

Article 2:**THE LACUNA IN DYNAMIC CAPABILITIES RESEARCH**

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Abstract

This paper is to empirically examine the lacuna in dynamic capabilities research. The concept of dynamic capabilities was developed to compliment resource-based view, and also, clarify how companies respond to changes in the operating environment, and as well, realize sustainable competitive advantage. Many researchers concurred that with shortage of resources and widespread economic crises in all sectors, business enterprises must develop dynamic capabilities to properly distribute resources across alternatives, quickly adapt and respond to environmental turbulence and ultimately grow, advance and survive. Thus, enhancing resources reconfiguration and regeneration, to support business strategy and development of innovation. The dynamic capabilities literature has been criticized for being tautological, and therefore, the effect of dynamic capabilities is assumed to be negligible or indirect. Accordingly, literature has acknowledged the importance of dynamic capabilities on value-creating benefits and altering firm outcomes, however, each capability provides a unique benefit and also, the processes of value creation remains unclear in the stream of research.

Keywords: *Dynamic Capabilities, Resource-based View, Sustainable Competitive Advantage, Small & Medium Enterprises*