



Building dynamic capabilities through knowledge resources



Julia Nieves^{a,*}, Sabine Haller^{b,1}

^a *Institute of Tourism and Sustainable Economic Development (TIDES), University of Las Palmas de Gran Canaria, Facultad de Economía, Empresa y Turismo, C-109, Campus universitario de Tafira, 35017 Las Palmas de Gran Canaria, Spain*

^b *Department of Business and Economics, Berlin School of Economics and Law, Schöneberg Campus, Badensche Straße 50-51, 10825 Berlin, Germany*

HIGHLIGHTS

- The paper examines hotel accommodation firms throughout Spain.
- Tested the impact of the knowledge resources on dynamic capabilities.
- Employees' knowledge encourages all the types of dynamic capabilities studied.
- Collective knowledge has an important role in building dynamic capabilities.

ARTICLE INFO

Article history:
Received 14 March 2013
Accepted 18 June 2013

Keywords:
Human capital
Declarative knowledge
Procedural knowledge
Dynamic capabilities
Hotel industry

ABSTRACT

Recent literature has highlighted the role of dynamic capabilities as determinants of sustainable competitive advantages, although few investigative works have studied the organizational variables that encourage and support these capabilities in the tourism industry. This study addresses this gap and investigates the possible antecedents of dynamic capabilities in the hotel industry. The analyses provide empirical evidence of the role of knowledge in achieving dynamic capabilities in this sector. The results show that prior knowledge and skills at the individual and collective level form the basis for developing dynamic capabilities in firms in the hotel sector.

© 2013 Elsevier Ltd. All rights reserved.

1. Introduction

The resource-based view (RBV) gave rise to the knowledge-based view and the dynamic capabilities approach. The knowledge-based view suggests that, of all possible resources a firm may possess, its knowledge base is what provides the greatest ability to serve as a source of sustainable differentiation and hence competitive advantage (Dierickx & Cool, 1989; Gupta & Govindarajan, 2000; Lippman & Rumelt, 1982). The dynamic capabilities approach argues that maintaining this superiority over time is possible through dynamic capabilities that allow firms to modify their resource base to adapt to changing conditions (Helfat & Raubitschek, 2000). Although varying degrees of dynamism exist, nothing remains exactly the same over time (Hanvanich, Sivakumar, & Hult, 2006; Helfat & Winter, 2011). Changes also occur in stable environments, although they are more predictable

and incremental. In these contexts, firms must update their resource base to continue to maintain competitive advantages (Ambrosini & Bowman, 2009). Dynamic capabilities in these circumstances are likely to be ongoing improvement processes that allow firms to gradually alter their resource base (Eisenhardt & Martin, 2000).

The dynamic capabilities approach has become an influential theoretical framework for understanding how a firm's resource stock evolves so it can achieve or maintain sustainable competitive advantages (Ambrosini & Bowman, 2009; Augier & Teece, 2009; Cavusgil, Seggie, & Talai, 2007). However, very few empirical studies have analysed the factors that encourage the development of dynamic capabilities in service firms, and studies addressing this topic in the tourism industry are particularly scarce (Camisón & Monfort-Mir, 2012; Denicolai, Cioccarelli, & Zucchella, 2010).

The literature suggests that owning knowledge-based resources can influence the achievement of dynamic capabilities (Verona & Ravasi, 2003; Wang & Ahmed, 2007; Zollo & Winter, 2002). A firm's knowledge stock constitutes the basis for new knowledge flows within the learning processes, and organizational learning processes are a basic mechanism for generating dynamic capabilities (Ambrosini, Bowman, & Collier, 2009; Lichtenthaler, 2009;

* Corresponding author. Tel.: +34 928458134; fax: +34 928458685.
E-mail addresses: jnieves@dede.ulpgc.es (J. Nieves), haller@hwr-berlin.de (S. Haller).

¹ Tel.: +49 (0)30 30877 1178.

Prieto, Revilla, & Rodríguez-Prado, 2009). However, few empirical papers have addressed issues associated with knowledge in the tourism industry (Hu, Horng, & Sun, 2009; Kumar, Kumar, & de Grosbois, 2008; Yang, 2004, 2007, 2008; Yang & Wan, 2004). We are therefore faced with two topics (dynamic capabilities and knowledge resources) with major research potential in this sector. To address this empirical gap, this study examines the role played by a pool of knowledge resources in developing dynamic capabilities in firms in the hotel industry.

To reach the objective proposed, the rest of this paper is structured in six parts. In section two, the literature on dynamic capabilities is reviewed and the research hypotheses are formulated. Sections 3 and 4 present the methodology and the analysis and results. The final sections discuss the main conclusions and implications of the study, as well as its limitations.

2. Background and hypotheses

One of the fundamental questions of strategic management is to determine why firms are different, because firm heterogeneity is what explains competitive advantages (Helfat & Raubitschek, 2000). The RBV hypothesises that the exploitation of valuable, rare resources and capabilities is the basis for differential firm performance (Newbert, 2008). The knowledge-based view, an extension of the RBV, regards knowledge as the most distinctive and inimitable strategic asset available to firms (Connor & Prahalad, 1996; Grant, 1996; Kang, Morris, & Snell, 2007; Zander & Kogut, 1995). The literature stemming from the RBV adopted a more dynamic perspective and instead of focussing on asset stocks, it attempted to identify the conditions that enable these assets to be constantly renewed. This dynamic view of the RBV identified the dynamic capabilities through which firms integrate, build and reconfigure competences as the principal source of sustainable competitive advantages (Danneels, 2002; Teece, Pisano, & Shuen, 1997; Verona & Ravasi, 2003).

The dynamic capabilities approach attempts to explain a firm's greater ability to adapt to environmental demands by altering its resource base. Due to environmental dynamism, value-generating resources and capabilities tend to become outdated. Under such conditions, firms are left with few opportunities to perpetually appropriate value from existing resources and capabilities, meaning that competitive advantages may be transient (Wu, 2004). In this context, some firms have greater capability than others to add, reconfigure or delete resources or competences (Danneels, 2008).

The first researchers to address the dynamic capabilities approach showed a lack of consensus, possibly due to their different views of two aspects of the earliest definitions of this concept: (i) dynamic capabilities focus on the internal processes of the firm that are intended to develop and renew the firm's resources and capacities; and (ii) their objective is to adjust or adapt to changing environmental conditions. Therefore, although the first approaches to the concept appear to associate the term "dynamic" with the changing nature of the environment (Teece & Pisano, 1994), later contributions indicate that it refers to changes occurring in the firm's resources and capacities. The literature is now unanimous in considering that the interest of dynamic capabilities centres on the processes of creation and purposeful renewal of the resource base that enable a firm to react to new circumstances. Although the term is essentially associated with environmental dynamism, the creation, extension or modification of resources and capacities can adopt many forms and therefore the various dynamic capabilities are useful for more than simply responding to external changes (Helfat et al., 2007). The association of this term with the notion of efficiency has led some authors to regard dynamic capabilities as the "ultimate" organizational

capacities, or higher order capacities that are conducive to long-term value creation (Collis, 1994; Danneels, 2002, 2008; Teece, 2007; Wang & Ahmed, 2007). However, for Helfat et al. (2007), given that the term "capacity" does not indicate possession of an exceptional skill, the fact that an organization has dynamic capabilities indicates only that it can alter its resource base in at least a minimally satisfactory manner.

The first approach to the concept of dynamic capabilities was provided by Teece and Pisano (1994), who associated it with the capacity of timely and rapid response to product innovation and the management capability to effectively coordinate and redeploy internal and external competences. Teece et al. (1997) noted that the term "dynamic" refers to the capacity of organizations to renew competences to achieve congruence with the changing business environment. Authors such as Verona and Ravasi (2003) and Wang and Ahmed (2007) considered that dynamic capabilities must be classified as higher-order organizational capabilities rather than simply one type of capability, as suggested by Teece and Pisano (1994) and Teece et al. (1997). Eisenhardt and Martin (2000) argued that dynamic capabilities consist of specific, identifiable processes intended to integrate, reconfigure, gain and release resources.

Zahra, Sapienza, and Davidsson (2006) argued that dynamic capabilities need not necessarily be associated with environmental conditions, given that the need to reconfigure or renew may emanate from changes in organizational conditions (e.g., changes in resources) rather than changes in external factors. Similarly, Zollo and Winter (2002) argued that firms integrate, build and reconfigure their competences even in environments subject to lower rates of change. Helfat et al. (2007) did not expressly mention environmental dynamism to define dynamic capabilities, although they did note that the concept includes the capacity to identify the need to change, formulate a response to the opportunity and implement a course of action. Wang and Ahmed (2007) noted that the concept is intrinsically linked to market dynamism, given that greater market dynamism pushes firms to develop dynamic capabilities.

Helfat et al. (2007: 4) indicated that a dynamic capability is "the capacity of an organization to purposefully create, extend or modify its resource base". Zahra et al. (2006) also referred to this purposeful nature of dynamic capabilities. Winter (2003) questioned whether dynamic capabilities are really "born not made" and whether deliberate efforts to strengthen these capabilities are a genuine option for managers. Danneels (2008) stated that, at least in part, managers can use certain organizational levers to allow them to increase the ability of their firms to develop new competences.

In addition to these different approaches to the notion of dynamic capabilities, some confusion exists about the types of dynamic capabilities defined by various authors (Ambrosini & Bowman, 2009; Augier & Teece, 2009; Danneels, 2010; Eisenhardt & Martin, 2000). Pavlou and El Sawy (2011) developed and applied a model comprising a pool of capabilities that interact in a logical sequence to reconfigure existing operational capabilities into new ones that better match the environment. They distinguished between: (i) sensing, defined as the ability to spot, interpret and pursue opportunities in the environment; (ii) learning, which represents the ability to revamp existing operational capabilities with new knowledge; (iii) integrating, referring to the ability to combine individual knowledge into the unit's new operational capabilities; and (iv) coordinating, or the ability to orchestrate and deploy tasks, resources and activities in the new operational capabilities.

Empirical studies on the antecedents of dynamic capabilities have mainly focused on the manufacturing sector and knowledge-intensive services, with little research addressing other types of services. In manufacturing firms, Danneels (2008) studied a set of

Download English Version:

<https://daneshyari.com/en/article/7422324>

Download Persian Version:

<https://daneshyari.com/article/7422324>

[Daneshyari.com](https://daneshyari.com)