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THE EFFECT OF DYNAMIC MANAGERIAL CAPABILITIES AND THEIR UNDERPINNINGS ON MARKET CREATION COMPETENCES

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ABSTRACT

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Managerial capabilities are the main resource in every and each organization which have particular strategic objectives to fulfill. This research is an effort to dig out how managerial cognition, human capital and social capital as underpinnings of dynamic managerial capabilities separately and altogether affect strategic market creation (SMC) in nascent industries. Moreover, my study unfolds whether dynamic managerial capabilities (sensing, seizing and reconfiguring) act as a key mechanism through which these underpinnings lead to SMC. I also offer a first examination of the possible moderation impact of innovation, flexibility and outward focus between DMC and its underpinnings as essential organizational climate factors.

For this purpose, a quantitative research design is formulated and a self-administered questionnaire is distributed to top and middle-level managers of insurance companies in Pakistan. My sample comprises of 497 respondents. I ran structural equation models (SEM) to test a set of direct, indirect and moderation hypotheses. Findings reveal that DMC underpinnings have a direct positive impact on marketing and R&D competence dimensions of SMC. I found that most of the mediational paths are significant as well. The results also prove substantial moderation of aforementioned organizational climate factors between DMC and its underpinnings.

Through these findings, this study contributes to the theory in three distinct ways. I bring forth: 1) a conceptual and operational extension of the DMC construct which was built upon Wilden (2013) and Helfat and Martin (2015) studies; 2) strong empirical evidence that developing DMC triggered by managerial cognition, human and social capital is one of the pivotal conditions for managers to contribute in their firm's strategic outcomes, especially in nascent industries, and 3) the empirical analysis of the whole process and mechanisms involving DMC, its underpinnings and organizational climate factors for enhancing market creation competences.

Keywords: *dynamic managerial capabilities, strategic market creation, insurance industry, social capital, managerial cognition*

DİNAMİK YÖNETİMSEL YETENEKLERİN VE KAYNAKLARININ PAZAR OLUŞTURMA YETERLİKLERİ ÜZERİNDEKİ ETKİSİ

ÖZ

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Yönetimsel yetenekler küçük ya da büyük olsun stratejik hedeflere ulaşmak isteyen her örgütün temel kaynaklarından bir tanesidir. Bu çalışma, gelişmekte olan endüstrilerde dinamik yönetimsel yeteneklerin (duyumsama, kapsama ve yeniden düzenleme) temellerini oluşturan yönetimsel biliş, insan sermayesi ve sosyal sermayenin stratejik piyasa geliştirme üzerindeki tekil ve bileşik etkilerini araştırmaktadır. Çalışma özellikle de dinamik yönetimsel yeteneklerin temel bir mekanizma olarak söz konusu yönetici özellikleri ile piyasa yaratma arasındaki aracı etkisine odaklanmaktadır. Ayrıca, iki önemli örgütsel bağlam özelliği olarak yenilikçilik-esneklik ile dış-odaklılığın tüm bu süreçler üzerindeki etkisi incelenmektedir.

Bu amaçla, nicel bir araştırma tasarımı oluşturulmuş ve Pakistan sigortacılık sektöründe çalışan toplam 497 yöneticiye anket uygulanmıştır. Savlanan doğrudan, dolaylı ve koşul ilişkilerini test etmek için yapısal eşitlik modellemesi uygulanmıştır. Analiz sonuçları, incelenen dinamik yönetimsel yetenek kaynaklarının birçoğunun yönetici düzeyinde ölçülen pazar yaratma boyutları olan pazarlama ve ar-ge yeterliklerine olumlu etkisi olduğunu göstermektedir. Aracı ilişkilerinin çoğu da anlamlı bulunmuştur. Test edilen etkileşim analizleri, yenilikçilik-esneklik ve dış-odaklılık faktörlerinin dinamik yetenekler ile temelleri arasında koşullayıcı etkisinin de anlamlı olduğunu göstermektedir.

Tüm bu bulgular ışığında bu çalışma kurama üç belirgin katkı yapmaktadır: 1) Temel olarak Wilden (2013) ve Helfat & Martin (2015) çalışmalarına dayanan dinamik yönetimsel yetenekler olgusu kavramsal ve ölçümsel olarak geliştirilmiştir; 2) yönetimsel biliş, insan sermayesi ve sosyal sermaye sayesinde ortaya çıkan dinamik yönetimsel yeteneklerin yeni endüstrilerde faaliyet gösteren firmaların piyasa açma ve geliştirme amaçlı stratejik çıktılarına anlamlı katkısı ilk kez gösterilmiştir, 3) dinamik yönetimsel yeteneklerin farklı örgütsel sonuçlara olumlu potansiyel etkisinin hangi süreç ve mekanizmalarla oluştuğu görgül olarak ifade edilmiştir.

Anahtar Kelimeler: *dinamik yönetimsel yetenekler, sosyal sermaye, yönetimsel biliş, stratejik piyasa geliştirme, sigortacılık sektörü*

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I dedicate my work to a few important personalities in my life without whom I would have never been able to stand where I am today. My late parents who had a dream that one of their children may become a Ph.D. doctor one day and be able to contribute academically towards the societal cause. Secondly, my maternal uncle, Mr. Abdul Khaliq (late) who showed me the path to turn this dream into reality. Last but not the least, my dear wife and children. Without their support and sacrifice, this all couldn't have been possible for me to achieve.

Ahmed Muneeb Mehta

İzmir, 2019

TEXT OF OATH

I declare and honestly confirm that my study, titled “THE EFFECT OF DYNAMIC MANAGERIAL CAPABILITIES AND THEIR UNDERPINNINGS ON MARKET CREATION COMPETENCES” and presented as a PhD Thesis, has been written without applying to any assistance inconsistent with scientific ethics and traditions. I declare, to the best of my knowledge and belief, that all content and ideas drawn directly or indirectly from external sources are indicated in the text and listed in the list of references.

Ahmed Muneeb Mehta

Signature

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August 5, 19

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LIST OF ABBREVIATIONS

DMC	: Dynamic Managerial Capabilities
SMC	: Strategic Market Creation
OCF	: Organizational Climate Factors
MHC	: Managerial Human Capital
MSC	: Managerial Social Capital
MC	: Managerial Cognition
GFI	: Goodness of Fit Index
CFI	: Comparative Fit Index
RMSEA	: Root Mean Square Error of Approximation
CFA	: Confirmatory Factor Analysis

CHAPTER 1. INTRODUCTION

In any organization, the true mechanism of decision making and the perspective that organizations hold belongs to the workforce responsible behind each key decision made by the organization. This workforce is also termed as higher or top management who form and implement innovative decisions pertaining to whole organizational structure for better performance such as development and deployment of strategies regarding competing in an existing market as well as developing new markets.

Every organization has some strategic objectives and for fulfillment of those objectives, there is the need of strategic decision making process to attain the desired goals along with capabilities of the organization. These managerial abilities play an important role in identifying opportunities, getting hold of them and planning strategy for making accurate decisions followed by organizational as well market growth.

Similarly, market development for any organization specially belonging in an emerging industry holds considerable importance since it is a significant indicator of organizational efficiency (Wiersema & Bantel, 1992; Eisenhardt, 1989; Martin, 2011; Helfat & Martin 2014). Therefore, organizations in such an industry must consider certain strategies that managers plan throughout the year for not only coping up with the changes and turmoil of markets but it also helps them in forming important decisions in this market. This also depends on a certain number of supporting factors such as the managerial network strength within and outside the organization and the abilities to make strategic decisions. These determinants form the key factors of DMC i.e. managerial cognition (Adner & Helfat, 2003; Johnson and Hoopes, 2003), human (Castanias & Helfat, 1991; 2001) and social capital (Burt, 1992; Geletkanycz et al., 2001).

In this study, I shed light on the impact of managerial cognition, social and human capital, also known as the underpinnings of the dynamic managerial capabilities (Adner & Helfat, 2003; Teece, 2012; Helfat, 2015) on the strategic market creation. Here, dynamic managerial capabilities (DMC) have been considered as the mediating mechanism to explain strategic market creation.

Also, Organizational climate factors have a moderating role within the relationship of DMC and the underpinnings (Carroll et al., 2006; Schulte et al., 2012; Kleinbaum and Stuart, 2014; Helfat and Peteraf, 2015). As per the literature reviewed, the underpinnings and organizational climate factors considered in this study have the potential to direct managerial tendency in performing their functions in an enhanced manner also known as DMC.

1.1 Purpose and Importance of the Study

Managerial skills are usually required for uplifting and achieving the organizational goals. These include critical skills pertinent for improving the functions of management i.e. planning, organizing, staffing, leading and controlling (Teece, 2012).

Helfat (2007) mentions that in current era, managers have become more dynamic in applying different dynamic skills which are specifically dynamic managerial capabilities (DMC); the managerial ability to build, integrate, and reconfigure organizational resources and competences that are linked with strategic market creation. Also, managerial human capital, social capital and cognition also known as the underpinnings of dynamic managerial capabilities are related to strategic market creation (Adner & Helfat, 2003).

The foundation of DMC majorly consists of managerial cognition, social and human capital. These are also referred to as the underpinnings of dynamic managerial capabilities (Helfat and Martin, 2015).

Managerial human capital refers to the skills acquired (Adner and Helfat 2003) such as training, education, etc. Whereas, managerial social capital consists of collaborative feelings or attitudes developed through managerial relations within and outside the organization to manage resources and receive necessary information (Adler and Kwon, 2002). Lastly, managerial cognition refers to the combination of thought processes, opinions and emotions where managers rely on knowledge structures for perceiving and understanding markets and planning strategies accordingly (Garbuio, King & Lovallo, 2011).

The term managerial human capital originated from human capital which refers to the skills acquired (Adner and Helfat 2003) and depends on continuous support in different types of learning such as training, education, etc. (Becker, 1964). Also, a manager's previous experience adds value to knowledge he intends to acquire. Therefore, managerial human capital constitutes both learning by experience as well as practice (Mintzberg, 1973).

Managerial social capital consists of collaborative feelings or attitudes that come from both formal as well as informal relationships within and outside the organization. Managers develop these relations not only within the industrial network but also with the key external network members to manage resources and receive necessary information pertinent to the organizational growth (Adler and Kwon, 2002). Both formal as well as informal work relations within and outside the organization provide a network that managers may utilize to acquire information and other organizational resources (Adner and Helfat, 2003).

Managerial cognition indicates the intention of the manager in an organization to acquire the knowledge from different sources and make decisions, which are based on understanding, thoughts, beliefs, experiences, and senses (Madhavaram, Badrinarayanan, & Granot, 2011). In an organization, the consideration of all these aspects by the management is worthy to utilize the knowledge in an effective manner and make different decisions along with a rationale. The managerial decision is actually facilitating different managers in different organizations to use information enable the rational decision-making process.

The managerial cognition is linked with the organizational antecedents (Cacioppo & Petty, 1982). Organizational climate, on the other hands contained the set of features that describe an organization, differentiate it from other organizations are relatively enduring over time and influence the behavior of people in it (Forehand & Gilmer, 1964).

Adner and Helfat (2003, p. 1282) originally defined “dynamic managerial capabilities” as “the managerial capability to build, integrate, and reconfigure organizational resources and competences”. Soon after, Helfat, et al. (2007, p. 4) described DMC as the capacity of managers to develop, modify or alter the resource base of an organization”. The concept of DMC was explained by Helfat & Martin (2013) to illustrate the relationships between managerial decisions, actions, strategic change, corporate performance and creating new markets. Teece (2012) further describes how these relationships enhance managerial ability to sense and seize opportunities both within and outside the organization.

The creation of a new market takes place when a company introduces new products or services or the ones which haven't been thought of earlier and strategically transforms the structure of the industry or sector that already exists (Darroch and Miles, 2011). The importance of markets cannot be compromised as they offer platforms for exchanges or transactions (Buzzell, 1999; Humphreys, 2010).

In growing industries (developing industries), where the market's thirst is yet to be quenched and market is demand driven, organizations find it hard to maintain their growth level without exploiting new opportunities specially in the realm beyond the market space that currently exists (Chan-Kim & Maubourgne, 2005). Therefore, innovative decision making and profound managerial perspectives are key factors for determining entrepreneurial activities required among the organization management to comply with the evolving markets (Helfat & Martin, 2014). Moreover, firm performance in such tasks vary in accordance with the managerial human capital available in organizations and how it is being utilized (Gruber, MacMillan, & Thompson, 2012).

Although, managerial skills are critical for any organization's continuous growth and success, yet, there is a need to identify the specific skills which are detrimental for market development. Moreover, dynamic managerial abilities can be useful for market development (Eisenhardt, 1989; Martin, 2011; Helfat & Martin 2014) but how managers utilize these abilities to address an emerging industry need to be investigated. Another perspective in which DMC hasn't been modeled or tested earlier is its nature as a mediator between its underpinnings and certain strategic outcomes which are proposed in this study.

Previous researches highlight the importance of DMC as key role player for innovation development (Lawson & Samson, 2001), strategic management (Ambrosini & Bowman, 2009), entrepreneurial action (Teece, 2012), managerial cognition (Helfat & Peteraf, 2015), managerial social capital (Hung & Lien 2009), and managerial human capital (Chatterji and Patro, 2014).

Although, these studies support the inter relationships of managerial cognition, social and human capital (underpinnings of DMC) as well as their relationship with DMC or organizational strategic performance. The afore-mentioned research suggests that there is a need for future research to analyze DMC as a possible supportive mechanism between underpinnings of DMC and market development or addressing needs of nascent industry. This research model hasn't been tested yet. Learning about such analysis may be really helpful for organizational higher management, specially belonging to nascent industry to sense, seize and reconfigure opportunities more accurately for future growth as well as better organizational performance. Moreover, my research model would lay basis for future research on other possible outcomes related to DMC and its underpinnings.

Fainshmidt et al. (2016) highlighted in their research that workplace context has an impact on dynamic managerial capabilities of sensing, seizing and reconfiguring. Moreover, organizational climate serves as supporting basis for continuous organizational employee attitudes, behaviors, and social networking opportunities (Schneider et. al, 2000; Wallace et al., 2006). Therefore, analyzing the inter relationship of underpinnings and DMC in terms of how organizational climate influences them would also be helpful in studying the overall research model.

This study addresses the need to:

a) Understand critical managerial skills and functions that give rise to market development for organizations
b) Observe how managers can utilize dynamic managerial capabilities (DMC) in an emerging industry
c) Study DMC as a mediator between its underpinnings and certain strategic outcomes that hasn't been modeled or tested earlier
d) Analyze the possible influence of organizational climate on DMC and its underpinnings leading to desired strategic outcomes

1.2 Research Questions and Contribution of Study

Following are the research questions posited in this study:

1. *How does managerial cognition, human and social capital (underpinnings of dynamic managerial capabilities) separately and together impact strategic market creation?*
2. *Do dynamic managerial capabilities (sensing, seizing and reconfiguring) act as a key mechanism through which the three underpinnings above lead to strategic market creation, and how?*
3. *How does organizational climate influence all of these relationships?*

This study will contribute to the understanding of the effect of DMC and its underpinnings on strategic market creation in an organizational setting which is different than those studied earlier. Here, this work specifically addresses emerging markets where market development and strategic change is of dire importance. Furthermore, this study analysis the combined and separate effect DMC and its underpinnings have on strategic market creation.

As such, the literature on DMC will be advanced to a level where further research regarding impact of DMC and its core underpinnings; managerial cognition, social and human capital on strategic market creation (Castanias & Helfat, 1991; Teece, 2012) can take the scholarly discussions forward in new perspectives. These include, utilizing DMC to form strategic decisions for new and established firms in an emerging sector, and understanding how these underpinnings may influence DMC in an organization. Also, it will help in identifying the affect the aforementioned underpinnings and DMC have together as well as separately on strategic market creation in an emerging industry.

Whittington (2006) and Teece (2012) claimed that further research needs to be conducted on the influence of DMC on strategic change and market development in new or established sectors. Therefore, my work aims to address three major theoretical gaps. Firstly, there is a need to understand such managerial skills and functions that give rise to market development for organizations (Gruber et al., 2012; Helfat & Martin, 2014). To address this concern, this study analyses the separate and combined effect of DMC and underpinnings on strategic market creation.

Although, importance of DMC cannot be denied in terms of its relationship with the underpinnings (e.g. Adner & Helfat; 2003; Helfat & Peteraf, 2015; Hung & Lien, 2009; Chatterji & Patro, 2014) or market development (Ambrosini & Bowman, 2009; Teece, 2012). Yet, DMC has never been studied earlier as a mediator between its underpinnings and certain strategic outcomes to ascertain DMC's optimal utilization in terms of strategic market creation. Moreover, a nascent industry usually looks forward to outperform all challenges that come in its way in order to create more opportunities for other related organizations willing to step in and develop the overall market further. My research model provides an opportunity to analyze both concerns i.e. whether DMC may be utilized as a possible supportive mechanism to achieve better strategic outcomes for organizations belonging to nascent industry.

Even though, prior research has linked organizational climate to DMC and its underpinnings as well as suggests on using a moderator in DMC framework to test inter relationships (e.g. Helfat & Peteraf, 2015, Fainshmidt et al., 2016), it is hard to find a research model tested or based on such suggestions. Here in this study, organizational climate factors have been studied as a moderator to further test the relationship between managerial cognition, social, human capital and DMC. Although, prior studies propose that organizational climate is individually linked to DMC and the underpinnings, it is important to firstly identify whether organizational climate factors such as involvement, outward focus, innovation and flexibility strengthen or weaken the relationship of DMC with its underpinnings. Moreover, the influence that organizational climate factors may have on such relationships leading to desired strategic outcomes hasn't been studied earlier. My conceptual model highlights the need to understand such relationship as well as analyze what influence the aforementioned organizational climate factors have on DMC and its underpinnings and how it leads to strategic market creation. This will abridge the theoretical gaps and lay down foundations for future research.

Despite of whatever sector emerging industries belong to, organizations in it are always keen to learn about their market potential and the right strategic directions to cop up with the evolving market demands by improving organizational efficiency and facilitating the market needs more appropriately. This also helps in developing emerging markets further. Although, the importance of DMC in terms of firm performance or market development is highlighted in various studies. Yet, in an emerging industry how the underpinnings influence dynamic managerial capabilities and in what ways, affect market creation activities for the sector as a whole needs is still unexplored. Therefore, this study seek to answer these concerns by examining how DMC mediate the relationship between managerial cognition, social, human capital and strategic market creation.

1.3. Thesis Overview

Chapter 1 provides the introduction, conceptual background of study, purpose of study, contribution of study and research questions in this study. In Chapter 2, I provide an extensive review of literature and propose hypothesis based on the overall conceptual model of my research work. In Chapter 3, I illustrate the methodology which encompasses of my population and sample i.e. higher management professionals belonging to the Insurance sector of Pakistan along with other methodological requirements of my research. Chapter 4 focuses on the analysis results and Chapter 5 comprises of discussion.

CHAPTER 2. THEORETICAL BACKGROUND

In what follows, I highlight the conceptual dimensions taken for all variables in my research. First, I theoretically explain DMC, its underpinnings and the inter relationship. Then, I explicate strategic market creation (SMC) followed by DMC's role in this research as a mediator and organization climate factors (OCF) as a moderator., Later, I shed light on the research model in term of its importance as well as its contribution to DMC's literature. Finally, an over view of my thesis is given.

2.1. Dynamic Managerial Capabilities

The development of emerging or transformational theories has always been gradual. Williamson (1999) mentions in his research work that 'it takes a while for big ideas to transform into definition'. The evolution in DMC research is followed by the evolution in DMC's definition over time. However, when we consider various types of dynamic capabilities ranging from organizational to individual (managerial) level, the definition has internationally been quoted in general form.

The concept of dynamic capabilities emerged as an idea rather than a theory to understand strategic change (Teece et al., 1997).Theories which laid down basis for evolutionary economics focused on routines and behaviors (Nelson & Winter, 1982; Simon, 1947; Cyert & March, 1963). These theories gave dynamic capabilities the ability to address concerns rooted in behavioral theory such as organizational growth, learning and managerial decision-making (see, for example, Helfat et al., 2007; Teece, 2007; Zollo & Winter, 2002). Here, managers play an important role by re-designing organization's competitive position as well as re-defining organizational limits for sensing and seizing growth opportunities to cop up with the changing market environment. (Castanias and Helfat, 1991; Mahoney, 1995; Penrose, 1959).

Dynamic managerial capabilities aim to analyze how organizations may have a continuous competitive edge by developing and coping up with the environmental change (Teece, 2007). Previous researches by Adner & Helfat (2003), Bergen & Peteraf (2002), Sirmon et al. (2007) emphasize on the significance of DMC as a key mechanism to ensure compatibility between organizational competencies and changing markets.

Adner and Helfat (2003, p. 1282) originally defined dynamic managerial capabilities as "the managerial capability to build, integrate, and reconfigure organizational resources and competences". Since then, many theoretical as well as empirical studies have been conducted in which DMC play an important role (Helfat, 2015) such as implementing and redirecting organizational strategy for making accurate decisions (Simons, 1994), initiating strategic change through senior management for enhanced organizational performance (Holbrook, Cohen, Hounshell & Klepper, 2000).

Organizational efficiency can be improved by ensuring the right fit between the administrative practices and firm operations (Peteraf & Reed, 2007).Moreover, it is equally essential to influence team integration and organizational resources for better innovation outcomes (Tushman, et al., 2010). Not only the inter relationship between managerial cognition, human and social capital but also its significant impact on sensing, seizing and reconfiguring abilities of managers and other key decision makers in organizations makes them a foundation for DMC. Hence when reviewing literature, I found that a large number of empirical studies analyzed the impact of underpinnings of DMC in terms of managerial cognition, human and social capital along with different variables such as international business, innovation, competitive dynamics, etc. (See Helfat (2015) for a comprehensive review).

Managers may influence both the inter-organizational characteristics as well as the external environment (Ghannad and Andersson, 2012; Harris and Helfat, 2013). Teece (2017) identified three types of DMC: (1) sensing (which means identifying and assessing opportunities outside your company), (2) seizing (mobilizing your resources to capture value from those opportunities), and (3) reconfiguring resources (An organization's ability to reconfigure, realign and reorganize its resources in response to the changes) (Helfat & Peteraf, 2015).

DMC is dependent on the experience of managers (Boeker, 1997). For example, in a case study conducted by Tihanyi, Ellstrand, Daily, & Dalton (2000), companies having managers with international exposure showed more positive outcomes in terms of sensing and seeing opportunities resulting in further growth of the organization (Bruder & Preisendorfer, 2000). The three dimensions of DMC I have taken in this study are explained as follows:

2.1.1. Sensing

Sensing is a prominent capability of the manager in the company, and it is triggered by the intelligence and perceptions. It is all about ending the current business conditions of the company along with some competitive insights (Becker, 1964). When it comes to the intelligence structuring of the social capital, it seems knowing or to derive information in an effective and workable manner. For Instance, the manager can develop the capability to sense the market regarding the customer trends Navigation of different customer trends helps the managers to make strategies, which are customer oriented. In both, manufacturing or service company, the sensing capability enables an effective marketing intelligence (Peteraf & Helfat, 2014). Interestingly, the trend regarding the customer and market can be changed, and with the passage of the time, these can be changed.

Accordingly, manager through sensing capability, can I integrate with these customer trends and come up with some appropriate strategies. Gathering different ideas from employees, which are being delegated by the management, is a good approach to sense these market and customer trends. When emerging in the competitive market, the manager, especially working in the marketing department, can link to the customer needs and wants. Investigating the customer behavior, buying power, attitudes and buying decisions is possible through this particular dynamic capability of the company (Wilden et al., 2013).

This capability can be dived through working with customers in the market. Again, it depends on the nature of the business, as sensing is quite visible in the service sector. On the other hand, when it comes to the manufacturing firm, it has been revealed that the company m managers are working with employees and coworkers to analyze the work behavior. Appropriately, in a dynamic work process, the managers are trying to develop capabilities. Sensing capability at the workplace in the manufacturing companies works effectively in the internal business environment (Helfat & Martin, 2015).

The manager perceives different work challenges at the workplace through working with employees with all key stakeholders. Sensing is containing the investigative characteristics, which is good to transform the business process according to needs (Sirmon, Hitt, & Ireland, 2007.). This capability can be developed in manger through appropriate training and experienced (Sirmon, Hitt, & Ireland, 2007). Remarkably, firms, which are triggered by sensing abilities, are meeting those needs, which are important for the whole business process and key stakeholders. Instead of overestimation of needs, the most important thing is to carry only those needs, which are pertinent. Sensing is another name of business investigation, and through sensing ability, the company can streamline the positive impact on different financial statements (Walsh, 1995).

For Instance, in a market-oriented business, the company management can accumulate the knowledge to emerge in the market in the presence of an immense range of competitors. When a manager depicts a sensing capability in the company, it actually contributes to the enhancement of the intellectual capacity. Accumulating the knowledge and increasing the organizational memory seems worthy for the management to be the first in acting or producing, which is undone (Sirmon, Hitt, & Ireland, 2007.).

Prior research studies have stated that that the company can boost the managerial cognition when working in different managerial groups. People can share different ideas, perceptions, thoughts, onions, and observations, which are prominent drivers of this dynamic capabilities and make best strategies to enable the business sustainability (Adner & Helfat, 2003.). However, it is pertinent to mention here that the sensing capability is in limelight because it can be executed at both, small and large scale. Depending on business and leadership trait of the manager, sensing can be justified prominently (Peteraf & Helfat, 2014). Business intelligence, especially in the market-oriented forms, is necessary to accumulate factors, which are good to contain a good business growth. In internal and external business process, managers in different departments have to express their role through expected exploitation and execution (Peteraf & Helfat, 2014).

Now the elaboration of seizing capability which is also important to portray the existence of managerial cognition. Obviously, there are also many insights in this dynamic capability, and for a long run, it has to be sustained by companies (Wilden et al., 2013).

2.1.2. Seizing

Seizing is a process of making the structure that facilitates the evaluation of information and opportunities to make some strategies at the end. In the trust-oriented climate, timely changes through several strategies are possible due to the effective structuring or flow (Adner & Helfat, 2003).

The manager in the company can develop the seizing capability to provide a good strategic response to different opportunities, which are provided by the managers. It is all about making plans or strategies to explore those opportunities, which are identified through sensing (Adler & Kwon, 2002). Sensing is interrelated with seizing in the company, and to take the company to the other level, the sustainability of this dynamic skill is necessary. Seizing capability is dynamic, as a manager can change the decision making and strategic planning process with the passage of the time, based on the modern trends of the business. In the business process, the role of seizing capability should be streamlined by the company management (Helfat & Martin, 2015).

It is a development or maintenance of the process to explore all opportunities. For Instance, the seizing capability can increase an effective flow of information or knowledge. The seizing capability helps the company to maintain and sustain the flow of information or communication, which facilitates the better emergence of opportunities along with evaluation. In the seizing process, the management of the company works with different stakeholders to mobilize the resources through better investment. For Instance, after identifying the opportunities, the management has to estimate the resource. Obviously, if there is a need of new resource development, seizing capability helps the management to make some appropriate actions in form of some investments and decisions (Sirmon, Hitt, & Ireland, 2007).

Setting a ground to manipulate and execute these strategies for the betterment of the business is a key to success and the role of this dynamic capability is quite crucial (Becker, 1964). In social capital, some new initiatives and coordination are to be directed by the company managers in several departments. Thus, seizing enables the right initiates and coordination, which is beneficial for the long-term success of the company. When restructuring the process to make strategies or changes, the firm usually takes much time. However, due to the visibility of seizing, the company can make some rapid changes (Castanias & Helfat, 1991).For instance, seizing capability becomes dynamic when the company management has to change the system integrations to make the whole process functional. In the business process, the technical integrations are possible due to the emergence of the seizing, as it helps the management of the company to set a ground or system for perfect execution (Adler & Kwon, 2002).

Seizing is a dynamic capability, which has been emerged in managers to conduct the immediate change. In other words, a manager customizes systems and resources to meet needs and requirements of change and reduce the visibility of the resistance to the change (Hambrick & Mason, 1984). Furthermore, seizing opportunities can be a process to make the segment of opportunities. For Instance, the management can analyze these opportunities to screen accordingly and consider only those which are workable, beneficial and pertinent for a long run (Castanias & Helfat, 1991). Interestingly, through sensing, the immense range of opportunities can be expressed by the manager (Peteraf & Helfat, 2014).

All these identified opportunities cannot be considered of exploring, and seizing capability comes into the life enable the seizing opportunities. Research studies have stated different drivers or factors of dynamic seizing capability (Wilden, Gudergan, Bernhard & Lings, 2013). Drivers or factors are business model culture, platform, and decisions. First, regarding the business model of the company, the management should be able to create or adopt the business model, which can have a space to explore all those opportunities, which are considered or identified through sensing dynamic capability. The manager analyzes several business models and chooses the best one to successfully implement the strategies.

Moreover, coming to the decision-making process of the company, the management may develop this capability to face several, business conditions, which can create many challenges. The manager has made some effective and critical decisions when transforming the process and resources to carry the process according to the goal and objectives (Sirmon, Hitt & Ireland, 2007).

The researchers have come up with both, manufacturing and service-oriented forms, which have adopted the decision-making model, approaches, theories and capabilities to keep the whole process in a right manner. When it comes to the culture of the company, it is to mention that the management can seize all these opportunities through creating or shaping the culture of the company (Wilden et al., 2013). Traditions, norm, values, and behavior of the management and all key stakeholders should be pertinent. Thus, depending on the business and the management that how it wants the explorations of all opportunities, some organizations, according to research results, usually intend to make some changes through the cultural transformation process and decision making (Walsh, 1995).

In the dynamic business environment, changing the culture is all about containing the readiness and adaptability to absorb some changes (Hambrick & Mason, 1984). The intention of the management is always to make the culture flexible to integrate with the systems, resources, people, and opportunities. People, working in an effective culture of the company can develop the seizing capability as well to react according to the needs (Wilden et al., 2013). The need of the development of the culture is in the limelight in the dynamic work process and business, and through seizing, the manager in different segments of the business can contribute in the development of the required culture (Sirmon, Hitt, & Ireland, 2007.). Developing a culture through seizing the opportunity is not enough, as employees have to shape their behaviors in the company to be able to integrate with different business opportunities to play their role successfully.

Moreover, regarding the platform, which is to be provided to the key stakeholders at the managerial level, and the research studies have elaborated some exceptional opportunities for people, provided by the management. Seizing the opportunities can be a complex task for people at managerial level, and through creating or providing a right platform; they may have some space to make the difference (Adler & Kwon, 2002).

2.1.3. Reconfiguring

In both manufacturing and service organizations, there are many aspects of reconfiguring such as transformation, knowledge management, co-specialization, open innovation, and governance (Castanias & Helfat, 1991).Different managers in different departments develop the reconfiguring capability to depict their contributions. Interestingly, the contribution can be different due to different drivers, identified by the company (Becker, 1964). However, when it comes to the transformation process, the company usually shapes the managers, which are capable of conducting the successful changes. For Instance, when identifying and implementing the change, this capability comes into the life to reduce barriers or resistance to the change (Adner & Helfat, 2003.). Remarkably, managers, containing this capability have to consider the change urgency in the company. After the successful identification of different opportunities through sensing and setting the platform through seizing, the manager usually intends to create some goals and objectives to contain the readiness (Peteraf & Helfat, 2014).

Of course, the purpose is to make changes through removing barriers. In the transformation process, the issue of lack of understanding can occur in the form, and accordingly, the management can reduce or eliminate through knowing or understanding through creating vision, goals, and objectives. In the change process, it can be done at the managerial level to guide all key stakeholders (Peteraf & Helfat, 2014). The manager in an organization is capable to analyze the change needs and come up with a rationale to implement these strategies in the transformation process (Adner & Helfat, 2003).

In manufacturing companies, according to the research studies, the change can occur through the capability of reconfiguring the process and it can be derived through reshaping behaviors, procedures, and skills. After the execution or exploitation of sensing and seizing, reconfiguring becomes easy for the manager. However, in the transformation process, improvisation is needed to make the difference (Wilden et al., 2013). The manager intends to maintain, enhance, protect and reconfigure the tangible assets in the best interest of the company. These resources are knowledge-based resources and human base resources (Sirmon, Hitt, & Ireland 2007).

Regarding the knowledge-based resources, it is to mention that the company trains or develop managers to transfer the knowledge in the company in an effective and ethical manner. Reconfiguring capabilities enables managers to reconsider or interpret the knowledge and transfer it to make it result oriented (Sirmon, Hitt, & Ireland, 2007.). The role of the manager, having this capability is to replicate the process and contain the best practices, which enables the long-term sustainability and success. At the company level, to gain the expected results, the company has to recombine the resources, which also justifies the dynamic reconfiguring capability. When recombining the resources, the company has to integrate it with the operational capabilities, and it depicts a good and workable alignment (Walsh, 1995). For Instance, if the firms find an opportunity through sensing and seize this opportunity, reconfiguring capability is quite helpful in managing and maintaining the change.

It seems to be a process to keep the costs of mergers or acquisitions low as compared to other companies in the market to gain the business benefits and goals (Hambrick & Mason, 1984). The big measure of this capability is the efficiency when implementing any strategy. In the competitive market, the reconfiguration valuable it portrays the company’s ability to adopt the change and exploit the opportunities successfully. When integrating with the change process, the firm wants to enhance the visibility of formulation (Hambrick & Mason, 1984). Similarly, formulation is the integration of complexities in service, retail, and manufacturing organizations with adopting this capability, and ultimately a form can also lose value in the competitive market (Hambrick & Mason, 1984).

The management can measure the reconfiguring capability through adopting the new management methods and reshaped business models and processes. Rating scales have been used by many firms to know the certain and rare values (Hambrick & Mason, 1984). Captivatingly, the need for the company to change or redefine the operating capabilities is in the limelight, as it is a prominent need the operational process in the dynamic business circumstances. When an organization intends to change the operational process, it seems the change in the operational capability, through training and development, skills exportations, technology transformation and effective allocation of resources (Becker, 1964). If the company wants to produce something different, it intends to reconfigure its operational process or develop the reconfiguring capabilities. Obviously, the difference can be made exceptionally.

The firm can differentiate the outputs, which is better to emerge in the external business environment. In addition, to keep or maintain the resource base of the company, redeveloping or reconfiguring the resource base is lucrative. Through an adequate resource base, the company can conduct the change at the right time and in a right manner. Reconfiguring the resource base of the company is done to meet the external fit regarding the business (Hambrick & Mason, 1984). The intention of the management is to be dynamic to keep the sustainability or overall business process, it is necessary to keep this external fit (Peteraf & Helfat, 2014).

Reconfiguring capability is a process of competing with some new ways, which can beat competitors in the company. Internally, the behavior of the company can be changed through this process. New way competing in the intense competition is highly lucrative, and through the combination of these capabilities, the company a can get a competitive advantage over other competitors. Particularly, rising spirited concentration may weaken the sustainability of sources of better performance (Peteraf & Helfat, 2014). Aggressive and lively competitors can diminish the former reasonably bigger resource base of business managers to reduce their performance. To contain and sustain the dynamic business, the enhancement, sustainability, and maintenance of dynamic capabilities is imperative. Extraordinary perforce of the company is triggered by the successful execution and concentration of the management (Wilden et al., 2013).

In the intense competition, the adaptation of these capabilities can be done through the perfect intelligence of the external business environment. Sensing seizing and reconfiguring are the backbone of the process of the business, and the management of global and national firms is quite up to it (Helfat & Martin, 2015). However, in the adaptation process, there are some complexities and challenges. Therefore, to adopt these capabilities a, there is a need to set the ground. After adaptation of these capabilities, the management can make a comparison with the previous performance records. Research studies have shown some remarkable results regarding the comparisons. The significant changes have been occurred in global firms due to these capabilities (Sirmon, Hitt & Ireland, 2007.). Exceptionally, results of this successful adaptation have been founded in form of high a sales, revenues profitability, work efficiency, adaptability, competitive advantage and long-term sustainability. However, due to these considerations, the big advantage is streamlining the information flow as compare to the competitors to make better business strategies. Through an integrated system and application of these capabilities (Sirmon et al., 2007).

DMC concept adds to the perspective of dynamic capabilities (Eisenhardt & Martin, 2000; Teece, Pisano & Shuen, 1997) by focusing more on the role of managers, both on team as well as individual level (e.g. Augier & Teece, 2009; Teece, 2012; Harris & Helfat, 2013).Moreover, DMC affects strategic change in an organization by utilizing the managerial resources available for entrepreneurial activities and decision making (Castanias & Helfat, 1991, 2001). That is why, in any organization, a manager may seek to explore or increase his/her capabilities to be an assertive or valuable contributor for his/her organization's ongoing success (Adler & Kwon, 2002). Therefore, DMC contributes not only towards the managerial strategic planning and decision making in an organization (Castanias & Helfat, 1991, 2001; Burt, 1992; Boyd & Finkelstein, 2001) but also in coping up with the changing demands or market needs to sustain firm's competitive position. (Huff & Matta, 1990; Johnson & Hoopes, 2003).

With the passage of the time, organizations intend to conduct change, and accordingly, in this dynamic business environment, it seems necessary for managers to develop these capabilities to contribute in an effective and lucrative manner (Adner & Helfat, 2003.). The dynamic managerial capabilities are good for the company to enhance the visibility or superior performance. According to research studies, it has been revealed that the company depicts an effective social capital, which consists of the different dynamic managerial capabilities (Becker, 1964).

In the competitive market, it has been observed that the managers are intending to enhance these capabilities to become the leader of future, and in the best interest of the company, it seems quite pertinent. In the modern business era, it is seen that the managers n the company are wanting to differentiate their contributions, and obviously, it is possible through an effective exploitation of dynamic managerial capabilities (Hambrick & Mason, 1984).

With the passage of time, organizations make certain competitive strategies to gain and sustain their competitive advantage for a long run (Helfat & Martin, 2015). Research highlights that managerial capabilities which support the work process and company objectives lead organizations toward a sustainable competitive advantage (Helfat & Martin, 2015). In the presence of many competitors in a particular industry, the firm can provide a unique platform for managers to develop these skills and contribute to any transformation process according to the expectations. It is all about enhancing the performance of the company. However, there are many managerial implications in the organization, and if the company meets these implications in an effective manner, the success can be depicted and sustained (Walsh, 1995).

It is a fact that the organizational structure is also in the fame due to the exploitations or dynamic managerial capabilities (Sirmon et al., 2007). In the competitive business environment, researchers have told that an effective organizational structure is always workable for managers in different departments to depict or make interventions through these specific skills (Wilden et al., 2013). Dynamic managerial capabilities can vary in different managers, as it depends on personality, behavior, intentions; work attributes skills and experiences (Hambrick & Mason, 1984).

The perception of the manager is necessary for the company to develop and depict these skills effectively. Role of work nature is crucial. However, there are some collective dynamic capabilities, which are to be adopted by any manager in the company (Helfat & Martin, 2015). To gain and sustain the effective result in the company, it seems pertinent for the firm to enhance the visibility of alignment of organizational structure and dynamic capabilities. Some space should be provided to the manager in the company to demonstrate this exploitation or implementation, and ultimately, it creates an impact on the performance. A perfect way to increase the performance of the firm is to realize the power of dynamic capabilities (Wilden et al., 2013).

The management of the organization usually some expected result, and to justify these results in an effective and lucrative manner, the realization of these capabilities is quite important. Based on internal and external factors in the competitive business environment, the management has to integrate with these factors to make the difference. For Instance, in the internal business environment, people a, culture, structure and nature of the business can create the impact on the dynamic capabilities and exploitation (Wilden et al., 2013).

On the other hand, competition, customers, vendors, and suppliers can be considered to shape these capabilities to produce results, which are relevant to the expectations. It is important to make a successful alignment of an organization and the business environment to develop and explore such capabilities (Peteraf & Helfat, 2014). Amongst various types of dynamic capabilities, it can be depicted that every manager intends to make some change to develop accordingly. Every work behavior and nature of work needs different capabilities, and interestingly, it is a power of the social capital of the company (Adler & Kwon, 2002).

2.2. Underpinnings of Dynamic Managerial Capabilities

Underpinnings are a set of ideas which serve as basis for justifying a certain perspective or theory. The concept of DMC is distinct in in terms of its focus specifically on the individual capacity of managers to affect certain strategic outcomes. Although, Helfat (2014) highlights eight studies in his research that constitute multiple underpinnings of dynamic managerial capabilities. Yet, while drawing conclusions to prior research, the core underpinnings related to DMC are managerial cognition, social and human capital (Widen et al., 2013; Giniuniene, 2015; Janssen, 2015; Fainshmidt et al., 2016). Since, these core underpinnings develop through manager's prior experience, the same experience may add value at the same time to the underpinnings of DMC. (Beck & Wiersema, 2013). Moreover, these underpinnings brace the key functions of sensing, seizing and reconfiguring in DMC. Therefore, I considered it important to consider all three underpinnings of DMC in my research. In what follows, I integrate Indifferent strands of research on inter relationships of managerial cognition, human and social capital; the core underpinnings for DMC.

Overall, the empirical evidence supports that organizations vary in terms of their DMC and that these variations result in different strategic outcomes and organizational performance (e.g., Peteraf & Reed, 2007; Sirmon et al., 2009). Moreover, these differences are reinforced by differences in managerial cognition (e.g., Zott & Huy, in press), managerial human capital (e.g., Sirmon et al., 2009) and managerial social capital (e.g., Prashantham & Dhanaraj, 2010). Past research has also analyzed that managerial cognition, human and social capital have a combined effect on certain strategic outcomes. For example, Davidsson and Honig (2003) highlighted in their research work that both managerial human and social capital had an impact on how entrepreneurs take actions while starting a business or attaining profitability. In addition, Eggers and Kaplan (2008) observed in his study that both managerial cognition and human capital influenced the investments made by organizations in new domains, encouraging them to adapt to new markets, thus resulting in market development and diversification. In general, my research extends the concept of DMC introduced by Adner and Helfat (2003)and shows how the DMC outlook can add new understanding to related literatures, such as service providers, entrepreneurship and TMT's, where higher management is responsible for organizational growth , adaptation, and strategic development .

2.2.1. Managerial Human Capital

The term managerial human capital originated from human capital which refers to the skills acquired (Adner and Helfat, 2003) and depends on continuous support in different types of learning such as training, education, etc. (Becker, 1964). Becker (1964) conceptualized human capital as knowledge and skills developed through individual's past experience, education and prior training, also termed as core characteristics of human capital (Wright, Coff & Moliterno, 2014: 361).

On the basis of knowledge and expertise gained, managers are able to sense and seize opportunities, identify threats and reconfigure organizational capabilities and resources. Managers having distinct functional areas; industry specific skills and firm related skills may differ from each other in terms of their perceptions (Cohen & Levinthal, 1990) regarding the information they receive and therefore, may differ in sensing and seizing opportunities accordingly. Similarly, the variation in managerial skills acquired through human capital may cause differentiation in how managers reconfigure the organizational resources. Therefore, firm specific, industry specific and generic skills, all are potential dimensions of managerial human capital that fit with dynamic managerial capabilities (Bailey & Helfat, 2003).

For new as well as established organizations belonging to any sector, good firm performance mainly contributes towards that industry's growth paving a path for potential entrants resulting in further market development of that product or service. This increase in firm's performance is also reflected through its managerial experience which varies from firm to firm depending on its size and operations (Cooper, Woo, & Dunkelberg, 1989; Finkelstein & Hambrick, 1990). Moreover, Stuart and Abetti (1990) in their research, found that the managerial capacity lies in identifying and getting hold of opportunities at the right time by implying accordingly. This is also termed as dynamic managerial capabilities or DMC (Cooper, Gimeno Gascon, & Woo 1994). DMC increases firm performance, improves company survival and growth in the overall market.

Managerial human capital can be beneficial to a firm in different forms such as team specific, unit specific, firm specific, industry specific, or even related to technologies. Other knowledge is considered generic (Bailey & Helfat, 2003; Castanias & Helfat, 1991, 2001; Kor, Mahoney, & Michael, 2007). Since, the development and implementation of managerial human capital relies on the managerial mindset, a common framework used to measure managerial human capital consists of firm specific, industry specific, and generic managerial skills (Bailey & Helfat, 2003; Kor, Mahoney, & Michael, 2007).

Generally, managerial human capital skills are based on the managerial experience not only belonging to the same firm or industry but the related ones as well which may affect their mindset in collecting and utilizing information for decision making (Castanets & Helfat, 2001; Bailey & Helfat, 2003). For example, managers may acquire industry specific human capital not only through their prior work experience in that industry but it could also come from their exposure as members of the board of directors of companies in a related industry.

Furthermore, such managerial human capital may add more value to their social profile, hence, enhancing the managerial social capital in an organization. Of course, there is a need for some appropriate skills to make the difference. The human capital, which can be motivated to meet goals of the organization (Delmar & Shane, 2006). Importantly, the management has to identify flaws in the workplace and motivate all employees on the same agenda.

Interestingly, to attain this purpose, there is a need to consider both perspectives. For Instance, first, the management has to develop the managerial skills to direct or lead the employees. Employees have to adapt adequate skills to be more productive and lucrative according to the expectation of the management. All these skills revolve around the firm, industry, and general business environment (Almus & Nerlinger, 1999). Secondly, Wayne et al. (1999) found that different managerial skills play an important role along with other resources of the firm in motivating the employees for their career advancement.

Managerial human capital enables a comprehensive analysis and reporting system in the organizations regarding employees, operational decisions, strategic investments and the role of line management. Managerial human capital consists of specific skills in the company, which can make the strategies for employee engagement, interactions, talent management and training and development initiatives (Stuart & Abetti, 1990). For top management, managerial human capital is important, as it delegates or executes the strategies at the lower level, which ensures the success in the competitive business environment. In an organization, it has been observed that the managerial human capital makes different policies for employees, which can create value for both, employees and the organization (Stuart & Abetti, 1990).

Moderately, managerial human capital is a collection of different managerial skills, abilities, experiences, capabilities, credibility, and motivations. In the competitive business era, the human resource management in the company always intends to gain and sustain the competitive advantage through increasing human contributions ion operations to bring the pertinent outputs. Karen & Susan (1989), have illustrated some insights, as according to them, to revive in the competitive business environment, top management, probably the managerial human capital of the company has to change the way of managing people (Reuber & Fischer, 1997). For Instance, performance measurement, motivations, rewards, engagement and skill development processes are to be reshaped to gain the competitive position in the competitive market. Interestingly, modern companies, existing in different industries, focus on the composition of the human capital management team to make the difference. The difference can be made through the inclusion of innovation from strategies to execution (Bantel & Jackson, 1989).

For instance, as far as the human capital and its contributions are concerned, the choice or preferences of chief executive of the company is a key decision. However, it has been elaborated that these key decisions are triggered by the industry-specific skills or characteristics (Datta, Rajagopalan, & Zhang, 2003). The management has to integrate with the industry trends to make relevant changes. However, lower openness and higher openness to change are prominent factors, which have been observed and elaborated by authors in several research studies. Obviously, low and high openness create the impact on decision-making process regarding employees. CEO of the company can be a part of managerial human capabilities in the different organization. He may support the change with the passage of the time. There are several structural industry characteristics, which create the impact on the top management. Every industry seems different, and has to a shape the attributes, behaviors, motivations, and skills accordingly. The strategic persistent has also been linked to skills and the development process for both, short and long run (Datta, Rajagopalan, & Zhang, 2003).

Frédéric Delmar and Shane (2006) believe that managerial experience develop and maintain the human capabilities. If the human capabilities use its experience to identify the needs of adequate skills for employees, the success in the industry can be ensured. On the other hand, the experienced management team can also make different employee policies and strategies (Finkelstein & Hambrick, 1990). However, these cannot be sustained due to different skills requirements and employee dimensions. Thus, according to an author, the experiences matters, as it can also help to eliminate the resistance to change in the company (Delmar & Shane, 2006).

Becker (1964) highlighted the difference between general and specific training required for work. Later, Castanias and Helfat (1991) generalized Becker's work on top managers by distinguishing between generic, industry-specific, and firm-specific skills to assess the heterogeneity in managerial skills, also termed as managerial human capital (Bailey and Helfat, 2003). The mix of managerial skills may differ depending on the level of ability that managers poses for each of these skills. Moreover, research has suggested that differences in firm performance are directly proportional to the differences in manager's generic, industry-specific and firm - specific human capital (Bailey & Helfat, 2003). The way, managers differ in terms of their human capital, they comprise of distinct expertise that may lead to different decisions.

Therefore, the visibility amongst employees can be improved by identifying these skills which are important and pertinent to the organization. Generic skills are those transferable skills which are relevant and essential for employability (NSTF 2000, P.27). Similarly, industry specific skills contribute in integrating the industry needs and trends within the organization (Rebecca & Eileen, 2010). Last but not the least, firm specific skills are usually based on management's experience to design specific strategies inside the organization (Stuart & Abetti, 1990). All these skills are further explained below.

Generic Skills

Generic skills are defined as "those essential skills relevant at different levels for employability concerning most and are transferable" (NSTF 2000, p.27). Every firm starts from the basic, and pertinent to this, the managerial human capital of the company emphasizes the development of generic skills. This is common skill of employees and simply, every firm is linked with the information technology or computer systems. The computer literacy has emerged as a generic skill for people. Accordingly, when identifying or developing the talent in the company, the intention should be to find and retain different skills in employees (Almus & Nerlinger, 1999).

Almus & Nerlinger's (1999), cleared the approach of new technology firms along with some differences. Clearly, if the human in the company is technology oriented, it can gain and sustain the competitive advantage over other competitors. On the other hand, if the human capabilities are defensive regarding the technology adaptation, it seems way behind comparatively.

Datta, Rajagopalan, & Zhang (2003), have focused on decision making of top executives in the company. In the modern organization, as the decision making is the skill of employees that can be justified through adopting the delegation of work, which actually depicts the strategic persistence (Datta, Rajagopalan, & Zhang, 2003).

Role of industry, firm and generic skills in the success of the company is visible, especially in the intense competitive rivalry. The motive of the firm is to strengthen its people to contribute in the success of the organization. Different research studies have navigated the findings of different authors regarding the skill development procedure and impact on the whole human capital. The adaptation of these skills is a good decision, as it facilitates the management to think bigger.

Industry Specific Skills

Development of industry-specific skills enhances managerial human capabilities by navigating the research regarding organizations and the integration with the industry (Rebecca & Eileen, 2010). Administration, which is concerned with the employees, usually integrates with industry needs and trends to develop the skills. Management, depending on the industry data, makes employees able to work in different teams. The management trains an employee, which is quite triggered by the industry needs, chooses him/her for a team, which also contain the specific employees. The only decision of the head of department or executive regarding the team work is not enough, as the intention of employees is to develop this skill is essential (Reuber & Fischer, 1997).

Top management, including executives of the company, put pressure on the human capital management to learn and delegate technical skill. For Instance, due to the influences of top management, employees are forced to adopt technological skills to collaborate. Interestingly, researchers have revealed that firm can adopt the technology, which is the limelight in the industry for the different operational process. When employees develop this skill, the human capital management faces less resistance to the change.

Lee and Park (2008), have exploded the companies, with some skills and prominent adaptations have made a quick entry in different market or industries. Thus, the quick entry into the market or induct a can be done through early adaptations of technology. Obviously, managerial human capabilities collaborate with industry trends and trains the workforces. In industry, choosing a pertinent international partner is a big challenge. The firm can have a direct or indirect alliance with another firm. If a firm or employees already have skills, an immediate alliance can be made. On the other hand, the management often prefers to develop skills after the alliance.

Kor (2003), has evaluated the previous research and come up with some remarkable results. According to her observation, top management, due to its experience, improves the competency to learn different things in the Industry. Top management or human capabilities work in employees to help them develop the learning skills. Of course, there is a need of a system, which can facilities the industry integrations to augment the visibility experiences and competence. The management has to guide what is important to learn to be prominent and successful in the current industry.

In the competitive industries, business sustainability is crucial for the management, and through appropriate learning, it can be attained. Learning skill can be triggered by several factors such as technology, business, operations, behavior, intentions, and interaction. Through the assistance of human capabilities of the company, learning skills make all growth opportunities clear for both, the management and employees.

Moreover, when employees are more assertive in developing learning skills with the passage of the time, it can lead towards the sustainable employee and business growth. The research of Kor (2003), has revealed that the founders of the company are not usually assertive to collaborate with the human capital management accelerate the learning process. They only facilitate them to find the right things to learn and direct employees. Therefore, to emerge in the industry rapidly and share learning is a need of manage human capital to make the change according to the business or industry needs (Kor, 2003).

Another industry-specific skill is initiative and enterprise. Finkelstein & Hambrick (1990) clears the overall picture by justifying that experienced management with a longer tenure belonging to a specific industry is useful in taking change initiatives based on creativity to foster over organizational human capital. This is due to the fact that managerial human capital strengthens with the passage of time and experience gained at different levels of work in an organization or different organizations relating to the same industry helps in developing a mindset desired for implying aggressive and assertive decisions to cop up with the market needs whenever necessary.

Firm-Specific Skills

This is a fact that the role of managerial human capital is critical in developing the firm skills. For instance, deriving the examples from different organizations in different industries, it has been revealed the communication skill is imperative for the human capital. According to Stuart & Abetti (1990), the top management can use its experience and design the communication strategy in the company, and in the result, it decides to contain an integrate communication system, which can let employees share different ideas, opinions, and experiences to come up with the pertinent products and services. It seems imperative for the management of the company to train employees regarding the use of technology. The communication process in the firm is triggered by the technology, and it is important to use the technology in an effective manner.

Furthermore, in a firm the responsibility of managerial human capital is to plan, organize and prioritize the work in an effective manner. Bantel & Jackson (1989) argued that there is a relationship between demographics of the top management team and strategic change. Concerning the human capital demography, different managers in different departments have adopted the skills to plan and organize work (Bantel & Jackson, 1989). Of course, it comes through experience and intentions of human capabilities. They further indicated that the management of the firm usually intends to a delegate the work to employees. Demographic of the manager depicts the difference in age, sex, and many other factors, which also create an impact on the delegation and skill development (Bantel & Jackson, 1989). They also focus on exploring the training and development of employees to identify the key factors, which are necessary to meet the goals and objectives of the company.

Employees, due to support and empowerment of human capital management, can plan and prioritize the work, and it is one of the most prominent firm skills that every firm should carry, as far as the relations between managerial human capital and the labor is concerned (Bantel & Jackson, 1989). Another skill that the company can depict is the leadership skills of employees. Remarkably, according to previous researchers, the age factor is quite visible. When a firm has a young manager, he makes creative and innovative decisions for employees, and accordingly, employees adopt this skill or trait to become the future leader (Bantel & Jackson, 1989).

Within the firm, managerial human capital of the firm is recognized with the ability to make decisions and solve issues. Interestingly, when employees in a firm face any issue, they look at the management to make the decisions or guide accordingly. It also makes the role of managerial human capital quite clear to solve problems and sustain the work. Stuart & Abetti (1990), examined the previous research studies and indicated the impact of experiences, skills, and abilities in decision making and problem-solving process. The firm may face some uncertainties due to unfavorable business conditions, and it seems up to the management to make the decision. Decision making skill is vital, which is to be learned by stakeholders, and managerial human capital is a big source of it (Stuart & Abetti, 1990).

The management team also creates an impact on the multitasking skills due to the international working experiences. The management team can handle multiple tasks regarding employees. For instance, previous research studies stated that the management gained experience from the employee diversity, especially in an international business. Accordingly, multitasking is a natural firm skill that human capital can adapt to form employee strategies. Reuber & Fischer (2010), described the experienced management, as have worked with employees to make talented employees, which are capable to work in different departments according to the organizational need (Lee & Park, 2008).

Connection among Different Managerial Skill Types

To further illustrate firm, industry specific and generic managerial skills, Bailey & Helfat, (2003) mentioned in their research that firm specific skills provide managers with an understanding about the history of the company along with its personnel directory, culture inner strengths and weaknesses. These skills relate to the company that the employee works in. Industry specific skills not only include technical and managerial skills required but also provide useful insights within the same or similar industry. Whereas, generic skills refer to all other managerial skills that do not lie in the domain of the above three skill sets (Bailey & Helfat, 2003). Becker (1964) classified these skills in a manner that highlights their transferability between different jobs.

Later, Castanias and Helfat (1991) expand upon Becker's (1964) model with reference to higher management personnel and made the following observations. Firstly, generic skills come at the top in terms of mobility and applicability amongst industries and organizations. Secondly, industry-specific managerial human capital is less applicable since managers can utilize these skills within an industry but not across different industries. Last but not the least, firm-specific skills are usually limited to the organizations they are being applied at.

This is also because these skills involve a thorough analysis of organization's history, personnel, culture, and internal strengths and weaknesses, which are less related to outside firms. Therefore, differences between external successors i.e. leaders from outside of the organization with dynamic managerial capabilities (Cannella and Lubatkin, 1993; Helfat, 2003) also affects the transferability of generic, industry specific and firm-specific skills which ultimately result in subsequent organizational performance.

2.2.2. Managerial Social Capital

Managerial social capital consists of collaborative feelings or attitudes that come from both formal as well as informal relationships within and outside the organization. The pivotal social capital literature including Nahapiet & Ghoshal (1998) and Tsai & Ghoshal (1998) defines managerial social capabilities as a multidimensional construct which consists of three key dimensions i.e. structural, relational and cognitive dimensions.

Adler & Kwon (2002) in their research argue that managers having strong relationships within the social network are more capable of gaining organizational success. Therefore, companies focus on developing their social capital in order to increase their ability for producing desired results to further lead with competitive advantage in the market.

Beginning with the structural aspect of managerial social capital, network appropriateness, ties and its configuration are major determinants on this dimension (Bateman & Organ, 1983) which play an integral part in letting the firm management connect and collaborate within and outside the organization for gaining and sharing information. For example, Graham, Dienesch and Van Dyne (1994), in their research found that companies utilize modern technology to let its employees belonging to different managerial ranks connect or collaborate with each other in order to share information. It is not only strengthens network ties but also plays a vital role in making social capital a competitive resource for such organizations to gain advantage over their competitors in an emerging or established market.

Network ties configuration can take place in an organization through a number of activities e.g. encouraging participation in voluntary meetings, company sponsored social events, etc. These interpersonal activities provide a platform for firm management to interact within the organization as well as with the society and reflect active manager’s social capital. It can be further seen that the potential for this is based on shared narratives and shared beliefs. Shared narratives are termed as the language and the codes that are believed in a particular organizational setting. It includes a rich settings of beliefs that in turn has deep meanings. Shared beliefs on the other hand, are the common features that preexist in a culture and it is affiliated with values of the organization. Nahapiet & Ghoshal (1998).

Similarly, appropriateness of network i.e. willingness to participate and flow of information in an effective manner represents employees linkages or connections with pertinent rationale or objectivity (Podsakoff, Ahearne, & MacKenzie, 1997).

Gradually, business needs are emerging which require firms to devise changes accordingly and identify the right resources through their social relations to contribute positively towards the organization's success. For example, Bateman & Organ (1983), point out that a company should make appropriate changes along with their employees' collaborations in teams or groups to sustain their competitive edge in new and established markets.

Pablo (2005), determined that managerial social capital focuses on network structure of relations amongst organizational members as well as the relations that both internal and external network members maintain with each other. Yli-Renko and his colleagues (2001), said in their work that the amount of social capital embedded in managerial relationships result in knowledge acquisition and opportunity recognition accordingly, a strong aspect of market creation strategy. Therefore, this study also focuses on the relational aspect of managerial social capital i.e. network ties and other characteristics such as managers in other firms, business contacts, directors, government officials as analyzed by various researches including Helfat's (2014), prominent work on the underpinnings and DMC.

In the modern business era, it has been revealed that the social capital accelerates the production process through immense collaborations. The social capital helps to increase the efficiency of groups, organization, and individuals (Ascigil & Magner, 2009). Contact between these stakeholders is necessary for the company, and of course, the role of the management is critical in this regard. Therefore, when it comes to the social capital, generally it refers the managerial social capital (Gusman & Febrian, 2016).

The managerial social capital is in the limelight in many organizations due to the immense production. Despite having the immense diversity in the organizations, it has been revealed that the company management manages the workforce in different groups and teams. The management usually works with employees and other key stakeholders of the company to enable the positive relationship. It all about strengthens the workforces through better collaborations, which justifies the success of the managerial social capital in the company (Helfat & Martin, 2015). This is a fact that the intentions of tenant companies are to boot the startup and growth, and obviously, it is possible due to the effective, workable and successful managerial social capital. Interestingly, the tenant companies have to work with different companies, and accordingly, the management of these companies form the social capital to derive some exceptional results (Jiang & Zhan-Ming, 2010).

According to Jin (2015), business environment makes the managerial social capital quite visible, as these companies work with another firm in early business phases to provide some excellent management assistance. In addition, these companies have a share in the strategic planning prospects of other companies, and interestingly, it has been ensured through effective relations and collaborations (Jin, 2015).

To understand the working and insights regarding the managerial social capital, it seems necessary to elaborate several dimensions such as structural dimensions, network ties, and network configurations. Organizations are looking forward to exploring different ideas to develop some products and services. There is a need for development of some adequate skills and traits, which are to be applied to companies (Neneh, 2017). The main functions of the business, which can lead towards the competitive advantage are production, marketing, distributions and human management, and social capital is the best sources to make the difference (Pastoriza, Ariño, & Ricart, 2009). While deriving the insights regarding the managerial social capital, the most important thing is to elaborate the internal linkages. The primary focus of organizations is to interact with the internal key stakeholders to gain the results and sustain the business for a long run in the competitive business era (Strömgren, Eriksson, Ahlstrom, Bergman, & Dellve, 2017). Nahapiet & Ghoshal (1998), made distinction between structural, relational and cognitive dimensions of social capital which are now widely accepted and used as basis for different social capital research. Although these dimensions are conceptually distinct but they do inter link with each other. Below, I explain them from a managerial perspective.

Structural Dimension

Structural dimension of social capital is a dimension that seems pertinent to navigate extent the companies are interacting (Pastoriza, Ariño, & Ricart, 2009). On the other hand, some may work to create competitive strategies along with a comprehensive business or marketing plan. According to the research revelations, it is seen that the structural dimensions may vary with the passage of the time depending on intentions and preferences.

Structural dimension comprises of relationship patterns amongst the network actors and can be observed through network ties and configuration perspective (Inkpen & Tsang, 2012). The way network structure is arranged, highlights the pattern of linkages amongst the network members. In many companies, it has been investigated that with the passage of the time, frequent interaction enables the effectiveness of work allocation, supervision, and coordination. Working with people to teach how to integrate with systems to get information and get things done effectively is the key factors of the structural dimension (Neneh, 2017). Therefore, it is important for the management of the organization to restructure the business to have room for new information. In addition, previous research studies have shown another perspective (Pastoriza, Ariño& Ricart, 2009) that the new information relevant to the workforce and market trends helps the management of the organization to increase over all skills utilization. Structural dimension of social capital comprises of two key attributes i.e. network ties and network configuration.

Structural social capital comprises of a network of people whom the organization management knows and can draw information and assistance from (Davenport & Daellenbach, 2011). An important aspect of structural social capital is the network tie and configuration i.e. the ties, a network member has, with whom and how strong or weak they are (Taylor & sully, 2007). Network ties deal with the specific ways the actors are related (Ascigil & Magner, 2012). Past research indicates that both strong and weak ties have their own advantages (Krackhardt 1990; Hansen 1999; Podolny & Baron 1997). For example, relationships which are weak may also be utilized as essential tools for enhanced performance since these also enable managers to explore new opportunities by strengthening their ties with people they haven't been in touch with lately (Burt 1992). On the other hand, strong ties directly influence organizational productivity through trust and other platforms such as information exchange and providing collaborative solutions to problems (Uzzi, 1997).

Managerial social capital also indicates the success of network ties and it is an interaction of different groups in the business environment to share information and ideas to come up with some outputs according to the expectations. In many firms, the managerial social capital focuses on different network ties. Traditionally, the studies illustrated network ties along with some insights. However, the ties are the management of companies create the network of groups to have different ideas and opinions to make the better decision at the end. However, due to immense differences in ideas and opinions, the diversity emerges, which sometimes creates the causes to delay the decisions (Helfat & Martin, 2015). The frequent interactions or coordination create ideas, which resembles despite having the diversity in the network. It is a modern approach, used by the managerial social capital to gather all key stakeholders on the same agenda. The successful network ties are sources of similar groupthink, which ultimately creates the good impact on the business performance (Gusman & Febrian, 2016).

The role of the management of the firms is critical in terms of strong network ties. Managerial social capital intends to spend a lot of time with these groups to create the strong ties. People work and pay together to meet several business needs (Rhee & Ji, 2011). The purpose is to bring people closer to each other and work on the same agenda without and contradictions. For example, if some contradictions are founded, these can be a managed or maintained quite effectively due to strong relations. In the business network, if there is a strong network tie, the sustainable competitive advantage can be ensured (Shu-Chi & Yin-Mei, 2005).

Network configuration is the connection of different network flows and operation in the organization. Helfat and Martin (2015), explored network configuration, as a tool that organizations use to investigate or analyze the business and market environment. In business environment, employees put their efforts to accelerate the effective network configurations. Managerial social capital observes right stakeholders control and navigates information along with the pertinent flow. In different groups, obviously, there is a need to assign roles and responsibilities. Depending on the size of the firm and business and level of interactions between groups or individuals, the network configuration can be made (Helfat & Martin, 2015).

Last but not the least, the structural dimension of social capital, also known as social interaction ties may encourage trust and perceived trustworthiness which represents the relational dimension of social capital (Gabarro, 1978; Gulati, 1995; Granovetter, 1985).

Relational Dimension

The relational social capital demonstrates the between different groups (Helfat & Martin, 2015). The businesses have to contain the trust to implement strategies. The managerial social capital's workability can be measured through navigating the relations between groups. People in the company work together and feel free to share ideas, which depicts trust and integrity (Helfat & Martin, 2015).

In the relational dimension, there are four main aspects which are trust, norms, obligation, and identification. Interestingly, all these aspects are triggered by the managerial social capital and the pertinent strategies, which make these aspects visible and workable in the organization.

Execution of successful relational dimension is one of the top priority of the managerial social capital. The skill utilization of companies can also be observed frequently. People, due to successful relational dimension, intend to share ideas and skills happily, and it is in the best interest of the tenant companies (Gusman & Febrian, 2016). As above mentioned, there are four aspects of relational dimensions which are discussed below.

a) Trust

Trust is a prominent factor of relational dimension of the social capital. It is an integral part of the social capital theory, which has a direct effect on the work quality and the performance of the organizations (Helfat & Martin, 2015).

To enhance the visibility of trust in an organization, businesses can assist the human resources management of the organization in establishing a culture, which provides different platforms to gather, share and execute (Goddard, 2003). For Instance, if employees are working in different teams, they can share the skills and work if they have trust in each other. Businesses work effectively to shape employee attitudes and traits to contain the trustworthy environment (Gusman & Febrian, 2016).

In the social capital theory, the management can also create an impact on people to perform or behave according to the expectations (Creyer, 1997).When people are honest with each other, they contain the trust to share different things. The management of the company can start from itself, as they have to maintain or keep the trust of employees, and conversely, the employee can also be responsive.

In organizations, people normally contain the historical habit of trusting each other, and the result is remarkable in the competitive business environment. When containing the diversity in the company, the business incubators identifies required traits, which can make employee trust each other (Inkpen & Tsang, 2012).

On the other hand, if the management factors and avoids discrimination, the culture of trust can be created, which also justifies the successful relational dimension of the social capital theory (Li, Ye, & Sheu, 2014).

b) Norms

Organizational norm is the interrelation among functions, interactions, and structure of the company. The organizational norms are the acceptable standard regarding the behavior, which are to be shared by group members in the company (Zhang et al., 2003).

According to research done by Frambach & Schillewaert (2002), organizations may reflect norms, which direct the behavior according to the management expectations. Interestingly, concerning the modern business traits, used by different companies and elaborated by the researchers in different studies, incubators can make different segments of the norm in the company.

Performance, appearance, social and resource allocation are famous norms. When interacting with the company or group, the focus of an incubator seems pertinent. Relative to the performance, the management collaboratively sets the performance standard along with some measures (Moran, 2005). People, working in the company usually adopt these standards and the management observe it accordingly to make further decisions. The successful social capital, according to the previous works, depicts the standardized resource allocation procedures (Helfat & Martin, 2015).

Depending on the business size, the businesses can enhance the productivity through creating the platform to share or allocate the work and produce results. Captivatingly, people only have to revolve around these acceptable standards, which is enough to make the difference (Gusman & Febrian, 2016).

c) Obligation

In social capital, it is necessary to meet all obligations, which are expected from the management has to meet its own obligations. On the other hand, employees have to meet their obligations to meet goals and objectives of the company. Thus, these factors are linked with each other, and a finally the company takes the benefits. The relations between businesses have also been linked with some obligations. In these collaborations, the incubator is able to identify the suitable strategies to let the business grow (Helfat & Martin, 2015).Conversely, it seems imperative to provide an adequate resource to make the interactions successful. The managerial social capital forces the organizational citizenship, as all key stakeholders have to trigger with values and norms to sustain the business process. Social capital management does not the only emphasis on creating lucrative social capital or people's network, a being a part of communities, it also incorporates obligations (Jiang & Zhan-Ming, 2010).

d) Identification

Many scholars like Shu-Chi & Yin-Mei (2005), in their research work have tried to find the factor which relate between employees and organization. This is a fact that the social capital makes the identity of the organization, which ultimately makes the identification of the organization. Through values and norms, the identification becomes easy. It is all about recognizing the company through its organizational behavior and traits. Internally and externally, the values, traits, and behaviors are main factors, which can give identity role of incubators is crucial in creating the form identity. It depends on the tenant companies to exploit its strengths in different functions and get the identity (Shu-Chi & Yin-Mei, 2005).

For Instance, if a company wants to be recognized through the human resource, businesses can work with the human resource management to train and develop the employees to interact with the management and all key stakeholders. It makes the managerial social capital quite effective and credible, and in the result, the company can have the reputation. All these aspects can be gained and sustained due to people, existing in the network, and if these people are managed wisely, the managerial social capital can justify its purpose (Li, Ye, & Sheu, 2014).

Cognitive Dimension

Cognitive dimension of social capital deals with resources which offer shared language, representations, interpretations and systems of a meaning among network members that form the basis for communication (Nahapiet & Ghoshal, 1998). Building on Napihiet & Ghoshal (1998), Davenport & Daellenbach (2011) defined the term cognition as “a mental process of gaining knowledge and understanding through experiences, opinions and senses”. When working in different organizations, it is important to share different values to enhance the communication with each other. There is a strong relation between cognition as it is a process of acquiring knowledge and skills in social capital framework.

According to Ascigil & Magner, (2009), it is revealed that the chances of success are higher when the company takes collective and integrated actions, and obviously, it is quite possible through cognitive element. Deriving insights from the cognitive dimension, it is to state that all changes, which are to be occurred in the company, are in the social context. An organization defines any group, which contains a good relationship due to good storytelling, shared meanings, and consistent discussions. However, an individual, being a part of a group may contain different perceptions about different social resources and activities, interestingly, he intends to take an active part in these activities and resource utilization according to his own perceptions (Helfat & Martin, 2015).

It is noteworthy to mention here that an individual may have perception about others, which are included in the group. These different perceptions in the company and society revolve, and people have to sustain relations despite having these prominent differences. The prominent element in the cognitive dimension is the diversity, which is due to these differences (Naphiet & Ghoshal, 1998). The cognitive approach in the social capital is a key to success, which leads towards the business sustainability (Pastoriza, Ariño, & Ricart, 2009).

When there is no bonding or pertinent relations due to shared values and norms, results can be different. It is all about creating the understanding between teams, which enables integrity or harmony to meet or achieve organizational goals. Different people usually work in different departments, and working in an integrated system is necessary to gain advantage. Every employee in the organization mostly have to expect something from others in different work activities, and it can justify the cogitative dimension. The impact of cognitive dimension on social capital is visible, an intentions are towards the strong cognition. Now, it is interesting to navigate or examine key factors such as shared languages and narratives in the company, which makes this dimension successful in the social capital process.

a) Shared Language

To enhance the visibility of communication in the company, the visibility of shared language is important. Especially, for multinational firms, there is a need for a language strategy, as people can come up with different languages, which can create a huge communication gap. If an employee understands the language, he can perceive different things and depict the pertinent behavior.

To meet this purpose, the firm can initiate the language learning process to make shared values and norms visible (Jiang & Zhan-Ming, 2010). With the perspective of the company, every group of the employee must have to understand the language, which has been adopted by the company and the management. Not only through behavior, the stakeholders of the company have to maintain and depict the shared values and norms through language or communication (Jin, 2015). On the other hand, the language diversity is also an important factor in this dimension. However, when it comes to the shared values and beliefs a have to come up with the similar language and perception.

Every employee must be proficient regarding the language or communications to convey what is being perceived or observed. The indication of strong social capital is the language skills, which can help the management convert people into future leaders. When an employee is adoptive regarding the language, he can enhance the learning and sharing process in the company prominently. Shared languages have been observed in any organization, and it has also been stated in many research studies. When an organization, especially a multinational firm, expand the business in different regions, the most important thing to make the social capital stronger is the communication.

The management can understand the culture and all other related aspects through language, and with the perspective of employees, they have to learn to sustain their positions in the company. People in the company can be trained or developed to accelerate the visibility of shared languages (Helfat & Martin, 2015). People, working in different departments communicate with each other due to shared language. Despite containing different languages, People speaks the same language, and obviously, the purpose is to increase bonding share work, values and perceptions. The big advantage that the company can gain with the passage of the time is the elimination of the communication gap. People can understand what is communicated or executed, and accordingly, they can ask different questions according to their perceptions. Well, it does not mean that the shared language can change the thinking or perception of people in the company. For Instance, if people have reservations over any strategy or policy, they can argue according to their perceptive and style of thinking. Sharing the language is actually a facilitation for employees in the organization which make them prominent contributors. Researchers have found that companies always wanted to increase the power of words through shared language. For Instance, when meeting external stakeholders of the company, the difference in the language may not work. People have to be common in language to deal with external partners. It makes the voice of an organization powerful. Usually, employee diversity is due to different cultural values, and language is the main aspect. The shared language contributes to image building, and it can be sustained for a long run.

To understand the language in an organization, it seems necessary to be mindful. Sometimes, the company has to face the language diversity. It has to deal with stakeholders with different language. Thus, the shared language can be justified through understanding and mindfulness (Gusman & Febrian, 2016). The company usually understand what is being spoken and accordingly response. Fascinatingly, an organization may take much time to create the shared language because it needs intention and time. Ultimately, it has a direct impact on the understanding. The pertinent strategy of the company can be the collaborations, which enables respect and shared goals. In this modern business era, the purpose of a shared language for the company is to contain a focus on the goals and objectives. Through shared language, all key stakeholders of the company come at the same page or agenda, which enable the same goals and objectives (Ascigil & Magner, 2009).

b) Shared Narratives

The shared narrative is another prominent factor, which has been emerged ion the social capital. People in the company usually have different narratives, and it seems a big challenge to consider or perceive these narratives to meet the goals and objectives of the company (Wagner & Fernandez-Gimenez, 2009). The narrative is an art of storytelling.

In an organization, different employees perform different activities, and accordingly to these activities, they have different narratives. For example, every employee or key stakeholder of the company intends to derive a particular insight from his activities. Combination of different narratives opens new ways for the company management to make decisions in the best interest of the company. When it comes to the collaborative or participative decision-making process in the company, different narratives are the main consideration of the company (Wagner & Fernandez-Gimenez, 2009). An organization may have different narratives such as brand narrative, human resource narrative, and financial narrative and ultimately, all these narratives depict the collective power of the company (Strömgren, Eriksson, Ahlstrom, Bergman & Dellve, 2017).

Emphasizing on narratives is a powerful source of creating value and sustaining the brand image. Internally, people, working in different business segments, should be provided an appropriate platform to demonstrate their narratives. Interestingly, these narratives are to be considered in the decision-making process to come up with the final decision. Researchers have told us that the company has to make different choices to present narratives (Jiang & Zhan-Ming, 2010).The depiction of valid narratives is good to sustain the business in the competitive environment. Appropriately stories of customers, employees and investors are to be told to stakeholders. Perceptibly, ethical considerations in this communication process are in the limelight. Not only with the perspective of the company, can the management also consider the narratives of all people, which are involved and engaged. Social capital is triggered by the validity of narratives, and for a long run, the company management can use it to gain numerous business advantages (Gusman & Febrian, 2016).

2.2.3. Managerial Cognition

Managerial cognition is composed of mental models, beliefs, processes and managerial cognitive abilities upon which managers rely to form perceptions and take decisions accordingly (Martin, 2015). Managerial cognition comprises of the managerial beliefs and mental models that serve not only as foundation for decision making (Walsh, 1995) but also enables the manager to perform mental activities (Helfat & Peteraf, 2014) Similarly, Stubbar (1989) argued that managerial cognition plays an important role in terms of organizational entrepreneurial activities as well as accurate decision making, integral for strategic market creation. Effective managerial cognition enables different categories of problems to derive insights separately and make decisions (Madhavaram, Badrinarayanan, & Granot, 2011). Similarly, the importance of cognitive complexity can't be left un-noticed when the management of an organization intends to integrate with multiple business environments and dimensions. Eggers & Kaplan (2008) found that this also gives rise to competitive categorization where the organization's higher management or decision makers plan out strategies and respond to their competitors on basis of their cognitive abilities. To better understand these dimensions of managerial cognition, I elaborate them further below.

Cognition as Beliefs

Managerial cognition forms strategic decisions and results, including responses to changes in the external environment. Distinct managerial cognition may lead to variance in the strategic decisions and outcomes (Adner and Helfat, 2003).Anderson and Evens (2014) explain cognition as the managers limited ability to process new information and thus people trying to minimize cognitive efforts (Baron 1998).

According to the perceptions to executions; the role of the management is quite crucial (Baum & Bird, 2010). According to previous studies, trends of strategy making process has been changed with the passage of the time, as managers intend to share different ideas to identify several strategic issues (Madhavaram, Badrinarayanan, & Granot, 2011). Early identification of these issues leads towards the early decisions to gain the competitive advantage over other competitors, exist. Due to these shared beliefs, the top management of the company can make changes according to needs to be sustainable and successful.

The best thing that these managers usually do is the consolidation of these beliefs and perceptions to make the difference. The management beliefs create an impact on the industry structure, and interestingly, it also has a good impact on the performance of the firm. Different beliefs differentiate the strategy, and ultimately, help to gain the suitable competitive advantage (Sharma, 2000).

The management belief is depending on the knowledge acquired through different resources, which also shapes the attitudes of different managers. The need for cognition actually emerges when a manager has different options to acquire knowledge and makes decisions. The research results have depicted different cognitive styles of managers, which are working for the global firm, and of course, it is due to manager's shared beliefs (Madhavaram, Badrinarayanan & Granot, 2011).

Cognition as the Basis of Decision-Making

From data driven amendments to theory based models for information processing, a manager with strong cognitive skills may form strategic decisions which signify development of DMC, which is essential for organizational change and market development. Also, the individual’s knowledge or skills may add further value to the organization’s social capital by being utilized accordingly. Managerial Cognition leads to an accurate frame of decision making (Bateman & Zeithaml, 1989) by overcoming old imprints in the managerial mindsets which hinder their approach towards dynamic managerial capabilities (Tripsas & Gavetti, 2000). These knowledge structures affect their biases when it comes to perceiving the market changes, understanding their repercussions, valuing their own choices and finally implementing them (Garbuio, King, & Lovallo, 2011).

Cognition for Problem Solving

In the early stage of problem formulation, it has been revealed that the problem categorization is a good trait or component. It makes the senses of strategic issues, and the management can derive several alternatives to eliminate these issues. The managerial cognition contains this aspect to have more valuable and crucial information about different problems, identified in the global marketing process. Each problem may have different and separated information, and each solution is to be separately executed (Tripsas & Gavetti, 2000). Interestingly, concerning solutions, these can also be different due to differentiated cognitive styles (Rosenbloom, 2000). The cognitive script of managers from different companies share a common pattern when it comes to managing the performance of poorly performing employees (Goodhew, 1998).

Cognitive Complexity

The cognitive complexity comes into the life when the management of the company wants to integrate with multiple business environments and dimensions. Shared beliefs, interpretations, and decisions are important but the cognition must depict adaptability and versatility to emerge in the competitive market strongly. In terms of cognitive complexity, collective sharing of information and perceptions is a powerful capability to integrate with different business environments and dimensions. The most important thing is to develop the organizational capacity to integrate with the multiple business environments and dimensions to meet objectives and make the difference (Rosenbloom, 2000).

The researchers have argued that the companies with high cognitive complexity will have more chances of making creative and appropriate solutions for business problems. It has been revealed that there are many complexities in the businesses, especially when making a strategic marketing plan in the new market.

These business complexities force the company management to enhance the visibility of managerial cognition to make rapid decisions (Kaplan, Murray, & Henderson, 2003). For better planning, the cognitive complexity is the best source for the company. When the management applies an effective cognition when dealing complexities, it can experience the best performance of the company in the presence of other competitors (Cacioppo & Petty, 1982).

The organizational capacity to identify these complexities and come up with some good solutions seems worthy, and this capacity can be built through better managerial cognition. Business dimension, which is to be considered of focused are customer buying behavior, sales, positioning, attraction, satisfaction, quality, pricing, and differentiation. It depends on the capacity of the company to use cognition and propose the best marketing strategy, which can cover all these dimensions (Kaplan, Murray, & Henderson, 2003).

Competition and Cognition

Managerial cognition is quite different in the competitive business environments. Generally, the managerial cognition depicts a general implementation. However, when emerging in some competitive considerations are to be taken by the management to develop capabilities, which can lead towards the suitable competitive advantage (Cacioppo & Petty, 1982). After considering perceptions regarding problems, it seems pertinent to investigate the special capabilities, which are to be developed to gain the specific competitive advantage.

The competitive categorization comes into the life when it comes to the competitive managerial cognition (Eggers & Kaplan, 2008). While competing with each other, the managers as key position holders, the decision makers and immediate reactant to competitive move of the competitors, usually respond to the strategies of the competitor companies in a way based on their cognition. For example, in his study (Nejad, 2014) found that the response rate of the companies is higher in case of a certain move from a competitor that the top managers perceive to be a threat to their one or more domains of their identity. The management has to develop specific capabilities to meet and justify this purpose (Kaplan, Murray & Henderson, 2003). This is a fact that every firm may have business segments, and some business segment can be competitive. Accordingly, due to the effective managerial cognition, the firm management can categories competitors and initiate the strategic planning process. The integration with new trends is essential for the company to eliminate old segments and develop new ones to emerge on the right path. The managerial cognition helps in incorporating new information, which can facilitate in developing the competitive categories (Madhavaram, Badrinarayanan & Granot, 2011).

Totally, it is based on knowledge and cognition, and through a perfect consolidation of these two factors, the company can ensure the success and sustainability. Management can face an intense competition in the market, and therefore, the focus can be only on the positioning process to make the minds of the customers for positive buying decisions. Similarly, based on the cognition and knowledge, it depends on the management to derive the most prominent business process, which can be exploited to gain the competitive advantage in the competitive market (Nadkarni & Narayanan, 2007).

2.2.4. Managerial Cognition and DMC

To begin with, research has linked managerial cognition with strategic market creation. For example, Rosenbloom (2000) and Balogun (2003) argue that successful entrants in emerging markets rely more on their innovative approach and shared language with which they restructure the organization accordingly. Another example signifying the relationship between managerial cognition and strategic market creation is of a bio tech company where its top management’s cognition led the company to a new phase of successful development (Kaplan, Murray, & Henderson, 2003). Manral (2011) has explored that managing innovation needs a specific intellect of managers for successful execution of an idea. Therefore, managers are not solely responsible for the initiation of innovation till successful execution. Innovation is usually suggested by the people belonging to research and development whereas marketing managers sell that innovation. Thus, a mistake or lack of information at any level may cause failure of innovation, so Manral (2011) described managerial cognition as the fundamental of success for innovation.

Since the knowledge that managers acquire through their social relationships (i.e. managerial social capital) also affects the way they take their approach on different aspects of decision making and recognizing potential opportunities. Castanias & Helfat, (2001) and Coleman (1988) argued that managerial social capital affects managerial human capital as well as dynamic managerial capabilities. Also, Blyler & Coff (2003) proposed that the key dimensions of managerial social capital influences how DMC affect organizational change and so, have a direct relationship.Leitch, McMullan, & Harrison (2013) in their study conducted on an executives leadership development program, observed that the social ties developed amongst the executives contribute towards their skills development. The more stronger and appropriate network ties become in an organization, the better influence managerial cognition is like to have on important tasks and vice versa (Adner & Helfat, 2003).

When integrating with the business environment, managers evolve with the passage of the time along with these dynamic capabilities (Adler & Kwon, 2002). Authors in several research studies have argued that the dynamic managerial capabilities of the organization are visible if these are integrated with the organization's structure (Peteraf & Helfat, 2014). The organizational fit is necessary when developing this section of the social capital in the company. The fit with the environment is also good for people working in the company to contain right things and executions. To pay attention to the dynamic managerial capabilities of the organization, the management of the organization needs to reshape or renew the organization resources for better integration and several strategic outcomes (Wilden et al., 2013).

Several aspects of managerial cognition observed in research include manager’s shared beliefs, problem categorization, competition categorization, cognitive complexity, global mindset, cognitive maps, attention patterns, and knowledge development. To understand the managerial cognition in businesses, it seems necessary to examine all these aspects in the global industrial marketing process (Balogun, 2003). The execution of all these factors in global industrial marketing is quite visible. Obviously, the management of the company has to come up with some different strategies and implementation plans, and through the use of cognition, the success can be ensured. These are different variables that reflect the managerial cognition in the global marketing industry, and the management looks quite aware of it (Nadkarni & Narayanan, 2007). Managerial cognition supports DMC through enhanced managerial mindsets and perception. These skills help in identifying, getting hold of potential opportunities and reconfiguring the organizational resources timely. A research by Galunic & Eisenhardt, (1996) identified that continuous restructuring of an organization through experienced managers most likely results in positive workflow which simplifies processes, minimize errors and enable managers to complete tasks in an efficient manner.

2.3. Strategic Market Creation

A market is an institution where demand and supply are met (Saras, 2005). The creation of a new market takes place when an organization introduces new products or services or the ones which haven't been thought of earlier and strategically transforms the structure of the industry or sector that already exists (Darroch and Miles, 2011). Bala and Goyal (1994) suggested in their research that new markets constantly emerge because of the constant change in regulations, technology and politics as well as the expectations of organizations who attempt to enter the market. Penrose (1959) in his research highlighted that such explorations lead to exploiting new opportunities which eventually paves the way for transformation of both resources and the ends to which they may be utilized.

Various studies associate strategic market creation to managerial decisions, in specific, the DMC (Helfat & Martin, 2014). For example, Galunic and Eisenhardt (1996) in their study conducted on high tech firms observed that top executives always keep up with the changes in product design and development in order to cop up with the coevolving markets and technologies.

In another study conducted by Martin (2011), evidence of dynamic managerial capabilities was found in 6 software companies where a team of senior executives had positive effect on the company's new product launches, reconfiguration of resources and financial performance. Therefore, the preceding studies highlight importance of impact that managerial capabilities have on strategic market creation in an emerging industry.

Every firm, which is involved in the market expansion, has to concentrate on the strategic market considerations. The most important thing for the management of the company is to contain and sustain the competitive advantage for a long run. Therefore, there are many practices which are carried by the company (Danneels, 2002). For Instance, the product innovation and creativity have emerged as a top priority for the management of the company, which can set the direction of marketing.

In the strategic planning process, the management of the company usually utilizes its resources and skills to integrate with the market and make the difference. For instance, concerning the social capital in the company, the management can train employees, working in the marketing department to link with the long-term market needs. When considering the strategic market creation in the competitive business environment, it has been revealed that the firm carries the resource-based perspective (Ko & Hsi-Peng, 2010). For Instance, first, the company has to identify its pertinent resource and makes a decision in the best interest of the market. Main aspects in the strategic market creation are business model innovation, customer values and preferences, brand management, strategic management, and project management (Jansen & Pfeifer, 2017).

Interestingly, all these important aspects are integrated with the innovation process, which is carried by the firm. The firm through the intelligence of marketing can derive insights regarding needs and competitive aspects to decide, which is beneficial for a long run (Mkhize, 2017). According to research studies, it has been revealed that the identification of all these new opportunities can be matched with the insights, and ultimately, it justifies the strategic market creation. However, to think strategically, there is a need to think bigger and gain the advantage. The research studies have depicted the company-wide integrations in the competitive markets by the management of the company.

This integration can be depicted in terms of product and market innovation, integrated marketing communication process, and the sustainable competitive advantage for a long run (Wang, Lo, & Yang, 2004). When it comes to the strategic market creation, the company has to integrate with the technologies, which are useful or pertinent to emerge in the market, and obviously, the product innovation process is triggered by the new technology to come up with the products, which can create the value in the market. On the other hand, to be ready for future, the firm management intends to carry the social intelligence, which can help to contain the emotional and sentimental attachments with customers (Díaz-Fernández, López-Cabrales, & Valle-Cabrera, 2013).

In the competitive market, there are many complications, which the company has to face with the passage of the time. Based on actions of the competitors in the competitive industry, the organizations can increase its learning process and make some strategies, which can be sustained for a long run (Danneels, 2002). Based on the competitive actions, the firm can direct the competitive quality, pricing and different advertisement campaigns (Jansen & Pfeifer, 2017).

The key factors that lead to strategic market creation include marketing competence, technological competence, R&D competence and customer competence of the organization (Danneels, 2016). The same conceptual dimensions for strategic market creation have been undertaken in this study. Danneels (2016) in his research work, classifies the four dimensions of strategic market creation as follows:

Marketing competence serves recently developed markets where as R&D competence is the ability of the organization to establish new technological competences, formed by the assembly of recently developed technical resources. Moreover, customer competence is an organization's ability to serve specific customers and technological competence is an organization's capacity to produce physical products with particular features.

Recent research has highlighted that these competences, in turn, affect the firm's financial performance as well as development of new markets (Danneels, 2010). Considering my research work, I have adopted three of these constructs; marketing competence, R&D competence and technological competence which are explained below.

2.3.1. Marketing Competence

Market and technological domains are in the limelight for a firm to take full advantage in the market in the presence of intense competition or substitutes. Developing the marketing competency is all about developing the company in the market with some outputs, which are differentiated as compared to other options for customers.

Beyond the basic competencies, the management of the company has to maintain its second order market competencies (Ko & Hsi-Peng, 2010). Of course, to justify this purpose, the firm needs the marketing intelligence to come up with some right decisions. Concerning the marketing process of the company, there are several competencies (Rajkovic & Prasnikar, 2009). These competencies are knowledge of the customer needs, sales process, distribution procedures, and customer chasing procedures, cultural integrations, competitive analysis and retention of the customer goodwill.

Due to perfect marketing intelligence, the organization seems to be able to exist strongly in future along with a strong customer response. This is a fact that the organizations intend to carry the renewal of the process (Díaz-Fernández, López-Cabrales, & Valle-Cabrera, 2013). The research studies have depicted the renewal of the organizations through the product innovation. It is all about conducting the change according to needs and trends of the market to have a good position along with a prominent market share.

Based on the market data, such as customer or market analytics, the management of the company always intends to demonstrate the product innovation process, which is triggered by the market and its needs or trends (Jansen & Pfeifer, 2017). The organizational renewal is based on the strategic market creation, which is essential for the long-term business sustainability.

For instance, through marketing intelligence, the company can examine the competitor's strategy, which has attracted customers. Along with some differentiation process, the strategic decision can be imposed, which is good for the market and customer. Coming towards the strategic marketing, the research studies have stated that the strategic planning process. It is a fact that the company needs the product development mechanisms (Jansen & Pfeifer, 2017).

The development of the product is triggered by marketing trends and implications. For Instance, if a firm starts the new product development process, the management has to contain a prominent and effective reasoning to come up with the expected outcomes (Rajkovic & Prasnikar, 2009).

The resource-based research is essential for the product innovation and product development process. In the marketing intelligence, there is a need to investigate that which resources are best to develop or innovate the products (Mkhize, 2017). In the strategic marketing creation process, the company can set the long-term market objectives and goals to enable the market sustainability. The company can predict the market share in the next years, and it can be accomplished through effective execution of marketing plan or strategies.

For an effective strategic marketing creation process, the company management may focus on the development of marketing competencies. One competency leads towards the other competency, and through making the pools of market competencies, the strategic market creation can be justified. Different studies focused on product innovations, which is possible through concentrating on these marketing competencies (Jansen & Pfeifer, 2017).

It is necessary for the organizational management amongst the industries to understand the needs of different marketing channels to contain an integrated marketing communication process. In the modern business era, the firm has to choose the right marketing channels to target the customers (Wang, Lo & Yang, 2004). Moreover, the development of new market competencies enhances the visibility or organizational learning process (Wang et al., 2004).

The organizations can learn how to grab the new customer and produce some outputs, which are integrated with the needs, wants and requirements of both, customers and market. With the passage of the time, it seems necessary for a firm to explore or identify new markets, as it can enhance the visibility of company’s new target. The most important thing is to make the company able to do this. Of course, technological and human resources are valued in different firms to meet these objectives (Mkhize, 2017).

Interestingly, regarding the market competences, the research studies have stated different considerations by companies in both, new and existing markets. In the existing markets, the company can enhance the visibility of speed, establish the global delivery reliance, new technology integration and the ability to diversity according to needs and trends (Díaz-Fernández, López-Cabrales, & Valle-Cabrera, 2013).

On the other hand, in new markets, the top competence is the forward integration, and it is necessary for a firm in the expansion process, developing the new ways of marketing, advertising, communications, positioning and engaging in the competitive market are some appropriate capabilities or competencies., the role of the managerial capital in the company is crucial to develop these competencies for both, existing and new markets (Rajkovic & Prasnikar, 2009). After gaining the success in the existing market, the intention of the firms is towards the entrance in the international markets, and to make the physical commodities prominent and attractive, the development of these competencies is important (Díaz-Fernández, López-Cabrales, & Valle-Cabrera, 2013).

Another dimension of the marketing competence is the intelligence. Through the managerial cognition, the management can estimate or predict market competencies, which are important to develop to emerge strongly in the competitive market. With the passage of the time, it is important to make changes in the marketing strategies (Wang, Lo, & Yang, 2004). The rapidness and adaptability in the change process regarding the marketing strategies and traits is a great competency, which is triggered by the success and long-term sustainability.

When a company uses ore executes the marketing strategy in the market, and it may have some goals and objectives. Thus, after the estimated time period, the change in these goals and objectives can depict the company's intention towards the change. The firms, which contain the market-oriented business model, focus on this kind of changes to be the market leader. To be the first in developing and positioning a particular product and service in the market is a competitive approach, and it seems a valuable competency (Jansen & Pfeifer, 2017). The new market competencies, mentioned above, are to be adopted through the change process in the company. The prosperity in the business environment compels the management to identify and adopt new competencies. The organization learns that how it can create the environment, which is market-oriented. Through the combination of all key resources, the company can consolidate the pool of competencies (Díaz-Fernández, López-Cabrales, & Valle-Cabrera, 2013).

To develop marketing competency, the prominent space is required to identify and adapt these competencies in an effective manner. The marketing competency is related to the customer satisfaction and competitive advantage. Based on the customer data and identified pertinent resources of organizations, the company can design these competencies to make the difference and attain what is planned in the strategic marketing creation process. In research and development process, there is also a need for competencies to enhance the visibility of future mobility (Jansen & Pfeifer, 2017).

2.3.2. R&D Competence

The research and development process in the company is crucial, and it leads towards the successful strategic market creation. The research and development a process of the company actually leads towards the creativity and innovation, and the role of the human capital in the process is quite prominent. This is a fact that the company may invest in research and development process, and it has to be justified with the passage of the time (Malerba & Marengo, 1995).

For Instance, there is a need to develop the research and development capabilities or competencies to develop the product or service along with a rational, which can be justified in both, internal and external business environment (Rajkovic & Prasnikar, 2009). The firm has to identify, examine, evaluate and implement the research and development competencies. Understating the nature of explorations is a big thing, which has to be considered by the management of the company when conducting or intending the research and development process (Danneels, 2002). In this modern business era, the company does not have to demonstrate its investments in the research and development process.

Today, the firm is containing the willingness to cannibalize, and the intention is towards the reduction of the value of the investment. In the research and development process, the core competency of the company is to keep the cost low. The efficient research and development activities is necessary to come up with the low-cost output along with the sustained quality (Jansen & Pfeifer, 2017).

In the competitive market, this competency is important and it leads towards the success in the presence of other competitors (Díaz-Fernández, López-Cabrales, &

Valle-Cabrera, 2013). This is good for the company to understand the worth of asset and resources, which are necessary to sue in the research and development process. In the research and development process, the organization may work in different groups. The diversity in the internal business environment seems good to enhance the viability of constructive conflict, everyone is coming up with different ideas and thoughts, and in the end, the company can take an advantage through an effective brainstorming (Jansen & Pfeifer, 2017). It is a great competency of the company, which can take a different form than others in the market.

Again, in the process, the effective and lucrative research and development process is triggered by the modern technology, the firm must have to use tools and equipment along with all required resources to conduct the rationale research and development process. To make the research successful, the firm has to idealize that what is required in the market, and it is actually a perfect happening of the strategic marketing creation (Wang et al., 2004).

In an organization, within the research and development process, few research studies state that the constructive conflict is helpful for the management to make a better decision. The level of analysis of different ideas, results, and intentions has to increase, and many organizations have implemented this approach to make the process effective, efficient and successful.

The success and sustainability of the organization is linked with these competencies, which makes the research and development process pertinent (Malerba & Marengo, 1995). When expressing the marketing intelligence, the firm can use data and insights and come up with the process, which ensures something different and valuable for customers in the competitive market (Jansen & Pfeifer, 2017).

Research has shown the success of companies in different industries, which contain the tolerance for failure in the research and development process. In the strategic marketing creation process, the firm is focusing on this competency to sustain the current business process. Identifying the reasons for the failure of the firm in the process is important instead of giving up. To meet the customer expectations, the human capital of the company must have to sustain the research and development process (Danneels, 2002).

In the research and development process, it is necessary to use current competencies to leverage the new competencies. When a firm creates something new and unique, the leverage of these new competencies worthy (Jansen & Pfeifer, 2017). In the presence of an intense competition, the company must have to explore all opportunities, which are imperative in this process. The research and development process set a direction towards the new business world or dimension, which can create a good impact on the business profitability (Ko & Hsi-Peng, 2010).

The management intends to drive some new opportunities to explore the business. The concentration on the research and development capabilities is in the limelight in both small and large firm. It a firm is able to develop or initiate something new, its values in the market can be increased.

Interestingly, the researchers have stated that there are many dimensions of the research and development procedure in small and large organizations. First, the company can initiate this process to make some improvement in the current product or services. The execution of research and development capabilities or execution for existing product line is good, as it drives the creativity and innovation to sustain the success of the product in the market for a long run (Malerba & Marengo, 1995). The main competency, which has been observed in the modern organization is the efficiency. Low investment and high-quality research are directly related to the financial performance of the company (Rajkovic & Prasnikar, 2009).

Obviously, setting or designing some goals and objectives for this process is a good decision to keep the whole process in a direction. The focus of the company seems clear to develop or improve something new and unique. In today's business, the R&D activities have been initiated by many firms to enable uniqueness, creativity, and innovation. Technical competencies are to be developed to make this improvement process successful (Wang et al., 2004).

2.3.3. Technological Competence

The human capital in an organization must develop different skills, which are required to produce goods and services. The role of the organizational management is in the limelight when it comes to the technological competencies development process. First, the company management has to develop skills in people (Díaz-Fernández, López-Cabrales, & Valle-Cabrera, 2013).

One of the prominent competency, which is related with the market is the technology integration and adaptation. The most important thing for companies is to explore the promising technologies, to meet this objective or competency, the firm can hire experts from different fields to develop a technology. This is a prominent market competency, which is a need of every business, especially when existing in the competitive markets (Ko & Hsi-Peng, 2010).

For Instance, engineering firms are often looking forward to develop technical and analytical skills among employees to carry the work according to the expectations (Wang, Lo, & Yang, 2004). With the passage of the time, the organization has to change the technology, and their employees should be trained to integrate with this new technology. It is due to the technical skills, which can help the human capital especially employees in the company to maintain their effectiveness at the workplace (Wang, Lo, & Yang, 2004).

The management of the organization actually assists employees or people to develop the technical skill (Wang, Lo, & Yang, 2004). The technical skill development process actually leads toward the technical competency, and it provides a long-term competitive advantage. The technical competency helps to create high-quality products for customers. It depicts the management behavior in the company, and it enables the visibility of technical skills in the company (Jansen & Pfeifer, 2017).

When assigning different tasks to different employees, the management must have to develop the skills among employees to know and understand it accordingly. The research results have illustrated that the company can gain the success in both, internal and external business environment, the development of technical skills to perform a particular job is necessary. In the business process, all key stakeholders of the company need to know that how the can carry the process to meet goal objectives of the company in an effective and lucrative manner (Díaz-Fernández, López-Cabrales, & Valle-Cabrera, 2013).

The technical competency, which has been emerged in the businesses is the knowledge about the product the company employees have to know the ingredients, material, process, delivery and usage perspectives, and in the production process, the high quality of the product can be sustained in an effective manner. Technically, the company knows what technology is required at what level to produce according to the expectations (Díaz-Fernández, López-Cabrales, & Valle-Cabrera, 2013). In addition, this technical competency is linked with the utilization of technology in the company, which makes this competency prominent (Ko & Hsi-Peng, 2010).

Moreover, when making the product in the company, the technical competency can be depicted in form of custom designing of product from retail to manufacturing, the research studies have come up with some results, which portrayed the customer designing (Malerba & Marengo, 1995). In terms of the strategic marketing creation, the customer designing is a better competence, which can meet the need of customers. Concerning these technical competencies, the main intention of the company is to enhance the visibility of technology usability (Jansen & Pfeifer, 2017).

Interestingly, the research and development process of the firm is also integrated with the technical competency. Maximum identification and utilization of technical competencies make the research and development process successful in the company, and in the different industries, to compete differently, companies are quite up to it. In addition, the enhancement of training and development process is also in the limelight in many firms (Díaz-Fernández, López-Cabrales, & Valle-Cabrera, 2013). The most important thing is to develop the team of employees and management, which carry the work with an appropriate technical knowledge. Understanding the process is also necessary for the managerial capital to keep the direction on the right path.

Thus, the technical competency is also a powerful source for the management to differentiate the process and come up with things, which have never been experienced before. In end, the firm is able to demonstrate the competitive edge over the other competitors in the market (Rajkovic & Prasnikar, 2009).

Now, when considering the enhancement of the technical competencies in the company, the role of human resource management comes into the life. The human resource management in the company works with different departments such as marketing, sales, production, supply chain, and management to train employees (Malerba & Marengo, 1995). Human resource is a power source for developing a workforce, which is highly skillful and competitive. Concerning the intention of management, it is also worthy to develop or adopt some technical skills to understand the process. When making the strategies for workplace employees, these technical skills can help the management to make right and relative decisions (Jansen & Pfeifer, 2017).

The appropriate knowledge of technicalities in the company can help to have a proper check on the work process. The management has to use its experience and learn different things abo process. It also increases the collaborations with employees, and it is a huge capability of the company, which has been considered the source of the differentiated process. Authors have evaluated the large organizations, along with an immense range of employees in different departments, to derive some factors. For Instance, the company may identify the most critical technical competencies to initiate the focus (Díaz-Fernández, López-Cabrales, & Valle-Cabrera, 2013).

Based on the market research, the firm can make a pool of competencies, which are to be adopted first to provide the leverage of rest of all technical competencies, which are to be developed further. Second, the need to identify the gap between these competencies can be a focus of the firm when competing with other firms. Eliminating these gaps in competencies is actually a process of streamlining these competencies. Finally, the firm is able to identify the talented group of employees, which are suitable to adopt these technical competencies. When these employees adopt these competencies, these can be perfectly utilized, executed and streamlined (Wang, Lo, & Yang, 2004).

2.3.4. Customer Competence

The big customer competency regarding the firm in the market is the integration with needs and wants of customers. Accordingly, the management is able to develop products, which are quite pertinent (Jansen & Pfeifer, 2017). Many organizations, existing in the different industries, are in the limelight due to different customer competencies. The top competency is the customer need integration, which helps the company sustain its strong position in the market along with the customer satisfaction and loyalty (Jansen & Pfeifer, 2017).

In the competitive market, the main intention of the management according to research contents and result is to enhance the customer experiences competencies (Wang, Lo, & Yang, 2004). For Instance, in the competitive market, the management considers the customer as an asset of the company, and with the passage of the time, it has to increase its values to gain the outputs (Malerba & Marengo, 1995).

For Instance, in the retail industries, the competition is quite high, as the management of many retail companies has created values for customers, which lead towards the satisfaction and loyalty (Ko & Hsi-Peng, 2010). Furthermore, through the customer experience mapping, the firm can align the business objectives in an effective manner. The research studies have illustrated some examples from different industries in which the management created some measures regarding the customer experiences and satisfaction. The values have to create in a manner that aligns with the prominent business objectives (Rajkovic & Prasnikar, 2009). Maintaining the customer journey in the business process is a remarkable approach to the different organization.

In strategic marketing creation, the management depicts its assertiveness in making the whole journey of the customer successful (Rajkovic & Prasnikar, 2009). Through a valuable feedback of the company, the management looks to make decisions, which are customer oriented to develop these competences, the integration with the market-oriented business model is a good decision. According to research results, the market-driven strategies and market-oriented business model (Danneels, 2002).

Taking a proactive approach to deal with the customers in the market is another approach or trait, which enables the customer retention, satisfaction, and loyalty (Rajkovic & Prasnikar, 2009). The marketing management, playing a role of human capital in the company, can collaborate with other departments to derive related outputs. Interestingly the researchers have also shown the intention of the company. Developing or shaping employees to deliver the great customer experiences is the best trait, which has been applied or executed in many firms. As far as the customer competence is concerned, the ultimate outcome and measure for the management is the customer satisfaction, which also increases the positive buying decisions at the end (Malerba & Marengo, 1995).

Knowing the customer dynamic seems worthy to boost the future mobility in the business environment (Jansen & Pfeifer, 2017). Customer attitudes, buying behavior, trends, satisfaction, services, loyalty, relationship, and perceptions are top factors to gain the success in the market of different industries. Understanding the customers actually helps in understanding the need of business for a firm, and through a good organizational learning, good strategies are made by many firms. Interactions with customers in the market are different in every company or business. Developing some channels, which are suitable for better interaction, shapes the process of effective engagement and relationship (Wang, Lo, & Yang, 2004).

With the passage of the time, the firm learns how to derive customer data and make decisions a, which are customer oriented. According to research illustrations, the business dynamics have been interrelated with the customer dynamic, which has helped the company to increases the targeting and segments. Making right targets in the same market division along with some key segments is a top customer competency, which makes the company different from other companies in the same market. Therefore, the customer competencies are good to develop business in order to exist according to the expectations of customers (Díaz-Fernández, López-Cabrales, & Valle-Cabrera, 2013).

2.3.5. Effect of DMC and its Underpinnings on Strategic Market Creation

The competitive intensity and organizational structure usually creates an impact on organizational performance. These capabilities are in the fame since these improve the role of the manager in several departments. In business surrounding, the relationship between dynamic managerial capabilities and performance has been realized by the organizations, and it seems an essential aspect in enhancing its superior performance. It is to mention that the dynamic capabilities of an organization are quite different from operational capabilities of the firm (Hambrick & Mason, 1984). In the operational management, the management intends to conduct several activities, which are good to produce some outputs.

Managers having distinct functional areas; industry specific skills and firm related skills may differ from each other in terms of how they are perceived (Cohen & Levinthal, 1990) and therefore, may differ when it comes to managers sensing and seizing opportunities for their organizations accordingly. Therefore, firm specific, industry specific and generic skills, all are potential dimensions of managerial human capital that fit with dynamic managerial capabilities (Bailey & Helfat, 2003).

Yli-Renko and his colleagues (2001), said in their work that the amount of social capital embedded in managerial relationships result in knowledge acquisition and opportunity recognition accordingly, a strong aspect of market creation strategy, Ascigil & Magner, (2009) revealed that the chances of success are higher when the company takes collective and integrated actions, and obviously, it is quite possible through cognitive element, Stubbar (1989) argued that managerial cognition plays an important role in terms of organizational entrepreneurial activities as well as accurate decision making through categorizing problems and deriving solutions accordingly, integral for strategic market creation.

On the other hand, the dynamic capabilities of the management are triggered by the change and organizational alignment, and ultimately it has a good impact on the operations of the company as well (Walsh, 1995). Now, after the development and explorations, it depends on managers that how they utilize or contribute with these capabilities in the company's operations in the existing structure. The alignment is necessary regarding goals, objectives, and strategies.

2.4. Mediating Role of Dynamic Managerial Capabilities

As I have discussed in the previous chapter, the inter relationship of DMC and its underpinnings has been supported by different studies in the past (e.g. Lawson & Samson, 2001; Ambrosini & Bowman, 2009; Helfat & Martin, 2014; Hung & Lien, 2009, Teece, 2012). Moreover, there has been research conducted on how DMC helps in creating market development opportunities as well as improving organizational performance (Danneels, 2010; 2016).

A common observation from the literature reviewed firstly suggests that there is a need for future research to be done on studying DMC as a possible supportive mechanism between its underpinnings and their contribution towards market development. Moreover, prior research highlights that higher management personnel of an organization are key decision makers and the way they take decisions, affect the overall organizational outcomes. Analyzing these key role players in terms of how DMC and its underpinning affect their ability to form decisions for certain strategic outcomes needs to be conducted. Therefore, my research model includes DMC as a mediator to not only address the current research gaps but lay down basis for future research on other possible outcomes related to DMC and its underpinnings.

2.5. Moderating Role of Organizational Climate Factors

The term climate has always been explained as how what employees commonly perceive about their organizations through the events or practices they experience at work place. However, these assumptions re merely based on description rather than evaluations (Schneider & Reichers, 1983). Organizational climate is a concept dealt in various dimensions. Patterson et al., (2004) developed a global multidimensional construct to analyze organizational climate which has been applicable across a range of work settings and to target all employee levels. This was formed by combining orientations from human relations (Emery & Trist, 1965), internal process (Shipper & White, 1983), open systems (Shipper & White, 1983) & rational goal approach (Hall, 1980; Clinebell, 1984), four major schools of study of organizational effectiveness, reflecting long traditions in management and organizational psychology into one model. Although the model consists of 6 factors, however, the related ones adopted in this study include innovation & flexibility and outward focus.

The innovation & flexibility and outward focus dimension of organizational climate taken in this study originates from the open systems approach, built upon competing values model by Quinn & Rohrbaugh (1981) and Quinn & McGrath (1985). Open systems approach pays special attention to growth, creativity, acquisition and adaptation which is inter linked with change, innovation, and willingness of the organizational management.

2.5.1. Innovation and Flexibility

West and Farr (1989) defined innovation as 'wilful implication or support for new ideas, processes or products, new to the relevant field and particularly designed to benefit an organization, a group, individual performance or the society on a wider level. Whereas, Garrahan & Stewart termed flexibility as 'an acceptance towards change'. Undoubtedly, innovation and flexibility is gained through both internal as well as external sources. Mostly, inter-organizational relationships create opportunities for exploitation and flexibility amongst the human capital. (Lane and Lubatkin 1998). When there is a climate for innovation and flexibility, managerial staff may have a feeling to do something out of the box which can mutually benefit the organization as well as create innovative opportunities amongst the managerial human capital to sense, seize and reconfigure opportunities accordingly.

2.5.2. Outward Focus

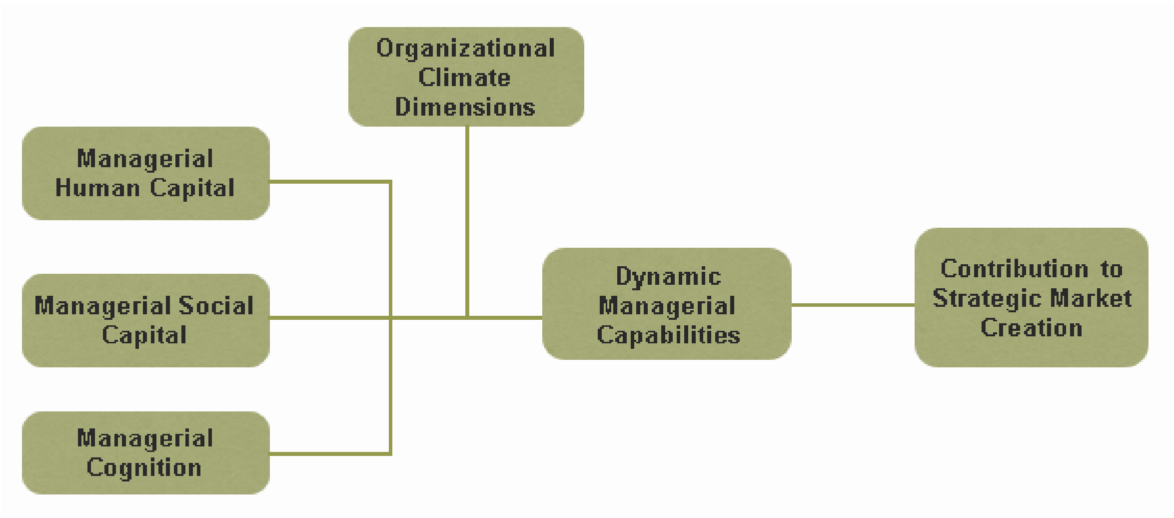
Outward focus is termed as 'the extent to which the organization is responding continuously to cope up with the market trends (Kiesler & Sproull, 1982; West & Farr, 1990). An organizational climate encouraging outward focus amongst its human capital may prove to be helpful in assisting managerial staff who take decisions affecting the strategic outcomes accordingly.

Therefore, a positive organizational climate is believed to improve the motivation amongst employees and encourage them to put in more effort to their work tasks (Brown & Leigh, 1996; Neal & Griffin, 1999). Here, I have used organizational climate factors as a moderator to analyze the influence that organizational climate (innovation & flexibility and outward focus) may have on the inter relationship of dynamic managerial capabilities and its underpinnings leading to desired strategic outcomes (Helfat & Martin, 2014; Fainshmidt et al., 2016).

2.6. Research Model and Hypotheses

Prior literature highlights the inter relationship of the aforementioned variables and how they relate with certain strategic outcomes in an organization separately, yet all these relationships in a model haven't been studied together per say. Moreover, researchers who have done much research on DMC highlight that strategic change and market development have never analyzed the effect of possible moderating factors in such relationship and suggest to do so (Helfat & Martin, 2014; Helfat, 2015). Below, Figure 1 shows all the relationships hypothesized in this study.

Figure 1. Research Model



This conceptual model aims to uncover the missing links in the established DMC framework and if these distinct capabilities can be strategically related to more effective organizational responses to the market dynamics in a nascent industry. Therefore, with this framework I intend to examine:

- Critical managerial skills and functions that give rise to market development for organizations,
- How managers can utilize dynamic managerial capabilities (DMC) in an emerging industry,
- DMC as a mediator between its underpinnings and certain strategic outcomes that hasn't been modeled or tested earlier,
- Influence organizational climate may have on such relationships leading to desired strategic outcomes.

To sum up, my research model studies the impact of underpinnings of the dynamic managerial capabilities (Adner & Helfat, 2003; Teece, 2012; Helfat, 2015) i.e. managerial cognition, social and human capital on the strategic market creation. Also, how dynamic managerial capabilities mediate and organizational climate factors moderate such relationships leading to their contribution in strategic market creation.

The literature on DMC has advanced to a level where further research regarding impact of DMC and its core underpinnings; managerial cognition, social and human capital on strategic market creation (Castanias & Helfat, 1991; Teece, 2012) can take the scholarly discussions forward in new perspectives. On the other hand, research has linked managerial cognition, social and human capital with strategic market creation. For example, Rosenbloom (2000) and Balogun (2003) argue that successful entrants in emerging markets rely more on their innovative approach and shared language with which they restructure the organization accordingly.

My research contributes to the literature on DMC in a number of ways. Firstly, it analyses the DMC from market development's perspective. Industries which are new or in growing phase direly seek market development. Therefore, the key decision makers belonging to such organizations play a pivotal role in sensing opportunities, getting hold of the ones preferred and reconfiguring them. However, this preference is based on their level of experience and expertise (dynamic capabilities) developed and so the organizational decisions as well as outcomes vary from each other. Secondly, my conceptual model focuses on DMC as a mediator since DMC is not only inter-linked with managerial cognition, social and human capital but also has been studied earlier in terms of its impact on market development and organizational performance. How DMC may act as a supportive mechanism in terms of mediating the relationship between its underpinnings and strategic market creation is still not known.

Therefore, my research will help in better understanding how DMC and its underpinnings may have a combined or separate effect on strategic market creation. This will lay down basis for future research on understanding impact of DMC and its underpinnings on other related outcomes. Lastly, applying OCF as a moderator in my research would help to identify whether OCF strengthens or weakens the relationship between DMC and its underpinnings. This means enhancement of knowledge on whether the climate for innovation, flexibility and outward focus strengthens the relationship when it is high or vice versa. Such a model hasn't been tested earlier and it much needed based on the cited literature and future suggestions made by authors in the past (e.g. Helfat & Martin, 2014; Teece, 2009; Ascigil& Magner, 2009; Fainshmidt et al., 2016).

Although DMC has been ascertained in terms of multiple underpinnings in the past literature, the core ones being considered by most of the researches include managerial cognition, social and human capital. Empirical evidence highlights that these underpinnings are strongly inter linked with sensing, seizing and reconfiguring dimensions of DMC (for example, Peterat & Reed, 2007; Sirmon & Hitt, 2009). On the other hand, variations among organizations in terms of sensing and seizing opportunities as a part of strategic change or organizational performance is usually followed by how distinct the management is in terms of managerial cognition (e.g., Zott & Huy, 2007), human (e.g., Sirmon et al., 2007) and social capital (e.g., Prashantham & Dhanaraj, 2010). Most studies that comprise of DMC and its underpinnings, do not discuss the interactions (Helfat & Martin, 2014). Therefore, it is important to understand how these underpinnings may influence DMC in an organizational context to fill the current research gap in DMC literature and provide basis for future research. I state the first hypotheses as follows:

H1: *Cognitive, social and human capital of managers has a positive impact on dynamic managerial capabilities*

My research also points to the need for future research to better understand if DMC underpinnings have a joint or separate effect on strategic organizational outcomes and market development. Several aspects of managerial cognition, social and human capital have been observed in research studies and findings. These aspects are manager's shared beliefs, problem categorization, competition categorization, cognitive complexity, global mindset, shared narratives, attention patterns, and knowledge development (Kor and Mesko, 2013). Although research emphasize the need to ascertain the impact, managerial cognition, social, human capital and DMC has individually on market development and organizational strategic outcomes, yet, it hasn't been analyzed (Helfat & Martin, 2014). Therefore, I propose the second hypothesis to identify whether underpinnings of DMC in my study have a more significant combined impact in terms of their contribution to strategic market creation as compared to their separate effect.

H2: *The combined effect of cognition, social and human capital of managers on strategic market creation will be larger than the separate effects*

Going back to the afore-mentioned literature, we have observed the inter relationship of the underpinnings of DMC as well as the influence, DMC has on planning and implying strategies for market development. Although, past research has analyzed DMC in relation to its underpinnings as well as market creation and entrepreneurial outcomes (Adler & Kwon, 2002; Teece, 2007; Ascigil& Magner, 2009). Although underpinnings inter link with organizational development, strategic performance and market creation opportunities, it will be interesting to learn how manager's cognitive abilities, social capital or human capital influence their decision making skills when it comes to identifying the opportunities and implying different strategies to exploit those opportunities for market creation. There is a heterogeneity amongst the cognitive, social and human capital of management belonging to different organizations, sectors / industries and so, based on their experience, exposure and knowledge, they perceive what is best and that may differ from other's opinion. However, these decisions ultimately effect the organization. Therefore, there is still space for improving knowledge gap by observing how DMC may be a supportive mechanism for underpinnings to contribute towards the marketing and R&D competencies of organizational management for certain strategic outcomes. Earlier, DMC has never been tested as a mediator as it is being modeled in my research. Therefore, to analyze such relationship, I propose the following hypothesis:

H3: *Dynamic managerial capabilities will mediate the relation of managerial cognition, social and human capital to contribution to strategic market creation.*

Last but not the least, in this research, organizational climate factors have a moderating role within the relationship of DMC and the underpinnings (Carroll et al., 2006; Schulte et al., 2012; Kleinbaum and Stuart, 2014; Helfat and Peteraf, 2015). Building upon Lane and Lubatkin (1998), a climate suitable for innovation and flexibility may encourage the managerial staff in organizations to innovate and outperform other competitors belonging to the same industry.

Thus, resulting in efficient performance and enhanced motivation of managerial staff to go an extra mile to sense, seize and reconfigure opportunities beneficial for the organization (Brown & Leigh, 1996; Neal & Griffin, 1999). As per the literature reviewed, the underpinnings and organizational climate factors considered in this study have the potential to direct managerial tendency in performing their functions in an enhanced manner also known as DMC. Yet, organizational climate has never been modeled as a moderator earlier in such a relationship. Therefore, to analyze whether innovation, flexibility and outward focus dimensions of organizational climate may influence such relationships, the fourth hypothesis is proposed as follows:

H4: *Organizational climate factors will moderate the relationship between dynamic managerial capabilities and their underpinnings. When the climate of innovation, flexibility and outward focus are high, the relationship is stronger.*

CHAPTER 3. METHODOLOGY

This chapter discusses the research methodology used in the thesis. The rationale of the research design, and details on the analysis unit are also discussed. This section outlines the data collection method, the surveying technique and the measures used to analyze the data. The chapter concludes with the limitations of the study and the ethical considerations.

3.1. Empirical Setting

Although, Cotton textile production and apparel manufacturing sectors in Pakistan contribute to 24% of GDP (World Bank, 2018). There is a gradual but continuous improvement in development of nascent industries such as technology, automotive, telecommunication and insurance. The population taken for this study is the Insurance sector of Pakistan. The reason behind choosing this industry as my research population is majorly because of the immense potential it has as a nascent industry, yet its development is not at a pace as desired by the organizations or in terms of its contribution to the country's economy. For example, insurance sector had a contribution of 1.3% in Pakistan's GDP in financial year 2018-2019. Recently, there has been quite awareness amongst the public at large about the need, importance and benefits of having an insurance policy against unforeseen incidents, be it personal or commercial line insurance.

According to economic survey of Pakistan (2018), country's insurance sector still has an untapped potential of 92%. This means that only 8% potential has yet been exploited by Pakistan's insurance industry. Be it the variety of insurance products available, communication channels to reach target audience, market standards to cope with or the research required to diversify or increase the current market/ product share, the organization relies heavily upon its key personnel. These include mainly the higher management, responsible for sensing potential for growth, implying strategies to ensure their organization's sustenance in the competitive market as well as reconfiguring the opportunities available.

Despite of the potential, a nascent industry belonging to any country, in its early stage, experiences relative difficulty in competing with its competitors abroad. Insurance sector of Pakistan, though, dates back to the independence of Pakistan (1947), yet, its growth has been quite slow as compared to its competitor counties like India, China, Turkey, UAE etc. where Insurance carries a significant contribution towards their country's economy. Moreover, with the passage of time, insurance sector in Pakistan has become more organized and being brought at par with the international standards to compete on global level. Having said that, the foreign investment being made in Pakistan by neighboring countries as well as the mass awareness about insurance benefits promises significant potential in Pakistan for insurance sector to identify and exploit. The need for the organizations is to sense such opportunities and make timely decisions. These decisions heavily based upon the ability of the higher management to perceive, acknowledge the scenario and take action accordingly.

My research aims to unfold the dynamic capabilities required by higher management belonging to insurance sector to seek further market development and other strategic outcomes. Higher management does this by implying their cognitive abilities, social and human capital in perceiving the changes to cope with and decisions to be made in order to achieve promising growth. Insurance companies registered with the IAP are considered amongst the most influential ones in Pakistan which write about PKR 253 billion worth of premium, approximately 98% of the total both in private and public sectors. Out of 52 insurance companies that operate in Pakistan, 37 are registered with the IAP. These include 29 non-life, 7 life insurance and 1 state owned reinsurance company. These companies only differ from each other in terms of their market share but come under the same umbrella i.e. the Insurance sector of Pakistan. Therefore, all these companies are considered in order to conduct analysis as discussed in the research model for this emerging industry. The respondents of this study have been selected through random sampling from insurance companies registered with the Insurance Association of Pakistan (IAP).

The Insurance Association of Pakistan (IAP), established in 1948 is associated with several national and international bodies including Federation of Pakistan Chamber of Commerce & Industry (FPCCI), Pakistan Insurance Institute (PII), Pakistan Institute of Corporate Governance (PICG), SAARC Chamber of Commerce (SAARC CCI), National Fire Protection Association (NFPA). The technical assistance and supervision carried by IAP for its members not only enables them to analyze the risk accurately but also provides recommendations on risk improvement and minimizing losses. On average, the insurance companies in Pakistan are more than twenty years old whereas some date back to early post-independence era of 1950's as well. However, there hasn't been any supportive mechanism available for this industry till year 2000 when this sector started flourishing. This was the time when the demand and supply of insurance policies, client's need to acquire them and the right communication tools were being foreseen and managed more effectively. Therefore, even today in Pakistan, the insurance industry does face challenges in uncapping the potential market and is considered nascent from over all sartorial development's perspective. These companies are geographically located in various cities of Pakistan and together cover both life and general insurance sectors.

However, two of the listed companies i.e. AIG and Sindh Insurance Company are relatively new as they even fall below the 10 years age / experience bracket. Also, not being associated with the Insurance association of Pakistan yet, their compliance with IAP's standard protocols hasn't been there. Moreover, they cover limited scope of business unlike other companies which underwrite several classes of non-life insurance business as well as life insurance covers. Therefore, 35 out of 37 companies are approached among respondents in terms of questionnaire completion and submission. Insurance companies operating in Pakistan are listed in Table 1 that is included in Appendix 1.

3.2. Study Sample

The study includes respondents from senior level managerial staff of the insurance companies who are mainly involved in decision making process. As the data cannot be collected from whole population of managerial staff of insurance industry of Pakistan, a random sampling technique was adopted to collect responses for the survey from the selected 35 insurance firms registered with IAP. I am thankful to the Insurance Association of Pakistan (IAP) for assisting me with the data collection process. With the help of a coordinator designated by IAP for this task, I was provided the official email addresses as well as post address of respondents (managers) from 35 insurance companies whom I contacted and sent my questionnaire through post as well as Google form. Since, the only data collection tool used in this study was questionnaire so there could have been an element of biases in response. Therefore, in order to reduce common method bias, I firstly collected the data in two phases instead of one. Secondly, I added a few marker variables in phase II of my data collection to reduce any bias. Research has found out that collinearity assessment approach can detect common method basis (Kock, 2015) where VIF values lower than 3.3 threshold indicate that the model is free from common method bias (Hair et al., 2017, Kock, 2015).

In phase 1, 680 respondents were reached out of which 534 responses were obtained at a response rate of 78.5%. Later, after a period 3 months, the questionnaire was shuffled keeping only the dependent variable and other marker variables. I adopted three marker variables for this study. These include job satisfaction (Yang et. al., 2009), perception of benefits administration (Williams et. al., 2002), self-deception and impression management (Paulhus, 1984). The shuffled questionnaire in phase 2 was then sent to the same (534) respondents from phase 1. The purpose was to ensure that there wasn't any bias in respondent’s answers. However, the response rate was comparatively low in phase 2 then in phase 1. From the overall 534 respondents contacted, only 497 responses were received at a response rate of 93%. The random sampling technique and exclusion of firms with less experience have also been adopted in a recent study in the Insurance sector in Pakistan (Sumaira & Amjad, 2013). The organizations were selected randomly and employees were approached through convenience sampling for getting survey filled.

3.2.1. Respondent Demographics

Demographic profile shows all in sample frame. Total sample size consist of 497 respondents from insurance sector of Pakistan. It contains 436 male respondents which were 87.7% of the total sample and 61 were female which were 12.3% of sample. 148 respondents were from 35 to 44 years age group which were 29.8% of the sample. 66 respondents were from 25 to 34 year age range which were 13.3% of sample and 52 respondents were 55 to 64 age group which were 10.5% of total sample. Out of total sample only 9 respondents were from under the age of 25 that were 1.8% of sample size. Most of the employees were married as it contained 449 respondents which were 90.3% of sample. 48 employees were single which contained 9.7% of total sample.

Most of the employees have master degree as 302 respondents contained it which were 60.8%. 131 respondents have bachelor degree which were 26.4%. Out of total sample size 54 were contained doctorate degree which were 10.9% of total respondents. Only 7 have occupational and 3 have high school education respectively. Most of the employees were from finance study field that contained 151 respondents which were 30.4% and 137 from business field which were 27.6% of total sample. Other contained as economics 94, social science 58, engineering 49, history and politics 4 and finally natural science have 4 respondents in total sample size. 398 respondents were from higher management which were 80.1% and 78 employees were from managerial level which were 15.7%. There were 14 employees from policy administration and 7 were from assistant manager.

256 employees from the sample were from operation department which were 51.5% of sample size. 75 employees were from claim department which were 15.1% of sample 60 employees were from underwriting and policy administration separately which were 24.2% of both department. 33 respondents were from overall organization which contained 6.6% of total sample size. 4 employees were from risk management department and 2 were from HR department which were .8% and .4% respectively.

Table 3.1. Demographic Profile of Respondents

Variable	Category	Frequency	Percentage (%)
Gender	Male	436	87.7
	Female	61	12.3
Age	**Age**	9	1.8
	Under 25	66	13.3
	25-34	148	29.8
	35-44	222	44.7
	45-54	52	10.5
	55-64		
Marital Status	Single	48	9.7
	Married	449	90.3
Education Level	High School	3	0.6
	Occupational	7	1.4
	Bachelor	131	26.4
	Master	302	60.8
	Doctorate	54	10.9
Study Field	Economics	94	18.9
	Business	137	27.6
	Finance	151	30.4
	Engineering	49	9.9
	Social Sciences	58	11.7
	Natural Sciences	4	0.8
	History & Politics	4	0.8
Organizational Title	Senior Management	398	80.1
	Manager	78	15.7
	Policy Administration	14	2.8
	Assistant Manager	7	1.4
Department	Operations	256	51.5
	Marketing	75	15.1
	Underwriting	60	12.1
	Public Sector	60	12.1
	Overall Organization	33	6.6
	Risk Management	4	0.8
	Human Resources	2	0.4
	Governance	2	0.4
	Claims	1	0.2
	Information Technologies	1	0.2

3.3. Survey Development and Data Collection

For the purpose of carrying out this study, survey was conducted. Before conducting the original survey, pilot testing was done to see if there is any problem related to validity of the measures. The questionnaire has been divided in ten parts among which some parts are dedicated to dependent and independent variables, others for moderator and mediator. Part-I is about the personal data of the respondent. A questionnaire was designed after through reviews of related literature to solicit the responses from insurance industry of Pakistan. A pilot study was conducted with 20 respondents. 7 of these respondents were met in person and filled the questionnaire during this meeting. These respondents belonged to 6 insurance organizations namely Premier Insurance, Atlas Insurance, Alfalah Insurance, EFU Insurance, Adamjee Insurance, and Askari Insurance. The remaining 13 respondents filled the online questionnaire through Google form. These respondents were all approached through personal references.

The respondents in the face-to-face meetings provided positive feedback for the study. They agreed that the questionnaire captures the research topic well. They were asked whether the questions were understandable or the vocabulary/ sentence structure used was easy to comprehend to which they responded positively. While the questionnaire was being filled out, none of the respondents asked for further clarification on questions. The average time taken was around 15-22 minutes since a few of them also shared their experience and views about the industry while answering the questions being asked. Since the feedback was favorable and no problems were highlighted, it was assumed that the questionnaire is comprehensive and doable.

For actual study, the questionnaire was sent to 35 insurance companies registered with the Insurance association of Pakistan (IAP) in phase 1 of this study. It took around 2 and a half months to receive responses from 29 insurance companies. The remaining 6 companies didn't respond despite of the follow ups done through email and phone calls. In phase 2 of my data collection, to overcome common method bias, I added in my questionnaire, a few marker variables namely, job satisfaction (JS), perception of benefits administration (PBA), self-deception (SD) and impression management (IM) along with the dependent variable, strategic market creation (SMC) and floated it to the same respondents who answered phase 1 survey. In order to ensure a proper timespan, phase 2 survey was conducted after a gap of 2 months, a total of 497 responses were received out of 536 respondents from phase 1 of data collection.

After analyzing the result of basic statistics on the pilot testing, and after all necessary modifications, the questionnaires were emailed to the department heads and executives of the selected insurance companies along with some hard copies of the questionnaire. About four hundred responses were successfully completed and returned. The higher response rate was as the result of the researcher’s meetings with the executives who were kind enough to support all the way and showed their practical cooperation by getting most of the responses from their managers.

3.4. Measures

Below are the measures given for each of the scale adopted in this study along with two example items for each measure.

3.4.1. Demographics

The demographics part of my survey inquires about age, gender, marital status, education level and diversity of respondents. Gruber, MacMillan, & Thompson (2012) used a scale to measure education level diversity among the management of a firm. The same scale with slight sentence structure modifications have in the original scale items as were used by German Education system has been used to measure the variable. Four levels of education were asked to record the responses.

For age, the options given to respondents were in the form of different ranges. The first option was for respondents under the age of 25. Moving onward, each option addressed respondents falling within a ten years range from 25 to 64 years of age. The last option was for respondents who were 64 years old and above.

For measuring education, the options provided to respondents comprised of qualification level in a hierarchal order starting from high school degree or equivalent to highest academic qualification i.e. doctoral degree. Moreover, an option 'other' was available in the survey to learn about any respondents’ qualification level who had degrees other than the options provided.

3.4.2. Dependent Variable: Strategic Market Creation

In literature review part, I have discussed second order competencies of Danneels (2016) and the rational for including marketing competence and R&D

competence as they have relevance to my study, firstly in terms of the population i.e. service industry and secondly, being a nascent industry with high focus on developing and implementing strategies for suitable market creation activities. The SMC scale consists of 13 items in total; 8 of these items belong to marketing competence scale while the other 5 items relate to R&D competence.

All scale items were measured on five-point scales, where 5 =strongly agree and 1 =strongly disagree. Respondents were asked to indicate for each statement the extent to which it describes his or her firm. For instance, there is an item that asks the respondents how they assess their contribution to the firm's potential of finding new markets or researching new competitors and new customers.

3.4.3. Independent Variables

a) Managerial Human Capital

Managerial human capital refers to the skills acquired (Adner and Helfat 2003) such as training, education, etc. (Becker, 1964). In this research, I measure managerial human capital with managerial experience only. The study of Gruber, MacMillan, & Thompson, (2012) employed three dimensions to measure experience of the managerial or founding team but in this study, I have opted only management experience for the executive managers belonging to Insurance sector of Pakistan as most of the services are not online yet. 5-points Likert scale was used to measure these responses. Slight modifications were made in the sentence structure to adapt them to the unit of analysis in this study and keeping in view the self-respect of the respondents.

Prior Industry Experience

Adopted from Delmar & Shane (2006), the measurement of prior industry experience will be the number of years of experience in the industry. The managers will be given points on the basis of total years of experience they possessed jointly.

Related Industry Specific Experience

Bailey & Helfat (2003) have considered a person having related-industry experience or skills in case he/she possessed work experience in a related industry. Answers to be taken as "Yes" or "No" against the standard industry codes for specifying related industry specific experience (Ref: Pakistan Service Industry Codes, 2010).

b) Managerial Social Capital

The scale opted from Ascigil and Magner (2009) is suitable to measure the variable in context of this research work with some modifications to adapt it to my unit of analysis. Therefore, I've revised and modified the scale used it, developed by Ascigil & Magner (2009) measured through 5 point Likert scale. The three dimensions measured in this scale include structural, relational and cognitive dimension. The scale comprises of 14 items in total, including four items for structural dimension, six items for relational dimension and four items for cognitive dimension of managerial social capital.

Example items: The respondents were asked if they feel strongly connected to managers from other organizations belonging to their industry. Also, the respondents were inquired if they share a common language regarding the industry managers from other organizations.

c) Managerial Cognition

Adaptations have been made from the work of Cheung, Jiang, Li, & Yang (2012) as suggested in Helfat (2015) for measuring managerial cognition. The study analyzed the impact of managerial cognition on corporate social responsibility that's why necessary changes have been made intending to measure the impact of managerial cognition on their contribution to strategic market creation. Other empirical studies like Piórkowska (2017) have adapted their scales mostly from the psychology field, so ignored such studies with psychological measures. In this study, I have measured managerial cognition with the help of two scales. The first one is cognitive reflection test, comprising of 3 items adopted from Frederick (2005) used to manicure the cognitive ability of decision makers, key role players. The second one is creative cognition scale by Rogation & Moneta (2015), a 5-point Likert scale consisting of 5 items. Therefore, I used 8 items in total to measure dimensions of managerial cognition.

Example items: Respondents were asked whether they try to generate as many ideas as possible while working on something. Moreover, there were items that inquired whether the respondent tries to act out potential solutions when faced with a problem to explore their effectiveness in term of providing solutions to achieve organizational goals.

3.4.4. Mediating Variable: Dynamic Managerial Capabilities

The construct by Wilden et al. (2013) makes more relevance to the research work I have conducted since it discusses all three aspects of dynamic managerial capabilities in a more relevant perspective. However, revisions were required in the scale items adapted from Wilden et al. (2013) with reference to my unit of analysis (managerial staff). Dynamic Managerial capabilities of the respondent were measured through 3 dimensions, namely sensing, seizing and reconfiguring. The scale used for measuring sensing dimension of DMC consisted of 4 items. Similarly, 4 items were used to measure seizing dimension and reconfiguring dimension of DMC was analyzed through items as well. These items were all measured on a 5-point Likert scale.

Example item: Respondents were asked whether they gather economic information on their operations, operational environment and invest in finding solutions for our customers.

3.4.5. Moderating Variables: Organizational Climate Factors

The four-dimensional scale was developed and used by Patterson et al. (2005) which comprises of human relations, internal process, open systems, and rational goals. The scale has been modified in a way that the role of moderation could sufficiently be computed in my research framework. The most relevant aspects and questions from each of the quadrant have been taken in order to avoid repetition and maintain preciseness. While, the response scale is same as original i.e.: 1=‘Definitely false’, 2 =‘Mostly false’, 3 =‘Mostly true’, 4 =‘Definitely true’. It was measured with the help of 21 items.

On the basis of feedback, slight modifications were made to the scale adapted. For example, according to open systems approach, only innovation & flexibility and outward focus dimensions were considered. Question statements were modified from firm to individual level since my unit of analysis is higher management of insurance organizations. The overall scale comprised of 21 items for measuring the chosen climate dimensions.

Example items: Respondents were questioned whether their organization is quick to respond when changes need to be made. Moreover, whether they believe that their organization is flexible in terms of quickly changing the procedures to meet new conditions and solve problems as they arise.

3.5. Analysis Procedure

3.5.1. Descriptive Statistics

Descriptive statistics were run including mean, standard deviation, correlation analysis and reliability and validity.

3.5.2. Reliability and Validity of Measures

This specific type of research measures underwent a validation process for face validity and content validity. In the validation process of this study, copies of the questionnaire were given to some expert managers who have gone through the questionnaire carefully to determine the precision and wholeness of the instrument. There are useful comments and recommendations by the experts which I adapted, and the alterations were made accordingly such as in online Google form, the option of collection of email addresses was unchecked upon the request of senior executives as most of them wanted to abide by the internal rules for privacy and spam mail protection by not sharing the email addresses of individuals, instead they preferred to forward all the responses from their department, centrally from the email or mailing address of the department.

The measurement model was run to see factorial validity of constructs (proper ref of David Kenny, 2015 is found but the factorial validity couldn’t be found in that). It is also known as Confirmatory Factor Analysis (CFA).CFA on items of each scale were run before establishing and testing measurement model as a whole. Fabrigar, Wegener, MacCallum and Strahan (1999) contended that for normally distributed data, maximum likelihood is the best selection as it allows for the computation of a wide range of indexes of the goodness of fit of the model [and] permits statistical significance testing of factor loadings and correlations among factors and the computation of confidence intervals. (p. 277). MLE maximum likelihood estimation was used, fit statistics (according to guidelines provided in coming section) and factor loadings were examined. If any factor has less than three indicators but weak loading, it is weak and factor with 5 items and factor loading .5 or higher is solid. To main a strong factor items may be reduced if there is large data set (Osborne and Costello, 2005). Therefore, items were dropped due to following three reasons;

a) Loading below .35
b) Fit statistics improved after removal
c) Reliability increased after deleting an item.

I closely examined the reverse coded and double barreled items and only valid and reliable items were retained for including in further analysis. CFAs on scale level indicated good fit, reliabilities were within acceptable range. The measurement model and its alternatives were generated (construct level). All latent constructs were allowed to freely inter-correlate. Standardized regression weights and GOF (goodness of fit indexes) were used. Moreover, loadings, modification indexes and standardized residuals covariance were examined. MIs of some constructs indicated that the fit might improve if residuals of indicators and subscales are allowed to covary. After reasonable well fitted measurement model, a structural model was tested and paths were estimated. Then, I generated the alternative models and performed omnibus test of direct paths. Each path was examined individually and direct paths were tested separately.

Later, I developed the trimmed structural model with mediations and direct paths for further analysis. Different structural models (nested) with significant direct paths for comparisons of fitness were examined. Meditational chains were tested with SEM through Bollen Stein's bootstrapping strategy with 3000 BCCI at 95% CI for direct, indirect and total effects simultaneously along with Barron and Kenney (1986) guidelines. I performed the moderation analysis in AMOS 22 after testing for measurement invariance across the groups. Finally, hypotheses were tested and exploratory analysis was done for theoretical contribution towards the research.

To confirm the factor structure as we adopted from different valid measures, CFA was performed. CFA checks that the data collected fit the hypothesized measurement model well which was based on some previous study or theory (Kline, 2010). In this research CFAs were performed for the entire measurement model. AMOS 22 was used for structural equation modelling. Before proceeding further it is necessary to discuss fit indexes upon which criteria of model acceptance rely.

There are various fit indices in the literature to assess the model fitness, some more stringent while others lenient. Generally, a model is considered as acceptable if the relative chi-square (CMIN/DF) is less than 3 (Kline, 1998; Ullman, 2001), or sometime less than 5 is also acceptable (Hair et al. 2010). The Normed Fit Index (NFI) and The Goodness of Fit Index (GFI) should go beyond .90 (Byrne, 1994).

Variables that lie in a single factor are highly correlated in a sample. We can observe factor loadings within same factor if it is high then there is evidence of convergent validity. This type of validity depends upon sample size. Sample size more than 350 requires sufficient and significant factor loadings .30 or above. Factor loading of .40 with many indicators is acceptable unless sample size is more than 150 but sample size more than 300 with low loadings is interpretable with caution (Guadagnoli & Velicer, 1988, p. 274).

Discriminant validity refers to the extent to which two factors are distinct and uncorrelated. It is also used to analyze whether each item loads to its own latent variable rather than other and whether a factor structure with all outcome variables is better fit the data then the ones where items load to the same single or few latent variables. A correlation higher than .7 indicates higher shared variance (Gaskin, 2012). However, the main concern is that variables should relate more to its own factor rather than to other factors. Higher correlation coefficients are precursors of multicollinearity. In this research, single-factor model, seven-factor model (the one with only general scales) and ten-factor model (the one with only sub scales) were analyzed while ten factor model is best fit which is the evidence of discriminant validity (Kenney, 2012).

To test the factorial validity I ran three models one that describes each and every construct or dimension, second model with one latent factor to avoid common method variance and third to check whether all the major constructs are well fitted or not.

<u>Reliability Analysis</u>

"For using data in any useful way and establishing evidence for replication and generalizability, it is necessary to test the validity and reliability of instrument. Reliability of data through instruments is necessary to measure before establishing some evidence based on data. Without reliable data the results may mislead for any generalization and replication. There are four ways of measuring reliability but internal consistency reliability is more powerful and widely used in social sciences. Researchers are of the view that if reliability value is above .70 (for example, Murphy & Balzer, 1989) and Cronbach alpha is above 0.50 (Nunnaly, 1978), the instrument is considered reliable. However, Van de Ven and Ferry (1980) considered value above 0.35 as acceptable. In this study, overall reliability of the 51 items is .829.

Convergent Validity

It means that variables in a single factor are highly correlated in a sample. We can observe factor loadings within same factor if it is high then there is evidence of convergent validity. This type of validity depends upon sample size. Sample size more than 350 requires sufficient and significant factor loadings .30 or above. Factor loading of .40 with many indicators is acceptable unless sample size is more than 150 but sample size more than 300 with low loadings is interpretable with caution (Guadagnoli & Velicer, 1988, p. 274).

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Measurement Model

To test the factorial validity I ran three models one that describes each and every construct or dimension, second model with one latent factor to avoid common method variance and third to check whether all the major constructs are well fitted or not?

3.5.3. Data Analysis: Structural Equation Modeling

According to Byrne (2001), "Structural Equation Modeling is a truthful strategy for testing and assessing causal associations using a blend of quantifiable data and emotional causal assumptions. SEM is increase of the general direct model that enables examiners to fit more than one backslide condition in the meantime. The fundamental job of SEM rests in the sufficiency of a fated speculative model to elucidate associations among watched factors just as covertly factors.

Reason for Using SEM

In this investigation, I rely upon Structural Equation Modeling for examination inspirations driving quantitative data on account of the reason that it urges specialists to fit at the same time more than one backslide condition. I can test the adequacy of my speculated model and vitality of relationship with SEM similarly as secretly factors (for instance dormant elements which can reduce estimation botches). AMOS 22 was used for Structural Equation Modeling on account of its best diagrammatical features, decision of bootstrapping and comfort with graphical UI. I have also the ability to indicate bumble terms, various get-together examination and intercession models and backslide with various ward factors.

Chosen SEM Approach

According to Skrondal and Rabe-Hesketh, Structural equation models (SEMs) comprise two components, a measurement model and a structural model. The measurement model relates observed responses or indicators to latent variables and sometimes to observed covariates. The structural model then specifies relations among latent variables and regressions of latent variables on observed variables. Anderson and Gerbing (1988) also recommended two model approach for structural equation modelling, in which first they suggested to specify and assess measurement model and then to test the structural model. On the other hand Kline (1998) deemed confirmatory factor analysis (CFA) necessary with maximum-likelihood estimation procedures MLE to assess convergent and discriminant validities of constructs under study. In this research, following four steps approach of Structural Equation Modeling was adopted for measurement and structural models which was devised by Kenny (2011).

- ***Step 1***. *Specification:* Statement of the theoretical model as a path diagram.
- ***Step 2.*** *Identification:* Model can be estimated with observed data.
- ***Step 3.*** *Estimation:* Model parameters are statistically estimated from data through a specialized SEM program (e.g., AMOS 18 in this research).
- ***Step 4.*** *Model Fit:* Estimated model parameters are compared to the observed correlations or covariance. If the fit of the model is poor, then the model needs to be re-specified and the researcher returns to Step 1.

SEM Assumptions

Before proceeding towards estimation models and helper models, it was viewed as critical to test various suppositions major authentic examination. Specifically, completing doubts were attempted graphical, similarly as, numerical methodologies.

To analyze multivariate standard movement of the markers, normality was attempted through skewness and kurtosis and no deviation was found from the breaking point estimations of +3 and +10 exclusively as proposed by Kline (2005). Furthermore, regularity was also attempted through Normal Plots. The multivariate normal dissemination of the torpid ward factors was attempted in likely manner through skewness, kurtosis and diagrams of ward factors. There are various procedures for testing Linearity assumption. I attempted linearity through getting basic bivariate association coefficients, consistent relationship through scatter plots, and Levene's test of linearity in ANOVA. All of the characteristics were immaterial and no deviation was found.

Univariate and multivariate exemptions were recognized through box plot and Mahalanobis. As the exemptions were under 1%, these were held and shirking did not effect on model well-being. In terms of indirect measurement, dormant factors were comfortable through pointers by implication. For various gages, each lethargic variable has more noteworthy than three Pointers as suggested in writing. In the complete or appropriate data imputation phase, issuing values were excluded from subsequent analysis as AMOS requires no missing values for most of the analyses. It was ensured that the model is over identified with more number of distinct sample moments as compared to number of distinct parameters to be estimated.

A recursive model is one in which no variable in the model has an effect on itself. That is, in the path diagram of the model, it is *not* possible to start at any variable and, by following a path of single-headed arrows, return to the same variable. The measurement and structural models in this study were recursive. Multicollinearity was tested through variation inflation factor (VIF) and tolerance. No evidence of multicollinearity was observed. In terms of homoscedasticity, errors showed consistent variance across the level of variables. It was tested through scatter plot of variables on x axis and its residuals on y axis. Consistent patterns were obtained through plots. Data were obtained through 5 point Likert scale which is considered as Interval data as it has more than four anchors. I analyzed that the covariance matrices were positive definite. Last, but not the least assumptions, sample size of my study was adequate for the use of SEM (N=497).

3.5.4. Hypothesis Testing by SEM

The conceptual model in this research involves dynamic managerial capabilities (DMC); a latent variable which interacts with another latent variable organizational climate factors (OCF). The appropriate methodology I applied for testing the model was Structural Equation Modeling (SEM).

There are certain benefits as to why I preferred using SEM. Some of these are as follows.

a) SEM can be applied on more than one dependent variable simultaneously whereas regression is applied on one dependent variable at a time.
b) In regression I can't correlate errors where as in SEM, I will be able to dine and even correlate errors.
c) I can run both mediation and moderation at the same time on my model in SEM where as in regression I would have to run them separately.

I constructed the SEM model through AMOS version 22 after running measurement model and imputing its values. I have used the maximum likelihood estimation procedure which is considered as bet for statistical estimation. To test hypotheses in my SEM mode, I found beta values and R square of different paths along with direct and indirect effects and their significance.

CHAPTER 4. RESULTS

Previous chapter concentrated on the methodology established for conducting my empirical research including measures, instrument development and data collection. This chapter entails the detailed description of analysis of including data screening and cleaning, descriptive statistics of the sample, reliability and validity analysis, and structural equation modeling (SEM) results for hypothesis testing.

4.1. Data Screening & Testing of Assumptions

Data screening and testing assumptions is an important process to ensure that information is valuable and prepared for the particular field.

4.1.1. Missing Data

It is necessary to treat the missing values own our data for final analysis. There are different methods to treat missing values. In this study, there were 20 missing values on different variables including demographics. I took the neutral values which described neither agreement nor disagreement (i.e. value ‘3’ on the Likert scale) to avoid any biasness. This was necessary because, when applying SEM in Amos, there shouldn’t be nay missing values. In Phase I, I received 534 responses whereas when these respondents were contacted for data collection purpose in phase II, I received only 497 responses. So, I reconciled all the responses from both the phases and a merged file was prepared for final analysis.

4.1.2. Outliers & Data Normality

Extreme values that can distort data are called outliers. “Outliers need to be detected and deleted to avoid any preference in results (Antao & Lopes, 2008). For logistic regression outliers, Mahalanobis d-squared was obtained. Univariate exceptions were distinguished through Boxplot and Multivariate anomalies were identified through Cooks D and Mahalanobis test. My data collection from phase I has 534 responses and when I looked at the values for outliers in SEM, I found that there were 37 cases which were farthest from the centroid. Therefore, I didn’t include these extreme values

4.1.3. Normality Assumption

It is the circulation of information for various factors in data collection. After case level screening, I performed factors screening. Skewness and kurtosis were estimated for any deviation from typical dispersion. Every one of the qualities were observed to be within expected limits (skewness<+3, kurtosis <+10 as proposed by Kline, 2005). Since there weren't any outliers in my data, the assumptions of normality were met. Skewness and kurtosis were obtained for testing normality. Skewness and kurtosis were measured for any deviation from normal distribution. All the values were found to be within acceptable ranges except fifth item of marketing competence where kurtosis value is slightly above the threshold (2.952). When I used merged file data, there weren't any outliers. According to Huck, Cross and Clark (1986) the range of z -value of skewness and kurtosis for the normality of data must be within -2.58 to +2.58 which indicates that z -score would fall in a normal curve under the range of -3 to +3 SD.

4.1.4. Linearity Assumption

Linearity assumption is met when we found that bivariate relationship of every variable is strongly correlated with others. Table 4.2. Shows that all the variable are strongly correlated with each other. On the other hand, linear regression needs the relationship between the independent and dependent variables to be linear. It is also important to check for outliers since linear regression is sensitive to outlier effects. The linearity assumption was tested through scatter plots.

4.1.5. Homoscedasticity

The scatter plots drawn for the variables in this study depicted all observed values near the regression line and were homogeneously scattered all over the data. Hence, confirming that there is no problem of heteroscedasticity.

4.1.6. Descriptive Statistics

There were total 497 observations. Managerial human capital showed an average value of 3.52 and standard deviation (SD) of .1.243. For managerial social capital, structural dimension had a mean of 3.853 and SD value of .7650, relational dimension with mean of 3.792 and SD of .6938 and cognitive capital with 3.531 mean and 1.257 SD. On the other hand, sensing, seizing and reconfiguring dimensions of DMC represented a mean of 3.294, 3.297 and 2.879. Whereas, standard deviation for these dimensions of DMC were .9846, .6763 and .5823 respectively. On the other hand, outward focus and innovation & flexibility had SD of .7505 and .9263. The means for these dimensions of organizational climate was observed as 3.466 and 3.454. Lastly, marketing competence dimension of SMC had a mean and standard deviation of 1.850 and 1.163 whereas R&D competence showed a mean and SD of 3.227 and .9145 respectively.

Correlations

In correlation table 4.1, I calculated bivariate relationships among different variables. This relationship may exist from 0 to +1. Whereas, 0 means no correlations and 1 means perfect correlation. In this research, all values of correlation lie between 0 and 0.703. I consider a value of correlation significant if it lies on the region where P value is less than 0.05. It is visible from the table that most values of my correlations are significant and they are marked with single asterisk ‘* ‘i.e. significant at the 0.05 level and double steric ‘**’ which is significant at the 0.01 level.

The correlation shows the association among the variables whether they are highly significantly relating with each other or they can just simply relate with each other. There is no issue of multicollinearity since all the values for my correlations are below 0.8.The correlation table represents the relationship among the study variables. It shows that gender has positive significant relationship with marital status, education level, age, at $p<0.01$ (r= .355, .268, .390), and gender does not have positive or negative correlation with other variables of the study. Marital status of the respondents has positive significant association with education level and age at $p<0.01$ (r=.187, .184) while no association with remaining variables of the study. Education level has negative significant association with experience in specific org and positive significant association with age at p<.0.05 and $p<0.01$ respectively (r=-.105 and .240).

Experience in related industry has positive significant relationship with managerial human capital, R&D competence, sensing, structures social capital, relational social capital, cognitive capital, reconfiguring, seizing at $p<0.01$ (r=.703, .693, .127, .283, .333, .247, .325, .376 respectively). Experience in specific org. has significant positive correlation with sensing and significant negative correlation with structural social capital at $p<0.05$ (r= .097, -.098).

Managerial human capital R&D competence, structural social capital, relational social capital, cognitive capital, reconfiguring, and seizing at $p<0.01$ (r= .592, .335, .372, .265, .258, .318). R&D competence has positive significant relationship with sensing, relational social capital, cognitive capital, reconfiguring and seizing at $p<0.01$ and with structural social capital and marketing competence at $p<0.05$ (r=.262, .192, .247, .384, .374 and .108, .098 respectively). Sensing has positive significant relationship with cognitive capital, reconfiguring, seizing and marketing competence at $p<0.01$ and relational social capital at $p<0.05$ (r= .132, .638, .374, .098 and .103) while negative significant relationship at $p<0.05$ with structural social capital and outward focus (r= -.113, -.096).

Structural social capital has positive significant relationship with relational social capital, cognitive capital, reconfiguring, seizing and marketing competence at $p<0.01$ (r= .616, .176, .397, .657, .131). Relational social capital has significant positive correlation with reconfiguring and seizing at $p<0.01$ (r= .613, .594). Outward focus has significant positive relationship with innovation and flexibility at $p<0.01$ (r= .456). Innovation and flexibility has significant positive relationship with seizing at $p<0.05$ (r= .102). Cognitive capital has significant positive relationship with marketing competence at $p<0.01$ (r= .120). And at the end reconfiguring has significant positive relationship with seizing and marketing competence at $p<0.01$ (r= .829 and .154).

Table 4.1. Correlation, Means and Standard Deviations (*N*=497)

	Mean	SD	1	2	3	4	5	6	7	8	9	10	11
Managerial Human Capital	3.52	1.243	1										
R&D Competence	3.227	.9145	.592**	1									
Sensing	3.294	.9846	-.007	.262**	1								
Structural Social Capital	3.853	.7650	.335**	.108*	.113*	1							
Relational social capital	3.792	.6938	.372**	.192**	.103*	.616**	1						
Outward Focus	3.466	.7505	-.018	-.035	.096*	.048	-.012	1					
Innovation & Flexibility	3.454	.9263	.007	.068	-.007	-.068	-.043	.456**	1				
Cognitive Capital	3.531	1.257	.265**	.247**	.132**	.176**	.059	.032	.006	1			
Reconfiguring	2.879	.5823	.258**	.384**	.628**	.397**	.613**	-.080	-.030	-.069	1		
Seizing	3.297	.6763	.318**	.374**	.472**	.657**	.594**	.024	.102*	-.006	.829**	1	
Marketing Competence	1.850	1.163	.005	.098*	.242**	.131**	-.002	.027	.041	.120**	.154**	.023	1

Note: Correlation is significant at ***=*p*<.001, **=*p*>.01, *=*p*<.05 (Two-tailed).

4.2. CFA Results

Confirmatory factor analysis is necessary to determine the factor structure of our dataset. To test the construct validity of my constructs before using them in SEM for hypothesis testing, I developed three different competing models.

In AMOS 22, I developed various models in which first model was developed to load all items freely on one single latent factor (latent Factor Model). Through it, I was able to determine if model is best fit or not, thus concluding that all the items are not part of one factor. Then, I tested second model where all the main constructs were allowed to correlated freely but even then the model was not fit (Model 2). Model one was developed and tested for all items loaded to one single latent factor freely to test whether it fits the data best or not.

On the other hand, I also tested the discriminant validity or divergent validity to analyze whether concepts or measurements that are not supposed to be related are actually unrelated. Campbell and Fiske (1959) introduced the concept of discriminant validity within their discussion on evaluating test validity and stressed on the importance of using both discriminant and convergent validation techniques when assessing new tests. A successful evaluation of discriminant validity that a concept is not highly correlated with other tests designed to measure theoretically different concepts.

Table 4.2. shows that one factor model was adversely fitted with chi square value of 9643.668 with degrees of freedom 860. The ratio $\chi 2$ /*df* was also well above the recommended value which is 3. Goodness of fit index (GFI), comparative fit index (CFI) and root mean square error of approximation (RMSEA) were very poor and did not meet the criteria of Hair et al. 2010. Then we ran 7 factor model that covariates the basic constructs in one single model and we allowed them to freely covariate. The results which are also shown in below table were better than the single factor model but $\chi 2$ /*df* was above three and goodness of fit index was below .9 along with CFI. However the value of RMSEA was below .08 which was acceptable but overall model was poor fit. When I ran CFA with all the items with their respective indictors that were all significant and ten same factors were chosen that were to be used for hypotheses testing along with mediators and moderators. It was a good model fit with great factor loadings and values of GFI (.858), CFI (.909) and RMSEA (.049) were excellent with $\chi 2$ /*df* (2.199). Moreover, there was no covariance in either case. Model 3 contains factors which are marketing competence,

R&D competence, sensing, seizing, reconfiguring, structural social capital, relational social capital, cognitive capital, innovation &flexibility and outward focus.

Table 4.2. Comparison of Competing Models

Model	**Specification**	$\chi 2$	***Df***	$\chi 2 / df$	**GFI**	**CFI**	**RMSEA**
Model 1	Single-Factor Model	9643.668	860	11.214	.456	.183	.143
Model 2	7-Factor Model	2758.175	839	3.287	.768	.822	.068
Model 3	10-Factor Model	1792.276	815	2.199	.858	.909	.049

The detailed results for Model 3 are given in Table 4.3. Which describes latent variables, measurement items, factor loadings, standard error, t-statistics, composite reliability, average variance extracted and Cranach alpha. There was no cross-loading in any of the model and each item loaded to its respective factor. Table 4.4.presents the different items of constructs which were finally selected for further analysis and structural equation modeling.

Table 4.3 signifies that factor loadings are above 0.40 except fifth item of marketing competence scale which is 0.361. However, when a sample size exceeds 200, Hair et al. (2010) suggests an acceptable loading of 0.30. In this way it is safe to retain this item. The items with low loading or negative correlations were deleted and their deletion resulted in improvement of reliabilities. Standard error is also given before each item with t statistics.

The composite reliability is above .7 in all the constructs however average variance extracted is below 0.45 in case of seizing due to poor loading of third and fourth item of the seizing scale. Cronbach Alpha is above or very close to 0.70 which is acceptable. So, model 3 of my research was acceptable for further analysis which was imputed to make path diagram for structural equation modeling for testing direct as well as mediational and moderating hypotheses.

Table 4.3. Factor Loadings and Scale Reliabilities (*N=497)*

Construct and indicator	Factor Loadings	*SE*	*t-statistics*	*CR*	*AVE*	*Cronbach Alpha*
Marketing Competence				**0.838**	**0.663**	**0.814**
MMComp7	.977	.289	8.258			
MMComp6	.951	.041	24.790			
MMComp5	.361	.051	8.258			
R and D Competence				**0.799**	**0.453**	**0.673**
RRDC1	.786	.219	8.484			
RRDC2	.719	.058	15.132			
RRDC3	.646	.059	13.598			
RRDC4	.739	.059	15.523			
RRDC5	.410	.063	8.484			
Sensing				**0.867**	**0.620**	**0.787**
SS4	.762	.055	16.801			
SS3	.772	.055	17.046			
SS2	.850	.063	18.719			
SS1	.761	.064	16.801			
Seizing				**0.742**	**0.420**	**0.648**
SZ4	.702	.121	10.655			
SZ3	.723	.076	12.868			
SZ2	.587	.071	10.989			
SZ1	.567	.073	10.655			
Reconfiguring				**0.781**	**0.472**	**0.687**
RC4	.645	.076	12.099			
RC3	.741	.091	12.931			
RC2	.685	.097	12.241			
RC1	.674	.090	12.099			
Structural Social Capital		**.048**	**21.775**	**0.767**	**0.457**	**0.676**
SSC1	.584	.060	11.378			
SSC2	.643	.090	10.489			
SSC3	.623	.102	10.278			
SSC4	.827	.128	11.378			
Relational social capital				**0.902**	**0.698**	**0.836**
RSC1	.811	.045	19.398			
RSC2	.857	.048	21.775			
RSC3	.885	.053	22.596			
RSC4	.785	.059	19.398			
Cognitive Capital				**0.837**	**0.579**	**0.761**
CCS2	.912	.034	28.446			
CCS3	.532	.043	12.951			
CCS4	.541	.040	13.251			
CCS5	.954	.037	28.446			
Innovation & Flexibility				**0.896**	**0.590**	**0.769**
IF1	.798	.101	14.218			
IF2	.830	.048	20.310			
IF3	.824	.050	20.118			
IF4	.770	.047	18.485			
IF5	.749	.046	17.842			
IF6	.620	.049	14.218			
Outward Focus				**0.889**	**0.617**	**0.785**
OF1	.766	.057	17.777			
OF2	.719	.059	16.138			
OF3	.844	.057	19.287			
OF4	.811	.053	18.485			
OF5	.783	.055	17.777			

4.3. Hypotheses Testing: SEM Results

This section provides the results of structural equation modeling for testing various hypotheses. The first table provides the detail of different structural paths, Direct Effects, direction of Structural Paths, *t*-statistics, *p*-values and remarks of Hypotheses whether they are supported or not.

4.3.1. Direct Effects

Direct effects are given in table 4.5 before paths which tell us the significance, direction and size of relationships of independent variables with dependent variables. In my model, I have four independent variables, namely human capital, structural social capital, relational social capital, cognitive capital. The second hypotheses of this study was about the combined effects of all the underpinnings (managerial capital, structural social capital, relational social capital, creative cognition) whether their effect is more than the individual effect on strategic market creation competence (R&D competence and marketing competence) . Here B=.650, p<.001 showing strong and significant effect thus supporting our second hypothesis

Two dependent variables are marketing competence and R and D competence which are related to strategic market creation. The model is good fit with chi square/ degrees of freedom ratio$\chi 2/df$ (1.777), GFI was, 0.99, CFI was 0.99 RMSEA was about 0.08 which is acceptable. Table 4.6 describes the results in detail where we can see that among eight hypotheses our six hypotheses are accepted and only two are rejected as their p value is above the acceptance region. T value above 1.96 is acceptable although the path from relational social capital to marketing competence has value 1.75 which is also acceptable at $p<0.01$. All the tests are based on two tailed significance and with 95% confidence level.

Table 4.4. and Figure 4.1. show the structural model results with all direct and indirect paths, where GFI= .999, CFI=1.00 and RMSEA= 0.040 ratio of chi square and degrees of freedom were excellent with $\chi 2 /df$ = 1.77. Sensing, seizing and reconfiguring are dimensions of Dynamic Managerial Capabilities (DMC). Market competence and R and D are dimensions of Strategic market creation.

Table 4.4. Structural Model

Model	Specification	$\chi 2$	*Df*	$\chi 2$ */df*	GFI	CFI	RMSEA
SEM	Hypotheses Testing	1.77	1	1.77	.999	1.00	.040

Figure 4.1. Structural Model

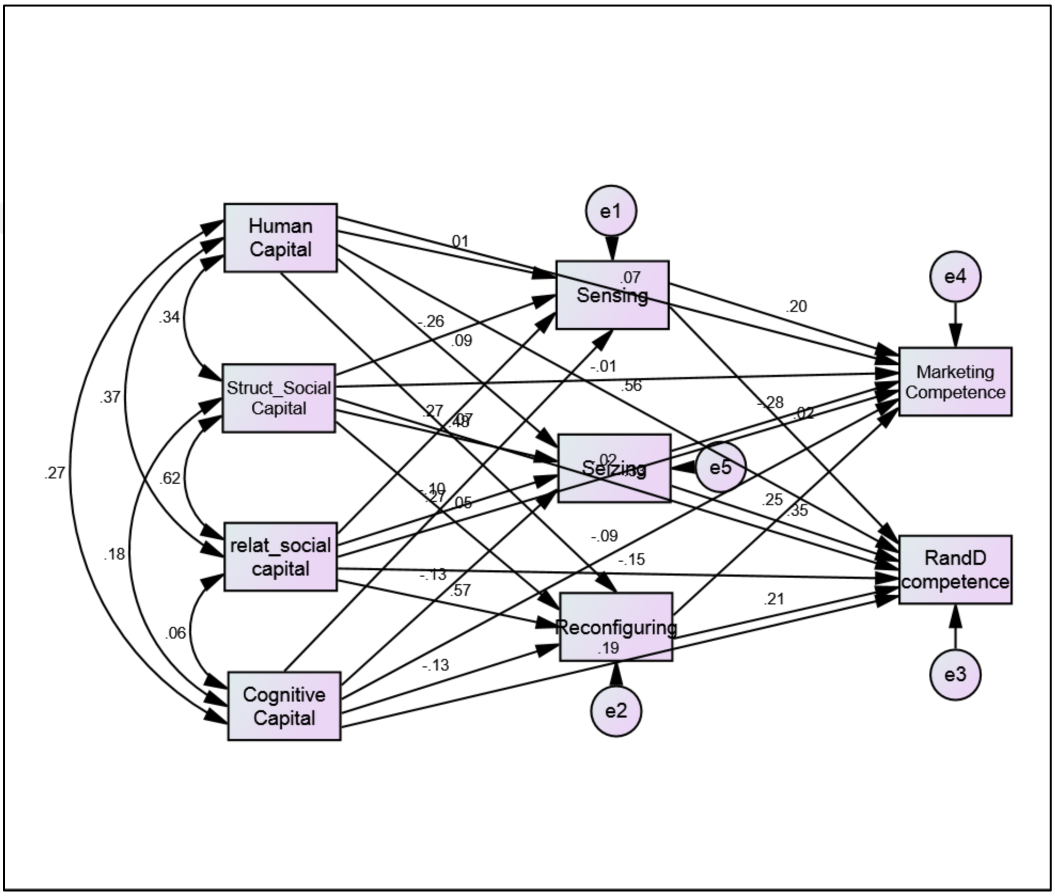

Table 4.5. Direct Effects, Structural Paths, *t*-statistics and *p*-values (*N*=497)

Structural Paths			*β*	*S.E.*	*t*-statistic	*p-value*	Conclusion
Direct Effects							
Human Capital	→	Marketing Competence	.061	.046	1.238	.216	Not Supported
Human Capital	→	R and D competence	.589	.029	14.756	***	Supported
Structural Social Capital	→	Marketing Competence	.194	.087	3.402	***	Supported
Structural Social Capital	→	R and D competence	.143	.055	3.094	.002	Supported
Relational Social Capital	→	Marketing Competence	.101	.097	1.750	.080	Not Supported
Relational Social Capital	→	R and D competence	.055	.062	1.173	.241	Not Supported
Cognitive Capital	→	Marketing Competence	.108	.043	2.345	.019	Supported
Cognitive Capital	→	R and D competence	.113	.027	3.014	.003	Supported
Combined (CC, RSC, SSC, HC)	→	SMC (R & D, MC)	.650	.078	8.289	.000	Supported

Note: ***=*p*<.001

4.3.2. Indirect Effects

From the mediation analysis, I observed that indirect effects and their significance to draw inference for testing hypotheses. The results of indirect effects are given in table. Table 4.6states the mediation tests, indirect effects, standard error, lower and upper bound of biased corrected confidence interval (95%) method used in bootstrapping with 3000 samples as advised by Bollen and Steine (1993).

Table 4.6. Test of Mediation (*BCCI*, 95%), *N*=497

Structural Paths			β	SE	95% *BCCI*		Conclusion
					LB	***UB***	
Human Capital	→ Sensing	→ Marketing Competence	.002 NS	.011	-.020	.024	Not Supported
Structural Social Capital	→ Sensing	→ Marketing Competence	.055***	.015	-.089	-.028	Supported
Relational Social Capital	→ Sensing	→ Marketing Competence	.056***	.017	.029	.089	Supported
Cognitive Capital	→ Sensing	→ Marketing Competence	-.022***	.010	-.046	-.004	Supported
Human Capital	→ Sensing	→ R and D Competence	.003 NS	.014	-.026	.030	Not Supported
Structural Social Capital	→ Sensing	→ R and D Competence	.073***	.017	-.108	-.042	Supported
Relational Social Capital	→ Sensing	→ R and D Competence	.075***	.020	.041	.121	Supported
Cognitive Capital	→ Sensing	→ R and D Competence	.029***	.013	-.057	-.006	Supported
Human Capital	→ Seizing	→ Marketing Competence	.013***	.080	.001	.036	Supported
Structural Social Capital	→ Seizing	→ Marketing Competence	.069***	.030	.017	.133	Supported
Relational Social Capital	→ Seizing	→ Marketing Competence	.039***	.017	.009	.078	Supported
Cognitive Capital	→ Seizing	→ Marketing Competence	-.019***	.010	-.044	-.005	Supported
Human Capital	→ Seizing	→ R and D Competence	.046***	.020	.006	.088	Supported
Structural Social Capital	→ Seizing	→ R and D Competence	.243***	.036	.183	.324	Supported
Relational Social Capital	→ Seizing	→ R and D Competence	.136***	.028	081	.192	Supported
Cognitive Capital	→ Seizing	→ R and D Competence	-.066***	.018	-.102	-.036	Supported

Structural Paths			β	SE	95% *BCCI*		Conclusion
					LB	***UB***	
Human Capital	→ Reconfig	→ Marketing Competence	.016 NS	.011	-.003	.041	Not Supported
Structural Social Capital	→ Reconfig	→ Marketing Competence	.012 NS	.011	-.007	.037	Not Supported
Relational Social Capital	→ Reconfig	→ Marketing Competence	-.031***	.011	-.057	-.013	Supported
Cognitive Capital	→ Reconfig	→ Marketing Competence	.136***	.033	.076	.210	Supported
Human Capital	→ Reconfig	→ R and D Competence	.028 NS	.019	-.011	.065	Not Supported
Structural Social Capital	→ Reconfig	→ R and D Competence	.021 NS	.019	-.015	.060	Not Supported
Relational Social Capital	→ Reconfig	→ R and D Competence	-.056***	.016	-.088	-.026	Supported
Cognitive Capital	→ Reconfig	→ R and D Competence	.245***	.036	.179	.322	Supported

Notes: ***= p<.001, NS = not significant

4.3.3. Moderation Effects

The structural equation modeling was applied to test the moderating effects on different paths of independent variables and dimensions of dynamic managerial capabilities. I developed interactional terms for each and every path with outward focus and flexibility & innovation respectively. The results are given in table 4.7.

Table 4.7. shows that there is evidence for significant moderating effects of outward focus between cognitive capital and sensing dimension (*B*=.062, p<.01) as well as moderating effects of outward focus between structural social capital and seizing (*B*=.045, p<.05). Moreover, moderating effects of outward focus between relational social capital and seizing is also acceptable (*B*=.056, p<.10). Lastly, moderating effects of outward focus between cognitive capital and reconfiguring is also significant (*B*=.024, p<.05). We could not found evidence for other hypotheses. On the other hand, I was able to find seven among twelve paths to be acceptable for innovation and flexibility as moderator. All these hypotheses have shown *p* value is less than .05 and highlighted in table 4.7. We found that moderating effects of innovation & flexibility between structural social capital and sensing are significant (*B*=.081, p<.001).

Table 4.7. Test of Outward Focus as Moderator

Sr. No.	Path Tested	Standard Estimates	*p-value*	Moderation
1	Moderation on Human capital => Sensing	.003	.954	No
2	Moderation on Structural Social Capital => and Sensing	.043	.321	No
3	Moderation on Relational Social Capital => Sensing	.003	.962	No
4	Moderation on Cognitive Capital => Sensing	**.062**	**.009**	**Yes**
5	Moderation on Human Capital => Seizing	.029	.243	No
6	Moderation on Structural Social Capital => Seizing	**.045**	**.036**	**Yes**
7	Moderation on Relational Social Capital => Seizing	**.056**	**.067**	**Yes**
8	Moderation on Cognitive Capital => Seizing	.016	.171	No
9	Moderation on Human Capital => Reconfiguring	.001	.951	No
10	Moderation on Structural Social Capital => Reconfiguring	.010	.623	No
11	Moderation on Relational Social Capital => Reconfiguring	.034	.248	No
12	Moderation on Cognitive Capital and Reconfiguring	**.024**	**.030**	**Yes**

My next path was to test moderating effects of innovation & flexibility between relational social capital and sensing which was also significant (*B*=.254, *p*<.001). Moreover, moderating effects of innovation and flexibility between cognitive capital and sensing were also found to be significant (*B*=.037, *p*<.05). Moderating effects of innovation and flexibility between structural social capital and seizing was also evident (*B*=.033, *p*<.001).On the other hand, moderating effects of innovation & flexibility between relational social capital and seizing were also clear (*B*=.113, *p*<.001). The next moderating path was to test moderating effects of innovation and flexibility between managerial human capital and reconfiguring which also provided supportive results (*B*=.013, *p*<.05). Lastly, moderating effects of innovation & flexibility between relational social capital and reconfiguring were tested which were also found to be significant (*B*=.103, *p*<.001). Below, Table 4.8. represents the results.

Table 4.8. Test of Innovation & Flexibility as Moderator

Sr. No.	Path Tested	Standard Estimates	*P-value*	Moderation
1	Moderation on Human Capital => Sensing	.011	.378	No
2	Moderation on Structural Social Capital => Sensing	**.081**	***	**Yes**
3	Moderation on Relational Social Capital => Sensing	**.254**	***	**Yes**
4	Moderation on Cognitive Capital => Sensing	**.037**	**.015**	**Yes**
5	Moderation on Human Capital => Seizing	-.009	.120	No
6	Moderation on Structural Social Capital => Seizing	**.033**	***	**Yes**
7	Moderation on Relational Social Capital => Seizing	**.113**	***	**Yes**
8	Moderation on Cognitive Capital => Seizing	.006	.435	No
9	Moderation on Human Capital => Reconfiguring	**.013**	**.023**	**Yes**
10	Moderation on Structural Social Capital => Reconfiguring	.011	.221	No
11	Moderation on Relational Social Capital => Reconfiguring	**.103**	***	**Yes**
12	Moderation on Cognitive Capital => Reconfiguring	.004	.624	No

4.4. Summary of Hypotheses Testing

Table 4.9. presents the overall summary of hypotheses and their results on the basis of analysis of direct indirect and moderation effects described in previous sections. My basic hypotheses were four that mentioned first of all cognition, social and human capital of managers has positive impact on both dimensions of strategic market creation. I presented these results in table 4.4. Whereas for cognition (B=.108, p<.05) for marketing Competence and (B=.113, p<.05) for R and D Competence. On the other hand, structural social capital and relational social capital have coefficients where p<0.10. However, in case of manager human capital direct effect is significant (*B*=.061, *p*<.05) for marketing competence and (*B*=.589, *p*<.05) for R and D competence. The second hypotheses of this study was about the combined effects of all the underpinnings (managerial capital, structural social capital, relational social capital, creative cognition) whether their aggregate effect is more than the individual effects on strategic market creation competence (R&D competence and marketing competence) . Here B=.650, p<.001 showing strong and significant effect thus supporting our second hypothesis. In my mediation hypotheses (Table 4.6.), eighteen out of twenty four indirect paths were significant making the relationships partially mediated which is given in table. My fourth major hypothesis was about the moderating effects of innovation & flexibility and outward focus. Results from Table

4.7. and Table 4.8 conclude that there exists moderating effects between the relationship of dynamic managerial capabilities and managerial cognition, social and human capital.

Table 4.9. Summary of Hypotheses Testing

Hypothesis	Remarks
H1: Cognition, social and human capital of managers has a positive impact on the strategic creation of a firm in an emerging industry.	Supported
H1A: Cognition of managers has a positive impact on the strategic creation of a firm in an emerging industry	Supported
H1B: Social Capital of managers has a positive impact on the strategic creation of a firm in an emerging industry	Supported
H1C: Human Capital of managers has a positive impact on the strategic creation of a firm in an emerging industry	Supported
H2: The combined effect of cognition, social and human capital of managers on strategic market creation will be higher than their separate effects.	Supported
H3: Dynamic managerial capabilities will mediate the relation of managerial cognition, social and human capital to strategic market creation.	Partially Supported
H3A: Dynamic managerial capabilities will mediate the relation of managerial cognition to strategic market creation.	Partially Supported
H3B: Dynamic managerial capabilities will mediate the relation of managerial social capital to strategic market creation.	Partially Supported
H3C: Dynamic managerial capabilities will mediate the relation of managerial human capital to strategic market creation.	Partially Supported
H4: Organizational climate Factors will moderate the relationship between dynamic managerial capabilities and their underpinnings. If the organizational climate factors are strong, their relationship will be closer.	Partially Supported

CHAPTER 5. DISCUSSION

This chapter includes a discussion of important findings obtained in analysis with reference to the literature cited on dynamic managerial capabilities and how these observations may be implied by organizational managers and decisions makers, especially the ones belonging to nascent industries for further market development. Moreover, this chapter comprises of discussion and future research possibilities to help analyze 1) what effect do DMC underpinnings hate together as well as separately on strategic market creation? 2) Does DMC support the above underpinning in leading towards strategic market creation, and how? 3) What impact does organizational climate has on these relationships?

5.1. General Summary & Main Findings

The purpose of this research was to highlight the essential managerial functions and skills required in organizations for market development and certain strategic outcomes. My study focuses on the dynamic managerial capabilities from an emerging industry's point of view where such managerial skills and functions are essential for market development and other strategic outcomes. My research model is based upon prior studies which suggest exploring DMC and it underpinnings together for market development, organizational growth and other market creation outcomes (Teece, 2009; Helfat & Martin, 2014). Other research highlights the importance of organizational climate and its effect on managerial abilities in forming decision, implementing strategies and being more effective in terms of organizational productivity (e.g. Castanias & Helfat, 2001; Adner & Helfat, 2003).

In this research, I analyzed DMC and organizational climate in a model that was suggested by prior research but never tested earlier. DMC being a major variable of this study has been examined as a mediator. The moderation effect of organizational climate on DMC and its underpinnings in a nascent industry context is also observed. This study will contribute to the understanding of the effect of DMC and its underpinnings on strategic market creation in an organizational setting which is different than those studied earlier. Here, my research work specifically addresses emerging markets where market development and strategic change is of dire importance. Furthermore, this study observes the combined and separate effects DMC and its underpinnings have on strategic market creation.

As the population for this study, I took Insurance industry of Pakistan since it is a developing sector with a lot of potential as well as challenges faced in terms of market creation and is contribution towards the country's GDP. The sample size consisted of 35 insurance companies registered with the insurance association of Pakistan. To carry out the analysis, a survey questionnaire was adapted and floated amongst the management personnel of these organizations through the help of Insurance Association of Pakistan (IAP).

Since, the only data collection instrument used was survey questionnaire, to reduce common method basis, I conducted the data in two phases with a time lag of three-months in between. In the first phase, there weren't any marker variables added to the survey. However, three marker variables were added in the second phase and the hierarchy was changed. This was done to ensure that the respondents from phase I answer the phase II survey without being biased In phase 1, 534 responses were recorded out of total of 680 reached where as in phase II, the shuffled questionnaire was then sent to the same (534) respondents from phase 1 and 497 responses were received out of 534 contacted. The organizations were selected randomly and managerial staff was approached through convenience sampling.

The major findings from results reveal that on the basis of analysis of direct indirect and moderation effects described in previous sections. My basic hypotheses were four that mentioned first of all cognition, social and human capital of managers has positive impact on both dimensions of strategic market creation. I presented these results in table 4.6. In my mediation hypotheses, eighteen out of twenty four indirect paths were significant making the relationships partially mediated.

My fourth hypothesis was about the moderating effects of innovation & flexibility and outward focus. Results from concluded that there exists moderating effects between the relationship of dynamic managerial capabilities and managerial cognition, social and human capital. Hence, the results from analysis show that the more experience a manager has in an organization or related industry plays an important role in grooming his/her perception on how changes may take place in an organization to cope with the market demands and what decisions need to be taken timely. The lesser the experience, the lesser the exposure.

5.2. Interpretation of Research Findings

On the basis of findings it is evident the employees find effective solutions by combining multiple ideas and thinking out of the box through their creativity. They are able to provide effective solutions and making decision previously failed on a new direction. In this way our four major objectives that we mentioned earlier state that first of all cognition, social and human capital of managers has positive impact on both dimensions of strategic market creation. In my mediation hypotheses, eighteen out of twenty four indirect paths were significant making the relationships partially mediated along with direct relationships. My fourth major hypothesis was about the moderating effects of innovation & flexibility and outward focus. Results from concluded that there exists moderating effects between the relationship of dynamic managerial capabilities and managerial cognition, social and human capital.

I deduce from results that managers who are strongly connected, within the industry prefer interacting and exchanging ideas on frequent basis. Moreover they strongly identify with each other and carry a degree of trust within them. These personnel carry a similar mindset and are open to partner with customers, suppliers, alliance partners, etc. to develop solutions, share information and learn through collaboration. Such managerial skills encourage professional platforms, and activities to identify target market segments, changing customer needs and customer innovation. Moreover, managers who are open towards change, prefer to observe best practices in the sector and adapt practices accordingly to respond to problems pointed out by employees. Similarly, they encourage new / innovation based marketing strategies to achieve desired targets and objectives.

Findings from this research work suggest that organizational managers who identify target market segments, changing customer needs and are always looking for best practices in their sector, find effective solutions by combining multiple ideas. These personnel are keen on generating as many ideas as possible and try implementing new strategies to explore their effectiveness. Moreover, the study suggests that managers who believe in incorporating previous solutions in new ways often lead to good ideas and ultimately end up achieving organizational goals.

The results highlighted that managers who participate in professional activities are keen to identify potential opportunities to cop up with the changing market needs in terms of their products or services. These key personnel ensure that their organizations are an extra mile ahead as compared to their competitors whether it is about assessing the potential of new markets or its setting up a strong sales force (in case of insurance industry) to achieve targets. Moreover, the findings suggest that managers with dynamic capabilities keep a close eye on their competitors while maintaining their relationships in new markets to seize any possible opportunities available. These opportunities may vary from setting up new operations to learning about latest technologies, developing new pricing strategies, assessing the feasibility of new service methods or implementing new types of processes, etc.

Moreover, the results confirm that managers with dynamic capabilities not only welcome new ideas but they are also quick to respond when changes are need to be made. Such an organizational climate encourages employees to connect with each other and exchange ideas on frequent basis. Thus, a flexible organization climate helps key decisions makers to spot the need to do things differently as well as change procedures such as marketing methods or strategies to meet new conditions and solve problems as they arise. Moreover, a climate supportive for providing employees assistance in developing new ideas will result in innovation and improved performance. Therefore, managers providing such platforms within their organizations are focused on certain strategic outcomes such as improved service to their customers, sensing and seizing new opportunities for market development, observing best practice amongst other organizations belonging to the same industry and renewal of business strategies to carry our new ways for achieving set goals for the organization.

5.3. Theoretical Implications

This research offers various contributions to the field of management research and practice. Since the work of Teece (1997), organizational performance has been of primary focus in DMC literature. However, the question of whether and how DMC affect market development and certain strategic outcomes which leads to organizational performance as well is yet to be addressed (Drnevich and Kriauciunas, 2011; Helfat et al., 2007). My research contributes to the theory in threefold. I bring forth 1) extension of dynamic managerial capabilities built upon Wilden et al. (2013) and Helfat & Martin (2015) in terms of operationalization for future research 2) empirical evidence that having dynamic managerial capabilities supported by managerial cognition, human and social capital (underpinnings of DMC) is one of pivotal conditions to contribute towards market development and other strategic outcomes that influence the industry in general and the organization in particular and 3) knowledge of underpinnings through which dynamic capabilities are likely to enhance strategic market creation.

This study provides important empirical findings regarding the effect of managerial cognition, social and human capital on strategic market creation through dynamic managerial capabilities for which I adapted the measurement scales from Bailey & Helfat (2003), Ascigil & Magner (2009), Rogation & Moneta (2015), Patterson (2015) and Danneels (2016). In continuation with Helfat & Martin (2015), I distinguish the role of dynamic managerial capabilities affecting day to day organizational decisions important for growth and survival in a nascent industry.

Moreover, the findings from my research indicate that DMC is positively directly related to marketing and R&D competence dimensions of strategic market creation. I found that, without consideration of managerial cognition, social and human capital, DMC seem to have a significant impact on strategic market creation. This also seconds the disagreement by Eisenhardt & Martin (2000) that managers encompassing DMC do not necessarily contribute towards strategic market creation. Also, I found that when the climate for innovation, flexibility and outward focus is high in an organization, the relationship between dynamic managerial capabilities and its underpinnings is strong.

In addition to this, I develop a general argument presented by authors like Teece et al. (1997), Eisenhardt and Martin (2000), and Helfat et al. (2007) that the influence of DMC on market development and other strategic outcomes such as organizational performance, research and development are context-dependent. In this study, the combined effect of DMC and underpinnings on strategic market creation is more significant than their separate effects. Overall, my findings indicate that while DMC and its underpinnings may affect certain strategic outcomes, their potential to eventually achieve superior contribution in terms of strategic market creation heavily relies upon how well they fit in the organization's internal structure as well as the external environment.

5.4. Practical & Managerial Implications

My findings indicate that when employees are encouraged to participate in decision making, exchanging feedback and other relevant information, organizational management may take this opportunity to identify the challenges as well as potential benefits and plan strategy accordingly. My research work also unfolds the importance of using SEM to empirically investigate strategic market creation in the research stream of dynamic capabilities research stream e.g. the sample size requirements and the constructs in my study are more suitable for using Amos (Oluyinka, 2016).

From a normative point of view, my research provides guidance relating to investing in dynamic managerial capabilities and its underpinnings for various reasons. Firstly, the key personnel (organizational management) working in highly competitive sectors/organizations, are able to benefit from my findings by investing in placing dynamic capabilities environments. This would help their organizations to adapt to the market needs in terms of product / service research, development and other marketing competencies to achieve further excellence and contributing towards market creation for overall industry. For organizations where there is little or no competition, these dynamic capabilities may be capitalized by managers to prioritize their resources for several purposes

From managerial perspective, at times, elusive concept of dynamic managerial capabilities may become more meaningful when combined with core underpinnings of DMC i.e. managerial cognition, human and social capital. These underpinnings also lay down the platform for decentralized decision making to sense and seize external opportunities. Such insights may eventually result in organizational policies which offer reward systems to empower organizational management's involvement in strategic market creation activities. As Danneels (2016) argued, "… the organization's ability to adapt to changing environment needs has become more essential than ever. Dynamic managerial capabilities has caught interest of strategy scholars to utilize DMC measures for further advancement of knowledge and exploring ways to improve organizational efficiency and productivity in specific and improve industrial productivity in general (Grant and Verona, 2015). I am hopeful that my research has played its role in extending upon previous DMC literature and suggestions by empirically grounding on this very important concept further.

5.5. Limitations and Directions for Future Research

Concluding everything in a nutshell is hard when it comes to research since it intends to broaden human horizons about all possible aspects in relevant field by laying down basis and constructive arguments. These may have certain limitations but encourage further investigation to add towards the research literature. My research also has some limitations that point to additional avenues for future research. First, my research work is on cross-sectional data, however, collecting independent variables and dependent variables in two different phases makes it a better design to avoid common method variance. But, more can be done. In my opinion, a real longitudinal design is the ideal way to follow. There are other important remedies for preventing common method bias as well such as collecting measures for different constructs through various sources, design and administration of the questionnaire, specifying complex relationships among the dependent and independent variables and last but not the least, applying statistical approaches such as Harman's single-factor test (Chang & Eden, 2010) could be of interest to understand DMC better in other organizational contexts.

Second, this study was able to observe the impact of dynamic managerial capabilities and its underpinnings on strategic market creation only. Although, DMC and its underpinnings have never been modeled earlier to study their combined or separate effects on strategic market creation. Yet, I was limited in terms of empirically analyzing the sustainability of DMC and its underpinnings on organizational performance, entrepreneurial growth, employee satisfaction, etc. which may be an interesting extension of this research (Wilden, 2013; Helfat & Martin, 2014). Future research may consider it from a longitudinal or cross sectional perceptive as well.

Third, building upon Patterson (2015), the dimensions of organizational climate in this research were innovation, flexibility and outward focus. I studied the moderating effect of organizational climate on DMC and its underpinnings. Now that my research has tried to bring forward strategic market creation as an important research aspect in the DMC framework, it may be an interesting opportunity for researchers to investigate what effect do innovation, flexibility and outward focus dimensions of organizational climate have on the relationship between dynamic managerial capabilities and strategic market creation. Reason being is, prior research which suggests that organizational climate has an impact of DMC and market creation (For example, Helfat & Martin, 2014; Teece, 2009; Danneels, 2016). Moreover, other dimensions of organization climate such as traditions, formalization, trainings, involvement, integration and autonomy (Patterson, 2015) may also provide new perspective and establish further linkages to dynamic managerial capabilities research.

Fourth, I was only able to analyze the model with a sample from insurance industry of Pakistan that too includes only higher management personnel. Even though, SEM is capable and suitable for observing small sample sizes (Henseler et al., 2009), future studies should be focused to observe findings in different organizational settings, economic and sociocultural context with a larger sample.

Fifth, my research work focuses on insurance sector of Pakistan as a nascent industry where as there are other nascent industries in Pakistan such as energy sector, telecommunication, automobile industry and retail market sector which (Mujahid, 2018) may be a value addition for future research.

Finally, while I chose to focus on Daneel's (2015) R&D and marketing competence dimensions of strategic market creation, future research may investigate additional aspects such as customer competence and technological competence to assess impact of dynamic managerial capabilities. This can be helpful for other nascent / developed industries in different countries context such as tele-communication, business process outsourcing, automobile and other related population of study where technological and customer competence along with R&D and marketing competence may be an important research perspective to be analyzed and contribute towards the DMC literature.

5.6. Conclusion

My research on dynamic managerial capabilities lay down the platform for decentralized decision making in organizations to sense and seize external opportunities for continuous growth and sustenance in a competitive or nascent industry. This research is also an effort to dig out how dynamic managerial capabilities have an impact on strategic market creation through mediation mechanism and moderation of innovation, flexibility and outward focus dimensions of organizational climate. For this purpose, a quantitative research design was formulated and a self-administered questionnaire was distributed to the managerial employees of insurance sector in Pakistan. The participation in this research was voluntary. Moreover, anonymity and confidentiality was insured. It was observed that most of the DMC underpinnings including structural, relational and cognitive capital have positive impact on marketing and R&D competence dimensions of strategic market creation (SMC). The results highlight that 18 out of 26 meditational paths are significant. On the other hand, moderating effects for most of the interactional paths proving innovation, flexibility and outward focus proved to be interactional effects between the relationship of underpinnings and underpinnings and sensing, seizing and reconfiguring dimensions of dynamic managerial capabilities. Such insights may eventually result in organizational policies which offer reward systems to empower organizational management's involvement in strategic market creation activities.

Similarly, an organization climate encouraging outward focus amongst its human capital may assist the decision makers in responding towards the changing market needs to achieve desired strategic outcomes. Such organizations encourage employees to make their own decisions much of the time and are involved when decisions are made that affect them. Moreover, organizations with high outward focus, innovation and flexibility climate, prefer that managers share information widely and are readily open to accept new ideas. Resultantly, these organizations quickly respond when changes are needed to be made prioritize customer needs.

This study shows that efficient and proactive organizations require deep knowledge of marketing needs and R&D resources that might meet those needs. Moreover, organizations should bled with strategies and assets that make imitation difficult. Also, organization's reengineering skills are an important component of strong dynamic managerial capabilities. Such organizations enable proficient seizing. Last but not the least, I am hopeful that my research has played its role in extending upon previous DMC literature and suggestions by empirically grounding on this very important concept further.

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APPENDIX-I

Dynamic Managerial Capabilities Questionnaire

Respected Manager,

This study is designed to investigate the role of dynamic managerial capabilities in strategic market creation in nascent industries. It aims to understand whether dynamic managerial capabilities can act as instigating factors for organizations' success in identifying new and promising opportunities regarding markets and customers and devising relevant strategies in a given industry.

Insurance sector in Pakistan, as one of the important nascent industries of the country, has been determined as the empirical setting for the research. I hope my research will provide some essential insights to the industry and the companies in it in using their capabilities and resources in a more effective way towards further growth.

The survey is purely academic and a crucial part of my doctoral thesis. All information collected through this survey will be used only for research purposes. Your answers will be kept strictly confidential and will not be shared with any third party. When the study is complete, its overall findings can be provided to you upon request.

Please kindly fill in the following questionnaire and answer all questions asked, which will take approximately 20 minutes of your time. I highly appreciate your cooperation and support for my research.

Thank you very much for your contribution.

Kind regards,

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Date (DD/MM/YYYY) ________________________________

PART 1.

INSTRUCTIONS: Please provide general information about yourself by choosing the right option for each question.

What is your age?

- [ ] Under 25
- [ ] 25 - 34
- [ ] 35 - 44
- [ ] 45 - 54
- [ ] 55 - 64
- [ ] 65 and above

What is your marital status?

- [ ] Single
- [ ] Married

What is your gender?

- [ ] Male
- [ ] Female

What is your education level?

- [ ] High school degree or equivalent
- [ ] Occupational degree or diploma
- [ ] Bachelor's degree
- [ ] Master's degree
- [ ] Doctoral Degree
- [ ] Other ______________________

What major subject did you study in university? (As your bachelor's degree)

	Economics
	Business
	Finance
	Engineering
	Social Sciences
	Natural Sciences
	Other ________________________

Please mention your organizational title / position below (e.g. manager, senior managers, vice president, executive vice president, president, etc).

____

Please mention your department below (e.g. under writing, claims, policy administration, investment, etc). If you're looking after overall organization operations, you may write "Overall Organization".

____

PART II.

1.Please rate the level of your managerial experience.

	No or very little
	Some
	Average
	Strong
	Very strong

2. Please rate the level of your marketing experience.

	No or very little
	Some
	Average
	Strong
	Very strong

3. Mention in years, your prior experience in the same organization. _______Years

4. Mention in years, your prior experience in the same industry. ______Years

5. Please state if you have experience in any related industry (For example, security and commodity brokerage, central banking, risk and damage evaluation, fund management , pension funding, credit granting, financial leasing, etc.)

_________Years _____________________________ Industry

PART III.

INSTRUCTIONS: To what extent do you contribute to each of the following activities of your organization. Please indicate by using the given points.

5 = To a very large extent 4 = To a large extent 3 = To a moderate extent 2 = To a small extent 1 = Not at all

1. Assessing the potential of new markets.	5	4	3	2	1
2. Building relationships in new markets.	5	4	3	2	1
3. Setting up new distribution channels.	5	4	3	2	1
4. Setting up a new sales force.	5	4	3	2	1
5. Leveraging my organization's brand reputation or image to new markets.	5	4	3	2	1
6. Researching new competitors and new customers.	5	4	3	2	1
7. Developing new advertising or promotion strategies.	5	4	3	2	1
8. Developing new pricing strategies.	5	4	3	2	1
9. Setting up new types of operations.	5	4	3	2	1
10. Learning about technologies that have not been used before by my organization.	5	4	3	2	1
11. Assessing the feasibility of new service methods or technologies.	5	4	3	2	1
12. Identifying promising new technologies.	5	4	3	2	1
13. Implementing new types of processes.	5	4	3	2	1

PART IV.

INSTRUCTIONS: Please indicate to what extent you agree with each of the statements below regarding your organization.

5 = Strongly Agree 4 = Agree 3 = Neither Agree Nor Disagree 2 = Disagree 1 = Strongly Disagree

In my organization:

1. People are allowed to make their own decisions much of the time.	5	4	3	2	1
2. People are trusted to take work-related decisions without getting permission first.	5	4	3	2	1

3. People at the top tightly control the work of those below them.	5	4	3	2	1
4. Management keep too tight a reign on the way things are done.	5	4	3	2	1
5. People are involved when decisions are made that affect them.	5	4	3	2	1
6. Changes are made without talking to the people involved in them.	5	4	3	2	1
7. People don't have any say in decisions which affect their work.	5	4	3	2	1
8. People feel decisions are frequently made over their heads.	5	4	3	2	1
9. Information is widely shared.	5	4	3	2	1
10. There are often breakdowns in communication.	5	4	3	2	1
11. New ideas are readily accepted.	5	4	3	2	1
12. This company is quick to respond when changes need to be made.	5	4	3	2	1
13. Management are quick to spot the need to do things differently.	5	4	3	2	1
14. This organization is very flexible; it can quickly change procedures to meet new conditions and solve problems as they arise.	5	4	3	2	1
15. Assistance in developing new ideas is readily available.	5	4	3	2	1
16. People in this organization are always searching for new ways of looking at problems.	5	4	3	2	1
17. This organization is quite inward looking; it does not concern itself with what is happening in the market place.	5	4	3	2	1
18. Ways of improving service to the customer are not given much thought.	5	4	3	2	1
19. Customer needs are not considered top priority here.	5	4	3	2	1
20. This company is slow to respond to the needs of the customer.	5	4	3	2	1
21. This organization is continually looking for new opportunities in the market place	5	4	3	2	1

PART V.

INSTRUCTIONS: Please indicate how often you engage in each of the following activities by using the given points.

5 = Almost Always 4 = Often 3 = Sometimes 2 = Rarely 1 = Never

1. I participate in professional industrial activities.	5	4	3	2	1
2. I use established processes to identify target market segments, changing customer needs and customer innovation.	5	4	3	2	1
3. I observe best practices in our sector.	5	4	3	2	1
4. I gather economic information on our operations and operational environment.	5	4	3	2	1
5. I invest in finding solutions for our customers.	5	4	3	2	1
6. I adopt the best practices in our sector.	5	4	3	2	1
7. I change my practices when customer feedback gives a reason to change.	5	4	3	2	1
8. I respond to problems pointed out by employees.	5	4	3	2	1
9. I carry out implementation of new kinds of management methods.	5	4	3	2	1
10. I carry out new or substantially changed marketing methods or strategies.	5	4	3	2	1
11. I carry out substantial renewal of business processes.	5	4	3	2	1
12. I carry out new or substantially changed ways in achieving our targets and objectives.	5	4	3	2	1

PART VI.

INSTRUCTIONS: To what extent do you agree with the following statements. Please indicate by using the given points.

5 = Strongly Agree **4 = Agree** **3 = Neither Agree Nor Disagree** **2 = Disagree** **1 = Strongly Disagree**

1. People often disappoint me.	5	4	3	2	1
2. Life is a strain for me most of the time.	5	4	3	2	1
3. I worry quite a bit over possible misfortunes.	5	4	3	2	1
4. I have several times given up doing something because I thought too little of my ability.	5	4	3	2	1
5. In a group of people, I have trouble thinking of the right things to talk about.	5	4	3	2	1
6. I am always courteous even to the people who are disagreeable.	5	4	3	2	1
7. I sometimes try to get even, rather than forgive and forget.	5	4	3	2	1
8. I sometimes get irritated by people who ask favors of me.	5	4	3	2	1

PART VII.

INSTRUCTIONS: Please indicate the extent to which you agree with each of the statements below by using the given points.

5 = Strongly Agree **4 = Agree** **3 = Neither Agree Nor Disagree** **2 = Disagree** **1 = Strongly Disagree**

1. I feel strongly connected to managers from other organizations in our industry.	5	4	3	2	1
2. I interact with managers from other organizations in our industry on a frequent basis.	5	4	3	2	1
3. I interact and exchange ideas with managers from other organizations within our industry.	5	4	3	2	1
4. I often interact with managers from other organizations in our industry socially outside work.	5	4	3	2	1
5. I actively seek to network with managers from other organizations in our industry.	5	4	3	2	1
6. I and other managers from the insurance industry strongly identify with each other.	5	4	3	2	1
7. I have a high degree of trust in managers from other organizations in our industry.	5	4	3	2	1
8. I have friend/s from other organizations in the insurance industry.	5	4	3	2	1
9. I partner with customers, suppliers, and alliance partners, etc. to develop solutions.	5	4	3	2	1
10. I share information and learn from others in the insurance industry.	5	4	3	2	1
11. Managers from other organizations and I share a common language regarding our industry.	5	4	3	2	1
12. I am skilled at collaborating with others in the industry to diagnose and solve problems.	5	4	3	2	1
13. I share a similar mindset with managers from other organizations when it comes to interpreting the events that affect the industry.	5	4	3	2	1
14. I often relive with managers from other organizations past events that have occurred in the industry.	5	4	3	2	1

PART VIII.

INSTRUCTIONS: Please answer the questions below according to the best of your knowledge.

1. A bat and a ball cost $1.10 in total. The bat costs $1.00 more than the ball. How much does the ball cost? ___________ cents
2. If it takes 5 machines 5 minutes to make 5 widgets, how long would it take 100 machines to make 100 widgets? _______ minutes
3. In a lake, there is a patch of lily pads. Every day, the patch doubles in size. If it takes 48 days for the patch to cover the entire lake, how long would it take for the patch to cover half of the lake? __________ days

PART IX.

INSTRUCTIONS: Following is a series of statements about personal preferences and behaviors. Please indicate how frequently you engage in each behavior during work, thinking of your general working experience and behavior across situations and times.

5 = Almost always 4 = Often 3 = Sometimes 2 = Rarely 1 = Never

1.I find effective solutions by combining multiple ideas.	5	4	3	2	1
2. While working on something, I try to generate as many ideas as possible.	5	4	3	2	1
3. I try to act out potential solutions to explore their effectiveness.	5	4	3	2	1
4. If I get stuck on a problem, I try to take a different perspective of the situation.	5	4	3	2	1
5. Incorporating previous solutions in new ways leads to good ideas.	5	4	3	2	1

PART X.

INSTRUCTIONS: To what extent do you feel satisfied with the benefits administration in your organization? Please indicate by using the given points.

5 =Very Satisfied 4 = Satisfied 3 = Neutral 2 = Dissatisfied 1 = Very Dissatisfied

1. How the benefits program is administered.	5	4	3	2	1
2. The effectiveness of the system that provides my benefits.	5	4	3	2	1
3. The arrangements my organization has made for the delivery of my benefits.	5	4	3	2	1
4. The efficiency with which benefits are provided.	5	4	3	2	1

PART XI.

INSTRUCTIONS: To what extent do you agree with the following statements. Please indicate by using the given points

5 = Strongly Agree 4 = Agree 3 = Neither Agree Nor Disagree 2 = Disagree 1 = Strongly Disagree

1. All things considered, I am satisfied with my job.	5	4	3	2	1
2. I like my job.	5	4	3	2	1
3. I am generally satisfied with the work I do in this job.	5	4	3	2	1

The Survey Is Complete.
Thank You.