The role of individual competencies in developing dynamic capabilities for stakeholder orientation

CSR IN AGRIFOOD SECTOR

WAGENINGEN
UNIVERSITY & RESEARCH

The role of individual competencies in developing dynamic capabilities for stakeholder orientation:

CSR in agrifood sector

MSc Thesis Report
Course code: MST-84036

Author:
Natnicha Veerathummanoon (940327859120)

Supervisor: Domenico Dentoni
Co-supervisor: Larissa Shnayder

TABLE OF CONTENT

ABSTRACT

With a passage of time, demands of stakeholders keep changing by influences of environmental factors. This challenges organizations in managing their Corporate Social Responsibility (CSR) activities, voluntary actions to integrate socio-environmental issues of various stakeholders into organizational practices and processes. This is especially for agri-food industry. Their CSR should be continuously adaptive to address the issues in timely manner. The stakeholders, therefore, are kept satisfied and support a long-term achievement of the organizations. To achieve this, it is necessary to embed dynamic capabilities for stakeholder orientation into CSR implementation processes. Micro and macro levels of the organizations should also assist the development and deployment of the capabilities. This research aimed to explore the role of individual competencies on building supportive organizational characteristics that collectively contribute to dynamic capabilities. Nine hypotheses were developed from the literature and empirically tested by using a quantitative questionnaire. Results provided three multi-level mechanisms that contribute to dynamic capabilities for stakeholder orientation. Results further suggested that two organizational adaptability characteristics might act as moderator to facilitate or control the contribution of individuals. However, these two contributions are only possible outcomes giving ideas with discovered available information. This is because they were drawn from small sample size. Further research with larger database needs to be conducted to confirm the findings of this research.

Keywords: *Corporate Social Responsibility, Individual competencies, Organizational adaptability, Dynamic capabilities, Stakeholder orientation, Stakeholder management*

1. INTRODUCTION

1.1 Research background

Diverse stakeholders place high demands on agrifood sector to address broad concerns of socio-environmental issues. Enterprises are associated with food, a fundamental requirement of human in which people are critical about product features and its production means (Hartmann, 2011; Maloni and Brown, 2006). Asides, due to high utilization of natural resources, land, and energy, their production activities may subsequently lead to various sustainability issues such as resource scarcity, eutrophication, climate change and biodiversity loss (Forsman-hugg and Ma, 2013; Hartmann, 2011; Hospes et al., 2012). Agrifood enterprises are, hence, sensitive to public criticism and hold a high risk toward their license to operate and long term achievement (Luhmann and Theuvsen, 2016; Vanhonacker and Verbeke, 2014). It is necessary for the corporates to respond to societal demands and to manage a stakeholder relationship. Keeping stakeholders satisfied reduces negative influences and supports the firms' to prosper (Chinyio and Olomolaiye, 2010). To accomplish this, the organizations engage Corporate Social Responsibility (CSR) into their core business activities.

CSR is a voluntary action of organizations to integrate social and environmental considerations of various stakeholders into strategy and practice (European Commission, 2001). This involves with formal and informal interactions with various stakeholders to access current and future demands (Forsman-hugg and Ma, 2013; Luhmann and Theuvsen, 2016; Manowong and Ogunlana, 2010). The organizations may also ask for consultation or form partnerships to address the issues (Forsman-hugg and Ma, 2013). Based on stakeholder saliency, the organizations are managed to allocate optimal resources and efforts to serve them, whereas an appropriate level of engagement is selected to strengthen the relationships and gain greater mutual commitment (Cantrell et al., 2015; Chinyio and Olomolaiye, 2010; Manowong and Ogunlana, 2010). In addition, dynamic capabilities should be embedded into the CSR practices. As the firms operate their business in a volatile environment, expectations of stakeholders, as well as stakeholders' salience and power, can continuously get induced to change by time (Chinyio and Olomolaiye, 2010; Luhmann and Theuvsen, 2016). The dynamic capabilities assist CSR activities to monitor changing demands and address them in a timely manner. Choice and relationship in the coalition are actively adjusted to prevalent circumstances (Chinyio and Olomolaiye, 2010; Dentoni et al., 2012). Dentoni et al. (2012, p.6) introduced a concept of 'Dynamic Capabilities for Stakeholder Orientation', which refers as capabilities that 'allow organizations to adapt to changing environments by effectively (1) sensing, (2) interacting with, (3) learning from, and (4) changing based on stakeholders'.

Developing and deploying the dynamic capabilities lie on organization's internal infrastructure (Helfat et al., 2009; Molina-Azorín, 2014; Rothaermel and Hess, 2007). Macro determinants such as structure and processes serve as guidelines and instructions to set off organizational outcomes and performance and they have to be sufficiently flexible to allow an adaptation to occur (Chinyio and Olomolaiye, 2010; Eisenhardt and Brown, 1997). The system can over time be re-orchestrated to fit with the external environment. The firms can achieve in controllability, efficiency and competitiveness (Mott, 1971; Verdú and Gómez-Gras, 2009; Volberda, 1996). Eisenhardt and Brown (1997) proposed that to successfully engage in volatile environments, firms had to have a 'semistructure' and 'low-cost

experiments'. The projects are organized in a series of 'sequenced steps' with a seamless switch. On the other hand, individuals that are nested within the macro level are influential. They take part in CSR execution and operation, and control firm level outcomes and performance. Hesselbarth and Schaltegger (2014) stated people are key changing agents and crucial in development of necessary adaptability for the organization. Therefore, appropriate CSR related competencies necessaries to allow the adaptability to the organization, as a basis of dynamic capabilities.

1.2 Problem description

Most of the studies focus only one level of study that which ignore both heterogeneity of alternative level and interactions between different levels (Felin et al., 2015; Teece, 2007). It was suggested to use a multilevel approach to access the influences from more than one level of analysis and to understand the relationships among them. (Felin et al., 2015; Kozlowski and Klein, 2000; Teece, 2007) The context can be understood from top-down or bottom up direction, filling a gap between research work and practice (Kozlowski and Klein, 2000; Molina-Azorín, 2014). The management research will be more advancing as it can describe a contributive transformation from individual to firm level; explain the variance in the organizational phenomena; and inform of which level matters the most.

In addition, there have been calls for more micro-level research and a lot of opportunities to be discovered in this area (Aguinis and Glavas, 2012; Felin et al., 2015). Individuals or microfoundations are found to be antecedents of an organization's success. Their capabilities and extant knowledge are engaged in organizational capabilities and processes, and collectively contribute to firm level outcomes and performance (Felin et al., 2015; Teece, 2007). Organizational research tends to claim significances of individuals but few studies clarifies underlying factors or mechanisms (Felin and Foss, 2009; Felin et al., 2015; Gavetti et al., 2007). It was argued that understanding of the individual factors provides an insightful information and theoretical reasoning for macro management, and they also enhance the rigorousness of macro-level works (Felin et al., 2015; Molina-Azorín, 2014).

This is relevant that dynamic capabilities for stakeholder orientation might not lie only at one level of analysis, but they are influenced by individual, firm, and network level (Eisenhardt and Martin, 2000; Rothaermel and Hess, 2007; Zollo and Winter, 2002). There is also a missing gap to explore the influences of the individuals in the stakeholder management under the dynamic environment. The individual competencies may form underlying constituents for organizational adaptability, and contributes to dynamic capabilities in stakeholder management.

1.3 Research objectives and research questions

Hereby, in this research, the goal is to explore the development of dynamic capabilities for stakeholder orientation in a multi-level approach. The dynamic capabilities will be unpacked from a bottom up view, emerging from individual competencies to organizational adaptability. The study will provide the understanding on this relationship with supporting empirical evidence and add up to management literature, which can enhance robustness to

both existing and future studies. In addition, this can also give a managerial focus on individual competences and/or organizational characteristics that bring the achievement in long term stakeholder management.

The main research question is formulated as below:

'*How do individual competencies become aggregated into firm-level adaptability, contributing to development of dynamic capabilities for stakeholder orientation?*'

For comprehensive answering the research questions, the following relations are explored:

1. Relationship between individual competencies and organizational adaptability
2. Relationship between organizational adaptability and dynamic capabilities for stakeholder orientation
3. Relationship between competencies and dynamic capabilities for stakeholder orientation
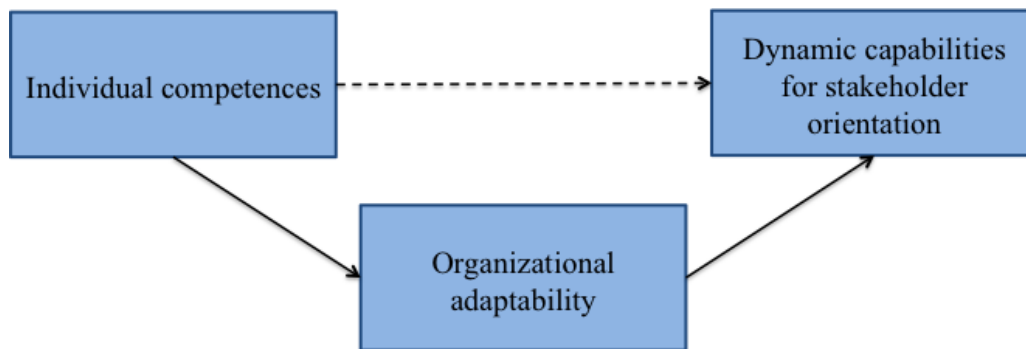
Figure 1.1: Study relationship of the research

CSR of agriood sector is used as an empirical scenario to tackle these questions. CSR is one of the stakeholder management activities within organizations regarding to social and environmental concerns (European Commission, 2001). The companies conduct formal or informal mechanisms to internalize expectations of stakeholders, and establish CSR strategy and processes based on those demands (Forsman-hugg and Ma, 2013). CSR activities help creating positive stakeholder relations, as well as building trust and accountability (Aguinis and Glavas, 2012). It was also claimed that the corporate could improve their image, reputation and long-term profit from effective CSR implementation (Mahon, 2002; Heyder and Theuvsen, 2010). The relevance between CSR and stakeholder management appear in many literature and research (e.g. Freeman, 1984; O'Riordan and Fairbrass, 2014). Some studies use stakeholder relations as an assessment of CSR performances (e.g. Calabrese et al., 2013; Clarkson, 1995). Moreover, due to nature of agrifood industry, the organizations hold a wide spectrum of socio-environmental expectations from stakeholders i.e. animal welfare, environment, social and product features (Forsman-hugg and Ma, 2013; Hartmann, 2011; Maloni and Brown, 2006). The CSR is hence multidimensional and challenging to operate, especially in the dynamic environment (Luhmann and Theuvsen, 2017). The organizations perform extensive and ongoing interactions to keep up with and satisfy various stakeholders (Luhmann and Theuvsen, 2016; Manowong and Ogunlana, 2010; Rana et al., 2008). Some companies may collaborate with competitors to mitigate the issues or avoid a risk of exacerbating them (Hospes et al., 2012). Some firms form a partnership with NGOs, governments and societal organization to access the demands and negotiate about actions and

practices (Dentoni and Peterson, 2011; Luhmann and Theuvsen, 2016). Therefore, it would be interesting to gain insights how the agrifood companies manage diverse societal expectations of their stakeholders via CSR in continuously changing environment and how their internals provide the support.

2. LITERATURE REVIEW

2.1 Stakeholder orientation

2.1.1 Stakeholder

Stakeholders are persons or groups that have ownerships, right, or interest in an organization in which they can influence or get influenced by the organization's activities (Clarkson, 1995; Freeman, 1984). These stakeholders may either have potential threats or benefits to the firm' achievement (Donaldson and Preston, 1995). Clarkson (1995) categorized the stakeholders into two: primary and secondary. Primary stakeholders have a direct stake to the organization's achievement as they bear some risks in investing capital and resources to value creating activities (Clarkson, 1995). The organizations should manage observations and participation level of these stakeholders because their contributions are voluntary; without them, the organizations cannot survive over time in the marketplace (Clarkson, 1995; Helfat and Peteraf, 2014; Hill and Jones, 1992). These stakeholders can be known as owners of capital, resource providers and risk owners. Examples are shareholders, customers, employees, suppliers and financial institutes (Clarkson, 1995; Mitchell et al., 1997). For secondary stakeholders, they are those members who involve with the organizations in non-economical means, such as local communities, interest groups and media (Leun and Olomolaiye, 2010). This group of stakeholders is not essential for the survival, but can raise the public awareness and concerns in favor of, or in opposition to, corporates' objectives (Clarkson, 1995).

Mitchell et al. (1997) added to the stakeholder theory by asking "Who and what are really count?". After identifying stakeholders, organizations should recognize who matters; whose actual or potential claims require attention. Mitchell et al. (1997) proposed salience of the stakeholders is based on an extent of power, legitimacy and urgency of their claims to influence the organizations. One can be more critical than another. Power is defined as a degree of capacity of stakeholders to exert a force to the companies to impose wills on actions (Mitchell et al., 1997; Salancik and Pfeffer, 1974). The power can be in three means: coercive (physical force), utilitarian (material resources), and normative (symbolic influence) (Etzioni, 1964). Legitimacy implies as a perception of the organizations that actions of stakeholders are desirable or appropriate within their norms, values, and belief (Mitchell et al., 1997; Suchman, 1995). Lastly, urgency is a degree to which the claims of stakeholders require an immediate response and this is under two conditions: (1) delayed attention is unacceptable to the stakeholders and (2) the claims are critical to stakeholders (Mitchell et al., 1997). Of these, the stakeholders that which perceive to be salient should get prioritization whereas others should be actively managed (Greenley et al., 2004). Neville et al. (2011) claimed that understanding stakeholder salience guides prioritization process and best relationship management.

2.1.2 Stakeholder management

According to stakeholder theory, it shows roles of stakeholders on organizational achievement and also explains an importance of incorporation of stakeholders' issues into strategic planning and processes (Freeman, 1984). The companies need to ensure their stakeholders are kept satisfied as well as have positive attitudes toward them (Chinyio and Olomolaiye, 2010). However, in practice, persistent balancing these demands is difficult and challenging (Galbreath, 2012; Jamali, 2008; Vos and Achterkamp, 2006). The organizations

have a long list of stakeholders with different stakes and different conflicting interests. Different degree of salience also determines different practices needed. The stakeholders may also place a sudden demand and exert the power to influence the firms (Chinyio and Olomolaiye, 2010). Hence, managing stakeholders should be done to encounter these effects.

Stakeholder management is activities of organizations aim to compromise multi-faceted stakes of various stakeholders in a timely and coordinated manner (Chinyio and Olomolaiye, 2010). The process involves with identifying and prioritizing; managing open communication; facilitating both initial and subsequent engagement; developing the strategies and implementing them (Chinyio and Olomolaiye, 2010). The stakeholder management steers a management focus and channel the best allocation of limited resources to serve the stakeholders (Cantrell et al., 2015; Chinyio and Olomolaiye, 2010). The salient stakeholders are motivated to support the organizational success or minimize negative influences (Chinyio and Olomolaiye, 2010). The lesser important stakeholders are actively managed with an optimal management effort (Grimble and Wellard, 1997; Manowong and Ogunlana, 2010). Adding to this, an appropriate level of management is required to serve each stakeholder. There are primarily four participatory levels, including Inform, Consult, Involve and Collaborate (Manowong and Ogunlana, 2010).

Inform: It is suitable for stakeholders who have low influence and importance. The companies have to give information about its decision and course of actions. This is commonly done through one-way communication, such as press release, announcement and position statements (Western and Pacific Child Welfare Implementation Center, 2013).

Consult: Stakeholders with higher influence but lower importance need to be kept on board. The organizations ask for consultations about their decisions, seeking input and feedback for changes. The information about stakeholders' concerns and current condition are collected as well.

Involve: In this level, it includes stakeholders such as firm's employees, suppliers, and board members, that are classified in a group of high importance and low influence. These stakeholders employ their skills and expertise, engaging in making decisions and carrying out the organizational processes. The interests need to be consistently understood and satisfied.

Collaborate: Stakeholders are the key players with high importance and influence, and they have their own development and implementation processes. The companies set up a partnership based on shared goals (Western and Pacific Child Welfare Implementation Center, 2013). This is to ensure a support and gain mutual benefits from acting together. This type of engagement is achieved in a longer period, requiring greater effort and commitment than others.

2.2 Dynamic capabilities for stakeholder orientation

2.2.1 Dynamic capabilities

Resource based and action based views are not adequately explained how organizations can retain the success in a dynamic environment (Eisenhardt and Martin, 2000; Mintzberg et al., 2003). The organizations experience fast-paced changes in consumer demands, technological innovations, competitor activities and policies. The external environment is ambiguous and complex that which opportunities are difficult to be identified and captured. The organizations have a difficulty in anticipating future as the changes have a less consistent pattern for the organizations to easily tune to (Davis et al., 2009). Under these circumstances,

there is an emergence of a new concept 'dynamic capabilities'. Many scholars tried to speculate it through different perspectives and attitudes, but largely it is agreeable to two concepts of Teece et al. (1997) and Eisenhardt and Martin (2000). Teece, et al. (1997) explained dynamic capabilities as an ability of an organization to sense and seize new opportunities and reconfigure its organizational skills, resources and functional competences. The organization then generates new value creating strategies that responds simultaneously to rapidly changing environments. Eisenhardt and Martin (2000), however, viewed the capabilities as a set of specific processes across firms that allows quickly gaining new knowledge and producing adaptive but unpredictable outcomes. This includes activities such as experimentation, real time information, cross-functional system and intensive communication. In essence, the capabilities prevent the organization to become stagnant, restricted to dysfunctional routines and habitual responses (Helfat et al., 2009; Newey and Zahra, 2009; Teece et al., 1997). Possessed resources and capabilities are recombined to align with external changes whereas the organization can sustain competitive returns in long term (Eisenhardt and Martin, 2000; Helfat et al., 2009; Teece, 2007).

2.2.2 Dynamic capabilities for stakeholder orientation

The dynamic capabilities exist in many forms and each of them serves for different purposes (Helfat et al., 2009). The change influences on routines and processes in different parts in an organization, and this includes stakeholder management activities. With a passage of time, the organization faces a challenge in addressing changing demands or expectations of stakeholders, caused by globalization, political intervention and change in social conditions (Chinyio and Olomolaiye, 2010; Luhmann and Theuvsen, 2016). A degree of salience and power of stakeholder is not static whereas the stakeholders can bring a surprise at any point of time and ask for a response instantly (Chinyio and Olomolaiye, 2010). The organizations hence have to regularly access and monitor current and future societal demands. Choices and relationships in coalitions should be adjusted to prevalent circumstances, whereas established platforms are readily adaptive to the environment (Chinyio and Olomolaiye, 2010; Wu et al., 2012).

Dentoni et al. (2012, p.6) introduced a concept of 'Dynamic Capabilities for Stakeholder Orientation', which refers as capabilities that 'allow an organization to adapt to changing environments' in accordance to multistakeholders' pressure and interests. It is consisted of four main sets of activities: (1) sensing, (2) interacting with, (3) learning from, and (4) changing based on stakeholders (SILC) (Dentoni et al., 2012). Table 2.1 summarized the description of SILC

Table 2.1: The description of SILC. Source: Dentoni et al. (2012)

Dynamic capabilities for stakeholder orientation	Description
Sensing stakeholder	The ability of identifying both existing and potential stakeholders and understanding their needs and demands; recognizing conflicting views among multiple stakeholders, their dynamics and the changing nature of their requests; assessing stakeholders' (tangible and intangible) resources and capabilities; finding and processing information about their stakeholders to evaluate new opportunities for collaboration

Interacting with stakeholders	The ability of initiating, developing, establishing, and strengthening ties with stakeholders; and assessing, developing, and adapting effective formal or informal mechanisms to achieve short term and long term goals together with both current and new stakeholders
Learning from stakeholders	The ability of acquiring, assimilating, and transforming knowledge from stakeholder; establishing adaptive procedures and routines that incorporate and codify knowledge from stakeholders into organizational practices and processes.
Changing based on stakeholders	The ability of using knowledge from stakeholders in organizational operations and strategies; reformulating organizational structure and shifting organizational culture based on stakeholder interaction; co-creating different types of innovation, such as product and process innovations, with stakeholders; re-deploying organizational resources and capabilities based on changing stakeholders' advice and pressure

The dynamic capabilities for stakeholders assist a continuous assessment of stakeholders' demands and addressing in timely manner (Dentoni et al., 2012). The organizations can gain a sustained competitive advantage since the capabilities are effective sense-making devices, resource recreations, differentiators to competitors, and barriers to imitation (Selsky and Parker, 2010; Teece et al., 1997). Besides, it was also argued that co-creation of these capabilities and cross-sector stakeholder partnerships enhance the role in solving the sustainability issues (Dentoni et al., 2012).

2.3 Organizational adaptability

Dynamic capabilities are embedded in routines and processes, evolved from mechanisms of learning and investment (Maritan and Brush, 2003; Teece et al., 1997; Zollo and Winter, 2002). Their functions lie in processes such as opportunity recognition, resource allocation, and other specific tasks (Helfat et al., 2009). This suggests that the internal infrastructure is a predictor of efficiency in development and deployment of capabilities (Eisenhardt and Martin, 2000; Helfat et al., 2009). The organizations should establish internal processes with high adaptability to facilitate the dynamic capabilities (Eisenhardt and Martin, 2000). The system can over time be re-orchestrated to fit with the external environment, which allows firm to achieve controllability, efficiency and competitiveness (Mott, 1971; Verdú and Gómez-Gras, 2009; Volberda, 1996). It has been a business imperative to prosper in a long term (Davidson, 1999; Nandakumar et al., 2014). In research of Eisenhardt and Brown (1997), they proposed three characteristics of structures and processes that possess the organizational adaptability: semistructure, low cost probing and link in time.

2.3.1 Semistructure
The first feature to form a continuously changing organizations is semistructure, a limited structure combined with an extensive communication (Eisenhardt and Brown, 1997). Structure, itself, is one of the determinants that controls how the organizations deal with changes and foster continuously innovations (Merrifield, 2000). Mechanistic structure, highly structured mechanism, aids in control of change efficiency. Well grooved routines contribute

to reliable, rapid and smooth management (Davis et al., 2009). However, the organizations use past routines to operate and focus only on a narrow range of opportunities. This leads to misalignment with changes and decline on efficiency improvement (Eisenhardt and Brown, 1997; Davis et al., 2009). On the other hands, organic structure, loosely structured mechanism, provides flexibility and improvisation to adapt to change, but it also risks of chaos and confusion because only thin attention is spread to each opportunity (Eisenhardt and Brown, 1997; Davis et al., 2009). Moreover, too high flexibility and improvisation may cause error catastrophe. A lot of actions have been done to deal with changes but few of them are efficient and correct to lead to adaptation success (Davis et al., 2009). Table 2.2 collects positive and negative points, regarding change management, of these two types of organizational structures.

Table 2.2: Positive and negative points of two different organizational structure regarding change management (own elaboration)

Structure			Reference
Highly structured (Mechanistic)	Positive	➢ Efficient execution of limited number of anticipated opportunities ➢ Smooth and rapid routines to bring off similar opportunities	Eisenhardt, 1989; Davis et al., 2009
	Negative	➢ Trap organizations to few opportunities ➢ Slow response to a dynamic environment ➢ Lack of empowerment to initiate change ➢ Limit information flow	Davis et al., 2009; Willem and Buelens, 2009
Loose structured (Organic)	Positive	➢ Flexible to react to a wide range of possible opportunities ➢ Enhance capacity for improvisation and creation of new competencies	Weick, 1993; Davis et al., 2009; Martínez-león and Martínez-garcía, 2011
	Negative	➢ Lack of efficiency in execution ➢ Attention consuming and ➢ Mistake prone process - too few correct actions to succeed	Weick, 1976; Weick, 1993; Eisenhardt and Brown, 1997; Hatch, 1998;

As proposed by Eisenhardt and Brown (1997), the limited structure compromises negative points of two types of structures. It lies in a continuum between mechanistic and organic structures. When facing the change, the limited structure allows the organizations to be sufficiently rigid to coordinate and improve efficiency of its processes. Yet, the organizations are flexible enough so the internal change can occur (Davis, et al., 2009; Eisenhardt and Brown, 1997). Responsibilities, priorities and meetings are predetermined to constraint actions and behaviors of organizational members. Besides, the actual design processes are left open to be created. Managers and employees have an accountability and confidence to deal with the situation (Dievernich, et al., 2015; Eisenhardt, 1989; Eisenhardt and Brown, 1997). It allows more improvised action adaptively to a flow of opportunities. Limited structure, therefore, may enable the organizations to hold a high performance in high velocity environment (Davis et al., 2009).

Extensive communication is another characteristic of semistructure. It is a mediating process, which facilitates coordination between employees, departments and groups within the organization to get aligned and give supports to achieve common goals. This can be through different means i.e. project communication, cross project communication, frequent formal meeting, and written status reports (Eisenhardt and Brown, 1997). From a work of Nonaka

(1994), communication drives a knowledge management process, including knowledge acquisition, assimilation and transformation and this may contribute to adaptively change to the dynamic environment. Figure 2.1 demonstrates the mechanisms of the contributions.
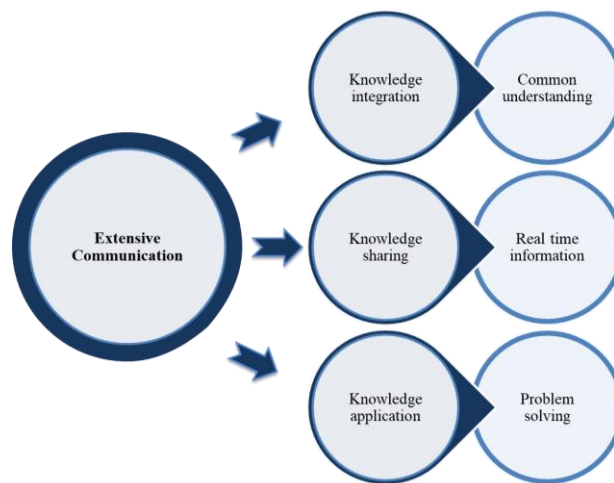
Figure 2.1: The contribution of extensive communication (own elaboration)

First, the extensive communication can contribute to knowledge integration. It provides a channel to connect organizational members together and create a rich exchange among them. Specific area of knowledge, ideas and perceptions are pooled into a dialogue (Alavi and Tiwana, 2002). The individuals can assess an array of knowledge and have a shared understanding with others on the topics (Tushman and Scanlan, 1981; Roome et al., 2006). In turn, it minimizes the risk of incomplete understanding, misconception and information loss (Tushman and Scanlan, 1981). Moreover, the extensive communication can help to bridge structure holes and knowledge flow gaps (Burt, 2004). It integrates diverse knowledge and creates a common understanding on task issues (Tushman and Scanlan, 1981). In individual level, organizational members have deeper knowledge and see a larger picture of task issues (Crossan et al., 1999; Isaacs, 2000; Roome et al., 2006). As a result, the common understanding can facilitate future acquisition and interpretation of knowledge. The organizations then can quickly reconfigure themselves and adapt to change.

Second, the extensive communication is a source of knowledge distribution among individual and functional units. It allows the knowledge to be transferred to where it is needed and can be used (Huber, 1991; Alavi and Tiwana, 2002). With the high intensity of communication, the individuals receive timely information, which alerts them to what is happening now (Eisenhardt and Martin, 2000; Vera and Crossan, 2005). They can rapidly understand the situation and adapt to it promptly.

Lastly, extensive communication involves social interaction of people in a coordinated manner. It can be as brainstorming, negotiation, planning and discussion. The individuals apply knowledge and expertise to bring creative solutions to solve the problem (Fong, 2006). More involvement of people provides more varied interpretations and higher chance to generate problem solutions for the organizational change (Huber, 1991). This is especially from cross-functional teams that have unique arrays of expertise, in which it can lead to superior performance (Eisenhardt and Brown, 1997).

2.3.2 Low cost probing

The second characteristic for developing organizational adaptability is that the organizations routinely develop low cost experimentations to probe into unpredictable future. These experiments explore different sources of knowledge and allow the organizations to quickly learn about the future. There are two forms of probes: direct (experimental product and strategic partnership) or indirect (futurists and frequent meeting) experiences, in which they are nearly no cost that managers have to afford to create more. As a result, the organizations will have a sense of future and create different options to readily response to the change. The probes can allow them to anticipate and create the future as they desire (Eisenhardt and Brown, 1997). Research of Eisenhardt and Brown (1997) indicated the companies without any of these tactics end up with catching up the change and missing a lot of opportunities. Eisenhardt and Martin (2000) also claimed that these tools are supported the deployment of dynamic capabilities.

2.3.3 Link in time

'Link in time' is the third key characteristic of successful companies in adaptation to the volatile environment. This feature implies that the organizations should not put all attention to only a current project. Instead, they need to work on a new initiative in parallel with a time-paced transition procedure. The transition management provides a framework to think and debate about ongoing changes. Managers and employees can have a better understanding on dynamics and try to make coordinated actions to bring up their pace and direction of the new project to deal with changes. This, therefore, minimizes the risk of struggling in aimless project, delays and inefficiency. Additionally, the organizations will have renewed focus, ambition and enthusiasm to re-orient or transform organizational structure, processes and culture, which offers the organizational adaptability or even a change venture for the enterprise (Eisenhardt and Brown, 1997). In CSR context, due to uncertain and ambiguous societal challenges, the organizations may face difficulties in developing vision and direction toward CSR transition. Link in time can accommodate and facilitate on seeking a guidance and contribution to a new phase of CSR. Added value can be created for business as well as society in a long-term. Loorbach and Wijsman (2013) developed a CSR transition procedure in a cyclical process of interlinked activities, as shown in figure 2.2. It consists of four main stages: strategic envisioning, tactical networking, operational innovation, and reflexive monitoring and evaluation.
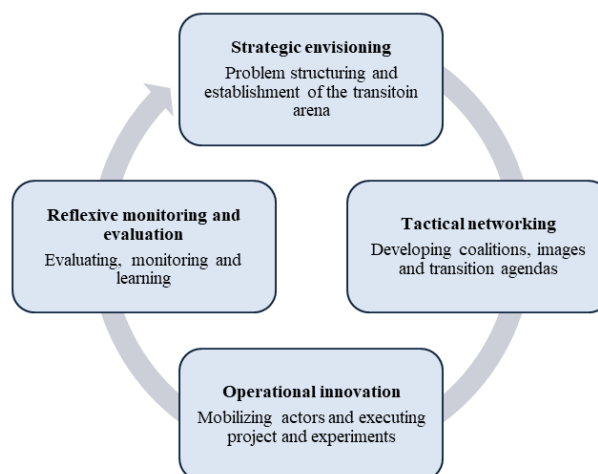
Figure 2.2: Transition management cycle (Loorbach , 2007).

Strategic envisioning: identify present and possible future societal problems and frame to one of which the organizations want to contribute to. To reach a decision, the organizations need to dialogue with diverse stakeholders and broader societal context to make sense from different points of view of the affected people. They evaluate their disposition as well as business impacts and negotiate whether and what to change within the organizations. The future strategy is developed through opinion making, visioning and politics. Individuals who operate this should be strategic thinker, open-minded and self-reflected.

Tactical networking: set up the coalitions and networks related to CSR issues to support the objectives and intermediary goals at the level of subsystem. Loorbach, et al., (2010) stated the organization may create a space for experimentation on their inter-organizational collaborations and on development of new business models i.e. by questioning existing routines.

Operational innovation: establish and carry out a recreation or change on system structure. Its potentials and contributions to everyday practice are evaluated. The organizations can identify the barriers for implementations and solutions to overcome them.

Reflexive monitoring and evaluation: access the performance at various levels through debate, structured evaluation, assessment of societal issues. Any dysfunctional action or process is determined continuously, whereas the organizations can make the adjustments on their vision, agenda and coalitions.

The link in time, therefore, allows the organizations to develop a shadow track beside the ongoing project. The organizations proactively develop structural change and strategy for the future to deal with changing CSR challenges.

2.4 Individual competencies for CSR

Linked from organizational adaptability section, routines and capabilities are a path for organizations to adapt accordingly to a volatile environment; but human beings are the actual ones who act to make it possible. It is up to them to decide whether to stay against or take a control of change. Executives and employees have a hand in every part of adaptation processes occurred in the enterprise. It ranges from initiation, management, to implementation (Caldwell, 2003). Hesselbarth and Schaltegger (2014) stated people are key changing agents and crucial in development of necessary adaptability of the organizations. Regarding to macro-context, individuals are linked to organizations' resources and capabilities, providing firm level outcomes and performances. They are the profound basis of the firms. However, the firm level research ironically tend to take less focus on the individual level factors (Felin and Foss, 2009; Felin et al., 2015; Gavetti et al., 2007). Heterogeneity of individuals has been neglected while some researches claimed studies on this microfoundations were unnecessary (Felin and Hesterly, 2007; Hodgson, 2012). Felin et al. (2015) argued that understanding of the individual factors can provide insights and reasoning to explain macro outcomes and theories. The firm-level and institution-level works can become more rigorous. It is insisted that individuals are different and contribute to unique source of organizational capabilities (Henderson and Clark, 1990; Rothaermel and Hess, 2007). Therefore, there have been calls for more micro-level research, in which a lot of opportunities are yet to be explored (Aguinis and Glavas, 2012; Felin et al., 2015).

In CSR context, individuals are showed to have roles and influences on strategic and operational processes. To promote effectiveness and achievement in performance, employees should possess suitable and specific competencies, which are developed continuously through time, experiences, and challenges (Moran and Brightman, 2000; Roe, 2000). The competence is defined as a person's ability to perform a specific job and allow the achievement in a corporates' goal (Mulder, 2001; Spencor and Spencor, 1993). This includes accumulation of knowledge, (cognitive, interactive, and affective) skills, attitudes and values (Felin et al., 2012; Mulder, 2001). The organizations use competence to screen job applicants as well as access employees' performance (McClelland, 1973; Russell, 2001; Spencor and Spencor, 1993). Many research studies identified the individual competences for CSR process. Works of de Haan (2010) Rieckmann (2012) Wiek et al. (2011) emphasized on the competencies in sustainability development for academic purpose. Dentoni et al. (2012) provided seven competences for professionals who are actively involved in dealing with sustainability. The list was obtained from literature review and focus group discussion with educational institutes. Alternatively, Osagie et al. (2016) combined the competencies from both managerial and educational literature, complementary with twenty-eight interviews with CSR directors and managers. The list of competencies was constructed and developed under interrelated four domains: cognition-oriented competence domain, a functional-oriented domain, a social-oriented domain, and a meta-oriented competence domain.

Cognition-oriented domain: the conceptual elements of competence e.g. cognition, knowledge, and understanding (know-why)

Functional-oriented domain: the operational elements of competence e.g. job-related skills and know-how.

Social oriented domain: possession of the competence in interacting with others or getting along with others, which facilitates the operation effectiveness.

Meta-oriented domain: concerned with individual's characteristics and values e.g. reflection and learning to learn, that support the development of other competence domains.

As a result, there are eight competencies underlying in five domains, including:
1) Foresight Thinking
2) Systems thinking
3) Instrumental understanding
4) CSR Management Competences
5) Interpersonal competencies
6) Personal attributes and attitudes
7) Personal value-driven competencies
8) Reflection competences

These competencies are further elaborated in table 2.3.

Table 2.3: CSR competencies. Source: (Osagie, et al., 2016)

Competences	Definition
Cognition-Oriented Competence	
1. Foresight Thinking	"The CSR professional must be able to mentally construct scenarios to describe how CSR-related challenges will develop in the future and how these challenges might affect the company. The definition includes the ability to think critically and anticipate potential consequences for future local and global CSR related challenges of decisions made by the company today."

2. System Thinking	"This includes the ability to mentally visualize, understand and analyze complex dynamic systems and issues across different dimensions and temporal scales of CSR-related issues. This suggest that when addressing CSR challenges CSR professionals need to be able to identify relevant systems and subsystems and understand and reflect upon their interdependencies. Moreover, CSR professionals must be able to evaluate the implications of solutions to CSR challenges on those systems."
3. Instrumental understanding	"When faced with CSR challenges, CSR professional must understand how to apply and cope with important industrial, national and international regulations such as collective industrial standards, integrity pacts, and political processes. In addition to these legal aspects, CSR professionals must also understand social drivers and normative fundamentals of CSR challenges. Moreover, they must have the ability to construct functional rules (e.g. a code of conduct) and incentives in order to regulate the CSR-related behaviors of others."
Functional-Oriented Competence	
4. CSR Management Competencies	"This includes the ability to translate strategy into concrete actions and correct misuse and pitfalls of the CSR concept. It also includes the ability to plan, implement, and manage projects, decisions, and strategies that support CSR. Moreover, CSR professionals must take responsibility for their company and society, take action despite inconclusive evidence, build critical alliances, develop and apply solutions to practical, logical and CSR-related problems, raise funds, write CSR-related reports and proposals, and present results."
Social-Oriented Competence	
5. Interpersonal competencies	"This includes the ability to motivate, enable and facilitate collaboration and cooperation in working on CSR challenges. CSR professional must: be persuasive; network (locally and globally); be able to identify a broad group of stakeholders; have good communication and networking skills; and work well in multidisciplinary and multi-cultural collaborations. Moreover, CSR professionals must successfully manage, negotiate, and represent their company's interest while showing respect, navigating and mapping distinctive ideas and inputs of stakeholders."
Meta-Oriented Competence	
6. Personal attributes and attitudes	"These attributes are the basic ingredients of an employee's actions. CSR professionals must be ethical, empathic, committed, enthusiastic, creative, open-minded, flexible, patient, persistent, and pragmatic in their work."

7. Personal value driven competencies	"The CSR professional is convinced of the urgency of CSR challenges and is intrinsically driven (i.e., intrinsic motivated) to address these challenges. This competence involves the ability to apply one's personal ethical standards and values while assessing CSR-related issues. This competence is functionally oriented and includes the ability to strike a balance between idealism and pragmatism. Thus, the CSR professional must have the adaptive capacity to pursue both financial objectives and CSR objectives without losing sight of (or overstepping) his/her personal ethical boundaries and values. This competence involves the ability to apply one's personal ethical standards and values to CSR implementation. The CSR professional feels personally responsible for behaving ethically and assumes this responsibility. The CSR professional is actively involved in the implementation of CSR by being action-oriented and decisive; the CSR professional also serves as a role model for others by performing CSR-related activities. This competence is functionally oriented and is interpreted in practice as the congruence between what you stand for, what you say, and what you do."
8. Reflection competence	"This includes the ability to recognize and challenge one's own prior ideas, habits and assumptions, as well as to construct meaning from this self-evaluation. Thus, CSR professionals must use a self-evaluative and self-learning approach when working on CSR challenge."

For cognition oriented domain, studies identified its contributions to dynamic capabilities and impacts on strategic change of the organizations i.e. new opportunity delivery and improvement on organizational processes (Hodgkinson and Sparrow, 2002; Helfat and Peteraf, 2014). It was claimed that the individuals use their conceptual element to direct mental activities such as perception, attention and logic and reasoning (Hodgkinson and Sparrow, 2002). In turn, this influences the acquisition and processing of the information in the individual level as well as organizational level (Huber, 1991; Helfat and Peteraf, 2014).

Attention: indiviudals expose to different stimulus but are able to put a focus on relevant information (Kosslyn and Rosenber, 2006). This can facilitate the orgnaization to detect and create opportunities, builiding sensing capabilites (Helfat and Peteraf, 2014).

Perception: it involves with pattern recogntion and interpretation of data in individual's mental mind (NAMHC, 1996; American Psychological Association, 2009). This can affect to the interpretation of information from environment to recognize and create organizational opportunity, as well as the speed to do so (Baron, 2006; Helfat and Peteraf, 2014).

Logic and reasoning: the cognition element forms logic and reasoning which individuals use them to develop option and make a decision (Gazzanig et al., 2010; Helfat and Peteraf, 2014). This can aid orgnanization in solving problem as well as seizing opportunities (Stanovich, 2009; Helfat and Peteraf, 2014).

Besides, the work of Helfat and Peteraf (2014) also mentioned about social cognition capability or interpersonal competencies. It was claimed that the competence support the reconfigration capability of the organization. The individuals can use their language and communication skills to convince and encourage others to understand and align on the changing conditions (Barnad, 1997; Teece and Pisano, 1994). They foster the cooperation and overcoming organizational resistance to change (Helfat and Peteraf, 2014).

3. CONCEPTUAL FRAMEWORK

In this section, theoretical sections 2.1-2.4 were synthesized and integrated to a research relationship, as shown in Figure 3.1. The conceptual framework displays how main research domains (individual competences, organizational adaptability and dynamic capabilities for stakeholder orientation). and variables in this study are hypothetically related. In CSR practice of agrifood sector, the individual competences of CSR are expected to be underlying constituents for organizational and dynamic capabilities for stakeholder orientation, whereas the organizational adaptability is expected to be a mediating variable between two constructs.
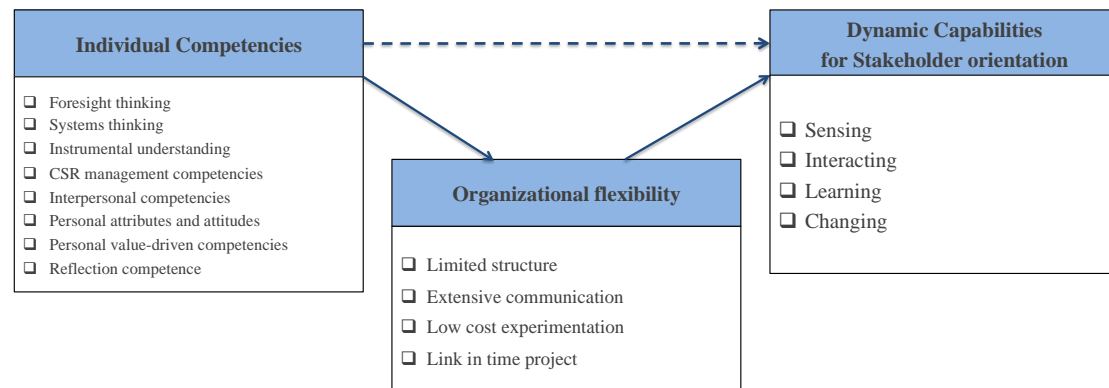
Figure 3.1: The conceptual framework of the study

Accordingly, hypotheses are formulated from the conceptual framework to answer three prescribed sub-research questions in Section 1.3. The first sub-question is involved with the relationship between competencies of professionals and organizational adaptability. Each competence is tested equally important since Osagie et al. (2016) do not provide any insight into which competence is more relevant than others.

Hypothesis 1: Some, if not all, individual competencies are correlated to firm's ability to maintain a limited amount of structure.

Hypothesis 2: Some, if not all, individual competencies are correlated to firm's ability to maintain extensive communications.

Hypothesis 3: Some, if not all, individual competencies are correlated to firm's ability to conduct low cost experimentation to probe the future

Hypothesis 4: Some, if not all, individual competencies are correlated to firm's ability to manage a transition process between current and future project seamlessly.

The second sub-question looks into the relationship between organizational adaptability and dynamic capabilities for stakeholder orientation. The company that possesses the organizational adaptability is expected to be more adaptable to changing demands of multistakeholder. There are four hypotheses.

Hypothesis 5: The limited structure contributes to the better dynamic capabilities for stakeholder orientation

Hypothesis 6: The higher amount of communication within organization contributes to the better dynamic capabilities for stakeholder orientation.

Hypothesis 7: The more low cost experimentation to probe future in the organization contributes to the better dynamic capabilities for stakeholder orientation.

Hypothesis 8: The company manages transition processes between current and future project contributes to the better dynamic capabilities for stakeholder orientation.

The last sub-question is about a direct relationship between individual competencies and the dynamic capabilities for stakeholder orientation. This can indicate that which competencies relate to organizational capabilities and show the similarity and difference of competencies that bring firm's adaptability.

Hypothesis 9: Some, if not all, individual competencies are correlated to the firm's dynamic capabilities for stakeholder orientation.
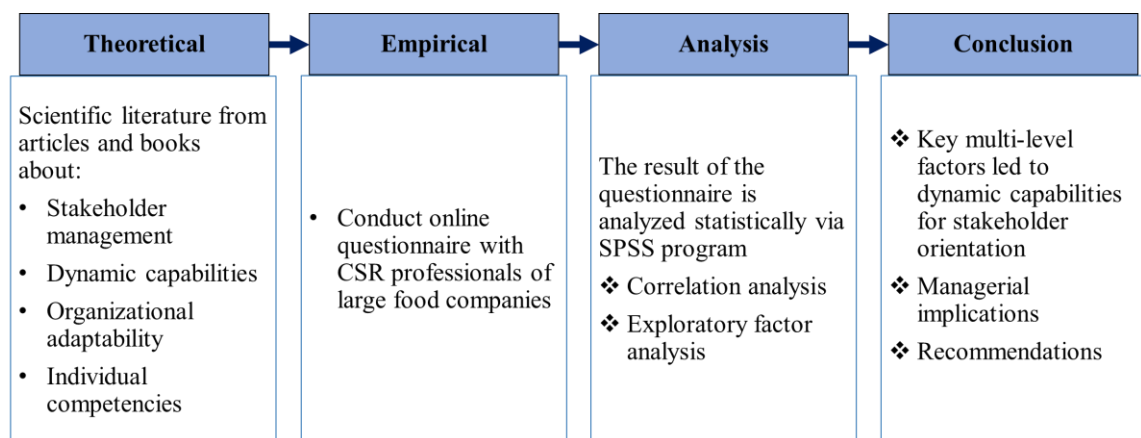
4. RESEARCH DESIGN

4.1 General research design

The aim of this research is to investigate the relationships between individual competencies, organizational adaptability and dynamic capabilities for stakeholder orientation. Nine hypotheses drawn from literature, in section 3, were put into empirical test. The online questionnaire was used as a research instrument to gain the evidence in uniform information and generalized across sample population. The items were in likert-type scale (one to five or seven structure of the response) easy to be compared and quickly analyzed. The questionnaire is in appendix I. Accordingly, the findings help to draw the conclusion and indicate the validity of the nine hypotheses. Further, in this section, the method of data collection and analysis, including sample criteria and scale development, will be described and explained.

4.2 Research framework

The general research framework is presented in figure 4.1

Theoretical	Empirical	Analysis	Conclusion
Scientific literature from articles and books about: • Stakeholder management • Dynamic capabilities • Organizational adaptability • Individual competencies	• Conduct online questionnaire with CSR professionals of large food companies	The result of the questionnaire is analyzed statistically via SPSS program ❖ Correlation analysis ❖ Exploratory factor analysis	❖ Key multi-level factors led to dynamic capabilities for stakeholder orientation ❖ Managerial implications ❖ Recommendations

Figure 4.1: The research framework of the study

4.3 Method of data collection and analysis

4.3.1 Sample selection

Samples were selected based on following inclusion criteria. First, respondents were CSR professionals, or more broadly, professionals engaging with multiple external stakeholders. Second, they were working in a large food and beverage organization in European Union (EU) countries, employing at least 250 people. The reason was that the large companies tend to involve with a higher number of stakeholders and have high visibility to the public. The capabilities and investment in stakeholder management thus, are more extensive. Additionally, limiting to only one-size company benefits the comparison across companies since CSR strategic and organizational systems are comparable and they face similar sustainability problems and complexity (Veldhuizen, et al., 2013). On the other hand, the focus was only in EU countries. Within this region, it has been long evidenced on its interest in CSR and consistent in CSR values, norms and perception than other parts of the world (Schuman and Mullerat, 2013). The European Commission also supports and encourages

business contribution and responsibility on social, environmental, and ethical and human rights issues. Moreover, it was convenient for data collection and more feasible.

4.3.2 Construct of the questionnaire
The final online questionnaire contains 90 questions, which can be divided into three sections.
Section 1: Introduction
This section was designed to give information about the purpose of the study and definitions of some terms to create a shared understanding. The respondents were notified that their responses were voluntary, confidential and anonymous; the data would be used only in aggregated form and individuals could not be identified. The estimated time taken for completion was stated and also the statement 'There is no right or wrong answer' was mentioned to encourage the respondents to response the survey.

Section 2: Demographic information and screening questions
The general information of the respondents including gender and age were recorded. There were four questions used to identify the response eligibility, as shown in table 4.1. This was to overcome the limitation of an online questionnaire and ensure that only data from respondents aligned with sampling criteria were collected.

Table 4.1: Screening question in the questionnaire

Question	Eligibility
In which country is your primary headquarters located?	Only EU countries
How many employees are currently employed at your company	250 or more – large organization
Are your job tasks strategically or practically involved with CSR activities of your firm?	Involved with CSR activities of the organization
Which type of CSR initiatives best describe those your firm was active in the last year?	Organization participated in activities related to CSR

Section 3: Construct
This part is the most crucial part since the data would be used for assessing the relationship of this research. The multi-items of each main construct were developed from literatures.

Individual competencies
Competencies of individual are abstract attributes and thus require a set of items to reflect their characteristics. According to the definitions provided by Osagie et al. (2016), 45 sub-questions were developed.

Organizational adaptability
For the organizational adaptability, measures of the construct were taken from Koberg et al. (2003) that developed them to empirically test firm's adaptability in the context of firm's propensity to innovate. The measures provided the same prospected result and were constructed based on the work of Eisenhardt and Brown (1997), which is the ground research of this study.

Dynamic capabilities for stakeholder orientation
Lastly, the measures of dynamic capabilities for stakeholder were deductively developed from SILC definitions of Dentoni, et al. (2012) in table 2.2, section 2.2.2. This approach allows the

measures to be worded consistently to the construct, capturing specific domain of interest and ensuring the content validity (Hinkin, 1995; Hinkin, et al., 1997).

4.3.3 Data collection

The questionnaire was published online through WUR Qualtrics. A link provided by the platform, together with the objective of the study, was sent to emails of potential respondents to access it and respond. The follow-up process was done by email and phone call. A good advantage of online platform is that it enables randomization of the questions, which minimizes the potential of response bias. As a result, the survey was sent out to 500 participants in total, in which the return response was 58 accounted for 11.6%. The screening questions allowed only eligible respondents to partcipate. From 58 return response, 14% were not eligible. 16 participants later quited and therefore the final number of respondents was 34 for which was eligible and completed the survey - 6.4% response rate. The table 4.2 summarizes the number of responses for each step of data collection. To conclude, there are considerable number of non response. Some number of respondents were screened out and some did not complete the survey.

Table 4.2: Response of respondents

	Number
Distribution	
Number of potential respondents	500
Return response	58
Screening	
Eligible response	50
Fully completed response	34

In this research, it provided three demographic information: gender, age, primary headquarter the respondents was located. Return responses were male 75.9% and female 24.1%. Half of the respondents were 50 and above. The respondents' headquarters were mainly located in Netherlands (44.6%) and United Kingdom (32.1%). Moreover, the questionnaire collected the information about the CSR initiatives of the organizations of respondents. It was found that the organizations have involved in various CSR activities. Two highest initiatives that were mentioned were 'efficiency or efforts to reduce/reuse/recycle' (84.5%) and 'reliability, product safety and quality, improved consumer' (82.8%). The respondents also added that their organizations were engaged in minimizing environmental impact (water, energy, CO_2), operating in sustainable practices, supporting sustainable growth and creating value for their suppliers.

4.3.4 Data analysis

The study aims to evaluate the contributions of individual competencies in multilevel within the organizations and, therefore, multi-regression analysis was selected to achieve the purpose of the research. The large sample size is required to give a significant and credible association between variables (Rogelberg and Stanton, 2007). Green (2010) provided a rule of thumb that number of response should be $50 + 8k$ (number of independent constructs). Especially for individual parameter, the sample size should be $104 + k$. Harris (1985), on the other hand, suggested that sample size should be $50 +$ number of variables for five or fewer construct. However, there was a response rate issue. The number of respondents was only 34, less than

recommended value almost half. The interpretation of the results may not represent the true relationships between constructs for the sample population. Additionally, the obtained result will not be able to use for prediction. The correlation analysis was then used to give a rough signal of the relationships that may emerge more robustly with a larger database. The analysis may also provide some guide for the future research.

This type of analysis is a statistical technique used to determine the association of two variables. It is expressed as a correlation coefficient, r, which ranges between -1 and +1. The sign indicates the direction of the association and magnitude indicates the strength of the association. The item data values were averaged and used as an index for each variable of the construct. Then these numbers were analyzed in SPSS software system identifying the relationships among variables of constructs.

There are three main relationships according to research questions:
1. Individual competencies and organizational adaptability
2. Organizational adaptability and dynamic capabilities for stakeholder orientation
3. Individual competencies and dynamic capabilities for stakeholder orientation

The results of the analysis are shown in the matrix of correlation coefficient.

4.3.5 Scale reliability and validity testing

EFA is a statistical analysis used to evaluate the validity of factor structure and individual items. It is suggested that the minimum sample size should be at least four to ten times of the number of items (Rummel, 1970; Schwab, 1980). As the number of items increases, the sample size may be necessary to increase. Similar to regression analysis, there was an influence of small sample size in term of generalizability and replicability. This limits the application of the collected data. However, for EFA, it can be performed to get at least an understanding on the questionnaire items whether it reflects the constructs identified in the literatures and this may help for the future research on developing scales with the larger database.

First the data suitability of each item of the constructs was analyzed by two tests.
1) Kaiser-Meyer-Olkin: this test determines the sampling adequacy. The value should be higher than 0.5 for factor analysis to be useful with the data.
2) Barlett's test of sphericity: it was used to judge the significance of the correlation matrix. The value should be lower than 0.05 for factor analysis to be useful with the data.

If positive results from these following two tests were obtained, the explorative factor analysis (EFA) was preceded. The EFA accesses the performance of the items whether they are appropriately loaded and are sufficient to attribute to one construct. The factors were extracted, giving the factor's Eigenvalue - indicates how much variance of total variance this factor accounts for. The number of factors was then determined based on eigenvalue that was greater than one in accordance to Kaiser criterion. The total variance extract should account for at least 50%. The items were designated to the factor when their factor loading is above 0.5, as an acceptable level (Hair, et al., 2009). Moreover, another parameter that needs to be taken into account is item communalities. The number is considered high if it appears to be greater than 0.8 but it was unlikely to occur in reality (Taherdoost, et al., 2014; Velicer and

Fava, 1998). For social science research, the acceptable communalities are .40 to .70 and therefore, the item with communalities might not relate to other item or need to explore additional factor (Costello and Osborne, 2005). Afterwards, the factors were interpreted and named. Reliability test was performed on each factor to measure the internal consistency of items in reflecting underlying construct and whether the items are coherent and reliable over a repeated administration of the test (Santos, 1999). The indicator of the test is a Cronbach's alpha coefficient value (Cronbach, 1951). It ranges from 0 to 1, where higher number indicates the greater consistency. Bohrnstedt and Knoke (1982) suggested the measures are sufficiently reliable if the alpha is at 0.7 or higher. Lastly, the factors obtained from empirical results were compared with the theoretical constructs and suggestions can be given for future research.

EFAs of organizational adaptability and dynamic capabilities for stakeholder orientation could be run normally in SPSS software. However, EFA of individual competencies could not. The results of the analysis showed only the correlation matrix with the footnote stated, "The matrix is not positive definite" or as known as NPD, whereas outputs such as KMO, Barlett's test of sphericity, rotated component matrix, etc. did not appear. NPD refers to when the eigenvalues are zero or have a negative value in which, in turn, causes the analysis procedure to stop and suppress the presence of other outputs (IBM, 2016). According to (Wothke, 1993), NPD results from different causes. One possibility is sampling fluctuation due to insufficient sample size and this might be a case since the sample size was only 34 but the items tested was 45. The larger dataset is required to evaluate the individual competencies measure. In addition, even though the analysis was achieved, reminding that the sample size was still small to give reliable reference of the measure dimensionality and reliability.

5. RESULTS AND ANALYSIS

5.1 Correlation analysis

5.1.1 Individual competencies and organizational adaptability
The correlation analysis was run to determine the correlation between individual competencies and organizational adaptability. The results are summarized in table 5.1.

Table 5.1: The correlation between individual competencies and organizational adaptability

Measure	Limited structure	Extensive Communication	Low cost probe	Project transition management
1. Foresight Thinking	-0.012	0.323	0.093	**.471****
2. System Thinking	-0.059	0.097	0.041	**.491****
3. Instrumental understanding	0.206	0.332	**.367***	**.437***
4. CSR Management Competencies	**.426***	**.478****	**.401***	**.616****
5. Interpersonal competencies	0.186	**.410***	0.14	**.384***
6. Personal attributes and attitudes	0.225	**.439****	0.189	0.314
7. Personal value driven competencies	0.197	0.259	0.215	**.448****
8. Reflection competence	-0.128	0.145	-0.134	0.133

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

According to the table 5.1, the correlation between CSR management competencies and limited structure is found to be statistically significant, ($r = 0.426$, $p<0.05$). Three individual competencies, namely CSR management competencies ($r = 0.478$, $p<0.01$), interpersonal competencies ($r = 0.410$, $p<0.05$), and personal attributes and attitudes ($r = 0.439$, $p<0.01$), had positive correlation with extensive communication. For low cost probe, instrumental competencies ($r = 0.367$, $p<0.05$) and CSR management competencies ($r = 0.401$, $p<0.05$) are positively correlated with the variable significantly. Lastly, all individual competencies, except for personal attributes and attitudes and reflection competence, are found to be significantly correlated with project transition management.

5.1.2 Organizational adaptability and dynamic capabilities for stakeholder orientation
The correlation between the organizational adaptability and dynamic capabilities for stakeholder orientation was analyzed. The table 5.2 below indicates which organizational characteristics or process may play a role as a predictor to organizational capabilities.

Table 5.2: The correlation between organizational adaptability and dynamic capabilities for stakeholder orientation

Measure	1. Sensing	2. Interacting	3. Learning	4. Changing
1. Limited structure	0.305	0.263	0.28	0.185
2. Communication	0.197	0.277	0.218	0.151
3. Low cost probe	**.363***	**.515****	**.520****	**.428***
4. Project transition management	**.370***	**.536****	**.395***	**.411***

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

Low cost probe and project transition management are shown to have significant positive relationships with four capabilities for stakeholder orientation. The limited structure and communication, however, do not correlate to any of them.

5.1.3 Individual competencies and dynamic capabilities for stakeholder orientation

Correlation analysis was used to examine the relationship between individual competencies and dynamic capabilities for stakeholder orientation. Table 5.3 shows the correlation matrix among individual competencies and organizational capabilities for stakeholder orientation.

Table 5.3: The correlation between individual competencies and dynamic capabilities for stakeholder orientation

Measure	1. Sensing	2. Interacting	3. Learning	4. Changing
1. Foresight Thinking	- 0.039	0.311	0.133	0.109
2. System Thinking	**.446***	**.497****	**.425***	**.436***
3. Instrumental understanding	**.360***	**.705****	**.632****	**.413***
4. CSR Management Competencies	**.500****	**.579****	**.414***	**.360***
5. Interpersonal competencies	**.355***	**.456****	**.398***	0.166
6. Personal attributes and attitudes	0.129	0.324	0.217	0.309
7. Personal value driven competencies	**.348***	**.621****	**.432***	**.360***
8. Reflection competence	0.221	0.27	0.12	0.143

** Correlation is significant at the 0.01 level (2-tailed).
* Correlation is significant at the 0.05 level (2-tailed).

The result suggests that four individual competencies are correlated significantly with all organizational capabilities for stakeholder orientation. Interpersonal competencies correlate with only three excluding changing capability. However, for foresight thinking, personal attributes and attitudes and reflection competence, they do not correlate to any of dynamic capabilities.

5.2 Explorative Factor Analysis (EFA)

5.2.1 EFA of Organizational adaptability

Items of organizational adaptability were subjected to the EFA. The results show that these items can be categorized into five factors, explaining the total variance about 65.58%. The KMO (0.558) and Barlett's test of sphericity (0.000) are at the acceptable level. Table 5.4 summarizes the factor analysis and reliability analysis.

Table 5.4: EFA result of organizational adaptability

Items	Factor loading	Communalities
Factor 1 (Cronbach's α = 0.850)		
Communication is constant (vs. infrequent)	0.803	.669
Project teams up people across different functional expertise to work together.	0.749	.721
There are explicit project priorities.	0.740	.644
Priorities are clear (vs. ambiguous)	0.714	.651
Communication is channeled (vs. chaotic)	0.703	.615
Priorities drive resources always (vs. never)	0.564	.578
When a project ends, my firm has explicit procedures for	0.510	.569

transitioning to new projects.		
Factor 2 (Cronbach's α = 0.815)		
Our attention to the future is constant (vs. chaotic)	0.808	.718
We have several (vs. no) meaningful experimental products and future-oriented strategic alliances	0.805	.722
We extensively (vs. never) use experimentation	0.707	.622
Your firm is considered to be a leader (vs. follower)	0.642	.678
The collective vision of our business is clear (vs. ambiguous)	0.593	.475
Factor 3 (Cronbach's α = 0.739)		
There are formal cross-project meetings.	0.868	.766
There is frequent cross-project communication.	0.77	.680
When an existing project approaches completion, members transit to work on new projects.	0.639	.720
My firm adapts to change with ease (vs. with great difficulty)	0.622	.525
Factor 4 (Cronbach's α = -0.166)		
A project coordinator leads project transitions.	-0.715	.698
New projects are introduced at predictable intervals.	0.711	.648
There is a hierarchy of project managers.	-0.597	.645

Factor 1 is comprised of seven items with factor loadings from 0.510 to 0.803. The communalities of all items are above the acceptable level, 0.4. The items consist of both elements of limited structure (e.g. clear rule and priorities) and extensive communication (e.g. constant and channeled communication). Therefore, this factor is named as 'semistructure'.

The second factor is low cost probe, characterized the organizations that look ahead for future by using probe and experimentation. There are five items with the factor loading ranging from 0.593 to 0.808.

Factor 3 (Cronbach's alpha = 0.739) has four items to describe its characteristics and it can be called as 'cross project management'. The factor loadings and item communality value are higher than 0.5 and 0.4 respectively.

Factor 4 contains three items related to 'project transition management'. However, there is an issue here. It can be seen in table 5.5 that the factor loading of two items are negative and in turn violate reliability model assumption. The items need to be refined.

There are three items that are discriminated from these four factors. Table 5.5 below summarizes the information of factor loading and communalities of each item.

Table 5.5: information of three discriminated items of organizational capabilities

Items	Component					Communalites
	1	2	3	4	5	
A project performance is measured with well-defined metrics.	0.477	0.486				.634
New teams are a mix of old and new team members.					0.643	.679
Our future is based on careful planning (vs. reacting to future development)		0.584			0.609	.771

First, "A project performance is measured with well-defined metrics" does not have a factor loading exceeds 0.5 in any factor. Second, 'New teams are a mix of old and new team

members' is loaded in factor 5. As recommended by Raubenheimer (2004), one factor should have at least three items to have sufficient reliability and/or validity. The item should be reevaluated or additional items should be generated to this item. Lastly, for 'Our future is based on careful planning versus reacting to future development', the item has high factor loadings for both factor 2 and factor 5. Of these, it is required the subsequent research with a large dataset to re-evaluate these items.

5.2.2 EFA of Dynamic capabilities for stakeholder orientation

There were fifteen items developed to measure the dynamic capabilities for stakeholder orientation. The EFA was used to analyze whether these items reflect the construct in the literature. As a result, there were two factors that explain the variance 68.056% The KMO and Barlett's test of sphericity are 0.754 and 0.000 respectively. Table 5.6 summarizes the factor analysis and reliability analysis of dynamic capabilities for stakeholder orientation.

Table 5.6: EFA result of dynamic capabilities for stakeholder orientation.

Items	Factor loading	Communalities
Factor 1 (Cronbach's α = 0.928)		
Redeploy resources and capabilities on the basis of changing stakeholders' advice and pressures.	0.901	.828
Adjust organizational structures and shift the organizational culture on the basis of stakeholder interaction.	0.853	.770
Use knowledge from stakeholders in organizational processes and practices	0.813	.710
Establish procedures or routines to incorporate to codify knowledge from stakeholders into organizational practices and processes.	0.804	.763
Adapt or change formal or informal mechanisms to achieve common goals with existing stakeholders.	0.794	.651
Co-create different types of product and process innovations together with stakeholders	0.751	.632
Develop formal or informal mechanisms to achieve common goals with new stakeholders.	0.636	.531
Acquire and assimilate knowledge from stakeholders.	0.582	.583
Factor 2 (Cronbach's α = 0.902)		
Anticipate stakeholders' needs and demands.	0.854	.761
Recognize how stakeholders' requests change over time.	0.842	.728
Recognize conflicting views among multiple stakeholders.	0.830	.730
Assess stakeholders' resources and capabilities.	0.770	.834
Identify the societal actors that influence and are influenced by the firm.	0.740	.574
Explore new information about stakeholders to evaluate new opportunities for collaboration.	0.677	.629

The first factor has eight items loaded. The factor loading ranges from 0.582 to 0.901. The Cronbach's alpha is 0.928, close to 1, which means it has high consistency. This factor is involved with re-configuring resources and capabilities based on stakeholders. The second factor refers to sensing capabilities of organizations regarding stakeholder. There are six items with factor loadings ranges from 0.677 to 0.854. The Cronbach's alpha (0.902) of this factor is very high. On the other hand, "Initiate, develop, establish or strengthen relationships

with stakeholders" was the only item that cross-loaded between these two factors. Below, table 5.7, indicates the item's factor loading and communalities.

Table 5.7: information of the discriminated item of dynamic capabilities for stakeholder orientation

Items	Component		Communalites
	1	2	
Initiate, develop, establish or strengthen relationships with stakeholders.	0.487	0.498	.485

6. DISCUSSION

Due to small size sample, it constrains the applicability to generate credible and generalized outcomes on the study relationship. In turn, the result of the analysis can be used only to see potential relations between three constructs and may use as a guide for future research. As seen in table 4.2, it indicated that there was a high nonresponse rate. About only 11.6% of potential responses responded to the survey. There are three possible causes. One is that the delivery of the survey to a target population was not successfully achieved, potentially because of wrong address, absent of work, dated contact information, and company's cybersecurity protection (Baruch, 1999; Baruch and Holtom, 2008). Secondly, the respondents might intend not to response the survey. Fenton-O'Creevy (1998) suggested the reasons for the refusal: too busy, considered irrelevant, and company's policy. In addition, since the target response was employees in the large organization, they might have been flooded with a huge number of questionnaires and get fatigued to respond (Weiner and Dalessio, 2006). Moreover, in practice, large organizations may have an ambiguous and complex structure, which in turn it is difficult to identify a person engage with multiple external stakeholders. Lastly, the language of the questionnaire can be a barrier. On the other hand, there was only 34 out of 50, around 68%, that completed the survey after the screening stage, which may result from the length of the survey. For such employees to react to and complete the survey, they should see the necessity, importance, and benefits toward them and their organization.

Later in this section, section 6.1 – 6.3 elaborate relationships between constructs connected the result with the theoretical literature. Section 6.4 summarizes potential multilevel mechanism that brings dynamic capabilities for stakeholder orientation to the organizations. After this, it will be a discussion part of the preliminary result of EFA, which is to compare it with the expectation from the literature

6.1 Individual competencies and organizational adaptability

Employees and managers are involved in every stage of change processes that occur in the organization from initiation to implementation (Caldwell, 2003; Osagie et al., 2016). Their competencies, a complex of knowledge, skill and attitudes, are engaged in decisions, processes and structure, and therefore, influence the development of enterprise's adaptability characteristics. They also determine the success in task performance and in problem solving in any circumstance (Felin et al., 2012; Osagie et al., 2016; Wiek et al., 2011). In this research, the focus is on the CSR context. It was hypothesized that individuals with CSR related competencies manage the CSR processes in a way that allows necessary flexibility and adaptability in response to continuously changing demands and needs of stakeholders. According to section 5.1.1, the empirical findings support this following relationship. Some, not all, individual competencies significantly correlate to four characteristics of organizational adaptability.

Hypothesis 1: Some, if not all, individual competencies are correlated to firm's ability to maintain a limited amount of structure

From the empirical result, it is found that only CSR management competencies is significantly related to limited structure ($r = .426$, $p < 0.05$). This competence encompasses

leadership, management and entrepreneurship competencies. Employees and managers are capable of taking lead and implementing CSR processes through change and transition. They manage people and process under specified timeframe and budget, as well as, take risks and seek new CSR business opportunities for the firm. In addition, the individuals also encourage employees in ownership of the CSR project, preventing a resistance to change (Osagie, et al. 2016). Of these, a structure is a tool for CSR professionals to organize and control the processes. It provides a framework, such as role, authority and power, to direct others' behavior (Kanten et al., 2015). Since CSR issues are complex and ambiguous while the stakeholder demands are uncertain, Angus-Leppan et al. (2010) indicated leadership and management skills of individuals are used to emerge simple rules and a continuous process of improvisation, or limited structure, into CSR implementation. It enables sensemaking to be embedded in the processes, which encourages a new CSR direction and rapid adaption to a new change in the industry and new stakeholder demands (Plowman et al., 2007). With this approach, the individuals effectively manage CSR processes under the dynamic environment. On the other hand, for other competencies, they might not relate to the integration of limited structure in the process.

Hypothesis 2: Some, if not all, individual competencies are correlated to firm's ability to maintain extensive communications.

Three competencies are found to significantly relate to extensive communication. First is CSR management competencies (r = .478, p<0.01) that refers to leadership and management abilities of individuals (Osagie et al., 2016). The CSR professionals with this competence contribute to a construction of extensive communication and coordination channels to support the CSR implementation. They allow employees from different levels and responsibilities, who work in a high degree of task division, to connect to one another and exchange relevant expertise and knowledge to manage CSR project (Janz and Prasarnphanich, 2003). In turn, this creates a joint understanding on vision and milestones, and commit in supporting a company's direction (Nijhof et al., 2006). The misunderstanding of conflicting and confused data is minimized (Sanders, 2004). Secondly, interpersonal competencies is significantly correlated to extensive communication (r = 0.410, p<0.05). The individuals have good social, communication and networking skills in convincing and stimulating people in working on CSR challenges (Osagie et al., 2016). Extensive communication is, therefore, a channel for them to execute their skills. With this competence, it allows CSR professionals to listen to different interpretations, gain feedback, and later convince and navigate how CSR should be put into practice in people' daily work (Osagie et al., 2016). As from the work of Dentoni and Veldhuizen (2012), Dr. Jan Kees Vis, a Global Director Sustainable Sourcing Department of Unilever, drove to make the improvement on the CSR processes through communication. He was "continuously listening and discussing other people's suggestions and through making the suggestion to others…" Lastly, it is found that personal attributes and attitudes also relate significantly to external communication (r = 0.439, p<0.01). During the implementation of CSR, there are various changes occurred. Employees have different interpretations and opinions about the changes and this may lead to resistance to change or people going along with the change while passively resisting it (Johnson et al., 2015). Therefore, this competence, certain attributes and attitudes of individual, may help to change other's mindset or convince the change through communication.

Hypothesis 3: Some, if not all, individual competencies are correlated to firm's ability to conduct low cost experimentation to probe the future.

There are two individual competencies that found to be positively correlated to future probing. The first competency is instrumental competencies (r = 0.367, p < 0.05). This competency encompasses the understanding of CSR relevant standards and regulation (Osagie et al., 2016). It means that the individuals know how and why particular CSR issues in different contexts arise and emerge to practices of the organization. They are also able to bring the knowledge base into practices, examining the implementation of socially responsible behaviors. Employees apply necessary and important standards to organizational CSR strategy and processes and keep them compliance with statutory regulation, government laws and regulations. In addition, the individuals establish CSR regulation for use within their organization or known as self-regulation (Black, 1996). Some technical standards may potentially be adopted as a guide to describe what is good and bad practice (Palzer and Scheuer, 2003). Furthermore, it is to develop co-regulation with the government (Nakpodia et al., 2016). The rules are formulated together and thereafter the individuals maintain the performance disclosure to the regulation. However, by time, all forms of regulation and policy must be adapted to the change of external environment. In relation to low cost probes, the individuals with instrumental competencies use them to identify possible organizational actions and select the appropriate choice to adapt to CSR legislation and regulation of the organization. They can extract what really matters for the organization. For example, the individuals participate in meeting with different institutional stakeholders to envision future changes on mandatory and voluntary regulations. The influential movements that may cause impacts are tracked and assessed. Then, they anticipate and construct functional rules to regulate the CSR related behavior accordingly (Osagie et al., 2016). This includes preparing the organization to new statutory regulations and amending CSR related self-regulation and co-regulation.

The second one is CSR management competencies, with r = 0.401 and p<0.05. CSR professionals with this competence seek for new CSR related business opportunities for the firms (Osagie et al., 2016). Therefore, low cost probes can be a useful tool to give good implications for future and develop some visions for the organization to embrace it (Andriopoulos and Gotsi, 2006). Moreover, CSR management competencies also relates to an ability to lead the transition toward CSR (Osagie et al., 2016). The individuals may integrate probing into the management systems. If probing is done on a regular basis, when the future eventually arrives, the managers have options readily for quick adjustment to the change. In addition, individuals might not only use probe to react to future, but also sometimes anticipate or even create the CSR-related future development (Eisenhardt and Brown, 1997).

Hypothesis 4: Some, if not all, individual competencies are correlated to firm's ability to manage a transition process between current and future project seamlessly.

The empirical findings support the hypotheses. There are six competencies found to significantly correlate to link in time. These competencies include foresight thinking, system thinking, instrumental understanding, CSR management competencies, interpersonal competencies and personal value driven competencies.
Three of them, foresight thinking (r = 0.471), system thinking (r = .491) and instrumental understanding (r = .437) are in a cognitive oriented domain. This implies that individuals

utilize their comprehensive understanding and knowledge to contribute to project transition management. They can supply visions on both issues and promising solution for the organizations to develop new CSR projects. Refer Loorbach's (2007) cycle, in strategic envisioning stage, CSR professionals provide insights on which project should be initiated; whom should be involved in the new project; how CSR project should be preceded strategically. For other stages, the individuals can evaluate the relevant system and subsystem and notify necessary changes on inter-collaboration, structure and processes to the organization.

The fourth one is functional competencies or CSR management competencies ($r = .616$, $p < 0.01$). CSR professionals have a sense of 'know how' to translate the transition strategy into practice: making decision on CSR related development; building up their own milestones; creating critical alliances within and outside the organization in supporting the project; and organizing and facilitating CSR implementation and transition.

Interpersonal competencies can help to mobilize people to work, act, coordinate and keep the project moving through networking and discussion. Cooperation and coordination among employees facilitate the organization in facing the resistance to transit to the new CSR project (Helfat and Peteraf, 2014).

For personal driven competencies, individuals are intrinsically driven to work on CSR related projects. They can contribute to all stages of project transition management. Personal value was found to be one key that enhances the performance and yields positive outcomes for businesses (Waldman and Siegel, 2008).

All in all, there is a limited literature on the contribution of individuals to organizational outcomes to explain the relationships found. Moreover, Schon (1983) and Loorbach (2007) stated the importance of reflection competencies in the project transition management in which the empirical result does not support this. The future research with larger database needs to be done to explore the link between CSR related competencies and project transition management. It can confirm whether reflection competencies is vital to the process or not. It might be that the reflection process in individual is not explicit. It is embedded in individual understanding and knowledge and collectively integrated into organizational decision, action and process.

6.2 Organizational adaptability and dynamic capabilities for stakeholder orientation

Dentoni, et al. (2012) suggested dynamic capabilities for stakeholder orientation supported CSR implementation processes to effectively monitor the changes in societal demands and reconfigure coalitions with stakeholders and internal infrastructure in time. The capabilities include sensing stakeholders, interacting with stakeholders, learning with stakeholders, learning from stakeholders, and changing based on stakeholders. It is essential to provide optimal management effort to manage stakeholders as they may affect a long term achievement of the organizations (Chinyio and Olomolaiye, 2010; Hillman and Keim, 2001). The capability is, however, unobservable and depends on the organizational system that makes it happen. The structure and processes accumulate know-how across the organizations and they are tool and template for managers to exercise their competencies. High adaptability facilitates the development and deployment of dynamic capabilities. The relationships between the dynamic capabilities and organizational characteristics were, therefore, examined. From section 5.2.2, the findings suggest that only low cost probe and project

transition management lead to all capabilities for stakeholder orientation while limited structure and extensive communication correlate to none of them.

Hypothesis: 5: The limited structure contributes to the better dynamic capabilities for stakeholder orientation

Literatures indicate that this organizational characteristic helps organizations to effectively and flexibly change in accordance to the external environment by controlled and effective improvisation. However, empirical results do not support the following hypothesis. Limited structure does not correlate to any dynamic capabilities for stakeholder orientation. It might be that it is only the moderating factor. The important key might lie on individuals who control the speed and quality of improvisation. Limited structure provides a chance for them to improvise ideas and solutions, which makes CSR processes flexibly adjustable to stakeholders' changes and improves the effectiveness of procedure (Rivkin and Siggelkow, 2003; Feldman and Pentland, 2003). With sufficient structure, individuals improvise effectively to capture opportunities and fewer mistakes prone (Davis et al., 2009).

Hypothesis 6: The higher amount of communication within organization contributes to the better dynamic capabilities for stakeholder orientation.

From literatures in section 2.3.1, extensive communication plays a role in knowledge management, providing organizations a common understanding, real time information and problem solving ability. All these elements then facilitate the organizational change process. However, the results did not support the hypothesis and literature. The extensive communication does not have a significant relationship with dynamic capabilities for stakeholder orientation. The hypothesis is rejected. Similar to limited structure, it might depend on the quality of knowledge and expertise of individuals to manage the information and knowledge. CSR professionals face a dense mass of information and therefore they should be able to figure out what really matters for the situation (Dievernich, 2015).

Hypothesis 7: The more low cost experiment to probe future in the organization contributes to the better dynamic capabilities for stakeholder orientation

Hypothesis is not rejected. Low cost probe correlates to all dynamic capabilities for stakeholder orientation. It can be used to generate immediate knowledge and rapid learning, which organizations can use to monitor and adaptively change according to stakeholders' expectation over time (Eisenhardt and Martin, 2000). With sensing capabilities ($r = 0.363$, $p<0.05$), probing can facilitate the organizations in accessing changing demands and identifying opportunities for CSR related development. A good example appears in an interview by Dentoni and Veldhuizen (2012). A Global Director Sustainable Sourcing Development attended a number of events regarding global sustainability issues, having a discussion with various institutional stakeholders. Later he proposed new CSR initiatives partnering with stakeholders to be responsible for undertaking changes. Alternatively, employees and managers can also learn via indirect probes. They can participate in a regular

meeting pondering about the future and gain knowledge about stakeholders' demands from futurists (Eisenhardt and Brown, 1997; Andriopoulos and Gotsi, 2006).

Secondly, low cost probes play a role in interacting with stakeholder (r = 0.363, p < 0.05). The organizations can use the probe in a form of active interactions or alliances with stakeholders. The organizations may firstly develop "weak ties" with stakeholders to get real time information exchange, especially on the changing of their demands. Once these stakeholders seem to increase their influences, the organizations can prepare an adjustment on a degree of engagement accordingly. For some salient stakeholders the organizations may form partnership to have a joint decision on CSR initiatives, monitor demands and ensure their support (Huber, 1991). As a result, the organizations can interact with appropriate stakeholders and interaction level in a timely manner. Resource and effort are provided to each of stakeholder optimally.

In addition, low cost probes have significant correlations with learning (r = .520, p < 0.01) and changing (r = .428, p<0.05) capabilities. The organizations may use probes to identify a way to effectively internalize knowledge from stakeholders into practices as well as make changes on infrastructure based on stakeholders. Probes can give rapid feedbacks on cause-effect relationship of the actions reflecting what succeeds and what fails. The direction including alternative and implementation with which the organization should move forward is given (Huber, 1991; Fong, 2006). This experimental learning can help the organizations to avoid repetitive mistakes (Fong, 2006). If an observed outcome of one probe is not satisfied, a new experiment is carried out again to find a best suit to the situation (Lindblom, 1959).

Hypothesis 8: The company manages the transition management processes between current and future project contributes to the better dynamic capabilities for stakeholder orientation.

From table 5.2, it indicates that empirical findings support the relationship between transition management process and dynamic capabilities for stakeholder orientation. The transition management contributes to all capabilities significantly: sensing (r = .370, p<0.05), interacting (r = .536, p < 0.01), learning (r = .395, p < 0.05), and changing (r = .411, p < 0.01). The process itself allows the organizations to gain a direction for a new CSR project and drive allocation of resources and people to address particular socio-environmental issues. This includes a stakeholder management program (Chinyio and Olomolaiye, 2010). In every project, there are project stakeholders who "are actively involved in a project or whose interests may have affected as a result of project execution or project completion" (PMI, 1996, p. 16). Setting the new CSR project the organizations have debates about how to deal with stakeholders (Dentoni and Veldhuizen, 2012). They need to assess their current approach to satisfy stakeholders and anticipate other potential stakeholders that may influence the whole process from initiation to operation stage. Various stakeholders' expectations are discussed and incorporated into strategy and practices. The choice and interaction level should be appropriately selected and managed. Therefore, the new CSR project can maintain stakeholders' satisfaction and avoid any unnecessary conflict and controversy with stakeholders (Manowong and Ogunlana, 2010; Olander and Atkin, 2010). At the same time, the achievement of the project gains the support (Manowong and Ogunlana, 2010).

In the literature, Loorbach (2007) came up with four stages to manage CSR transition processes and they can be a great reference to show the linkage to dynamic capabilities for stakeholder orientation. In strategic envisioning, sensing capabilities is embedded to develop the strategy for the new CSR project - what project needs to be initiated and who are project

stakeholders. The organizations collect future interests and expectations of both existing and potential stakeholders; forecast their behaviors; and determine their influences throughout the project life cycle. Second is tactical networking, which allows the organizations to execute their interacting capabilities. The organizations engage project stakeholders in different mechanisms (informing, consulting, involving, and partnering) to support the CSR projects. Third stage of transition management process is operational innovation. It involves with learning and changing capabilities. The organizations incorporate collective knowledge from stakeholders and make changes on internal infrastructure in implementation of new CSR projects. The last stage is reflexive monitoring and evaluation. It can bring feedbacks and improvement on CSR execution process for a next cycle of the new project. This also includes how the organization can amend their sensing, interacting, learning and changing capabilities.

Of these, it demonstrates how dynamic capabilities for stakeholder orientation potentially interplay in the transition management process. If the organizations manage the projects 'link in time', the organizations will keep accessing to dynamic changes of stakeholders and proactively orient themselves towards them.

6.3 Individual competencies and dynamic capabilities for stakeholder orientation

Hypothesis 9: Some, if not all, individual competencies are correlated to the firm's dynamic capabilities for stakeholder orientation.

Individuals are a key factor that can hinder or support the CSR implementation process (Dievernich, et al., 2015). They have responsibilities in organizing managerial attention and resources to stakeholders' needs and expectations. Their beliefs, perceptions, and actions influence the organizational performance and outcome (Felin et al., 2012; Aguinis and Glavas, 2012). Therefore, when managing the CSR in the dynamic environment, it was then hypothesized that CSR professionals' competencies may play a role in development and deployment of four capabilities for stakeholder orientation in which Dentoni et al. 2012 claimed the organizations should govern. The relationships between four dynamic capabilities and eight individual competencies from Osagie et al. (2016) were examined. The results are shown in section 5.1.3. The findings support the hypothesis. There are various significant links between these two constructs.

In cognitive oriented domain, system thinking and instrument understanding are found to correlate to all dynamic capabilities for stakeholder orientation. This is also supported by the work of Helfat and Peteraf (2014) that the cognitive capabilities contribute to dynamic capabilities. The individuals use their 'know why' to organize and interpret high influx of multi-sources of information and draw only relevant information to be in used to address CSR related challenges (Cohen and Levinthal, 1990; Kosslyn and Rosenberg, 2006; Helfat and Peteraf, 2014). This facilitates the organizations to obtain more accurate inputs and quickly sense new opportunities to orient to stakeholders (Helfat and Peteraf, 2014). In addition, the individuals may develop logic and reasoning to evaluate information, arguments and solutions to support interacting, learning, and changing capabilities (Gazzanig, et al., 2010). Every action, decision and solution are evaluated to be rational before taking actions. Nonetheless, foresight thinking that is in this domain does not appear to significantly correlate to any

capabilities for stakeholder orientation. It might be that only competencies itself is not sufficient to enhance the capabilities.

CSR management competencies, a functional oriented domain, is significantly correlated to all dynamic capabilities for stakeholder orientation. According to description by Osagie et al. (2016), it is clear on how CSR professionals can contribute to sensing, interacting, learning and changing because they possess 'know how'. First, the individuals are "alert to trends in CSR and should be able to translate and realize these development into business opportunities for the company" (Osagie et al., 2016, p. 242). They look for new ways to pursue CSR as well as future CSR development of the organization, and are able to develop CSR vision. This implies that the individuals assess the socio-environmental demands of stakeholders, evaluate the information and identify opportunities for organization. This then enhances the sensing capabilities for the organization. Secondly, the individuals are able to build alliances with important individuals outside the company which infers that they can support the interacting capability. Lastly, the individuals can manage CSR processes and people through change and transition. This may include the management of knowledge from stakeholder and reconfiguration of internal structure and processes. They can also "deal with 'resistance to change' by inspiring and motivating others", which can support the system change based on stakeholders (Osagie et al., 2016, p. 242).

For social oriented domain or interpersonal competencies, it is found to significantly relate to sensing, interacting, and learning capabilities. This competence facilitates collaboration and cooperation with others by using communication and networking skills. CSR professionals encourage their colleagues to share information that they obtain from different sources. More distinctive ideas and inputs from stakeholders are integrated, which allows the organizations to sense and discover more CSR related opportunities. Moreover, individuals can use their skill to interact with stakeholders. They enable to representing company's interest on CSR challenges and create trust with stakeholders. Furthermore, the individuals also coach and help colleagues to integrate stakeholders' interest on environment and society into their daily work. People know how to incorporate and codify knowledge from stakeholders into practices. As a result, this can increase individual learning and lead to organizational learning as well as learning capabilities of the organization (Huber, 1991; Alavi and Tiwana, 2002). Nonetheless, the competence does not relate to changing capabilities. This might be that the interpersonal competencies may a minor support but not in a vital influence on changing capabilities. However, it is contradicted to an argument of Teece and Pisano (1994). The research indicated that social skills can create an alignment among members of the organization on changing conditions and in turn support asset configuration. Macmillan and Guth (1985) also claimed that the competence is important to overcome an inertia and barrier to change.

Under meta oriented domain, only personal value driven competencies is found to relate to all capabilities for stakeholder orientation in the dynamic environment. The competence refers to ability of an individual to strive on addressing CSR related issues due to their personal ethical values. CSR professionals are intrinsically driven. They feel ownership and responsibility for the problem and actively take part in stakeholder-oriented activities. Therefore, all actions they take contribute to CSR organizational capabilities. Robertson (1991, p. 120) claimed that "…employees bring their values into the work setting", whereas Hemingway (2005) mentioned CSR implementation is the result from CSR professionals' personal value and beliefs. However, for personal attributes and attitudes and reflection competencies, they do not correlate to any capabilities. It might be that they complement to other competencies'

contribution since the individual competencies are interrelated and applied in integrated manner (Delamare Le Deist and Winterton, 2005).

6.4 Summary of multilevel mechanisms

From the results of nine hypotheses, multi-level mechanisms that contribute to development of dynamic capabilities for stakeholder can be determined. Figure 6.1 below depicts the relationship from individual to organizational levels and to organizational capabilities.
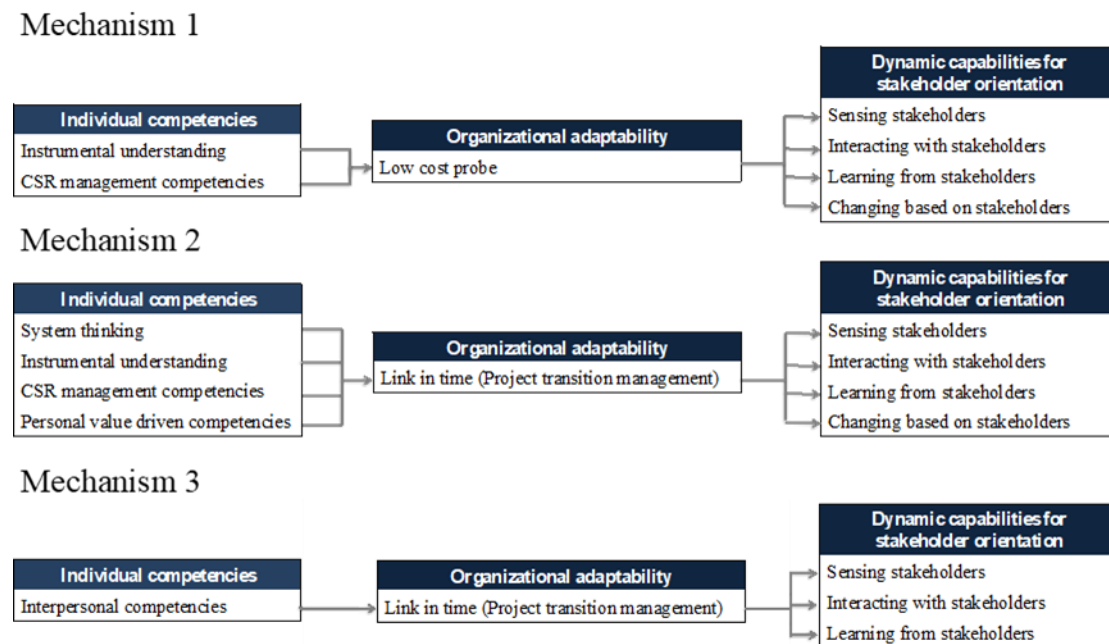
Figure 6.1: Three multilevel mechanisms for building dynamic capabilities for stakeholder orientation

There are three different pathways. First, instrumental understanding and CSR management competencies contribute to low cost probe and in turn develop all dynamic capabilities for stakeholder orientation. Second, four competencies (system thinking, instrumental understanding, CSR management competencies and personal value driven competencies) influence the building of dynamic capabilities for stakeholder orientation. They are mediated by project transition management. Third, the interpersonal competencies contribute to only link in time. However, collectively the competence supports only sensing, interacting and learning capability.

From these, it shows that different individual competencies lead to different mechanisms in contributing to the development of organizational capabilities. The heterogeneity of individual plays a role in the processes.

6.5 Measure reliability and validation

From Osagie et al. (2016), there are eight individual competencies derived from literature review and interviews with CSR professionals. The mixed method was used to overcome the limitation of using any one data collection method. The scales were developed from the definition from the competencies, which contributes to 52 items. However, due to the number of the number of respondents, the reliability and validity of individual competencies measure

cannot be assessed. The larger database in needed. Therefore, in this section, only two analyses of organizational adaptability and dynamic capabilities for stakeholder orientation are discussed.

For organizational adaptability, from the preliminary result, it was found that in total 22 items can be classified into four factors, namely semistructure, low cost probe, cross project management and project transition management. However, the Cronbach's alpha of project transition management appeared to be negative, which cannot determine the reliability of the measure. This is due to two items under this factor that have negative factor loadings. The items include 'A project coordinator leads project transitions' and 'There is hierarchy of project management'. The use of 'project coordinator' might be invalid since a person who leads the project might be in other positions, including project manager. Besides, for another item, this indicates that the CSR projects are likely to run in low hierarchy. These two items need to be reworded to give the positive factor loading. Apart from these four factors, there are two sub-questions that were taken out because of cross loading. In addition, for 'New teams are mix of old and new team', it appeared to be a fifth factor but one item representing one factor is not reliable. Future research with a larger sample is needed to assess whether this specific item effectively reflects the concept of semistructure. Subsequent research with large dataset is required to re-evaluate it. In comparison to theoretical matrix, Koberg et al. (2003) developed four measures based on the work of Eisenhardt and Brown (1997): intrafirm structure linkage, improvisation experimentation and transitioning across project. Factors of both are quite similar. The intrafirm structure linkage is a combination of coordination and cross functional mechanism. Together with improvisation, these are the characteristics of 'semistructure'. For EFA result, communication is combined with limited structure items. The cross project mechanism is separated as another measure. Low cost probe and project transition management also appeared the same. However, there are some shifts for some items and needed to be reevaluated.

Another construct is dynamic capabilities for stakeholder orientation. According to Dentoni, (2012), there are four capabilities: sensing stakeholders, interacting stakeholders, learning from stakeholders and changing based on stakeholders. 15 items are derived from definitions of each capability. The result of EFA shows that the items of sensing stakeholders have a great representative of the capability. All expected items fall in the same categorized factor. Items of learning from stakeholder and changing based on stakeholder are formed one factor. This may be that these two factors are not easy to distinguish for the respondents. When the organizations learn from stakeholders incorporating the knowledge into organizational practices, it may count as an action to change based on stakeholders. On the other hand, it can be that the items to measure learning from stakeholder is lesser than three. A creation of multiple sub-scale might need to make this factor become unidimensional (Reise and Waller, 2002). Similar for integrating stakeholder items, they fall between two factors. This showed that the items of interacting with stakeholder are not effective. The items might need to be reevaluated. Some additional subscale might need to amend the representation of the construct domain.

7. CONCLUSION

This study aims to explore multi-level mechanisms that can bring to the development of the dynamic capabilities for stakeholder orientation, unpacking it from the bottom up view. However, due to samples size of the research, the application and interpretation of the data is limited. The results are not conclusive and cannot be used for prediction. This research can only give ideas on the study relationships and to discover the amount of information that is available.

There are two important contributions from the study of this research relationship. First, the findings provide a contributive transformation of individual to firm level and collectively to organizational capabilities. Five individual competencies (system thinking, instrumental understanding, CSR management competencies, interpersonal competencies and personal value driven competencies) engage in building dynamic capabilities for stakeholder orientation whereas low cost probe and project transition management are the mediators. The summary of the relationship is shown in section 6.4. If the study is repeated and the results are confirmed with larger database, this can support an argument of Felin and Foss (2009) on the importance of microfoundations. Individual factors are the underlying constituents and their heterogeneity bring the difference on organizational outcomes and performance (Teece, 2007; Felin and Foss, 2009; Felin et al., 2015). They should be clarified, not ignored. The micro-level research can be used to explain various organizational outcomes and increase robustness of macro-level work (Molina-Azorín, 2014; Felin et al., 2015). Moreover, it can indicate the usefulness of using more than one level of analysis as it can provide insightful information on the mechanisms to develop dynamic capabilities for stakeholder orientation. This can be added up to macro management research and guidance for managers to manage CSR implementation process.

Second, semistructure and extensive communication are not mediating factors for this relationship. It might be that these two organizational characteristics are usually controlled by a top level management. Even though individuals see their contribution to organizational capabilities, they might be limited by their role and authority. On the other hand, even semistructure and extensive communication are provided, it still depends on individuals who put them into use to develop and deploy dynamic capabilities. The individual competencies determine speed and quality of the improvisation as well as acquisition and application of knowledge from extensive communication. From this, semistructure and extensive communication might play a moderating role instead. They may facilitate or inhibit the individuals to execute their competencies on development of dynamic capabilities.

Regarding reliability and validity of measures, the research with the larger database is needed to validate the scales. The results of this part show that these two items of organizational adaptability 'A project coordinator leads project transitions' and 'There is a hierarchy of project management' have to be reworded to reverse scoring and gain positive factor loading. Three items need to be reevaluated whether it individually represent the construct in the larger database. These include "A project performance is measured with well-defined metrics'; 'New teams are a mix of old and new team members' and 'Our future is based on careful planning versus reacting to future development'. For dynamic capabilities for stakeholder orientation, measures of sensing stakeholder are well represented. Items of learning from

stakeholders and changing based on stakeholder fall for the same factor. They might be closely correlated. To solve this, additional item for learning from stakeholders should be added. On the other hand, items of interacting with stakeholders showed to not be effective and the suggestion is to add more items.

8. MANAGERIAL IMPLICATIONS

As from findings, it suggests competencies possessed by individual contribute to dynamic capabilities for stakeholder orientation. Managers should recognize that their employees are key factor to bring an achievement of CSR implementation processes in a long term. Therefore, they should stimulate the development and improvement of individual competencies to support the process and performance. This can be done through activities such as on-job training, classroom training or self-managed learning. The individuals can acquire know how and skills to enhance the work and goals of CSR activities. Some competencies need to be prioritized. Followed the results, the competencies include system thinking, instrumental understanding, CSR management competencies and interpersonal competencies. The great hand-on processes that managers need their people to engage to are low cost probes and project transition management. For personal value driven competencies, it is related to one's ethical value that intrinsically drive a person to support the CSR processes. It implies that individuals are committed to integrate into the process. The organizations therefore should provide a chance and facilitate them to bring out their views and competencies. Moreover, managers may use semistructure and extensive communication, as moderating factors, to facilitate the contribution of individual to organizational capabilities. This allow more CSR-related opportunities to be discovered and created in supporting the change toward stakeholders.

9. LIMITATION AND RECOMMENDATION

9.1 Recommendation for data collection

Sample size is the main constraint of this research and it was derived from the process of data collection. This step should be improved to gain more responses, generalizability and validity of the result. In practice, there were many limitations that were faced. One is a language of questionnaire that is available only in English. Each country in EU countries mostly has his own language, and the comprehensive understanding in English of individuals is different. It then can be a barrier and affects the willingness to participate the survey. Therefore, more options of the questionnaire language should be available, or the scope of country should be smaller with local language questionnaire. Second limitation is the selected respondents. The subject of the research is CSR professionals, working in large organizations. Their CSR activities are highly visible and gain a great deal of public attention. The employees would have been flooded with number of questionnaires. Taking in account of their workload, these people may get fatigued to respond. In addition, structure of the large organization is more complex and ambiguous compared to small and medium companies. It would be difficult to reach to the eligible respondents for collecting such large numbers of responses as this research. The recommendation is to build a strong connection with the organizations. The communication on research benefits of the organization should be convincing and inspiring. It

should make CSR professionals feel necessity, importance, and benefits toward them and their organization. Incentives for the respondents might also be a choice as well. Apart from recommendation based on limitation, during preparation, it is the most important process. The research should have a well-organized and planned collection of data, ensuring that addresses obtained are updated. Day for survey delivery and reminder should be specified. Pivot table function in excel is suggested. It is helpful for arranging the respondent contact and survey distribution.

9.2 Recommendation for future research

The collection of a larger database is required to re-access and the pre-assumptions of the relationship and developed scales of questionnaires of this preliminary research. The researcher should understand why the items are included and decide to drop or add items. As a result, the research will provide the insights on how individual competencies play a role in developing organizational adaptability, which also leads to building dynamic capabilities for stakeholder orientation. The CSR management team can have a guideline for managing CSR project through time under dynamic change of stakeholders' societal demands. Using regression, it can evaluate for which level is influential and needs to be prioritized. It can be further used for prediction. In addition, it is important also to investigate the interrelationship of individual competencies in the CSR implementation process. Even one might not show the correlation with other constructs but it might provide a support to another competencies. This is because all competencies are interlinked and applied in integrated manner (Delamare Le Deist and Winterton, 2005).

Moreover, one suggestion is to conduct qualitative research with CSR professionals on these constructs in parallel and triangulate the results. The qualitative data can help in explaining and clarification the finding of the quantitative results with a support from the limited literature studies of the relationship. As a result, the triangulation of mix-method can enhance the quality and meaningfulness of findings by making use of the strength of one another and overcoming the weakness of one data source. Aguinis and Glavas (2012) also suggested it is fruitful for collecting data from different levels of analysis. The result will be more complete, in depth as well as generalized.

Another interesting topic is to access this relationship in other sectors and entities. These include government, NGO and academics. The results are then compared to explore some similarities and differences among different contexts.

REFERENCE

- Aguinis, H., & Glavas, A. (2012). What We Know and Don't Know About Corporate Social Responsibility : A Review and Research Agenda, 38(4), 932–968. https://doi.org/10.1177/0149206311436079
- Alavi, M., & Tiwana, A. (2002). Knowledge integration in virtual teams: The potential role of KMS. Journal of the American Society for Information Science and Technology, 53(12), 1029-1037.
- American Psychological Association. (2009). Glossary of Psychological Terms.

- Andriopoulos, C., & Gotsi, M. (2006). Probing the future: Mobilising foresight in multiple-product innovation firms. Futures, 38, 50-66.
- Angus-Leppan, T., Benn, S., & Young, L. (2010). A Sensemaking Approach to Trade-Offs and Synergies Between Human and Ecological Elements of Corporate Sustainability. Business Strategy and the Environment Bus. Strat. Env, 19, 230-244. doi:10.1002/bse.675
- Barnad, C. I. (1997). Differences between entrepreneurs and managers in large organizations: biases and heuristics in straetgic decision-making. Journal of Business Venturing, 12(1), 9-30.
- Baron, R. A. (2006). Opportunity recognition as pattern recognition: how entrepreneurs "connect the dots" to identity. Academy of Managemnet Perspectives, 20(1), 104-119.
- Baruch, Y. (1999). Response rate in academic studies - a comparative analysis. Human Relations, 52(4), 421–438.
- Baruch, Y., & Holtom, B. C. (2008). Survey response rate levels and trends in organizational research. Human Relations, 61(8), 1139–1160. https://doi.org/10.1177/0018726708094863
- Black, J. (1996). Constitutionalising Self-Regulation. 59, 24-55.
- Bohrnstedt, G. W., & Knoke, D. (1982). Statistics for social data analysis. Statistics for social data analysis.
- Burt, R. S. (2004). Structural holes and good ideas. American Journal of Sociology, 110(2), 349-399.
- Calabrese, A., Costa, R., Menichini, T., & Rosati, F. (2013). Does Corporate Social Responsibility Hit the Mark? A Stakeholder Oriented Methodology for CSR Assessment. Knowledge and Process Management, 20(2), 77–89. https://doi.org/10.1002/kpm
- Caldwell, R. (2003). Models of change agency: a fourfold classification. British Journal of Management, 14, 131–142. https://doi.org/10.1111/1467-8551.00270
- Cantrell, J. E., Kyriazis, E., & Noble, G. (2015). Developing CSR Giving as a Dynamic Capability for Salient Stakeholder Management. Journal of Business Ethics, 130(2), 403–421. https://doi.org/10.1007/s10551-014-2229-1
- Carroll, A. B., & Buchholtz, A. K. (2012). Business & Society: Ethics and Stakeholder Management (7th ed.). Mason: South-Westen.
- Caux Round Table For Moral Capitalism. (2002). The Clarkson Principles of Stakeholder Management. Retrieved October 9, 2017, from http://www.cauxroundtable.org/index.cfm?menuid=61
- Chinyio, E., & Olomolaiye, P. (2010). Introducing Stakeholder Management. In E. Chinyio & P. Olomolaiye (Eds.), Construction stakeholder management (pp. 1–12). Wiley-Blackwell.
- Clarkson, M. B. E. (1995). A Stakeholder Framework for Analyzing and Evaluating Corporate Social Performance. The Academy of Management Review, 29(1), 92–117.
- Cohen, W. M., & Levinthal, D. A. (1990). Absorptive capacity: a new perspective on learning and innovation. Administrative Science Quarterly, 35(1), 128-152.
- Costello, A. B., & Osborne, J. W. (2005). Best practices in exploratory factor analysis: four recommendations for getting the most from your analysis. Practical Assessment Reseach {&} Evaluation., 10(7), 1–8.
- Cronbach, L. J. (1951). Coefficient alpha and the internal structure of tests. Psychometrika, 16(3), 297–298.

- Crossan, M. M., Lane, H. W., & White, R. E. (1999). An organizational learning framework: from intuition to instutition. Academy of Management Review, 24(3), 522-537.
- Davidson, W. H. (1999). Beyond re-engineering: the three phases of business transformation. IBM System Journal, 38, 485–499.
- Davis, J. P., Eisenhardt, K. M., & Bingham, C. B. (2009). Optimal Structure, Market Dynamism, and the Strategy of Simple Rules. Administrative Science Quarterly, 54(3), 413–452. https://doi.org/10.2189/asqu.2009.54.3.413
- de Haan, G. (2010). The development of ESD-related competencies in supportive institutional frameworks. International Review of Education, 56(2), 315–328. https://doi.org/10.1007/s11159-010-9157-9
- Delamare Le Deist, F., & Winterton, J. (2005). What is competence? Human Resource Development International, 8(1), 27-46.
- Dentoni, D., & Peterson, H. C. (2011). Multi-stakeholder sustainability alliances in agri-food chains: A framework for multi-disciplinary research. International Food and Agribusiness Management Review, 14(5), 83–108.
- Dentoni, D., & Veldhuizen, M. G. (2012). Building Capabilities for Multi-Stakeholder Interactions at Global and Local Levels: An Executive Interview with Jan Kees Vis, Berton Torn and Anniek Mauser. International Food and Agribusiness Management Review, 15, 95–106. Retrieved from http://edepot.wur.nl/294895
- Dentoni, D., Bitzer, V., & Pascucci, S. (2012). Cross-Sector Partnerships and the Co-creation of Dynamic Capabilities for Stakeholder Orientation. Journal of Business Ethics, 135, 35–53. https://doi.org/10.1007/s10551-015-2728-8
- Dievernich, F. E. P. (2015). The Rediscovery of the Human Being and the Future of Change Management. In F. E. P. Dievernich, K. O. Tokarski, & J. Gong (Eds.), Change Management and the Human Factor: Advances, Challenges and Contradictions in Organizational Development (pp. 9–18). Cham: Springer International Publishing.
- Dievernich, F. E. P., Gong, J., & Tokarski, K. O. (2015). At the Heart: Human Beings in Organizations. In F. E. P. Dievernich, K. O. Tokarski, & J. Gong (Eds.), Change Management and the Human Factor: Advances, Challenges and Contradictions in Organizational Development (pp. 1–8). Cham: Springer International Publishing.
- Donaldson, T., & Preston, L. E. (1995). The Stakeholder Theory of the Corporation: Concepts, Evidence, and Implications. The Academy of Management Review, 20(1), 65–91.
- Eisenhardt, K. M. (1989). Making Fast Strategic Decisions in High-Velocity Environments. Academy of Management Journal, 32(3), 543–576. https://doi.org/10.2307/256434
- Eisenhardt, K. M. (1989). Making fast strategic decisions in high-velocity environments. The Academy of Management Journal, 32(3), 543-576. doi:10.1017/CBO9780511618925.006
- Eisenhardt, K. M., & Brown, S. L. (1997). The Art of Continuous Change: Linking Complexity Theory and Time-Paced Evolution in Relentlessly Shifting Organizations, 42(1), 1–34.
- Eisenhardt, K., & Martin, J. (2000). Dynamic capabilities: what are they?, 21, 1105–1121. Retrieved from http://scholar.google.com/scholar?hl=en&btnG=Search&q=intitle:Dynamic+Capabilities:+What+Are+They?#0
- Etzioni, A. (1964). Modern organizations. Englewood Cliffs: Prentice Hall.

- European Commission. (2001). Promoting a European framework for corporate social responsibility. Green Paper, 5, 1–37. https://doi.org/10.1017/CBO9781107415324.004
- Feldman, M. S., & Pentland, B. T. (2003). Reconceptualizing Organizational Routines as a Source of Flexibility and Change. Administrative Science Quarterly, 48, 94-118. doi:10.2307/3556620
- Felin, T., & Foss, N. J. (2009). Organizational routines and capabilities: Historical drift and a course-correction toward microfoundations. Scandinavian Journal of Management, 25(2), 157–167. https://doi.org/10.1016/j.scaman.2009.02.003
- Felin, T., & Hesterly, W. S. (2007). The knowledge-based view, nested heterogeneity, and new value creation: philosophical considerations on the locus of knowledge. Academy of Management, 32(1), 195–218.
- Felin, T., Foss, N. J., & Ployhart, R. E. (2015). The Microfoundations Movement in Strategy and Organization Theory. Academy of Management Annals, 9(1), 575–632. https://doi.org/10.1080/19416520.2015.1007651
- Felin, T., Foss, N. J., Heimeriks, K. H., & Madsen, T. L. (2012). Microfoundations of Routines and Capabilities: Individuals, Processes, and Structure. Journal of Management Studies, 49(8), 1351–1374. https://doi.org/10.1111/j.1467-6486.2012.01052.x
- Fenton-O'Creevy, M. (1998). Employee involvement and the middle manager: evidence from a survey of organizations. Journal of Organizational Behavior, 19(1), 67–84.
- Fong, P. S. (2006). Co-creation of knowledge by multidisciplinary project teams. In P. F. Love, & Z. Irani, Management of Knowledge in Project Environments (pp. 41-56). Oxford: Elsevier.
- Forsman-hugg, S., & Ma, J. (2013). Key CSR dimensions for the food chain. British Food Journal, 115(1), 30–46. https://doi.org/10.1108/00070701311289867
- Freeman, R. E. (1984). Strategic Management: A Stakeholder Approach. New York: Cambridge University Press.
- Galbreath, J. (2012). Does primary stakeholder management positively affect the Some evidence from Australia. Management Decision, 44(8), 1106–1121. https://doi.org/10.1108/00251740610690649
- Gavetti, G., Levinthal, D., & Ocasio, W. (2007). Neo-Carnegie: The Carnegie School's Past, Present, and Reconstructing for the Future. Organization Science, 18(3), 523–536. https://doi.org/10.1287/orsc.1070.0277
- Gazzanig, M., Heatherton, T., & Halpern, D. (2010). Psychological Science. New York: Norton.
- Green, S. B. (2010). How many subjects does it take to do a regression analysis. Multivariate Behavioral Research, 26(3), 499–510.
- Greenley, G. E., Hooley, G. J., Broderick, A. J., & Rudd, J. M. (2004). Strategic planning differences among multiple stakeholder orientation profiles. Journal of Strategic Marketing, 12(3), 163–182. https://doi.org/10.1080/0965254042000262887
- Grimble, R., & Wellard, K. (1997). Stakeholder Methodologies in Natural Resource Management : a Review of Principles , Contexts , Experiences and Opportunities. Agricultural Systems, 55(2), 173–193.
- Hair, J.F., Black, W.C., Babin, B.J., Anderson, R.E., Tatham, R. L. (2009). Multivariate data analysis (7th Ed.). New Jersey: Pearson Prentice Hall Upper Saddle River.
- Harris, R. J. (1985). A primer of multivariate statistics. New York: Academic Press.
- Hartmann, M. (2011). Corporate social responsibility in the food sector. European Review of Agricultural Economics, 38(3), 297–324. https://doi.org/10.1093/erae/jbr031

- Hatch, M. J. (1998). Jazz As a Metaphor for Organizing In the 21st Century Jazz as a Metaphor for Organizing in the 21st Century. Organization Science, 9(5), 556-557. doi:10.1287/orsc.9.5.556
- Helfat, C. E., & Peteraf, M. A. (2014). Managerial Cognitive Capabilities and the Microfoundations of Dynamic Capabilities. Strategic Management Journal, 36, 831–850. https://doi.org/10.1002/smj
- Helfat, C. E., Finkelstein, S., Mitchell, W., Peteraf, M., Singh, H., Teece, D., & Winter, S. G. (2009). Dynamic capabilities: Understanding strategic change in organization. John Wiley & Sons.
- Hemingway, C. A. (2005). Personal Values as A Catalyst for Corporate Social Entrepreneurship. Journal of Business Ethics, 60, 233-249.
- Henderson, R. M., & Clark, K. B. (1990). Architectural Innovation: The Reconfiguration of Existing Product Technologies and the Failure of Established Firms. Administrative Science Quarterly, 35(1), 9–30. https://doi.org/10.2307/2393549
- Hesselbarth, C., & Schaltegger, S. (2014). Educating change agents for sustainability - Learnings from the first sustainability management master of business administration. Journal of Cleaner Production, 62, 24–36. https://doi.org/10.1016/j.jclepro.2013.03.042
- Heyder, M., & Theuvsen, L. (2010). Corporate Social Responsibility in the agri-food sector: the case of GMOs. Zeszyty Naukowe SGGW w Warszawie. Problemy Rolnictwa Światowego, 10(3).
- Hill, C. W. L., & Jones, T. M. (1992). Stakeholder-Agency Theory. Journal of Management Studies, 29(2), 131–154.
- Hillman, A. J., & Keim, G. D. (2001). Shareholder Value, Stakeholder Management, and Social Issues: What's the Bottom Line? Strategic Management Journal, 22(2), 125–139.
- Hinkin, T. R. (1995). A Review of Scale Development Practices in the Study of Organizations. Journal of Management, 21(5), 967–988.
- Hinkin, T. R., Tracey, J. B., & Enz, C. A. (1997). Scale construction: Developing reliable and valid measurement instruments. Journal of Hospitality & Tourism Research, 21(1), 100–120. https://doi.org/https://doi.org/10.1177/109634809702100108
- Hodgkinson, G. P., & Sparrow, P. (2002). The competent Organization: A Psychological Anlaysis of The Strategic management Process. Buckingham: Open University Press.
- Hodgson, G. M. (2012). The Mirage of Microfoundations. Journal of Management Studies, 49(8), 1389–1394. https://doi.org/10.1111/j.1467-6486.2012.01079.x
- Hospes, O., Valk, O. Van Der, & Mheen-sluijer, J. Van Der. (2012). Parallel Development of Five Partnerships to Promote Sustainable Soy in Brazil : Solution or Part of Wicked Problems? International Food and Agribusiness Management Review, 15, 29–52.
- Huber, G. P. (1991). Organizational Learning: The Contributing Processes and the Literatures. Organization Science, 2(1), 88-115. doi:10.1287/orsc.2.1.88
- IBM. (2016). Factor does not print KMO or Bartlett test for Nonpositive Definite Matrices. Retrieved April 25, 2018, from http://www-01.ibm.com/support/docview.wss?uid=swg21476768
- Isaacs, W. N. (2000). Taking Flight: Dialogue, Collective Thinking, and Organizational Learning. In R. L. Cross, & S. Israelit, Strategic Learning in a Knowledge Economy (pp. 231-252). Woburn: Butterworth-Heinemann.
- Jamali, D. (2008). A stakeholder approach to corporate social responsibility: A fresh perspective into theory and practice. Journal of Business Ethics, 82(1), 213–231. https://doi.org/10.1007/s10551-007-9572-4

- Janz, B. D., & Prasarnphanich, P. (2003). Understanding the Antecedents of Effective Knowledge Management: The Importance of a Knowledge-Centered Culture. Decision Sciences, 34(2), 351-384. doi:10.1111/1540-5915.02328
- Johnson, G., Whittington, R., Kevan, S., Regnér, P., & Angwin, D. (2015). Fundamentals of Strategy (3rd ed.). London: Pearson Higher Education.
- Kanten, P., Kanten, S., & Gurlek, M. (2015). The Effects of Organizational Structures and Learning Organization on Job Embeddedness and Individual Adaptive Performance. Procedia Economics and Finance, 23, 1358-1366. doi:10.1016/S2212-5671(15)00523-7
- Koberg, C. S., Detienne, D. R., & Heppard, K. A. (2003). An empirical test of environmental, organizational, and process factors affecting incremental and radical innovation. Journal of High Technology Management Research, 14(1), 21–45. https://doi.org/10.1016/S1047-8310(03)00003-8
- Kosslyn, S. M., & Rosenber, R. S. (2006). Psychology in Context. Boston: Allyn and Bacon.
- Kozlowski, S. W. J., & Klein, K. J. (2000). A multilevel approach to theory and research in organizations: Contextual, temporal, and emergent processes. In K. J. Klein & S. W. J. Kozlowski (Eds.), Multilevel theory, research and methods in organizations: Foundations, extensions, and new directions (pp. 3–90). San Francisco: Jossey-Bass. https://doi.org/10.1177/001872679504800703
- Leung, M. Y., & Olomolaiye, P. (2010). Risk and Construction Stakeholder Management. In E. Chinyio & P. Olomolaiye (Eds.), Construction Stakeholder Management (pp. 75–98). Wiley-Blackwell. https://doi.org/10.1002/9781444315349.ch6
- Liao, C., Chuang, S.-H., & To, P.-L. (2011). How knowledge management mediates the relationship between environment and organizational structure. Journal of Business Research, 64, 728-736. doi:10.1016/j.jbusres.2010.08.001
- Lindblom, C. E. (1959). The Science of Muddling Through. Public Administration Review, 19, 78-88.
- Loorbach, D. (2007). Transition management: new mode of governance for sustainable development. Utrecht: International Books.
- Loorbach, D., van Bakel, Janneke C., Whiteman, Gail, & Rotmans, J. (2010). Business Strategies for Transitions Towards Sutsainable Systems, 19(2), 133-146
- Loorbach, D., & Wijsman, K. (2013). Business transition management: Exploring a new role for business in sustainability transitions. Journal of Cleaner Production, 45, 20-28. doi:10.1016/j.jclepro.2012.11.002
- Luhmann, H., & Theuvsen, L. (2016). Corporate Social Responsibility in Agribusiness: Literature Review and Future Research Directions. Journal of Agricultural and Environmental Ethics, 29(4), 673–696. https://doi.org/10.1007/s10806-016-9620-0
- Luhmann, H., & Theuvsen, L. (2017). Corporate Social Responsibility: Exploring a Framework for the Agribusiness Sector. Journal of Agricultural and Environmental Ethics, 30, 241–253. https://doi.org/10.1007/s10806-017-9665-8
- Maloni, M. J., & Brown, M. E. (2006). Corporate social responsibility in the supply chain: An application in the food industry. Journal of Business Ethics, 68, 35–52. https://doi.org/10.1007/s10551-006-9038-0
- Manowong, E., & Ogunlana, S. (2010). Strategies and Tactics for Managing Construction Stakeholders. In E. Chinyio & P. Olomolaiye (Eds.), Construction stakeholder management (pp. 121–137). Wiley-Blackwell.

- Maritan, C. A., & Brush, T. H. (2003). Heterogeneity and Transferring Practices : Implementing Flow Manufacturing in Multiple Plants. Strategic Management Journal, 24, 945–959. https://doi.org/10.1002/smj.311
- Martínez‑león, I. M., & Martínez‑garcía, J. A. (2011). The influence of organizational structure on organizational learning. International Journal of Manpower, 32, 537-566.
- McClelland, D. . (1973). Testing for competence rather than for "intelligence". The American Psychologist, 28(1), 1–14. https://doi.org/10.1037/h0038240
- Merrifield, D. B. (2000). Changing Nature of Competitive Advantage. Research-Technology Management, 1, 43.
- Mintzberg, H., Lampel, J., Quinn, J. B., & Ghoshal, S. (2003). The Strategy Process: Concepts, Contexts, Cases. (4th ed.). New York: Prentice Hall/Pearson Education.
- Mitchell, R. K., Agle, B. R., & Wood, D. J. (1997). Toward a theory of stakeholder identification and salience: Defining the principle of who and what really counts. Academy of Management Review, 22(4), 853–886. https://doi.org/10.5465/AMR.1997.9711022105
- Molina-Azorín, J. F. (2014). Microfoundations of strategic management: Toward micro-macro research in the resource-based theory. BRQ Business Research Quarterly, 17, 102–114. https://doi.org/10.1016/j.brq.2015.01.001
- Moorman, C., & Miner, A. S. (1998). Organizational Improvisation and Organizational Memory. The Academy of Management Review, 23(4), 698–723.
- Moran, J. W., & Brightman, B. K. (2000). Leading organizational change. Journal of Workplace Learning, 12(2), 66–74. https://doi.org/10.1108/13665620010316226
- Mott, E. P. (1971). The characteristics of effective organizations. New York: Harper.
- Mulder, M. (2001). Competence development – some background thoughts. The Journal of Agricultural Education and Extension, 7(4), 147 – 158. https://doi.org/10.1080/13892240108438822
- Nakpodia, F., Adegbite, E., Amaeshi, K., & Owolabi, A. (2016). Neither Principles Nor Rules: Making Corporate Governance Work in Sub-Saharan Africa. Nakpodia, Franklin.
- NAMHC. (1996). Basic behavioral science research for mental health: perception, attention, learning and memory. American Psychologist, 51(2), 133-142.
- Nandakumar, M. K., Jharkharia, S., & Nair, A. S. (2014). Introduction. In M. K. Nandakumar, S. Jharkharia, & A. S. Nair (Eds.), Organisational Flexibility and Competitiveness (pp. 1–6). New Delhi: Springer India.
- Neville, B. A., Bell, S. J., & Whitwell, G. J. (2011). Stakeholder Salience Revisited: Refining, Redefining, and Refueling an Underdeveloped Conceptual Tool. Journal of Business Ethics, 102(3), 357–378. https://doi.org/10.1007/s10551-011-0818-9
- Newey, L. R., & Zahra, S. A. (2009). The evolving firm: How dynamic and operating capabilities interact to enable entrepreneurship. British Journal of Management, 20, 81–100. https://doi.org/10.1111/j.1467-8551.2008.00614.x
- Nijhof, A. H., de Bruijn, T., Fisscher, O. A., Jonker, J., Karssing, E., & Schoemaker, M. (2006). Learning to be Responsible: Developing Competences for Organization-Wide CSR. In J. Jonker, & M. de Witte, The Challenge of Organizing and Implementing Corporate Social Responsibility (pp. 148-172). Basingstoke: Palgrave Mac Millan.
- Nonaka, I. (1994). A Dynamic Theory of Organizational Knowledge Creation. Organization Science, 5(1), 14-37. doi:10.1287/orsc.5.1.14

- O'Riordan, L., & Fairbrass, J. (2014). Managing CSR Stakeholder Engagement: A New Conceptual Framework. Journal of Business Ethics, 125(1), 121–145. https://doi.org/10.1007/s10551-013-1913-x
- Olander, S., & Atkin, B. L. (2010). Stakeholder Management - The Gains and Pains. In E. Chinyio, & P. Olomolaiye, Construction Stakeholder Management (pp. 266-275). Wiley-Blackwell. doi:10.1002/9781444315349.ch15
- O'Neill, J. W., Beauvais, L. L., & Scholl, R. W. (2001). The Use of Organizational Culture and Structure to Guide Strategic Behavior: An Information Processing Perspective. Journal of Behavioral and Applied Management, 2(2), 131-150.
- Osagie, E. R., Wesselink, R., Blok, V., Lans, T., & Mulder, M. (2016). Individual Competencies for Corporate Social Responsibility: A Literature and Practice Perspective. Journal of Business Ethics, 135, 233–252. https://doi.org/10.1007/s10551-014-2469-0
- Palzer, C., & Scheuer, A. (2003). Self-regulation, co-regulation, public regulation. Promote or Protect, 165.
- Plowman, D. A., Solansky, S., Beck, T. E., Baker, L. K., Kulkarni, M., & Travis, D. V. (2007). The role of leadership in emergent, self-organization. The Leadership Quarterly, 18, 341-356. doi:10.1016/j.leaqua.2007.04.004
- PMI. (1996). A guide to the Project Management Body of Knowledge (PMBOK Guide). Philadelphia: Project Management Institute .
- Rana, P., Platts, J., & Gregory, M. (2008). Exploration of corporate social responsibility (CSR) in multinational companies within the food industry . CRR Conference, 44.
- Raubenheimer, J. E. (2004). An item selection procedure to maximise scale reliability and validity. SA Journal of Industrial Psychology, 30(4), 59–64. https://doi.org/10.4102/sajip.v30i4.168
- Reeves, M., & Deimler, M. (2015). Adaptability: The New Competitive Advantage. Own the Future: 50 Ways to Win from the Boston Consulting Group, , 19-26.
- Reise, S. P., & Waller, N. G. (2002). Factor Analysis and Scale Revision. Psychological Assessment, 12(3), 287-297.
- Rieckmann, M. (2012). Future-oriented higher education: Which key competencies should be fostered through university teaching and learning? Futures, 44(2), 127–135. https://doi.org/10.1016/j.futures.2011.09.005
- Rivkin, J. W., & Siggelkow, N. (2003). Balancing Search and Stability: Interdependencies Among Elements of Organizational Design. Management Science, 49(3), 290-311.
- Robertson, D. C. (1991). Corporate Ethics Programs: The Impact of Firm Size. In B. V. Harvey, & G. Corbetta, Market Morality and Company Size (pp. 119-136). Dordrecht: Kluwer.
- Roe, R. A. (2000). What makes a competent psychologist? European Psychologist, 7(3), 192–202.
- Rogelberg, S. G., & Stanton, J. M. (2007). Introduction: Understanding and dealing with organizational survey nonresponse. Organizational Research Methods, 10(2), 195–209. https://doi.org/10.1177/1094428106294693
- Roome, N., Doove, R.-P., & Postema, M. (2006). An Anatomy of Corporate Social Responsibility: Casual Factors in CSR as a Social Movement and Business Practice. In J. Jonker, & M. de Witte, The challenges of Organising and Implementing Corporate Social Responsiblity (pp. 78-94). New York: PALGRAVE MACMILLAN.

- Rothaermel, F. T., & Hess, A. M. (2007). Building Dynamic Capabilities: Innovation Driven by Individual-, Firm-, and Network-Level Effects. Organization Science, 18(6), 898–921.
- Rummel, R. J. (1970). Applied factor analysis. Illinois: Northwestern University Press.
- Russell, C. J. (2001). A Longitudinal Study of Top-Level Executive Performance. Journal of Applied Psychology, 86(4), 560–573. https://doi.org/10.1037//0021
- Salancik, G. R., & Pfeffer, J. (1974). The Bases and Use of Power in Organizational Decision Making : The Case of a University Gerald R . Salancik and Jeffrey Pfeffer. Administrative Science Quarterly, 19(4), 453–473. https://doi.org/10.2307/2391803
- Sanders, D. (2004). Knowledge management and potentially useful new hyperdidactic structures. Defense and Security Analysis, 20(3), 229-243. doi:10.1080/1475179042000260660
- Santos, J. R. A. (1999). Cronbach's alpha: A tool for assessing the reliability of scales. Journal of Extention, 37(2), 1–5.
- Schon, D. (1983). The Reflective Practitioner: How Professionals Think in Action. London: Maurice Temple Smith.
- Schuman, R., & Mullerat, R. (2013). Corporate Social Responsibility : A European Perspective. Miami-Florida European Union Center of Excellence, 13(6), 1–22.
- Schwab, D. (1980). Construct Validity in Organizational Behavior. Research in Organizational Behavior, 2, 3–43.
- Selsky, J. W., & Parker, B. (2010). Platforms for Cross-Sector Social Partnerships: Prospective Sensemaking Devices for Social Benefit. Journal of Business Ethics, 94, 21–37. https://doi.org/10.1007/s10551-011-0776-2
- Sheehy, B. (2014). Defining CSR: Problems and Solutions. Journal of Business Ethics, 131(3), 625-648. doi:10.1007/s10551-014-2281-x
- Spencor, L M, J., & Spencor, S. M. (1993). Competence at work: Models for superior performance. NewYork: John Wiley.
- Stanovich K. E. (2009) What Intelligence Tests Miss: The Psychology of Rational Thought. New Haven: Yale University Press:
- Suchman, M. C. (1995). Managing Legitimacy: Strategic and Institutional Approaches. Academy of Management Review, 20(3), 571–610. https://doi.org/10.3102/00346543067001043
- Taherdoost, H., Sahibuddin, S., & Jalaliyoon, N. (2014). Exploratory Factor Analysis ; Concepts and Theory. Advances in Applied and Pure Mathematrics, 375–382.
- Teece, D. (2007). Explicating Dynamic Capabilities: The Nature and Microfoundations of (Sustainable) Enterprise Performance. Strategic Management Journal, 28(13), 1319–1350.
- Teece, D. J., Pisano, G., & Shuen, A. (1997). Dynamic Capabilities and Strategic Management. Oxford University Press, 18(7), 509–533. https://doi.org/10.1002/(SICI)1097-0266(199708)18:7<509::AID-SMJ882>3.0.CO;2-Z
- Teece, D., & Pisano, G. (1994). The Dynamic Capabilites of Firms: an Introduction. Industrial and Corporate Change, 3(3), 547-556.
- Tushman, M. L., & Scanlan, T. J. (1981). Boundary Spanning Individuals: Their Role in Information Transfer and Their Antecedents. Academy of Management Journal, 24(2), 289-305. doi:10.2307/255842
- Vanhonacker, F., & Verbeke, W. (2014). Public and Consumer Policies for Higher Welfare Food Products : Challenges and Opportunities. Journal of Agricultural and Environmental Ethics, 27(1), 153–171. https://doi.org/10.1007/s10806-013-9479-2

- Veldhuizen, M., Block V., & Dentoni, D. (2013) Organizational drivers of capabilities for multi-stakeholder dialogue and knowledge integration. Journal on Chain and Network Science, 13(2), 107-117.
- Velicer, W. F., & Fava, J. L. (1998). Affects of variable and subject sampling on factor pattern recovery. Psychological Methods, 3(2), 231–251. https://doi.org/10.1037/1082-989X.3.2.231
- Vera, D., & Crossan, M. (2005). Improvisation and Innovative Performance in Teams. Organizational Science, 16(3), 203-224.
- Verdú, A. J., & Gómez-Gras, J. (2009). Measuring the organizational responsiveness through managerial flexibility. Journal of Organizational Change Management, 22(6), 668–690. https://doi.org/10.1108/09534810910997069
- Volberda, H. W. (1996). Toward the Flexible Form: How to Remain Vital in Hypercompetitive Environments. Organization Science, 7(4), 359–374. https://doi.org/10.1287/orsc.7.4.359
- Vos, J. F. J., & Achterkamp, M. C. (2006). Stakeholder identification in innovation projects: Going beyond classification. European Journal of Innovation Management, 9(2), 161–178. https://doi.org/10.1108/14601060610663550
- Waldman, D. A., & Siegel, D. (2008). Defining the socially responsible leader. Leadership Quarterly, 19, 117-131. doi:10.1016/j.leaqua.2007.12.008
- Weick, K. E. (1976). Educational Organizations as Loosely Coupled Systems. Administrative Science Quarterly, 1-19.
- Weick, K. E. (1993). The Collapse of Sensemaking in Organizations: The Mann Gulch Disaster. Administrative Science Quarterly, 28(4), 628-652. doi:10.2307/2393339
- Weiner, S. P., & Dalessio, A. T. (2006). Oversurveying: Causes, Consequences, and Cures. In A. I. Kraut (Ed.), Getting Action from Organizational Surveys: New Concepts, Technologies, and Applications. San Francisco: Jossey-Bass.
- Western and Pacific Child Welfare Implementation Center. (2013). Stakeholder Engagement Tools for Action.
- Wiek, A., Withycombe, L., & Redman, C. L. (2011). Key competencies in sustainability: A reference framework for academic program development. Sustainability Science, 6(2), 203–218. https://doi.org/10.1007/s11625-011-0132-6
- Willem, A., & Buelens, M. (2009). Knowledge sharing in inter-unit cooperative episodes: The impact of organizational structure dimensions. International Journal of Information Management, 29, 151-160. doi:10.1016/j.ijinfomgt.2008.06.004
- Wothke, W. (1993). Nonpositive definite matrices in structural modeling. In K. A. Bollen & J. S. Long (Eds.), Testing structural equation models (pp. 256–293).
- Wu, Q., He, Q., Duan, Y., & O'Regan, N. (2012). Implementing Dynamic Capabilities for Corporate Strategic Change Toward Sustainability. Strategic Change, 21, 231–247. https://doi.org/10.1002/jsc
- Zollo, M., & Winter, S. G. (2002). Deliberate Learning and the Evolution of Dynamic Capabilities. Organization Science, 13(3), 339–351.

APPENDIX I: Research questionnaire

Questionnaire

Research by Management Studies Group, Wageningen University & Research

This study aims to explore how individual competencies and organizational structures in **large agri-food firms in European Union (EU) countries** interplay to enhance stakeholder management practices. As such, your input will help to advance managerial knowledge and practice for establishing long-term, meaningful stakeholder management.

The questionnaire will take approximately 15 minutes of your time. Questions are meant to gauge your opinions and perceptions. Therefore, there is no right or wrong answer.

In this context, the terms 'firm', 'CSR' and 'stakeholder' are defined as described in the table.

Term	Definition
Firm	A broader organization that you are currently working for
CSR	It refers to Corporate Social Responsibility, or in Dutch, Maatschappelijk Verantwoord Ondernemen. In a broad view of this concept, CSR is a concept to which firm voluntarily integrates social and ecological values into core activities and includes joint action with stakeholders for the public good (Heyder & Theuvsen, 2010)
Stakeholder	Stakeholders that are outside the normal production/value chain of the company, which aid in or benefit from the company's CSR activities. This term does not include customers, suppliers or shareholders, but include other stakeholder that company interacts with when implementing CSR activities. Some examples of stakeholders are non-governmental organizations, governments, local organizations, and other businesses.

Your responses are voluntary, confidential and anonymous. This means that individuals will not be identified in anyway based on their responses. Instead, all responses will be complied together and analyzed as a group. Furthermore, data will be protected in a way that none outside the research team will be able to access them in their disaggregated form. Finally, as a reward for your meaningful contribution to this research, we pledge to send you our analysis and interpretation of the aggregated data.

If you have any questions or concern, please contact Ms. Natnicha Veerathummanoon via telephone (+31) 068-267-8842 or natnicha.veerathummanoon@wur.nl, Dr. Larissa Shnayder (larissa.shnayder@wur.nl) or Prof. Dr. Domenico Dentoni (domenico.dentoni@wur.nl) at the Management Studies Group of Wageningen University & Research (WUR).

Thank you for your participation

General information

Gender

○ Male

○ Female

○ Other

Age

○ younger than 30

○ 30-39

○ 40-49

○ 50 or older

What is the name of the company that employs you? (optional)

In which country are your primary headquarters located?

How many employees are currently employed at your company?

○ Fewer than 50

○ 50-249

○ 250 or more

Are your job tasks strategically or practically involved with CSR activities of your firm?

○ Yes

○ No

Which type(s) of CSR initiatives best describe those your firm was active in last year? Please check multiple boxes, if that apply.

☐ Innovation for the greater good

☐ Education, community involvement or local initiatives

☐ Health promotion or disease prevention

☐ Transparency, responsibility in advertising, or responsible information dissemination

☐ Reliability, product safety and quality, improved consumer choice

☐ Efficiency or efforts to reduce/reuse/recycle

☐ Compliance with regulations, agreements, or industry standards

☐ Motivating other firms to behave responsible

☐ Keeping costs low

☐ Increasing revenue or growing as a firm

☐ Other

☐ My firm does not participate in any activities related to CSR

Please indicate to what extent you agree or disagree with the following statements.

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
I anticipate potential consequences of organizational and individual actions regarding CSR.	○	○	○	○	○	○	○
I think critically about potential consequences of organizational and individual actions regarding CSR.	○	○	○	○	○	○	○
I anticipate future developments regarding CSR-related challenges.	○	○	○	○	○	○	○
I mentally develop scenarios to describe how CSR related challenges will develop in the future and how these challenges might affect the firm.	○	○	○	○	○	○	○

Please indicate to what extent you agree or disagree with the following statements.

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
I think of the firm as a system comprised of several interdependent subsystems.	○	○	○	○	○	○	○
I acknowledge that CSR consists of varied issues and themes.	○	○	○	○	○	○	○
I consider potential relationships and interdependencies across different CSR-related challenges.	○	○	○	○	○	○	○
I evaluate the implications of solutions to CSR challenges on all subsystems internal and external to the company.	○	○	○	○	○	○	○
I consider the potential collaboration with other actors in the supply chain in addressing common CSR challenges.	○	○	○	○	○	○	○
I understand the interdependency of various business units in the firm and how they may contribute to the firm's CSR strategies and challenges at large.	○	○	○	○	○	○	○

Please indicate to what extent you agree or disagree with the following statements.

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
I contribute to the development of standards and codes of conduct, for example by participating in roundtable meetings and other stakeholder interactions.	○	○	○	○	○	○	○
I influence the development and enforcement of standards and codes of conduct in order to regulate or encourage the CSR-related behaviors of others in my firm.	○	○	○	○	○	○	○
When facing CSR challenges, I consider if and how my firm should participate in relevant political processes to develop standards and codes of conduct.	○	○	○	○	○	○	○
When facing CSR challenges, I understand how my firm is expected to apply relevant industry-wide, national and/or international regulations.	○	○	○	○	○	○	○

Please indicate to what extent you agree or disagree with the following statements.

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
I organize, facilitate, and manage the aforementioned process and the people involved, within the specified timeframe and budget.	○	○	○	○	○	○	○
When dealing with CSR related challenges, I do NOT think in term of short-term financial gains.	○	○	○	○	○	○	○
I search for trends in CSR and I translate these developments into business opportunities for the firm.	○	○	○	○	○	○	○
I develop partnerships with relevant stakeholders both within and outside the company to improve CSR strategies and practices.	○	○	○	○	○	○	○

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
I translate a firm's CSR strategy into individual milestones, targets, and concrete actions.	○	○	○	○	○	○	○
I reflect on how future developments in CSR related challenges may influence the firm's current CSR program.	○	○	○	○	○	○	○
I take risks and seek new ways to pursue CSR for my firm.	○	○	○	○	○	○	○
I deal with 'resistance to change' in my firm by inspiring and motivating others.	○	○	○	○	○	○	○
When dealing with CSR related challenges, I keep track of the bigger picture.	○	○	○	○	○	○	○
I understand my company's vision as it pertains to handling CSR related challenges	○	○	○	○	○	○	○
I prepare reports and present results in a clear and convincing manner.	○	○	○	○	○	○	○

Please indicate to what extent you agree or disagree with the following statements.

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
I coach and help others to integrate CSR strategies into their daily work	○	○	○	○	○	○	○
I represent the firm's interests while taking into account ideas and inputs from stakeholders.	○	○	○	○	○	○	○
I use my social, communication and networking skills to raise awareness about CSR challenges and strategies.	○	○	○	○	○	○	○
I challenge and stimulate ownership of CSR challenges and strategies in others.	○	○	○	○	○	○	○

Please indicate to what extent you agree or disagree with the following statements.

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
If I encounter resistance to change in my firm, I am able to handle it effectively.	○	○	○	○	○	○	○
I show patience when addressing challenges in my job.	○	○	○	○	○	○	○
I show resilience when addressing challenges in my job.	○	○	○	○	○	○	○
I show pragmatism in addressing challenges in my job.	○	○	○	○	○	○	○
I have a positive attitude when addressing challenges in my job.	○	○	○	○	○	○	○
I show empathy when addressing challenges in my job.	○	○	○	○	○	○	○
I have a realistic perspective when addressing challenges in my job.	○	○	○	○	○	○	○
I enjoy dealing with various stakeholders, each of whom have their own unique goals, motivations, and cultures.	○	○	○	○	○	○	○
I show flexibility when addressing challenges in my job.	○	○	○	○	○	○	○

Please indicate to what extent you agree or disagree with the following statements.

	Strongly disagree	Disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
I am able to pursue both financial and sustainability-related CSR objectives, without losing sight of my personal ethical boundaries and values.	○	○	○	○	○	○	○
When addressing, CSR related challenges, I am able to find a balance between idealism and pragmatism.	○	○	○	○	○	○	○
I serve as a role model for others when performing CSR strategies and practices.	○	○	○	○	○	○	○
I am action-oriented and decisive when implementing CSR strategies.	○	○	○	○	○	○	○
I believe that CSR related challenges are urgent and I am intrinsically motivated to address them.	○	○	○	○	○	○	○

Please indicate to what extent you agree or disagree with the following statements.

	Strongly disagree	disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Agree	Strongly agree
I address CSR issues through self-evaluations of my own prior ideas, beliefs and behaviors.	○	○	○	○	○	○	○
I take it upon myself to learn to address and work on CSR challenges.	○	○	○	○	○	○	○

This question is about improvisation and structure within the firm.

Please rate your organization according to each of the scales below.

Communication is: Chaotic	○	○	○	○	○	Channeled
Priorities are: Ambiguous	○	○	○	○	○	Clear
Communication is: Infrequent	○	○	○	○	○	Constant
My firm adapts to change: With great difficulty	○	○	○	○	○	With ease
Priorities drive resources: Never	○	○	○	○	○	Always

The question is about internal integration in your firm.

Please rate your firm on a 5-point scale, based on the following criteria.

	Very Inaccurate	Moderately inaccurate	Neither accurate nor inaccurate	Moderately accurate	Very Accurate
There is frequent cross-project communication.	○	○	○	○	○
Project teams up people across different functional expertise to work together.	○	○	○	○	○
When an existing project approaches completion, members transit to work on new projects.	○	○	○	○	○
There are formal cross-project meetings.	○	○	○	○	○
There is hierarchy of project managers.	○	○	○	○	○
New teams are a mix of old and new team members.	○	○	○	○	○
A project coordinator leads project transitions.	○	○	○	○	○
There are explicit project priorities.	○	○	○	○	○

The question is about the responses of your organization to unexpected future.

Please rate your firm on a 5-point scale, based on the following criteria.

Our attention to the future is: Rare	○	○	○	○	○	Constant
We have (...) meaningful experimental products and future-oriented strategic alliances: No	○	○	○	○	○	Several
Our future is based on: Reacting to future development	○	○	○	○	○	Careful planning
We (...) use experimentation: Never	○	○	○	○	○	Extensively
The collective vision of our business is: Ambigious	○	○	○	○	○	Clear
Your firm is considered to be: A follower	○	○	○	○	○	A leader

This questionnaire is about project transition management.

Please rate your firm on a 5-point scale, based on the following criteria.

	Never	Rarely	Sometimes	Often	Frequently
A project performance is measured with well-defined metrics.	○	○	○	○	○
New projects are introduced at predictable intervals.	○	○	○	○	○
When a project ends, my firm has explicit procedures for transitioning to new projects.	○	○	○	○	○

Please indicate, in your opinion, the extent to which your firm is capable of:

	Not at all	To a very small extent	To a small extent	To a moderate extent	To a fairly great extent	To a great extent	To a very great extent
Explore new information about stakeholders to evaluate new opportunities for collaboration.	○	○	○	○	○	○	○
Recognize how stakeholders' requests change over time.	○	○	○	○	○	○	○
Assess stakeholders' resources and capabilities.	○	○	○	○	○	○	○
Identify the societal actors that influence and are influenced by the firm.	○	○	○	○	○	○	○
Anticipate stakeholders' needs and demands.	○	○	○	○	○	○	○
Recognize conflicting views among multiple stakeholders.	○	○	○	○	○	○	○

Please indicate, in your opinion, the extent to which your firm is capable of:

	Not at all	To a very small extent	To a small extent	To a moderate extent	To a fairly great extent	To a great extent	To a very great extent
Adapt or change formal or informal mechanisms to achieve common goals with existing stakeholders.	○	○	○	○	○	○	○
Develop formal or informal mechanisms to achieve common goals with new stakeholders.	○	○	○	○	○	○	○
Initiate, develop, establish or strengthen relationships with stakeholders.	○	○	○	○	○	○	○

Please indicate, in your opinion, the extent to which your firm is capable of:

	Not at all	To a very small extent	To a small extent	To a moderate extent	To a fairly great extent	To a great extent	To a very great extent
Establish procedures or routines to incorporate to codify knowledge from stakeholders into organizational practices and processes.	○	○	○	○	○	○	○
Acquire and assimilate knowledge from stakeholders.	○	○	○	○	○	○	○

Please indicate, in your opinion, the extent to which your firm is capable of:

	Not at all	To a very small extent	To a small extent	To a moderate extent	To a fairly great extent	To a great extent	To a very great extent
Use knowledge from stakeholders in organizational processes and practices	○	○	○	○	○	○	○
Co-create different types of product and process innovations together with stakeholders	○	○	○	○	○	○	○
Adjust organizational structures and shift the organizational culture on the basis of stakeholder interaction.	○	○	○	○	○	○	○
Redeploy resources and capabilities on the basis of changing stakeholders' advices and pressures.	○	○	○	○	○	○	○

APPENDIX II: Statistical results

I. Sample description

Variable	Sample	Percentage (%)
Gender		
Male	44	75.9
Female	14	24.1
Age		
Younger than 30	4	6.9
30 – 39	14	24.1
40 - 49	10	17.2
50 or older	30	51.7
Country		
Austria	1	1.8
Belgium	1	1.8
France	5	8.9
Germany	1	1.8
Luxembourg	3	5.4
Netherlands	25	44.6
Poland	1	1.8
Sweden	1	1.8
United Kingdom	18	32.1

II. CSR initiatives the organizations engage in past year

CSR initiatives	N	Percent response (%)	Percent of cases
Innovation for the greater good	45	10.5	77.6
Education, community involvement or local initiatives	43	10.0	74.1
Health promotion or disease prevention	43	10.0	74.1
Transparency responsibility in advertising or responsible information dissemination	42	9.8	72.4
Reliability, product safety and quality, improved consumer	48	11.2	82.8
Efficiency or efforts to reduce/reuse/recycle	49	11.4	84.5
Compliance with regulations, agreements, or industry standards	45	10.5	77.6
Motivating other firms to behave responsible	31	7.2	53.4
Keeping costs low	37	8.6	63.8
Increasing revenue or growing as a firm	38	8.9	65.5
Others	7	1.6	12.1
Total	428	100	737.9

III. Rotated component matrix of organizational adaptability

Items	Component					Communalites
	1	2	3	4	5	
Communication is constant (vs. infrequent)	**0.803**					.669
Project teams up people across different functional expertise to work together.	**0.749**					.721
There are explicit project priorities.	**0.740**					.644
Priorities are clear (vs. ambiguous)	**0.714**					.651

	1	2	3	4	5	Communalities
Communication is channeled (vs. chaotic)	**0.703**					.615
Priorities drive resources always (vs. never)	**0.564**					.578
When a project ends, my firm has explicit procedures for transitioning to new projects.	**0.51**	0.478				.569
Our attention to the future is constant (vs. chaotic)		**0.808**				.718
We have several (vs. no) meaningful experimental products and future-oriented strategic alliances		**0.805**				.722
We extensively (vs. never) use experimentation		**0.707**				.622
Your firm is considered to be a leader (vs. follower)	0.481	**0.642**				.678
The collective vision of our business is clear (vs. ambiguous)		**0.593**				.475
A project performance is measured with well-defined metrics.	0.477	0.486				.634
There are formal cross-project meetings.			**0.868**			.766
There is frequent cross-project communication.			**0.77**			.680
When an existing project approaches completion, members transit to work on new projects.			**0.639**	0.439		.720
My firm adapts to change with ease (vs. with great difficulty)			**0.622**			.525
A project coordinator leads project transitions.				**-0.715**		.698
New projects are introduced at predictable intervals.				**0.711**		.648
There is hierarchy of project managers.				**-0.597**	0.459	.645
New teams are a mix of old and new team members.					**0.643**	.679
Our future is based on careful planning (vs. reacting to future development)		0.584			0.609	.771

IV. Rotated component matrix of dynamic capabilities for stakeholder orientation

Items	Component		Communalites
	1	2	
Redeploy resources and capabilities on the basis of changing stakeholders' advices and pressures.	**0.901**		.828
Adjust organizational structures and shift the organizational culture on the basis of stakeholder interaction.	**0.853**		.770
Use knowledge from stakeholders in organizational processes and practices	**0.813**		.710
Establish procedures or routines to incorporate to codify knowledge from stakeholders into organizational practices and processes.	**0.804**		.763
Adapt or change formal or informal mechanisms to achieve common goals with existing stakeholders.	**0.794**		.651
Co-create different types of product and process innovations together with stakeholders	**0.751**		.632
Develop formal or informal mechanisms to achieve common goals with new stakeholders.	**0.636**		.531
Acquire and assimilate knowledge from stakeholders.	**0.582**	0.494	.583
Anticipate stakeholders' needs and demands.		**0.854**	.761
Recognize how stakeholders' requests change over time.		**0.842**	.728
Recognize conflicting views among multiple stakeholders.		**0.83**	.730

Assess stakeholders' resources and capabilities.	0.491	**0.77**	.834
Identify the societal actors that influence and are influenced by the firm.		**0.74**	.574
Explore new information about stakeholders to evaluate new opportunities for collaboration.	0.414	**0.677**	.629
Initiate, develop, establish or strengthen relationships with stakeholders.	0.487	0.498	.485