



**15th Annual Conference of the
EuroMed Academy of Business**

Sustainable Business Concepts and Practices

Edited by: Demetris Vrontis,
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Published by: EuroMed Press

15th Annual Conference of the EuroMed Academy of Business

CONFERENCE READINGS

BOOK PROCEEDINGS

September 21-23 2022

Palermo, Italy

Sustainable Business Concepts and Practices

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ISBN: 978-9963-711-96-3

Published by: EuroMed Press

Published at: October 2022

BUSINESS ECOSYSTEMS, DYNAMIC CAPABILITIES, AND THE CHALLENGES OF DE-GLOBALIZATION: A FOCUS ON MULTINATIONAL ENTERPRISES MANAGEMENT PERSPECTIVE

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ABSTRACT

Several international business scholars have described Business Ecosystems as economic communities, composed of independent economic actors, interested in a common market opportunity (Cha, 2020; Moore, 1993). Zahra and Nambisan (2012) have expanded the above description in their work on the dynamic interactions of BEs, enlightening how, in several cases, firms can emerge from these communities, and drive it toward the realization of a common market opportunity. The scholars (Zahra and Nambisan, 2012) provided a definition of these kinds of communities and renamed them as the "Orchestral model" (Zahra and Nambisan, 2012). We will narrow our focus on this specific kind of community, and we will refer to them as Business ecosystem (BE). Cha (2020) pointed out how these communities are characterized by two main characteristics, a "system-level openness" to non-economic actors and a corporate "asset-light design". The highlighted characteristics can offer several benefits to firms' managers because they could obtain a potential source of knowledge to leverage (Cha, 2020; Scaringella and Radziwon, 2018).

The literature has explored several aspects regarding the role of BEs and the benefits they provide for BEs members in terms of knowledge, such as the opportunity to exploit participants' knowledge while not owning them (Cha, 2020; Scaringella and Radziwon, 2018). These benefits can be useful to MNEs' managers who are facing international changes because they could leverage knowledge acquired from BEs to support the firm in surviving competition and transform their firms in order to give a quick response to changes (Cha, 2020; Kotabe et al., 2011).

The ability of firms to quickly adapt to changes by leveraging knowledge has been addressed by several academics, drawing on the dynamic capabilities' framework (Zahra et al., 2022). The concept was introduced by Teece (2014), highlighting how the company can combine and maximize its capabilities, adapting to change through greater flexibility in its management, which he renamed dynamic capabilities. Teece (2014) suggests how these capacities are based on a set of underlying elements of firms, provided by the knowledge (Zahra and Nambisan, 2012). For this and according to the above, managers could benefit from BEs through the acquisition of potential new, integrative or better knowledge from community participants in contexts such as internationalization and entry into new markets (Rong et al., 2015). They can use the knowledge provided by BEs and merge it with their

own to develop the organization's dynamic capabilities (Kotabe et al., 2011) to face emerging changes, such as the one represented by de-globalization (Cha, 2020).

The latter has been described by a part of international business and management literature as an emerging phenomenon of weakening interdependence among nations (Luo and Witt, 2021; Witt, 2019) which is causing uncertainty's growth in the MNE's environment (Petricevic and Teece, 2019). Literature suggests how this ongoing phenomenon affects firms' managers, who have been called to adopt a proper firm's adaptation strategy to face unpredictable changes due to a de-globalization uncertain environment (Petricevic and Teece, 2019). In this perspective, managers could use knowledge provided by BEs to develop the firms' dynamic capabilities necessary to quickly adapt the organization to the change (Teece, 2014), despite the uncertainty due to de-globalization (Petricevic and Teece, 2019). In this perspective, BEs could be a powerful tool to face the consequences of progressive de-globalization on managing this change. Managers can leverage the source of knowledge offered by BEs to enhance the firm's dynamic capabilities (Cha, 2020) and, consequently, enhance the MNE's capacity to adapt itself in front of unpredictable changes in the international environment, supporting the firm in surviving to competition and change (Cha et al., 2021; Kotabe et al., 2011).

Cha (2020) pointed out how we have little knowledge about the influence of external factors and BEs. Cha et al. (2021) challenged this theme at the firm level, enlightening MNEs' managers could leverage BEs to enhance MNE's dynamic capabilities and face the uncertainty due to the de-globalization. However, a literature gap exists at the individual manager level. Our work tries to fill the gap, starting from the international business and management literature, we would enrich the research stream between BEs and external factors, investigating how MNE's managers could leverage BEs to enhance the firm's dynamic capabilities in facing external factors such as the de-globalization phenomenon, posing the following question: (RQ), how MNE's managers can leverage Business Ecosystems-related knowledge to enhance firm's dynamic capabilities and facing changes into the uncertainty due to the de-globalization phenomenon?

Our research is a work in progress. To answer our RQ, we would adopt a qualitative approach. We chose to narrow our sample on orchestral model business ecosystems, and we would focus our attention on the MNE key-firm (Zahra and Nambisan, 2012) inside the community. We will investigate the management level, conducting a series of semi-structured interviews with managers belonging to key-firm responsible for the firm's adaptation strategy. Actually, we are identifying firms and managers to be selected to conduct interviews. In order to realize the above, we have hypothesized to adopt the Gioia methodology (Gioia et al., 2013). This research design choice has a twofold motivation. First, it could generate potential new insides about the topic with an inductive approach, developing grounded theory and unveiling knowledge underlying the dataset (Gioia et al., 2013). Second, this

methodology provides us a tool to analyze our future raw data with a strong, qualitative rigor, and to give a structured systematization to research output (Gioia et al., 2013).

We expect, from the results of our research, the emergence of several themes and elements useful to understand how MNE's managers could leverage BEs-related knowledge to enhance firms' dynamic capabilities and, consequently, to face external factors which require a rapid organization response such as de-globalization consequences.

We shall observe several theoretical and managerial implications from our findings. This paper should fill a gap in international management and business literature on BEs and MNEs, enhancing current studies at the managerial level and connecting them to the de-globalization phenomenon. First, we will provide new insights on the mechanism of dynamic capabilities, we will generate and collect novel information useful to identify how MNE's manager could use DCs to challenge the changes. Second, we will extend the present literature on Business Ecosystem, providing new insights on how MNE's managers will be able to build organizational dynamic capabilities leveraging BEs. Third, we will enhance the emerging literature about de-globalization, which is a new and not well-known phenomenon we are facing. In addition, BEs MNEs' top managers will benefit from our findings. We should unveil several insights about practices and mechanisms put in place by managers to build organizational dynamic capabilities. Furthermore, we will expect to enhance the insights on a specific emerging phenomenon, the de-globalization, which is challenged every day by top management. Lastly, we will provide new elements useful to set the MNE's knowledge acquisition strategies under the uncertainties due to the de-globalization phenomenon.

Keywords: De-globalization, Business ecosystems, Multi-national Enterprises, Knowledge, Dynamic capabilities, Gioia method

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