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Dynamic Capabilities and Entrepreneurial Success: A Theoretical Approach

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Abstract

Entrepreneurial success, essential for economic growth, innovation, and societal transformation, faces challenges in dynamic and uncertain environments. This study explores the role of dynamic capabilities, sensing, seizing, and reconfiguring in driving competitive advantage and sustainable entrepreneurial outcomes. Grounded in the Resource-Based View (RBV) and dynamic capability theory, the research examines how these capabilities foster adaptability, innovation, and resilience in volatile markets. By integrating insights from literature and empirical findings, the study highlights the interplay between organizational structure, market conditions, and strategic adaptability. The results provide valuable implications for practitioners aiming to enhance strategic agility and scholars seeking to deepen understanding of the processes that support long-term entrepreneurial success.

Keywords: *Dynamic capabilities, entrepreneurial success, sensing, seizing, resource reconfiguration and competitive advantage, Resource-Based View (RBV)*

Introduction

Entrepreneurial success is vital to economic growth, job creation, and fostering innovation. Entrepreneurs are agents of change, identifying opportunities, deploying resources effectively, and driving societal transformation. By creating businesses, they contribute to regional development, and build economic resilience, particularly during downturns and enable a competitive advantage. Moreover, successful entrepreneurs serve as catalysts for technological advancement and cultural shifts, making their impact pivotal for sustainable economic progress. Several factors influence entrepreneurial success. Personal attributes such as risk tolerance, creativity, resilience, and leadership play a foundational role. The market environment, including economic stability, consumer demand, and competitive dynamics, is another critical determinant. Access to resources, such as financial capital, skilled labor, and advanced technologies, enables entrepreneurs to execute their visions effectively. Networking and ecosystems, which provide connections to investors, mentors, and industry experts, further enhance opportunities for growth and collaboration. Additionally, regulatory frameworks—characterized by supportive policies, legal protections, and minimized bureaucratic hurdles—encourage entrepreneurial activities. Lastly,

strategic decision-making, including the ability to pivot, innovate, and adapt to changing conditions, is essential for long-term success.

Despite the wealth of research on these factors, the role of dynamic capabilities in entrepreneurial success has received comparatively little attention. Dynamic capabilities, defined as an organization's ability to integrate, build, and reconfigure internal and external competencies to respond to rapid environmental changes (Teece, Pisano, & Shuen, 1997), are crucial for navigating uncertainty. Traditional studies often prioritize static factors, such as access to resources or market conditions, while underestimating the critical need for adaptability and innovation. This oversight has left a gap in understanding how entrepreneurs can sustain success in volatile, complex, and unpredictable environments. Therefore, the present study examined the relationship between dynamic capabilities and entrepreneurial success to fill the gap in literature.

Statement of the Problem

Entrepreneurial success is critical to economic development, innovation, and societal transformation, yet sustaining this success in dynamic and uncertain environments remains a significant challenge. While various factors such as financial resources, market conditions, and personal attributes have been widely studied, there is insufficient emphasis on the role of dynamic capabilities in achieving and sustaining entrepreneurial success (Teece, Pisano, & Shuen, 1997; Zahra, Sapienza, & Davidsson, 2006). Despite their relevance, existing research often prioritizes static factors such as access to capital and market conditions, failing to adequately explore how dynamic capabilities enable entrepreneurs to navigate volatility, foster innovation, and ensure long-term resilience (Eisenhardt & Martin, 2000). Entrepreneurs face increasing challenges in today's rapidly evolving business landscape, including technological disruption, global competition, and shifting consumer demands. Traditional approaches focusing on resource availability or market stability do not fully address these complexities. Consequently, there is a growing need to investigate how dynamic capabilities—such as the ability to sense opportunities, seize them, and reconfigure resources—impact entrepreneurial success (Augier & Teece, 2009).

Furthermore, the lack of attention to dynamic capabilities in entrepreneurial research limits practical guidance for startups and small businesses operating in uncertain environments. For instance, without understanding how to leverage dynamic capabilities, entrepreneurs may struggle to adapt their strategies, innovate effectively, or achieve scalable growth (Zahra et al., 2006). This issues in the literature underscores the importance of examining dynamic capabilities as a critical determinant of entrepreneurial success in complex and unpredictable business environment.

Aim and Objectives of the study

The aim of the study was to examine the relationship between dynamic capabilities and entrepreneurial success. the objectives of the study were to:

1. Investigate the relationship between sensing capability and competitive advantage
2. Examine the relationship between seizing capability and competitive advantage

3. Determine the relationship between reconfiguration capability and competitive advantage

Significance of the Study

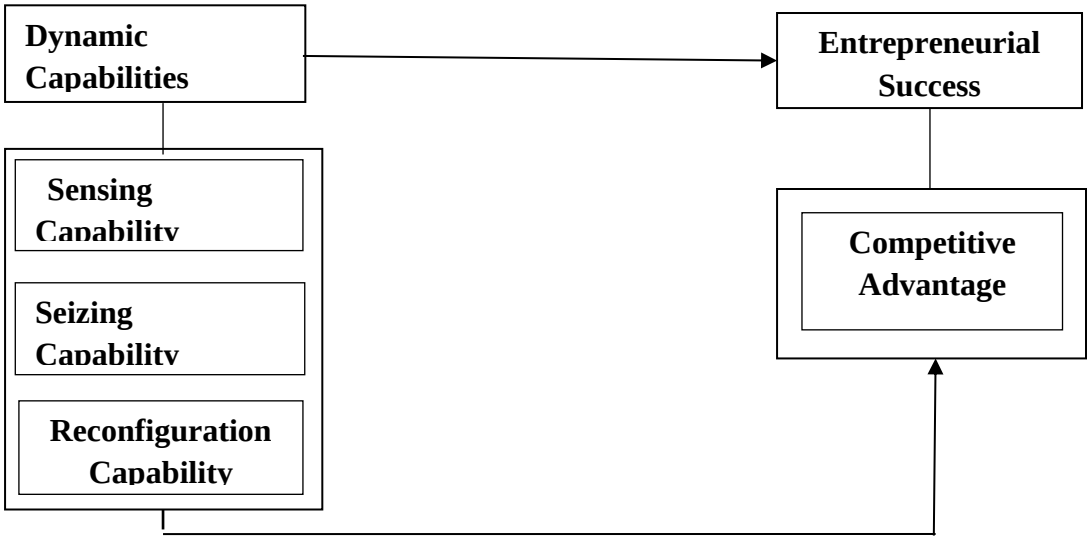
The significance of studying dynamic capabilities in relation to entrepreneurial success lies in its potential to provide both practical and theoretical insights for organizations and scholars. For organizations, understanding dynamic capabilities—such as sensing opportunities, seizing them, and transforming resources—enables businesses to navigate rapidly changing environments, sustain competitive advantages, and foster innovation. For scholars, this study enriches the theoretical framework of entrepreneurship and strategic management by linking dynamic capabilities to measurable entrepreneurial outcomes, offering a nuanced perspective on how businesses thrive in volatile markets.

LITERATURE REVIEW

Conceptual Review

The conceptual review of this study focused on conceptual review: sensing capability, seizing capability, resource configuration, entrepreneurial success, and competitive advantage

Conceptual framework



Source: Desk Research (2024). Variables adapted from Teece et al. (1997), and Kump et al. (2019).

Concept of Dynamic Capabilities

Since its introduction by Teece et al. (1997) as the "capabilities to integrate, build, and reconfigure internal and external competences to address rapidly changing environments," the concept of dynamic capabilities has become one of the most prominent theoretical frameworks in contemporary management scholarship (e.g., Wilden et al., 2016; Schilke et al., 2018). The literature broadly agrees that the role of dynamic capabilities is to modify a firm's existing resource base and transform it intentionally and in alignment with strategic goals, thereby creating new configurations of organizational resources (Ambrosini and Bowman, 2009; Helfat et al., 2007; Zahra, Sapienza, and Davidsson, 2006). This distinction is also reflected in the differentiation between dynamic and "ordinary" capabilities, as outlined by Teece (2014) and others (e.g., Winter, 2003; Zahra et al., 2006). While ordinary capabilities are responsible for generating value through routine activities, such as supply chain management in car manufacturing or delivering high-quality management education, dynamic capabilities enable firms to adapt and innovate in response to environmental changes.

The Dynamic Capabilities (DCs) perspective has garnered significant attention in strategic management studies (Vogel & Güttel, 2013) since its development in the 1990s, leading to extensive research aimed at conceptualizing and defining its core elements and assumptions (Ambrosini & Bowman, 2009). However, divergent views on how DCs should be understood and applied in strategy studies have resulted in fragmentation and confusion, potentially hindering progress in this area (Eisenhardt & Martin, 2000; Vogel & Güttel, 2013; Barreto, 2010).

In the face of rapid changes in the competitive business environment, characterized by evolving customer needs, technological advancements, and competitor actions, DCs provide a valuable framework for understanding how organizations can construct and sustain competitive advantage (Teece, 2007). By focusing on strategies that incorporate appropriate business models and technologies to effectively combine and orchestrate unique, hard-to-replicate assets, the DCs approach offers insights into achieving long-term success in dynamic and complex environments (Teece, Pisano, & Shuen, 1997; Teece, 2007). Dynamic capabilities provide a framework for understanding how firms achieve and sustain competitive advantage in rapidly changing environments (Teece, Pisano, & Shuen, 1997). This conceptual review explores the interplay of sensing capability, seizing capability, and resource configuration, and how these contribute to entrepreneurial success and competitive advantage.

Sensing Capability

Sensing capability refers to an organization's ability to identify opportunities and threats in its external environment. This involves gathering market intelligence, monitoring technological advancements, and understanding customer needs (Teece, 2007). Entrepreneurs with strong sensing capabilities can anticipate changes in the market and uncover unmet demands, allowing them to position their ventures strategically. By proactively recognizing opportunities, firms can gain a first-mover advantage, a key determinant of entrepreneurial success and a source of

competitive advantage (Eisenhardt & Martin, 2000). The process of opportunity discovery and creation in entrepreneurship involves both individual cognitive and creative abilities as well as structured organizational processes such as research and development. Nonaka and Toyama (2007) emphasize that the ability to recognize and shape opportunities is unevenly distributed among individuals and enterprises, depending on their access to information and capabilities. Individual capabilities, such as extant knowledge and creative thinking, play a pivotal role, particularly in understanding user needs and identifying innovative solutions. Organizations also contribute by fostering knowledge-sharing and learning capacities that support employees in opportunity identification. Effective opportunity recognition requires interpreting diverse information sources—ranging from customer interactions and market data to technological breakthroughs—through a process of filtering and synthesizing insights into actionable hypotheses about future trends and market needs. This dynamic process underscores the importance of both individual and organizational capacities in entrepreneurship.

Sensing opportunities and threats can be enhanced when enterprises or entrepreneurs use analytical frameworks to identify what is important. In strategic management, frameworks like Porter's (1980) Five Forces have historically shaped thinking, positing that industry structure, combined with enterprise behavior, determines performance. According to this model, effective strategy involves selecting an attractive industry and positioning the enterprise to minimize competitive pressures. While this approach provides a structured lens for assessing external environments, it has its limitations in addressing dynamic and rapidly changing markets. Employing such frameworks explicitly or implicitly can nonetheless support enterprises in systematically identifying critical factors influencing opportunities and threats.

Seizing Capability

Seizing capability is the organization's capacity to mobilize resources to capture identified opportunities. This involves decision-making, investment in innovations, and strategic planning to turn opportunities into tangible outcomes (Teece, 2007). Once a new technological or market opportunity is identified, addressing it typically requires investments in development and commercialization activities. Early stages often present multiple competing investment paths, as illustrated in the early automobile industry with competing engine technologies such as steam, electric, and gasoline. Over time, as a dominant design begins to emerge, strategic choices narrow significantly. This concept, introduced by Abernathy and Utterback (1978) and further developed by Teece (1986, 2007), is supported by extensive evidence across various technological domains (Klepper & Graddy, 1990; Utterback, 1994). This framework underscores the importance of strategic decision-making in navigating early technological uncertainty and aligning investments with emerging standards.

Entrepreneurs with robust seizing capabilities prioritize agility and efficiency in implementing business strategies, ensuring they capitalize on market trends before competitors. Effective seizing fosters entrepreneurial success by enabling firms to generate value and build momentum, thereby reinforcing their competitive positioning (Augier & Teece, 2009). Assessing both expressed and

latent customer needs involves learning, interpretation, and creative activity, which are most effectively embedded within organizational processes rather than relying solely on the cognitive and creative skills of a few individuals (Casson, 1997). Enterprises should establish robust systems for gathering technical information, monitoring customer and competitor activity, and shaping new opportunities. This requires filtering information and directing it to those capable of meaningful analysis, supported by internal argument and discussion that leverages both inductive and deductive reasoning. Top management must lead hypothesis development, testing, and synthesis to interpret insights from data, facts, and anecdotes rigorously. Embedding processes for recurrent synthesis and evidence updating, designed by middle management or planning units, ensures continuous adaptability. Decentralized organizations with greater local autonomy are particularly well-positioned to identify and respond to market and technological developments, avoiding the risks of being blindsided by emerging trends (Teece et al., 1997).

Resource Configuration

Resource configuration pertains to the alignment, integration, and reallocation of resources to support innovation and adaptability (Helfat et al., 2007). This capability ensures that firms can restructure their tangible and intangible assets to meet evolving market demands. Dynamic resource configuration allows businesses to remain flexible, minimizing waste and maximizing value creation (Barney, 1991). For entrepreneurial ventures, the ability to reconfigure resources efficiently is critical to achieving scalability and operational effectiveness, both of which are foundational for sustained success and competitive advantage (Eisenhardt & Martin, 2000). Reconfiguration is essential for maintaining evolutionary fitness and escaping unfavorable path dependencies. While success necessitates routines to ensure operational efficiency and continuity, these routines can become limiting when the environment shifts. Change, being inherently costly, cannot and should not be adopted impulsively. Departure from established routines often causes organizational anxiety unless the culture is shaped to embrace internal change. Incremental innovation allows for gradual adaptation of routines and structures, but radical innovation—particularly science-driven breakthroughs—requires a complete organizational overhaul. This may involve creating a new "breakout" structure with entirely different processes and frameworks (Teece, 2000).

An additional challenge to innovation in established enterprises is the "anti-cannibalization" bias, where existing incentive and structural issues discourage radical change. Firms with significant fixed assets often limit new investments to innovations closely aligned with their current asset base, focusing narrowly on exploiting established capabilities. This narrow approach impairs the recognition of radical innovations. Furthermore, incumbent enterprises frequently frame new problems based on their existing knowledge, assets, and problem-solving methods, reinforcing their current business model. As a result, managers face dual constraints: cognitive limitations and framing biases, both of which can hinder their ability to effectively recognize and act on new opportunities (Teece, 2000). Resource configuration plays a crucial role in optimizing system performance, cost efficiency, and operational stability in various industries, especially in IT and cloud computing. It involves the careful allocation and management of resources such as

processing power, memory, storage, and network bandwidth to meet specific demands and workloads. Effective resource configuration ensures that systems run efficiently, reduce wastage, and improve scalability. In cloud environments, for instance, dynamic resource configuration helps adapt to changing workloads, leading to cost savings by only using the resources needed at any given time (Amazon Web Services, 2024). Poorly configured resources can result in underperformance, security vulnerabilities, and increased operational costs, making it imperative to monitor and adjust configurations continuously (Zhao et al., 2023). Therefore, resource configuration is vital for maintaining the balance between performance, cost, and scalability in modern IT infrastructures (Muthusamy & Sivaraman, 2022).

Entrepreneurial Success

Entrepreneurial success is often an outcome of the effective interplay between sensing, seizing, and resource configuration capabilities (Teece, 2018). Entrepreneurs who excel in identifying opportunities, responding decisively, and managing resources strategically can achieve profitability, customer loyalty, and market growth. These elements not only ensure immediate business success but also lay the groundwork for resilience in the face of market uncertainties (Helfat et al., 2007). Entrepreneurial success is defined as the measurement of success of an entrepreneur based on their critical success factors of an individual (such as work life balance, financial performance, being a visionary and personal satisfaction) and critical success factors of an organisation (such as resource management, financial management and stakeholder management). Entrepreneurial success has been defined in different ways. The easiest definition is through tangible elements such as revenue or a firm‟s growth, personal wealth creation, profitability, sustainability, turnover (Amit, MacCrimmon, Zietsma, & Oesch, 2000; Barkham, Gudgin, Hart, & Hanvey, 1996; Bruderl & Preisendorfer, 1998; Forsaith & Hall, 2000; Gray, 1998; Ibrahim & Goodwin, 1986; Kalleberg & Leicht, 1991; Kelmar, 1991; Perren, 1999).

Competitive Advantage

Competitive advantage emerges as a cumulative result of leveraging sensing, seizing, and resource configuration capabilities (Teece, 2007). By staying ahead in opportunity identification and rapid execution, firms differentiate themselves from competitors. Additionally, the ability to adapt resources ensures long-term relevance in dynamic markets (Barney, 1991). These capabilities collectively enable firms to deliver superior value to customers, maintain market leadership, and achieve sustained differentiation (Eisenhardt & Martin, 2000). Competitive advantage is a significant indicator of entrepreneurial success, though it is not the only factor. A competitive advantage allows a business to differentiate itself from competitors, attract customers, and capture market share, leading to increased profitability and sustainability. It often stems from unique resources, innovation, brand reputation, cost leadership, or exclusive access to certain markets (Porter, 1985). Entrepreneurs who develop and leverage these advantages are better positioned to survive and thrive in competitive markets. However, while competitive advantage is essential, it must be supported by other factors such as effective leadership, strategic decision-making, financial management, and adaptability to changing market conditions. Therefore, while a

competitive advantage contributes significantly to entrepreneurial success, a holistic approach to business management is also critical (Barney, 1991).

Sensing Capability and Competitive Advantage

Sensing capability refers to an organization's ability to perceive, identify, and interpret changes in the external environment, such as technological advancements, shifts in customer preferences, and emerging market trends. This capability is a crucial component in gaining a competitive advantage, as it enables firms to recognize opportunities and threats early on (Teece, 2007). By effectively sensing market dynamics, businesses can align their strategies to emerging trends before competitors, allowing them to position themselves as industry leaders or innovators. For instance, companies like Apple and Tesla have demonstrated exceptional sensing capabilities by predicting and capitalizing on technological shifts, such as the smartphone revolution and the transition to electric vehicles (Chesbrough, 2003).

The importance of sensing capability lies in its ability to enhance proactive decision-making. Firms with strong sensing capabilities can mitigate risks and adjust their strategies in response to environmental changes. For example, firms in the tech industry constantly monitor advancements in artificial intelligence, cloud computing, and cybersecurity to stay ahead of competitors (Teece, 2014). Without effective sensing, businesses risk missing out on critical innovations or customer demands, which could lead to a competitive disadvantage. In this sense, sensing capability allows firms to remain agile and adaptable in an increasingly complex and dynamic business environment.

Moreover, sensing capability contributes to a firm's strategic foresight and long-term sustainability. By understanding emerging market needs and potential disruptions, firms can invest in research and development (R&D) or form strategic partnerships that place them ahead of the competition. Firms like Amazon, for example, have leveraged their ability to sense market trends, particularly in e-commerce and cloud computing, to diversify their business models and create sustained competitive advantages (Zengler, 2016). Thus, sensing capability is not just about responding to current trends, but also about anticipating future industry shifts and preparing for them.

However, sensing capability alone does not guarantee competitive advantage. It needs to be integrated with other dynamic capabilities such as seizing and reconfiguration capabilities. While sensing provides the insights into market trends, it is through seizing and reconfiguring capabilities that firms translate these insights into tangible strategic actions. Thus, sensing capability is an essential first step in the continuous process of maintaining and enhancing competitive advantage (Teece, 2007).

Seizing Capability and Competitive Advantage

Seizing capability refers to an organization’s ability to act on opportunities identified through its sensing capability. Once a firm has detected a market trend or technological advancement, it must

seize the opportunity by aligning its resources, capabilities, and business model to capitalize on the identified potential. This ability to execute is central to gaining and sustaining a competitive advantage, as it allows firms to convert insights into value. Successful seizing of opportunities often involves innovation, new product development, and strategic investments (Teece, 2007). For example, when Apple recognized the potential of mobile computing, it seized the opportunity by launching the iPhone, revolutionizing the smartphone industry and securing its dominant position in the market (Christensen, 1997).

A firm's seizing capability is tied closely to its resource allocation and operational flexibility. By effectively utilizing its internal resources, such as human capital, financial assets, and technological infrastructure, a company can mobilize quickly to take advantage of new opportunities. For instance, companies like Microsoft have been able to seize market opportunities by rapidly expanding their product portfolios and entering new markets, from personal computing to cloud computing (Nadella, 2017). However, effective seizing capability requires both strategic foresight and operational agility, as businesses must be able to act swiftly without unnecessary delays or missteps. Nevertheless, seizing capability cannot be fully realized without a strong sensing foundation. A firm must be able to detect the right opportunities before it can act on them. Furthermore, seizing capability must be supported by reconfiguration capabilities, which ensure that resources and strategies can be adjusted to meet new challenges. While sensing allows for identifying opportunities and seizing enables the firm to act, reconfiguration ensures the firm maintains the flexibility required to sustain competitive advantages in the long term (Teece, 2007). Thus, seizing capability is integral to competitive advantage, but it needs to be closely aligned with the firm's overall dynamic capabilities.

Reconfiguration Capability and Competitive Advantage

Reconfiguration capability refers to a firm's ability to realign and reconfigure its resources and capabilities in response to changing market conditions and emerging opportunities. This dynamic capability is vital for sustaining competitive advantage over time, as it enables organizations to adapt to shifts in the business environment, such as changes in technology, customer preferences, or competitive pressures (Teece, 2007). Reconfiguration allows firms to adjust their business models, production processes, and organizational structures to better exploit new opportunities, often leading to innovation and growth. For example, when IBM transitioned from hardware manufacturing to a services-oriented business model in the 1990s, it was able to maintain its competitive advantage by reconfiguring its resources to focus on software and consulting services (Hitt et al., 2001).

The ability to reconfigure resources is often driven by a firm's leadership and organizational culture. Companies that foster a culture of continuous learning and adaptation are better positioned to reconfigure their resources when needed. For instance, companies like Google have successfully reconfigured their resources by investing in new business areas such as artificial intelligence and autonomous vehicles, ensuring they stay at the forefront of technological advancements. Effective

leadership plays a key role in recognizing when reconfiguration is necessary and directing the organization through the required changes (Sull, 2009).

In addition, reconfiguration capability helps firms navigate disruptions and maintain operational flexibility. In industries where technological innovations or regulatory changes occur rapidly, the ability to reconfigure enables firms to not only survive but thrive. For example, the rise of the digital economy forced traditional brick-and-mortar retailers to rethink their business models. Companies like Walmart reconfigured their resources by enhancing their e-commerce platforms and integrating them with their physical stores, which helped them remain competitive in the evolving retail landscape (Zengler, 2016). Without this reconfiguration capability, businesses would struggle to adapt to changing conditions and may lose their competitive edge.

However, reconfiguration capability alone is insufficient without the foundational sensing and seizing capabilities. Reconfiguration must be informed by insights gained through sensing, and it must be executed by mobilizing resources in line with seizing opportunities. Thus, all three dynamic capabilities—sensing, seizing, and reconfiguration—must work in concert to sustain a competitive advantage. When firms are able to sense opportunities, seize them effectively, and reconfigure their resources accordingly, they create a dynamic system that not only responds to change but actively drives innovation and growth (Teece, 2007). This holistic approach enables firms to maintain their competitive advantages even in the face of rapidly evolving business environments.

Dynamic Capabilities and Entrepreneurial Success

Dynamic capabilities refer to a firm's ability to integrate, build, and reconfigure internal and external resources to address rapidly changing environments, which is crucial for sustaining competitive advantage. These capabilities are directly linked to entrepreneurial success, as they enable entrepreneurs to adapt to market shifts, innovate, and seize new opportunities. Successful entrepreneurs leverage dynamic capabilities to sense emerging trends, seize market opportunities, and reconfigure their business models to stay relevant. For instance, an entrepreneur who can quickly pivot in response to technological advancements or changes in consumer preferences is more likely to achieve long-term success. Dynamic capabilities also help entrepreneurs navigate uncertainty and manage risk, ensuring that their ventures remain resilient and competitive over time. Thus, the ability to develop and refine dynamic capabilities plays a critical role in the entrepreneurial process, facilitating growth and sustainability in an ever-evolving business landscape (Teece, 2007; Eisenhardt & Martin, 2000).

Theoretical Review

Resource-Based View (RBV) (Barney, 1991)

The Resource-Based View (RBV), developed by Barney (1991), posits that a firm's resources and capabilities are the primary sources of competitive advantage. This theory emphasizes the

importance of leveraging unique and valuable resources, such as intellectual property, brand reputation, human capital, and technological expertise, to achieve sustained success. The RBV complements dynamic capabilities by explaining that resources, when effectively reconfigured and adapted, can become the foundation for entrepreneurial success. In the context of dynamic capabilities, RBV highlights that resources alone are not enough for long-term success; firms must also have the capability to adapt and reconfigure their resources in response to changing market conditions. Entrepreneurial success is not solely based on the possession of valuable resources but on the ability to dynamically realign them as market demands shift. For example, firms like Apple and Google have been successful by continuously adapting and leveraging their resources to innovate and capture new opportunities in the tech industry. Thus, the RBV provides a foundational understanding of how resource deployment and reconfiguration, as part of dynamic capabilities, are critical for entrepreneurship (Barney, 1991).

Application of the Resource-Based View (RBV) Theory by Entrepreneurs

Entrepreneurs apply the Resource-Based View (RBV) theory by leveraging their firm's internal resources to create and sustain competitive advantages. According to RBV, resources that are valuable, rare, inimitable, and non-substitutable (VRIN) are critical to achieving long-term success (Barney, 1991). Entrepreneurs focus on identifying and optimizing unique resources, such as proprietary knowledge, innovative technologies, brand reputation, and specialized skills, to differentiate their ventures in the market. For instance, a startup with exclusive access to cutting-edge technology or a highly skilled team can establish a competitive edge that competitors struggle to replicate.

Additionally, entrepreneurs use RBV principles to align their resource strategies with market opportunities. This involves strategic investment in developing and protecting core capabilities that enhance operational efficiency and innovation (Peteraf, 1993). For example, by nurturing organizational culture and intellectual capital, entrepreneurs ensure their business is adaptable and well-positioned to respond to market changes. RBV also encourages entrepreneurs to focus on resource complementarities, where the combination of distinct resources generates superior value. By leveraging these insights, entrepreneurs can design scalable business models and achieve sustainable growth. In summary, RBV helps entrepreneurs shift their focus from external challenges to internal strengths, enabling them to capitalize on unique resources for sustained competitive advantage.

Review of Previous Research

Kump et al. (2019) examined toward a dynamic capabilities scale: Measuring organizational sensing, seizing, and transforming capacities. To date, no standardized scale exists for measuring dynamic capabilities, which limits the comparability of empirical findings and hinders data-driven theory development. This article introduces a 14-item scale based on Teece's (2007) established dynamic capability framework, designed to assess organizational sensing, seizing, and transforming capacities. The study outlines a rigorous empirical scale development process,

including item generation, scale purification with a sample size of 269, and confirmation with a larger sample of 307. The resulting scale demonstrates high reliability and validity, establishing itself as a strong predictor of business innovation performance.

Ellah and Onuoha (2021) examined dynamic capability and organizational effectiveness of Food and Beverages Firms in Rivers State, Nigeria" investigated how dynamic capability relates to the organizational effectiveness. The study employed a cross-sectional survey methodology, focusing on a population of 108 managers and supervisors from 12 manufacturing firms. The sampling method utilized was a census study. Out of the 108 questionnaires distributed, 102 were returned and analysed. The key variables measured included dynamic capability, which encompasses organizational learning capability and resource utilization capability, along with organizational effectiveness, measured through adaptability and productivity. Pearson product-moment correlation was used for data analysis. The results showed a strong positive correlation between organisational effectiveness and dynamic capacity, indicating that enhancing an organization's dynamic capabilities may increase its productivity and flexibility.

Wilden et al. (2013) examined dynamic capabilities and performance: strategy, structure and environment. Dynamic capabilities are widely considered to incorporate those processes that enable organizations to sustain superior performance over time. In this paper, we argue theoretically and demonstrate empirically that these effects are contingent on organizational structure and the competitive intensity in the market. Results from partial least square structural equation modeling (PLS-SEM) analyses indicate that organic organizational structures facilitate the impact of dynamic capabilities on organizational performance. Furthermore, we find that the performance effects of dynamic capabilities are contingent on the competitive intensity faced by firms. Our findings demonstrate the performance effects of internal alignment between organizational structure and dynamic capabilities, as well as the external fit of dynamic capabilities with competitive intensity. We outline the advantages of PLS-SEM for modeling latent constructs, such as dynamic capabilities, and conclude with managerial implications.

Summary of Literature Review

The study investigated Dynamic capabilities and entrepreneurial success. from the literature reviewed, it is clear that dynamic capabilities (DCs) enable firms to integrate, build, and reconfigure resources to adapt to changing environments, ensuring sustained competitive advantage. Key components include sensing, seizing, and resource configuration capabilities, which help firms identify opportunities, act on them, and realign resources strategically. Entrepreneurial success relies on leveraging these capabilities to innovate, grow, and remain resilient in dynamic markets. The Resource-Based View (RBV) complements DCs by emphasizing the importance of unique, valuable resources for competitive advantage, provided they are adaptable to market changes. Empirical studies, such as Kump et al. (2019), underscore the significance of measuring DCs through standardized scales, which predict innovation and

business performance, further highlighting the interplay of DCs and RBV in fostering entrepreneurial and organizational success.

Gap in Literature

Despite extensive literature on dynamic capabilities (DCs) and their role in entrepreneurial success, empirical studies often lack standardized methods for measuring DCs, making it difficult to compare findings across contexts and derive actionable insights. For instance, while Kump et al. (2019) introduced a scale to measure DCs, its application across diverse industries and its integration with frameworks like the Resource-Based View (RBV) remain underexplored. Additionally, there is limited empirical focus on how entrepreneurs specifically leverage DCs to achieve competitive advantage in rapidly evolving markets. The present study addresses these gaps by applying a robust theoretical framework that combines DCs and RBV, utilizing standardized scales to measure sensing, seizing, and resource configuration capabilities across varied entrepreneurial contexts. This approach not only enhances the comparability of findings but also provides deeper insights into the practical mechanisms linking DCs and entrepreneurial success, particularly in dynamic market environments.

Methodology

the study focuses on theoretical or conceptual analysis, often relying on secondary data, such as existing literature, historical records, or previously published research. The aim is to develop or refine theories, models, or frameworks without directly gathering new empirical evidence. This study adopts a non-empirical methodology to explore the relationship between dynamic capabilities (DCs) and entrepreneurial success, focusing on theoretical analysis and secondary data rather than direct data collection. The methodology involves a comprehensive literature review of foundational theories like Teece's Dynamic Capabilities Framework and the Resource-Based View (RBV), critically analyzing their role in fostering entrepreneurial success through innovation, profitability, and growth. It identifies gaps in existing research, particularly the lack of standardized measures for DCs and the limited exploration of their direct impact on entrepreneurial outcomes. Based on this review, a conceptual framework is developed linking dynamic capabilities—sensing, seizing, and reconfiguring resources—with entrepreneurial success, while integrating RBV to emphasize the importance of unique, valuable resources. The study also synthesizes key theoretical insights to propose a conceptual model that highlights how DCs enable sustained competitive advantage.

Conclusion

Based on the findings the study concludes that organizations with strong sensing capabilities gain a competitive advantage by staying ahead of market trends and rapidly identifying opportunities and threats. Effective seizing capabilities empower organizations to leverage opportunities efficiently, securing a competitive edge by aligning resources with strategic initiatives. A robust

reconfiguration capability ensures sustained competitive advantage by enabling businesses to adapt to evolving environments and remain resilient against disruptions.

Recommendations

1. Entrepreneurs should develop the ability to identify market trends and emerging opportunities, enhances competitive advantage by enabling businesses to anticipate and respond proactively to changes in the environment.
2. Entrepreneurs should invest in advanced data analytics and foster a culture of continuous market research to enhance sensing capability.
3. Entrepreneurs should develop the capacity to mobilize resources and capture opportunities, strengthens competitive advantage by allowing organizations to swiftly adapt and capitalize on identified trends.
4. Entrepreneurs should develop the skill to reorganize assets and processes to align with new market demands, ensures sustained competitive advantage by maintaining organizational relevance and efficiency.

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