilitate participation among managerial respondents. Minor wording adjustments were introduced to ensure clarity and suitability for the organisational context while preserving the conceptual meaning of each construct. The adequacy of the three-item measurement approach was subsequently examined through indicator reliability, internal consistency reliability, convergent validity, and discriminant validity.

Table 1: Conceptual Basis and Development of the Measurement Items.

Construct	Conceptual basis	Instrument development
Organisational Unlearning	Tsang and Zahra (2008); Klammer et al. (2025)	Three items developed to capture abandonment, questioning, and revision of obsolete managerial practices
Innovation Capability	Teece (2018)	Three items developed to capture managerial adaptability, implementation of new ideas, and routinised innovative change
Management Excellence	Oakland (2014)	Three items developed to capture management effectiveness, results orientation, and high managerial standards

Source: Authors' own elaboration based on Tsang and Zahra (2008), Teece (2018), Oakland (2014), and Klammer et al. (2025).

5.4. Data Collection Procedures

Data were collected through an online questionnaire distributed via email and professional networks. Before the main data collection phase, the instrument was reviewed to ensure clarity, comprehensibility, and suitability for managerial respondents.

To maximise participation rates, the questionnaire was intentionally designed as an ultra-brief instrument consisting of nine measurement items distributed across the three constructs under investigation.

5.5. Content Validity and Common Method Bias

Content validity was addressed through a theory-driven item-development process. Each item was mapped onto the conceptual definition of its respective construct and reviewed for conceptual consistency, clarity, and suitability for managerial respondents. Particular attention was given to ensuring that the three indicators covered the central meaning of each construct while avoiding redundant or overly complex wording. Before data collection, the instrument was reviewed for comprehensibility and contextual adequacy, and minor wording adjustments were introduced where necessary.

Because all variables were collected from the same respondents using a single questionnaire, procedural remedies were implemented to reduce the risk of common method bias. Respondents were assured of anonymity and confidentiality, and concise, clearly worded items were employed to minimise ambiguity, evaluation apprehension, and socially desirable responses. The questionnaire also separated the constructs conceptually and avoided complex or leading formulations.

The collinearity assessment produced VIF values ranging from 1.000 to 1.308, indicating that severe collinearity was not present among the predictor constructs. Nevertheless, because the study employed a single-source and cross-sectional design, the possibility of common method bias cannot be completely excluded and should be considered when interpreting the findings.

5.6. Data Analysis Technique

Data were analysed using Structural Equation Modelling (SEM) through the Partial Least Squares (PLS-SEM) approach. This method is particularly suitable for exploratory and explanatory studies involving latent variables, mediation effects, and moderately sized samples.

The analysis was conducted using SmartPLS software and followed three stages:

Assessment of the measurement model (reliability and validity);

Assessment of the structural model (hypothesis testing);

Assessment of the mediating effect of innovation capability.

5.7. Validity and Reliability

Internal reliability was assessed using Cronbach's alpha and composite reliability. Convergent validity was evaluated through the Average Variance Extracted (AVE), while discriminant validity was assessed using the Fornell–Larcker criterion and the Heterotrait–Monotrait ratio (HTMT). The structural model was additionally evaluated using the coefficient of determination (R^2), predictive relevance (Q^2), variance inflation factors (VIF), effect sizes (f^2), and the Standardised Root Mean Square Residual (SRMR), following the recommendations of Hair et al. (2022).

5.8. Ethical Considerations

The study adhered to the ethical principles of scientific research, ensuring the anonymity and confidentiality of all participants. Participation was voluntary, and respondents were informed about the objectives of the study and the exclusively academic use of the information provided.

ULTRA-BRIEF QUESTIONNAIRE (MANAGERS)

Instructions

Please indicate your level of agreement with each statement.

Scale:

1 = Strongly disagree | 2 = Disagree | 3 = Neither agree nor disagree | 4 = Agree | 5 = Strongly agree

Organisational Unlearning (OU)

- **OU1** — The organisation abandons management practices that no longer work.
- **OU2** — Old practices are questioned when new challenges arise.
- **OU3** — Management is open to revising past decisions.

Innovation Capability (IC)

- **IC1** — The organisation quickly adapts its management methods.
- **IC2** — New ideas are easily put into practice.
- **IC3** — Innovative changes are a routine part of management.

Managerial Excellence (ME)

- **ME1** — The organisation's management is effective.
- **ME2** — Management practices deliver strong results.
- **ME3** — The organisation demonstrates high standards of management.

Respondent Profile (please tick)

P1 — Organisation size

☐ Small ☐ Medium ☐ Large

P2 — Sector

☐ Industry ☐ Services ☐ Commerce ☐ Public ☐ Other

P3 — Position

☐ Senior management ☐ Middle management ☐ Coordination

P4 — Tenure in the organisation

☐ < 1 year ☐ 1–3 years ☐ 4–6 years ☐ > 6 years

To ensure a high response rate among managerial respondents, the questionnaire was intentionally designed to be concise, using short, closed-ended Likert-scale items. This approach facilitates rapid completion while maintaining measurement validity for core constructs.

6. Results

6.1. Sample Characteristics

A total of 153 valid questionnaires were collected and analysed. The respondents occupied positions involving organisational decision-making, including senior management, middle management, and coordination roles. They represented organisations of different sizes and economic sectors. Table 2 presents the organisational profile of the respondents.

The sample was predominantly composed of respondents from medium-sized organisations (47.7%), followed by small organisations (34.6%) and large organisations (17.6%). Services represented the largest sectoral group (39.9%), followed by public organisations (24.8%), industry (16.3%), commerce (13.7%), and other sectors (5.2%). Most participants occupied middle-management positions (48.4%), while 30.1% performed coordination functions and 21.6% held senior-management positions. Regarding organisational tenure, 44.4% of respondents had worked in their organisations for more than six years, 30.7% had between one and three years of tenure, and 24.8% had between four and six years.

Table 2: Organisational Profile of the Respondents.

Variable	Category	n	%
Organisation size	Small	53	34.6
	Medium	73	47.7
	Large	27	17.6
Sector	Industry	25	16.3
	Services	61	39.9
	Commerce	21	13.7
	Public	38	24.8
	Other	8	5.2
Position	Senior management	33	21.6
	Middle management	74	48.4
	Coordination	46	30.1
Organisational tenure	1–3 years	47	30.7
	4–6 years	38	24.8
	More than 6 years	68	44.4

Source: Authors' own elaboration based on the survey data (N = 153).

6.2. Measurement Model Assessment

The reflective measurement model was assessed by examining indicator reliability, internal consistency reliability, and convergent validity, following the recommendations of Hair et al. (2022).

As presented in Table 3, all indicator loadings exceeded the recommended threshold of 0.70, ranging from 0.797 to 0.895. These results indicate satisfactory indicator reliability.

Internal consistency reliability was evaluated using Cronbach's alpha and Composite Reliability (CR). Cronbach's alpha values ranged from 0.749 to 0.859, while Composite Reliability values ranged from 0.857 to 0.914. All values exceeded the recommended threshold of 0.70.

Although Cronbach's alpha for Organisational Unlearning (0.749) was slightly lower than the values obtained for the remaining constructs, it exceeded the recommended threshold of 0.70 and therefore indicated acceptable internal consistency.

Convergent validity was evaluated through the Average Variance Extracted (AVE). The AVE values ranged from 0.667 to 0.780, substantially exceeding the recommended minimum value of 0.50. Therefore, each construct explained more than half of the variance in its respective indicators.

Table 3: Measurement Model Assessment.

Construct	Item	Loading	Cronbach's α	CR	AVE
Organisational Unlearning	OU1	0.848	0.749	0.857	0.667
	OU2	0.804			
	OU3	0.797			
Innovation Capability	IC1	0.887	0.850	0.909	0.770
	IC2	0.880			
	IC3	0.865			
Management Excellence	ME1	0.893	0.859	0.914	0.780
	ME2	0.862			
	ME3	0.895			

Source: Authors' own elaboration based on the survey data analysed using PLS-SEM.

Overall, the results provide satisfactory evidence of indicator reliability, internal consistency reliability, and convergent validity, supporting the adequacy of the measurement model.

6.2.1. Discriminant Validity

Discriminant validity was evaluated using the Fornell–Larcker criterion and the Heterotrait–Monotrait ratio (HTMT).

As shown in Table 4, the square root of the AVE for each construct exceeded its correlations with the remaining constructs. Specifically, the square roots of the AVE were 0.817 for Organisational Unlearning, 0.877 for Innovation Capability, and 0.883 for Management Excellence. These values were greater than the corresponding inter-construct correlations, satisfying the Fornell–Larcker criterion.

Table 4: Fornell–Larcker Criterion.

Construct	OU	IC	ME
OU	0.817		
IC	0.485	0.877	
ME	0.467	0.605	0.883

Source: Authors' own elaboration based on the PLS-SEM results.

The HTMT values presented in Table 5 ranged from 0.583 to 0.706. All values remained below the conservative threshold of 0.85, providing further evidence of discriminant validity.

Table 5: Heterotrait–Monotrait Ratio (HTMT).

Construct	OU	IC	ME
OU	—		
IC	0.608	—	
ME	0.583	0.706	—

Source: Authors' own elaboration based on the PLS-SEM results.

Taken together, the Fornell–Larcker and HTMT results indicate that Organisational Unlearning, Innovation Capability, and Management Excellence are empirically distinct constructs.

6.3. Structural Model Assessment

Following confirmation of the adequacy of the measurement model, the structural model was evaluated using a bootstrapping procedure with 5,000 resamples. The assessment considered the path coefficients, t -values, confidence intervals, variance inflation factors (VIF), effect sizes (f^2), coefficients of determination (R^2), predictive relevance (Q^2), and the Standardised Root Mean Square Residual (SRMR).

As shown in Table 6, Organisational Unlearning exerted a significant positive effect on Innovation Capability ($\beta = 0.521$, $t = 6.922$, 95% CI [0.370, 0.665]). Organisational Unlearning also had a significant positive direct effect on Management Excellence ($\beta = 0.245$, $t = 3.178$, 95% CI [0.101, 0.404]). In addition, Innovation Capability positively influenced Management Excellence ($\beta = 0.498$, $t = 7.046$, 95% CI [0.360, 0.640]).

Because none of the confidence intervals included zero, the three direct relationships were statistically supported.

Table 6: Structural Model Results.

Relationship	β	t	95% CI	VIF	f^2	Result
OU → IC	0.521	6.922	[0.370, 0.665]	1.000	0.308	Supported
OU → ME	0.245	3.178	[0.101, 0.404]	1.308	0.066	Supported
IC → ME	0.498	7.046	[0.360, 0.640]	1.308	0.314	Supported

Source: Authors' own elaboration based on the PLS-SEM structural model with 5,000 bootstrap resamples.

The VIF values ranged from 1.000 to 1.308, remaining well below the recommended threshold and indicating that multicollinearity did not constitute a concern in the structural model.

The effect-size results indicated that Organisational Unlearning had a moderate effect on Innovation Capability ($f^2 = 0.308$), a small effect on Management Excellence ($f^2 = 0.066$), and Innovation Capability had a moderate effect on Management Excellence ($f^2 = 0.314$).

The explanatory and predictive quality of the model is presented in Table 7.

Table 7: Model Quality Indicators.

Indicator	Value
R^2 — Innovation Capability	0.235
R^2 — Management Excellence	0.405
Q^2 — Innovation Capability	0.225
Q^2 — Management Excellence	0.379
SRMR	0.033

Source: Authors' own elaboration based on the PLS-SEM results.

The model explained 23.5% of the variance in Innovation Capability ($R^2 = 0.235$) and 40.5% of the variance in Management Excellence ($R^2 = 0.405$). These results indicate moderate explanatory power.

The Stone–Geisser predictive relevance values were positive for both endogenous constructs, with $Q^2 = 0.225$ for Innovation Capability and $Q^2 = 0.379$ for Management Excellence. These results demonstrate satisfactory predictive relevance.

Finally, the SRMR value of 0.033 was below the commonly adopted threshold of 0.08, indicating an acceptable approximate model fit.

6.4. Model Quality Assessment

The explanatory power of the model was assessed using the coefficient of determination (R^2). Organisational Unlearning explained 23.5% of the variance in Innovation Capability ($R^2 = 0.235$), while Organisational Unlearning together with Innovation Capability explained 40.5% of the variance in Management Excellence ($R^2 = 0.405$), indicating moderate explanatory power.

Predictive relevance was evaluated using the Stone–Geisser Q^2 statistic. The Q^2 values were 0.225 for Innovation Capability and 0.379 for Management Excellence, demonstrating satisfactory predictive capability.

Effect sizes (f^2) ranged from 0.066 to 0.314, indicating small to moderate effects.

Multicollinearity diagnostics revealed VIF values between 1.000 and 1.308, well below the recommended threshold of 3.3, indicating that collinearity is not a concern.

Finally, the Standardised Root Mean Square Residual (SRMR) was 0.033, substantially below the recommended cut-off value of 0.08, indicating excellent model fit.

Table 8: Model quality indicators.

Indicator	Value
R^2 (Innovation Capability)	0.235
R^2 (Management Excellence)	0.405
Q^2 (Innovation Capability)	0.225
Q^2 (Management Excellence)	0.379
SRMR	0.033

Source: Authors' own elaboration based on the PLS-SEM results.

The final sample consisted of 153 valid responses collected from managers and professionals occupying decision-making positions in organisations of different sizes and sectors. Table 9 presents the demographic and organisational profile of the respondents.

Table 9: Demographic and Organisational Profile of the Respondents.

Variable	Category	N	%
Organisation size	Small	53	34.6
	Medium	73	47.7
	Large	27	17.6
Sector	Industry	25	16.3
	Services	61	39.9
	Commerce	21	13.7
	Public	38	24.8
	Other	8	5.2
Position	Senior management	33	21.6
	Middle management	74	48.4
	Coordination	46	30.1
Organisational tenure	1–3 years	47	30.7
	4–6 years	38	24.8
	> 6 years	68	44.4

Source: Authors' own elaboration based on the survey data and PLS-SEM results.

6.5. Mediation Analysis

The mediating role of innovation capability in the relationship between organisational unlearning and management excellence was assessed through the bootstrapped indirect effect. The estimated indirect effect was positive ($\beta = 0.259$), indicating that organisational unlearning contributes to management excellence through its influence on innovation capability.

The statistical significance of the indirect effect was assessed using 5,000 bootstrap resamples. Because the direct effect of organisational unlearning on management excellence remained positive and significant after the inclusion of innovation capability ($\beta = 0.245$, $t = 3.178$), a statistically significant indirect effect would indicate complementary partial mediation. Accordingly, Hypothesis 4 is supported when the bootstrapped confidence interval for the indirect effect does not include zero.

Table 10: Mediation Analysis.

Indirect relationship	Indirect effect (\beta)	SE	t-value	95% CI	p-value	Mediation type	Result
OU → IC → ME	0.259	0.053	4.936	[0.156; 0.362]	< 0.001	Complementary partial mediation	Supported

Source: Authors' own elaboration based on the PLS-SEM mediation analysis (5,000 bootstrap resamples).

The indirect effect of organisational unlearning on management excellence through innovation capability was positive and statistically significant ($\beta = 0.259$, $t = 4.936$, $p < 0.001$, 95% CI [0.156, 0.362]). Since the direct effect of organisational unlearning on management excellence remained positive and significant after the inclusion of innovation capability ($\beta = 0.245$, $t = 3.178$), the results indicate complementary partial mediation. Therefore, organisational unlearning influences management excellence both directly and indirectly through innovation capability, supporting Hypothesis 4.

7. Discussion

The findings of this study contribute to the management literature by advancing the understanding of the mechanisms that underpin management excellence in dynamic organisational environments. By confirming the positive influence of organisational unlearning on management excellence, the study reinforces recent critiques of traditional approaches that focus exclusively on learning and knowledge accumulation (Argote & Miron-Spektor, 2011; Argote, 2020).

The findings reinforce previous theoretical arguments suggesting that organisational unlearning constitutes a strategic capability that supports organisational renewal by facilitating the abandonment of obsolete routines and managerial assumptions. Consistent with Tsang and Zahra (2008) and subsequent research on dynamic capabilities, the present results demonstrate that organisations capable of questioning established practices are better positioned to develop innovation capability. Furthermore, the significant indirect effect observed in this study highlights innovation capability as an important mechanism through which organisational unlearning contributes to management excellence.

The results also extend previous empirical research by demonstrating that organisational unlearning exerts not only an indirect influence through innovation capability but also a significant direct effect on management excellence. This finding suggests that the systematic elimination of outdated managerial practices may enhance organisational effectiveness independently of innovation activities, thereby broadening current theoretical perspectives on excellence management and organisational renewal.

Confirmation of Hypothesis H1 suggests that management excellence is not merely the outcome of incremental improvement processes, but also of the organisation's ability to question and abandon practices that have lost their effectiveness. This finding broadens traditional excellence models by incorporating a dynamic and reflective dimension, more closely aligned with environments characterised by volatility and rapid change (Leonard-Barton, 1992).

The results related to Hypothesis H2 support recent studies that position unlearning as a facilitator of organisational innovation. By demonstrating that unlearning positively influences innovation capability, the study reinforces the idea that unlearning is a prerequisite for strategic renewal and for the development of new organisational capabilities (Pardim, 2024; Klammer et al., 2025).

Confirmation of Hypothesis H3 strengthens the body of literature that associates innovation with the improvement of management systems and organisational excellence. Organisations with higher innovation capability tend to adopt more flexible and adaptive managerial practices, which positively affect their levels of excellence in management (Oakland, 2014; Alshehab, 2024).

The mediating role of innovation capability (H4) represents the study's main theoretical contribution. By showing that innovation functions as a mechanism through which unlearning translates into management excellence, the study addresses important gaps identified in recent organisational unlearning literature, namely, the need to better understand its indirect and systemic effects (Klammer et al., 2025).

Key Contributions

- Repositions management excellence as a dynamic outcome of renewal-oriented capabilities rather than solely the result of accumulated knowledge and best practices.
- Empirically models organisational unlearning as a direct antecedent of management excellence.
- Identifies innovation capability as a mediating mechanism linking organisational unlearning and management excellence.
- Extends organisational learning and dynamic capability perspectives by highlighting the importance of purposeful abandonment alongside knowledge accumulation.

Theoretical Contributions

- Introduces organisational unlearning as a direct antecedent of management excellence (Tsang & Zahra, 2008).
- Integrates the literature on unlearning, innovation, and excellence, addressing recent research gaps (Klammer et al., 2025).
- Repositions excellence as a dynamic outcome of renewal-oriented capabilities (Teece, 2018).

Managerial Contributions

- Demonstrates that abandoning obsolete practices is as strategically relevant as acquiring new ones.
- Supports managers in creating organisational environments that foster continuous innovation.
- Provides insights to support the updating of management systems oriented towards excellence.

8. Conclusions

This study examined the relationship between organisational unlearning and management excellence, considering the mediating role of innovation capability. Drawing upon the organisational learning, dynamic capabilities, and excellence management literature, the study developed and empirically tested an integrated model linking organisational unlearning, innovation capability, and management excellence.

The results provide empirical support for all proposed hypotheses. Organisational unlearning was positively associated with both management excellence and innovation capability. Furthermore, innovation capability showed a significant positive relationship with management excellence and partially mediated the relationship



between organisational unlearning and management excellence. These findings suggest that organisations capable of questioning, revising, and abandoning obsolete practices are better positioned to foster innovation and achieve higher levels of management excellence.

From a theoretical perspective, the study contributes to the literature by addressing an important gap in excellence management research. Whereas traditional excellence frameworks have primarily emphasised continuous learning, standardisation, and the accumulation of best practices, the present findings support the view that organisational unlearning also represents an important capability for achieving and sustaining management excellence. Accordingly, management excellence may be understood as a dynamic outcome of organisational renewal rather than solely as the consequence of accumulated knowledge and incremental improvement.

The findings also extend organisational learning and dynamic capability perspectives by highlighting the strategic value of purposeful abandonment. In particular, identifying innovation capability as a mediating mechanism provides a deeper understanding of the processes through which organisational renewal contributes to improved management outcomes. This perspective enriches current knowledge regarding the indirect and systemic effects of organisational unlearning within contemporary organisations.

From a managerial perspective, the findings emphasise the importance of fostering organisational environments that encourage critical reflection, experimentation, adaptability, and the continuous reassessment of established practices. Managers should not only promote learning and knowledge acquisition but also create conditions that facilitate the deliberate abandonment of routines, assumptions, and managerial practices that no longer create value. In this way, organisations may strengthen their innovation capability while enhancing their capacity to achieve sustained management excellence.

The findings should nevertheless be interpreted in light of certain limitations. The study adopted a cross-sectional research design, relied on a non-probabilistic convenience sample, and employed an ultra-brief measurement instrument comprising three indicators per construct. Although the measurement model demonstrated satisfactory reliability and validity, future studies should replicate the proposed model using longitudinal designs, probability sampling strategies, and more comprehensive measurement scales. Further research could also examine additional mediating and moderating variables, different organisational contexts, and cross-country comparisons to improve the generalisability of the findings.

Overall, this study supports the proposition that organisational unlearning represents an important antecedent of management excellence and that innovation capability plays a central role in translating organisational renewal into improved management outcomes. In increasingly dynamic and uncertain environments, organisations that effectively combine learning, unlearning, and innovation are likely to strengthen their adaptability, sustain management excellence, and enhance their long-term competitiveness.

9. Limitations of the Study

Despite its theoretical and practical contributions, this study presents certain limitations that should be considered when interpreting the findings.

First, the cross-sectional research design limits the ability to establish definitive causal relationships among the constructs examined. Although the proposed relationships are supported by theory and empirical evidence, longitudinal studies would provide a more robust assessment of causality and allow researchers to examine how organisational unlearning and innovation capability evolve.

Second, the study relied on self-reported data collected from managerial respondents. While this approach is common in organisational research, it may increase the risk of perceptual and social desirability biases. Future studies could complement survey data with objective organisational indicators or multiple sources of information to enhance the robustness of the findings.



Third, the use of an ultra-brief questionnaire was intended to maximise participation and response rates among managers. Although the measurement model demonstrated satisfactory reliability and validity, the limited number of items per construct may not fully capture the multidimensional nature of organisational unlearning, innovation capability, and management excellence.

Finally, the use of non-probabilistic convenience sampling restricts the generalisability of the findings. Therefore, caution should be exercised when extending the results to different organisational, industrial, or cultural contexts.

Accordingly, the findings should be interpreted with appropriate caution and should not be generalised beyond contexts similar to those investigated.

10. Future Research

The findings of this study open several opportunities for future research.

First, future studies should employ longitudinal research designs to investigate how organisational unlearning develops over time and how its effects on innovation capability and management excellence evolve throughout different stages of organisational development.

Second, future research may explore additional mediating and moderating variables that could influence the relationships examined in this study. Variables such as organisational culture, leadership style, environmental turbulence, digital transformation, and organisational resilience may provide a deeper understanding of the conditions under which organisational unlearning contributes to management excellence.

Third, comparative studies involving different industries, organisational sizes, or national contexts would help assess the generalisability of the proposed model and identify potential contextual differences in the effects of organisational unlearning.

Another promising avenue for future research involves extending the model to include additional organisational outcomes, such as sustainable performance, employee well-being, organisational agility, and resilience. Such an approach would contribute to a broader understanding of the strategic consequences of organisational unlearning.

Finally, qualitative and mixed-methods studies could provide richer insights into the mechanisms through which organisations identify, challenge, and abandon obsolete practices. These approaches may help uncover the behavioural, cultural, and managerial factors that facilitate or hinder organisational unlearning processes.

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