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SUSTAINABLE RETAIL FINANCING IN TURBULENT AND DIFFICULT MARKET CONDITIONS: A DYNAMIC CAPABILITY PERSPECTIVE

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ABSTRACT

Objective: This study aims to identify the dynamic capabilities (DC) that the company has owned and find new measurements of DC instruments for financing companies. Dynamic capability is needed to react quickly to the dynamics of the industrial environment, survive in competition and be sustainable. **Research Design & Methods:** This study utilized a quantitative approach. The search for factor values of each DC was conducted through 32 questionnaire questions given to 55 branch business managers. KMO and Bartlett's and rotated component matrix tests were conducted to prove that the factors are interrelated, with the limitation of average value as the primary factor determinant. **Findings:** Sustainability, innovation, and dynamic factors are essential capabilities for multi-finance companies that must be strengthened and developed. **Implications & Recommendations:** The concept of DC sensing, seizing, and reconfiguring is closely related to the capabilities of strategic human resource development (SHRD), which is the most important asset. In the future, research can be conducted again on how strong the relationship between SHRD dynamic capabilities and existing DC factors is in achieving company sustainability. **Contribution & Value Added:** Organizations can survive in fierce competition if they know their DC as their competitive advantage. However, not many companies know how to measure their DC against their dynamic industry, this study will provide examples of the instruments needed.

Keywords: dynamic capability; factor analysis; human resource; multi-finance; sustainability.
JEL codes: C380, G230, M00
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INTRODUCTION

One sector that has an important role in driving a country's economic growth is the financial sector (Popov, 2017). The financial sector has become the engine of real sector growth through capital accumulation and technological innovation (Guru & Yadav, 2019). This sector has potential customers/borrowers, both individuals and companies of various high-quality and low-risk financial instruments. The Financial Services Authority (OJK) stated this could increase investment and ultimately boost the country's economic growth (OJK, 2022). The financial sector is an industry that provides financial services to business and retail customers, both banks and non-banks, such as investment management companies, insurance companies, and financial intermediaries, such as financing companies (multi-finance).

The financing or multi-finance industry has the attraction to be a topic of discussion, especially in the last five years with the concept shift to a digital-based financial business. The digital era is increasingly inherent in people's lifestyles, making industry competition more competitive to adjust to the diverse demands of consumers. It is alleged that the trend of financing growth in 2023 tends to

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slow down compared to the 2022 assumption of 6%-8% or 9% (Ardianto, 2022). This is what makes finance companies work hard to think about strategies to achieve profits, survive and grow the company.

Since 2020, finance companies registered with the Financial Services Authority have decreased from 176 to 159 companies at the beginning of 2022 (OJK, 2022). Meanwhile, the value of assets and receivables has increased. In the same period, more digital-based peer-to-peer lending fintech companies have emerged, making it easier for consumers to buy desired goods. These changing conditions and intense competition are one of the drivers for finance companies to transform in response to dynamic and rapidly changing conditions.

From the internal side, the company has challenges in managing the increasing problem of non-performing loans (NPL) due to the COVID-19 pandemic. Consumers' sources of income are constrained, thereby increasing risks for companies and making it difficult for companies to be careful in extending consumer loans.

Challenging market conditions and an increasingly uncertain business future are characterized by system and technology changes toward digital acceleration and economic interconnectedness that will form an ecosystem (Mero & Haapio, 2022). With these uncertain conditions, the company that will be the winner is the first company to see opportunities successfully, and the next winner is the fastest follower who can immediately adjust to the dynamics of its environment (Dias et al., 2020). Companies that can ultimately survive can turn threats and constraints into new business opportunities (Nenonen & Storbacka, 2020).

This requires every finance company to improve its existing resources and capabilities to get the expected performance. Therefore, although resources play an important role in the company's survival in turbulent conditions, resource-based theory is insufficient to explain the company's competitive advantage (Linde et al., 2021; Martinez et al., 2019). The combination of factors owned by the company will determine its performance. This combination focuses on resources and what the company can combine into an orchestration of resources, including company actions, experience, market context, and industry conditions (Osiyevskyy et al., 2020; Teece, 2009). Companies need to improve competitive strategies and develop the ability to continuously configure assets into the combination of resources needed to survive in conditions of rapid change (Ahn et al., 2016; Martinez et al., 2019) by renewing the competencies of their human resources to achieve competitive advantage (Andreeva & Ritala, 2016), and become a company that survives and grows in a changing business environment. This is called Dynamic Capabilities (Cao, 2011).

Wang & Ahmed (2007) suggest that three main factors form dynamic capabilities in an organization, namely the company's ability to take advantage of market opportunities (adaptive ability), the ability to integrate external information and turn it into knowledge for the company (absorptive ability), and the ability to make new products and create (innovative). With these three integrated factors, the company can produce superior company performance. According to Cheng & Chen (2013), dynamic innovation capability is an operational capability that includes organizational learning processes and routines sourced from innovation and transformation knowledge.

In addition, companies also need to have the capability to overcome the instability of business relationships that require companies to have process management with third parties, which will create a broad and strong network and business ecosystem (Mitrega & Pfajfar, 2015), including making business alliances with other parties that are mutually beneficial. Companies can use strategic alliances to use their partners' organizational capabilities, such as manufacturing, marketing, sales, or distribution, to commercialize new products/services. All parties give each other access to learning from partners, which is the main reason companies engage in alliances (Moghaddam et al., 2016). Takahashi et al. (2017) research proves that DC influences company performance through its marketing capabilities. Marketing capabilities can be in the form of services provided. Conduct market research, pricing, product development, channels, promotion, and market management.

This study aims to show the dynamic capabilities of finance companies in sensing - seizing, and reconfiguring (SSR). This research will combine the opinions of Teece (2009), Cao (2011), and Garavan et al. (2016), where there are similarities to measuring DC with sensing - seizing and reconfiguring/transforming aspects in the company requires SHRD capabilities inherent in the resources and organizational culture of the company itself. In it, there will be capabilities needed by resources in analyzing potential, developing innovation, and networking from business alliances.

Based on the data above, several previous studies have suggested dynamic capability instruments that need to be owned by companies but not many studies have focused on measuring the resource capabilities of finance companies (multi-finance), especially where companies are in turbulent business dynamics and face fierce competition with many digitalization startups and other finance companies that prioritize digital systems & technology advances. Finance companies are increasingly racing against time to renew the capabilities of their resources (Tasheva & Nielsen, 2022).

But unfortunately, many companies do not know what dynamic capabilities they already have or need to be improved. In addition, companies also do not know how to measure these resources to determine whether the resources owned by the company are what the industry needs. So, this research is felt to be able to contribute to all companies to measure the capabilities they already have. It can almost be said that no previous research discusses dynamic capability measurement tools and how to measure them. Therefore, this study aims to find a new dynamic capability measurement instrument for finance companies by providing an example of measuring the dynamic capability of integrating company-owned resources.

LITERATURE REVIEW

Resource Based View

The theory of resource-based perspective (RBV), the resource-based perspective (RBV) theory focuses on the firm's internal resources and how to create capabilities and resource advantages that are seen as the most important thing when compared to the firm's way/strategy in winning the competition with the external, utilizing the firm's heterogeneous resources to produce a competitive advantage in the market. Firm resources refer to all assets, capabilities, organizational processes, firm attributes, knowledge, and other factors controlled by the firm that can be used to devise and implement strategies to achieve a competitive advantage in the market (Varadarajan, 2020). Das & Teng (2016) examining the resource-based view, show that the value creation potential of the company's resources put together becomes the basis of the company's activities in conducting relationships with other parties.

The resource-based view (RBV) centres on the organization's internal management (Eisenhardt & Martin, 2000). It is based on the idea that companies allocate strategic resources differently from each other, and these differences can persist over time (Bhandari et al., 2020). Therefore, acquiring specialized, unique, and irreplaceable resources is valuable. It can give firms a competitive advantage by allowing them to develop differentiated business strategies that are difficult for competitors to replicate (Laskovaia et al., 2019). Still, these resources may no longer be appropriate or sufficient as market conditions change, often making it difficult for firms to maintain their competitive advantage (Linde et al., 2021). Due to these circumstances, companies must constantly identify, manage (Tasheva & Nielsen, 2022), and dispose of various resources to adapt to changing stakeholder expectations, attitudes, and behaviours. RBV, in particular, investigates how assets (i.e., resources and capabilities) generate competitive advantage and superior performance (Linde et al., 2021; Peterson et al., 2021) but not under rapid and dynamic environmental change conditions.

Dynamic Capabilities

Another view of the Dynamic Capabilities (DC) concept emphasizes the company's core competencies that can change according to the demands required by the company's environment in terms of the sense of change that will impact the company. The signs of change can be in the form of opportunities or threats (to sense). The company needs to turn the threat opportunity into an advantage by making the right strategy, adjusting the competence of its resources in utilizing opportunities, and turning threats into opportunities (to seize). In the end, the company needs to rearrange its resources to carry out daily activities (to reconfigure) and support its operations to continue to innovate and transform as expected (Teece & Leih, 2016; Weaven et al., 2021).

Teece (2009) also revealed that each ability has its indicators, (i) Sensing, with indicators a) internal research and development processes such as the selection of new technologies, b) the process of identifying suppliers and things that are innovative, c) the process of following the development of science and technology used in the company, d) analysis or identification of target segments and customer needs for innovation (ii) Seizing, with indicators a) finding solutions for customers and business models b) selecting obstacles that can be managed by monitoring c) decision-making d) building customer loyalty and company commitment (iii) Reconfiguring, using indicators a) decentralization, b) governance, c) joint specialization (co-specialization) d) knowledge management.

What was conveyed by Teece (2009) is almost the same as that studied by Cao (2011), which states that three dynamic capabilities have indicators, (i) Sensing, the indicators are a) market survey, b) experimentation, c) relationship management with stakeholders, d) finding the right local partners. (ii) Seizing, the indicators are a) policy changes, b) expansion of ecosystem networks/networking, c) increasing competitiveness (iii) Reconfiguring, the indicators are a) decentralization, b) governance, c) knowledge management, d) innovation with local suppliers.

Strategic Human Resource Development

According to Garavan et al. (2016), the concept of DC is also related to the concept of strategic human resource development (SHRD), which supports the learning process, restructuring/change in the organization, and the development of resource capabilities itself (Tasheva & Nielsen, 2022). SHRD is generated from the knowledge (Steininger et al., 2022) and expertise of the workforce to be developed covering three themes: (1) scalability of human resources, namely the flexibility of workforce/employee personnel (2) organizational ability to create transformative innovations, including job rotation, new collaborative projects, new experiences and continuous learning processes including the development of a new, better & innovative culture. Companies with a strong adaptive innovation culture tend to have employees with broad skills who can solve problems more effectively. It can be considered that the company has a competitive advantage and more opportunities to utilize employee skills (3) organizational learning capability. Peterson et al. (2021) requires the learning ability of the company to be agile and dynamic in overcoming new challenges and responding to an ever-changing and rapidly evolving environment. These three concepts are referred to as DSHRDC (Dynamic Strategic Human Resources Development Capabilities).

METHODS

The method used in this research is applied research with a quantitative business research approach, this research will discuss business objectives through market analysis of data sources related to research materials and KMO and Bartlett's test and factor analysis through the Rotated Component Matrix test quantitatively, which will prove the influence of selected factors.

The data in this study are classified into two types, (1) primary data obtained from respondents with branch head positions through distributing questionnaires and management / BOD representatives. (2) secondary data is based on internal data and other supporting data through document studies such as scientific journals, articles, research reports, books, and sources from the internet related to the research topic.

The population of this research is all managerial levels in finance companies, both at the head office and branch offices, who understand the conditions of finance companies and carry out their activities daily. While the research sample used 55 branch heads of retail financing business lines for multipurpose financing. This is a purposive sample where the selection method uses consideration and non-probability with data that is easily obtained and carried out on a homogeneous population (Hair et al., 2010). Respondents have the same daily activities and are given question items that refer to sensing, seizing, and reconfiguring variables by the dynamic capability concept (Table 1).

Table 1. Dynamic Capability Variables & Indicators

DC Variable	DC Indicators	References
Sensing	Market survey	Takahashi et al. (2017)
	Experiments	Takahashi et al. (2017)
	Relationship management with stakeholders	Cao (2011)
	Finding the right local partner (Relationship Management)	Moghaddam et al. (2016)
	Internal R&D process and selection of new technologies (R&D)	Teece (2009)
	Process of determining suppliers and complementors of innovations within (R&D)	Teece (2009)
	The process of development with scientific and technological (R&D)	Teece (2009)
	Identification of target market segments and changing customer needs (Market Survey)	Teece (2009)
Seizing	Creating new policies	Cao (2011)
	Expansion of ecosystem network (networking)	Mitrega & Pfajfar (2015)
	Increase competitiveness	Cao (2011)
	Provide customer solutions and create business models (New Policy)	Teece (2009)
	Handle problems/obstacles and control (Monitoring)	Teece (2009)
	Decision-making (Leadership)	Teece (2009)
	Building customer loyalty and company commitment (Customer Retention)	Teece (2009)
Reconfiguring	Decentralization	Cao (2011); Teece (2009)
	Governance	
	Knowledge Management	
	Transformation / Innovation	
	Co-specialization	

Each question item is measured using a Likert scale, where scale 1 indicates "never", and scale 4 indicates "always". This is commonly referred to as a unipolar Likert-type scale, which measures the degree of the variable in one direction, for example: never, sometimes, about half the time, almost all the time, and Always (Chyung et al., 2018). The Likert-type scale uses a discrete rating scale, providing a discrete number of options. The number of options can vary from 2 to 11 (Svensson, 2000).

From each of these dynamic capability questions, it is reconciled based on primary data through discussions and interviews with management representatives, where the company's DC can be reflected in the SHRD capabilities inherent in the company's own resources and organizational culture, with indicators of (1) human resource scalability, (2) organizational capacity for transformative innovation, (3) organizational learning capability (Garavan et al., 2016) can be seen in Appendix A1.

Validity and Reliability tests for each question were carried out before entering factor analysis. Factor Analysis aims to filter out the most dominant variables and indicators from several other variables. These variables will become priority variables that will be ranked in the ranking. The measure in conducting factor analysis is done by determining the Kaiser Mayer Olkin Measure of Sampling Adequacy (KMO MSA) value and Bartlett's Test of Sphericity (Sig.) value. Then it is proven by the existence of a strong correlation between the variables through the Anti-Image Correlation test (Priyastama, 2020; Santoso, 2020; Taherdoost, 2016).

FINDINGS

Validity and Reliability Test

Based on the validity test conducted on N = 55 at a significance value of 5%, it is known that the r table value is 0.266. The r count value for the 'sensing' variable, as many as 12 questions are all declared valid (> 0.266). For the 'seizing' variable, it is found that the Z8 indicator is invalid (< 0.266) and for the R1 indicator reconfiguring indicator is declared invalid (< 0.266). While the reliability test that has been carried out on the sensing, seizing, and reconfiguring variable is each declared reliable with a Cronbach's Alpha value > 0.6. The results are shown in Table 2.

Table 2. DC Variable Validity & Reliability Test

DC Variable	Cronbach's Alpha N=55, α = 5%	Items	Validity	Cronbach's Alpha	Reliability
Sensing		12	Valid	0.805	Reliable
Seizing	0.266	10	Z8 Not Valid	0.745	Reliable
Reconfiguring		10	R1 Not Valid	0.742	Reliable

Source: SPSS 26, Process Research 2023

Kaiser Meyer Olkin Test (KMO)

The most dominant variables and factors were analyzed through the KMO MSA test based on the output in Table 3. The KMO MSA value was 0.703 > 0.5, and the Bartlett's Test of Sphericity (Sig.) value was 0.000 < 0.05. Then the factor analysis in this study can be continued because it meets the requirements shown in Table 3 to offer better value to consumers and secure a digital competitive advantage.

Table 3. Kaiser Meyer Olkin Test (KMO)

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.703
Bartlett's Test of Sphericity	Approx. Chi-Square	751.875
	df	406
	Sig.	0.000

Source: SPSS 26, Process Research 2023

The next stage is to confirm the Anti-image matrices table, which is useful for knowing which variables and indicators are suitable for use in factor analysis. Taken from the MSA value of each indicator where the letter code "a" is displayed in the Anti-Image Correlation value. It is known that the MSA value of each selected indicator is > 0.500 can be seen in Table 4. This means that all variables and indicators displayed are suitable for factor analysis.

Table 4. Measures of Sampling Adequacy (MSA) Test

Anti-image Correlation					
Sensing		Seizing		Reconfiguring	
S1	.767[a]	Z1	.741[a]		
S2	.710[a]	Z2	.741[a]	R2	.734[a]
S3	.610[a]	Z3	.676[a]	R3	.854[a]
S4	.797[a]	Z4	.611[a]	R4	.735[a]
S5	.743[a]	Z5	.700[a]	R5	.815[a]
S6	.792[a]	Z6	.797[a]	R6	.843[a]
S7	.623[a]	Z7	.734[a]	R7	.837[a]
S8	.618[a]			R8	.639[a]
S9	.701[a]	Z9	.799[a]	R9	.775[a]
S10	.834[a]	Z10	.654[a]	R10	.757[a]
S11	.663[a]				
S12	.735[a]				

Source: SPSS 26, Process Research 2023

Rotated Component Matrix Test

Figure 1 shows the resulting survey of each variable carried out rotated component matrix test, which resulted in matrix components. The variable 'sensing' successfully formed 3-factor components, the variable 'seizing' successfully formed 3 (three) factor components, and the variable 'reconfiguring' successfully formed 2 (two) factor components. Each variable will be selected superior factor with the highest factor value.

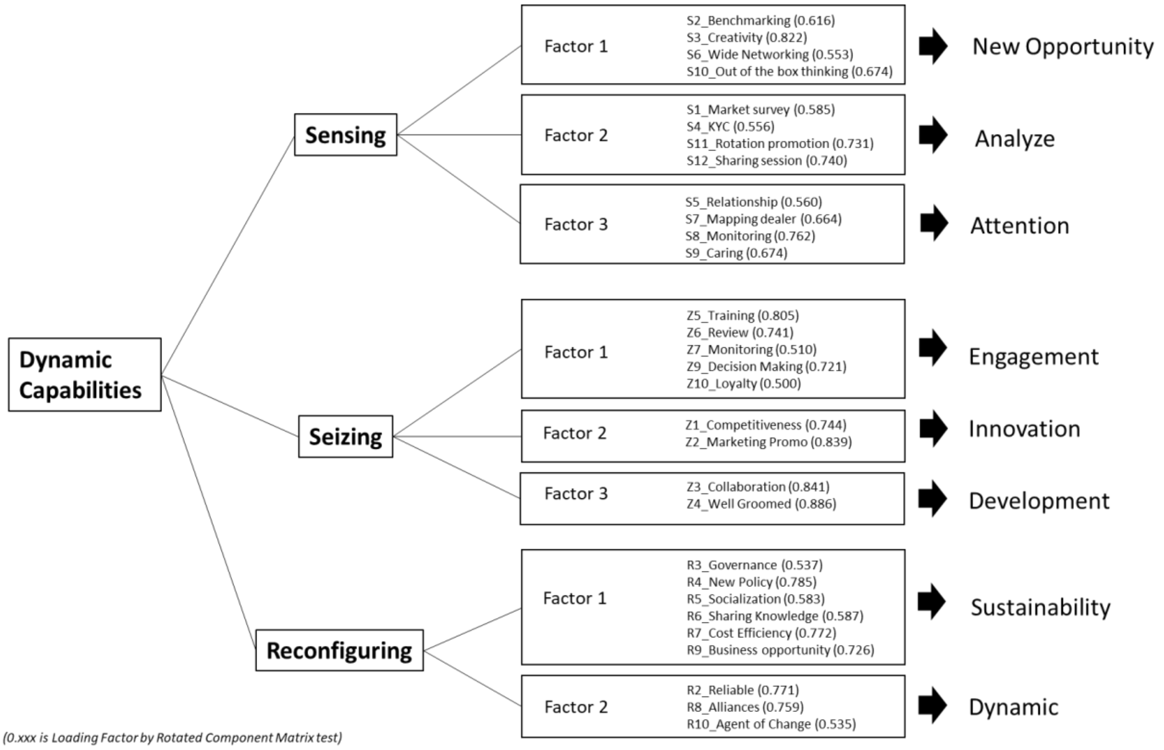

Figure 1. Factors by Rotated Component Matrix Test
Source: SPSS 26, Process Research 2023

The literature review process and data analysis show that the retail finance company already has dynamic capabilities in sensing - seizing and reconfiguring (SSR), where sensing is the basic ability of the company and is very necessary to be owned by the company as a dynamic capability. This ability allows the company to detect threat opportunities in its environment and respond to changing market conditions quickly and accurately. According to Teece et al. (1997), sensing involves "identifying and interpreting changes in the external environment and internal resources and capabilities relevant to the firm's strategy." The company's ability to sense these opportunities and threats is formed from three factors, namely (1) new opportunities, (2) analysis, and (3) attention. Therefore, finance companies need to focus on improving their sensing capabilities to remain competitive in changing conditions.

In seizing opportunities, companies must be able to exploit threats. This requires a proactive and entrepreneurial mindset. In this case, the company already has capabilities formed from 3 factors where the ability to (1) engage with partners and consumers, (2) innovate without limits, and (3) continue to develop new capabilities. Companies must be willing to take risks and experiment with new business models and approaches to capture opportunities (Teece, 2009). This requires a culture of innovation, continuous learning, and a willingness to learn from failure and adapt quickly to changing market conditions.

According to Amit & Schoemaker (1993), companies that capitalize on opportunities often create and capture value through strategic alliances and partnerships. By collaborating with other companies, they can leverage complementary strengths and capabilities to create new products and services that meet customer needs and capture new market opportunities. This is in line with what the company has done in terms of reconfiguring. Companies need to be (1) dynamic and (2) sustainability resulting from continuous learning. It is important to focus on building and utilizing the dynamic capabilities that the company already has today. This requires a deep understanding of the company's strengths and weaknesses and a willingness to experiment and take risks to develop new capabilities (Barney & Hesterly, 2015).

One of the key aspects of reconfiguring a company is identifying areas where it is underperforming and investing in new capabilities that can improve its competitive position. This could involve divesting underperforming business units, acquiring new technologies or talent, or developing new products and services that better meet customer needs (Teece, 2018).

The factor elements presented above are the basis for companies to manage their competitive advantage, where measurements have been made to assess which factors are the dominant factors for maintaining their dynamic capabilities and which factors still need to be adjusted and improved. In Table 5, we relate these factors by looking at the SHRD (strategic Human Resources Development) capabilities that need to be possessed by management, managers, and core personnel of the company.

Table 5. Dynamic Capabilities Factors

Variable	Component	Indicator DC (Teece, 2009; Cao, 2011)		DSHRDC (Garavan et al., 2016)	AVG	Mean
Sensing	Factor 1. New Opportunity	S2_benchmarking	3	learning capability	3.22	3.36
		S3_creativity	2	change and innovation	3.25	
		S6_widenetworking	1	scalability SDM	3.44	
		S10_outofthebox thinking	2	change and innovation	3.55	
	Factor 2. Analyze	S1_marketsurvey	3	learning capability	3.53	3.37
		S4_KYC	3	learning capability	3.27	
		S11_rotationpromotion	2	change and innovation	3.11	
		S12_sharingsession	1	scalability SDM	3.58	
	Factor 3. Attention	S5_relationship	3	learning capability	3.49	3.70
		S7_mappingdealer	3	learning capability	3.78	
		S8_monitoring	2	change and innovation	3.75	
		S9_caring	1	scalability SDM	3.78	
Seizing	Factor 1. Engagement	Z5_training	2	change and innovation	3.33	3.40
		Z6_review	2	change and innovation	3.62	
		Z7_monitoring	1	scalability SDM	3.75	
		Z9_decisionmaking	1	scalability SDM	3.24	
		Z10_loyalty	2	change and innovation	3.09	
	Factor 2. Innovation	Z1_competitiveness	3	learning capability	2.98	2.75
		Z2_marketingpromo	2	change and innovation	2.51	
	Factor 3. Development	Z3_collaboration	3	learning capability	3.64	3.73
		Z4_wellgroomed	1	scalability SDM	3.82	
Reconfiguring	Factor 1. Sustainability	R3_governance	3	learning capability	3.40	3.43
		R4_newpolicy	1	scalability SDM	3.55	
		R5_socialization	1	scalability SDM	3.36	
		R6_sharingknowledge	2	change and innovation	3.40	
		R7_costefficiency	2	change and innovation	3.27	
		R9_businessopportunity	2	change and innovation	3.62	
	Factor 3. Dynamic	R2_reliable	1	scalability SDM	2.76	2.98
		R8_alliances	3	learning capability	2.62	
		R10_agentofchange	2	change and innovation	3.56	
				AVERAGE :	3.38	
		Excluded Factors :		Z8_delegation	2.62	
				R1_decentralization	2.11	

DISCUSSION

The analysis in Table 5 provides several implications for the company to consider in its strategic actions. The following points discuss the implications and recommendations based on the analysis.

Focus on Dominant Factors. Companies need to take advantage of the dominant factors, namely the 'attention factor' and 'development factor'. By increasing sensing dynamic capability and seizing dynamic capability, companies can sense market changes and react quickly to capture new opportunities. Turning obstacles and constraints into opportunities for growth can provide a significant competitive advantage (Cao, 2011; Teece, 2009).

Development of Sustainability Factors. Although the reconfiguring dynamic capability for the 'sustainability factor' has a value above the average value, some indicators are still below the standard. The company needs to develop dynamic capabilities in terms of socialization and cost efficiency to ensure the sustainability of the company's strategy and operations. The socialization aspect is needed for core management to always provide direction to all personnel. In contrast, the company needs the cost-efficiency aspect to generate profits and survive in quite difficult times (Dereli, 2015).

Increased ability to innovate and be dynamic. Dynamic capabilities for the 'innovation factor' and 'dynamic factor' still need to be improved. Companies need to focus on developing the ability to generate sustainable innovation and manage complex and dynamic changes. This can be done by improving capabilities in identifying new opportunities, conducting in-depth market analysis, and involving relevant parties in the decision-making process. The more the company can move dynamically, the more agile and accustomed it will be to dealing with uncertain market conditions. Companies must be able to adapt quickly to changing market conditions and identify new opportunities that arise (Wang & Ahmed, 2007).

To increase the innovation role of human resources as the main asset owned by the company is needed (Ramos-González et al., 2022). Such as a study conducted by Lund Vinding (2006) in Denmark showed the importance of companies keeping employee skills updated, especially in the field of technology, and concluded that human capital could increase the ability to innovate. Hsu et al. (2007) also complemented their research in Taiwan, confirming that human capital positively affects the performance of innovative employees. The ability of employees to continue to innovate makes the company dynamic, resilient, responsive, and an agent of change for the better.

Development of other factors that support operations. The company needs to develop other factors such as the 'new opportunity factor', 'analysis factor', and 'engagement factor'. This can be done by strengthening employees' understanding of the conditions in the company's internal and external environment and the factors that contribute to the company's success (Dereli, 2015). These three factors support the company in taking advantage of existing opportunities.

Building a corporate culture of innovation and continuous learning. If we explore Dynamic Capability from the Strategic Human Resources Development (SHRD) side, another important element in reconfiguring the company is to prioritize building a culture of continuous innovation and learning. This involves a commitment to experimentation, accepting failure as an opportunity to learn, and sharing knowledge within the organization. This culture will encourage collaboration between internal and external departments, contribution to the organization's knowledge base, and continuous innovation (Guo & Zheng, 2019).

Knowledge sharing is a key component of organizational learning and innovation (Garavan et al., 2016). Companies should create an environment that encourages sharing ideas, experiences, collaboration, and teamwork. This will encourage individuals to contribute to the organization's knowledge base and enable companies to reconfigure their resources.

CONCLUSION

Based on the questionnaire survey results and analysis of the dynamic capability indicators, the company shows strong dynamic capabilities in terms of seeing threats and opportunities (sensing) and seizing opportunities. However, the company's dynamic capability in making transformative changes (reconfiguring) has not yet become a competitive advantage because there are still areas such as cost efficiency and socialization that need improvement.

There are several things that the company needs to do to improve its dynamic capabilities. The company should continue to focus on activities such as understanding the owner and partner dealer team, maintaining good relationships with partners, mapping potential and achievements, and addressing field team complaints. These activities contribute to the company's ability to spot threats and opportunities, concentrate on establishing cooperation with new dealers/partners, and improve the appearance and performance of branch teams, especially field teams. These actions contribute to the company's ability to seize opportunities.

The company needs to work on reducing costs and increasing profits. This can be achieved by implementing cost-saving measures in branch operations, embracing digitization or paperless processes, streamlining work processes to save time and energy, and increasing productivity. Effectively communicate the company's vision, mission, and values to all employees. Implementing a "train the trainer" program, creating a knowledge management program to document operational activities, and improving decentralization processes will contribute to better socialization within the organization.

To change and innovate continuously, the company needs to improve its ability to change in innovative ways. This can be achieved by fostering a culture of change and innovation, encouraging employees to think about innovation-related changes, and empowering employees at the operational branch level to become change agents.

Future research should consider a more extensive and diverse research sample, including all lines of business at both the branch and head office levels. This will provide a more comprehensive insight into the company's dynamic capabilities. Dynamic capabilities should be measured periodically to identify gaps and track progress. This will help companies assess current dynamic capabilities, identify areas for improvement, and add new capabilities through learning and innovation. Companies also need to explore the relationship between their dynamic capabilities and their ability to improve performance and ensure long-term sustainability. In addition, comparing dynamic capabilities across business lines within a company would provide valuable insights.

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CONFLICT OF INTEREST STATEMENT

There is no potential conflict of interest by the author.

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Appendix

A1. Questionnaire: DC Indicators and SHRD Capabilities

DC Indicators	Questionnaire	Garavan et al. (2016)
Market Survey	S1. Analysis of updated market / external conditions	3
Market Survey	S2. Benchmarking with other competitors	3
Experiment	S3. Have activity/promo ideas outside of the standard habits	2
RM	S4. Knowing complaints from customers/users	3
RM	S5. Get to know closely the entire dealer team and partner dealer owners	3
RM	S6. Familiar with the principal brand	1
R&D	S7. Analyse dealer potential and performance for mapping	3
R&D	S8. Analyse branch performance conditions and causes	2
RM	S9. Pay attention to the complaints from my CRO / Sales team	1
Experiment	S10. New & different ways to achieve monthly targets	2
R&D	S11. Rotating and promoting my employees	2
RM	S12. Routine sharing sessions and coordination meetings with the entire team	1
New Policy	Z1. Responding to new strategies by competitors by creating counter-programs	3
Customer Retention	Z2. Propose marketing programs that are needed by the branch	2
Ecosystem	Z3. Cooperation with new dealers/principals	3
Competitiveness	Z4. Improving the appearance and performance of my CRO / Sales team	1
Competitiveness	Z5. Training to improve CRO / sales team's leadership	2
Monitoring	Z6. Review of successful activities used to increase sales bookings	2
Monitoring	Z7. Daily monitoring of unresolved issues	1
Leadership	Z8. Authorize Supervisors to make decisions	1
Leadership	Z9. Manager as a reliable decision maker	1
Customer Retention	Z10. Communication and building loyalty from active customers / Repeat Orders	2
Decentralization	R1. Delegate authority to the team or other divisions	1
Decentralization	R2. Entrust administrative tasks, reporting, and dealer partnership to the team	1
Governance	R3. Create a branch governance system to reduce leaping / fraud cases	3
Governance	R4. Understand the procedures/policies made by Head Office	1
KM	R5. Communicate service process changes / new policies to other departments	1
KM	R6. Regular knowledge-sharing meetings of all branch personnel	2
IT	R7. Cost efficiency in my branch both in terms of productivity and Operational cost	2
Cospecialization	R8. Alliance/collaboration with partners to create activities that generate business	3
IT	R9. Exploring the potential of partners to generate profits	2
IT	R10. Thinking of innovative changes for the branch and team	2

Note: RM = Relationship Management; R&D: Research & Development; KM: Knowledge Management; I&T: Innovative Transformation