



University of Sussex

Business & Management

Seminar series

Date: Wednesday 14 May

Speaker: David Bardolet (Bocconi University, Milan, Italy)

Title: Resource allocation, dynamic capabilities and strategy

Abstract: Dynamic capabilities depend in part on the firms' ability to reconfigure its asset base (Teece et al., 1997). However, the organizational processes that are concerned with resource allocation are poorly understood. Simply reallocating resources is a necessary but not sufficient condition for dynamic capabilities as performance enhancing resource reallocation requires good strategy. In this paper we give attention to how firms effectively allocate resources over time by empirically exploring the ability of firms to redirect resources across businesses/projects. We also gauge impact on performance. We posit that resource reallocation is an enabler of dynamic capabilities, as it is essential to a firm's ability to effectuate change. We propose a number of measures to gauge actual capital reallocation activity across the firm's business units. We also measure the strategic efficiency of those allocations, enabling us to test links to firm performance.