

Foreword to the Special Issue DYNAMIC CAPABILITIES OF FIRMS

“20 years of Dynamic capabilities” – that was the name of a plenary session at the recent Academy of Management annual meeting in Atlanta, Georgia. After 20 years of research on the topic, it remains highly relevant, but not fully investigated. Many scholars provided valuable contributions in search for microfoundations, a further development into the capability-based view of the firm, underlying processes and routines (focusing on the non-linear nature and process theory), and systems theoretical approaches to capture the concept.

Based on this progress, some scholars claim that the concept reached the stage of maturity. However, Constance Helfat argued during the panel discussion at the recent Academy of Management annual meeting for a continuous demand of research in the field.

One of the reasons is that the concept and research contributions in the field of dynamic capabilities spilled over to other research areas such as: marketing, supply chain management and non-profit organizations. We need further research to investigate the contributions that the concept can make to other domains. Our special issue supports this trend: the work by Moritz Botts is targeting the application of dynamic capabilities in a non-profit domain. The researcher investigates the concept of dynamic managerial capabilities in a military setting. Similarly, Gaja Amigioni and Johannes Gaedicke also transfer the concept to a new domain. The authors link dynamic capabilities, power symbols, and their impact on creativity in firms.

Furthermore, research is needed as the nature and the theoretical embeddedness of the dynamic capability concept are not clear yet. David Teece, founder of the concept, characterized dynamic capabilities as a systems theoretic concept in his presentation (presented by his replacement Brian Silverman) at the Academy of Management's recent annual meeting. Teece proposes to focus on dynamic capabilities with a rather holistic “zoom-out” approach. This means that various theories would fit under the umbrella dynamic capabilities, which might explain different understandings of the concept. In our special issue, Klara-Marie Gremme and Veit Wohlgemuth provide a literature overview on the nature of dynamic capabilities that sheds light on this theoretical divide. Adriana Takahashi and Josué Sander follow the rather holistic approach and propose to amalgamate institutional theory with the dynamic capabilities concept, which leads to a set of interesting proposition concerning the institutional framework for dynamic capabilities. Similarly, Mariam Arpentieva proposes to merge the concept of foresight capabilities with the dynamic capabilities view. This is a highly demanded attempt to make dynamic capabilities a more useful tool for practitioners and goes in line with the umbrella approach.

Interestingly, research on dynamic capabilities develops with different pace and with a different direction across countries. Reasons for this divide are for example access-limitations to specific academic journal and language issues in Ukraine and other CIS countries. Moreover, a different theoretical embeddedness also lead to a different understanding. Teece's proposition to regard dynamic capabilities from a systems theoretic perspective is unusual for an American scholar, but quite common for European scholars. While American scholars have made most of the contributions in this field, this is something where Europeans might provide strong contributions. The view that dynamic capabilities are a mechanism of a system to deal with dynamic environments explains why different firms, being different complex systems that act in environments with different degrees of complexity, may (and should) have different mechanisms in place (with different elements, i.e. microfoundations). Dynamic capabilities, thus, become more complex than previously assumed, i.e. they are highly idiosyncratic, non-linear and self-reflective. However, one has to bear in mind that systems theory is criticized for its vagueness and problems with falsifiability. Put differently, if systems theory explains everything, it explains nothing. While this might be a challenge in future research endeavors, the view of the founder has clearly outlined the path many researchers probably are going to follow.

In our special issue, we shed light on non-American perspectives of dynamic capabilities to add a European perspective to the debate. The paper by Sergii Sardak and Oleksandr Krupskiy sheds light on the development of the concept in Ukraine and other CIS countries. Finally, the paper by Bogodistov shows that language matters: in Ukraine the word “capability” can be translated in different ways imposing slightly different meanings. Whether they translate to “having potential to” or “being good at” makes a huge difference.

As our special issue shows, the concept has not reached the stage of maturity yet. However, after 20 years of search for a concept that explains how firms remain their competitive advantage in dynamic environments, we hope that this issue of the European Journal of Management Issues will inspire researchers in CEE and CIS countries as well as readers from other regions of the world to contribute to the field. There is still a huge demand for a good theory and we hope that this special issue is a good example for other journals to follow!

Yevgen Bogodistov
Veit Wohlgemuth