

<論 説>

Theoretical Positioning of Corporate Entrepreneurship and Dynamic Capabilities

(企業内起業およびダイナミック・ケイパビリティの理論的位置付けについて)

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概要

企業戦略論の主要なコンセプトのなかに、「企業内起業 (Corporate Entrepreneurship)」及び「ダイナミック・ケイパビリティ (Dynamic Capabilities)」が存在する。これらは類似したコンセプトであるが、それぞれ別のテーマとして議論されてきたため、その関係性について十分なコンセンサスは取られていない。そこで本論文では、これら2つのコンセプトの理論的な位置付けを明確にするべく整理を試みた。まず両者に共通している点として、どちらも企業のダイナミックな戦略変化に焦点を当てたコンセプトであり、また戦略変化に向けた新たな事業機会の認知および利用、そして資源の再構成といった組織能力の重要性を示唆している点が挙げられる。一方で、「企業内起業」の研究は起業理論 (Entrepreneurship Theory) を、「ダイナミック・ケイパビリティ」の研究は進化学理論 (Evolutionary Theory) を主なルーツとしていることから、これらは異なる視点を保持している。そして、この相違点が、各々の理論構築に影響を与えていることが伺える。このように、2つのコンセプトのルーツに基づいた共通性および異質性を認識したうえで、それぞれの理論構築に向けて相互に補完し合っていくことが望まれる。

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1. Introduction

The core question in the field of strategic management is how firms achieve and sustain competitive advantage. In the field, the subject of dynamic capabilities and corporate entrepreneurship has continued to be at top research agendas and scholarly interest over the past decades. A significant amount of research has been carried out on the topics, but these research efforts tend to be divided in different topics. While these are often overlapped each other, there is no clear consensus on the interlinkage of them. For example, some scholars (e.g., Ireland, Covin, and Kuratko, 2009) suggested that dynamic capabilities are one of the outcomes of corporate entrepreneurship. At the same time, it is also suggested that dynamic capabilities are one of the factors that accelerate corporate entrepreneurship in the firm (Zollo and Winter, 2002; Zott, 2003). In the conceptual discussions, dynamic capabilities and corporate entrepreneurship has been understood to share many attributes. However, empirical studies in most literature have struggled to avoid tautology while identifying distinct factors and indicators for statistical analysis. In the situation, it would be meaningful to make position of the two research topics and the relationship of them clearer. In order to contribute to further theory development of these two research topics, this paper aims at showing the position and relationship of them in the strategic management research field, by carefully reviewing existing discussions of these two research topics.

This paper is constructed by three sections. The first section provides brief literature review about both dynamic capabilities and corporate entrepreneurship. The second section discusses the knowledge domains of both research topics by focusing on similarities and differences among them. Then, this section discusses the interlinkage among them. Finally, this paper summarizes the relationship of them, concluding with a research map.

2. Dynamic Capabilities and Corporate Entrepreneurship

2.1 Perspectives in Dynamic Capabilities

The research topic of dynamic capabilities is by nature located in strategic management research field. Teece, Pisano and Shuen (1997) initially introduced the concept on the basis of resource-based view (Barney, 1991; Penrose, 1959; Wernerfelt 1984), as well as Schumpeterian innovation context. They suggested that even if a firm holds a great resource, it cannot sustain a competitive advantage without changing itself to achieve congruence with the changing business environment (Teece et al., 1997). “Winners in the global marketplace have been firms that can demonstrate timely-responsiveness and rapid and flexible product innovation, coupled with the management capability to effectively coordinate and redeploy internal and external competences” (Teece et al., 1997, p. 515). To complement the weakness involved in the theoretical argument of resource-based view, they introduced a concept of dynamic capabilities that are higher order capabilities than operational capabilities. While the operational capabilities underlie the operating routines to earn profit in business, the dynamic capabilities enable a firm to alter how it currently makes its living. With the dynamic capabilities, firms can dynamically develop and change their competences.

It is often indicated that a cause of confusion about dynamic capabilities is the differences of the definition among scholars (see Barreto, 2010; Zahra, Sapienza, and Davidsson, 2006), while scholars share the core concepts. For example, influential literature shows different definitions about dynamic capabilities. Teece et al. (1997, p. 516) define the term as “the firm’s ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments”. Eisenhardt and Martin (2000, p. 1107) define the term as “the firm’s processes that use resources—specifically the processes to integrate, reconfigure, gain and release resources—to match and even create market change”. Zollo and Winter (2002, p. 340) define the term as “a learned and stable pattern of collective activity through which the organization systematically generates and modifies its operating routines in pursuit of improved effectiveness”. Helfat and colleagues (2007, p. 4) define the term as “a capacity of an organization to purposefully create, extend, or modify its resource base”. The variety of definitions is caused by different identifications about what dynamic capabilities are, as well as what they change. Scholars explain them mainly with several terms, e.g., resources, capabilities, routines, processes, and competences. Because the identification about these terms is also various, it is difficult to follow the identifications about dynamic capabilities, without setting any clear definitions about them. For example, there are multiple identifications about relationship between resource-based view and dynamic capabilities.

As is mentioned, Teece et al. (1997) initially introduce the concept of dynamic capabilities by criticizing the resource-based view. It means that they distinguish the two concepts. However, Barney (1991) identifies that the capabilities are also included in the resource that he discusses. According to him, the two concepts are badly blurred in practice (Barney, 2002). On the other hand, the resource-based view's tendency towards resource classifications that are all inclusive makes it more difficult to establish the contextual differences in strategic management research field (Priem and Butler, 2001). Resource-based view could be substantially improved by recognizing differences among types of resources (Kraaijenbrink, Spender, and Groen, 2010). This study follows the latter suggestion and identifies some different types. To avoid the ambiguities, this study intentionally calls the suggestion of Barney (1991) as traditional resource-based view. The dynamic capabilities view is included in resource-based view, while it is distinguished with the traditional resource-based view.

In addition, Teece et al. (1997) suggested that the dynamic capabilities are path dependent and evolutionarily developed in the history of the firm (Teece et al., 1997). They argued that the dynamic capabilities are firm-specific and difficult to imitate, following Penrose's context of heterogeneity. The idiosyncratic capabilities of a company generate an idiosyncratic competence in the industry. According to Teece et al. (1997), the idiosyncrasy is caused by the company's specific assets and its evolutionary path. They use the term path dependence, following evolutionary economics (Nelson and Winter, 1982). In strategic management, choices about how much to spend on different possible areas are central. However, choices about dominants of competences are influenced by past choices, and firms must follow a certain trajectory or path of competence development (Teece et al., 1997). It shows that the dynamic capabilities are embedded in a history matter (Teece et al., 1997). This suggestion is similar to Penrose's (1959) idea that a firm's productive service is influenced by manager's experience. Following evolutionary theory (Nelson and Winter, 1982), scholars (e.g., Helfat et al., 2007; Teece et al., 1997; Winter, 2003; Zollo and Winter, 2002) discussed the path dependency with utilizing the concept of organizational routine.

On the basis of Teece et al. (1997), scholars have discussed the dynamic capabilities for over a decade. Teece (2012) described that the research topic is still identified as new. As the rapid growth of the dynamic capabilities literature is "rich but complex, and somewhat disconnected" (Barreto, 2010, p. 257), scholars are currently on the way of building up the theories. One of the discussions is about the concept of capabilities as well as resources. For example, Helfat and Winter (2011) suggested the difficulty of drawing a bright line between dynamic capabilities and operational capabilities. Priem and Butler (2001) and Barney (2002) discussed the distinction between capabilities and resources. These tautological discussions provide deep understandings about the

complicated concept, even though there are still various identifications and definitions about the concept. Another discussion is about the microfoundation of dynamic capabilities. Scholars (e.g., Argote and Ren, 2012; Gavetti, 2005) discussed how the capabilities are evolutionarily developed, in a micro-level lens. The microfoundation's approach focuses on collective phenomena that need explanations, specifically the creation and development, and the reproduction and management of collective constructs such as routines and capabilities (Felin, Foss, Heimeriks, and Madsen, 2012). The explanation of these collective phenomena requires consideration of lower-level entities, such as individuals or processes in organizations.

2.2 Corporate Entrepreneurship

Study of corporate entrepreneurship has been developed for more than thirty years, as researchers adapted the concept of entrepreneurship in the research field of established firms' strategic management. Entrepreneurship has been correctly characterized as one of the most intriguing but elusive concepts in the literature (Baumol, 1968). It is not a new topic but was developed by economists. A recognizably modern idea of the entrepreneurship begins to emerge in the eighteenth century, in the field of economics. The term "entrepreneurship" appears to have been introduced into economic theory by Richard Cantillon (1755), a French merchant who contracts with suppliers at known prices in order to produce goods that could be sold later at uncertain prices. Later, his idea was followed by economists (e.g., Frank Knight, Friedrich von Hayek, and Joseph Schumpeter). They criticized Walrasian perfectly competitive equilibrium and suggested that economic wealth is generated in a market which holds imperfect competitions and unexpected changes. In their suggestion, an entrepreneur is identified as a person who drives the change with the uncertainty-bearing behaviour. According to Schumpeter (1934), the main force which brings about the unexpected change is the "perennial gale of creative destruction", and it is introduced not by a manager but by an entrepreneur who carries out new combination of resources.

While the economists were quite successful in explaining the long-term economic trends with respect to the concept of entrepreneurship, they were considered to be of little value in analysing the dynamics of firm with it. Later, the concept of entrepreneurship has been adapted by management scholars in multiple different contexts. The modern boom of entrepreneurship study began in the 1970s (Casson, 2014). Management scholars utilized the term when they discussed an uncertainly-bearing behavior in the firm in multiple different contexts. One of the research contexts is new firm formation and survival. People who found new firms are often called entrepreneurs. The identification is consistent with popular perceptions of entrepreneurship not only in academic literature but also in business journals, as the term has been often described in success stories of

firm founders such as Steve Jobs and Michael Dell. Because the entrepreneurship in the start-ups or SMEs is identified as the act of an individual, scholars (e.g., Begley and Boyd, 1987; McClelland, 1961) attempted to analyse the personal traits and also the differences between entrepreneurs and non-entrepreneurs.

Another research context which utilizes entrepreneurship concept is corporate entrepreneurship. Scholars adapted the concept into the discussion of established firm's strategic management. Especially, they discussed it in two major types of phenomena: (1) new venture creation within existing organizations, and (2) the transformation of organizations through strategic renewal (Guth and Ginsberg, 1990). Because the second view is overlapped with the discussion of dynamic capabilities, it is further reviewed in the followings.

Edith P. Penrose developed a foundation of the strategic management research about firm's competitive advantage by following Schumpeter (1934)'s dynamic theory. She provided the elements of strategic analysis linking firm growth, structure, and the nature of the management. Rather than emphasizing market structure, she highlighted a firm's heterogeneity and proposed that the unique assets and capabilities of a firm are important giving rise to imperfect competition and the attainment of super-normal profits. According to Penrose (1959), there are resources capable of being used in the same or in different lines of production which are not so used because the firm could not plan extensively enough to use them (Penrose, 1959). The unused resources provide opportunities of growth and renewal of competitive advantage, and entrepreneurs can see the productive opportunities and apply the resources to new activities for endogenous innovation and growth.

Following Penrose's suggestion, strategic management scholars (e.g., Burgelman, 1983; Mintzberg, 1978; Mintzberg and Waters, 1982) discussed firms' strategic renewal with respect to the entrepreneurship perspective. Mintzberg (1978) suggested that firms' activity is not always conducted by the top-down intended strategy but also conducted by employees' unintended behaviors called emergent strategy. He suggested that firms need to balance between the top-down intended strategy and the bottom-up emergent strategy, and he categorised firms' tendencies in a model. Burgelman (1983) followed Mintzberg's suggestion and identified two different strategic behaviours: intentional strategic behaviour and autonomous strategic behaviour. While the former behaviour is based on firms' existing corporate strategy, the latter behaviour is based on entrepreneurial employees' autonomous recognition and engagement of new business opportunities. Burgelman (1983) showed a framework in which two strategic behaviours are linked each other toward strategic renewal.

On the basis of these discussions, some scholars identified the corporate entrepreneurship as a

process of strategic renewal in the firm. For example, Burgelman (1983, p. 1349) defined corporate entrepreneurship as “the processes whereby the firms engage in diversification through internal development”. Ireland et al. (2003) described entrepreneurship as a context-dependent social process through which individuals and teams create wealth by bringing together unique packages of resources to exploit marketplace opportunities. These scholars (e.g., Barringer and Bluedorn, 1999; Covin and Slevin, 1991; Floyd and Lane, 2000; Guth and Ginsberg, 1990; Miller, 1983; Sathe, 2003; Zahra, 1991) tried to contribute to understanding the organizational processes that facilitate corporate entrepreneurship in the firm, by following literature of entrepreneurship study. One of the discussions is about a process of consensus building in the firm. When new business opportunities are created, these are discussed and judged among multiple managers in a firm with respect to the corporate strategy. Scholars analysed the organizational process of building up consensus among multiple different managers. Managers, who have different roles in an organization, face a social role conflict among them (Floyd and Lane, 2000), when they create and exploit new opportunities. Accordingly, middle managers need to engage in political activities to get consensus (Burgelman, 1983). In addition, scholars also discussed the organizational process with respect to the learning and knowledge creation (e.g., Dess et al., 2003; Zahra, Nielsen, and Bogner, 1999). In the process of corporate entrepreneurship, firms develop and create knowledge as a continuous source of changes. Zahra et al. (1999) showed three different types of knowledge: knowledge in specific areas and tasks; knowledge to integrate resources; and knowledge to exploit the opportunity. Knowledge is created through activities and discussions by multiple different players in corporate entrepreneurship.

Furthermore, some scholars discussed the corporate entrepreneurship in a broad view. For example, Ireland et al. (2009) proposed an integrative model in which corporate entrepreneurship is analyzed by multiple factors. According to them, corporate entrepreneurship consists of process, behaviour, strategic vision and organizational architecture. In addition, the corporate entrepreneurship is influenced by external environmental conditions and individual entrepreneurial cognitions. The corporate entrepreneurship results in organizational capabilities, as well as strategic repositioning (Ireland et al., 2009).

3. Similarity, Difference, and Interlinkage among Two Concepts

3.1 Similarity among Two Concepts

As briefly reviewed above, both dynamic capabilities and corporate entrepreneurship have evolved in the research field of strategic management. Even though the two concepts have been discussed as different research topics, there are some similarities between them. It would be

because both topics are based on Schumpeter's dynamic theory as a theoretical root. While Teece et al. (1997) followed Schumpeter's dynamic theory in their initial suggestion of dynamic capabilities, Penrose (1959) and Burgelman (1983) also followed it in their suggestion about strategic renewal in the firm. Accordingly, both research topics contribute to understanding how firms acquire and keep the competitive advantage in a market by dynamically changing/renewing their competences. Because of the similar root, existing literature of dynamic capabilities and corporate entrepreneurship share similar discussions, especially about the organizational process, managerial role, and outcome. These are reviewed in the followings.

Firstly, there are similarities about the discussion of organizational process. Some scholars (e.g., Eisenhardt and Martin, 2000; Helfat et al., 2007; Teece et al., 1997; Zollo and Winter, 2002) suggested that dynamic capabilities are embedded in the firm as organizational processes or routines. Teece (2007) described three kinds of process in dynamic capabilities: sensing, seizing, and reconfiguration. At first, sensing is a process of identification and assessment about an opportunity. Firms must constantly scan, search, and explore across technologies and markets, both 'local' and 'distant' (Teece, 2007). At second, seizing is a process of mobilization of resources to address an opportunity and to capture value from doing so. Once a new opportunity is sensed, it must be addressed through new products, processes, or services (Teece, 2007). Firms need to seize the opportunity, by investment in development and commercialization activity. At third, reconfiguration is a process of continued renewal. The sensing and seizing opportunities would lead growth and profitability of the firms (Teece, 2007). To keep the benefits, firms need to recombine and to reconfigure assets and organizational structures, in order to make these fit to the growing business.

The three kinds of organizational process in dynamic capabilities can be linked with discussions in the literature of corporate entrepreneurship. According to Shane (2003, p. 4-5), entrepreneurship "is an activity that involves the discovery, evaluation, and exploitation of opportunities to introduce new goods and services, ways of organizing markets, process, and raw materials through organizing efforts that previously had not existed". The process of sensing is discussed by corporate entrepreneurship scholars, as a process of opportunity creation or opportunity discovery (Alvarez and Barney, 2010). In the process, new business opportunities are recognized by employees. It is a process involving scanning and sensing the environment, identifying gaps in market need, comparing gaps and available resources, and developing the mechanisms by which gaps are filled (Alvarez and Barney, 2007; Ardichvil, Cardozo, and Ray, 2003). The process of seizing is discussed by corporate entrepreneurship scholars, as a process of opportunity exploitation. After recognizing a new business opportunity, firms need to evaluate,

judge, and implement the opportunity. This process requires involvement of multiple different functions in the firm, and multiple players need to get consensus about the opportunities, through continuous discussions (Burgelman, 1983; Floyd and Lane, 2000). The process of reconfiguration is discussed by corporate entrepreneurship scholars, as a process of strategic renewal. As is mentioned by Burgelman (1983), the entrepreneurial behaviour influences corporate strategy, organizational process and organizational structure. It requires a process of resource reconfiguration. Accordingly, there are similar discussions about organizational process of both the dynamic capabilities and corporate entrepreneurship. It is shown in Table 1.

Table 1: Similarity in the Discussion of Organizational Process

<u>Process of Dynamic Capabilities</u>		<u>Process of Corporate Entrepreneurship</u>
Sensing	↔	Opportunity recognition
Seizing	↔	Opportunities exploitation
Reconfiguring	↔	Strategic renewal

Secondly, there are also similarities about discussions of managerial role for dynamic change. It is suggested that the dynamic capabilities cannot be explained only by processes, and that the capabilities should include managerial decision makings too (Augier and Teece, 2009; Helfat et al., 2007; King and Tucci, 2002; Tripsas and Gavetti, 2000; Zollo and Winter, 2002). Teece et al. (1997) emphasized the key role of managers in appropriately adapting, integrating, and reconfiguring internal and external organizational skills, resources, and functional competences to match the requirements of a changing environment. Adner and Helfat (2003) introduced the concept of dynamic managerial capabilities, to underpin the finding of heterogeneity in managerial decisions and firm performance. They suggested three attributes underpinning the dynamic managerial capabilities as managerial human capital, managerial social capital and managerial cognition. The dynamic managerial capabilities are one of the research contexts of dynamic capabilities (e.g., Martin, 2011). Research on corporate entrepreneurship also draws particular attention to the managers at all levels as active participants in designing and implementing a strategy for corporate entrepreneurship. Burgelman (1983) suggested that middle managers need to engage in political activities to convince top managers to rationalize successful initiatives by amending the concept of corporate strategy to accommodate the strategic initiatives. Baum et al. (2001) revealed the importance of managers' personality traits, general motives, personal competencies for organizations' growth. Kuratko et al. (2004) proposed a model in which the roles of top, middle and operational managers are shown in the context of corporate entrepreneurship.

Thirdly, there are also similar discussions about the outcome of dynamic change. As is

mentioned, the research of dynamic capabilities and corporate entrepreneurship is located in strategic management research field, which pursues how a company achieves and sustains its competitive advantage. Accordingly, scholars of dynamic capabilities as well as corporate entrepreneurship discussed its linkage to the firm performance. In both research topics, scholars tend to recognize that dynamic capabilities, as well as corporate entrepreneurship, do not always positively affect financial performance. One of the reasons is that financial performance is influenced not only by the endogenous factors but also by exogenous factors, e.g., competitors, customers and governments. In the discussion of dynamic capabilities, Eisenhardt and Martin (2000) described that the dynamic capabilities “are necessary, but not sufficient conditions, for competitive advantage” (p. 1106). Helfat et al. (2007) also suggested that dynamic capabilities do not necessarily lead to competitive advantage, because several conditions must be met for competitive advantage. At first, a resource, which is created, extended or modified through the dynamic capabilities, should be heterogeneous. At second, there must be demands for the services that are accomplished by new resources. It implies that scholars of strategic management should turn to the environmental factors, as they strongly focus on internal factors in the dynamic capabilities research. In the discussion of corporate entrepreneurship, Zahra and Covin (1995) mentioned that the environment has a strong and persistent impact for corporate entrepreneurship. Guth and Ginberg (1990) also suggested that the organizational re-creation by corporate entrepreneurship may have short-run negative performance consequence, because it takes time to make new competence/strategy fit to the market. Accordingly, scholars suggested that outcome of dynamic capabilities, as well as corporate entrepreneurship, would be renewal of competence/strategy, rather than financial performance. The renewed competence/strategy might positively affect the financial performance under the suitable environment.

3.2 Difference among Two Concepts

At the same time, these two topics discuss the firms' dynamic change with different focuses, because of their different theoretical roots. As briefly reviewed, dynamic capabilities are rooted not only on dynamic theory but also on evolutionary theory. Scholars (e.g., Helfat et al., 2007; Teece et al., 1997; Zollo and Winter, 2002) specially focused on the evolutionary development of the capabilities, with a concept of organizational routine. According to Nelson and Winter (1982, p. 97), the organizational routine is identified as “a repetitive pattern of activity in an entire organization. It plays the role that genes play in biological evolutionary theory. Firms can evolutionarily develop the routine through cumulative learning process in the history. Because involving the organizational routine, dynamic capabilities can make a firm conduct an activity in a reliable manner. Recently,

scholars (e.g., Argote and Ren, 2012; Felin et al., 2012) have discussed details about how to develop the organizational routines and capabilities, in a topic of microfoundation. This kind of detail discussions about evolutionary development is rarely shown in existing literature of corporate entrepreneurship.

On the other hand, corporate entrepreneurship is rooted not only on dynamic theory but also on entrepreneurship study. As a distinctive territory for entrepreneurship study is centred on the concept of opportunity (Shane and Venkataraman, 2000; Venkataraman, Sarasvathy, Dew, and Forster, 2012), corporate entrepreneurship scholars specially focus on the opportunity in the discussion of strategic renewal of the firm. The concept of opportunities has different identifications, and a critical difference is derived from the different perspectives among economists. According to Alvarez and Barney (2010), management scholars who are mainly influenced by Kirzner's (1973) perspective focus on "discovery opportunities", while those who are mainly influenced by Schumpeter's (1934) perspective focus on "creation opportunities". In the former view, the opportunities are discovered by unusually alert entrepreneurs who can implement strategies to exploit them. In the latter view, opportunities are endogenously formed by entrepreneurs seeking to exploit them. Furthermore, Venkataraman et al. (2012) and Garud et al. (2014) suggested that these two perspectives can be merged into an opportunity co-creation model. This kind of detail discussions about opportunities and entrepreneurs is rarely shown in existing literature of dynamic capabilities, even though dynamic capabilities scholars often utilize the concept of opportunities (e.g., Teece, 2007). In addition, corporate entrepreneurship scholars discussed not only the strategic renewal but also new venture creation in the existing firm (e.g., Covin and Miles, 2007). The new venture creation is also rarely discussed in the topic of dynamic capabilities.

3.3 Interlinkage among Two Concepts

Here, the next question is how these are linked each other in the strategic management research field. There are several attempts in the existing literature to examine the hierarchical linkage among them. Scholars of corporate entrepreneurship often suggested that dynamic capabilities are one of the outcomes of corporate entrepreneurship (e.g., Ireland et al., 2009). At the same time, it is also suggested that dynamic capabilities are one of the critical factors that accelerate corporate entrepreneurship. These suggestions about the interlinkage are dependent on the definition and identification about the concepts. Because there are still tautological discussions about each concept, it is challenging to show a united suggestion about the interlinkage.

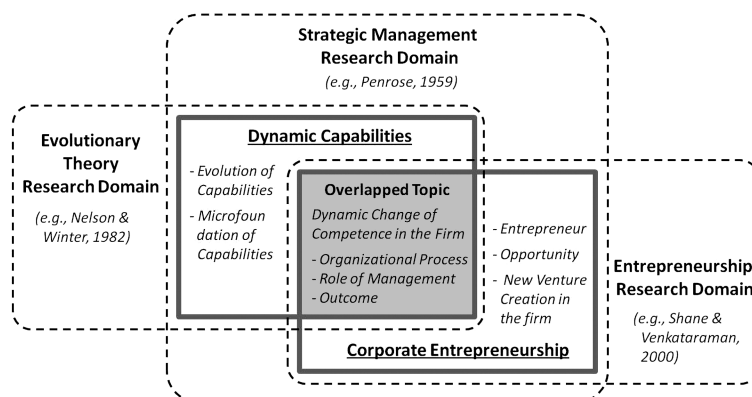
In contrast, scholars of dynamic capabilities tend to identify corporate entrepreneurship as a

part of capabilities. As is initially suggested by Teece et al. (1997), dynamic capabilities could be recognized as a paradigm, which involves multiple different research topics, e.g., innovation, knowledge creation, and corporate entrepreneurship. In the paradigm, scholars pursue how and why some firms develop a competitive advantage and function competitively in a rapidly changing environment while others do not. In the case, theory of dynamic capabilities stands in one order with the resource-based view theory manifesting that dynamic and volatile environment calls for specific attention and analysis of the factors assuring competitive advantage of the firm under these dynamic conditions. In the discussion, entrepreneurship and corporate entrepreneurship is identified as one of the most significant “variables” in the capabilities. This identification enables to set more clear research model in the study of dynamic capabilities.

4. Conclusion

This paper aimed at rethinking of the theoretical positioning of dynamic capabilities and corporate entrepreneurship in the strategic management research field. On the basis of the review, the theoretical positioning of these two topics can be depicted in a research map. It is shown in Figure 1. In the figure, it is suggested that these two concepts are overlapped, as both are similarly rooted on Schumpeter’s dynamic theory. Especially, both concepts are similarly discussed in the context of the organizational process, the managerial role and the outcome of dynamic change. At the same time, it is suggested that these two concepts are different, as these are rooted on different theories. While dynamic capabilities are rooted on evolutionary theory, corporate entrepreneurship is rooted in entrepreneurship study. Then, it is also suggested that the interlinkage between two concepts depends on the definitions and identifications of each concept, even though dynamic capabilities scholars tend to identify corporate entrepreneurship as a variable of capabilities.

Figure 1: Theoretical Positioning of Dynamic Capabilities and Corporate Entrepreneurship



As has been already argued in this paper, it was quite challenging to review these two concepts. Because each of them has been broadly recognized with various topics, scholars cannot avoid the tautological discussions with ambiguities. In the situation, scholars should carefully find out basic contexts that these are overlapped in the strategic management research field. For the future efforts, this paper tried to summarize their positions and relationships. As the two concepts have been differently developed for over a decade, these could be much influenced and developed hand in hand, by further conceptual and empirical studies.

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