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IT-Enabled Dynamic Capability Creation: A Perspective on Exploitative vs. Explorative IT Utilization

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Abstract

By focusing on today’s highly competitive and rapidly changing business environment, this study theorizes how organizations can create their dynamic capability from the utilization of information technology (IT) resources. The organizational exploitation and exploration perspective is adopted as the central theoretical basis of this study. A reflection on the exploitation and exploration of organizational IT management provides the possibility for theorizing multiple paths for IT-enabled dynamic capability creation. Under our theoretical development, the multiple paths involve different types of IT utilization capabilities that, in conjunction with organizational IT resources and other non-IT factors, lead to organizational dynamic capability. This study provides a theoretical basis for the role of IT in creating organizational dynamic capability. Specifically, it reveals the multiple types of interrelations between organizational IT resources and their utilization capabilities. This study serves as a basis for further empirical studies.

Keywords: IT Resources, IT Utilization Capability, Exploration and Exploitation, Dynamic Capability, IT Complementarities

1. Introduction

One of the most important issues in the area of business has always been how to enable organizations to achieve competitive outcomes. Since contemporary businesses are highly dependent on information processing (Lu and Ramamurthy 2004; Ross et al. 1996), the strategic role of information technologies (IT) in organizational competitive outcomes has been a key issue in the literature (Davenport and Short 1990; Wade and...
Although researchers have agreed on the strategic necessity of IT, there has been an ongoing controversy regarding the value of IT resources in organizational performance, generally known as the IT productivity paradox (Brynjolfsson 1993; Dedrick et al. 2003).

To address this issue, several researchers suggested to examine the intermediate IT impact that will lead to organizational competitive outcomes (Barua et al. 1995; Mukhopadhyay and Cooper 1993). As the possession of organizational dynamic capability is becoming more important to contemporary organizations (Eisenhardt and Martin 2000; Teece et al. 1997), recent studies within the IT impact literature have focused on examining organizational dynamic capability as an intermediate IT impact (e.g., Sambamurthy et al. 2003; Tippins and Shoi 2003; Wheeler 2002). In particular, Sambamurthy et al.’s (2003) seminal paper provides a theoretical foundation for understanding the nomological network of influence among organizational IT, dynamic capability (specifically agility), and competitive outcomes. While this body of literature provides a strong foundation for understanding the relationship between IT and dynamic capability, several gaps exist in it. First, the extant literature does not focus on the underlying mechanisms by which IT creates an organization’s dynamic capability. Second, previous IT impact studies tend to aggregate the loci of IT-based capacity by viewing IT as a “black-box” (Devaraj and Kohli 2003). As such, the internal mechanisms to create IT-enabled dynamic capability are yet ill-explained. To address these gaps, this study aims to develop a research framework that explains how organizations can create their dynamic capability by using IT. To achieve the research objective, two research questions are formulated:

1. What are the components of organizational IT-based capacity that can enable dynamic capability? Specifically, what kinds of IT resource management capabilities are involved in the mechanisms of IT-enabled dynamic capability creation?
2. How are the different components of organizational IT-based capacity interrelated under the mechanisms of IT-enabled dynamic capability creation?

2. Conceptual Development
The following diagram (Figure 1) represents the high-level theoretical perspective that guides our conceptual development. In this section, we will provide an overview of the relevant research related to these constructs and the relationships among them.

![Diagram](image-url)
2.1 Dynamic Capability as an Intermediate Outcome of IT Impact
As the competitive environment of contemporary business is becoming more intensive and the speed of environmental change is going faster (Mendelson and Pillai 1998), the interest in the role of organizational dynamic capability has also been increasing (Eisenhardt and Martin 2000; Pisano 1994; Sambamurthy et al. 2003; Teece et al. 1997). Organizational dynamic capability can be defined as “firm’s ability to integrate, build, and reconfigure internal and external competences to address rapidly changing environments” (Teece et al. 1997, p. 516) or the “processes to integrate, reconfigure, gain, and release resources to match and even create market change” (Eisenhardt and Martin 2000, p. 1107). As this organizational capability is becoming vital, the role of IT in creating organizational dynamic capability is becoming an important issue. Extant research suggests examining organizational dynamic capability as an intermediate outcome of the impact of IT. For example, Tippins and Shoi (2003) examined organizational learning capability as an intermediate dynamic capability that can be enabled by IT and thus leading to superior organizational performance. Likewise, Sambamurthy et al. (2003) and Straub and Watson (2001) also argued that organizational IT-based capacity would create organizational agility, a type of dynamic capability. Moreover, since IT can contribute to organizational changes designed to cope with environmental changes (Agarwal and Sambamurthy 2002; Barua and Mukhopadhyay 2000), IT-enabled dynamic capability is likely to provide a competitive advantage in highly competitive and rapidly changing environments (Hitt et al. 1998).

According to Grant’s (1996) capability hierarchy perspective, organizational dynamic capability can be considered as a high-level cross-functional capability that is formed by various specific functional capabilities, such as marketing capability and manufacturing capability. Following this perspective, IT-based capacity of an organization is a functional capability for organizational IT activities, and thus it can form the high-level capability with other functional capabilities. Hence, to theorize how IT can create organizational dynamic capability, a comprehensive understanding of organizational IT-based capacity and its components is needed.

2.2. Resource-Based View and Organizational IT-Based Capacity
Under the resource-based view (RBV), organizational resources that are valuable, rare, inimitable, and non-substitutable are viewed as the potential sources of organizational competitive outcomes (Barney 1991; Penrose 1959; Selznick 1949). By applying this to the value of organizational IT, researchers have considered IT resources as the strategic sources of organizational competitive outcomes (Davenport and Short 1990; Zmud 1983). IT resources can be classified as tangible technology resources (e.g., IT infrastructure including hardware, software, data, network, and architecture), human IT resources (e.g., IT personnel and their IT skills), and intangible resources (e.g., strategic partnership between business and technology sides) (Bharadwaj 2000; Ross et al. 1996). In the literature, there have been numerous studies which investigate the strategic values of these resources in creating organizational outcomes.
However, as IT resources become business commoditized because of wide diffusion of IT in contemporary organizations, the unique value of specific IT resources is reduced (Mata et al. 1995). Thereby, recent IS researchers (Bharadwaj 2000; King 2002) also highlight an organization’s ability to manage and utilize these resources. Following this perspective, we posit that in studying the impact of IT, rather than merely investigating the effect of IT resources of an organization, the organization’s ability to utilize IT resources, i.e., the IT utilization capability, needs to be investigated. Drawing from Bharadwaj’s (2000) IT capability concept, which represents a “firm’s ability to mobilize and deploy IT-based resources in combination or co-presence with other resources and capabilities” (p. 171), we conceptualize IT utilization capability as an organizational capability, and not as an individual IT resource-level capability.

However, individual IT resources and organizational capability to utilize them may not be sufficient to represent an organization’s overall capacity to deliver IT services and products that support its various business activities to achieve competitive outcomes. Instead, the implementation of an efficacious IT-based capacity involving application systems, system procedures, and IT management within a specific market context may provide IT-enabled competitive advantages (King 2002; Tippins and Shoi 2003). From the RBV, the development of this idiosyncratic IT-based capacity is inimitable because it has little value outside the context of a specific organization. This inimitability can form the basis of competitive advantage (Lei et al. 1996). According to this perspective, both organizational IT resources and IT utilization capability need to be considered in a combinative manner. This combinative IT-based capacity can be conceptualized as organizational IT competence. Drawing from Sambamurthy et al. (2003) and Tippins and Shoi (2003), IT competence can be defined as an organization’s overall IT-based capacity to support organizational activities and enable IT-based innovation by virtue of the available IT resources, the ability to manage IT resources, and organizational conversions of IT resources into strategic business systems including IT applications, IT-enabled work procedures, and their management.

To explain how organizations can create their dynamic capability from their IT utilization, the theoretical perspective of organizational exploitation and exploration from the strategic management studies is adopted.

2.3 Exploitation vs. Exploration in Organizational IT Utilization

According to March (1991, p. 85), exploitation is “the refinement and extension of existing competencies, technologies, and paradigms”. On the other hand, exploration can be thought of as “organizational experimentation with new alternatives”. While exploitation aims to utilize and develop things already known, exploration pursues current unknown opportunities for competitive actions (Sambamurthy et al. 2003). The precursor to this exploration is simply desire, the wish to discover something new (Rothaermel and Deeds 2004). We believe that these different strategic goals of organizational exploitation and exploration can be applied to organizational IT resource utilization activities and the corresponding capabilities for these activities. Based on the characteristics of organizational exploitation and exploration, we define exploitative IT utilization capability as an organization’s ability to utilize IT resources in a manner that
improves and extends its existing competencies. On the other hand, we define *explorative IT utilization capability* as an organization’s ability to utilize IT resources in a novel manner that finds new alternatives and currently unknown opportunities.

### 2.4 Sustaining vs. Disruptive IT Competences

An organization’s IT-based capacity can be distinguished in terms of the nature that leads to different types of IT-based innovation, e.g., incremental or radical (Fichman 2004; Swanson and Ramiller 2004). However, there is a lack of the theoretical framework to distinguish such different natures that are associated with organizational IT-based innovations (Lyytinen and Rose 2003). Drawing from the organizational innovation literature, we conceptualize two different types of organizational IT-based capacity for IT-based innovation: sustaining innovations and disruptive innovations (Ireland et al. 2003). While a disruptive innovation produces revolutionary change in an organization, a sustaining innovation leads to incremental change (Damanpour 1991; Tushman and O'Reilly 1996). Sustaining innovation aims toward the adaptation and enhancement of existing products and services and/or production and delivery systems (Burgelman et al. 1996). Particularly, as Larsen (1993) suggested, IT-based incremental innovation can be considered as an innovation that is used in an existing segment of the organization, e.g., automation of checking customer’s financial status. This type of IT-based innovation can improve the efficiency of business activities (Bakos and Treacy 1986; Christensen and Overdorf 2000) and thus making organizations sustain their competitiveness in the market (Hart and Christensen 2002; Ireland et al. 2003). From this, *the IT competence that enables incremental innovation in organizational IT-based services and products* can be characterized as being *sustaining*.

On the other hand, disruptive innovation aims to identify new opportunities and create new business alternatives through new combinations of resources (Ireland et al. 2003) or introduction of new kinds of products or services (Charitou and Markides 2003; Christensen and Overdorf 2000). Particularly, in the context of IT-based innovation, Lyytinen and Rose (2003) theorized disruptive IT innovation as a force of radical shift in viewing, operating, and utilizing IT so as to make an organization’s IT-based services, as well as its system development processes, significantly depart from existing alternatives. From this, *the IT competence that enables radical innovation in organizational IT-based services and products* can be characterized as being *disruptive*. Based on these arguments, we name the former type of IT competence as “*sustaining IT competence*” and the latter, as “*disruptive IT competence*”.

### 2.5 IT Complementarity Perspective

While traditional RBV studies tend to focus on the unique value of IT, recent IT impact studies has taken into account the co-presence of other non-IT factors when evaluating the positive impacts of IT (e.g., Barua and Mukhopadhyay 2000; Davern and Kauffman 2000; Devaraj and Kohli 2000; Wade and Hulland 2004). These studies are based on the complementarity theory (Hitt and Brynjolfsson 1997). According to Milgrom and Roberts (1990), two activities (or factors) are complementary if performing one increases the benefits of performing the other. Studies within this stream of research have proposed to investigate the synergetic interactions between IT factors and IT complementarities.
(e.g., non-IT capital, process redesign, organizational structure, culture, and management leadership) when investigating the contribution of IT to organizational outcomes (Barua and Mukhopadhyay 2000; Kohli et al. 2003). Following the IT complementarity perspective, we take into account non-IT factors in investigating IT-enabled dynamic capability creation.

3. Research Framework and Propositions
Based on the conceptual development in the previous section, we argue that there are two paths for IT-enabled dynamic capability creation in organizations: (1) The sustaining IT competence formed by exploitative utilization of IT resources can create organizational dynamic capability in co-presence with other organizational factors, specifically the industry-specific core competences of an organization; (2) The disruptive IT competence formed by explorative utilization of IT resources can also directly create organizational dynamic capability. A conceptual research framework of organizational IT-enabled dynamic capability creation is suggested, as shown in Figure 2. Multiple research propositions are developed in this section.

![Figure 2. Research Framework of IT-Enabled Dynamic Capability Creation](image)

3.1 Path 1: Exploitative IT Utilization Capability and Sustaining IT Competence
In contemporary digital economics, the enhancement of organizational productivity can occur when organizations have efficacious asset utilization and coordination processes supported by superior IT competence (Arthur 1989; Barua et al. 1995; Lucas 1993). The aim of this type of IT competence, which has been defined as sustaining IT competence in this study, is to enhance existing resources and business processes. The nature of sustaining IT competence is that it is efficiency-oriented and leads to incremental, rather than disruptive or radical changes (Davenport 1993; Henderson and Clark 1990).

To achieve this sustaining IT competence, organizations may need sufficient information processing power based on sufficient IT resources (e.g., physical IT components, IT staff, and internal/external IT-based relationships) to support their business operations (Daft.
and Lengel 1986; Lu and Ramamurthy 2004; Wade and Hulland 2004). On the other hand, higher IT utilization capability can enable an organization to manage and use the existing IT resources in a way that would efficaciously support current business processes. The appropriate integration of existing IT resources with key business processes improves the speed of organizations’ response to the market’s specific needs by improving their existing ways of doing things (D’Aveni 1994; Ettlie et al. 1984; Goldman et al. 1995; Sambamurthy et al. 2003). Since this type of IT utilization capability focuses on known business opportunities that exist in their current business processes (Levinthal and March 1981), it may possess an exploitative, rather than an explorative nature (March 1991). Therefore, the role of IT resources in developing sustaining IT competence within an organization is likely to be reinforced by its exploitative IT utilization capability.

In this case, the role of IT utilization capability can be demonstrated by its moderating role on the relationship between IT resources and IT competence, because a moderator changes the nature of the relationship between two other variables (Schmitt and Klimoski 1991). In the suggested model, therefore, the relationship between IT resources and sustaining IT competence can be changed by a higher exploitative IT utilization capability. Proposition 1 is thus formed.

- **P1. Exploitative IT capability will positively moderate the relationship between IT resources and sustaining IT competence.**

According to Wheeler (2002) and Sambamurthy et al. (2003), organizational dynamic capability can be created by integrating IT with key business processes. By integrating computing, communication, and content technologies with their business processes, organizations can achieve significant opportunities for enhancing their capability to respond to market changes by improving the performance and flexibility of their business processes (Goldman et al. 1995; Sambamurthy et al. 2003; Venkatraman and Henderson 1998). For example, an increased involvement of customers and partners using IT applications, such as networking, communication, and collaboration systems, can enhance organizational dynamic capability by helping organizations to quickly respond to the market’s specific needs (D’Aveni 1994). This IT-enabled quick response can facilitate organizations to seize a new opportunity by improving their products and services (D’Aveni 1994; Ettlie et al. 1984; Goldman et al. 1995). In addition, some recent technologies, such as the Internet and data mining tools, can enrich customers by providing personalized services (Goldman et al. 1995; Goranson 1999; Sambamurthy et al. 2003). Since the IT competence involved in these mechanisms is mainly for supporting the existing business processes, not creating new ones, its nature is sustaining, rather than disruptive.

Moreover, in these mechanisms of IT-enabled dynamic capability creation, we suggest to consider other organizational non-IT factors that are involved in business processes (Barua et al. 1995; Dedrick et al. 2003). Specifically, this study focuses on industry-specific core competences (Prahalad and Hamel 1990) as the non-IT factors because they are bonded with organizational key processes which are context-specific over different
industries. These core competences of an organization, as the integrated business activity systems, may be inimitable and thus have strategic value (Lei et al. 1996). However, they can limit organizational flexibility by confining the organization to a chosen position and behavioral disposition (Ghemawat 1991). We argue that the essence of sustaining IT competence is continuous improvement and efficacious coordination of key business processes, which are incorporated with organizational core competences, to make them more efficacious and flexible. Therefore, this sustaining IT competence can change the nature of the relationship between an organization’s core competences and its dynamic capability. We thus suggest Proposition 2.

- **P2. Sustaining IT competence will positively moderate the relationship between industry-specific core competences and organizational dynamic capability.**

### 3.2 Path 2: Explorative IT Utilization Capability and Disruptive IT Competence

Organizations can also create their dynamic capability through innovative implementation of IT resources. Radically innovative – simply saying, disruptive – IT competence (Henderson and Clark 1990; Lyttinen and Rose 2003) can be achieved when an organization’s IT managers outsmart their rivals in utilizing existing IT resources to implement a new IT-based capacity in a way their rivals have not yet explored. This radically innovative implementation of new IT competence can be explained by IT managers’ superior ability in evaluating the strategic value of new IT competence. Moreover, since the goal of radically innovative implementation of IT competence is to find something new, the nature of this managerial ability can be described as an explorative IT utilization capability. Therefore, the lack of the logical correlation between IT resources and disruptive IT competence can be changed by a higher explorative IT utilization capability. From this, Proposition 3 is formed based on the same logic regarding the moderating role of IT utilization capability as explained in Proposition 1.

- **P3. Explorative IT utilization capability will positively moderate the relationship between IT resources and disruptive IT competence.**

Disruptive IT competence can produce organizational competitive outcomes by enabling an organization to be flexible, and by helping these organizations to be more capable in turbulent environments (Lyttinen and Rose 2003; Sambamurthy et al. 2003). IT-based innovations that are radically different from, and conflict with, current business models can bring new ways of competing in the marketplace (Charitou and Markides 2003). For example, Internet banking, low-cost airline, direct insurance, and online-brokerage can be seen as radical innovations enabled or leveraged by organizational IT competence (Charitou and Markides 2003). These IT-based innovations, which can be seen as a new functional capability that had not existed before, can make organizations flexible and agile by making them focus on new opportunities and enabling them to capitalize such new opportunities (e.g., D’Aveni 1994; Goldman et al. 1995; Sambamurthy et al. 2003). This new business initiation by radically innovative IT competence, i.e., disruptive IT competence, has a strategic value by creating a first-mover advantage in the competing market (Porter and Miller 1985).
In the case of disruptive IT competence, the complementary effect of the industry-specific core competences may not be significant because of the nature of new path creation by radical changes (Garud and Karnoe 2001). New path creation is an intentional effort to be apart from the traditional ways of resource utilization (Garud and Karnoe 2001). This new path creation can occur because of disruptive IT competence. This is because disruptive IT competence achieved by an innovative utilization of IT resources can be characterized as seeking for something new (Rothaermel and Deeds 2004). The organizational nature of alternation seeking to achieve their competitiveness can also be explained by the ‘creative destruction’ of Schumpeter (1934). Under his theorizing on the process of creative destruction, organizations need to continuously change due to the discontinuity of the efficiency of the current systems over time. Hence, when organizations recognize the needs of disruptive changes, they may not focus on the existing core competences. Therefore, for disruptive IT competence, the interaction effects between IT competence and an organization’s industry-specific core competences are not desired. Thus, Proposition 4 is developed based on the above arguments.

- **P4. A higher level of disruptive IT competence will directly lead to a higher level of organizational dynamic capability without interacting with existing industry-specific core competences.**

### 3.3 IT-Enabled Dynamic Capability and Organizational Competitive Outcomes

Organizational dynamic capability created through the two abovementioned paths will lead to organizational competitive outcomes. In the literature, there are many theoretical and empirical supports for the relationship between dynamic capability and competitive outcomes. For example, superior firm performance has been recognized as the significant result of dynamic capability (e.g., Eisenhardt and Martin 2000; Kogut and Zander 1992; Sambamurthy et al. 2003; Tippins and Shoi 2003). Moreover, organizational innovation (Grant 1996; Henderson and Clark 1990), attaining new business opportunities (Kogut and Zander 1992), and new product/service development (Atuahene-Gima 2003; Song and Montoya-Weiss 2001) have been shown as the organizational competitive outcomes enabled by dynamic capability. In addition, the possession of IT-enabled dynamic capability is considered as a crucial factor by practitioners in measuring a firm’s success when considering the highly competitive and rapidly changing business environments (Mayor 2004; Prewitt 2004). Based on these arguments, Proposition 5 is thus formed.

- **P5. In contemporary business environments, a higher level of IT-enabled dynamic capability will lead to a higher level of organizational competitive outcomes.**

### 4. Case Illustration

In this section, our conceptual framework is briefly illustrated with some cases supporting potential evidence.

Firstly, the potential evidence of dynamic capability creation through exploitative IT utilization and sustaining IT competence can be found in the Wal-Mart case. Wal-Mart’s ability to utilize IT resources is known to enable the firm to continue its leadership position as it remains solidly ahead on the learning curve on its leverage of IT
Specifically, its retail-link network allows vendors to access the POS, forecasting, and inventory management data in real time. The technology components and the relevant human IT skills were neither new nor innovative to the industry. However, Wal-Mart was successful in leading the competition in implementing the continuous replenishment systems, i.e., a supply chain system (SCM), which reinforced the firm’s other strategic core competences in the retail industry, such as strategic vendor alliance and its enormous database of purchasing information. This synergetic role of IT competence enhanced its dynamic capability in sustaining its position as a retail market leader in fierce market competition (Horwitt 1993). We argue that the IT utilization capability that Wal-Mart possessed is exploitative in nature because Wal-Mart could successfully utilize the available technologies and IT infrastructure to implement its strategic business systems, creating a sustaining IT competence that enhances its existing business operations.

Secondly, the potential evidence of dynamic capability creation through explorative IT utilization and disruptive IT competence can be found in the Merrill Lynch case (Levinson 2004). In 2002, at the height of the corporate scandals and the economic downturn, Merrill Lynch embarked on a restructuring of its IT operation. Merrill Lynch’s IT departments had been set up in a vertical structure across three business groups: asset management, institution, and retail. Since each of these business groups had its own IT staff and assets, the company did not get any economies of scale; technologies were redundant; people and processes proliferated. Merrill Lynch decided to centralize its IT into a global services organization and deliver IT service to the business as a utility. In other words, each business group would inform the new IT organization how much computing power it needed, and the IT organization would charge the business on a monthly basis for what it used. Merrill Lynch’s utility model provides a mechanism for throttling IT services - such as storage and processing power - up or down depending on the business demand. The dynamic capability comes in, because this IT utility model allowed the internal profit-and-loss dynamics of its businesses, so that Merrill Lynch could respond much more quickly to changes in the marketplace. While Merrill Lynch was still utilizing the existing IT resources, its innovative restructuring of the distributed IT resources across multiple business units generated a radical, disruptive change in Merrill’s IT activities in supporting its business needs. This, in turn, created the company’s dynamic capability (Levinson 2004). Therefore, we argue that the IT utilization capability that Merrill Lynch possessed is explorative and it created a disruptive IT competence that enables new ways of doing internal business activities.

5. Discussion and Conclusion
The purpose of this study was to develop a research framework that would explain how organizations can create their dynamic capability by using IT. To achieve this, we developed a conceptual research framework revealing multiple paths for IT-enabled dynamic capability creation: (1) path 1 - exploitative IT utilization capability and sustaining IT competence, and (2) path 2 - explorative IT utilization capability and disruptive IT competence. Our research framework was briefly reflected on two known cases in the literature to provide potential evidence for the suggested research framework.
As a conceptual research in the organizational context, this study has some potential theoretical and practical limitations. First, organizations may have the capability to learn through their iterative feedback process (Wheeler 2002; Winter 2000). However, to focus on the mechanisms by which IT is utilized to create organizational dynamic capability, the suggested research framework in this study does not include the feedback loops. Future inclusion of iterative feedback loops, e.g., between organizational dynamic capability and IT competence and/or IT utilization capability, and between organizational competitive outcomes and dynamic capability (c.f. Pavlou 2004), will improve the comprehensiveness of the conceptual framework. Secondly, the narrow scope of IT activities that we focused on in this study can be another issue. While we focused on the different types of IT utilization activities, organizations may have a broader range of IT-related activities, such as adoption of entirely new IT resources from 3rd party vendors and IT outsourcing development. Further extension of our conceptual framework to include other organizational IT activities will increase the generalizability of the study. Thirdly, by selecting existing cases described by others, our case illustrations were limited in illustrating the proposed framework. Future empirical studies with quantitative (e.g., survey) or qualitative analysis (e.g., case study) needs to be conducted to better support the proposed framework.

In spite of the limitations, this study has extended the literature in four significant aspects. First, this study theoretically reveals the multiple mechanisms of how IT can be used to create organizational dynamic capability. Specifically, the multi-path perspective in our research framework provides a theoretical basis to understand how and why different types of organizational IT utilization activities can lead to organizational dynamic capability. Second, this study provides a new perspective to distinguish different types of organizational IT competences and IT utilization capabilities. This serves as a foundation for future research to investigate more detailed levels of IT impact. Third, this study discloses the relationship between IT resources and their utilization capability within an organization to explain the loci of IT-enabled organizational competitive outcomes creation. Finally, this conceptual study provides rich theorization and framework on which future research can develop the suggested propositions into testable hypotheses for empirical tests. In addition to these extensions of the literature, practitioners can be benefited by knowing how they can develop or enhance their dynamic capability to create or sustain their competitiveness in turbulent environments. Furthermore, by providing a fundamental understanding of the components of organizational IT-based capacity and their relationships, this study also enables practitioners to strategically focus on a specific IT component or path to create the dynamic capability that suits their company’s needs.

References


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