

The performance effect of dynamic capabilities in servitizing companies

Cross-Cultural Business Conference - 17th May 2018

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SERVITIZATION

- ▶ Manufacturing companies that add services to their offering
- ▶ Reasons for servitization (Oliva & Kallenberg 2003)
 - ▶ Financial reasons
 - ▶ Competitive reasons
 - ▶ Changing demand
- ▶ Servitization is a change process (Baines et al 2017)

DYNAMIC CAPABILITIES VIEW

- ▶ Explaining competitive advantage through internal capabilities
- ▶ Focus on how to change capabilities
- ▶ Dynamic capabilities extend, modify or create ordinary capabilities
- ▶ Especially valuable in highly dynamic environments
- ▶ Three processes (Teece 2007)



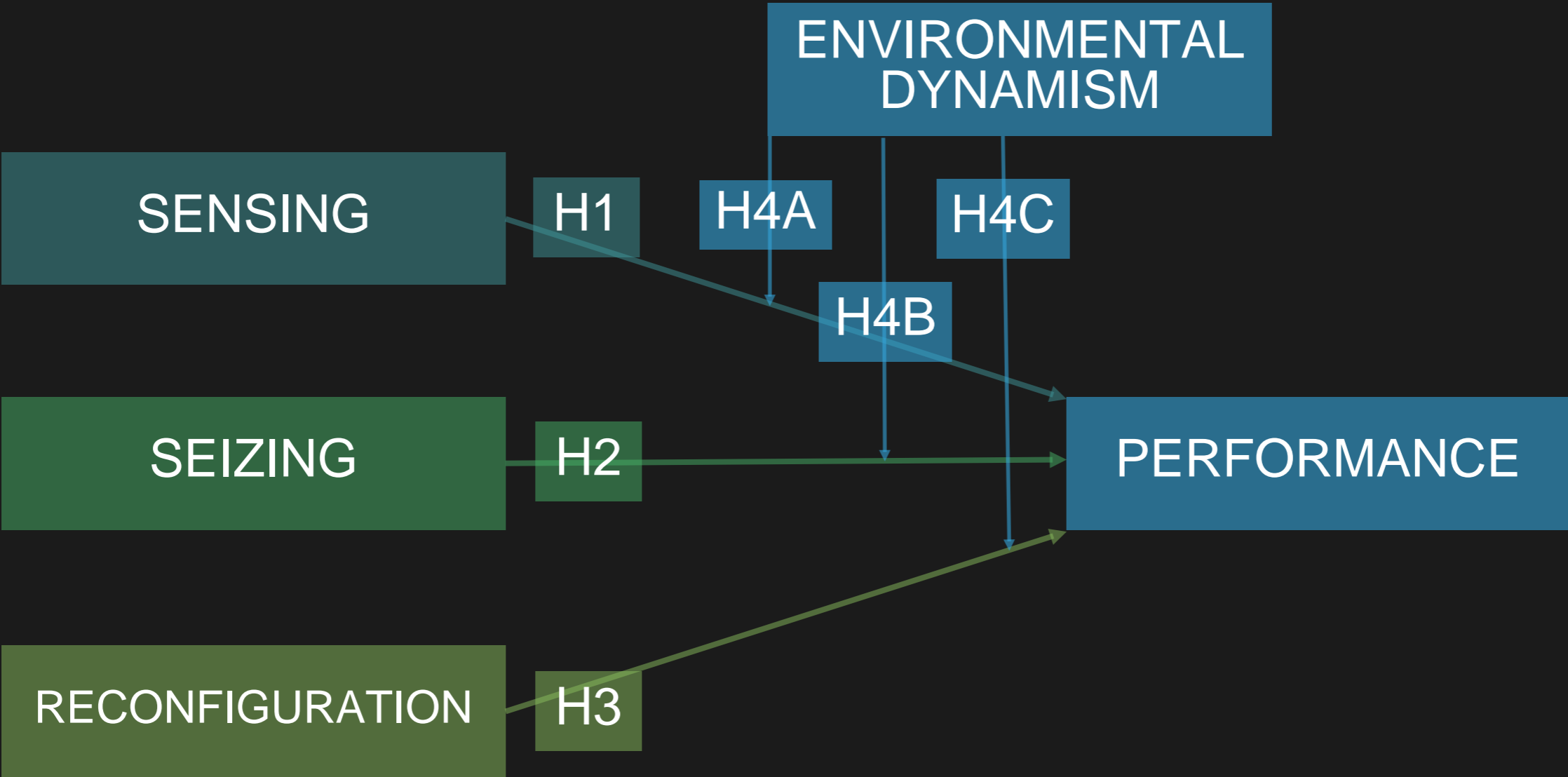
DYNAMIC CAPABILITIES (DC) IN SERVITIZATION RESEARCH

- ▶ Dynamic capabilities mainly neglected in servitization research
- ▶ Some case studies
- ▶ Call for quantitative research on DC in a servitization context
- ▶ Call for the evaluation of performance effects

AIM OF THE STUDY

- ▶ Quantitative assessment of the performance effects of dynamic capabilities in servitizing companies
- ▶ Assessment of the mediating effect of environmental turbulence

MODEL & HYPOTHESES



SAMPLE & MEASURES

- ▶ 247 manufacturing companies in Austria and Bavaria
- ▶ Multinational companies as well as SMEs
- ▶ Response rate: 15,2%
- ▶ Three-dimensional performance construct
- ▶ Items based on Kindström, Kowalkowski & Sandberg (2013)

Reconfiguration	Orchestrating the service system	Analyse partnerships Personal relationships with service-partners Local presence
	Balancing product- and service-innovation related assets	Interdepartmental communication Interdepartmental cooperation Interdepartmental processes
	Creating a service oriented mental model	Customer service training Managers are role models Support employees for customer service Reward service oriented behavior

RESULTS

Sensing → Performance

- $\beta = .177$
- $p = 0,026$

- H1 not rejected

Seizing → Performance

- $\beta = .223$
- $p = 0,004$

- H2 not rejected

Reconfiguration → Performance

- $\beta = .430$
- $p = 0,000$

- H3 not rejected

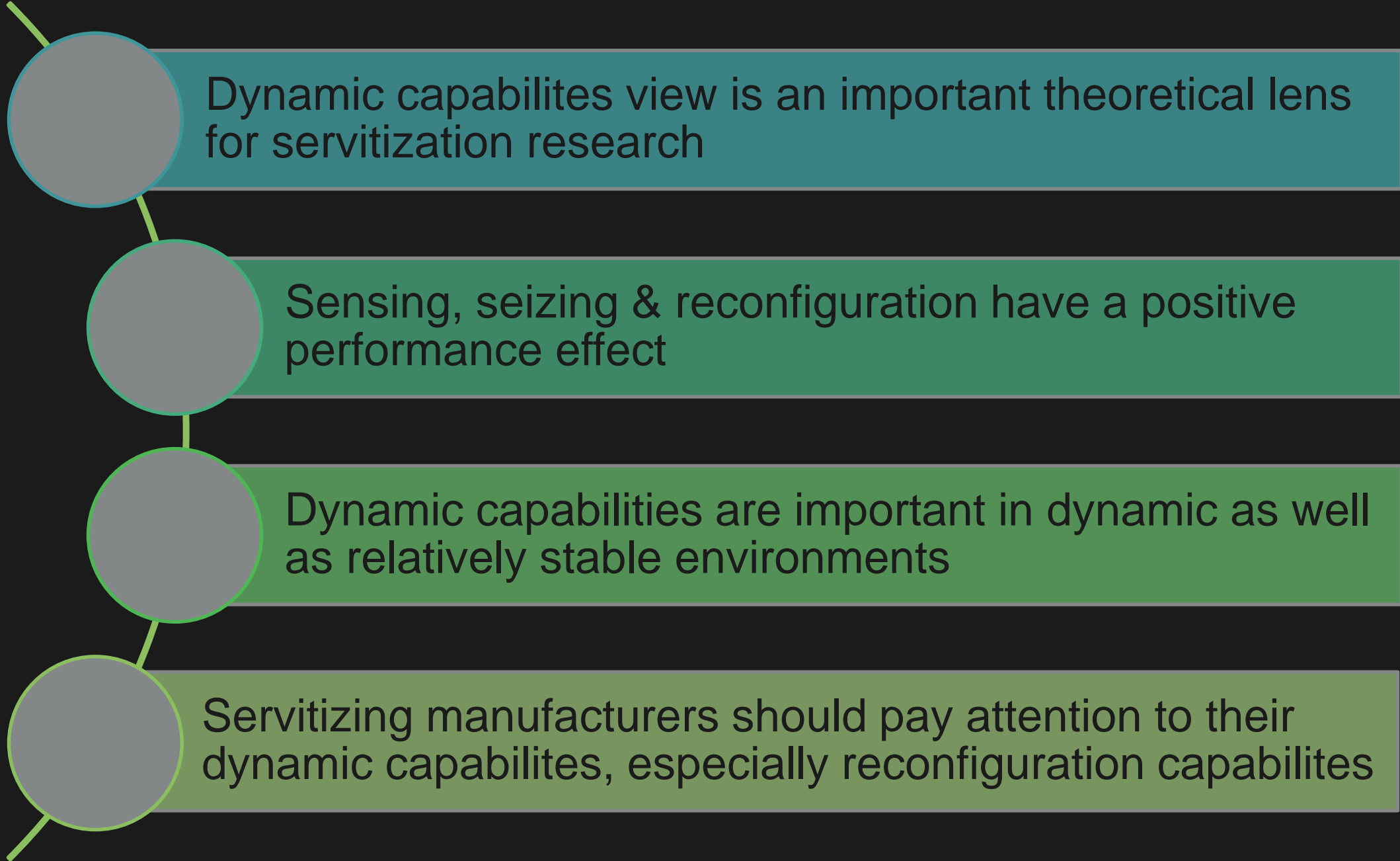
Performance: $R^2 = 0,576$

RESULTS: MODERATION

- ▶ No significant moderation effect of environmental dynamism
- ▶ Multi-Group analysis: no significant differences

- ▶ H4: rejected

CONCLUSION



Dynamic capabilities view is an important theoretical lens for servitization research

Sensing, seizing & reconfiguration have a positive performance effect

Dynamic capabilities are important in dynamic as well as relatively stable environments

Servitizing manufacturers should pay attention to their dynamic capabilities, especially reconfiguration capabilities

LIMITATIONS AND FURTHER RESEARCH

- ▶ Replication in different countries and with different dynamic capabilities
- ▶ Analysis of the effect of specific dynamic capabilities
- ▶ Further moderators

PROJECT ISEM

- ▶ Industrial Service Excellence Monitor – ISEM
- ▶ Funded by the European Fund for Regional Development through Interreg Austria-Bavaria 2014-2020
- ▶ Project team:
 - ▶ University of Applied Sciences Upper Austria Campus Steyr¹
 - ▶ Institute of Market and Economic Research, University of Passau²
- ▶ www.ise-monitor.eu



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LITERATURE

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