



Research in Economics and Business

Central and Eastern Europe

Call for Papers for a Special Issue

DYNAMIC CAPABILITIES DEVELOPMENT

Submission Due Date: 07.05.2012

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What is the Special Issue about?

In a daily language of business you encounter very often terms: abilities, skills, and competences – capabilities. The concept of dynamic capabilities (DC) arose from a key shortcoming of the resource-based view (RBV) of the firm. Teece, Pisano, and Shuen (1997) define dynamic capabilities as ‘the ability to integrate, build, and reconfigure internal and external competencies to address rapidly-changing environments’. Wang and Ahmed (2007) define dynamic capabilities as ‘a firm’s behavioural orientation to constantly integrate, reconfigure, renew and recreate its resources and capabilities, and most importantly, upgrade and reconstruct its core capabilities in response to the changing environment to attain and sustain competitive advantage’. The term ‘dynamic’ refers to capacity to renew competences so as to adapt to the changing business environment (Teece *et al.*, 1997). The term ‘capabilities’ emphasises the key role of strategic management in appropriately adapting, integrating and reconfiguring internal and external organisational skills, resources and functional competences to match the requirements of a changing environment.

Considerations such as how resources are developed, how they are integrated within the firm and how they are released have been under-explored in the literature. Dynamic capabilities attempt to bridge these gaps by adopting a process approach: by acting as a buffer between firm resources and the changing business environment, dynamic resources help a firm adjust its resource mix and thereby maintain the sustainability of the firm’s competitive advantage. While the RBV emphasizes resource choice or the selecting of appropriate resources, dynamic capabilities emphasize resource development and renewal.

With environmental changes capabilities need to find new fit as well, this makes capabilities to be dynamic. To keep pace with surroundings, companies need to concentrate on development of capabilities. We refer to 'capability development' as 'an outcome' of a firm's dynamic capabilities over time. The path of building capabilities is not universal across firms, and therefore the outcome of capability development is different across firms. Firms tend to develop capabilities as directed by their firm strategy (Eisenhardt & Martin, 2000; Wang & Ahmed, 2007).

The capability lifecycle also applies to the development paths of capabilities that reach across firm boundaries, such as those involving strategic alliances or supply chains. The development stage begins after the team has organized itself around the objective of developing a particular capability. During this stage, the capability develops through search by the team for viable alternatives for capability development, combined with accumulation of experience over time. The choice of which alternatives to pursue will depend on the conditions at founding. Teams that have the same objective may choose different alternatives if the teams have different initial configurations of human capital, social capital, and cognition. In pursuing its initial alternatives, a team may elect to imitate a capability that exists in another organization or the team may develop a capability from scratch. Both cases require organizational learning, since the team has never performed the activity before. More generally, capability development entails improvement over time in carrying out the activity as a team. As we argue next, these improvements are likely to stem from a number of factors, including but not limited to learning-by-doing. (Helfat & Peteraf, 2003)

Capability development may end simply because capabilities may have inherent limits to what any team could achieve with available technologies, inputs, workers, and state of managerial practice. Teams also may satisfice and cease capability development at some level of skilfulness which the team perceives as good enough (Winter, 2000). The team leaders (managers) may make the final decision to cease capability development. Since the seminal work of Helfat and Peteraf (2003) and few others, capability development has not received attention it would have deserves.

Both empirical (quantitative and qualitative) and conceptual papers about capability development are welcome.

This Special Issue includes, but it is definitely not limited, to the following themes:

- Best practices and processes of capability development
- Capability development and environmental conditions
- Capability development and performance impact
- Capability development, replication and transformation
- Capability lifecycle
- Development and deployment of dynamic capabilities
- Development of dynamic capabilities in new ventures and industries
- Development of dynamic capabilities through social capital
- Learning and capability development

- Managerial process models of organisational capability development
- Multiple interacting minds in capability development
- Organisational behaviour and capability development
- Types of owners and capability development
- The efficiency of capability development
- The Positive and negative role of organizational learning in capability development
- Theoretical approaches and practical applications of capability development

Submission Instructions:

Articles must be 15 – 20 pages or less in length and we recommend authors to follow the APA Style manual. To learn more about submission guidelines please visit the website at: <http://tseba.ttu.ee/REB/>

If you are interested in submitting an article, please send it as a .doc file by e-mail to: REB@tseba.ttu.ee.

The Guest Editor is seeking reviewers for this special issue and is soliciting nominations as well as volunteers to participate in the reviews. All submitted papers that pass a preliminary screening by the editors are subject to a double-blind review process. At least two anonymous reviewers will be appointed from among researchers in the topic area of the paper. Our policy is that the reviewers of a paper should be from different countries. The decision on acceptance, rejection or a need for revision will be made available to the authors within two months from submission.

More Information:

To nominate a reviewer, volunteer to review, or obtain additional information, please contact the special issue editor:

- Dr. Mike Wahl (mike.wahl@ttu.tseba.ee)

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