

Dynamic Capabilities and Disorganization: A Conceptual Exploration

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Abstract : This paper prompts debate about whether disorganization can be positioned as a mechanism that facilitates the creation and enactment of important dynamic capabilities within an organization. This particular article is a conceptual exploration of the link between dynamic capabilities and disorganization and presents the case for agent-based modelling as a viable methodological tool which can be used to explore this link. Dynamic capabilities are those capabilities that an organization needs to sustain competitive advantage in complex environments. Disorganization is the process of breaking down restrictive organizational structures and routines that commonly reside in organizations in order to increase organizational performance. In the 20th century, disorganization was largely viewed as an undesirable phenomenon within an organization. However, the concept of disorganization has been revitalized and garnered research interest in the recent years due to studies which demonstrate some of the advantages of disorganization to an organization. Furthermore, recent Agent-based simulation studies have shown the capability of disorganization to be managed and argue for disorganization to be viewed as an enabler of organizational productivity. Given the natural state of disorganization and resulting fear this can create, this paper argues that instead of trying to 'correct' disorganization, it should be actively encouraged to have functional purpose. The study of dynamic capabilities emerged as a result of heightened dynamism and consequentially the very nature of dynamism denotes a level of fluidity and flexibility, something which this paper argues many organizations do not truly foster due to a constrained commitment to organization and order. We argue in this paper that the very state of disorganization is a state that should be encouraged to develop dynamic capabilities needed to not only deal with the complexities of the modern business environment but also to sustain competitive success. The significance of this paper stems from the fact that both dynamic capabilities and disorganization are two concepts that are gaining prominence in their respective academic genres. Despite the attention each concept has received individually, no conceptual link has been established to depict how they actually interact with each other. We argue that the link between these two concepts present a novel way of looking at organizational performance. By doing so, we explore the potential of these two concepts working in tandem in order to increase organizational productivity which has significant implications for both academics and practitioners alike.

Keywords : agent-based modelling, disorganization, dynamic capabilities, performance

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