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PERSONAL DYNAMIC CAPABILITIES IN THE CONTEXT OF A CORPORATE SUCCESS

Review

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Abstract

The aim of the paper is to assess if/how the concept of dynamic capabilities (DC) can be applied to personal level, specifically to people oriented at dynamic career in corporations in Europe. The paper is conceptual in nature, and it is based on, on the one hand, a literature review in relation to dynamic capabilities, and, on the other, results of unstructured interviews conducted with young people enrolled in postgraduate studies in the area of Business English. Our study suggests that personal dynamic capabilities are very important for career in nowadays corporations and they are based on such people attributes as: ability to work hard and learn, strong intrinsic motivation, good knowledge of English, ability to work in teams, flexibility, change and ambiguity tolerance.

Keywords: *dynamic capabilities, personal, career*

1. INTRODUCTION

The concept of dynamic capabilities (DC) has recently been one of the most important theories in the field of management studies. The popularity and importance of this concept has been visible in a number of publications around the world, inspired by dynamic capabilities theory. Among the publications there are ones in very prestigious, top-tier journals in the field of management. The concept appears to be so popular due to its good fit in the contemporary environmental conditions and its universal character, hence this very concept has been an inspiration for authors of papers in very diversified business areas,

like, for instance, marketing, HR, supply chain management, production, or strategic management (Mitręga, In Press). Furthermore, dynamic capabilities are analyzed at different levels in a corporate structure – as an attribute of the whole organization, or qualities and skills of given people, members of an organization, or as a feature of a relationships between market entities (Äyväri and Möller 2008). Taking all these above into consideration, the paper aims at identifying the so-called *personal dynamic capabilities*, understood as a group of behavioral traits, typical for given employees working, or wanting to work, for a multinational company. The personal dynamic capabilities of people working in such corporations are taken into consideration for the reason that nowadays, in the labor market in Poland and other European countries, the emphasis is on boosting competitive advantage of employees, their flexibility, linguistic competence and resilience. The paper is mainly conceptual in nature, it is based on the literature review on the subject and the results of unstructured interviews carried out in the last 5 years among post graduate students working in corporations in various industries in Poland. In the first section of the paper the concept of dynamic capabilities will be discussed, whereas in the next section, personal dynamic capabilities of corporate workers will be defined in relation to the changing job market and current political situation in Europe. In the last section, main conclusions will be provided.

1.1. Basic assumptions of DC as an inspiration to be implemented it in various contexts

Although the theoretical framework of dynamic capabilities of an organization is up to a point controversial, (Di Stefano, Peteraf et al., 2014), we can assume that the very concept of dynamic capabilities was introduced in the field of management studies by two key complementary publications, namely Teece, et al. (1997) and Eisenhardt and Martin (2000). DC concept was based on resource-based view of the strategy (Barney, 1991), but it contains some other, new elements. It assumes that organizations should build their competitive advantage around rare and hard to imitate resources, which should be systematically redefined in accordance with changes occurring within and around the organization. In this context, the main strategic effort of an organization is not only connected with gaining resources, such as building an extraordinary brand awareness, or having a unique position in a supply chain, but with a systematic drive to revise the already existing resources, to build effective resource configurations comprised of some new and old resources. According to the DC concept, an organization must always be ready to change in a way so as to adjust its resources to dynamic tendencies of the environment (e.g. new technologies, consumer mega trends, or innovative strategies of companies operating in the same industry). Although readiness to change may be treated as a feature of a given organizational culture and this way be connected mainly to the cognitive sphere (i.e. managers' knowledge and beliefs), in the DC concept, behavioral sphere is a key factor and it can be understood as routines of a given organization. The routines are learnt and reinforced patterns of human behavior. Thanks to its routines and rules, an organization is able to spot changes

in the environment and even anticipate them in a way so as to try and minimize the outcomes of threats and maximize the benefits of opportunities.

It has been observed within the last decade that, due to some practices used by companies, DC is a good illustration to corporate changes. DC can also be perceived as a good signpost for strategic management. A good illustration of it is company *Inglot* that produces cosmetics. The company has Polish roots and it was at first operating only in national market. Later on its owners decided to expand internationally and enter, among others, eastern markets. The managers anticipated that their products may not become popular due to their features – they were designed and composed for Polish women who have fair complexion, delicate skin and fair hair. Eastern women (e.g. women in Asia) have darker and thicker skins and they need different consistency of foundations and different colors of eyeshadows, lipsticks, blushers, etc. The company designed such cosmetics especially for eastern consumers. It was based on thorough research on the needs of eastern prospects, their expectations and the specificity of the market. It should be also emphasized that *Inglot* applies its dynamic capabilities systematically, because Asian markets are not all the same. For example, in United Arab Emirates *Inglot* has introduced special nail varnish, which is removable by water cleaning, without using chemical removers. This product become very successful, because many women in UAE are culturally restricted to use only temporal nail varnish. Of course, *Inglot* is just one example, there are many other companies that can illustrate how the concept of DC is applied in business practice. Especially organizations operating in the hi-tech market, but also small and medium enterprises illustrate it well if they flexibly modify their strategies and build new positions in local and international market supply chains, or to gain totally new resources. Quite frequently DC takes a form of rebranding competence, which is visible even in FMCG industry, e.g. in case of retail chains.

2. PERSONAL DYNAMIC CAPABILITIES AS AN ADVANTAGE IN CORPORATE CAREER

Although dynamic capabilities concept was designed mainly in relation to behavioral routines understood as features of organization as a whole (especially in case of medium and big enterprises), the literature review suggests that there is no one dynamic capability, but there are rather a variety of dynamic capabilities/skills that are more or less detailed within the structure of an organization. (Äyväri and Möller 2008, Di Stefano, Peteraf et al. 2014). According to this assumption, dynamic capabilities can also be understood as traits of a given group of people. Here, such personal dynamic capabilities may make it possible for their „owner” to function in the highly unstable job market. Like in case of capabilities of an organization, personal dynamic capabilities refer to some behavioral features, which are learnt and systematically utilized routines of behavior, which set a given person apart from other people. To illustrate personal dynamic capabilities and make the concept more detailed,

we will use a job market as an example. We will also concentrate on employment in corporations (e.g. medium and big companies, frequently multi-nationals) as this phenomenon is quite similar in Europe sector since it is a big part of the whole job market, it is similar in Europe and it is very popular among young people starting their career. This sector is often subject to changes due to changing global trends. In this sector, usually young and highly educated people are looked for. To simplify the process, we will mainly look at young employees, who succeed at getting a job, or young employees who have dynamic careers. Since we had access to data gathered during unstructured interviews carried out among Polish young employees hired at a corporate sector, we will focus on them, although many research conclusions may be treated as universal for the situation in Europe.

2.1. Informants' characteristics

The data was gathered for 5 years, in the course of teaching post-graduate students at Business English post-graduate studies. This post-graduate programme aims mainly at delivering competences to graduates of various studies – fairly educated young people working in corporations and oriented at dynamic career. Each year a group of more, less 25 people is recruited and among these few students were selected each year and unstructured interviews were carried out with them. The students already working for multinational corporations (e.g. Pricewater House Coopers, Cap Gemini, etc.) were selected, or those, who wanted to apply for such kind of a job. The students were asked about the reason to start Business English post-graduate studies, about their current professional situation, their routines at professional life. They were also asked about their career plans. Then the interviewer together with each interviewee analyzed their career path. As a result of these unstructured interviews, some characteristics of a “good corporate worker” emerged. These characteristics will be discussed further in the next section, and then, in conclusions, their relation to personal dynamic capabilities will be described.

2.2. A good corporate worker characteristics

All the interviewed people unanimously stated that they started Business English post-graduate studies in order to better their professional situation. Some of them admitted that they did it in order to get promoted and they needed a certificate, while others indicated that they wanted to polish their English, especially Business English, and this way be able to communicate with customers/contractors more effectively and more freely. Those who were not hired in the corporate sector hoped for getting a job thanks to the certificate and skills gained after the studies. All of the interviewed people were of the opinion that their English language skills needed improvement. Many informants admitted to be stressed while speaking English because they did not have enough speaking practice. They were all of the opinion that good command of English and low inhibitions is a characteristic of a good corporate worker. The most successful subjects (by most successful ones, we understand those informants, who had highest positions when compared to the rest of the group or most dynamic promotion), had best command of English and were eager to speak at all classes which were carried out in English. They stated that they use English

at work every day and that they are not embarrassed if they make mistakes. It was proved by prior research, that stress hinders good production of a foreign language and it causes speaker's inhibitions (Kyriacou 2001; Wieczorek and Mitreğa, 2017), which, in turn, discourage a speaker to try to communicate in a foreign language. Those corporate workers, who do not want to speak in English, can only work at a lower-level position or cannot get promoted easily. This way a good knowledge of English can be treated as a crucial capability of a corporate worker. We believe that we may treat it as a part of dynamic personal capabilities, because good command of English demands constant improvement, acquiring some new words and accents and utilizing it in changing contexts.

The successful corporate informants, when asked why, in their opinion, they succeeded in achieving their current position, mainly stated that it was due to such skills and qualities as ability to work hard, high level of motivation, good knowledge of English and willingness to communicate, team-work abilities and willingness, flexibility, tolerance of ambiguity, willingness to learn and readiness to change their job/position, relocate, etc. As far as the ability to work hard is concerned, the informants were of the opinion that one needs to work really hard in order to keep a job at a multinational company. This hard work entails not only working efficiently for 8 hours a day, 5 days per week, but also taking work home, working some weekends and constant improving one's skills (like, e.g. language skills, accounting skills, working on team-work skills, etc.). High level of motivation appears here to be strongly connected with the previous issue of hard work since one needs to be highly motivated to work hard and devote weekends and evenings to work, additionally, one needs motivation in order to improve their skills and gain new ones.

One of the informants was a recruitment officer at a big multinational company and she stated that many young people nowadays cannot work hard and are not fairly motivated at all, they expect to get a job at a prestigious company without any experience than other, more motivated and hardworking people, gain during internships, unpaid practice, scholarships, etc. She is of the opinion that without such experience it is very difficult to get a job in a corporate sector. Being a graduate, even one with a diploma with a very good mark, is not enough, one needs something more to accelerate their career and therefore the ability to work hard and high level of motivation (usually intrinsic), can be treated as dynamic capabilities in this context.

Team work abilities/skills were reported to be a very important component of a corporate success. The subjects were of the opinion that the willingness and ability to work with other people, the ability to network efficiently with foreigners and tolerance, are a key success factor in the professional life of a corporate worker. People working at multinational companies, need to work in teams while working on big projects, interacting with foreign teams, being a part of a bigger structure. All the informants were of the opinion that one should all the time try to improve their team-work skills and adjust to the will of the team, be flexible, e.g. ready to change their opinion if necessary. It is perceived as a dynamic capability since it entails observing and anticipating changing courses of action and adjusting one's behavior

and communicative strategies to it. This way tea-work abilities, networking skills and flexibility may be treated as personal dynamic capabilities of a corporate worker. Working with other people, often foreigners, means ambiguity. One cannot foresee how a foreigner will react in a given context, due to cultural differences, so they need to be able and willing to tolerate ambiguity. If one learns to accept and do it, they automatically become more open towards others and their communicative competence goes up. Ambiguity tolerance is closely connected with teamwork, and it also can be treated as a dynamic capability for the reason that it depends on a given situation and one can master the skill. The willingness to learn and open mind are connected with high level of motivation. A motivated person is ready to learn new skills and is able to spot the necessity to learn a new skill if a professional situation entails it and therefore, it is a personal dynamic capability.

Many of the issues discussed above are connected with the last issue, which is connected with the personal willingness to change. It is a dynamic capability since it means observation and adjustment to a given situation/ environmental trend/ company policy, etc. Change is said to be a very powerful stressor in professional life (Kyriacou, 2001) because it is connected to "the unknown". People tend to fear changes because they may influence their self-esteem, well-being and force them to leave their comfort zone. According to the informants, willingness to change and the ability to spot that it is a time to change is a key issue in corporate career. Only those people, who were able to change their patterns of behaviour, ineffective routines, etc, were able to succeed in the corporate reality. On the personal level changes may entail relocation when better opportunities emerge abroad, or in a different city, so people oriented at dynamic career must be ready to accept such challenges.

All of these issues discussed above were treated as most important building blocks of dynamic career in corporations, so we treat them as foundations of DC on personal level. This set of personal attributes must be obviously treated as only tentative, because some further studies may identify some other detailed features or features specific to the very context of a given industry or a given company. There are many specific kinds of dynamic capabilities developed as the business functions (Barrales - Molina et al. 2014; Karimi and Walter 2015), so one should rather expect even more kinds of such capabilities to be potentially beneficial while developed at personal level in organizations.

3. CONCLUSIONS

Nowadays many young Europeans who are about to start their career, decide to work for a corporation, often a multinational one. The question asked by the authors of the paper was, why some are successful and can maintain dynamic career path, whereas others fail to do it. As a result of research, a number of characteristics of a dynamic corporate worker emerged. These are: ability to work hard and learn, high level of intrinsic motivation, a good knowledge of English, ability to work in teams, flexibility, change and ambiguity tolerance. All of the successful corporate workers that were interviewed, were people, who were highly motivated, who understood that they had to constantly learn new things, and who wanted to improve

all the time. They were aware that the job market is constantly changing and one must keep up with it if he/she wants to boost their career. We believe that all above characteristics of a good corporate worker can be considered dynamic personal capabilities because they demand systematic improvement on personal level and they may be applied systematically in various stages of corporate career and in various concrete companies. At any time in the course of their professional life, people can decide to use these dynamic capabilities to accelerate their career course. Since these capabilities refer to personal routines and behaviours and to individual workers, they were called personal dynamic capabilities. If people manifest these capabilities, they can easily communicate with workmates and they are easier to get on with, this way they contribute to corporate governance, which is, according to Tomsic (2013), very much about relations between people working at a given company.

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