Organizing Dynamic Capabilities: Exploiting Complementarities by Organizational Bundling

Abstract – A firm’s ability to change is decisive for sustaining its competitive advantage in a volatile business environment. Previous research emphasizes the importance of human resources as a key determinant of a firm’s “dynamic capability”. We extend the literature by analyzing how a firm’s organizational structure is interrelated with the effectiveness of managing change projects on employee level. Building theoretically on the interplay of strategy and structure, we argue the effectiveness of strategic, coordinative, and motivational capabilities will be higher when they are bundled in one organizational unit. A management survey involving some of the most important corporations in Germany supports our hypothesis.

Keywords: Dynamic capabilities, strategic human resource management, organizational assignment, management survey

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