



Leveraging IT-enabled dynamic capabilities to shape business process agility and firm innovative capability: moderating role of turbulent environment

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Abstract

Today, the business environments are ever more becoming dynamic hence, firms have to be agile and innovative to respond to turbulence. Drawing on the multi-theoretic lens, this study proposes that IT-enabled Dynamic Capabilities (ITDC) are leveraged to shape firm business process agility and firm innovative capability in a turbulent environment. The 254 IT and business executives survey from Chinese firms uncover a positive and significant link in the proposed model. Marketing and technological turbulence significantly moderate ITDC–agility relationship. Similarly, marketing turbulence is significantly moderate, but contrary to the expectation the technological turbulent has an insignificant moderating effect between ITDC–firm innovative capability relationship. This study exhibits the effect of ITDC on firm performance mediated by firm agility and innovative capability. Theoretical anchoring and practical implications are also discussed.

Keywords IT-enabled dynamic capability · Agility · Innovative capability · Turbulence environment, firm performance

Mathematics Subject Classification 62Jxx · 62Pxx · 62Axx · 62Fxx

For ease of expression, we refer to IT-enabled dynamic capabilities as ITDC and business process agility as agility.

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