

Dynamic Capability: An Exploratory Study Applied to Social Enterprise in South East Asia

Authors : Atiwat Khatpibunchai, Taweesak Kritjaroen

Abstract : A social enterprise is the innovative hybrid organizations where its ultimate goal is to generate revenue and use it as a fund to solve the social and environmental problem. Although the evidence shows the clear value of economic, social and environmental aspects, the limitations of most of the social enterprises are the expanding impact of social and environmental aspects through the normal market mechanism. This is because the major sources of revenues of social enterprises derive from the business advocates who merely wish to support society and environment by using products and services of social enterprises rather than expect the satisfaction and the distinctive advantage of products and services. Thus, social enterprises cannot reach the achievement as other businesses do. The relevant concepts from the literature review revealed that dynamic capability is the ability to sense, integrate and reconfigure internal resources and utilize external resources to adapt to changing environments, create innovation and achieve competitive advantage. The objective of this research is to study the influence of dynamic capability that affects competitive advantage and sustainable performance, as well as to determine important elements of dynamic capability. The researchers developed a conceptual model from the related concepts and theories of dynamic capability. A conceptual model will support and show the influence of dynamic capability on competitive advantage and sustainable performance of social enterprises. The 230 organizations in South-East Asia served as participants in this study. The results of the study were analyzed by the structural equation model (SEM) and it was indicated that research model is consistent with empirical research. The results also demonstrated that dynamic capability has a direct and indirect influence on competitive advantage and sustainable performance. Moreover, it can be summarized that dynamic capability consists of the five elements: 1) the ability to sense an opportunity; 2) the ability to seize an opportunity; 3) the ability to integrate resources; 4) the ability to absorb resources; 5) the ability to create innovation. The study recommends that related sectors can use this study as a guideline to support and promote social enterprises. The focus should be pointed to the important elements of dynamic capability that are the development of the ability to transform existing resources in the organization and the ability to seize opportunity from changing market.

Keywords : dynamic capability, social enterprise, sustainable competitive advantage, sustainable performance

Conference Title : ICSEI 2018 : International Conference on Social Entrepreneurship and Innovation

Conference Location : Tokyo, Japan

Conference Dates : May 28-29, 2018