

Dynamic capabilities, human resources and operating routines: a new product development approach¹

Abstract

Purpose This study seeks to explain the outcomes and role of dynamic capabilities (DCs). To explain the outcomes, we study the relationship between new product development (NPD) (an example of DCs) and metaflexibility. To explain the role of DCs, we study how human resources and operating routines moderate the role of DCs in achieving adaptation in the firm.

Design/methodology/approach Using data from 200 managers of Spanish firms, we apply regression analysis to test the moderating role of human resources and operating routines in the relationship between NPD and metaflexibility.

Findings Our results demonstrate that highly qualified and committed workers enhance the effectiveness of NPD, while high frequency in repetition of operating routines significantly damages such effectiveness.

Research limitations/implications This study is limited to analysing a unique DC (NPD), but future research could explore contributions on other consolidated DCs (e.g., alliance management capability) and compare results. Also, our data base on managerial perceptions rather than objective measures.

Practical implications Managers who must address environmental changes should connect generation of DCs to complementary functional strategies, especially human resources strategy.

Originality/value This paper suggests additional outcomes derived from DCs, such as metaflexibility. It attempts to understand the complex process by which DCs interact to modify operating routines in order to respond to environmental changes.

Keywords Dynamic capabilities, New product development, Metaflexibility, Human resources, Operating routines.

Paper type Research paper

INTRODUCTION

Over the past two decades, dynamic capabilities theory (Teece et al., 1997) has become one of the most active research areas in the field of strategic management (Helfat and Peteraf, 2015; Katkalo, Pitelis and Teece, 2010; Schilke, 2014). As the basis of firms' abilities to renew internal and external competences, dynamic capabilities (DCs hereafter) are commonly used to explain how firms respond successfully to environmental changes. DCs theory evolved from resource-based view to explain how firms achieve sustainable competitive advantage. Due to their specific role and stable nature, DCs can be seen as meta-routines designed to reconfigure firms' operating routines (Winter, 2003; Wilhelm et al., 2015; Zollo and Winter, 2012).

Increasing interest in DCs theory has produced a substantial body of research. For some time, most studies have been theoretical, with the aim of consolidating the field's main constructs. Important literature reviews have provided solid foundations for empirical papers (e.g., Ambrosini and Bowman, 2009; Barrales-Molina et al., 2014; Barreto, 2010; Loasby, 2010; Vogel and Güttel, 2013; Zahra et al., 2006). While initial empirical

¹ This research was sponsored by the European Regional Development Fund (European Union), the Spanish Government (Research Projects ECO2010-15885 and ECO2013-47027-P), and Junta de Andalucía (Research Project P11-SEJ-7294)

contributions were based on case studies that describe how a particular organization generates DCs (e.g., Bruni and Verona, 2009; Danneels, 2010; Newey and Zahra, 2009), the most recent studies propose and test theoretical models using large surveys of firms and provide more generalizable results (e.g., Barrales-Molina et al., 2013; Drnevich and Kriauciunas, 2012; Hsu and Wang, 2012; Pavlou and El Sawy, 2011; Rodenbach and Brettel, 2012; Schilke, 2014; Wilden and Gudergan, 2015; Wilhelm et al., 2015). This trend shows that study of DCs is evolving to a more mature stage, becoming a theory.

More recently, and following important contributions in DCs literature (e.g., Eisenhardt and Martin, 2000), some studies focus on specific organizational processes to explain the abstract nature of DCs. New product development (NPD) is attracting the most attention as a true DC (see, e.g., Barrales-Molina et al., 2014; Bruni and Verona, 2009; Danneels, 2002, 2010; Pavlou and El Sawy, 2011; Schilke, 2014). Such studies explore how organizations with outstanding NPD (Apple, Nestlé, Procter & Gamble) regularly modify their operating routines to respond to environmental changes. Some scholars argue that NPD is useful in explaining how firms develop different levels of DCs based on environmental uncertainty (e.g., Ambrosini et al., 2009). Firms that successfully generate DCs are expected not only to reconfigure their operating routines but also to achieve the precise level of adaptation needed to respond environmental demands.

Although many studies shed light on key features of DCs and extend knowledge of them, research focuses mainly on strategic issues, paying less attention to the complex interaction between DCs and operating routines in the reconfiguration process (Vogel and Güttel, 2013; Wilhelm et al., 2015). To advance this line, many scholars note the need for in-depth studies that combine the most solid pillars of organization theory and human resources management (see, e.g., Arend and Bromiley, 2009; Kok and Lighthart, 2014; Vogel and Güttel, 2013). Significant effort should thus be devoted to explaining how workers, internal context, and the nature of operating routines alter the expected outcomes of DCs (Vogel and Güttel, 2013). Some contributions draw on resource-based view to provide valuable insights into how human resources contribute to competitive advantage (e.g., Chadwick and Dabu, 2009; Chatterji and Patro, 2014; Nijssen and Paauwe, 2012; Wright et al., 1994). Initial empirical studies provide crucial primary evidence (e.g., Judge et al., 2009; Wei and Lau, 2010), but additional effort is needed to understand the involvement of workers and operating routines in achieving sustainable competitive advantage.

The aim of this paper is thus twofold. First, we explore the relationship between a particular DC—NPD—and metaflexibility. Second, we seek to advance understanding of the influence of operating routines on the results of DCs by analysing the characteristics of individuals who perform these routines, such as their qualifications or commitment to the organization, and the nature of the routines themselves, specifically task frequency and heterogeneity. To achieve these goals, we use data from 200 Spanish firms. Empirical analysis shows that worker qualification and retention improve the relationship between NPD and metaflexibility. Our results suggest, however, that this relationship is damaged by high task frequency. Finally, our data do not support the moderating role of task heterogeneity.

This paper is structured as follows. Firstly, we present an overview of DCs theory that focuses on the characteristics of NPD as a DC. Secondly, we develop a set of hypotheses to construct an integrated theoretical model of moderating variables. Next, we explain the methodology used and its results. Lastly, we discuss the findings as well as the implications for managers, limitations and future lines of research.

THEORETICAL BACKGROUND AND HYPOTHESES

DCs theory

The most important antecedents of DCs theory can be found in the resource-based view (Barney, 1986; Rumelt, 1984; Wernerfelt, 1984). This theoretical approach establishes that valuable, rare, inimitable and non-substitutable (VRIN) resources are the main source of competitive advantage. However, its static vision of successful firms does not address how they survive in changing environments. Teece et al. (1997) thus defined DCs as the firm's abilities to integrate, build and reconfigure internal and external competences to achieve sustainable competitive advantage.

Some scholars have tried to achieve more precise definitions of DCs to understand their nature, proposing best practices that can be seen as DCs. Eisenhardt and Martin (2002) initiated this approach, claiming that DCs are embodied in particular organizational processes, such as product development routines, strategic decision making or alliance and acquisition routines. This approach may make it easier to understand the general nature of DCs, and ensure major management applicability. Since Eisenhardt and Martin (2002), many scholars have identified prospective DCs and characterized their general nature using one specific DC (e.g., Karim and Mitchell, 2000; Moliterno and Wiersema, 2007). NPD and alliance management capability are now the most solidly established DCs (Barrales-Molina et al., 2014; Pavlou and El Sawy, 2011; Schilke, 2014).

As specific DCs, NPD and alliance management capability have the role of reconfiguring the operating routines that ensure the organization's operational, functional and daily tasks (Wilhelm et al., 2015; Winter, 2003). Along these lines, Zollo and Winter (2002) define DCs as "learned and stable patterns through which the organization systematically modifies its operating routines". It follows that DCs are high-level routines or meta-routines that act on the other operating routines (Winter, 2003; Wilhelm et al., 2015; Zollo and Winter, 2012).

In addition to analysing the nature and specific role of DCs, some studies focus on explaining creation and development of these capabilities (see e. g.: Eisenhardt and Martin, 2002; Helfat et al., 2007; Katkalo et al., 2010; Zollo and Winter, 2002). Firstly, they generally assume that DCs are generated inside the organization and cannot be bought as a market factor (Makadok, 2001). Secondly, it is strongly accepted that DCs reside in organizational learning (Barrales-Molina et al., 2010; Cepeda and Vera, 2007; Easterby-Smith and Prieto, 2008; Zollo and Winter, 2002). Scholars have proposed several learning models to explain the process of DC generation (see, e.g., Bierly and Chakrabarty, 1996; Nielsen, 2006; Shimizu and Hitt, 2004; Verona and Ravasi, 2003; Zahra et al., 2006; Zollo

and Winter, 2002). The widely acclaimed model proposed in Zollo and Winter (2002) argues that DCs can be created by promoting three learning mechanisms: accumulated experience, knowledge articulation and knowledge codification.

NPD and metaflexibility

Among the outcomes expected from DCs, sustainable competitive advantage is argued to be their primary effect, although some scholars test other related effects of DCs, such as performance, competitive advantage and flexibility (see, e.g., Barrales-Molina et al., 2013; Pavlou and El Sawy, 2011; Schilke, 2014). Further, some literature theorizes different adaptation levels based on environmental dynamism, as prospective results derived from DCs (Ambrosini, Bowman and Collier, 2009; Collis, 1994; Danneels, 2002; Winter, 2003). The same DC (e.g., NPD) can achieve a specific level depending on perceived environmental dynamism. Ambrosini, Bowman and Collier (2009) define three levels of adaptation—incremental, renewal and regenerative—and argue that NPD can be incremental or regenerative if the environmental dynamism perceived by managers increases.

Research is beginning to explore these theoretical foundations at the empirical level. In particular, the initial connection between DCs and adaptation, or different dimensions of flexibility, has been solidly proven in the literature (see, e.g., Barrales-Molina et al., 2013; Singh et al., 2013; Malik and Kotabe, 2009; Vanpoucke et al., 2014). Findings in other related studies show the interest of analysing empirically how DCs respond to different levels of environmental dynamism. Schilke (2014) shows that two specific DCs (NPD and alliance management capability) are strongly related to competitive advantage when firms face an intermediate level of environmental dynamism but this connection is also positive and significant in highly dynamic environments. Pavlou and El Sawy (2011) analyse how the relationship between a specific DC (NPD) and operating capabilities is moderated by the level of environmental dynamism. These findings suggest the positive role of DCs across the spectrum of environmental turbulence and support the value of DCs in matching organizational responses to environmental demands for adaptation.

Volberda (1996) calls this process of matching metaflexibility² – the ability to determine sufficient flexibility mix (strategic, structural and operational flexibility). Metaflexibility involves creation, integration and application of flexible capabilities in a flexible way (Verdú-Jover et al., 2008). Previous studies of flexibility (e.g., Verdú-Jover et al., 2004, 2006, 2008) provide empirical evidence on the relationship between metaflexibility and flexibility fit (required flexibility – realized flexibility). Metaflexibility may therefore be an additional expected outcome consistently produced by DCs like NPD. We expect

² An interesting connection exists between metaflexibility and ambidexterity. Tushman and O'Reilly (1996) introduce the term ambidexterity to refer to the organizational ability to combine complementary learning modes for exploration and exploitation. While the concept of ambidexterity highlights the balance needed between flexibility and efficiency, metaflexibility focuses on the degree of flexibility needed to respond correctly to environmental changes.

organizations with extraordinary NPD to develop superior capability to recognize the adaptation level needed, based on managers' perceptions.

***Hypothesis 1.** NPD and metaflexibility are positively related.*

Moderating role of workers in the outcomes of DCs

The relationship between DCs and their expected outcomes can be moderated by many external and internal variables (see, e.g., Schilke, 2014; Wilhelm et al., 2015). Various factors participate in the complex process of interaction between DCs and operating routines to determine the success derived from DCs. These factors include managerial cognition, human resources, organizational culture, leadership and trust (Ambrosini and Bowman, 2009; Teece, 2007). Some authors point to human resources a major factor explaining DCs' effectiveness (Arend and Bromiley, 2009; Colbert, 2004; Kok and Lighthart, 2014). Even, in addition to the human resource nature, some recent papers suggest to pay attention to the learning power in the workplace, to understand how competitive advantage is created in firms used to responding to constantly changing contexts (see e. g.: Crick et al., 2013; Matsuo and Nakahara, 2013). In any case, owing to managers are responsible for promoting and creating DCs and since human resources regularly perform operating routines, great attention should be paid to who performs such routines when explaining the specific role of DCs. It is thus useful to understand how human resources features and practices moderate the relationship between DCs and metaflexibility.

Prior studies highlight the importance of worker qualification to resource-based view and competitive advantage (see, e.g., Barney and Wright, 1998; Beugelsdijk, 2008; Chadwick and Dabu, 2009; Colbert, 2004; Wright et al., 1994). Wright et al. (1994), for example, argue that, the more qualified human resources are, the rarer they are, ensuring fulfilment of one attribute of VRIN resources. Some research on DCs theory argues that highly qualified workers tend to show greater ability to sense changes and monitor environmental variables (Wei and Lau, 2010; Nijssen and Paauwe, 2012; Wright et al., 2001). Studies that attempt to integrate resource-based view and human resources management thus claim the importance of highly demanding recruitment processes and training programs in obtaining strategic human resources that guide the firm to competitive advantage (see, e.g., Barney and Wright, 1998; Colbert, 2004).

In essence, the literature argues that highly qualified workers can make decisions in their work that enable adaptation of operating routines. Professional workers are more likely to use their own judgment, to evaluate the outcomes of an operating routine and change it if they perceive inaccurate results (Beugelsdijk, 2008; Feldman, 2000; Feldman and Pentland, 2003; Teece, 2012). Emirbayer and Mische (1998) term this ability individual

agency, a characteristic commonly assumed in professional jobs that grant employees autonomy (Feldman, 2000; Feldman and Pentland, 2003; Howard-Grenville, 2005).

From an empirical perspective, prior studies focused on NPD context analyse how qualified workers adopt flexible behaviour depending on the level of environmental dynamism. For example, Kok and Lighthart (2014) demonstrate that firms use training and education programs to achieve flexible human resources capable of responding to environmental changes with NPD ranging from incremental to major. Additionally, Martínez-Sánchez et al. (2011) find that flexibility level derived from human resources is positively related to product innovation when environmental dynamism is high. Similarly, Newey and Zahra (2009) study how specialized teams of experts are responsible for monitoring and understanding environmental changes in the pharmaceutical industry to develop regular anti-influenza drugs depending on annual conditions.

We thus expect NPD to have the proper effects on operating routines when workers are qualified. Whereas managers trigger change of routines in different types of product development based on their environmental perceptions (Ambrosini et al., 2009), expert employees (e.g., designers, process engineers, marketing analysts) apply individual agency to implement the necessary level of change. Unqualified employees have less individual agency, making it more difficult to convert a manager's suggestions or guidelines into real changes in operating routines.

Hypothesis 2. *Worker qualification improves the relationship between NPD and metaflexibility.*

Although individual workers' characteristics, such as qualification or expertise, are a source of value, human resources practices can also enhance workers' value. Given human resources' potential for mobility, practices that promote job retention increase the value of these resources. Wright et al. (1994) argue that human resources can become inimitable when embedded in a strong organizational culture and complex social systems as a result of permanent contracts. Job retention practices may enable human resources to fulfil another attribute of VRIN resources. This argument agrees with Chadwick and Dabu (2009), which proposes job retention as a critical practice in human resources management architectures related to competitive advantage.

Mechanisms that focus on reducing worker turnover (e.g., permanent contracts, compensation, participation in long-terms projects) achieve greater involvement of human resources (Ax and Marton, 2008; Chadwick and Dabu, 2009; Curado et al., 2011; Fu et al., 2015; Paoli and Prencipe, 2003). Participation in several new projects in the firm can help workers apply knowledge acquired from previous experiences when reconfiguring operating routines (Chiang and Shih, 2011; Nijssen and Paauwe, 2012). Permanent and committed workers are more likely to use their individual experience and agency to reconfigure operating routines to respond to environmental changes.

From an empirical point of view, some studies on the context of NPD and human resource management demonstrate that involvement and commitment of permanent human

resources increase success likelihood of new product projects. For instance, Chiang et al. (2014) demonstrate that those human resource practices which promote high commitment work achieve better NPD results due to transactive memory systems developed. Besides, Beugelsdijk (2008) finds that short-term employment contracts are negatively related to the expected outcomes of NPD. Martínez-Sánchez et al. (2011) achieve similar results, arguing that short-term hiring leads to lower levels of human resources flexibility, a capability needed to respond to highly dynamic environments. Finally, Chiang and Shih (2011) support similar results, demonstrating that learning processes generated in NPD take several years to be concluded.

In summary, whereas managers are responsible for generating DCs such as NPD, permanent workers show major commitment and regular participation in determining the optimal level of flexibility required by current operating routines. We thus conclude that worker retention policies will improve the expected results of DCs.

Hypothesis 3. *Worker retention will improve the relationship between NPD and metaflexibility.*

Moderating role of tasks in the outcome of DCs

According to Zollo and Winter (2002), the relative effectiveness of DCs also depends on the characteristics of the tasks performed by workers. Since operating routines are embedded in tasks, the nature of these tasks may condition the potential for change in operating routines (Enberg et al., 2006; Feldman, 2000; Feldman and Pentland, 2003; Pentland et al., 2012; Rerup and Feldman, 2011; Teece, 2012; Zollo and Winter, 2002). Consistently, some recent works are focused on explaining how some specific features of operating routines can influence on the performance of crucial capabilities (Day et al., 2015; Ferreras-Mesas et al., 2015; Wilhelm et al., 2015).

One of the most analysed task features is frequency—how often the task is triggered and executed in a period of time (Zollo and Winter, 2002). The management literature shows that task frequency may provide advantages in achieving efficiency in performing routines, although high task frequency could block the potential for changing routines. Enberg et al. (2006) find that NPD projects benefit from high task frequency because it enables individuals to retain and remember lessons learned from one project to the next.

Because high task frequency imposes automatic repetition without the opportunity to reflect on prospective improvement actions, it can affect change in operating routines. Feldman (2000) studies university housing services to analyse what factors contribute to stability and flexibility in operating routines. Her findings show that routines in this organization have great potential for change. She recognizes, however, that the annual occurrence of these routines and thus ample time between iterations could enhance the potential for change. When routines are repeated fairly often, changing them may be more difficult because workers are involved in the next iteration soon after experiencing the previous one (Feldman, 2000). Similarly, Zollo and Winter (2002) argue the need for a

balance between thinking and doing to achieve the right level of change in operating routines.

These results are consistent with other empirical results (e.g., Cohen and Bacdayan, 1994; Howard-Grenville, 2005; Turner and Fern, 2012; Wood and Neal, 2007). Turner and Fern (2012) find that actors who have extensive experience performing a routine are likely to develop habits that impose pressures towards stability, reinforcing maintenance of existing routines. When actors have not performed a routine frequently in a previous situation, they have little experiential support and are more likely to accept change in future performance. Other empirical papers (Betsch et al., 2004; Narduzzo and Warglien, 2008) find that, since actors do not feel time pressure, they tend to evaluate new ways of performing a routine.

We can thus conclude that, even if managers promote DC generation, strong habit formation will make it difficult to achieve real adaptation of operating routines if workers are involved in high-frequency tasks. Consequently, the role of DCs can be blocked by high-frequency routines.

Hypothesis 4. *A high task frequency will damage the relationship between NPD and metaflexibility.*

Additionally, Zollo and Winter (2002) argue the role of task heterogeneity in DCs' success. Task heterogeneity is the variability of possible task characteristics, and it presents a different type of challenge in each situation. Task heterogeneity can also derive from changes in the surrounding context, such that performing a routine may be appropriate under some conditions but not others (Pentland and Feldman, 2005; Turner and Fern, 2012). Actors are unlikely to develop the habit of resolving a task if they must seek more appropriate solutions in the new context. When task heterogeneity is high, individuals must make inferences to discover the applicability of lessons learned from past experiences. Such inferences involve great cognitive effort to distinguish between effective and ineffective solutions. In other words, high task heterogeneity requires a significant selection process to evaluate the outcomes of each iteration of a routine (Pentland et al., 2012). Task heterogeneity thus blocks possible generalization from solutions, requiring major use of actors' agency to judge the best solutions in each context. Further, task heterogeneity encourages intensive communication or interaction between workers (Enberg et al., 2006), ensuring collective evaluation of outcomes of operating routines.

In sum, the greater the need for actors' agency (Feldman, 2000; Howard-Grenville, 2005) and knowledge articulation to resolve a task (Zollo and Winter, 2002), the more opportunities exist to change operating routines. One can thus argue that DCs will achieve a more accurate level of flexibility when tasks require regular discussion and articulation of knowledge, since generalizations and standardized solutions are not valid.

Hypothesis 5. *High task heterogeneity will improve the relationship between NPD and metaflexibility.*

Research model

Based on the research hypotheses, Figure 1 presents a study model relating the six factors taken into account to explain DCs: NPD (as an example of a DC), metaflexibility, worker qualification, worker retention, task frequency and task heterogeneity. H1 proposes a positive and direct relationship between NPD and metaflexibility: firms that develop DCs (such as NPD) will show high levels of metaflexibility. In contrast, H2, H3, H4 and H5 draw the moderating role of characteristics of workers and routines in the relationship between NPD and metaflexibility. Whereas H2, H3 and H5 propose a positive moderating role, H4 establishes a negative influence in the first relationship. We also consider three control variables: size, age and sales.

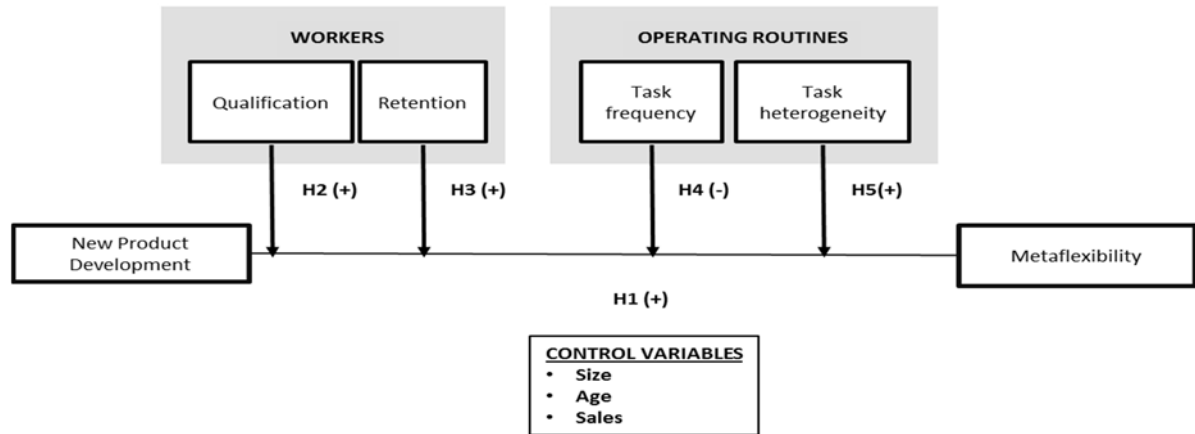


Figure 1. Research model

METHODS

Sample and Procedure

We developed a structured questionnaire to measure the variables in the research model. This questionnaire was addressed to the senior managers (e.g., CEO or managing director) of each organization. Senior managers were chosen as the key informants because they receive information from a wide range of departments and play a critical role in DC development (Ambrosini and Bowman, 2009). The empirical context for this study is Spanish firms. We study a multi-industry sample (primary sector³, manufacturing and service firms) to ensure generalizability of our findings (e.g., Chari et al., 2012; Guthrie, 2001). Initially, we contacted 1500 Spanish firms. The set of firms and mailing addresses was drawn from a database of firms published by the Spanish journal *Actualidad Económica*. A cover letter was included to explain that the questionnaire was part of a study examining the flexibility and adaptation of Spanish firms. Hard copies were sent to the researchers in a self-addressed pre-paid response envelope. The cover letter included a direct link from which informants could fill out the online questionnaire and send their responses with anonymity. The initial and the second, follow-up mailing yielded a total of 206 responses (13.7% percent response rate). Missing responses for some essential data reduced the number of valid responses to 200 (13.3%). Both number of responses and

³ The primary sector includes economic activities related to agriculture, hunting and forestry (Divisions 01, 02 and 03 of NACE classification).

response rate compare favourably to those of other similar studies (e.g., Pavlou and El Sawy, 2011; Rondenbach and Brettel, 2012). Nonresponse bias was used to test for significant differences between early and late responses. A t-test procedure for an early and a late sample (Armstrong and Overton, 1977) detected no significance differences between the two subgroups. This result improves generalizability of the study findings. Table 1 summarizes the descriptive details of the final survey.

Table 1. Brief descriptions of survey firms

Variables	Responding firms
Number of firms	200
Geographical location	Spain
Sectors	Primary 12%
	Manufacturing 25%
	Services 63%

Constructs and measures

Table 2 shows the theoretical definitions, measures and related studies of six variables used in our analysis. We based measurement of these variables on managerial perceptions obtained using the above-mentioned questionnaire. Because we use some constructs that are not widely operationalized in the literature, we drew up new ad hoc items by exploring definitions and arguments in a systematic literature review. We used six Likert-type scales in which informants were asked to choose a response ranging from 1, strongly disagree, to 7, strongly agree. (Appendix A provides a sample of the questionnaire.) To ensure correspondence between the English definitions in the literature and the items designed in Spanish, we used professional translating services and had four academics and four senior managers review the items to facilitate comprehension of the measures employed.

Table 2. Operational definitions and measures

Variable	Operational definition	Measures	Sources
Metaflexibility	Managerial ability to achieve the right level of flexibility to match organizational variables with environmental requirements	4 items	Volberda (1996); Garg and Deshmukh (2009); Verdú et al. (2004, 2006, 2008)
NPD Performance	Successful and regular modifications of products, basing on technically sophisticated processes to	4 items	Ambrosini, Bowman and Collier (2009); Bruni and Verona (2009); Ortega-Egea et al. (2014); Pavlou

	meet customer needs		and El Sawy (2011); Sethi (2000); Song and Parry (1997)
Worker qualification	Level of education and expertise shared by majority of employees	3 items	Bontis (1998); Black, Sanders and Taylor (2003); Curado et al. (2011); Doms et al. (1997)
Worker retention	Set of human resources policies to reduce worker turnover and achieve long-term commitment to the organization	3 items	Ax and Marton (2007); Bontis (1998); Bose (2004); Clarke (2003); Curado et al. (2011); George (2014); Guthrie (2001); Hallier and Lyon (1996); Stavrou and Kilaniotis (2010)
Task frequency	Number of times a routine is performed in a short period of time, without opportunity to reflect on its results	3 items	Cohen and Bacdayan (1994); Becker (2004); Betsch and Brinkmann (2000); Knott (2003); Zollo and Winter (2002)
Task heterogeneity	Variability in features of the task as it appears in different occurrences	3 items	Enberg and Lindkvist (2006); Nemphard, Harriet and Qin (2005); Satu, Halinen and Hanttu (2006); Zollo and Winter (2002)

Metaflexibility

The dependent variable was measured using a 4-item scale developed and validated by Verdú et al. (2004, 2006, 2008). We drew on the initial definition of metaflexibility by Volberda (1996) to develop a scale to measure this variable. The set of items measures the level of balance between developing new flexible capabilities and preserving or improving existing ones. The interviewee was asked whether the organization preserved shared norms and routines while absorbing and considering new information to adapt to the environment.

NPD Performance

Previous studies have employed subjective scales to measure NPD performance, determining level of regularity in developing new products, effort devoted and effectiveness of this strategy in achieving competitive advantage (Bruni and Verona, 2009;

Sethi, 2000; Sethi et al., 2001; Pavlou and El Sawy, 2006; Song and Parry, 1997). Since each scale designed consists of very similar items, we used a scale with four of the most common items to operationalize measurement of NPD performance.

Worker qualification

To measure general worker qualification in each organization, we designed a 3-item scale to assign a quantitative value to this construct, taking into account recommendations for measuring drivers of the firm's intellectual capital (Bontis, 1998; Curado et al., 2011). Sample items included statements to verify whether the organizations as a rule hire experts with a university degree and broad expertise in the field. We also inquired whether employees were considered professional workers able to make decisions and act with autonomy in their work.

Worker retention

Worker retention was also measured using a subjective 3-item scale, since we are interested in determining not only the organization's turnover level but also the presence of solid commitment between employees and the organization (George, 2014; Guthrie, 2001; Huselid, 1995). In addition to asking if turnover level was low, we considered whether human resource practices attempted to achieve employee involvement through permanent contracts and career development.

Task frequency

A 3-item scale was used to measure the level of task frequency. Following other authors who study this variable (e.g., Feldman, 2000; Turner and Fern, 2012; Zollo and Winter, 2002), we evaluated not only task frequency but also whether there was sufficient lack of time between performance of the same tasks and automation level of these tasks.

Task heterogeneity

This variable was measured with a 3-item variable. To capture quantitative level of task heterogeneity, we used the definitions in the literature (e.g., Enberg and Lindkvist, 2006; Nembhard et al., 2005; Nätti et al., 2006; Zollo and Winter, 2002), asking whether new challenges arose when employees develop a task or whether, in contrast, learned patterns could be applied to new circumstances.

Control variables

We included three additional questions to measure the firms' size, age and sales. We controlled for firm size using number of employees as an approximation. For each control variable, we used intervals of number of employees, years and sales to simplify the work required of the interviewee.

EMPIRICAL STUDY

Measure validation

We followed several statistical procedures recommended in the literature to assess measurement validity and evaluate the psychometric properties of the data (e.g., Bagozzi, 1980; Hair et al., 1999; Jöreskog, 1966). The exploratory analysis was performed using SPSS 20.0 and the confirmatory analysis with EQS 6.1. Scales have content validity either because they have been used and validated previously in the literature (e.g., scales for NPD and metaflexibility) or because the items in each scale adhere to the theoretical papers that define and conceptualize these constructs (Jiménez-Barrionuevo et al., 2011). As shown in Table 2, each scale is based on previous scales or definitions from the literature. For convergent validity, we confirm that all items load accurately on their posited constructs, showing significant t-values and acceptable individual reliability ($R > 0.5$) (see Table 3). We omit items that do not fulfil these requirements, maintaining the scale's acceptable composite reliability ($CR > 0.7$ and $AVE > 0.5$) and ensuring that loss of information does not damage the scale's properties. Additionally, we confirm appropriate levels of fit indicators for the measurement model. All indicators provide evidence of convergent validity.

Table 3. Measurement model

Variables	Items	λ^a	R ^{2b}	CR ^c	AVE ^d	Goodness of fit statistics
<i>Metaflexibility</i>	MET01	0.77***	0.59	0.81	0.58	$\chi^2_{120} = 113.30$ (p = 0.042) GFI = 0.903 NFI = 0.933 IFI = 0.952 CFI = 0.951 RMSEA = 0.06
	MET03	0.91***	0.82			
	MET04	0.86***	0.74			
<i>NPD Performance</i>	NPDP02	0.72***	0.52	0.74	0.51	
	NPDP03	0.85***	0.72			
	NPDP04	0.76***	0.58			
<i>Worker qualification</i>	QUAL01	0.80***	0.64	0.77	0.53	
	QUAL02	0.73***	0.54			
	QUAL03	0.90***	0.81			
<i>Worker retention</i>	WRET01	0.78***	0.61	0.75	0.51	
	WRET02	0.79***	0.62			
	WRET03	0.79***	0.63			
<i>Frequency of routines</i>	FREQ01	0.94***	0.88	0.75	0.61	
	FREQ02	0.79***	0.66			
<i>Task heterogeneity</i>	HET 01	0.71***	0.50	0.70	0.55	
	HET 02	0.91***	0.84			

^a λ , standardized structural coefficient; *** indicates significant values ($p < 0.001$) according to t-students; ^b R^2 , reliability; ^cCR, composite reliability; ^dAVE, average variance extracted; GFI, goodness of fit index; NFI, non-normed fit index; CFI, comparative index; RMSEA, root mean-square of approximation.

Finally, we assessed discriminant validity following the procedure in Anderson and Gerbing (1988), which involves constraining the correlation of each pair of constructs to unity and confirming that new estimation of the measurement model worsens the fit indicators. Table 4 presents the correlations, means and standard deviations and a preliminary analysis to evaluate potentially significant relationships. We observe, for example, a positive and significant relationship between NPD performance and metaflexibility.

Table 4. Correlations, means and standard deviations

<i>Variable</i>	<i>Mean</i>	<i>s. d.</i>	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>6</i>	<i>7</i>	<i>8</i>
1. Metaflexibility	4.66	1.22								
2. Size	2.63	1.17	0.09							
3. Age	2.55	0.73	0.02	0.37**						
4. Sales	3.13	0.97	0.02	0.58**	0.51**					
5. NPD Performance	4.40	1.45	0.32**	0.13	0.08	0.13				
6. Worker qualification	4.79	1.07	-0.38**	-0.01	-0.00	-0.01	-0.04			
7. Worker retention	4.46	1.43	0.13	-0.02	0.02	0.02	0.08	-0.33**		
8.Task frequency	3.47	1.63	-0.07	0.03	0.09	0.02	0.00	0.10	0.17*	
9.Task heterogeneity	4.13	1.37	0.28**	-0.00	-0.03	-0.07	0.03	-0.51**	0.35**	0.06

** significant correlations at $p < 0.01$; *, significant correlation at $p < 0.05$.

Hypothesis testing

To test the hypotheses, we conducted a moderated hierarchical regression analysis, shown in Table 5 (Cohen and Cohen, 1984). Interaction or moderating effects were introduced multiplicatively, which required centring the variables to avoid problems of multicollinearity. We also tested for multicollinearity using the tolerance indices and variance inflation factor for each regression model. The statistics show acceptable values.

Model 1 presents a regression analysis of metaflexibility considering only control variables and NPD performance. This model is statistically significant ($F = 5.90$, $p < 0.001$). Hypothesis 1 states that NPD is positively related to metaflexibility. The coefficient for NPD was positive and statistically significant ($\beta = 0.31$; $p < 0.001$), confirming Hypothesis 1. Control variables do not, however, exert significant influence on metaflexibility.

In Model 2, we introduced the direct effects of worker qualification, worker retention, task frequency and task heterogeneity. This model is also statistically significant ($F = 9.60$; $p < 0.001$). Although we set out to test moderating influence, we found that the direct influence of worker qualification on metaflexibility is also significant ($\beta = -0.31$; $p < 0.001$).

In Model 3, we introduced the moderating effects of the variables considered in Model 2. This model is statistically significant ($F = 12.62$; $p < 0.05$), showing the strength of the moderating effects. Hypotheses 2 and 3 state a positive moderating role of worker qualification and worker retention on the relationship between NPD and metaflexibility. The coefficient for moderating effects of worker qualification ($\beta = 0.20$; $p < 0.05$) and worker retention ($\beta = 0.14$; $p < 0.05$) are statistically significant and positive, supporting Hypotheses 2 and 3. It is interesting that the coefficient for direct effect of worker qualification is negative and statistically significant, whereas its moderating effect is positive and statistically significant. This result supports our reasoning that worker qualification leads to a positive relationship between NPD and metaflexibility. Hypothesis 4 states a negative moderating role of task frequency on the relationship between NPD and metaflexibility. The coefficient for this moderating effect is negative and statistically significant ($\beta = -0.36$; $p < 0.05$), also confirming Hypothesis 4. Although Hypothesis 5 asserts a positive moderating effect of task heterogeneity, the estimated coefficient does not show a significant moderating effect, preventing confirmation of Hypothesis 5. The next section discusses possible theoretical reasons for lack of support for this relationship.

Table 5. Regression analysis

	Model 1			Model 2			Model 3		
	β	S. E.	t	β	S. E.	t	β	S. E.	t
Intercept	4.51***	(0.33)	13.61	4.57***	(0.34)	13.50***	4.63***	(0.33)	13.50***
Size	0.03	(0.09)	0.35	0.02	(0.08)	0.26	0.05	(0.08)	0.61
Age	-0.06	(0.13)	-0.79	-0.06	(0.12)	-0.76	-0.09	(0.12)	-1.05
Sales	0.09	(0.11)	0.94	0.1	(0.11)	1.17	0.10	(0.10)	1.17
NPD Performance	0.31***	(0.06)	4.48	0.30***	(0.05)	4.63	0.64***	(0.14)	3.90***
Worker qualification				-0.31***	(0.09)	-4.04	-0.25***	(0.09)	-3.00***
Worker retention				-0.03	(0.06)	-0.43	-0.05	(0.06)	-0.81
Task frequency				-0.04	(0.05)	-0.69	-0.06	(0.05)	-1.17
Task heterogeneity				0.13*	(0.07)	1.79	0.12	(0.07)	1.79

NPD Performance x Worker qualification		0.20**	(0.06)	2.
NPD Performance x Worker retention		0.14**	(0.04)	2.
NPD Performance x Task frequency		-0.36**	(0.03)	-2.
NPD Performance x Task heterogeneity		0.03	(0.06)	0.
Model R ²	0.11	0.26	0.30	
ΔR ²	0.11***	0.15***	0.04**	
Adjusted R ²	0.09	0.23	0.26	
F	5.90	12.50	12.62	
ΔF	5.90***	9.60***	3.02**	

Metaflexibility is the dependent variable.

*p < 0.1; **p < 0.05; ***p < 0.01

The significant moderating effects are shown in Figures 2, 3 and 4. We considered low (-1 s.d.) and high (+1 s. d.) levels of each moderating variable. Figures 2 and 3 represent the slope increase for high levels of worker qualification and worker retention and this positive moderating role graphically. As Figure 4 illustrates, the slope of the relationship between NPD and metaflexibility is slightly higher when we consider low levels of task frequency, due to the negative moderating role of task frequency.

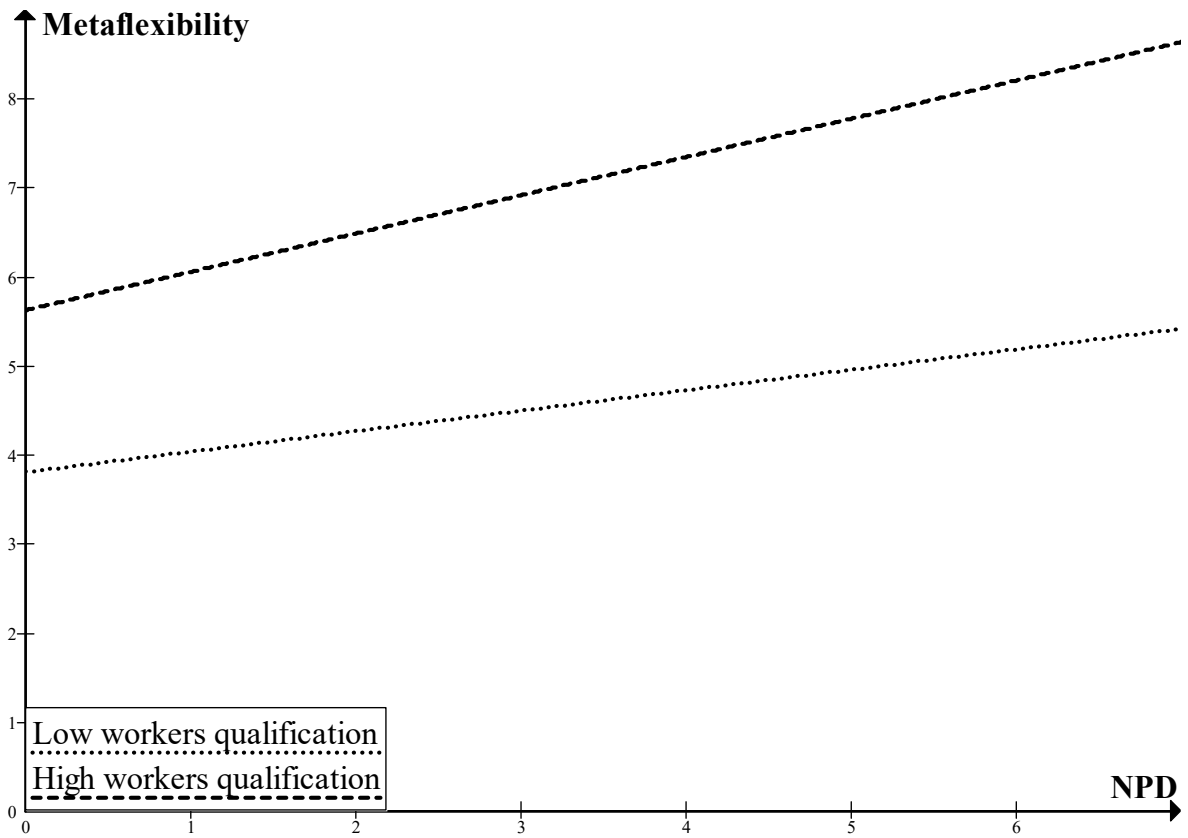


Figure 2. Interaction between worker qualification and NPD

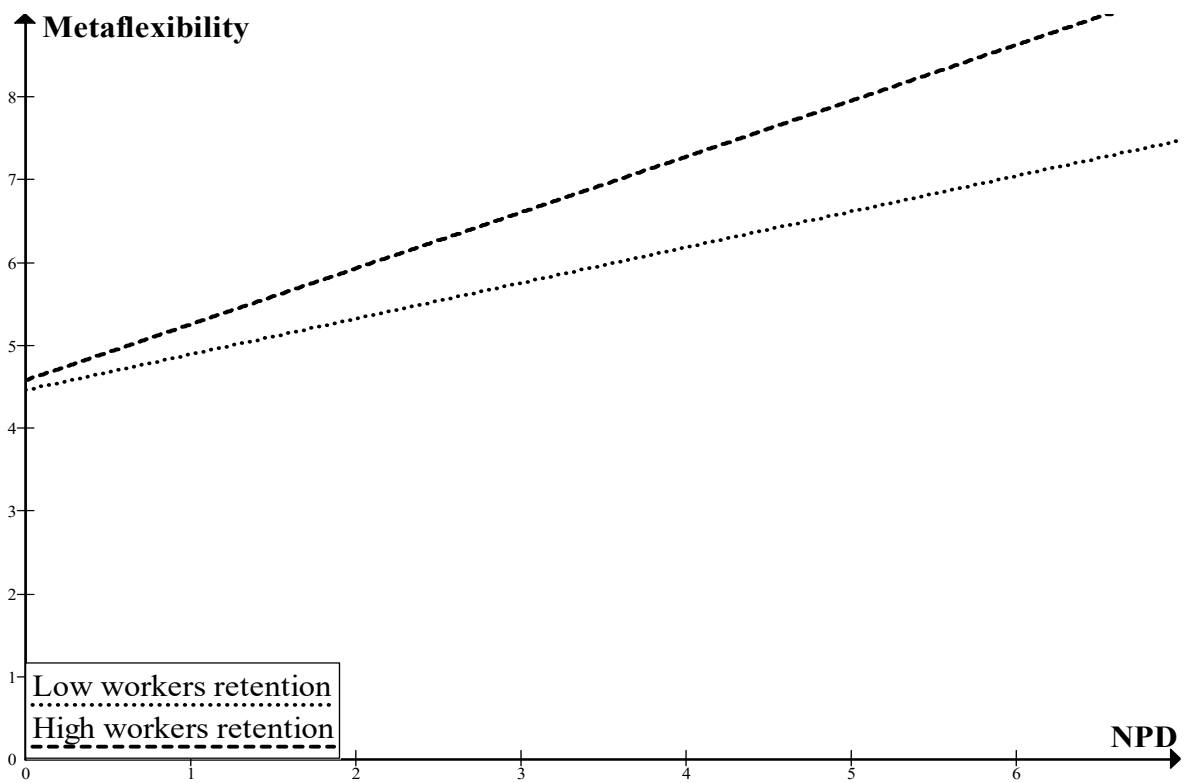


Figure 3. Interaction between worker retention and NPD

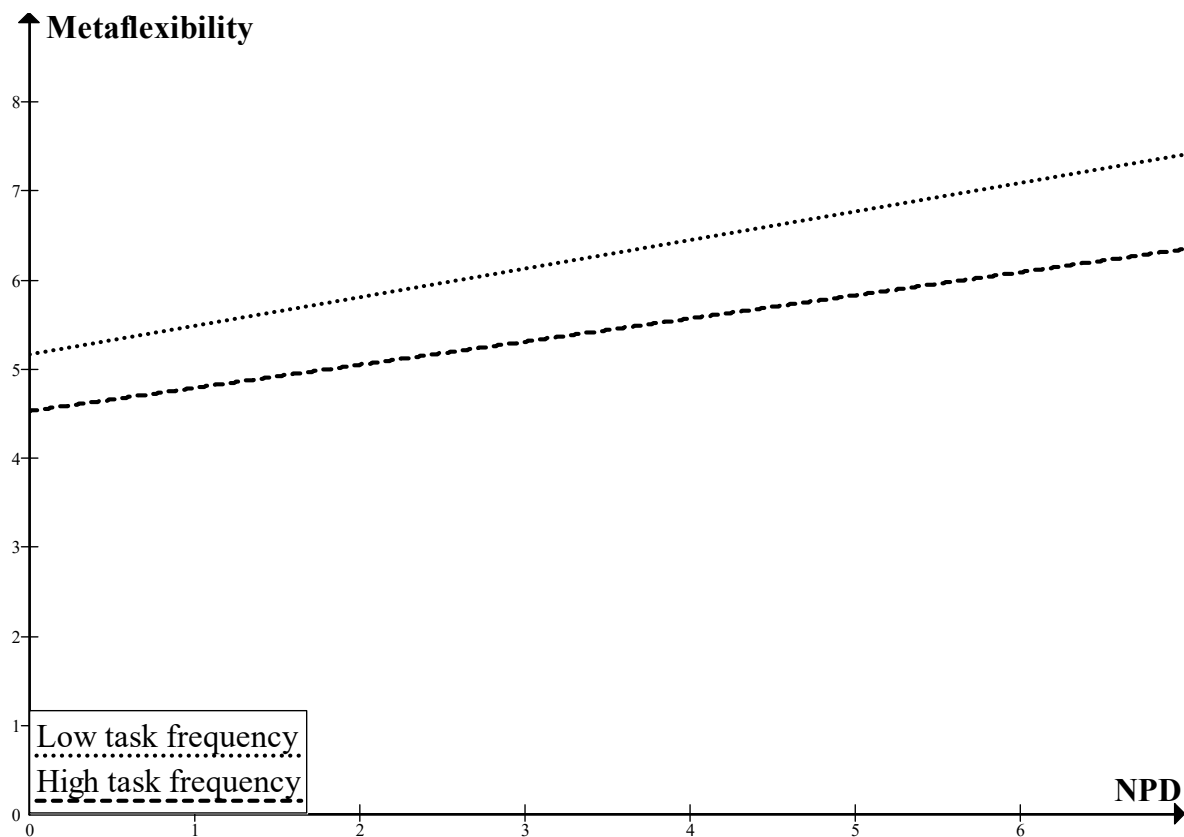


Figure 4. Interaction between task frequency and NPD

DISCUSSION

Now that the literature has advanced in defining DCs, it is crucial to explain the complex interaction process between DCs and operating routines. For Feldman and Pentland (2003), this fundamental question can be answered by analysing the psychological and organizational variables. Our findings are consistent with their position. This study is a first step in understanding the role of human resources and operating routines in the expected outcomes of DCs. To articulate how DCs work, we consider NPD as one of the most consolidated DCs and metaflexibility as one of the expected results of any DC. In this context, our study contributes to both theory and practice.

Theoretical contributions

This study makes three central contributions to the literature. Firstly, we confirm a positive relationship between a specific DC and metaflexibility. This finding suggests that NPD allows organizations to develop superior managerial capability to match required and realized adaptation to the environment. This result is due to organizations can use different levels of this DC to respond to different environmental changes (Ambrosini and Bowman, 2009; Pavlou and El Sawy, 2011). Although this relationship has not been explored previously in the DCs literature, it is consistent with other theoretical contributions which suggest that DCs can adopt different renewal levels depending on the environmental dynamism perceived by managers (e.g., Ambrosini et al., 2009; Malik and Kotabe, 2009). Likewise, our study serves to add more evidence to the stream of works which analyse

empirically the relationship between DCs and the different dimensions of flexibility (see e. g.: Barrales-Molina et al., 2013, Singh et al., 2013; Vanpoucke et al., 2014). However, we highlight that our work goes beyond, demonstrating that DCs can also lead to achieve the right level of flexibility. Consequently, this connection between DCs and metaflexibility might be useful to explain how firms are able to achieve sustainable competitive advantage in long run, through DCs such as NPD. In other words, this finding provides a new insight to the current debates in the existing literature about the more direct effects derived from building DCs.

Our second contribution is a better understanding of the role of human resources in DCs' performance. To date, the literature has suggested only indirectly some features or ideas concerning the importance of their characteristics in the interaction between DCs and operating routines (see, e.g., Vogel and Güttel, 2013). Particularly, our findings support the idea that highly qualified and committed workers enhance the relationship between NPD and metaflexibility. In other words, qualified and involved employees will be more prepared and willing to apply their individual agency to trigger accurate and needed levels of change in operating routines. These results are consistent with theoretical contributions which argue that qualification and job retention practices transform human resources into VRIN resources, ensuring a more direct connection to competitive advantage (see e. g.: Chadwick and Dabu, 2009; Colbert, 2004; Wright et al., 1994). In addition, our results provide more evidence to previous studies that explain DC creation in research centres and the semiconductor industry (e.g., Bruni and Verona, 2009; Beugelsdijk, 2008; Chiang and Shih, 2011; Danneels, 2010; Macher and Mowery, 2009; McKelvie and Davidsson, 2009; Narayanan et al., 2009; Newey and Zahra, 2009), where employees integrate their extraordinary qualification and are involved in long-term organizational projects. Besides, these results support prior studies about NPD context which prove that training and permanent programs on new product performance and organizational agility (see e.g.: Beugelsdijk, 2008; Chiang and Shih, 2011; Chiang et al., 2014; Kok and Ligthart, 2014; Martínez-Sánchez et al., 2011; Nijssen and Paauwe, 2012; Wei and Lau, 2010). Consequently, these findings serve to highlight that human resource management decisions (related to recruitment, training and retention practices) should be taken into account when studying the role and efficacy of DCs.

Our third contribution allows us to connect DCs theory and operating routines research. In our study we have studied the role of task frequency and task heterogeneity as moderators in the relationship between NPD and metaflexibility. On the one hand, we find support for a negative moderating role of task frequency in the relationship between NPD and metaflexibility. In other words, very frequent and automatic routines can block the role of DCs. This finding supports some theoretical proposals which argue that highly repeated routines can become sources of inertia in some organizations (Feldman, 2000; Teece, 2012; Zollo and Winter, 2002). In addition, this result concurs to evidence from other empirical studies which demonstrate that high frequency of routines blocks the opportunity to evaluate new ways of performing a regular routine (see e. g.: Betsch et al., 2004; Feldman and Pentland, 2003; Narduzzo and Warglien, 2008). On the other hand, our

results do not confirm the positive influence of task heterogeneity as moderator variable. Despite some theoretical contributions highlighted its value as enabler of DCs (see e. g. Zollo and Winter, 2002), our data could express that task heterogeneity is better related to extraordinary high levels of flexibility, rather than the balance of adaptation which metaflexibility reflects. For this reason, it is claimed that it is difficult to consolidate stable operating routines when task heterogeneity is relatively high (Pentland and Feldman, 2005; Pentland et al., 2012; Turner and Fern, 2012).

Lastly, three control variables (firm size, age and sales) were included in the contrasted model. Basing on our results, these control variables do not show significant influence on explaining the relationship between DCs and metaflexibility. In the same way, prior findings on DCs have proven a limited or null role of control variables on explaining DCs (see e.g.: Barrales-Molina et al., 2010; Wilden and Gudergan, 2015; Wilhelm et al., 2015). Only few studies demonstrated a moderated influence of firm size in creating DCs (Paulov and El Sawy, 2011; Schilke, 2014). This fact suggests that DC creation is based on more idiosyncratic futures of the firm, as well as on path-dependent variables beyond size, age, and sale. These results show that developing a contingency approach to understanding DCs creation requires more in-depth research on the characteristics of firms with successful DCs.

Implications for practice

This work also provides some lessons for managers. Firstly, our study found that a DC such as NPD can lead to the accurate level of flexibility depending on the perceived dynamism in the competitive environment. Although the majority of works on DCs have emphasized their value on hypercompetitive environments (see e. g.: Barreto, 2010; Pavlou and El Sawy, 2011; Zollo and Winter, 2002), managers should note that a DC such as NPD also serve to respond a wide range of environmental dynamism levels.

Secondly, our analysis indicates that a firm should be pay attention to its human resource strategy to ensure that DCs are modifying regularly the operating routines. To date, the analysis of DCs has been focused in the strategic level (see e. g.: Helfat and Peteraf, 2015). However, our results indicate that human resource managers should be integrated in strategic decisions related to creating and developing DCs. In this sense, our results suggest that policymakers concerned with DC creation should be cautious in selecting, incentivizing and designing the human resources workstation. For instance, if an organization faces the challenge of generating DCs, it will have to seek qualified employees and retain them with long-term incentives. Definitely, the strategic decisions related to creating and developing DCs should not be independent of human resource management practices.

And finally, our study suggests paying attention to the features of tasks which workers perform, because some characteristics such as, frequency in repetition, could block the right interaction between DCs and operating routines. Although certain levels of routine repetition can be always desirable to achieve efficiency and stability (Feldman, 2000; Feldman and Pentland, 2005), managers should note the negative side related to highly

frequent routines. In this sense, it could be advisable to promote task rotation to avoid some processes can be repeated automatically.

Research limitations and future research directions

Although our study makes important contributions to DCs theory, it has several limitations related to generalization of the results. Firstly, we analyse a single DC. Although NPD is consolidated in the upper echelon literature as a good example of a DC, it is advisable to test similar models with other DCs. Such testing could confirm that the role of human resources is a commonality of DCs. Secondly, the subjective nature of our data may have drawbacks. Although we attempted to ensure the reliability and validity of the measurement model and informed respondents of their anonymity in the study, managers' responses could be biased toward providing a desirable image of the firm they manage. Finally, understanding the impact of DCs on routines would benefit from longitudinal studies, as several scholars suggest (e.g., Malik and Kotabe, 2009).

Future studies could advance this preliminary step by attempting to explain the characteristics of workers in organizations with successful microfoundation of DCs. Studies could, for example, compare how human resources affect different DCs. Alliance management is another solid DC to analyse in this context, and other variables could be considered to describe workers and internal context to develop a contingency approach to microfoundation of DCs. Individual psychological characteristics should not be ignored, as several scholars highlight that inherent routine flexibility goes beyond strategic issues. An important opportunity for future research in this field thus involves separating strategic and operational aspects of DCs by explaining the involvement of both managers and workers.

CONCLUSION

Despite its limitations, our study contributes to literature on DCs in several ways. Firstly, we explore additional effects derived from creating DCs. In this sense, our study demonstrates that a specific DC, such as NPD, can ensure an adjusted level of flexibility according to the environmental dynamism. This contribution supports some theoretical proposals which argue this attribute of DCs. Secondly, our study serves to highlight the involvement of human resources in the role of DCs. Consistently, our study can encourage additional empirical studies which search to explain how integrate the development of DCs and functional strategies. And finally, this paper advances to address the question of how DCs interact to operating routines. Our study highlights the complexity of this interplay, suggesting a more in-depth contingency study to explain which routines features can promote or block the reconfiguring role of DCs.

References

- Ambrosini, V. and Bowman, C. (2009), "What are dynamic capabilities and are they useful constructs in strategic management?", *International Journal of Management Reviews*, Vol. 11 No. 1, pp. 29-49.
- Ambrosini, V., Bowman, C. and Collier, N. (2009), "Dynamic capabilities: an exploration of how firms renew their resource base", *British Journal of Management*, Vol. 20 No. S1, S9-S24.
- Anderson, J. C. and Gerbing, D. W. (1988), "Structural equation modeling in practice: A review and recommended two-step approach", *Psychological Bulletin*, Vol. 103 No. 3, pp. 411-411.
- Arend, R. and Bromiley, P. (2009), "Assessing the dynamic capabilities view: spare change, everyone?" *Strategic Organization*, Vol. 7 No. 1, pp. 75-90.
- Armstrong, J. and Overton, T. S. (1977), "Estimating non response bias in mail surveys", *Journal of Marketing*, Vol. 14 No. 3, pp. 396-402.
- Ax, C. and Marton, J. (2008), "Human capital disclosures and management practices", *Journal of Intellectual Capital*, Vol. 9 No. 3, pp. 433-455.
- Bagozzi, R. P. (1980), *Causal Models in Marketing*, New York: Wiley.
- Barney, J. B. (1986), "Strategic factor markets: Expectations, luck and business strategy", *Management Science*, Vol. 32 No. 10, pp. 1231-1241.
- Barney, J. B. and Wright, P. M. (1998), "On becoming a strategic partner: The role of human resources in gaining competitive advantage", *Human Resource Management*, Vol. 37 No. 1, pp. 31-46.
- Barrales-Molina, V., Benitez-Amado, J. and Perez-Arostegui, M. N. (2010), "Managerial perceptions of the competitive environment and dynamic capabilities generation", *Industrial Management & Data Systems*, Vol. 110 No. 4, pp. 1355-1384.
- Barrales-Molina, V., Bustinza, O. F. and Gutiérrez-Gutiérrez, L. J. (2013), "Explaining the causes and effects of dynamic capabilities generation: a multiple-indicator multiple-cause modelling approach", *British Journal of Management*, Vol. 24 No. 4, pp. 571-591.
- Barrales-Molina, V., Martínez-López, F. J., Gázquez-Abad, J. C. (2014), "Dynamic Marketing Capabilities: Toward an integrative framework", *International Journal of Management Reviews*, Vol. 16 No. 4, pp. 397-416.
- Barreto, I. (2010), "Dynamic capabilities: a review of past research and an agenda for the future", *Journal of Management*, Vol. 36 No. 1, pp. 256-280.
- Becker, M. C. (2004), "Organizational Routines: a Review of the Literature", *Industrial & Corporate Change*, Vol. 13 No. 4, pp. 643-677.
- Beughelsdijk, S. (2008), "Strategic human resource practices and product innovation", *Organization Studies*, Vol. 29 No. 6, pp. 821-847.
- Black, D., Sanders, S. and Taylor, L. (2003), "Measurement of higher education in the census and current population survey", *Journal of the American Statistical Association*, Vol. 98 No. 463, pp. 545-554.
- Bontis, N. (1998), "Intellectual capital: an exploratory study that develops measures and models", *Management Decision*, Vol. 36 No. 2, pp. 63-76.
- Bose, R. (2004), "Knowledge management metrics", *Industrial Management & Data Systems*, Vol. 104 No. 6, pp. 457-468.

- Betsch, T. and Brinkmann, J. (1998), "Behavioral Routines in Decision Making: The Effects of Novelty in Task Presentation and Time Pressure on Routine Maintenance and Deviation", *European Journal of Social Psychology*, Vol. 28 No. 28, pp. 861-878.
- Bierly, P. and Chakrabarti, A. (1996), "Generic knowledge strategies in the U.S. pharmaceutical industry", *Strategic Management Journal*, Vol. 17 No. S2, pp. 123-135.
- Bontis, N. (1998), "Intellectual Capital: An Exploratory Study that Develops Measures and Models", *Management Decision*, Vol. 36 No. 2, pp. 63-76.
- Bruni, D. S. and Verona, G. (2009), "Dynamic marketing capabilities in science-based firms: an exploratory investigation of the pharmaceutical industry", *British Journal of Management*, Vol. 20 No. S1, pp. S101-S117.
- Cepeda, G., and Vera, D. (2007), "Dynamic capabilities and operational capabilities: A knowledge management perspective", *Journal of Business Research*, Vol. 60 No. 5, pp. 426-437.
- Chadwick, C. and Dabu, A. (2009), "Human resources, human resources management, and the competitive advantage of the firms: Toward a more comprehensive model of causal linkages", *Organization Science*, Vol. 20 No. 1, pp. 253-272.
- Chari, S., Katsikeas, C. S., Balabanis, G. and Robson, M. J. (2014), "Emergent Marketing Strategies and Performance: The Effects of Market Uncertainty and Strategic Feedback Systems", *British Journal of Management*, Vol. 25 No. 2, pp. 145-165.
- Chatterji, A. and Patro, A. (2014), "Dynamic capabilities and managing human capital", *The Academy of Management Perspectives*, Vol. 28 No. 4, pp. 395-408.
- Chiang, Y. H. and Shih, H.A. (2011), "Knowledge-oriented human resource configurations, the new product development learning process, and perceived new product development", *The International Journal of Human Resource Management*, Vol. 22 No. 15, pp. 3202-3221.
- Chiang, Y.H., Shih, H.A. and Hsu, C.C. (2014), "High commitment work system, transactive memory system, and new product performance", *Journal of Business Research*, Vol. 67 No. 4, pp. 631-640.
- Clarke, S. (2003), "The contemporary workforce: Implications for organisational safety culture". *Personnel Review*, Vol. 32 No. 1, pp. 40-57.
- Cohen, M. D. and Bacdayan P. (1994), "Organizational routines are stored as procedural memory: evidence from a laboratory study", *Organization Science*, Vol. 5 No. 11, pp. 554-568.
- Cohen, J. and Cohen, P. (1984), *Applied Multiple Regression: Correlation Analysis of the Behavioral Sciences*, 2nd ed. Lawrence Erlbaum Associates, Hillsdale, NJ.
- Colbert, B. A. (2004), "The complex resource-based view: Implications for theory and practice in strategic human resource management", *Academy of Management Review*, Vol. 29 No. 3, pp. 341-358.
- Collis, D. J. (1994), "Research Note: How Valuable are Organizational Capabilities?", *Strategic Management Journal*, Vol. 15 No. 8, pp. 143-153.
- Crick, R. D., Haigney, D., Huang, S., Coburn, T. and Goldspink, C. (2013), "Learning power in the workplace: the effective lifelong learning inventory and its reliability and validity and implications for learning and development", *The International Journal of Human Resource Management*, Vol. 24 No. 11, pp. 2255-2272.
- Curado, C., Henriques, L. and Bontis, N. (2011), "Intellectual capital disclosure payback", *Management Decision*, Vol. 49 No.7, pp. 1080-1098.
- Day, M., Lichtenstein, S., and Samouel, P. (2015), "Supply management capabilities, routine bundles and their impact on firm performance", *International Journal of Production Economics*, Vol. 164, pp. 1-13.

- Danneels, E. (2002), "The dynamics of product innovation and firm competences", *Strategic Management Journal*, Vol. 23 No. 12, pp. 1095–1121.
- Danneels, E. (2010), "Trying to become a different type of company: dynamic capability at Smith Corona", *Strategic Management Journal*, Vol. 32 No. 1, pp. 1-31.
- Doms, M., Dunne, T. and Troske, K. (1997), "Workers, wages and technology", *The Quarterly Journal of Economics*, Vol. 112 No. 1, pp. 253-290.
- Drnevich, P. L., and Kriauciunas, A. P. (2011), "Clarifying the conditions and limits of the contributions of ordinary and dynamic capabilities to relative firm performance", *Strategic Management Journal*, Vol. 32 No. 3, pp. 254-279.
- Easterby-Smith, M. and Prieto, I. M. (2008), "Dynamic Capabilities and Knowledge Management: an Integrative Role for Learning?", *British Journal of Management*, Vol. 19 No. 3, pp. 235-249.
- Eisenhardt, K. and Martin, J. (2000), "Dynamic capabilities: what are they?", *Strategic Management Journal*, Vol. 21 No. 10/11, pp. 1105-1121.
- Emirbayer, M. and Mische, A. (1998), "What is Agency?", *American Journal of Sociology*, Vol. 103 No. 2, pp. 962-1023.
- Enberg, C., Lindkvist, L. and Tell, F. (2006), "Exploring the dynamic of knowledge integration: acting and interacting in project teams", *Management Learning*, Vol. 37 No. 2, pp. 143-165.
- Feldman, M. S. (2000), "Organizational Routines as a Source of Continuous Change", *Organization Science*, Vol. 11 No. 12, pp. 611-629.
- Feldman, M. S. and Pentland, B.T. (2003), "Reconceptualizing Organizational Routines as a Source of Flexibility and Change", *Administrative Science Quarterly*, Vol. 48 No. 1, pp. 94-118.
- Feldman M. S. and Pentland B. T. (2008), in *The Sage Handbook of New Approaches to Organization Studies*, Routine dynamics, eds Barry D., Hansen H. (Sage, Thousand Oaks, CA), pp 302–315.
- Ferreras-Méndez, J. L., Newell, S., Fernández-Mesa, A. and Alegre, J. (2015), "Depth and breadth of external knowledge search and performance: The mediating role of absorptive capacity", *Industrial Marketing Management*, Vol. 47, pp. 86-97.
- Fu, N., Flood, P. C., Bosak, J., Morris, T., O'Regan, P. (2014), "How do high performance work systems influence organizational innovation in professional service firms", *Employee Relations*, Vol. 37 No. 2, pp. 209-231.
- Garg, A. and Deshmukh, S. G. (2009), "Flexibility in maintenance: a framework", *Global Journal of Flexible Systems Management*, Vol. 10 No. 2, pp. 21-33.
- George, C. (2014), "Retaining professional workers: what makes them stay?", *Employee Relations*, Vol. 37 No. 1, pp. 102-121.
- Guthrie, J. P. (2001), "High-involvement work practices, turnover, and productivity: Evidence from new Zealand", *Academy of Management Journal*, Vol. 44 No.1, pp. 180-190.
- Hair, J. F., Anderson, R. E., Tatham, R. L. and Black, W. C. (1999), *Multivariate Data Analysis*, Prentice Hall International, New Jersey.
- Hallier, J. and Lyon, P. (1996), "Job insecurity and employee commitment: Managers' reaction to the threat and outcomes of redundancy selection", *British Journal of Management*, Vol. 7 No. 1, pp. 107-123.
- Helfat, C.E., Finkelstein, W., Mitchell, M., Peteraf, H., Singh, D., Teece, D., Winter, S. and Maritan, C. (2007), *In Dynamic Capabilities: Understanding Strategic Change in Organizations*, Blackwell: Oxford.

- Helfat, C. E., & Peteraf, M. A. (2015), "Managerial cognitive capabilities and the microfoundations of dynamic capabilities", *Strategic Management Journal*, Vol. 36 No. 6, pp. 831-850.
- Howard – Grenville, J. A. (2005), "The Persistence of Flexible Organizational Routines: The Role of Agency and Organizational Context", *Organization Science*, Vol. 16 No. 12, pp. 618 – 636.
- Huselid, M. A. (1995), "The impact of human resource management practices on turnover, productivity, and corporate financial performance", *Academy of Management Journal*, Vol. 38 No.3, pp. 635-635.
- Hsu, L., and Wang, C. (2012), "Clarifying the effect of intellectual capital on performance: the mediating role of dynamic capability", *British Journal of Management*, Vol. 23 No. 2, pp. 179-205.
- Jiménez-Barrionuevo, M. M., García-Morales, V. J. and Molina, L. M. (2011), "Validation of an instrument to measure absorptive capacity", *Technovation*, Vol. 31 No. 5-6, pp. 190-202.
- Jöreskog, K. G. (1966), "Testing a simple structure hypothesis in factor analysis", *Psychometrika*, Vol. 31 No. 2, pp. 165-178.
- Judge, W. Q., Naoumova, I. and Douglas, T. (2009), "Organizational capacity for change and firm performance in a transition economy", *The International Journal of Human Resource Management*, Vol. 20 No. 8, pp. 1737-1752.
- Karim, S. and Mitchell, W. (2000), "Path-Dependent and path-breaking change: reconfiguring business resources following acquisitions in the U.S. medical sector", *Strategic Management Journal*, Vol. 21, No. 10-11, pp. 1978-1995.
- Katkalo, V. C., Pitelis, N. and Teece, D. J. (2010), "Introduction: on the nature and scope of dynamic capabilities". *Industrial and Corporate Change*, Vol. 19 No. S1, pp. 1175-1186.
- Knott, A. M. (2003), "The organizational routines factor market paradox", *Strategic Management Journal*, Vol. 14 No. 10, pp. 929-943.
- Kok, R. A. W. and Ligthart, P. E. M. (2014), "Differentiating major and incremental new product development: The effects of functional and numerical workforce flexibility", *Journal of Product Innovation Management*, Vol. 31 No. S1, pp. 30-42.
- Loasby B. J. (2010), "Capabilities and strategy: problems and prospects". *Industrial and Corporate Change*, Vol. 19 No.4, pp. 1301-1316.
- Makadok, R. (2001), "Toward and synthesis of the resource-based and dynamic-capability views of rent creation", *Strategic Management Journal*, Vol. 22 No. 5, pp. 387-401.
- Makoto, M. and Nakahara, J. (2013), "The effects of the PDCA cycle and OJT on workplace learning", *The International Journal of Human Resource Management*, Vol. 24 No. 1, pp. 195-207.
- Malik, O. R. and Kotabe, M. (2009), "Dynamic capabilities, government policies, and performance in firms from emerging economies: evidence from India and Pakistan", *Journal of Management Studies*, Vol. 46 No.3, pp. 421-450.
- Martínez-Sánchez, A., Vela-Jiménez, M.J., Pérez-Pérez, M. and de Luis-Carnicer, P. (2011), "The dynamics of labour flexibility: Relationships between employment type and innovativeness", *Journal of Management Studies*, Vol. 48 No. 4, pp. 715-736.
- Moliterno, T. P. and Wiersema, M. F. (2007), "Firm performance, rent appropriation, and the strategic resource divestment capability", *Strategic Management Journal*, Vol. 28 No. 11, pp. 1065–1087.
- Narduzzo, A. and Warglien, M. (2008), *Conducting experimental research on organizational routines*, In Becker, M. C. (Ed.), *Handbook of Organizational Routines*. Cheltenham: Edward Elgar, 301—204.
- Nembhard, D. A., Nembhard, H. B. N. and Qin, R. (2005), "A real options model for workforce cross-training", *The Engineering Economist*, Vol. 50 No. 2, pp. 95-116.

- Newey, L. R. and Zahra, S. A. (2009), "The evolving firm: how dynamic and operating capabilities interact to enable entrepreneurship", *British Journal of Management*, Vol. 20 No. S1, pp. S81-S100.
- Nielsen, A. P. (2006), "Understanding dynamic capabilities through knowledge management", *Journal of Knowledge Management*, Vol. 10 No. 4, pp. 59–71.
- Nijssen, M. and Paauwe, J. (2012), "HRM in turbulent times: how to achieve organizational agility?", *The International Journal of Human Resource Management*, Vol. 23 No. 16, pp. 3315-3335.
- Ortega-Egea, M. T., Ruiz-Moreno, A., Haro-Dominguez, M. C. (2014), "Determinants of innovative behavior of employees: evidence from Spanish firms", *Employee Relations*, Vol. 36 No. 6, pp. 606-621.
- Paoli, M. and Prencipe, A. (2003), "Memory of the organization and memories within the organizations", *Journal of Management and Governance*, Vol. 7 No.2, pp. 145-162.
- Pavlou, P. A. and El Sawy, O. A. (2011), "Understanding the elusive black box of dynamic capabilities", *Decision Sciences*, Vol. 42 No. 1, pp. 239-273.
- Pentland, B. T., Feldman, M. S., Becker, M. C. and Liu, P. (2012), "Dynamics of Organizational Routines: A Generative Model", *Journal of Management Studies*, Vol. 49 No. 8, pp. 1484-1508.
- Rerup, C. and Feldman, M. S. (2011), "Routines as a source of change in organizational schemata: The role of trial-and-error learning", *Academy of Management Journal*, Vol. 54 No. 3, pp. 577-610.
- Rodenbach, M. and Brettel, M. (2012), "CEO experience as micro-level origin of dynamic capabilities", *Management Decision*, Vol. 50 No. 4, pp. 611 – 634.
- Rumelt, R. P. (1984), *Towards a strategic theory of the firm*, Prentice Hall, New York.
- Nätti, S., Halinen, A., and Hanttu, N. (2006), "Customer knowledge transfer and key account management in professional service organizations", *International Journal of Service Industry Management*, Vol. 17 No. 4, pp. 304-319.
- Sethi, R. (2000), "New Product equality and product development teams", *Journal of Marketing*, Vol. 64 No.2, pp. 1-14.
- Singh, D., Singh Oberoi, J., and Singh Ahuja, I. (2013), "An empirical investigation of dynamic capabilities in managing strategic flexibility in manufacturing organizations", *Management Decision*, Vol. 51 No.7, pp. 1442-1442.
- Schilke, O. (2014), "On the contingent value of dynamic capabilities for competitive advantage: the nonlinear moderating effect of environmental dynamism", *Strategic Management Journal*, Vol. 35 No. 2, pp. 179-203.
- Shimizu, K. and Hitt, M.A. (2004), "Strategic flexibility: organizational preparedness to reverse ineffective strategic decisions", *The Academy of Management Executive*, Vol. 18 No. 4, pp. 44-59.
- Song, M. X. and Parry, M. E. (1997), "A cross-national comparative study of new product development processes: Japan and the United States", *Journal of Marketing*, Vol. 61 No. 2, pp. 1-18.
- Stavrou, E. and Kilaniotis, C. (2010), "Flexible work and turnover: an empirical investigation across cultures", *British Journal of Management*, Vol. 21 No. 2, pp. 541-554.
- Teece, D. J., Pisano, G. and Shuen, A. A. (1997), "Dynamic capabilities and strategic management", *Strategic Management Journal*, Vol. 18 No. 7, pp. 504-534.
- Teece, D. J. (2007), "Explicating dynamic capabilities: the nature and microfoundations of (sustainable) enterprise performance", *Strategic Management Journal*, Vol. 28 No.13, pp. 1319-1350.
- Teece, D. J. (2012), "Dynamic Capabilities: Routines versus Entrepreneurial Action", *Journal of Management Studies*, Vol. 49 No.8, pp. 1484-1508.

- Theriou, G. N. and Chatzoglou, P. (2014), "The impact of best HRM practices on performance – identifying enabling factors", *Employee Relations*, Vol. 36 No. 5, pp. 535-561.
- Turner, S. F. and Fern, M. J. (2012), "Examining the Stability and Variability of Routine Performances: The Effects of Experience and Context Change", *Journal of Management Studies*, Vol. 49 No. 8, pp. 1407-1434.
- Vanpoucke, E., Vereecke, A., and Wetzels, M. (2014), "Developing supplier integration capabilities for sustainable competitive advantage: a dynamic capabilities approach", *Journal of Operations Management*, Vol. 32 No.7, pp. 446-461.
- Verdú-Jover, A. J., Lloréns-Montes, F. J. and García-Morales, V. J. (2004), "The concept of fit in services flexibility research: an empirical approach", *International Journal of Service Industry Management*, Vol. 15 No. 5, pp. 499-514.
- Verdú-Jover, A. J., Lloréns-Montes, F. J. and García-Morales, V. J. (2006), "Environment-Flexibility coalignment and performance: an analysis in large versus small firms", *Journal of Small Business Management*, Vol. 44 No. 3, pp. 334-349.
- Verdú-Jover, A. J., Gómez-Grass, J.M. and Lloréns-Montes, F.J. (2008), "Exploring managerial flexibility: determinants and performance implications", *Industrial Management & Data Systems*, Vol. 108 No.1, pp. 70-86.
- Verona, G. and Ravasi, D. (2003), "Unbundling dynamic capabilities: an exploratory study of continuous product innovation", *Industrial and Corporate Change*, Vol. 12 No.3, pp. 577-606.
- Vogel, R. and Güttel, W. H. (2013), "The dynamic capability view in strategic management: a bibliometric review", *International Journal of Management Reviews*, Vol. 15 No. 4, pp. 426-446.
- Volberda, H. W. (1996), "Toward the flexible form: how to remain vital in hypercompetitive environments", *Organization Science*, Vol. 7 No. 4, pp. 359-374.
- Wei, L.Q. and Lau, C.M. (2010), "High performance work systems and performance: The role of adaptive capability", *Human Relations*, Vol. 63 No. 10, pp. 1487-1511.
- Wernerfelt, B. (1984), "A resource-based view of the firm", *Strategic Management Journal*, Vol. 5 No. 2, pp. 171-180.
- Wilden, R. and Gudergan, S. P. (2015), "The impact of dynamic capabilities on operational marketing and technological capabilities: investigating the role of environmental turbulence", *Journal of the Academy of Marketing Science*, Vol. 43 No. 2, pp. 181-199.
- Wilhelm, H., Schlömer, M. and Maurer, I. (2015), "How dynamic capabilities affect the effectiveness of operating routines under high and low levels of environmental dynamism", *British Journal of Management*, Vol. 26 No. 2, pp. 327-345.
- Winter, S. G. (2003), "Understanding Dynamic Capabilities". *Strategic Management Journal*, Vol. 24 No. 10, pp. 991-995.
- Wood, W. and Neal, D. T. (2007), "A new look at habits and the habit-goal interface", *Psychological Review*, Vol. 114, pp. 843-863.
- Wright, P. M., Dunford, B. B. and Snell, S. A. (2001), "Human resources and the resource based view of the firm", *Journal of Management*, Vol. 27 No. 6, pp. 701-721.
- Wright, P. M., McMahan, G. C. and McWilliams, A. (1994), "Human resources and sustained competitive advantage: a resource-based perspective", *International Journal of Human Resource Management*, Vol. 5 No. 2, pp. 301-326.
- Zahra, S. A., Sapienza, H. J. and Davidsson, P. (2006), "Entrepreneurship and dynamic capabilities: A review, model and research agenda", *Journal of Management Studies*, Vol. 43 No.4, pp. 917-955.

- Zollo, M. and Winter, S. G. (2002), "Deliberate learning and the evolution of dynamic capabilities", *Organization Science*, Vol. 13 No. 3, pp. 339-351.
- Zott, C. (2003), "Dynamic capabilities and the emergence of intraindustry differential firm performance: insights from simulation study", *Strategic Management Journal*, Vol. 24 No.2, pp. 97-125.

APPENDIX A

Questionnaire

Code	Statement
NPDP01	Our firm invests significant effort in developing new products.
NPDP02	We regularly introduce both incremental and substantial improvements in our products.
NPDP03	New products have provided a crucial source of outcomes for the company.
NPDP04	Developing new products has given us an advantage over our competitors.
MET01	In our firm, we usually check for mistakes, deviations and problems through previously tested solutions that do not alter our shared values and norms.
MET02	In our firm, we solve problems while respecting existing norms or modifying them slightly.
MET03	In our firm, we seek a balance between maintaining existing values and creating new ones.
MET04	In our firm, we recognize the value of new information and make a special effort to absorb and assimilate it.
QUAL01	Our firm only hires experts from different areas
QUAL02	The formal education of our employees is supplemented by extensive job expertise.
QUAL03	The qualification of our workers allows them to develop tasks with autonomy.
WRET01	Most members of the organization have permanent contracts.
WRET02	One of the goals of our human resources department is to reduce worker turnover.
WRET03	We encourage our employees to stay in the firm to develop their careers in the long term.
FREQ01	Our employees perform the same task several times a day.
FREQ02	Employees have little time to analyse results between different executions of the same task.
FREQ03	Employees repeat tasks automatically.
HET 01	Each time an employee performs the same task, new difficulties arise.
HET 02	Each situation requires new solutions for a specific task.

Size. The number of employees in this firm is approximately:

☐ Fewer than 50 ☐ Between 50 and 250 ☐ Between 250 and 1000 ☐ More than 1000

Age. The age of this firm is approximately:

☐ Less than 5 years ☐ Between 5 and 10 years ☐ More than 15 years

Sales. This firm's sales are approximately:

☐ Less than 1 million € ☐ Between 1 and 7 million € ☐ Between 7 and 40 million € ☐ More than 40 million €