Dynamic Capabilities View

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Globally, food supply chains are facing difficult times of volatility and uncertainty. Not even a few months after recovering from the devastating effects of the COVID-19 pandemic, food supply chains have been hit with a new disruption: the Russian-Ukrainian conflict and the loss of Ukrainian exports. These unexpected events have disrupted the food supply chains and increased oil prices, increasing transportation and manufacturing costs.

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1. Dynamic Capabilities View (DCV)

The dynamic capability view, according to Teece et al. [1], is based on the resource-based view [2]. Dynamic Capabilities View (DCV), as Teece [3] outlined, is an organizational process that allows businesses to detect risks, seize opportunities, and maintain competitiveness by using technological advancements, mergers, protections, and reorganizations of both intangible and tangible assets. Implementing DCV in the supply chain is gaining traction. Oh et al. [4] define dynamic supply chain capabilities as the ability of a firm to effectively and efficiently utilize both internal and external resources to enhance supply chain practices and improve performance. These capabilities encompass sharing information, coordination, integration, and supply chain responsiveness. Furthermore, according to Ju et al. [5], dynamic supply chain capabilities encompass various processes, including information exchange, supply chain alignment, and information technology, to effectively meet customer demands and maintain competitiveness in a rapidly changing environment. Additionally, Aslam et al. [6] emphasize the significance of supply chain agility and adaptability as crucial components of dynamic supply chains.

Several studies [3][5][7][8] suggest that dynamic capabilities are considered high-order capabilities, which may be further broken down into various capacities. To date, there is no globally accepted categorization of the dynamic capabilities of hotel supply chains. Therefore, researchers have disaggregated the dynamic capabilities of supply chains into five distinct categories: collaboration, integration, agility, responsiveness, and reconfiguration, based on a thorough review of the literature. Each sub-capabilities has been carefully chosen to reflect hotel FSCs' ability to adapt and promptly address the ever-changing market dynamics. For instance, the concept of supply chain collaboration capability pertains to a hotel's capacity to foster enduring partnerships involving various activities and exchange information, resources, and risks to attain common goals [9]. Yunus [10] emphasizes the importance of customer collaboration, supplier collaboration, and internal collaboration as essential elements of a collaborative supply chain. Moreover, the integration capability pertains to its proficiency in establishing strategic partnerships and collaborating effectively with supply chain partners [11], which encompasses the seamless integration of

information, physical, and financial flow [12]. Angeles [13] has argued that the main objective of supply chain integration is to ensure that customers have access to the right products at the right time at a competitive price.

Additionally, the agility capability of hotel FSCs is related to their capacity to promptly adapt to market changes and uncertainties for the benefit of their suppliers and customers [6]. Furthermore, it is a dynamic process that involves modifying or reorganizing business operations to address market fluctuations and other uncertainties. Kareem & Kummitha [8] suggest that supply chain agility encompasses essential components such as strategic, operational, and episodic preparedness and responsiveness. Hotel FSCs responsiveness refers to the partners' ability to effectively adapt to changes and fluctuations in the environment to reduce lead time, enhance service quality, quickly meet customer demands, and optimize transportation [14]. Supply chain responsiveness includes three essential components: agility in meeting customer requirements, flexibility in supporting new product development and market entry, and mitigating the risk of supply chain bottlenecks and disruptions [8]. Finally, supply chain reconfiguration involves making structural and functional adjustments that may be prompted by a disruptive event to enhance the supply chain. Reconfiguration is typically necessary following a supply chain failure. However, it can be utilized as an innovation strategy to improve performance. Each level within the supply chain has specific parameters and attributes that determine the extent of reconfigurability, enabling the selection of the most appropriate configuration [15].

1.1. Collaboration as a Dynamic Capability

Supply chain collaboration allows synergistic partnerships in relation to processes such as forecasting and risk management models [16], which are essential for reducing the level of uncertainty and mitigating potential risks through the exchange of information [17]. The cornerstone of the collaboration is achieving mutual benefits and sharing common risks [18]. According to Dougherty et al. [19], supply chain collaboration includes information exchange, development of common strategic goals, and synchronization of operations. Simatupang & Sridharan [20] have emphasized that information sharing and decision synchronization are the main pillars of collaboration. In risky event scenarios, collaborative activities increase supply chain resilience because they help firms avoid overreactions, unnecessary interventions, and fruitless judgments [21].

1.2. Integration as a Dynamic Capability

Integration with partners includes two primary paths: resource planning and operations, such as inventory management [22]. These two ways of integrating can make supply chains more resilient by encouraging a continuous and powerful flow of products, services, information, money, and decision-making elements to deliver maximum value and efficiency with the minimum expense [23]. Integration seeks to streamline processes across the supply chain to enhance resilience and performance by ensuring product quality and diversity [24]. Supply chain integration may also include strategic decisions to facilitate the exchange of important information regarding new markets, goods, consumers, and future markets. In the context of Industry 4.0, the integration of the supply chain has three parts: the integration of processes and activities, the integration of technologies and systems, and the integration of organizational relationships [25].

1.3. Agility as a Dynamic Capability

Agility has recently emerged in the context of dynamic capabilities that support supply chains to thrive in unpredictable marketplaces [26][27]. Typically, agility is the ability of the supply chain to swiftly change strategies and procedures in response to environmental uncertainties. The resulting capability can be applied proactively or reactively to develop a superior competitive position by swiftly reacting to market volatility [28]. In a dynamic corporate environment, “it is not the large that devours the small; it is the swift that consumes the slow” [27]. Supply chain agility can reduce the likelihood of supply chain disruptions by enabling firms to sense environmental threats [3] and respond to them using resource reconfiguration, collaborative supplier networks, and collaborative infrastructure [27].

1.4. Responsiveness as a Dynamic Capability

Responsiveness is the ability to promptly and systematically respond to volatility and vulnerability in the business environment [29]. Many businesses now recognize the importance of supply chain responsiveness as an important capability to possess [30]. Thus, responsive supply chains are essential to a firm’s survival and long-term success in the face of rising competition and shifting customer demands [31]. The findings of a recent empirical study have indicated that despite the severe disruptions in the business environment, improving supply chain responsiveness in times of crisis has contributed to mitigating negative impacts and enhancing the resilience of supply chains since it has enabled the skipping of non-essential tasks that take a long time and eased bottlenecks. It also facilitates better allocation and prioritization [32].

1.5. Reconfiguration as a Dynamic Capability

Firms’ survival depends on their ability to manage and reconfigure resources during disruptions [33]. The high unpredictability surrounding supply chain disruptions raises questions regarding the worth of the current resources in generating capabilities to recover from disruption. To sense threats and seize opportunities, firms may need to reconfigure their scarce resources to adapt to turbulent and unpredictable environments [34]. Studies show that in times of crisis, resource reconfiguration is critical to the survival of the supply chain [33]. Firms that have experienced dealing with disruptions are more likely to set up, align their resources, and give themselves enough time to scan the environment to figure out how to respond to a potential disruption [35].

1.6. Dynamic Capabilities, Supply Chain Resilience, and Operational Performance Improvement

The hospitality sector is a highly dynamic environment; hence, hotels must possess supply chain dynamic capabilities to adapt and respond to changes to sustain and achieve better performance [36][37]. In a recent study, Zhao et al. [38] argue that multiple studies have shown the positive impact of dynamic capabilities on supply chain performance. For instance, Yook et al. [39] confirm the significant influence of dynamic capabilities on economic and environmental performance. Similarly, Kareem & Kummitha [8] have mentioned that supply chain dynamic capabilities are positively correlated to the operational performance of manufacturing companies in Hungary.

Additionally, it is found that supply chain sustainability management (SSCM) practices can enhance dynamic capabilities, leading to significant improvements in environmental performance [40]. Rauer & Kaufmann [41] have delved into the identification of dynamic capabilities that can be employed to overcome barriers to green supply chain management.

On the other hand, a resilient supply chain can endure change, adapt to disruption, and improve operational performance [42]. Resilience is the ability of a supply chain to react to and recover from unexpected events [43]. According to Ivanov [44], resilience is an active part of operational management decisions that create value. Supply chain resilience has recently been found to improve financial performance [7] and organizational and operational performance [45]. From a dynamic perspective, supply chain resilience reduces operational disruptions and allows firms to improve operations. Thus, there will be fewer pauses in product deliveries and fewer cash flow problems.

According to the conceptual definition of resilience, it is deemed suitable to consider the time required for recovery and resuming normal operations after a disruption as a quantitative resilience measure [46]. Additionally, the available literature proposes two other metrics related to recovery for assessing resilience: one that evaluates the level of recovery achieved after recovery periods and a second that measures the loss in performance experienced by the supply chain during recovery periods [47].

To establish a formal framework for measuring resilience, it would be beneficial to consider utilizing operational performance to evaluate the effectiveness of resilient solutions. Operational performance pertains to a hotel's capability to decrease management expenses and lead times while enhancing the utilization of resources and distribution capacity [48]. Operational performance holds significant value for hotel FSCs as it is directly related to production efficiency and creating top-notch products, ultimately resulting in amplified profitability and competitiveness [40]. The successful translation of operational capabilities into competitive advantages for firms is one feature of the multi-faceted concept known as operational performance. Productivity, quality, pricing, delivery, and adaptability are some ways to measure it [8]. Supply chain resilience is found to have a positive impact on firms' operational performance [49]. Chowdhury et al. [50] prove a correlation between supply chain resilience and supply chain performance in manufacturing firms. According to recent research conducted by Alkhatib et al. [51], there is a notable and favorable relationship between the adoption of supply chain resilience practices and overall operational performance in Jordanian manufacturing firms. This is in addition to the confirmed significant influences of dynamic capabilities on supply chain resilience [22][52]. Alkalha et al. [53] have stated that supply chain resilience strongly mediates the relationship between dynamic capabilities in terms of absorptive capacity and operational performance.

2. The Role of Environmental Uncertainty and Disruption Orientation

Hotel FSCs face many risks; perhaps the most prominent is uncertainty [54]. Uncertainty becomes an issue when it interacts with a firm's critical features and affects its efficacy [55]. Several studies on dynamic capabilities identify environmental uncertainty as a key factor in market dynamism [54][56]. According to Teece [3], dynamic capabilities

are important in dynamic settings. By definition, a dynamic business environment is always evolving due to unanticipated changes in the market [56]. With this dilemma, hotels have no choice but to use dynamic capabilities to achieve targeted operational performance [57]. In times of uncertainty, environmental analysis could help hotels achieve better supply chain resilience and operational performance [37].

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