Building an organisational self-disruption capability for a competitive advantage: an investigation of the organisational antecedents

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A research report submitted to the Gordon Institute of Business Science, University of Pretoria, in partial fulfilment of the requirements for the degree of Master of Business Administration.

6 November 2017
Abstract

Organisations need to be able to self-disrupt in order to sustain their competitive advantage in today's rapidly changing environment characterised as being highly Volatility, Uncertainty, Complexity and Ambiguity (VUCA) and resulting in discontinuous change. Organisational innovation practices determine their ability to respond to an environment in a state of flux. Many organisations fail to respond to disruptive discontinuous change and are unable to sustain a competitive advantage because they are unable to make the necessary adjustments in their strategies, structures, business models and culture. They are often unwilling to cannibalise their current investments.

Dynamic capabilities enable organisations to reconfigure, renew, integrate and refresh their resources, competencies and capabilities in response to a rapidly changing world. This research proposed a conceptual model for enabling Organisational Self-Disruption as a dynamic capability that will empower a willingness to cannibalise in order to sustain competitive advantage. The model proposed that a strategic innovation management system and the dynamic capabilities of organisational ambidexterity, strategic flexibility and strategic renewal can be used in an organisation to enable them to successfully self-disrupt if necessary.

A qualitative exploratory study evaluated organisational self-disruption and the elements of the proposed conceptual model. Findings suggest that managers recognise the importance of organisational self-disruption and that elements of the model may be useful in developing the dynamic capability of self-disruption.

Keywords

Organisational Self-Disruption, Dynamic Capabilities, Strategic Innovation Management, Strategic Flexibility, Strategic Renewal
Declaration

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

Ndivhuwo Ramukumba

6 November 2017
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1. Problem

1.1 Introduction

“If you don’t cannibalize yourself, someone else will” – Steve Jobs

Across all major industries today the rapid speed of development has resulted in innovation that has a potential to drive economic growth and positively impact society if managed well (Samans & Hanouz, 2016). The world economy is entering the fourth industrial revolution where society and organisations will have to adapt and be prepared to disruption as the environment that is quickly evolving and increasing in complexity and uncertainty (WEF, 2017). Uncertainty has “increased dramatically as the global economy has become more advanced and more integrated” leading to the need for “proactive management” of innovation and complexity becoming “an everyday requirement” for organisations (Teece, Peteraf, & Leih, 2016, p. 15).

This highly dynamic environment was referred to as a VUCA world (Volatile, Uncertain, Chaotic and Ambiguous) (Lawrence, 2013). Unpredictable changes to competition and market structures are on the rise and are leading to a volatile, uncertain, complex and ambiguous (VUCA) world (Lawrence, 2013; Bennett & Lemoine, 2014). A “VUCA world” describes how unpredictable the business environment has become since the beginning of the new millennium, with increased terror attacks, global financial crises, huge political shifts (Brexit/Trump) and rapid technological advances (Lawrence, 2013; Bennett & Lemoine, 2014). Organizations must build flexibility, gather information, adapt their internal structures to external complexities and test their strategies to see what works in order to survive in a “VUCA world” (Bennett & Lemoine, 2014).

Innovation is vital for “creating value and sustaining competitive advantage” (Crossan & Apaydin, 2010, p. 1324). Therefore the effective management of innovation is a key source of growth and competitive advantage for the organisations in today’s “VUCA world” (Ikeda & Marshall, 2016; Kuratko, Hornsby, & Hayton, 2015; Lam, 2010; Rothaermel, 2008). Innovation and digital readiness were identified as among the pillars of future preparedness
(WEF, 2017); the challenge facing organisations will be radically transforming their operating and business models whilst preparing for the future.

“We are at the beginning of a global transformation that is characterized by the convergence of digital, physical, and biological technologies in ways that are changing both the world around us and our very idea of what it means to be human.” (World Economic Forum (WEF), 2017, p. 4)

It will not be enough to just be innovative. With the changes that are happening, organisations are often faced with discontinuous changes, which often result in the need to change the strategies, business models and capabilities organisations need to survive (Teece, 2010; Teece, Peteraf, & Leih, 2016; Birkinshaw, Zimmermann, & Raisch, 2016; ). Incumbents often find incremental innovations easy to implement, however in a fast-changing world, organisations are facing radical changes to business models, technology and to the economy (Freeman & Engel, 2007; Chesbrough, 2010; Gans, 2016). Chandy and Tellis (1998) found that firms that had a willingness to cannibalise their own market had a higher chance of sustaining their competitive advantage. A willingness to cannibalise has been defined as a part of the organisational culture which can be developed (Chandy & Tellis, 1998). Therefore, this study seeks to understand how organisations can develop and enable Organisational Self-Disruption (OSD) as a dynamic capability.

Dynamic capabilities theory comes from the resource-based view of strategic management, which places significant emphasis on the competitive advantage derived from the resources of the firm more than on external environments (Barney, 1991; Rumelt., 1991). There was a recognition that when faced with discontinuous change organisational resources may create path dependencies and organisational inertia that makes the organisation unable to respond, thereby losing its competitive advantage or even failing (Teece, Pisano, & Shuen, 1997; Gilbert, 2005; Eisenhardt & Martin, 2000). Dynamic capabilities are “the firm’s ability to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments” (Teece, Pisano, & Shuen, 1997, p. 516).

In this context, OSD can be defined as a dynamic capability that enables organisations to be willing to radically transform their resources, business models, and strategy at the expense of short-term goals, investments and value creation, in order to respond to any discontinuous changes.
changes in their environment in order to achieve a sustainable competitive advantage (Chandy & Tellis, 1998; Christensen & Raynor, 2003; Teece, Peteraf, & Leih, 2016; Gans, 2016).

1.2 Description of the problem

Crossan and Apaydin (2010) define organisational innovation as “the multi-stage process whereby organizations transform ideas into new/improved products, service or processes, in order to advance, compete and differentiate themselves successfully in their marketplace” (p. 1334). Innovation can be thought of as the process through which organisations take creating ideas, allocate resources, develop novel technologies and processes and implement these ideas in order to create value and to compete in the marketplace (McLean, 2005). Therefore how innovation is managed is a strategic issue for organisational performance and survival (Tidd & Bessant, 2009; Crossan & Apaydin, 2010; Pisano, 2015). Without innovation, organisations will not be able to sustain any competitive advantage for any period of time (Rothaermel, 2008; Tidd & Bessant, 2009).

Sustainable business growth gained from competitive advantage is often temporary since continuous improvements only produce a limited gain for the organisations (Staude, 2010). Organisations can no longer create their strategies with the aim of just achieving competitive advantage given the dynamism of the current business environment (McGrath, 2013). Strategic innovation is useful in creating new sources of competitive advantage (Staude, 2010). “Strategic innovation occurs when a company identifies gaps in the industry positioning map, decides to fill them, and the gaps grow to become the new mass market” (Markides C., 1997, p. 12). High-performing organisations that create value for the markets today proactively manage their innovation strategically (Ikeda & Marshall, 2016).

Staude (2010) identified disruptive innovation as strategic innovation. Innovations are said to be disruptive when incumbents are unable to respond to new technological innovations in their markets until it is too late; either because they are unwilling or because they lack the capability to react in time (Christensen, 2006; Markides, 2006; Christensen & Wessel, 2012; Yu & Hang, 2010; Nagy, Schuessler, & Dubinsky, 2016). Disruption has been defined as “a process whereby a smaller company with fewer resources is able to successfully challenge established businesses” (Christensen, Raynor, & McDonald, 2015, p. 46).
Christensen started the conversation around “self-disruption” in his book *The innovator’s solution*. In the book, Christensen suggests that successful self-disruption can be enabled successfully by forming an autonomous independent unit to look at disruptive innovations (Christensen & Raynor, 2003; Christensen, Wang, & van Bever, 2013). However, Gans (2016) shows the limitation of this tactic in “the self-disruptor's dilemma” (p.88), since ultimately the incumbent has control of the decisions and resources of the independent unit, which makes it difficult for self-disruption to truly happen from outside.

Research shows that large firms have largely failed to exploit disruption in their strategies (Assink, 2006; Sandstrom, Magnusson, & Jornmark, 2009). One reason for this is the difficulty of predicting which ideas, technologies or innovations will be successful by using the theory of disruptive innovation (Danneels, 2004). Another reason is the challenge organisations have in handling discontinuous changes brought about by disruptive innovations to their business models and their structure (Lam, 2005; Lam, 2010). Another challenge in large organisations may be in the agency problem; decision-makers often find internal challenges to any innovations that are seen as disruptive to the status quo (Chandy & Tellis, 1998; Freeman & Engel, 2007).

Apple Inc. has been able to “solve” the innovator’s dilemma (Allworth, 2011). By recognizing that one of the biggest obstacles for incumbents is the profit motive, Apple under Steve Job’s leadership, focused on the strategic purpose of building great products, even if this meant they would cannibalise the market for their own products. Apple built its dynamic capabilities around being an innovative and design-focused organisation, which meant they were able to disrupt their own product ranges by moving from iPod to iPhone to iPad and by constantly disrupting their own business models (Reagan, 2014). Apple was able to strategically adapt to its environment in a way that created high value for shareholders and sustained competitive advantage for the organisation until now.

Since its start in 1995 e-commerce giant, Amazon Inc. has continued to grow and thrive by being able to continuously adapt its business models, and disrupt its own businesses in order to chase long-term sustainability (Streitfield, 2014; Birkinshaw & Brewis, 2016). They have developed the dynamic capabilities necessary in today’s constantly changing environment to adapt by being willing to cannibalize themselves. Amazon’s CEO refers to
this dynamic capability as “day one thinking”; with a recognition that companies that are constantly worried about survival need to do be willing to disrupt themselves (Bezos, 2017).

Both Amazon.com Inc. and Apple Inc. have shown that being willing to disrupt yourself may be positive in the long run for sustainable competitive advantage. However, not many studies discuss how large organisations can develop as a dynamic capability, Organisational Self-Disruption.

Strategic adaptation is made up of all internal and external strategic choices the organisation makes in response to changes in the environment it operates in (Child, 1972; Sánchez, Lago, Ferràs, & Ribera, 2011). Strategic adaptation is one of the ways organisations can handle discontinuous change and uncertainty; it suggests that the proactive role of management, as well as organisational learning, are critical in dealing with changes and uncertainty (Lam, 2005; Teece, Peteraf, & Leih, 2016). An OSD dynamic capability requires that top managers in organisations make strategic choices in response to a dynamic environment with discontinuous changes.

1.3 Purpose of the study

For organisations to remain competitive they need to develop a strategy and build a capability of self-disruption (Coghlan, 2016; von der Heydt, 2014; Kim & Shin, 2012). A case study by General Electric (GE) showcased how they are disrupting their own business in order to achieve growth in new markets (Immelt, Govindarajan, & Trimble, 2009). Immelt et al (2009) argued that if GE fails in its effort for self-disruption new entrants in emerging markets will destroy the organisation. Therefore although in the short-term GE may lose revenue, self-disruption is seen as a strategic imperative for long-term survival.

Although research on innovation has demonstrated the advantage to firms that exploit radical and disruptive innovations (Chandy & Tellis, 1998; Yu & Hang, 2010; Kuratko, Hornsby, & Hayton, 2015), little research was found in academic literature around how firms can develop a self-disruption capability or strategy. So far the literature on self-disruption has largely been driven by literature on the willingness to cannibalise as a cultural element and not on how this can be developed and enables as a dynamic capability (Chandy & Tellis, 1998; Tellis, Prabhu, & Chandy, 2009; Slater, Mohr, & Sengupta, 2014). Starting from
strategic management and dynamic capabilities theories, this study will conceptualise and evaluate a model for building an OSD dynamic capability in organisations.

Strategic management is an integrated approach to management that links the analysis, formulation and implementation of the strategy for a competitive advantage (Rothaermel, 2017). Strategic management links managerial decisions to how organisations perform in the long-term (Wheelen, Hunger, Hoffman, & Bamford, 2015). The strategy of an organisation can be seen as the choices managers make “to gain and sustain competitive advantage” (Rothaermel, 2008, p. 201), whilst creating a unique value proposition to serve their market (Marcus & Cohen, 2017; Rothaermel, 2017). Strategic management plays an important role when organisations need to adapt, integrate or reconfigure any resources, competencies, skills or capabilities in response to environmental change (Teece et al, 1997).

Organisations that use strategic management have been found to perform better than those that do not since their long-term perspective enables strategic thinking, organisational learning, and full engagement of organisational resources (Miller & Cardinal, 1994; Barrick, Thurgood, Smith, & Courtright, 2015; Wheelen et al, 2015). Strategic management occurs when organisations make choices in response to the environmental changes, by matching their resources and capabilities with environmental factors resulting from the changes (Chakravarthy, 1982; Hutzschenreuter & Israel, 2009). Strategic adaptation has been positively linked to the active management of innovation within firms (Sánchez et al, 2011).

The purpose of this study is to explore how organisations can develop an OSD dynamic capability in order to gain a sustainable competitive advantage. This study will propose a theoretically constructed conceptual model for enabling an OSD dynamic capability within organisations. Interviews with managers faced with dynamic environments, discontinuous change and disruption in their business models were conducted to evaluate the constructs of the conceptual model.

1.4 Significance of study

“If we don’t create the thing that kills Facebook someone else will.”
The reality of businesses in this fourth industrial revolution is that of continually challenging their own success or facing the reality of an existential threat. With changes in the environment of business happening rapidly and therefore increasing the complexity of business (WEF, 2017), leaders and their organisations will need to be prepared to make changes happen before changes are forced on them.

Peter F Drucker introduced the concept of “the theory of business” which consists of the assumptions which every organisation has about their environment of business, its mission, and what its core competencies are (Drucker & Maciariello, 2008). He argued that often organisations do not succeed because they fail to test some of these assumptions and whether they still fit their current reality. Disruption happens to incumbents when they fail to test their assumptions about their competitive advantage. A capability for self-disruption will enable organisations to not fall victims to disruption.

According to Drucker innovation is a systematic process concerned with what creates the most value (Drucker, 1985). It is driven by entrepreneurial managers who exploit the current resources of the organisation, while also purposefully looking out for changes in the market and in society (Drucker, 1985). This study seeks to give the entrepreneurial managers another tool they can use in the pursuit of value creation. Today’s business leaders must recognise that if they fail to disrupt their own business or challenge their own assumptions someone else will.

1.5 Conclusion

Discontinuous changes in today’s “VUCA world” are potential existential threats for organisations. Organisations need to develop the dynamic capabilities which will enable them to respond to the discontinuous changes. Organisations also need to have a willingness to cannibalise their current investments if they are to respond adequately to disruptive innovations which are impacting markets and customers.
The aim of this study is to determine how organisations can develop self-disruption as a dynamic capability. An OSD dynamic capability will be argued to be necessary for organisational survival in today’s complex and uncertain world. The next chapter is a literature review that will form the theoretical basis for the proposed model for how organisations can develop an OSD dynamic capability.
2. Literature

2.1 Introduction

“To better manage uncertainty, business firms need to quickly generate a (novel) hypothesis about what is going on in the business environment” (Teece, Peteraf, & Leih, 2016, p. 28). Successful organisations constantly test their assumptions about their businesses (Drucker & Maciariello, 2008; Rumelt, 2011). Particularly when a “VUCA world” causes discontinuous changes to which organisations must respond. In their response to discontinuous change, organisations need to be willing to cannibalise their own investments (Chandy & Tellis, 1998).

Organisational change takes one of three forms: organisational ecology (organisations can only respond slowly to changes), punctuated equilibrium (organisational evolution is incremental and punctuated by discontinuous changes) and strategic adaptation (organisations can be agents of change in coping with uncertainty and discontinuous changes) (Lam, 2005). All three conditions may impact organisations at any given time, hence the need for organisational leaders to constantly be testing which assumptions they have about their operating environment and the type of organisational change taking place (Drucker & Maciariello, 2008).

Leaders must proactively manage their organisations in response to discontinuous changes is a “VUCA world” (Birkinshaw, Zimmermann, & Raisch, 2016). Sometimes the change may require organisations to self-disrupt. The literature on discontinuous change, strategic adaption, dynamic capabilities, strategic innovation management, strategic flexibility and strategic renewal was considered in developing a theoretical model this study proposes would enable an OSD dynamic capability.

2.2 Discontinuous Change

Discontinuous change is defined as the “external changes that require internal adaptation along a path that is nonlinear relative to a firm’s traditional innovation trajectory” (Gilbert,
2005, p. 742). Utterback described discontinuous changes as making much of the organisation’s current resources (investments, skills, knowledge) redundant by radically shifting competitiveness in its industry or market (as cited by Garcia & Calantone, 2002). Innovation has often been categorised as both either incremental or radical depending on how much change it results in either at an organisational, industry or societal level (Garcia & Calantone, 2002; Crossan & Apaydin, 2010). Change is discontinuous when organisations need to formulate new hypotheses and assumptions about what success is in their business environment, and to reconfigure their structures, processes and systems (Birkinshaw, Zimmermann, & Raisch, 2016).

However, many organisations have failed to see that the transition into a fourth industrial revolution will result in discontinuous changes that necessitate radical changes in their business models and the need for strategies that take the conditions of a VUCA world into consideration (Snow & Fjeldstad, 2017; Vey, Fandel-Meyer, Zipp, & Schneider, 2017; WEF, 2017). Organisations often get trapped in business as usual and lack the wherewithal to formulate the strategies necessary for responding to this discontinuities (Vey et al, 2017).

Discontinuous innovation is radical in nature and disrupts the status quo (Garcia & Calantone, 2002; Bessant, 2005). Organisational survival is threatened when organisations fail to respond to discontinuous changes, even if this means cannibalising themselves ((Birkinshaw, Zimmermann, & Raisch, 2016; Chandy & Tellis, 1998). Strategic adaptation is required of organisations if they are to survive where discontinuous changes result in a “Schumpeterian” environment (Bergek, Berggren, Magnusson, & Hobday, 2013).

2.3 Strategic Adaptation

Joseph Schumpeter introduced the concept “creative destruction” to describe how established firms are driven out of their dominant positions because of the creativity of new entrants (Bergek et al, 2013; Gans, 2016). He suggested that entrepreneurship in the economy can only enable temporary competitive advantage before the next wave of creativity brings in new market leaders (Gans, 2016). Organisational survival in a “Schumpeterian environment” therefore requires organisations to change as the environment changes (Chakravarthy, 1982; Levinthal, 1992). Levinthal (1992) suggested that
organisational learning and organisational adaptation were necessary should organisations need to radically change in response to changes in their environment.

Strategic adaptation is divided between determinism (the environment is the selector of surviving organisations) and voluntarism (the strategic choices of managers drive survival) (Hrebiniak & Joyce, 1985; Abatecola, 2012; Clément & Rivera, 2016). There is an argument however that when viewed dynamically, elements of both “strategic choice and environmental determinism exist simultaneously” (Hrebiniak & Joyce, 1985, p. 347). Organisational adaptation in this context refers to significant changes to elements of the organisation such as strategy, structure and business model in response to changes in the environment (Levinthal, 1992). Firms adapt successfully when they are able to align their capabilities successfully to the changes in the environment (Levinthal, 1992; Clément & Rivera, 2016).

Organisations make choices in response to the environmental changes by matching their resources and capabilities with environmental factors resulting from the changes (Chakravarthy, 1982; Hutzschenreuter & Israel, 2009). Strategic adaptation has been positively linked to the active management of innovation within firms (Sánchez et al, 2011). One way for organisations to sustain competitive advantage through strategic adaptation is for them to build dynamic capabilities that would enable it to respond to environmental changes through the renewal, reconfiguration or transformation of internal and external competences (Teece, Peteraf, & Leih, 2016).

### 2.4. Dynamic Capabilities

A meta-analysis of previous studies showed that dynamic capabilities have a positive impact on organisational performance (Fainshmidt, Pezeshkan, Frazier, Nair, & Markowski, 2016). Table 2-1 gives the definitions of dynamic capabilities based on the seminal works of Teece et al (1997) and Eisenhardt and Martin (2000). Both definitions of dynamic capabilities locate the need for such capabilities on the need to organisations to respond to changing environments. There is a general consensus in the literature that dynamic capabilities enable organisational change (Laaksonen & Peltoniemi, 2016).
Table 2-1: Definitions of dynamic capabilities

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<tr>
<td>Teece, Pisano, &amp; Shuen (1997, p. 516)</td>
<td>“The firm’s ability to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments. Dynamic capabilities this reflect an organization’s ability to achieve new and innovative forms of competitive advantage and market positions…”</td>
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<td>Eisenhardt &amp; Martin (2000, p. 1107)</td>
<td>“The firm's processes that use resources – specifically processes to integrate, reconfigure, gain and release resources – to match and even create market change. Dynamic capabilities thus are the organizational and strategic routines by which firms achieve new resource configurations as markets emerge, collide, split, evolve and die.”</td>
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There was a disagreement between Teece et al (1997) and Eisenhardt and Martin (2000) on whether dynamic capabilities lead to any competitive advantage (Peteraf, De Stefano, & Verona, 2013; Laaksonen & Peltoniemi, 2016). While Teece et al (1997) argued that competitive advantage is possible on the condition that dynamic capabilities will not be easily replicated or imitated; however Eisenhardt and Martin (2000) argued that dynamic capabilities are simply “best practices” which are easy to substitute and as such are not a source of competitive advantage.

The debate was explored by Peteraf et al (2013) who argued that dynamic capabilities may still be a source of sustainable competitive advantage depending on organisation specific competitive, value addition, timing and experiential contexts. Therefore “…dynamic capabilities may enable firms to attain a sustainable competitive advantage in certain conditional cases” (Peteraf et al, 2013: p 1407).

Dynamic capabilities involve organisational processes and routines which must be repeatable and intentional in the part of the organisation’s management team (Teece et al,
1997; Eisenhardt & Martin, 2000; Wang & Ahmed, 2007; Eriksson, 2014; Teece, Peteraf, & Leih, 2016). Although there are dangers that routines end up being so rigid that organisations fall into the trap of organisational inertia, dynamic capabilities tend to enable flexibility in the internal structural and social dimensions of the organisation (Eriksson, 2014).

Dynamic capabilities lie with senior management’s cognitive capacity and abilities to sense the trends and changes in the environmental context of the firm create an adequate response to the changes and successfully guide the organisation through the change (Helfat & Peteraf, 2015; Teece, Peteraf, & Leih, 2016). However, the organisation’s “values, culture, and collective ability” (p. 18) to successfully execute on the changes required is an important element of its dynamic capability (Eriksson, 2014; Teece, Peteraf, & Leih, 2016).

Eriksson (2014) proposed a model for internal and external antecedents of dynamic capabilities (figure 2-1). The model highlights some key elements both internally and externally which are necessary to develop dynamic capabilities with organisations. For an OSD dynamic capability to enable a sustainable competitive advantage that delivers on performance for the organisation, it will have to be a dynamic capability that resides with top management.

![Figure 2-1: Antecedents of dynamic capabilities (Eriksson, 2014)](image-url)
2.5 Willingness to cannibalise

An OSD dynamic capability requires that organisations are able to come up with disruptive innovations internally through their strategic choices even at the expense their investments and market as a response to discontinuous changes causing creative destruction (Chandy & Tellis, 1998; Slater et al, 2014; Birkinshaw et al, 2016; Teece et al, 2016). A key element of self-disruption is a willingness to cannibalise as proposed by Chandy and Tellis (1998) in their seminal work as “the extent to which the firm is prepared to reduce the actual or potential value of its investment” (p. 475).

Willingness to cannibalise is the mindset of decision makers within organisations that becomes part of the culture and shared values within the organisation (Chandy & Tellis, 1998). Although the literature on willingness to cannibalise centres it on radical innovation in the new product development space (Chandy & Tellis, 1998; Tellis et al, 2009; Slater et al, 2014) the concept can be applied to disruption in the case of an OSD dynamic capability as it involves radical changes to resources, business models and strategy (Nijssen, Hillebrand, & Vermeulen, 2005).

Organisations which are willing to cannibalise proactively engage in the creative destruction of their markets at the growth, maturity phase of the innovation lifecycle (Slater, Mohr, & Sengupta, 2014). Willingness to cannibalize improves the chance of sustaining their competitive advantage (Chandy & Tellis, 1998; Tellis et al, 2009; Slater et al, 2014). Chandy and Tellis (1998) showed that internal markets (rivalry amongst business within the organisation), product champion influence (advocates for new ideas) and future markets focus (emphasis on future customers and competition) all positively influence the organisation’s willingness to cannibalise.

Organisational culture was found to be a high predictor of willingness to cannibalise. An empirical study by Verhulst (2014) found that risk tolerance and future market focus were strongly positively related to a willingness to cannibalise. Willingness to cannibalise was found to be positively correlated to organisational performance (Nijssen et al, 2005).
2.6 Organisational Self Disruption

Disruptive innovation was first introduced to only refer to how, over time, technologies by new entrants can displace existing technologies in serving the mainstream market (Christensen & Raynor, 2003; Danneels, 2004; Markides, 2006; Christensen et al, 2015). Christensen realised that in reality, it was the business model that had been disrupted because it is “the business model in which the technology is deployed which paralyzes the incumbent” (Christensen C. M., 2006, p. 43). The popularity of disruption theory has meant that “disruption” has become an overused cliché in the innovation field (Schmidt & Druehl, 2008; Yu & Hang, 2010; Christensen et al, 2015).

Schmidt & Druehl (2008) argued that “a disruptive innovation (in that it disrupts the current market) is not necessarily a disruptive innovation (as Christensen defines it)” (p. 348). In their synthesis of the literature, Nagy et al (2016) further refined disruptive innovation as an innovation that changes how performance is measured and what customers expect in the market by “providing radically new functionality, discontinuous technical standards, or new forms of ownership” (p. 122). Disruptive innovation can, therefore, be viewed as innovations that shift how competition occurs in an industry by changing how competitors (incumbents and/or new entrants) create value for the customer, by introducing new technologies, processes or business models.

Since disruption changes the “rules of the game” in an industry and in society, Assink (2006, p. 218) defined disruptive innovation as “A successfully exploited radical new product, process, or concept that significantly transforms the demand and needs of an existing market or industry, disrupts its former key players and creates whole new business practices or markets with significant societal impact”.

Self-disruption requires that organisations anticipate the disruptive changes leading to discontinuity and make the necessary adjustments in order to respond (Gans, 2016). Although it was suggested that organisations can enable self-disruption by using skunkworks divisions which are separate from the organisation (Christensen & Raynor, 2003), Gans (2016) argued that full independence was difficult to achieve without the backing of top management. This was often difficult to achieve given the cognitive framing that the leaders...
used and the path dependency which made it difficult to introduce disruptive innovations to
the rest of the organisation (Gans, 2016).

Assink (2006) listed several reasons incumbent organisations often failed to respond
effectively to disruptive innovation. These inhibitors occur when incumbents who are good
with incremental innovations but fail radical innovations are necessary to implements
(Assink, 2006). The inhibitors were organised into five clusters namely, adoption barrier
(organisational inflexibility), mindset barrier (lack of learning capability), risk barrier (cultural
attitudes towards risk), nascent barrier (poor innovation management process) and the
infrastructural barrier (slow to deploy disruptive innovation) (Assink, 2006). OSD as dynamic
capability gives the organisations the capabilities necessary to overcome all these barriers
and respond appropriately to disruptive and discontinuos changes.

Organisations can enable an OSD dynamic capability through having a strategic innovation
management system and the dynamic capabilities of organisational ambidexterity, strategic
flexibility and strategic renewal. Figure 2-2 describes the proposed conceptual model which
is proposed to enable OSD as a dynamic capability.

![Figure 2-2: A proposed conceptual model for organisational self-disruption](image-url)
Firstly organisations need to have a structure and systems in place which enable them to bring ideas and innovations in; a strategic innovation management system helps organisations to successfully manage innovation in a way that creates a sustainable competitive advantage.

2.6.2 Strategic Innovation Management

Since the sustainability of firms depends largely on their ability to innovate, there is recognition that the strategic management of the organisation’s innovation portfolio is critical for a competitive advantage (Tidd & Bessant, 2009; Rothaermel, 2008; Nagji & Tuff, 2012). However, innovation projects within organisations still do not produce the results that create sustainable value and competitive advantage (Nagji & Tuff, 2012; Pisano, 2015). Successful organisations largely depend on resources and the capabilities within organisations to manage them (Tidd & Bessant, 2009).

Innovation must be seen as a process where organisations need to have a strategy of how they will internally manage their innovation in order to create value (Pisano, 2015). Managing innovation is uncertain and risky; however, organisations can develop capabilities linked to higher success rates in innovation (Bessant, 2005; Pisano, 2015). Innovation management is affected by the context in which the innovation needs to be managed, i.e. incremental or discontinuous (Tidd & Bessant, 2009). Therefore for organisational innovation to add value and to enable the organisation to sustain a competitive advantage, it must be viewed as a management process that involves “the management of all activities” (Trott, 2008).

The management of innovation within organisations requires an external view of the business environment and an internal view of the capabilities and skills the organisation has (Trott, 2008). A generic innovation process for managing innovation consists of Searching (looking for opportunities and threats); Selecting (choosing what and what not to do (strategic choice)); Implementing (acting to create and launch innovative product, service or process); and Learning (building knowledge and capabilities from the implementation of innovation) (Bessant, 2005; Tidd & Bessant, 2009).
Following these process, Tidd and Bessant (2009) proposed a model for how organisational innovativeness can be evaluated which looked at their strategy, processes, structures, learning and networking. These antecedents enable organisations to successfully innovate to remain competitive (Trott, 2008; Tidd & Bessant, 2009). Tidd and Bessant’s model was found to explain the innovativeness of organisations in an empirical study (Ferreira, Fernandes, Alves, & Raposo, 2015). A synthesis of innovation literature by Crossan and Apaydin (2010) also demonstrated that organisational innovation is determined by much the same antecedents.

Managing innovation, therefore, requires that organisations create systems, processes and procedures to ensure that the innovation process is implemented successfully regardless of the context (Tidd & Bessant, 2009). Bessant (2005) suggests that discontinuous innovation is often a challenge for organisations as it requires capabilities and knowledge they may not have access to; he recommends portfolio management as one of the elements organisations can use to successfully handle discontinuous innovation.

Nagji and Tuff (2012) recommend that organisations create an innovation ambition matrix which delineates core (incremental/exploitation), adjacent (incremental/exploration) and transformational (discontinuous/exploration) innovations. They also recommend that organisations in managing their innovation portfolio must balance the effort and allocation of resources between these different innovations. Whether incremental or radical, managing innovation involves changes in the strategic choices made by organisations (Crossan & Apaydin, 2010; Garcia & Calantone, 2002; Tidd & Bessant, 2009).

Management of innovation must, therefore, involve the strategic choices managers make with regards how resources, competencies and capabilities are identified, developed and deployed in order to enable sustainable competitive advantage (Barney, 1991; Trott, 2008). Organisations must strategically and intentionally allocate resources for disruptive transformational innovation if they are to successfully enable an OSD dynamic capability (Nagji & Tuff, 2012).
Consequently, dynamic capabilities which differentiate the organisation (therefore are unique to the organisation) and are difficult to replicate are suggested as the resources organisations need to develop and manage strategically (Teece, Pisano, & Shuen, 1997; Trott, 2008; Tidd & Bessant, 2009). Strategic Innovation management refers to the structures, process and systems that organisations and managers put in place to manage their innovation. For organisations to successfully develop dynamic capabilities requires strategic intent and choices made by managers to have systems in place to manage innovation (Crossan & Apaydin, 2010). It is through these systems that organisations can evaluate new ideas and opportunities; even those opportunities that may involve cannibalising current investments.

A successful OSD dynamic capability requires that processes and systems are in place that can identify self-disruption opportunities and choose which ones the organisation will explore or exploit. Crossan & Apaydin (2010) proposed a framework which organisations can use to understand how innovation is applied as both a process and as an outcome with leaders playing a critical role in ensuring that the organisational resources, processes and dynamic capabilities work together to enable innovation as a process (figure 2-3).

![Multi-dimensional framework of organisational innovation](image)

**Figure 2-3: Multi-dimensional framework of organisational innovation (Crossan & Apaydin, 2010, p. 1167)**
Organisational ambidexterity as a dynamic capability enables an ability successfully simultaneously exploit its current resources to generate value and explore for opportunities and new resources in an organisational culture that recognises that competitive advantage will only be temporary and a willingness to sacrifice current investments is necessary for sustaining such a competitive advantage.

2.6.2 Organisational Ambidexterity

Successful innovation through strategic adaptation has been linked through the literature to the ability of the organisation to exploit their current resources and strategies while exploring new resources and opportunities in an effort to adapt to both incremental and transformative environmental changes (Lam, 2005). March’s definitions of opportunities of exploration and exploitation are used to define and delineate the terms. Exploration is through “search, variation, risk-taking, experimentation, play, flexibility, discovery, innovation” (March, 1991, p. 71). Exploitation is through “refinement, choice, production, efficiency, selection, implementation, execution” (March, 1991, p. 71). These definitions are very broad (Lavie, Stettner, & Tushman, 2010). Lavie, Stettner, & Tushman (2010) expand on these definitions by explaining that exploitation “is associated with building on the organisation’s existing knowledge base” (p. 114) and exploration “entails a shift away from an organisation’s current knowledge base and skills” (p. 114).

The capability for exploitation and exploration is known as organisational ambidexterity and is critical dynamic capability when organisations are faced with discontinuous and uncertain environments (Teece, Peteraf, & Leih, 2016). Organisational ambidexterity is defined as the ability of an organisation to simultaneously explore new opportunities and exploit its current resources because of the strategic choices by senior leaders (O’Reilly & Tushman, 2004; Gibson & Birkinshaw, 2004; Raisch & Birkinshaw, 2008; Birkinshaw, Zimmermann, & Raisch, 2016). Organisational ambidexterity has been proposed way incumbents can develop the capabilities necessary to successfully respond to disruptive innovation (O’Reilly & Tushman, 2008).
Ambidexterity lies within the ability of leaders in organisations to make strategic choices in the face of discontinuous changes (O'Reilly & Tushman, 2011; Birkinshaw et al, 2016). Dynamic capability of organisational ambidexterity enables organisations to sense (identify and assess threats and opportunities), seize (mobilise resources to address threats and opportunities) and reconfigure (continuous renewal of firm resources) for sustained competitive advantage even when dealing with discontinuous changes in their environment (Birkinshaw et al, 2016; Felin & Powell, 2016). Today’s VUCA world particularly requires that organisations develop such capabilities (Felin & Powell, 2016).

Leadership in organisations plays a role in developing dynamic capabilities (Augier & Teece, 2009). O'Reilly and Tushman (2011) suggest that for organisational ambidexterity to be successful, five conditions must be met. Firstly, leaders must create a strategic intent within their organisations which justifies the imperative of both exploration and exploitation. Secondly, leaders must ensure that both the exploratory and exploitative teams share common values, vision and identity across the organisation. Thirdly, there must be full ownership of both exploration and exploitation by the executive leadership. Fourth, leaders must align the organisational architectures for both exploratory and exploitative teams at all levels of the organisation. And lastly, leaders must be able to tolerate and resolve tensions arising from separate goals of exploration and exploitation.

Raisch & Birkinshaw (2008) proposed a framework for understanding organisational ambidexterity (figure 2-3). This framework is helpful in understanding some of the antecedents and organisational elements that leaders must ensure are in place as organisations develop their organisational ambidexterity.
Organisational ambidexterity as a dynamic capability enables organisational innovation to produce radical and discontinuous changes, which may at times be at the expense of current products or services of the organisation. This kind of “cannibalisation” requires that firms must not only be willing to explore new opportunities in response to discontinuous change, but also be willing and ready to explore in areas where they threaten their current offerings.

2.6.3 Strategic flexibility

There is some agreement that organisations need to develop the capacity and capability for strategic flexibility in order to sustain their competitive advantage in uncertain and turbulent times (Dreyer & Grønhaug, 2004; Shimizu & Hitt, 2004; Combe et al, 2012; Brozovic, 2016); even though reviews on strategic flexibility show that there is no consensus on how strategic flexibility is defined (Roberts & Stockport, 2009; Combe, Rudd, Leeflang, & Greenley, 2012; Brozovic, 2016). Roberts & Stockport (2009) listed 22 definitions from academic scholars over a 44 year period, and Brozovic (2016) highlights this as one of the shortcomings of literature reviews already done on strategic flexibility.
Shimizu and Hitt (2004) define strategic flexibility as “an organisation’s capability to identify changes in the external environment (e.g., introduction of disruptive technologies), to quickly commit resources to new courses of action in response to change, and to recognize and act promptly when it is time to halt or reverse such resource commitments” (p. 45). Strategic flexibility suggests an ability of organisations to act on any changes in the environment and the ability to transform their environment (Brozovic, 2016). Strategic flexibility requires that organisations are strategically adaptable and as such it is a proactive response to environmental changes (Bock, Opsahl, George, & Gann, 2012).

When disruptive and discontinuous changes occur in the environment, strategic flexibility enables organisations to have strategic management practices built from the “learning” school of strategy formulation and implementation, which has been found to be more useful than strategic planning when uncertainty is high (Vecchiato, 2015). Strategic flexibility enables organisational change that is directed by senior managers through their strategic choices and results in improved organisational performance (Aaker & Masecarenhas, 1984; Sanchez & Heene, 1997; Dunford, et al., 2013). Combining dynamic capabilities and strategic flexibility enables organisations to sustain competitive advantage in environments that were constantly changing (Rindova & Kotha, 2001).

Strategic flexibility is critical for organisations particularly looking for sustainable competitive advantage in dynamic environments (Sanchez, 1995), with research outcomes having often found positive correlation between strategic flexibility and sustainable competitive advantage (Dreyer & Grønhaug, 2004; Brozovic, 2016). Firms that had both the skills of flexibility and productivity were shown to have the highest likelihood of sustaining their competitive advantage (Dreyer & Grønhaug, 2004). Sanchez (1995) argued that although it was not possible for a single resource to be a source of sustained competitive advantage, their dynamic capabilities deployed to respond to a dynamic external environment determined whether an organisation could sustain their competitive advantage in response to changes in their environment.

Combe et al (2012) proposed management cognition, firm resources and strategic options as main antecedents of strategic flexibility. Their argument is that organisational performance and competitive advantage is determined by the beliefs and knowledge of the
management team (management cognition), the availability of flexible resources and strategic options at their disposal (Combe et al, 2012). Shimizi and Hitt (2004) explored the barriers resulted in ineffective strategic decisions by managers with regards to the strategic flexibility of the firm. Their model identified barriers such as a complacent mindset, organisational inertia, politics, biases and self-justification as well as a resistance to change (Shimizu & Hitt, 2004).

In his literature review of strategic flexibility, Brozovic (2016) proposes an analytical model of strategic flexibility through a review of the literature (figure 2-4). The model identifies triggers, enablers, barriers, dimensions, process and outcomes of strategic flexibility. Elements of the model are useful in understanding aspects of strategic flexibility as part of the dynamic capability of OSD. Discontinuous changes are identified as one of the triggers of strategic flexibility (Brozovic, 2016). Management and leaders, organisational structure, organisational culture, organisational processes, organisational learning and market orientation are identified as enablers of strategic flexibility (Brozovic, 2016).

![An analytic model of strategic flexibility (Brozovic, 2016)](image)

The model is critical in understanding some of the key elements that would be useful in enabling strategic flexibility as a construct in an OSD dynamic capability.
2.6.4 Strategic renewal

Although there is recognition that organisational innovation, change and renewal are critical for survival (Mezias & Glynn, 1993), path dependency as a result of past choices and actions often makes it hard for organisations, particularly larger and more established organisations to change (Schmitt, Raisch, & Volberda, 2016). This problem makes strategic renewal an imperative as “most organizations cannot innovate as fast as the market requires” (Baden-Fuller & Volberda, 1997, p. 115). When organisations select to undergo strategic renewal processes timeously, they result in positive results for long-term survival of the organisation (Binns, Harreld, O’Reilly III, & Tushman, 2014).

Strategic renewal is “the process, content and outcome of refreshment or replacement of attributes of an organisation that has the potential to substantially affect its long-term prospects” (Agarwal & Helfat, 2009, p. 282). Strategic renewal by organisations seeks to change its path dependency, built on the need to exploit current resources, by building capabilities to adapt to changes in their environment (Volberda, Baden-Fuller, & van den Bosch, 2001). These changes to core capabilities are driven by the need to maintain and sustain the organisation’s competitive advantage (Schmitt et al, 2016).

Strategic renewal involves either reordering or revitalising the organisation’s competences (Baden-Fuller & Volberda, 1997). Competencies are defined as “refined, stored, and codified or socialised” (p. 102) knowledge within the organisation that can be used to strategically compete (Baden-Fuller & Volberda, 1997). Therefore strategic renewal is seen as a way for the organisation to review its skills and competencies, and determine which new competencies are needed for it to remain competitive in the long run and how they can obtain them.

The two ways organisations can renew themselves are organisational learning (Crossan & Berdrow, 2003; Schmitt et al, 2016) and through building their dynamic capabilities (Agarwal & Helfat, 2009; Schmitt et al, 2016). Organisational learning is defined as the “process by which the organisation constantly questions existing product, process and system, identifies
the strategic position, and applies various modes of learning to achieve sustained advantage" (Wang & Ahmed, 2003, p. 14).

Schmitt et al (2016) state that although there is “tension” in the literature about whether strategic renewal is best achieved as a result of organisational learning or from building dynamic capabilities, it is important for future research to build “theoretical bridges” (p. 9) to explore how organisations can build dynamic capabilities which enable “explorative and exploitative learning processes” to drive strategic renewal. Fainshmidt et al (2016) showed that organisational learning resulted in higher-order dynamic capabilities which are harder to imitate, have a stronger impact on performance.

In their exploratory paper, Ambrosini, Bowman and Collier (2009) suggest that there are three levels of dynamic capabilities namely incremental (concerned with continuous improvement), renewing (concerned refreshing, adaptation and augmentation of organisational resources) and regenerative (changing of dynamic capabilities). They argue that when renewal is applied to capabilities, new resources are either acquired or created for the organisation as a dynamic environment requires new resources for the organisation to remain relevant (Ambrosini et al, 2009).

Organisational learning is best defined as “a means to develop capabilities that are valued by customers, are difficult to imitate, and hence contribute to competitive advantage” (Crossan & Berdrow, 2003). Organisational learning gives the organisation the capacity to sustain their competitive advantage in a dynamic competitive environment (Beer, Voelpel, Leibold, & Tekie, 2005). Organisational learning as a dynamic capability may be necessary for strategic renewal to be successfully applied within organisations (Crossan & Berdrow, 2003; Agarwal & Helfat, 2009).

Strategic renewal as a strategic change is limited only to the transformation of capabilities and strategic intent (Schmitt et al, 2016). It is dependent on the decisions and actions of managers and decision makers and as such it is determined by the cognitive capabilities and the mental models of the leadership to notice the changes in the external environment, and shift the organisation to successfully respond to the changes (Barr, Stimpert, & Huff, 1992;
Floyd & Lane, 2000; Helfat & Peteraf, 2015). A top-down approach to strategic renewal was found to be beneficial in organisations looking at the exploration of new innovations (Glaser, Fourné, & Elfring, 2015).

2.6 Conclusion

This literature review argued that since today’s organisations operate in “a VUCA world”, they must strategically adapt to a business environment in a state of flux. The literature showed that the abovementioned four theoretical constructs could be advantageous for organisations intending to develop an OSD dynamic capability in order to enable a willingness to cannibalise and the competency to do so successfully.

The study proposed that the four theoretical constructs give a base on which an OSD dynamic capability can be built. Organisational Ambidexterity enables simultaneous exploitation of resources and market and exploration of new opportunities. Strategic Flexibility enables efficient exploitation or exploration through current resources and capabilities to sustain a competitive advantage.

Strategic Renewal enables organisations to identify new capabilities required for exploitation and exploration of new opportunities and the ability to radically transform its resources and capabilities. Strategic Innovation Management gives organisations the systems, structures and processes to enable the systematic management of all organisational innovations; including innovations that may require cannibalisation of current investments.

The next chapter discusses the research questions were asked in order to evaluate whether the constructs highlighted in the literature were seen as valid for enabling an OSD dynamic capability.
3. Questions

3.1 Introduction

This research sought to evaluate the conceptual model of how organisations can build a self-disruption capability developed in the literature review above. The model proposes that an OSD dynamic capability can be developed through the strategic management of innovation, strategic flexibility, and strategic renewal within an organisation that has the dynamic capability of ambidexterity. The questions in this research evaluated the constructs and whether they are valid for organisations seeking to develop a capability for self-disruption.

3.2 Research Proposition

According to the literature on discontinuous changes and radical innovation, willingness to cannibalise has been shown to be positively related to competitive advantage when rolling out radical innovation (Chandy & Tellis, 1998). Successful organisations have also recognised the importance of a self-disruption capability (Immelt et al, 2009). The proposition based on the research problem and the literate is as follows:

For organisations to maintain a sustainable competitive advantage in dynamic environments with discontinuous changes they must develop Organisational Self-Disruption as a dynamic capability. Organisations can achieve this dynamic capability through a strategic innovation management system that integrates the dynamic capabilities of organisational ambidexterity, strategic flexibility and strategic renewal.

To answer how organisations develop an OSD dynamic capability for sustained competitive advantage a conceptual model has been proposed. The research questions evaluated the proposed constructs in the context of developing an OSD dynamic capability.

3.3 Research questions

A conceptual model has been developed based on the proposition above. The research questions will be used to evaluate the elements of the model to determine the organisational antecedents for developing OSD as a dynamic capability.
3.3.1 Research question 1: Organisational Self-Disruption

An OSD dynamic capability has been defined as the ability to radically transform organisational resources, business models, and strategy at the expense of short-term goals and value for a sustainable long-run competitive advantage.

*Do organisations see the importance of having organisational self-disruption as a dynamic capability; if so, which antecedents are required to enable this?*

3.3.2 Research question 2: Strategic Innovation Management

The strategic management of innovation has been found to require systems, processes and procedures to ensure that the innovation process is implemented successfully.

*Do organisations see the importance of having a strategic innovation management system; if so, which antecedents determine the system’s ability to enable organisational self-disruption?*

3.3.3 Research question 3: Organisational Ambidexterity

Organisational ambidexterity is defined as the ability of an organisation to simultaneously explore new opportunities and exploit its current resources (O’Reilly & Tushman, 2011).

*Is organisational ambidexterity an important dynamic capability in the context of organisational self-disruption; if so, which antecedents are required to enable this?*

3.3.4 Research question 4: Strategic Flexibility

Strategic flexibility is a critical dynamic capability for creating a sustainable competitive advantage (Shimizu & Hitt, 2004; Brozovic, 2016).

*Is strategic flexibility an important dynamic capability in the context of organisational self-disruption; which antecedents are required to enable this?*
3.3.5 Research question 5: Strategic Renewal

Strategic renewal is a critical dynamic capability for strategic adaptation and strategic change (Schmitt, Raisch, & Volberda, 2016).

*Is strategic renewal an important dynamic capability in the context of organisational self-disruption; which antecedents are required to enable this?*
4. Methodology

4.1 Introduction

Creswell (2009) defines research design as “plans and procedures for research that span the decisions from broad assumptions to detailed methods of data collection and analysis” (p. 3). A research design provides a structure for how data will be collected and analysed by the researcher when looking to answer their research questions (Bryman & Bell, 2011; Christensen, Johnson, & Turner, 2015). This chapter describes all the decisions made in the design of this research project.

4.2 Research methodology

The choice of methodology must follow from the research problem and purpose, as well as actively link the research problem, purpose, approach and questions in order to create “methodological congruence” (Bloomberg & Volpe, 2012, p. 27). Qualitative research helps the researcher in “exploring and understand the meanings individuals or groups ascribe to a social or human problem” (Cresswell, 2009, p. 4). A qualitative study also allows for a richer study in that it can be applied to “generate knowledge about context” (Brozovic, 2016, p. 14). The best research approach is to subordinate the research method to the research problem, and since the research problem that had been identified is highly contextual, a qualitative research methodology was selected to facilitate contextualised understanding.

Qualitative research methodology had the advantage of enabling the researchers to “understand the context within which decisions and actions take place” (Myers, 2013, p. 5). Qualitative research also allowed for a deeper understanding of the phenomenon being researched from the perspective of the participants (Bloomberg & Volpe, 2012).
4.2.1 Research philosophy

Saunders and Lewis (2012) refer to “critical analysis of the fundamental assumptions or beliefs held by an individual” (p.104). The qualitative approach is said to be anti-positivist since it assumes that it is not possible to study human behaviours using strictly objective logical positivism as proposed in quantitative approaches (Welman, Kruger, & Mitchell, 2005). Due to the complexity in which organisations operates, an approach that assumes that the realities in which organisations operate are “socially, culturally and historically constructed” (p. 28) needed to be adopted (Bloomberg & Volpe, 2012).

Since the research must be “from context-specific perspective” (p. 28) and in order to develop an understanding of organisational self-disruption, the researcher adopted a pragmatic research philosophy where “knowledge claims arise out of situations, actions and consequences” (Bloomberg & Volpe, 2012, p. 29). This approach allowed for a focus on the context in which organisations innovate and in which a self-disruption dynamic capability can be enabled.

4.2.2 Research approach

The study followed an inductive approach which moves “from the specific to the general” (Christensen, Johnson, & Turner, 2015, p. 26). This enabled a strong classification of self-disruption, dynamic capabilities and strategic adaptation theories. An inductive approach allowed for an exploratory study with a theory building approach (Bloomberg & Volpe, 2012).

4.2.3 Research strategy and time horizons

The research strategy describes how the researcher will answer their research questions (Saunders, Lewis, & Thornhill, 2012). Lewis and Saunders (2012) propose several strategies
in their research onion, but they stress that the strategy must be guided by the research questions and that the strategies are not mutually exclusive. The selected strategy for this study was the use of semi-structured interviews with managers at all levels of organisations.

The use of structured interviews as a strategy is often used in cross-sectional qualitative research designs (Bryman & Bell, 2011). Since this study only gives a snapshot of organisations at a point in time and in a specific context, the selected strategy enabled answering the research questions (Saunders & Lewis, 2012). A cross-sectional study as it enabled the researcher to plan the research project with an end time in mind as opposed to longitudinal studies, given that there was a time constraint (Saunders & Lewis, 2012).

4.2.4 Research choices

A mono-method qualitative research project was selected (Saunders, Lewis, & Thornhill, 2012). The reason for this was that it allowed for answering the research questions without unnecessarily complicating the project.

4.2.5 Research techniques and procedures

Research techniques are the selected methods of collecting data and procedures are the procedures for analysing the collected data (Saunders, Lewis, & Thornhill, 2012). Only primary data was collected through a literature review used to develop the theoretical conceptual model. The literature review is arguably the most important data collection technique as it allows for the “systematic identification, location and analysis” of current knowledge related to the research problem (Bloomberg & Volpe, 2012). A theory building paradigm was applied and incorporated a large quantity of information to get closer to answering the research question (Jesson, Matheson, & Lacey, 2011). Primary data was collected using interviews, which are the most popular method for collecting qualitative data (Bryman & Bell, 2011).
4.3 Population, sample and sampling method

4.3.1 Population

The population in research terminology is any complete collection of objects or subjects which share common characteristics, from which a sample will be selected (Zikmund, Babin, Carr, & Griffin, 2010; Saunders et al, 2012). Disruption occurs when incumbents fail to respond to changes in technology and business models (Nagy et al, 2016). Therefore a self-disruption dynamic capability must be enabled within incumbent organisations.

Some industries were identified to be facing the most disruption (Grossman, 2016). Therefore population for this study was made up of organisations in three highly regulated industries (professional services, telecommunications and financial services) facing the most disruption. Digital technologies have challenged the business models of the incumbents in recent years, leading to a reduced return on investments, thereby necessitating the need for reinvention (Grossman, 2016; Bughin, LaBerge, & Melbye, 2017).

4.3.2 Sampling method and technique

Nonprobability sampling was used as it allowed for selection of the sample through the researcher's judgement and for convenience (Zikmund, Babin, Carr, & Griffin, 2010). Since the industries had been identified, the researcher used their judgement and network to connect with managers in organisations within those industries. Convenience sampling was used to select the sample of interviewees based on accessibility and availability. The criterion for selecting interviewees was that they had to be in a management role with a view of strategy and decision making processes within their organisations.

4.4 Research instrument

Since the research used semi-structured interviews as a research instrument. An interview schedule was created based on the questions in chapter 3 (Appendix 3). The schedule consisted of seven questions related to the key constructs of the model to be evaluated based on the literature review findings (Saunders & Lewis, 2012).
4.5 Procedure for data collection

Interviews were arranged at locations which were most convenient for participants. All interviews were done in person. Three of the interviewees (Interviewees 4, 12 and 14) requested advanced copies of the interview schedule which was sent before the interviews by email.

Interviews lasted between 15 and 60 minutes and were recorded using the interviewer’s phone. Interviews were then uploaded immediately onto a cloud storage service to secure the original data. The interviewer opted not to take notes during the interview to allow for a conversation like the flow of the interview. Notes were taken when interviewer listened to the interviews. Data collected during interviews were sent to an independent transcribing service. It was also double checked by the interviewer to validate transcripts accuracy. The interviewer corrected the transcripts where audio was inaudible to the transcriber.

The data collection process must conclude when the researcher can demonstrate saturation. Saturation is reached in qualitative research when no new codes or themes can be generated from the data (Cresswell, 2009). No new themes emerged after eleven interviews, but the researcher continued with the last three interviews which had been secured to ensure that new themes or insights would not emerge.

4.6 Data Analysis

“Data analysis is the process of making sense out of our data”- (Merriam & Tisdell, 2016, p. 202). The problem with qualitative data is that large quality of unwieldy raw data in the form of prose is collected, which may be time-consuming for the researcher to analyse accurately and thoroughly (Bryman & Bell, 2011). It is also preferable in qualitative data analysis to analyse data simultaneously as the researcher collects it (Merriam & Tisdell, 2016).

Thematic analysis was performed on the raw data in the form of transcripts. This process enabled the classification of codes into themes. Although there is no clear agreement how it is must be done, the thematic analysis remains a widely used method for analysing qualitative data (Braun & Clarke, 2006). The analysis involves identifying patterns based on the raw data (answers to research questions) which then used to identify themes and
provide answers to the research questions (Braun & Clarke, 2006). A theme provides a useful link between the data and the research questions (Braun & Clarke, 2006).

Braun and Clarke (2006) proposed a step by step process for thematic data analysis. The process as proposed by Braun and Clarke (2006) includes familiarising yourself with the data, generating initial codes, searching for themes, reviewing themes, defining and naming themes and then finally producing the report. The steps taken are shown below.

4.6.1 Phase 1: Familiarise yourself with the data

The ideal process involves transcribing interviews and coding as they are completed in order for preliminary insights to guide the questions that may be asked. However, due to time constraints the researcher first completed all 14 interviews, sent them for transcribing and then coded for analysis.

4.6.2 Phase 2: Generate initial codes

Although coding software, Atlas.ti was recommended, the researcher opted to use Excel and Word for coding and analysis. Inexperienced researchers are often advised to opt for a more manual process of coding if they might feel overwhelmed by having to learn software tools used for coding instead of focusing on the data (Saldana, 2016). Therefore Microsoft (MS) office applications MS Excel and MS Word were used for analysis since the researcher is familiar with them. Copies of the transcripts were used to ensure that original raw data was available for analysis at a later stage.

There is no fixed way for coding qualitative data and the type of coding depends on the type of study, the researcher’s preferences and how the data is to be analysed (Saldana, 2016). The initial process of coding is called first cycle coding, where the researcher tries to understand the data (Saldana, 2016). First cycle codes were coded on transcripts. Transcripts were thoroughly analysed in this process to get an understanding of the data, and to allow codes to emerge.
4.6.3 Phase 3 Search for themes

MS Excel was used to collect quotes and for second cycle coding. Second cycle coding requires a more analytical process which included “classifying, prioritizing, integrating, synthesizing, conceptualizing and theory building” (Saldana, 2016, p. 69). This process allowed the researcher to search for themes and to gather quotes to support the themes.

Themes were allowed to emerge and some were grouped together based on their similarities. Codes were grouped together and themes that were generated based on the researcher’s understanding and interpretation were later grouped further. The next phase involved reviewing the generated themes and refining and defining them.

4.6.4 Phase 4: Review the themes

A review of the codes and themes generated was used to determine which themes were most salient for answering each research question. Since OSD is proposed as a dynamic capability, the frameworks by Eriksson (2014), Lavie et al (2010) and Raisch and Birkinshaw (2008) were used to establish determine the six themes that were used to group and define similar constructs and emerging themes together. Table 4-1 gives the six themes and their descriptions. The six themes in codes were grouped were organisational structure, environmental and competitive context, organisational learning, market orientation, organisational culture and organisational leadership.

Table 4-1: Themes based on literature review

<table>
<thead>
<tr>
<th>Themes</th>
<th>Descriptions of themes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organisational</td>
<td>“…the distribution of power, resources, and responsibilities across different functions and units” (Lavie, Stettner, &amp; Tushman, 2010, p. 122). The organisational structure includes artefacts such as the decision making processes, the physical organogram and resource allocation within the organisation.</td>
</tr>
<tr>
<td>Environmental and Competitive context</td>
<td>Environmental and competitive context refers to how the dynamism and competitiveness of the business environment and the structure and intensity of competition being faced by organisations (Raisch &amp; Birkinshaw, 2008). We are in a digital era punctuated by digitalisation, best described as the growing influence of digital technologies in many areas of social life (Brennen &amp; Kreiss, 2014). Digitalisation was a strong theme in the study with many interviewees identifying it as a reason and enabler for disruption</td>
</tr>
<tr>
<td>Organisational learning</td>
<td>The learning orientation of the organisation, particularly its commitment and the strategic intentionality of actions in improving organisational competencies, skills and capabilities in an environment that facilitates and encourages knowledge creation and innovativeness by improving its learning context (Wang &amp; Ahmed, 2003; Slater et al, 2014).</td>
</tr>
<tr>
<td>Market orientation</td>
<td>“The organisation wide <em>generation</em> of market intelligence pertaining to customer needs, <em>dissemination</em> of intelligence across departments and organisation wide responsiveness to it” (Kohli &amp; Jaworski, 1990, p. 6).</td>
</tr>
<tr>
<td>Organisational culture</td>
<td>“…the attitudes, experiences, beliefs, and values that guide the behaviour of organizational members” (Lavie, Stettner, &amp; Tushman, 2010, p. 123). The norms and values taught within the organisations.</td>
</tr>
<tr>
<td>Organisational Leadership</td>
<td>The role played by senior management within the organisation and its impact on innovation.</td>
</tr>
</tbody>
</table>
4.6.5 Phase 5: Producing the report

Frequency tables of mentions were created based on the codes generated, and mentions were counted manually by the researcher. Frequency tables and discussion of themes are in chapter 5.

4.7 Quality, validity and reliability

In qualitative research, validity refers to what the researcher does to ensure the accuracy of his findings whilst reliability is concerned with the consistency of research approach (Cresswell, 2009). To ensure consistency of approach, Yin suggests all procedures, and as many steps of the procedure as possible, are documented (as cited by Zikmund, 2009). The research process was documented as much as possible, however, given the nature of qualitative research and the contextual nature of the findings, replications of results may be unlikely. The research data was triangulated to come up with a justification of the themes; Triangulation validates the data by assuring coherence across the data (Cresswell, 2009).

Bias was reduced during the

4.8 Conclusion

This study aims to evaluate the proposed conceptual model that was developed through a literature review. Interviews were conducted to gather data was used to evaluate the key constructs of a conceptual model for developing an OSD dynamic capability. This was an exploratory study that sought to understand how organisations can strategically self-disrupt in order to sustain long-term competitive advantage by developing their dynamic capabilities of organisational ambidexterity, strategic innovation of management, strategic flexibility and strategic renewal.
5. Results

5.1 Introduction

This chapter presents the results of data collected for the purpose of answering the questions in chapter 3. The purpose of the study was to evaluate the proposition that organisations can enable an OSD dynamic capability by enabling the dynamic capabilities of organisational ambidexterity, strategic flexibility and strategic renewal through a strategic innovation management system and prepare themselves for discontinuous changes.

Fourteen participants were interviewed to get their understanding of self-disruption and the four capabilities the research sought to evaluate within the context of their organisations. Semi-structured interviews were done and the data was collected and analysed using the content analysis techniques as described in chapter 4. This chapter will first provide a descriptive analysis of the interviewees and their context, and as well as the results for each research question.

5.2 Interviewees and context

Table 5-1 gives a summary of the interviews, the designation of the interviewees, their roles and their industries. A total of fourteen interviews were completed with a focus on the three industries of Professional Services, Financial Services and Telecommunications. The length of interviews range from 16 minutes and the longest was just above one hour. The interviewees range from individuals who are executives in their organisation to junior managers.
Table 5-1: Interviewed participants, length of interview, Designation of interviewee, Role and Industry

<table>
<thead>
<tr>
<th>Interviewee</th>
<th>Length</th>
<th>Designation</th>
<th>Role</th>
<th>Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interviewee 1</td>
<td>29 min</td>
<td>Manager</td>
<td>Financial Advisory</td>
<td>Professional Services</td>
</tr>
<tr>
<td>Interviewee 2</td>
<td>41 min</td>
<td>Management Consultant</td>
<td>Management consulting</td>
<td>Professional Services</td>
</tr>
<tr>
<td>Interviewee 3</td>
<td>28 min</td>
<td>Manager</td>
<td>Investment Banking</td>
<td>Financial Services</td>
</tr>
<tr>
<td>Interviewee 4</td>
<td>16 min</td>
<td>Project Manager</td>
<td>Engineering Consulting</td>
<td>Professional Services</td>
</tr>
<tr>
<td>Interviewee 5</td>
<td>16 min</td>
<td>Manager</td>
<td>Technology Consulting</td>
<td>Professional Services</td>
</tr>
<tr>
<td>Interviewee 6</td>
<td>36 min</td>
<td>Senior Manager</td>
<td>Management consulting</td>
<td>Professional Services</td>
</tr>
<tr>
<td>Interviewee 7</td>
<td>41 min</td>
<td>Management Consultant</td>
<td>Risk Advisory</td>
<td>Professional Services</td>
</tr>
<tr>
<td>Interviewee 8</td>
<td>54 min</td>
<td>Senior Manager</td>
<td>Management consulting</td>
<td>Professional Services</td>
</tr>
<tr>
<td>Interviewee 9</td>
<td>34 min</td>
<td>Head of Technology</td>
<td>Executive (Banking)</td>
<td>Financial Services</td>
</tr>
<tr>
<td>Interviewee 10</td>
<td>43 min</td>
<td>Executive Manager</td>
<td>Executive (Engineering Consulting)</td>
<td>Professional Services</td>
</tr>
<tr>
<td>Interviewee 11</td>
<td>60 min</td>
<td>General Manager: Operations</td>
<td>Operations (FinTech)</td>
<td>Financial Services</td>
</tr>
<tr>
<td>Interviewee 12</td>
<td>28 min</td>
<td>Executive Head of Department</td>
<td>Strategy</td>
<td>Telecommunications</td>
</tr>
<tr>
<td>Interviewee 13</td>
<td>29 min</td>
<td>Technology Delivery Lead</td>
<td>Technology Consulting</td>
<td>Professional Services</td>
</tr>
<tr>
<td>Interviewee 14</td>
<td>42 min</td>
<td>Senior Manager</td>
<td>Engineering</td>
<td>Telecommunications</td>
</tr>
</tbody>
</table>
The interviews were arranged and completed between August 2017 and October 2017. Participants were asked interviewed in their personal capacity and were assured of confidentiality and anonymity for themselves and their organisations.

Nine interviewees (64%) were from the professional services industry. The focus on professional services was deliberate as the researcher felt that given the nature of the industry, these interviewees would have insights into various other industries to which they consulted. In the sample of interviewees from professional services are further delineated into technology consulting (2 interviews), management consulting (3 interviews), engineering consulting (2 interviews), risk advisory (1 interview) and financial advisory (1 interview). Table 5-2 shows an industry breakdown of the interviewees.

Table 5-2: Industry breakdown of the interviews

<table>
<thead>
<tr>
<th>Industry</th>
<th>Interviewees</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial Services</td>
<td>3</td>
<td>21%</td>
</tr>
<tr>
<td>Professional Services</td>
<td>9</td>
<td>64%</td>
</tr>
<tr>
<td>Telecommunications</td>
<td>2</td>
<td>14%</td>
</tr>
<tr>
<td>Total</td>
<td>14</td>
<td></td>
</tr>
</tbody>
</table>

Three interviewees (21%) and two interviewees (14%) were selected from financial services and telecommunications respectively. The aim of these interviews was to introduce diverse perspectives and context to the understanding of self-disruption as a capability. Both telecommunications industry interviews are from mobile network operators (MNOs). The financial services interviews included one participant from FinTech, investment banking and traditional retail banking each.

The size of the organisation may have a moderating effect on how individuals view disruption and innovation. The aim of this study seeks to determine how incumbent large organisations can build a self-disruption capability. Therefore 12 of the interviews were conducted with individuals who work in large organisations. Two interviews were with individuals who identified their organisations as medium sized. There were from the FinTech and one from engineering consulting.
5. 3 Findings

The following are the results of the data collection and analysis process. Key themes will be highlighted. Frequency tables for themes mentioned during interviews were created through a manual process on Excel. This process was described in chapter 4, under the data analysis section 4.6.

5.3.1 Research question 1: Organisational Self-Disruption

Do organisations see the importance of having organisational self-disruption as a dynamic capability; if so, which antecedents are required to enable this?

Research question 1 sought to get the opinions of the participants and to understand whether self-disruption for organisations and the reasons this capability might be necessary. This question was asked to determine whether participants viewed an organisational self-disruption (OSD) capability as important for organisations. All interviewees indicated that self-disruption is an important capability to have for organisations. Below are examples of insights shared about self-disruption:

“…self-disruption means you're self-assessing constantly, you are on the dial about what your market is requiring and what is happening around you. The minute you're not self-disrupting that means you're not understanding where you are and therefore you're absolutely going to miss out on any opportunity going forward” – Interviewee 1

“…if you don’t have a capability that enables disruption or innovation in your organisation you’re pretty much on the back foot… there are organisations that are constantly reinventing themselves and innovating and disrupting their current business model” - Interviewee 7

“…organisations are going to have to do that in order to survive… the pace of change often no longer linear but exponential in nature… organisations that don’t have that as a competence will be left behind” – Interviewee 12
Organisational self-disruption is important in today’s “VUCA world”. As participants suggested, organisations would not be able to sustain any competitive advantage in the long-run without an ability to self-disrupt. The ability to self-disrupt was seen as critical to survival not only because of the fast pace and exponential nature of change. Industries and organisations are continuously being reinvented and failure to reinvent the organisation may mean the organisation does not survive.

Although all participants highlighted that self-disruption was important, there was some hesitation when it came to a willingness to cannibalise from two participants who suggested a discomfort about “a willingness to cannibalise”. This suggests that although there is recognition that self-disruption is important, there may still be reservations about the implications of it as far as cannibalisation of resources and investments is concerned, and so a critical component as far as the culture of the organisation may not be in place, hence the concession by majority of interviewees that their organisational did not have this ability.

The most frequent emerging themes from the interviews were “remain relevant” and “digitalisation as a driver” which suggests that most of the reasons for the need to self-disrupt are external. Environmental and competitive factors and market orientation were had the most mentions by interviews.

Organisations concede that they need to disrupt themselves because the world and their customers are changing very quickly. The result of the fourth industrial revolution is discontinuous changes with organisations needing to evaluate their business models and strategies. Table 5-4 highlights the themes and frequency of mentions. The three top ranked themes will be discussed further.

Table 5-3: Themes frequencies for research question 1

<table>
<thead>
<tr>
<th>Rank</th>
<th>Emergent Codes/themes</th>
<th>Themes</th>
<th>Interviewee frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Industry dependent; highly competitive environments; digitalisation as a driver; discontinuous change; digital era</td>
<td>Environmental and Competitive context</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>Theme</td>
<td>Category</td>
<td>Score</td>
</tr>
<tr>
<td>---</td>
<td>----------------------------------------------------------------------</td>
<td>-------------------------------</td>
<td>-------</td>
</tr>
<tr>
<td>2</td>
<td>Remain relevant; understand the customer; driven by customer needs; Value to customer</td>
<td>Market orientation</td>
<td>12</td>
</tr>
<tr>
<td>3</td>
<td>Guided by top management; driven by leadership;</td>
<td>Organisational Leadership</td>
<td>10</td>
</tr>
<tr>
<td>4</td>
<td>Inertia as obstacle; new business models; silos;</td>
<td>Organisational structure</td>
<td>9</td>
</tr>
<tr>
<td>5</td>
<td>Prototyping; ability to learn; learn, un learn and relearn; new skills and capabilities; requires continuous learning</td>
<td>Organisational learning</td>
<td>4</td>
</tr>
<tr>
<td>6</td>
<td>Driven by culture; change mindset; self-interest as obstacle; williness to cannibalise</td>
<td>Organisational Culture</td>
<td>3</td>
</tr>
</tbody>
</table>

### 5.3.1.1 Theme 1: Environmental and Competitive context

“…innovation is taking the way you do something and being willing to accept that the world - be that your customers your suppliers or technology - has changed and being able to adapt yourself to still provide a valuable service” – Interviewee 2

We are living in a “VUCA” world where discontinuous changes are driving the need to for organisations to “adapt or die”. As interviewee 12 indicated “the pace of change is often no longer linear but exponential in nature”. Organisations will have to respond to discontinuous changes very differently. Interviewee 10 highlighted the fact that change is happening at such “a fast pace” that organisations that don’t self-disrupt risk becoming stagnant.

Digitalisation, a move to the “digital economy”, was identified as a big reason for the need to self-disrupt. Digitalisation is driving the rapid and discontinuous changes which are increasing competition that is even coming from non-traditional competitors. Participants gave examples of how digital technologies motivated the need for self-disruption as shown the examples:
“So certainly long-term if you take the view which many publications do that the media will move very heavily towards digital then you need to sacrifice short terms” – Interviewee 2

“But now we’re going through a phase where things like digital transformation are becoming relevant for our clients and we need to I guess to quote a phrase disrupt ourselves, change our configuration and the capabilities that we have so that we are able to serve those needs that our clients have.” – Interviewee 8

“…in the digital era self-disruption is key and I mean I think organisations are going to have to do that in order to survive” – Interviewee 12

“… to sustain in this dynamic market to live up to that pace of innovations the platform models have come in digitalisation is happening there.” – Interviewee 13

Interviewee 2 who has experience in both the media space and management consulting gave examples of how digital was disrupting both industries. Digitalisation was impacting the delivery of media content resulting in the need to sacrifice traditional revenue streams and search for new revenue models in response to new customer behaviour. Interviewee 8 also indicated the need to self-disrupt because as the customer looked at the digital transformation in their industries, the management consulting industry needed to respond through self-disruption.

Even though all participants saw it as being important, only two participants saw their organisations as being capable of self-disruption. Both are in technology consulting which suggests that there is an environmental context which may determine the level of willingness to cannibalise. This could likely be a result of technology and digitalisation being a key driver of disruption as described above.
“…we believe in self-disruption yes, have we disrupted ourselves absolutely yes and I think that is something that needs to happen continuously.” – Interviewee 5

“…you cannot wait … years to bring the new technology… you have to bring now. I’ll go to my customers I’ll say that you have to go to this new platform… I will lose that but in the long run, I will gain actually there” – Interviewee 13

There was a sentiment shared by four interviewees that organisational self-disruption had to be industry dependent. Interviewee 4 felt that her industry of engineering consulting did not necessarily need to self-disrupt as it was process and system driven.

“I think self-disruption on its own I think that’s very important. I think that’s the only way you are able to renew yourself to remain relevant. In my industry whether we need to self-disrupt I don’t think so because I think you take the queues from the environment” – Interviewee 4

Organisations should not self-disrupt for disruption’s sake. Understanding the environmental trends and the exponential changes affecting customers is necessary if organisations wanted to determine whether there is a need to self-disrupt or not.

5.3.1.2 Theme 2: Market Orientation

“…You are on the dial about what your market is requiring and what is happening around you…” – Interviewee 1

Twelve out fourteen interviewees mentioned a market orientation. Organisations need to always be in tune with the changes in customer and market behaviours and to ensure that they innovate for the the customer. Below are some thoughts about the role of customers in self-disruption:

“…the consumer in whatever spectrum their world is changing so if their world is changing firstly do we understand what that world is changing… I don’t think you can respond to those clients’ new ways with using a traditional lense…” – Interviewee 3
“…you take trends from what the customer wants that’s the only time you start adapting…” – Interviewee 4

“…regardless of what business you’re in you’re always trying to meet or exceed your customers’ expectations and our customers’ needs don’t remain static they change over time…” – Interviewee 8

The importance of self-disruption must be seen as a way to ensure that the organisation remains relevant to the customer. As interviewee 8 said “…make sure that you’re always true with your customers’ needs and if you can anticipate something better that you can do for your customers then go ahead and do it”. There is a recognition that whatever organisations do, their aim should be to ensure that their customers keep seeing their importance.

A key reason for organisational self-disruption is the continued value-add and value creation for the customers. Participants indicated that the only real reason for existing with to serve the customer, therefore the only reason to self-disrupt should be in response to changes in the customer’s behaviour, preferences and needs. Often, it also meant anticipating the customer’s needs before the customer said anything. With digitalisation and the information age resulting in informed customers, it is necessary to be able to evaluate the organisation’s business model, and make radical changes in response to customer needs and wants.

5.3.1.3 Theme 3 Organisational Leadership

There is a need for organisations to change their structures in order to enable an OSD dynamic capability. Managers must break barriers between themselves and the people they lead. As the sentiment of interviewee 3 demonstrates:

“Organisations are continuously looking for ways of being more nimble being more efficient being more leaner…

Organisations in this day and age need to be more fluid, it's not the good old days where you've got this set hierarchy and you could only speak to your boss… maybe you need to break those barriers” – Interviewee 3
To enable their organisations to self-disrupt, organisations must proactively explore opportunities. “...self-disruption should happen, it should not [take the] market actually to drive you to disrupt you should actually proactively welcome that…” – Interviewee 13. Top management must actively pursue opportunities and must be willing to self-disrupt their organisations before the market demands it.

Although organisations are aware of this need to self-disrupt, personal interests of managers benefitting from the status quo often mean that there will be resistance. Top management drives the culture of the organisation hence any self-interest behaviour by them leads to a culture where the self-interests overtake the interests of the organisation overall. The problem highlighted by interviewee 6 who indicated that there was resistance because leaders in the business that were running business unit tended to resist the implications of losing power and status within the organisation because of disruption or even possible cannibalisation of their core business:

“…there is that pushback from the guys that have been auditing for fifteen years and auditing is all they know… Because it's also a power thing right so if I had an income statement that I was bringing… now you’re saying that person needs to combine their business unit to someone else and that person is no longer the leader of that business unit there’s always going to be that resistance” – Interviewee 6

Interviewee 9 also highlighted the difficulty of self-disruption in that when you are looking to make changes to the business model of the organisations you often change how money is made, and therefore you also change how people are compensated which would lead to resistance from leaders:

“it is a very difficult, it is a tall order, we talk about it but the doing part is very, very, very difficult because you are basically, when you tinker with an opportunity you are basically tinkering with the profit line, managers and employees commission so bonuses so there is more to lose for most people” – Interviewee 9.
Interviewee 2 highlighted two important things that this researcher felt were an important part of the theme for leadership namely, “bravery” and “time to think is required”.

“...people typically lack the time and the foresight and dare I say it the guts to forgo current income that’s very likely for future income which they’re less certain of which of course is a very difficult thing to say to do” – Interviewee 2

Not only do leaders need the courage to implement changes or the time to think about the implications of their changing environments, leaders often need to empower others within the organisation with the same factors of time to think and bravery. Leadership orientation of the organisation will be important for organisational self-disruption. Since senior management is the team primarily responsible for acquiring and maintaining the organisation’s dynamic capabilities, it makes sense that leadership is such a critical component that people need to think about when looking at organisational self-disruption. As Interviewee 11 said, “...organisational self-disruption should be something that is the intention; a purposeful, recognised, active intention of management.”

5.3.2 Research question 2: Strategic Innovation Management

*Do organisations see the importance of having a strategic innovation management system; if so, which antecedents determine the system’s ability to enable organisational self-disruption?*

Research question two evaluated whether organisations have systems for managing innovation and also asked about the importance of structured innovation management systems in the context of enabling an OSD dynamic capability. Once again all interviewees acknowledged the importance of strategic innovation management systems for organisations. The selected comments illustrate the reasons given by participants for the importance of managing innovation.

“...Without the ability to have a management system in place innovations have been lost... because we get so stuck doing what we need to do... a great idea gets put on the backburner and then people forget about it…“ - Interviewee 5
“…unguided innovation is for me misguided innovation you know you need to understand the market that you’re in you need to understand what you’re trying to fulfil” - Interviewee 11

“…systematic and strategic processes… innovation doesn’t just simply come on its own it has to be a focus it has to be something that the organisation walks in, walks towards” - Interviewee 14

Managing innovation is critical to organisations as a structured system for managing innovation enables organisations to understand their current capabilities, their resources, and their opportunities. It also helps the organisation to determine which new capabilities they need. It is important for organisations to be able to understand where they need to focus and allocate resources. An inability to focus means that innovating may end up destroying value. Organisational self-disruption as discussed is largely driven by the environmental context of organisations and a need to remain relevant to their customers.

Table 5-4 highlights the themes which emerged for research question two on a structured system for managing innovation was important for organisations. All fourteen participants mentioned themes which relate to organisational structure. Organisational culture was mentioned in ten of the fourteen interviews. Organisational leadership, market orientation and environmental context also emerged, but since they were expended on research question one, only insights from the top two will be discussed here.

Table 5-4: Theme frequency on research question 2

<table>
<thead>
<tr>
<th>Rank</th>
<th>Emergent codes/themes</th>
<th>Themes</th>
<th>Interviewee frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Systematic approach; Silos; structured process; Financial resources; reward/incentive systems; measure progress; structured methodology; empowered staff; right people in the right place; Inertia as obstacle</td>
<td>Organisational structure</td>
<td>14</td>
</tr>
<tr>
<td>2</td>
<td>Time as constraint; risk tolerance; willing to fail; Agility; open to new things; busyness</td>
<td>Organisational Culture</td>
<td>10</td>
</tr>
</tbody>
</table>
as obstacle | Organisational Leadership
---|---
3 | Visionary thinking; experimental mindset; gatekeepers; tolerate failure; new leadership roles; strategic foresight
4 | Customer orientation; changing customer behaviour; remain relevant
5 | Industry dependent; Digitalisation; partnership ecosystem; digital economy

| 5.3.2.1 Organisational structure |
| "Self-disruption and innovation very rarely happen organically... it absolutely must have a systematic approach strategy..." – Interviewee 2 |

Organisational structure refers to the organisational structures, strategy processes, human resource practices and management systems that are used within the organisation. Although most responses indicated that having a strategic innovation management system was critical to successfully innovating as an organisation, most organisations did not have any structured way of managing innovation. The focus for many organisations was on serving the current needs of the client, therefore on exploiting current capabilities and resources. Innovation was not seen as necessarily being a priority. This meant that innovation was typically in gaining efficiencies was, therefore, incremental innovation.

"There isn't any so yes so there actually isn't any innovation in our organisation I think… But let me rephrase, there isn't a dedicated division there isn't a dedicated focus." – Interviewee 3

"...we don't have because innovation is not even top of mind for us so there's no system to manage it or there's no reward system or structure saying that be innovative“ - Interviewee 4

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Some of the interviewees from management consulting highlighted that the nature of the industry meant that they had to bill clients for hours and therefore the organisations could not risk spending time on projects which may not generate billable hours.

“…when you’re measured very heavily in fact that you have to be able to charge for your time and that it brings in revenue that’s all you’re focusing on okay. So [X] does not have a process where it enables people to produce ideas…” – Interviewee 7

“…the nature of the business makes it difficult for us to be able to manage innovation in a similar way to the way a lot of our clients would because the business is just completely different. …

It tends to be a very individual thing so if you’ve got an idea for something that you want to take to market you’ll be given the freedom to take that idea to market but the success and failure of it will also ultimately depend a lot on the effort that you put in as an individual.” - Interviewee 8

This traditional view of how management consulting works may be one of the reasons why the industry has been faced with a lot of disruptive forces as their customers’ behaviours and preferences change. This view is not shared by all consulting organisations, interviewees from other consulting firms confirmed that innovation was managed in a structured way within their organisations.

“We do have processes and systems that are leveraged off our intranet making sure that we are connected to our innovation practice globally and any innovations identified are obviously sort of logged on the system and they will provide support and help you nurture that opportunity to fruition and so that’s there and we do have access to it so to speak.” – Interviewee 5

In fact, most big organisations seem to have systems for managing innovation or are in the process of putting such systems in place. However, their limitation seems to be the ability of such systems to capture and nurture disruptive innovations.

“…they all had some system but I’ve never encountered one that’s thorough enough”
– Interviewee 2
“...it’s a defined structure that says this is an innovation team, change team, with clear guidelines and which is also aligned with all the other business needs within the organisation with strong keeping eyes for them to drive with an executive hat that sits in an executive, so, with a mandate, so they’ve got a mandate. The processes are well defined...

...whether that works or not is another story. I think it is because I think the challenge is that when it is left to the existing leadership who have also committed mandate and committed KPI’s...” – Interviewee 9

The problem seems to be that organisational reward and incentive systems remain biased towards “business as usual” and revenue generation. Organisational structures, strategies and performance management systems would need to change if they wanted to enable exploration, particularly if they wanted to develop a “willingness to cannibalise”. The other aspect organisations will need to focus on is the organisational culture.

5.3.2.2 Organisational Culture

“I believe that if you want to be an environment or you want to be in an environment that enables people you’ve got to foster a culture to come up with something new and come up with something different and try and disrupt the status quo of how consulting is traditionally done.” Interviewee 7

Most interviewees also indicated that the organisational culture and mindset needed to change as a precondition for an implementation of a structured strategic innovation management system that would enable organisational self-disruption. As interviewee 7 points out above organisations need to create and nurture an organisational culture that can challenge the status quo. Interviewee 13 states categorically that whatever systems are in place, if the culture is not in the place they will not succeed.

“If your organisation culture is not towards that whatever you do or whatever your system brings and all those things your organisation will not succeed...” – interviewee 13
This view is supported by interviewee 8’s arguments that the mindset of people (especially leaders) in the organisation is more important than any systems that you may have in place.

“What I think is really important is really having that mindset that is open to experiment in trying out new things even if it’s just in a small way to be able to test out the ideas see it will be able to work” – Interviewee 8

Organisational culture can, therefore, be a hindrance to any systems and structures put in place to manage innovation and their ability to enable an OSD dynamic capability or it can be a significant enabler. The mindset that is encouraged internally is an important factor in whether any such systems will enable self-disruption when it becomes necessary.

The problem is that established organisations may not have the mindset and culture that encourages people to experiment.

“…innovation needs fluidity and it needs you to be agile and flexible and willing to fail whereas in many big organisations like ourselves, yes we always say we want you to fail but once you fail, we don’t take kindly to you as a failure.” – Interviewee 9

Interviewee 11 works for a Fintech in the financial services sector. As a relatively new organisation, whose start was in a disruptive industry, they have been able to build a systematic process and a culture which helps them to fail fast. Their use of agile methodology gives their organisation a process and structures through which they can explore disruptive innovations. It also gives them an agile mindset as an organisation so they are comfortable with both exploration and exploitation.

“…being a small company we’re quite agile so we deploy agile methodology and development and that allows us to churn our products and ideas some work some don’t if it doesn’t work we fail fast and move onto the next one.” – Interviewee 11

This is an important balance for organisations to have as they build systems, processes and structures to manage innovation. They also need to foster an organisational culture in which
organisational ambidexterity as dynamic capability can be developed. This research proposed that organisational ambidexterity is critical in enabling an OSD dynamic capability, as research question 3 will seek to explore.

“...you do need to have some principals of how you will manage innovation but also allows a lot of spontaneous innovation for it to fall into your guided processes you know.” – Interviewee 11

5.3.3 Research question 3: Organisational Ambidexterity

Is organisational ambidexterity an important dynamic capability in the context of organisational self-disruption; if so, which antecedents are required to enable this?

“...we are turning that... aeroplane mid-air we can’t afford to land it but I think there is an understanding that we have no choice especially in our business we have no choice but to see our self as a changed operating model.” - Interviewee 9

Research question 3 focused on the dynamic capability of organisational ambidexterity and whether participants so the relevance to developing this capability in the context of enabling self-disruption. The ability for organisations to both exploit current resources and capabilities and explore new opportunities is seen as important for long-term sustainability. All interviewees indicated the importance of organisational ambidexterity in sustainable competitive advantage. Below are the comments on organisational ambidexterity:

“...it's pivotal for an organisation in the consulting game to explore and exploit... we would not remain relevant and be those trusted advisers of our clients if we did not do both.” - Interviewee 5

“It’s pertinent to long-term success. Sustainability in terms of… from a consulting environment is dependent on your ability to leverage as much as you can from your existing clients as it is to get new business”- Interviewee 7

“...if an organisation is not ambidextrous it will definitely suffer the consequences because we can say okay fine let’s focus on innovation explore new opportunities if we’re not able to handle both we may lose our current revenues which actually fuel our abilities to go and explore those new opportunities. So long-term success an
organisation’s ability to be ambidextrous is critical… the only question is to the level of ambidexterity” - Interviewee 14

However, there was an admission that organisations were usually good at exploitation and in “business as usual” but with change. Interviewee 6 indicated that although both exploitation and exploration within their organisation, they felt that there was a bias towards exploiting, “…we do both but not in equal weighting the balance is still focussing to more… on exploiting the existing”. This view that organisations are largely focused on exploitation was supported by interviewee 3:

“…we are very focused on existing the way we’re doing things the current capabilities and not spending much time looking at what we should be doing or what are the things that we can do that will take our business to the next level and become our future core…”

Based on the interviews, however, there is recognition that organisations will need a more ambidextrous capability if they are to successfully self-disrupt since self-disruption is as much about exploring as it is about exploiting. The frequency of interviewees that mentioned each theme is shown in Table 5-7. The top three themes’ results will be discussed.

Table 5-5: Themes Frequencies for research question 3

<table>
<thead>
<tr>
<th>Rank</th>
<th>Emergent codes/themes</th>
<th>Themes</th>
<th>Interviewee frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Right people in the right place; reward/incentives for exploration; dedicated teams; Resource allocation; empowered staff; Inertia as obstacle</td>
<td>Organisational structure</td>
<td>14</td>
</tr>
<tr>
<td>2</td>
<td>Driven by top management; Vision: strategic foresight; buy-in by top management; new management mindset;</td>
<td>Organisational Leadership</td>
<td>12</td>
</tr>
<tr>
<td>3</td>
<td>Operate in the unknown; Digitalisation as enabler; Regulation as hindrance; Industry dependent;</td>
<td>Environmental and Competitive factors</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Customer orientation; response to market opportunities; remain relevant; offer customer value</td>
<td>Market Orientation</td>
<td>7</td>
</tr>
<tr>
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</tr>
<tr>
<td>5</td>
<td>Busyness as obstacle; Agility; allow flexibility;</td>
<td>Organisational Culture</td>
<td>3</td>
</tr>
<tr>
<td>6</td>
<td>New ways or working; developing/ acquiring new capabilities</td>
<td>Organisational Learning</td>
<td>3</td>
</tr>
</tbody>
</table>

### 5.3.3.1 Organisational structure

All fourteen interviewees alluded to aspects of the Organisational structure as being important for organisations building an organisational ambidexterity. As highlighted above, a key concern was that individuals tend to focus on exploitations because the reward and incentive systems focus on current business goals and may overlook exploration. As interviewee 6 states:

“we can talk and talk but if the people don’t see what you see and they don’t experience it via the numbers and people are getting good bonuses because of these projects and then they realise… there’s actually a benefit to us exploring new things if they don’t experience that then it becomes difficult to change their mindsets.”

This bias for exploitation leads to people opting not to explore in areas where cannibalisation of their core business may occur. Interviewees 13 and 14 suggested that the choices made in the hiring process were critical in the ability to be ambidextrous. Organisations need to consider in their hiring processes and allocation of work that they would put in the teams that need to explore.

“…some people actually are not that flexible… they’re doing the work for the last twenty years they’re actually not easily adapt to the new actually ideas…” Interviewee 13

“So now being ambidextrous that we maintain these legacy services while exploring the new services and systems and one of the key drivers, what I’ve seen according to me is the workforce.
So the workforce is largely that the age groups are younger so there you go onto to say the workforce up to level of say senior management where you have a younger workforce than you did traditionally within the telecom sector.

And then that workforce is a key driver because the energy, their opportunities they see them and they bring that energy back into the organisation and that becomes the fuel of this innovation and I said without losing sight of the traditional legacy services” – Interviewee 14

In both cases, the decisions that each organisation makes to enable ambidexterity to determine the kind of Organisational structure. For Interviewee 13’s organisation, they opt to keep the exploration and exploitation teams separately so that people inclinations and capabilities are used where they best add value, and Interviewee 14’s organisation chose to keep they age of their staff young in the assumption that younger employees would be more willing to accept and explore changes.

Therefore the structure of the organisation and how it enables ambidexterity is important. One way identified for enabling ambidexterity was through partnering with other organisations that may have the capabilities that you require. Interviewee 12 mentioned that while their organisation has great at exploiting its core competencies, they were finding that they in order to develop ambidexterity, their organisation was looking at partnerships as a way of getting new competencies they did not have.

“…our organisation at the moment has very strong core competencies and we’re very good at doing those right and we do them well and you know we haven’t had to rely very much on partners and other people in order to you know to actually do those things well. But as the world changes you can’t-do everything well in order to create an ecosystem of solutions for customers…

…some of the things we are considering in order to beget that ambidexterity… that we’re considering right now… we’re building our partnership model in order to be able to quickly onboard partners who are able to give us you know that you know that disruptive capability where needed so we’re obviously also looking to make acquisitions that are strategically geared to making us you know move faster” – Interviewee 12
The need to look at possibly acquiring capabilities that you did not have through partnerships, leads to another key consideration and them that is related to Organisational structure, which is how the organisation chooses to deploy its financial resources to develop ambidexterity. Interviewee 9 highlighted their organisation was also investing money and committing resources into exploring how they would look like in the future.

“…we are spending a lot of money, resources, …it has started to be evident by how the organisation is making sure that we don’t just talk it; there are resources behind, there are people who are driving this thing they are thinking about this thing on a day to day basis it is not like something that you do on the side. So there are people who, their day to day job is to say how will this bank look like [in the future]”

The organisational structure is critical to enabling and OSD dynamic capability since it is it is through the structure that managers are able to create an environment that empowers employees to both explore and exploit. As interviewee 2 highlighted “the big steps of innovation of self-disruption were done by the addition of new teams and new people”, the reason for this was that at the lower levels people were not given the time necessary to think about the future and about how to self-disrupt.

“…at a lower level people probably realised that they need to self-disrupt but they got their next deadline and they’re going to meet that next deadline according to current models and then what happens the next month and the next month. So it really takes a big decision quite higher [up] to make a step that you would call genuine self-disruption…

…I think perhaps the best chance you might have of giving teams and individuals to self-disrupt would be to… would be where you offer them the space the time to do it.” – Interviewee 2

This highlights the importance of the organisational leadership in building the dynamic capability of organisational ambidexterity.
5.3.3.2 Organisational Leadership

“I think it's vitally important and that’s why I was able to get buy-in from the EXCO members and because I think they see this and they obviously are… looking after the business broadly.” – Interviewee 6

Twelve of interviewees acknowledged the role played by the top management structures of the organisation in enabling organisational ambidexterity. As the quote above highlights without buy-in from the executive management team whose role is looking after the entire organisation, it would be difficult to enable exploration within many organisations. This includes the decisions made about resource allocation and strategy.

The below insights about the role of senior management show that it is only after they are aware of the need to exploration as they have the strategic foresight to see that the organisation requires this if it is to sustain any competitive advantage.

“…senior management executives… had the vision and scope to focus on making sure the current business ran and paid the bills… and to think about the future and how to resource the company and structure it and model it for change for you know for an innovative new future…” – interviewee 2

“my organisation has realised… from the top group CEO that there is a need to tinker with the operating model because the operating model as we speak is being slowly disrupted so there is that acknowledgement that what worked 5 years ago it won’t be what will be there in the next couple of 5 years.” – Interviewee 9

Senior management has the power and authority to determine the direction of the organisation. This includes where the organisation chooses to allocate resources. This was also acknowledged as in section 5.3.1.3 as leaders' behaviours drive the culture and values of the organisation, including self-interest.

“...for me actually it comes from top to bottom the cultural indication of this new idea should be there from top to bottom… your employees are the future so if they bring
many opportunities and ideas continuously… organisations should give the opportunity to the employees to actually work on those new ideas… they should be open to listening they shouldn't be like I’m the leader, I decide what to do… you have to [be] open to the ideas come from anyone” – Interviewee 13

Ambidexterity requires a commitment of resources on projects for exploration. Therefore the role of senior management is important in ensuring that resources are invested as well as in giving direction and empowering staff. After all, as Interviewee 2 indicated,

“It's very hard if not impossible for the executives to create the right kind of self-disruption without very substantial input from… at the team and individual level"

There is a need therefore for leaders to recognise that the decisions they make have an impact on the organisation’s ability to self-disrupt. Part of their role is to consider the changes happening in the environment and giving their teams the capabilities and resources to execute on strategies and vision.

5.3.3.3 Environmental and Competitive factors

“I think if we don’t do it we definitely won't survive and this is the key to this game that you always have to be looking into the future…” – Interviewee 11

Nine out of the fourteen interviewees indicated environmental and competitive factors as critical to consider when looking for dynamics driving the need for exploitation and exploration in organisations. The dynamism and face pace of change is a reason for the need for organisation self-disruption was discussed in section 5.3.1.1. However, it is worth noting that this is also a strong reason for the need to enable ambidexterity.

As discussed previously, digitalisation as a driver was one of the environmental factors which were highlighted.

“I attended a lovely workshop… and they said this all companies need digital strategies because the way of the future is digital okay. And then they went on to say
but you shouldn’t have a digital strategy you should just have a strategy because without a digital embedded in your strategy you cease to exist. And I think my takeaway from that statement was that the thinking of the new and in their world and that was how do you digitise your business…” – Interviewee 3

Organisations are seeing the need to have digital as part of their strategies as the world changes and more technological innovations in the current information age drive the move towards digitalisation. Organisations are seeing the digital transformation as an opportunity to gain capabilities that enable them to explore and assure their future sustainability in an increasingly digitalised world.

“…there’s an internal digital transformation program that’s currently in place to get us there. We’re building a partnership of competency and also we’ve got a venture fund that we’re launching which is designed to work to make acquisitions into companies that are going to give us disruptive capabilities…” Interviewee 12

Organisations are recognising the impact an increasingly dynamic environment is having on their customers, and therefore on how they create value. They recognise the survival requires that they develop ambidexterity as a dynamic capability because the future is so uncertain in the environment.

“…it is really critical for us to constantly be self-assessing and realigning to make sure that we can remain relevant otherwise it won’t take long one and two years and you’ll be dead” – Interviewee 8

“…you’re expendable so when a competitor comes in and granted it happens, it happens a lot with the service offering that is better than yours; you’re going to be chucked out” – Interviewee 7

Interviewees also noted the impact of regulations on their ability to explore. They highlighted the added risks placed on exploration when compliance to regulations could lead to brand reputation risk and loss of trust from customers and partners. Interviewee 9 from the highly regulated services industry noted this as a concern.
“…most of the regulations or compliance that we are faced with tend to dissuade anyone from going full Monty so you do it but you always have to check the regulations...think there might be a need to bring the regulators and the compliance much closer to what is happening but right now that is a challenge we always face.” – Interviewee 9

The regulatory environment was highlighted as a big risk to being able to freely explore since it may seek to dissuade organisations from differentiating too much.

“…we always have to keep doing new things complying better to laws because the compliance language if you… if you're dealing with money or you are in the Fintech space it's very important. …compliance within the Fintech space is one of the most important elements that you need to factor into your business...” – Interviewee 11

There are many external things that organisations have to consider as they look to build their dynamic capabilities. Regulations were identified as one of the environmental obstacles that need to be navigated carefully, particularly when organisations may want to introduce radical changes in a regulatory environment that do not move as fast as the pace of business. This is the world which was alluded to on some of the cases that interviewees highlighted.

Uber disrupted a regulated taxi industry with a business model which caught regulators and incumbents off guard. WhatsApp and other messaging applications also disrupted a core business for telecommunications providers. In both cases, incumbents were too constrained by regulation and organisational inertia to respond to the disruptive innovations. They were unable to respond quickly and decisively because of their Organisational structure, leadership, and cultures were not built with the flexibility required to respond to the disruption. The flexibility required to enable an OSD dynamic capability.

5.3.4 Research question 4: Strategic Flexibility

*Is strategic flexibility an important dynamic capability in the context of organisational self-disruption; which antecedents are required to enable this?*
Research question 4 looked to determine whether strategic flexibility was seen as an important element for organisations looking to enable organisational self-disruption as a dynamic capability. All fourteen interviewees affirmed the importance of strategic flexibility. Table 5-11 shows examples of insightful comments about the relevance of strategic flexibility in developing an OSD dynamic capability.

“…the big thing now is value-add… it speaks to flexibility as not giving the client what they know they will receive because that’s standard… value-add becomes in addition to that how am I using innovation and things like that to empower the value-add to the client…” – Interviewee 1

“…we have no choice but to be very flexible when we crafting our strategies and willing to forego what might not be working as quickly as possible. So sort of adopting that start-up mentality it becomes vital it is not a choice anymore.” – Interviewee 9

“…it is vital because you need to continuously adjust yourself, adjust your business, adjust your resources, adjust your processes and make sure that they are relevant to the environment” – Interviewee 10

“…be quick enough to be able to react to those changes if you need to change certain items not necessarily change your strategy per se but be flexible enough to be able to react quick enough to the changes within the external environment…” – Interviewee 14

Strategic flexibility requires that organisations are able to look at trends happening in their environments and make the necessary changes to their strategic focus which enable them to direct their resources and continue to add value for their customer.

Table 5-12 shows the frequency table of how many interviewees mentioned each theme. All themes were mentioned by participants in one way or another. However, all fourteen participants mentioned Organisational structure, organisational leadership, market orientation and organisational culture as being critical themes in the context of building a
dynamic capability of strategic renewal. Further discussion of some insights on these four themes will follow below.

Table 5-6: Theme frequency on research question 4

<table>
<thead>
<tr>
<th>Rank</th>
<th>Emergent codes/themes</th>
<th>Themes</th>
<th>Interviewee frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Empowered staff; right people in the right place; resource allocation; flexible strategy; communication flow; right measurements; enabling rewards/incentives; dedicated teams; flexible org structure; decentralised decision-making; new business models</td>
<td>Organisational structure</td>
<td>14</td>
</tr>
<tr>
<td>1</td>
<td>Flexible mindset; Strategic foresight; leadership buy-in; driven by top leadership; decentralise decision making; leadership commitment; humility; entrepreneurial mindset;</td>
<td>Organisational Leadership</td>
<td>14</td>
</tr>
<tr>
<td>1</td>
<td>Value-add to customers; remain relevant; customer dependent; customer orientation; changing customer behaviour; responsive to customer needs</td>
<td>Market Orientation</td>
<td>14</td>
</tr>
<tr>
<td>1</td>
<td>Fear of failure; open to change; agile mindset; cultural shift; culture switch; lean thinking; willingness to fail;</td>
<td>Organisational Culture</td>
<td>14</td>
</tr>
<tr>
<td>2</td>
<td>Regulation as an obstacle; Digitalisation as enabler; environmental scanning; first mover advantage; understand the situation; dedicated focus on external trends; discontinuous changes</td>
<td>Environmental and Competitive Context</td>
<td>9</td>
</tr>
<tr>
<td>3</td>
<td>Be informed; always learning; mix of old and new capabilities; Training; learning new ways of working; build a learning organisation</td>
<td>Organisational Learning</td>
<td>7</td>
</tr>
</tbody>
</table>
5.3.4.1 Organisational structure

Organisations need to be able to flexibly deploy their current resources and capabilities towards exploration and exploitation opportunities. This requires organisational structures which recognise the need for such a dynamic capability and therefore commit to developing strategic flexibility. All interviewees mentioned important elements related to an organisational structure which materially impacts their flexibility.

The first thing is that organisational structures must enable a view of the external environment and how changes may impact on the ability of the organisation to remain relevant. This enables the strategy formulation processes to take any changes in the environment into account. This sentiment was shared by most Interviewees:

“[Organisations must]…have a strategy that takes into account all the changes and potential changes and uncertainties in your arena…” – Interviewee 2

“Some businesses having been very good to monitor the landscape… okay… see what the trends are seeing what the uptake are and then we deploy.” – Interviewee 3

Once a view of the environment and the trends impacting change has been determined, the organisation must still be able to make the necessary changes to its configuration and resource allocation in order to pursue opportunities. Therefore the ability to analyse resources for what they are is critical, as well as the capability to quickly deploy its resources become key skills and a fundamental requirement for the Organisational structure.

Without this skill, organisations cannot consider themselves flexible. Interviewee 6 noted how their organisation was good at identifying trends but was very poor in crafting the appropriate strategies and implementation plans to respond.

“…we’re very good at identifying risks we are very good in identifying changes in the market but we’re shocking at responding quickly…” – Interviewee 6
Organisations need to also put processes in place for making sure that when changes are identified, the organisation has the capability to respond with the required timeframe. As Interviewee 9 puts it:

“…there’s a lot of change management that you are doing across the organisation in anticipating all the changes that are happening and the changes has, in the financial services has changed from maybe being every 3 years it is now every 6 months something drastic is changing completely which, with a human factor impact…” – Interviewee 9

Strategic management requires an Organisational structure that recognises the importance of organisational management practices that can react appropriately to changes. Most of these systems and processes are only possible when organisational leadership recognises the need for them and manages accordingly.

5.3.4.2 Organisational Leadership

The view shared by most participants was that the mindset of the leadership was a prerequisite for strategic flexibility.

“If you’ve got a leadership that is open-minded and has like an experimental mindset and is open to taking on new ideas then I think that strategic flexibility is something that will ultimately get infused into the business because there’s a willingness to try new things and an eagerness to be responsive and remain relevant in the market…”

– Interviewee 8

Managing change as a dynamic capability largely lies within the ability of senior management to recognise the changes and react accordingly. The mindset of your leaders is a critical factor in determining what the organisation will do in order to respond appropriately. As Interviewee 4 highlights, top management must first see the value of flexibility if they are to instal it as a culture in the organisation.

“…it would have to be driven from the top so the leadership the management would have to truly understand the purpose and the value of being flexible” – Interviewee 4
Leaders need to have flexible, entrepreneurial mindsets so they can have a willingness to try new things, take risks and tolerate failure.

- “…also having an agile mindset…” interviewee 9
- “…you need the majority of your leadership with an entrepreneurial mindset…” - Interviewee 9
- “…has like an experimental mindset” – Interviewee 8
- “…the leadership mindset around that needs to be a higher level of risk tolerance and less punishment around failure. So I think with that kind of leadership mindset allows that process to flow a lot quicker” – Interviewee 12

Leaders must direct their organisations in instances where they don’t even know where the market is going. They must encourage and empower people to take risks and focus on serving the customer above all else. Most importantly, leaders must have a willingness to try new things which may include a willingness to cannibalise their current investments. The leadership trait allows leaders to enable strategic flexibility in a drive to ensure that the organisation remains relevant to the market.

5.3.4.3 Market orientation

Organisations now realise that customers’ behaviours are changing. Therefore the level of intuitiveness to customer needs will be critical for sustaining competitive advantage. Organisational flexibility is a critical skill for organisations to respond to customer needs and wants. As the examples below highlight, a market orientation is important because organisations need to put customers at the centre of how they operate.

“…customer behaviour has changed drastically because customers currently have options where previously they had to go to the branch or they had to actually deal with you… the customer didn’t have a choice, nowadays they do and if you don’t give them that choice they switch..” – Interviewee 9

“…customers now have understood or have begun to understand that there’s no reason why a service would not work the way that they would like to transact” – Interviewee 11
Customer knowledge means that for organisations to remain relevant, they must be able to flexibly direct resources where they are to provide the most value to customers. Customers are willing to switch products and services to organisations who provide them with the most value.

“...you always need to be conscious of how your customers’ needs are changing and how things in the general environment probably in the industry there are changing and making sure that you’re not getting left behind you’re either one or two steps ahead or at the very least you’re at the same level as your peers” – Interviewee 8

If the organisation is not willing to develop flexibility, they will soon lose customers and eventually they may die. Sometimes customer value means that organisations are flexible enough to divert resources towards opportunities that may cannibalise on current offerings. Organisations must also be a willingness to pursue such opportunities.

5.3.4.4 Organisational Culture

“...culture drives the behaviour of the organisation; if your organisational culture is based on the innovation you can actually adopt...” – Interviewee 13

Organisational culture is a way of working within organisations and is a driver of how individuals, groups and teams within the organisation behave. Therefore if innovation and flexibility are artefacts of the culture, people will behave accordingly. As the comment below suggests, flexibility and innovation must be “drummed” into employees so that the organisation can act with flexibility.

“...strategic flexibility and innovation should be part of this company and they need to drum it into employees... ” – Interviewee 11

There is recognition that there will have to be a cultural shift within organisations for them to be able to develop strategic flexibility as a dynamic capability. Particularly, because decision making will have to move to lower levels of the organisations, with employees empowered to make decisions. Employees may need to be empowered to make even those decisions that may lead to self-disruption.
“…changing the rules around who signs off, that automatically then changes the culture as well where you know we feel more empowered and then… the younger guys see things quickly and they make decisions quickly then they have the solutions quickly. But because the guys at the top are going to deliberate and debate and this and that the guys are not available you can only see the guy next week you know it hinders the flexibility.” – Interviewee 6.

Culture impacts the way people work and therefore it will impact the flexibility of how people work. The organisation needs to understand the impact of culture on their strategic flexibility.

5.3.5 Research question 5: Strategic Renewal

*Is strategic renewal an important dynamic capability in the context of organisational self-disruption; which antecedents are required to enable this?*

The last research question was about how strategic renewal can be understood in the context of organisational self-disruption as a dynamic capability. The aim was to determine whether participants saw strategic renewal as an important dynamic capability to have. Below are examples of insights found about the understanding of strategic renewal.

“…you’ll do a strategic renewal when it’s necessary so you’re not necessarily renewing all the time. …what you’d want to be doing on a regular basis… you’re constantly looking outside and you’re looking inwards and always trying to make sure that what your offering speaks to what your customers want and you’re in a position where you’re able to anticipate what your customers’ needs will be and you are able to respond to those.” – Interviewee 8

“…as managers you always need to assess your operational capability because otherwise if you don’t keep optimising it or you don’t keep refreshing it, you can become stale quickly… The other approach is you restructure everything meaning you take a blank canvas to say it works but let’s go back to the drawing boards meaning you turn the thing upside down…” – Interviewee 9
“…you had a position around how the world might look like but then as and when more information comes to light you know to what extent are you able to renew your strategy and to what extent would you do that radically and to what extent would you, you know iterate on it.” – Interviewee 12

Strategic renewal, like strategic renewal, requires an understanding of how the world is changing and recognition of how to fit the organisation’s current capabilities, resources and skills are to respond to the changes. There are two ways renewal is done, either the organisation acquires skills or they learn new skills that enable them to respond to change.

All six themes were mentioned by interviewees. Most participants felt that you needed to consider the same things as you would when looking at strategic flexibility. All interviewees mentioned Organisational structure and leadership as critical elements to consider. Organisational learning was mentioned in twelve of the interviews. Since the organisational structure and organisational leadership have been covered in previous research questions and the reasons and insights are similar, only organisational learning will be discussed for this question.

Three interviewees (3, 5 and 8) were confused about the difference between strategic renewal and strategic flexibility. The researcher explained the differences to them as he understands and their answers form part of the results. This highlighted some similarities between the concepts. It would be worth exploring strategic renewal and strategic flexibility to determine if they may essentially serve the same purpose for the organisation is as far as their abilities to respond to discontinuous changes.

Table 5-7: Theme frequency on research question 5

<table>
<thead>
<tr>
<th>Rank</th>
<th>Emergent code/themes</th>
<th>Themes</th>
<th>Interviewee frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Every level of organisation involved; enabling policies/systems/processes; empowered staff; Inertia as obstacle; right people in the right place; communication flow; context-dependent strategy; robust processes</td>
<td>Organisational structure</td>
<td>14</td>
</tr>
</tbody>
</table>
1. **Strategic mindset; learning new skills; bravery; strategic leadership; leadership commitment; strategic foresight; dynamic leadership; good leadership team**

   **Organisational Leadership**

   14

2. **Diagnosis of strengths and weaknesses; knowledge sharing; adapt to opportunities; critical analysis of capabilities; change for new requirements; build learning organisation; acquire new skills; continuous learning; learning capabilities; knowledge management capabilities;**

   **Organisational learning**

   12

3. **Customer-orientated; remain relevant; anticipate customer needs; understand your customer; meet customer expectations**

   **Market orientation**

   9

4. **Mindset shift; cultural realignment; self-interest behaviour; external focus; willing to be different; ambidexterity; enabling culture; collaborative;**

   **Organisational culture**

   5

5. **Regulation as an obstacle; Traditional industries; new technologies as driver;**

   **Environmental and competitive context**

   4

### 5.3.5.1 Organisational learning

"an organisation that understand that it needs to adjust its resources and to be relevant to that particular market so like I said, learn and learn and relearn they are able to understand that concept and then the organisation is able to skill them, reskill them or upskill them to be relevant to the environment that it get there" – Interviewee 10

The quote above best describes organisational learning in the context of self-disruption. Organisational learning required that organisations understand the environment, their market, and their skills. The organisation is then ready to renew resources to respond to any changes should it be required to. Interviewee 1 stated that organisations need to diagnosis
their strengths and weaknesses so that as that they understand where they need to adjust their capabilities.

“…it’s a self-diagnosis on your strengths and your weaknesses I believe…”

Once an analysis of your capabilities has been done, the organisation will determine whether they need to acquire new skills and capabilities or if the current capabilities are still fit for purpose.

“…generally in terms of your skills and capabilities you want to keep them up to date all the time…” – Interviewee 8

Organisational learning enables the organisation to constantly be evaluating its skills and adding new ones as and when necessary. The danger some of the interviews highlighted was that of being in a state of constant flux. Renewal must not mean you are making radical changes constantly. If the organisation has a culture that encourages continual learning and encourages employees to bring the learnings back in, renewal could mean that the incremental changes are brought in that result in radical changes in the long-run.

5.4 Conclusion

“…by not cannibalising your own self it means startup setting out there are not going to ask you for permission to eat your lunch they are just going to go for it, whereas if you do it yourself you give yourself the ability to cushion yourself, you know it is coming,…you are going to be responsible how you are going to manage it” – Interviewee 9

This chapter has introduced results from fourteen interviews which evaluated the validity of the theoretical model proposed in chapter two for enabling an OSD dynamic capability. Table 5-8 summarises the findings are discussed in this chapter. Emergent themes were matched to the main themes as defined from literature and described in chapter 4. The themes show that organisational structure, culture, leadership, learning, market orientation and the organisation’s orientation towards its environmental and competitive factors were all important antecedents to consider for enabling an OSD dynamic capability.
Organisations recognise the importance of self-disruption. It is important for organisations to develop the capabilities and competencies which enable OSD as a dynamic capability in an organisational environment that has a willingness to self-disrupt. Therefore the organisational structures, leadership, culture and learning must be in place to enable the organisation to develop the dynamic capability of self-disruption.

However, self-disruption is must not be for its own sake. There must be a reason why you are cannibalising your own investments and resources. The key insight was that by understanding the discontinuous changes in the environment and the trends that are driving those changes, as well as understanding what their customers want, organisations can see whether self-disruption is necessary for their context or not. Therefore understandings of the environmental and competitive context and a market orientation are critical within the organisation.

Once organisations have established a reason for needing change, they need to know how to apply this change in a way that they can continue to sustain themselves. The model proposed that when organisations had a structured innovation management system; developed the dynamic capabilities of organisational ambidexterity, strategic flexibility and strategic renewal, they have a model for responding to those changes in a way that would be
willing to cannibalise their own investments. They would be willing to disrupt as they would have the necessary capabilities to do so successfully.

The next chapter is a discussion about how these results are linked to literature. The discussion in chapter six will, therefore, attempt to link the findings in chapter five with the theory unearthed in chapter two.
6. Discussion

6.1 Introduction

The aim of the study was to develop and evaluate a model for enabling organisational self-disruption as a dynamic capability. Fourteen interviews were done to obtain perspectives from organisational managers on the theoretical constructs of the proposed model. Results from analysis of the data were presented in the chapter five which aimed to answer the research questions posed on chapter 3. Five research questions were asked and were based on the research proposition that:

For organisations to maintain a sustainable competitive advantage in dynamic environments with discontinuous changes they must develop Organisational Self-Disruption as a dynamic capability. Organisations can achieve this dynamic capability through a strategic innovation management system that integrates the dynamic capabilities of organisational ambidexterity, strategic flexibility and strategic renewal.

The findings from the interviews suggest that organisational self-disruption as defined in this study is an important dynamic capability. All interviews participants said acknowledged that they saw this as important particularly in today’s changing world. This study proposed that a model for enabling this dynamic capability by having a strategic innovation management system, and the combined dynamic capabilities of organisational ambidexterity, strategic flexibility and strategic renewal. This chapter will discuss the results and interpret the implications within a theoretical context by also including literature.

6.2 Discussions

6.2.1 Research question 1: Organisational Self-Disruption

Do organisations see the importance of having organisational self-disruption as a dynamic capability; if so, which antecedents are required to enable this?

This research question sought to determine whether participants saw organisational self-disruption as an important dynamic capability. The aim was to determine where participants saw the importance of self-disruption and its antecedents. The survival of organisations is threatened when they fail to respond to discontinuous changes in their environment (Birkinshaw et al, 2016). At times the response through radical innovation may require that
organisations be willing to cannibalise their own investments and resources (Chandy & Tellis, 1998; Slater et al, 2014).

All fourteen interviewees felt that organisational self-disruption was vital for organisational to have a sustainable competitive advantage and survival. Given the rapid and often discontinuous changes happening many of the interviewees felt that an ability to understand the external environment and the capability for the organisation to respond to any changes was essential. As interviewee 7 stated, organisations that do not have a self-disruption capability at a disadvantage given the pace of constant business model innovation and disruption that is happening currently.

“...if you don't have a capability that enables disruption or innovation in your organisation you're pretty much on the back foot... there are organisations that are constantly reinventing themselves and innovating and disrupting their current business model” - Interviewee 7

The world is entering into the fourth industrial revolution where the convergence of digital technologies with everyday aspects of the society poses a challenge in the long-term for development and for long organisations that need to think about what these discontinuous changes mean for them. The WEF sees innovation and digital reading as key components on the future preparedness pillar of “Fourth Industrial Revolution Readiness” (WEF, 2017). Digitalisation, which is the growing pervasiveness of digital technologies in the economy of the world, was one of the reasons identified as a driver of the need to self-disrupt by participants (Brennen & Kreiss, 2014).

“...in the digital era self-disruption is key and I mean I think organisations are going to have to do that in order to survive” – Interviewee 12

Self-disruption was also identified as a factor in how organisations are able to respond to the needs of customers.

“...we're going through a phase where things like digital transformation are becoming relevant for our clients…” – Interviewee 8

Participants indicated strongly that organisations needed to self-disrupt because the competition had increased and they had to remain relevant to customers and the market. As customer behaviour changes, there is a need for organisations to reinvent their business models and their strategies so they could respond to customer needs and wants (Teece D. J., 2010).
Discontinuous changes mean that organisation often would have to disrupt how they have always done business in order to create value for their customers. The key is to anticipate customer expectations and focus the meeting them:

“...make sure that you’re always true with your customers’ needs and if you can anticipate something better that you can do for your customers then go ahead and do it” – Interviewee 8

As Nagy et al (2016) expressed disruptive innovations often result in changes to customer expectations and led to discontinuities in how industries operated. Successful disruption requires that demand and needs within the market are significantly changed and new business practices and markets affecting key players are created (Assink, 2006). Self-disruption also requires radical changes to the business models and strategies organisations use to create value for their customers albeit within an organisational culture that encourages a willingness to cannibalise (Slater, Mohr, & Sengupta, 2014).

Although there was some recognition that the ability to self-disrupt was important, there was also a strong feeling that since it was in response to what customers expect, it would have to depend on which industry you served. A few interviewees felt that self-disruption depended on your customers and so it depended on your industry structure. Two interviewees indicated discomfort about cannibalisation being a necessary possible action when self-disrupting and felt that you could run things in parallel.

“I think if all of these can run in parallel or be leveraged off that’s what would sustain an organisation going forward instead of cannibalising” – Interviewee 4

This discomfort may be the reason why self-disruption was seen as very difficult for organisations. Most participants admitted that it was difficult for their organisation and it was not a practice they were good at.

“...for much established organisation it is a very difficult, it is a tall order, we talk about it but the doing part is very, very, very difficult” – Interviewee 9

There was a general feeling from participants that most large organisations have largely failed to respond to discontinuous changes in their industries and in their environment of business because as they grew bigger many organisations had generated path dependencies which made responding to disruptive change difficult. Even when organisations recognised that technological innovations were leading to disruption in their industries, organisational inertia is caused by path dependency, status quo thinking and obsolete mental models amongst other things with the organisation (Assink, 2006).

“...we’d like to be old school, we’d like to rather stick to what we know even if we know maybe that your industry’s being challenged, its traditional way of operating is being challenged, we still want to stick with what we know; we’re not having realistic conversations with ourselves as to what is the impact of evolution going to be on our organisations” – Interviewee 3
Because of organisational inertia, it is important for organisations to develop dynamic capabilities in order to respond to environmental changes and sustain their competitive advantage (Teece, Pisano, & Shuen, 1997). Top management is responsible for developing the dynamic capabilities necessary for organisational response to change (Laaksonen & Peltoniemi, 2016).

Organisational leadership is critical in driving organisations’ responses to disruption with top management being the key driving force to enabling any dynamic capabilities in the organisation.

“I think organisational self-disruption should be something that is the intention, a purposeful recognised, active intention of management.” – Interviewee 11

“I think a leader that can reach right across an organisation and convince them the way to go, is a leader that will achieve the right sort of innovation and self-disruption” – Interviewee 2

For organisations to enable organisational self-disruption there needs to be a mindset shift in the leadership. Leaders need to enable an organisational culture that has a high tolerance for risk, failure and also has a willingness to cannibalise. Organisational leaders are responsible for organisational culture, structure, strategy and processes to drive its innovation processes (Crossan & Apaydin, 2010).

An OSD dynamic capability is only possible when the leadership is in place that can instil an enabling culture in an organisation that has a strong market orientation and an understanding of the organisation’s environmental context. Once there is an acknowledgement of the importance of an OSD dynamic capability, organisations will need to have systems and processes for managing innovations and opportunities to innovate that come to the organisation.

6.2.2 Research question 2: Strategic Innovation Management

Do organisations see the importance of having a strategic innovation management system; if so, which antecedents determine the system’s ability to enable organisational self-disruption?
Strategic innovation management involves the strategic choices made by top management teams on how innovation will be managed within their organisations; these include the organisational structure, culture and the portfolio of innovations to be pursued (Crossan & Apaydin, 2010; Nagji & Tuff, 2012; Ikeda & Marshall, 2016). For an OSD dynamic capability to be developed within the organisation, there must be systems, structures and processes in place that develop or acquire the skills and capabilities necessary for the organisation to prepare to self-disrupt.

Participants indicated that it was important for organisations to have a system for managing innovation. It is critical that organisations strategically manage innovation in order to create sustainable value from it. Organisational innovation has been identified as a process that must be managed if the organisation is to successfully achieve a sustainable competitive advantage from it (Trott, 2008; Tidd & Bessant, 2009; Crossan & Apaydin, 2010).

“…if innovation is part of our business it must be managed because it will add value in the long run” – Interviewee 4

“…innovation doesn’t just simply come on its own it has to be a focus it has to be something that the organisation walks in, walks towards…” – Interviewee 14

Organisations need a structured way to manage innovation so that resources were not wasted and innovations that were brought in would add value to the customer (Tidd and Bessant, 2009). In the absence of a structured system, organisations end up doing innovation projects which are unguided.

“…unguided innovation is… misguided innovation. You need to understand the market that you’re in, you need to understand what you’re trying to fulfil and what you want to be good at…” – Interviewee 11

Without an innovation management system, organisations end up focusing too much on daily tasks and risked losing good ideas and opportunities as there was no process for channelling ideas internally.

“Without the ability to have a management system in place innovations have been lost…” – Interviewee 5

The organisational structures were identified as being of paramount importance particularly when considering how an organisation can leverage such a system to enable an OSD dynamic capability in a way that would create value. This confirms the assertion made by Eriksson (2014) on the internal antecedents for developing dynamic capabilities. These include processes, methodologies, management practices which would encourage exploration into opportunities that may result in loss of high margin products and services.
Top management is responsible for organisational strategy and their decisions are critical when organisations are putting together structures and processes for managing innovation (Crossan & Apaydin, 2010; Pisano, 2015; Sánchez et al, 2011). The role of leadership is critical if organisations are to successfully implement strategic innovation management systems (Crossan & Apaydin, 2010). Participants highlighted that organisational leaders need the strategic foresight and vision to see how environmental trends will impact the organisation and a mindset that tolerates failure and risks as the organisation explores avenues which may lead to self-disruption. In today's environments, this includes digitalisation as discussed in the previous section.

“…there’s also those interventions that are currently in place you know from a leadership point of view so that they can lead in the digital era because it does require a different mindset from a leadership perspective as well” – Interviewee 12

Given the dynamism of the environment that is resulting in the need for an OSD dynamic capability, top management will be central. Organisational leaders also have a role as gatekeepers since they are responsible for allocation of resources when determining which innovations are pursued was highlighted.

“…you are spending a lot of your money into the new innovations and so forth and you forget to run the business the normal business… So it becomes quite important to have a balance of the two and to have gatekeepers…”- Interviewee 10

It is important that as organisations look to get the right people in the right places they empower them to explore opportunities by ensuring that organisations incentivise and reward their efforts. These actions are described as part the management levers used by organisational leaders (Crossan & Apaydin, 2010). Without these systems in place it may be difficult to encourage people to be innovative, particularly where exploration is concerned. For instance Lawson and Samson (2001) recommend that reward systems must for part of the considerations managers must make if they are to enable an innovation capability.

“…there’s no reward system or structure saying that be innovative…”– Interviewee 4

“So [X] does not have a process where it enables people to produce ideas...” – Interviewee 7

Although organisations claimed to want exploration, there were no systems in place which encouraged it and failure is not tolerated even when top management even though exploration comes with uncertainty and risk. Organisations need measurement systems which give a sense of the impact of innovation projects on the organisation and on its customers (Adams, Bessant, & Phelps, 2006).

“…make sure that you define KPI’s or whatever performance metrics you use to measure people to make sure that you get that innovation that you want otherwise, people focus on things that will get them their bonus…” – Interviewee 8
Ultimately a self-disruption dynamic capability must ensure that the organisation remains relevant to the market and continues to add value. Organisational culture is an important aspect of enabling an OSD dynamic capability. Managers will tend to choose innovation strategies that are congruent with the culture within the organisation (Büschgens, Bausch, & Balkin, 2013). Therefore if the strategic innovation management system is to successfully enable an OSD dynamic capability, there may need to be a culture shift within the organisation or leaders may need to understand the elements of their culture which can enable self-disruption (Tellis et al, 2009; Slater et al, 2014). Organisations need to open to new things and the people must have an agile mindset that is comfortable with uncertainty. The systems and processes should support this behaviours and culture.

“…break it down into pieces on an element of culture that this is how we want to work, we don’t want to be silos we want to welcome new ideas and not be afraid to raise an idea and everyone should be able to have a voice…” – Interviewee 11

Although a strategic innovation management system was said to be important for organisations looking to successfully manage innovation only five interviewees said their organisations had a systematic way for managing innovation. Interviewees that indicated that their organisations were comfortable with exploration said that they had structured processes for managing innovation which was driven by top management. However many indicated that decision making would have to come to lower levels if successful exploration was to be enabled.

“What is the communication flow from your most junior people to the decision makers…” – interviewee 3

“I think if there’s more decentralisation of the decisions we can move a lot quicker.” – Interviewee 6

Decentralisation of decision making has been identified as one of the organisational structure decision that ensures successful outcomes in the innovation and exploration process (Tidd & Bessant, 2009; Eriksson, 2014). Therefore leaders must decentralise their decision making which will likely encourage innovativeness. Participants felt that whatever system was in place needed to enable every level of the organisation to be able to communicate their perspective on innovation and as such the system need to give every member a way to channel ideas into the organisation. Organisational structures, therefore, need to manage communication flow in such a way that way everyone could take accountability for the decisions being made by the organisation.
6.2.3 Research question 3: Organisational Ambidexterity

Is organisational ambidexterity an important dynamic capability in the context of organisational self-disruption; if so, which antecedents are required to enable this?

Organisational ambidexterity was also seen as essential for organisations looking to enable organisational self-disrupt. Organisational ambidexterity is a dynamic capability that gives the organisation an ability to simultaneously explore new opportunities whilst exploiting its current resources and capabilities (Raisch & Birkinshaw, 2008; Birkinshaw et al, 2016). O’Reilly and Tushman (2008) proposed this dynamic capability as necessary when organisations need to respond to disruptive innovations. Participants indicated that they saw this dynamic capability as a vitally important skill for organisations in light of the environmental dynamism as a result of the fourth industrial revolution causing discontinuous change. Organisations need to be exploiting their resources to benefit from their current competitive advantage whilst exploring new opportunities to sustain any competitive advantage.

“…if an organisation is not ambidextrous it will suffer the consequences because… if we’re not able to handle both [explore and exploit] we may lose our current revenues which actually fuel our abilities to go and explore those new opportunities. So [for] long-term success an organisation’s ability to be ambidextrous is critical…”- Interviewee 14

There was a feeling that organisations today operate in a largely unknown reality. Digitalisation means that start-up organisations could create a new offering that targeted customers who they would not have had access to. Organisations in their considerations have to always be aware of their customer’s needs, even to the points of anticipating needs customers did not even know they had (Chen, 2017). Organisations need to have a market orientation in order to anticipate customers’ needs; a market orientation enables exploration and exploration with positive outcomes (Raisch & Birkinshaw, 2008).

“How I think we are doing that and how I think we have done that is the organisation itself so your CEO, their belief is that that’s where we need to go so his belief is that the traditional services as they are it’s dead but where we need to go the client of the future, customer of the future these are the services that they will want to have, how they want to consume them” – Interviewee 14

A market orientation is only possible when the leadership and structure of the organisation serve as an enabler. The role of senior management is an important antecedent in the organisational ambidexterity as a dynamic capability (Raisch & Birkinshaw, 2008; Lavie et al, 2010). The ability of managers to motivate their teams as they exploit and explore is an important aspect of organisational ambidexterity. Participants highlighted the importance of
the leadership role in driving an agenda which enables exploration since organisations were largely identified as being good at exploitation.

“…we’re also working with our leaders just in terms of gearing them to firstly stretch their teams from an expectations point of view so… our leaders are very good at managing the guys on today’s stuff, but to what extent do they challenge them to come up with things that address tomorrow you know” – Interviewee 12

Organisations are very good at exploitation as this were competencies that had served them in their growth. The trouble was that organisations did not have the capabilities to respond adequately to disruptive and discontinuous changes (Birkinshaw et al, 2016). The failure to effectively explore was identified as an obstacle to organisational self-disruption because it meant that organisations largely failed to respond timeously to the changes as they happened.

“…we are very focused on [the] existing, the way we’re doing things, the current capabilities and not spending much time looking at what we should be doing or what are the things that we can do that will take our business to the next level and become our future core” – Interviewee 3

Organisations need to develop the skills and capabilities to explore new opportunities whilst also continuing to offer value to the customer of their traditional offerings. Again, this is only possible when top management understands the trends in the environment as well as being in tune with customer needs and wants (Schmitt, Probst, & Tushman, 2010).

“…if you don’t focus on the long-term innovation that you need to do you will get past over by the smaller companies that are actually the smaller start-ups that are actually coming out you know that are doing things better, faster you know and are more agile” – Interviewee 11

Since organisational ambidexterity is a dynamic capability, it can only be driven by top management since they are responsible for how the organisations are structured and resource decisions (Eriksson, 2014; Teece et al, 2016). It is important the teams which are looking to explore have support from their organisational leaders. This teams will need to be given the mandate to explore even into areas where they impact investments the organisation has already made. The organisational structure is an important factor when designing the organisation for ambidexterity (Raisch & Birkinshaw, 2008).

All the issues related to how the organisation is structured and designed are critical for leaders to consider. Participants highlighted the issue of incentives and rewards with organisations needing processes that would empower and enable exploration. There was also a suggestion that organisations may need dedicated teams that would explore as the mindset of exploration would require people who are comfortable with uncertainty. There
was a suggestion that the workforce for exploration may be the younger employees who do not have the mindset of business as usual. These are examples of the elements of organisational structure which may impact on the ability of the organisation to be ambidextrous. All these are considered in the literature on the antecedents of dynamic capabilities and organisational ambidexterity (Raisch & Birkinshaw, 2008; Eriksson, 2014).

6.2.4 Research question 4: Strategic Flexibility

Is strategic flexibility an important dynamic capability in the context of organisational self-disruption; which antecedents are required to enable this?

Participants stated that they also saw the value of strategic flexibility to organisational self-disruption. Strategic flexibility is the dynamic capability of organisations to commit resources to new actions quickly in response to changes in the external environment (Shimizu & Hitt, 2004). Strategic flexibility enables an organisational response to discontinuous change by enabling the flexible allocation of resources, skills and responses in response to changes in a dynamic environment as they happen.

“we find means and ways of being agile in this environment that whatever that we do we change with that but equally… it needs to be flexible enough” – Interviewee 10

There is a need for organisations to have flexible strategies and resources so that they are able to respond to discontinuous changes in their environment. As a dynamic capability, this is driven by organisational leadership the same way that organisational ambidexterity is. Leaders must have a mindset that allows for flexibility is a highly dynamic environment (Shimizu & Hitt, 2004; Brozovic, 2016).

“…firstly it would have to be driven from the top so the leadership the management would have to truly understand the purpose and the value of being flexible” – Interviewee 5

Organisational leaders faced with discontinuous changes choose how their organisations are structured and which behaviours and values are incentivised (Combe et al, 2012; Brozovic, 2016). It is after all the mindset of the leaders and their beliefs and values that determine the direction of the organisation and therefore whether it can self-disrupt.

By organisational leaders enabling an organisational culture that is able to proactively respond to changes in the environment, managers can facilitate strategic flexibility as a dynamic capability. Interviewees also identified a willingness to fail as important if the
organisational culture was to enable strategic flexibility as a dynamic capability. All participants acknowledged that organisations a change of culture if they are to enable strategic flexibility.

“...strategic flexibility and innovation should be part of this company and they need to drum it into employees...” – Interviewee 11

The organisational structure is also critical to enabling strategic flexibility. Organisations need to have decentralised decision making process where all levels of employees are empowered to contribute to the strategy of the organisation (Eriksson, 2014; Brozovic, 2016). Again the rewards and incentives must be in place so that employees feel that failures, as they explore and try new things, will not be penalised. Organisational structures that place the customer at the centre of strategy will allow the organisation to sustain their competitive advantage in the long run.

Organisations must also understand when flexibility requires new capabilities and skills. Some participants indicated the organisations will need to build a learning organisation in order to enable strategic flexibility. There is a need to include both new and old capabilities within the organisation in order to enable flexibility, which places the renewal of resources and capabilities at the centre of strategic renewal.

6.2.5 Research question 5: Strategic Renewal

Is strategic renewal an important dynamic capability in the context of organisational self-disruption; which antecedents are required to enable this?

The strategic renewal is the continual refreshing, replacing and reconfiguring of organisational skills and capabilities in order to enable the organisation to sustain long-term competitive advantage (Agarwal & Helfat, 2009). Participants felt that strategic renewal was an important dynamic capability in the context of enabling organisational self-disruption. The same requirements of organisational structure, organisational culture, and organisational leadership between strategic renewal and strategic flexibility were found for strategic renewal. Self-disruption requires radical changes to strategies and business models which require strategic adaption through dynamic capabilities where transformational renewal that includes strong exploration of options by all levels of management may change the industry rules is created (Volberda et al, 2001).
A key finding was on the impact of organisational learning which can be described as the learning orientation of the organisation (Ambrosini et al, 2009). Organisational learning is higher-order capability which is useful in enabling dynamic capabilities through the learning of new skills and the acquiring of new capabilities which organisations identified as necessary for in the context of organisational self-disruption (Fainshmidt, 2016). Participants felt that it was important for organisations to have the ability to learn and develop their capabilities.

“…to ensure that as you self-disrupt as an organisation you bring your people along. …you have to learn, unlearn and re-learn and in that process, you also have to skill, reskill or upskill…” - Interviewee 10

Organisational learning enables the organisations to hone skills required for both exploitation and exploration, with the degree of learning being the only difference (March, 1991). Therefore there is a need for organisations to constantly review their skills and capabilities in order to determine any weaknesses. When organisations determine that their skills are no longer relevant they could either acquire new skills or they could partner with others who had the skills they needed.

“…as managers you always need to assess your operational capability because otherwise if you don’t keep optimising it or you don’t keep refreshing it, you can become stale quickly…” Interviewee 9

Leaders with strategic foresight were well placed to identify the trends and therefore to critically analyse the skills within their organisations in order to build a learning organisation. Organisations need to build a learning organisation which is prepared to disrupt its current capabilities and competencies because it is capable of learning acquiring the capabilities and skills that are necessary to sustain a competitive advantage.

“…an organisation that understands that it needs to adjust its resources and to be relevant to that particular market so like I said, learn and learn and relearn – Interviewee 10
6.3 Conclusion

Organisational innovation is critical if organisations are to sustain any competitive advantage (Trott, 2008; Tidd & Bessant, 2009; Crossant and Apaydin, 2010; Kuratko et al, 2015). In today’s dynamic and fast changing world innovation has been identified as a key element of future preparedness (WEF, 2017). It is not enough for organisations to only innovate incrementally given the discontinuous changes in the environment. Discontinuous changes are leading to disruptive innovations which many incumbents failing to respond to (Assink, 2006; Nagy et al, 2016). Organisations also need the capability to enable radical and disruptive innovation which means that organisations must be willing to cannibalise their own investments (Chandy & Tellis, 1998; Slater et al, 2014; Nagy et al, 2016).

This study sought to determine the importance of organisational self-disruption as a dynamic capability in industries which have been identified internationally to be facing disruption (Bughin et al, 2017). Participants agreed that self-disruption is important if organisations are to sustain any competitive advantage. In today’s fast changing environment organisations must be able to respond to discontinuous change. Participants also agreed that strategic innovation management, organisational ambidexterity, strategic flexibility and strategic renewal were important capabilities for organisations if they were to be able to self-disrupt successfully.

The findings underlined six antecedents that need to be considered if organisations are going to develop an OSD dynamic capability through the proposed elements this researcher investigated. Internally, organisations must consider their organisational structures, organisations leadership, organisational culture and the organisational learning capability. Organisations must only have a market orientation so that they can understand their market and their customer and they need to have a view of their environmental and competitive landscape and context.

The findings confirmed the findings from the literature on the various elements and they can help organisations achieve a sustainable competitive advantage (Raisch & Birkinshaw, 2008; Lavie et al, 2010; Eriksson, 2014). The next chapter will summarise the research findings and conclude the study with recommendations for managers and for future investigations.
7. Conclusion

7.1 Introduction

The aim of this research study was to determine how organisations could enable organisational self-disruption as a dynamic capability in a “VUCA world” with discontinuous changes resulting in disruptive innovations. Organisations will need to radically transform their resources, capabilities, strategies and business models if they are to successfully adapt to a world that is changing rapidly.

Dynamic capabilities enable the strategic adaptation of organisations by giving leaders the capabilities and resources necessary to make strategic choices in response to change such that they can respond to disruption. An OSD dynamic capability gives leaders the tools to do so while also enabling a mindset that recognises that a willingness to cannibalise your own investment will be required if leaders are to respond to the changes being brought by the transition into the fourth industrial revolution.

7.2 OSD dynamic capability

The research study started with a proposition based on a literature review that organisations can develop an OSD dynamic capability by having a strategic innovation management system and the dynamic capabilities of organisational ambidexterity, strategic flexibility and strategic renewal. A theoretical conceptual model to enable OSD was proposed in chapter 2.

The findings of the study largely supported the importance and the relevance of the constructs as important to enabling self-disruption successfully in organisations. Six themes emerged from the interviews with the participants which are organisational structure, organisational leadership, organisational culture, organisational learning, market orientation and environmental and competitive context. This constructs introduced some of the elements which are proposed as essential if organisations are to enable an OSD dynamic capability.
Figure 7-1 describes the antecedents which were identified as well as some the things organisations and their top manager need to consider if they are to enable an OSD dynamic capability. This study sought to find the antecedents which organisations must consider when looking to enable dynamic capabilities. It found that Eriksson’s (2014) proposed antecedents for dynamic capabilities contained the elements necessary for organisations looking to develop an OSD dynamic capability.

Figure 7-1: Antecedents for enabling and OSD dynamic capability

<table>
<thead>
<tr>
<th>Internal Antecedents</th>
<th>Organisational Leadership</th>
<th>Organisational Structure</th>
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<tbody>
<tr>
<td></td>
<td>• Have a Vision</td>
<td>• Rewards and incentive systems must encourage exploration</td>
</tr>
<tr>
<td></td>
<td>• Strategic foresight</td>
<td>• Allocate of resources to exploration</td>
</tr>
<tr>
<td></td>
<td>• Practice Humility and Bravery</td>
<td>• Rules and goals</td>
</tr>
<tr>
<td></td>
<td>• Have an entrepreneurial mindset</td>
<td>• Communication flow must be top-down and bottom-up</td>
</tr>
</tbody>
</table>

| Organisational Culture                                    | • Willingness to cannibalise                                                             |                                                                              |
|                                                           | • High risk tolerance                                                                   | • Willing to fail                                                                     |
|                                                           | • Willing to fail                                                                       | • Empowered staff                                                                      |
|                                                           | • Build an agile mindset                                                                |                                                                              |
| Organisational Learning                                   | • Acquire new skills when necessary                                                    | • Build a learning culture                                                            |
|                                                           | • Build a learning culture                                                              | • Continuous learning                                                                 |
|                                                           | • Build knowledge management capabilities                                               | • Build knowledge management capabilities                                             |
| Market Orientation                                         | • Understand changing customer behaviour                                               | • Innovate the Business Model                                                          |
|                                                           | • Anticipate the customer’s needs                                                       | • Anticipate the customer’s needs                                                     |
| Environmental and Competitive context                      | • Understand digitalisation                                                              | • Understand the competitive landscape                                                |
|                                                           | • Understand the competitive landscape                                                  | • Monitor the Trends                                                                  |

The proposition in this research is the OSD dynamic capability is important for organisations to develop and that organisations can look at the constructs proposed in the literature to enable some of the capabilities necessary for them to self-disrupt. These elements are for the most part similar to elements proposed for each of the dynamic capabilities discussed in the literature with a lot of confirmations that the literature on organisational ambidexterity, strategic flexibility and strategic renewal found these described these elements as precursors already (Raisch & Birkinshaw, 2008; Brozovic, 2016; Schmitt et al, 2016). The
key element for a self-disruption capability is a willingness to cannibalise as a cultural element.

7.3 Recommendations

The aim of this study was an exploration of how organisations can develop organisational self-disruption as a dynamic capability. There is a need to organisational managers to proactively respond to environments that are in a state of constant flux. Scholars are now recognising that competitive advantage is no longer easy for organisations to sustain in today’s rapidly changing environment (McGrath, 2013). Organisational innovation has been recognised as vitally important for organisations looking to any kind of sustained competitive advantage in the face of disruptive innovations (Crossan & Apaydin, 2010). Disruptive innovation may require that organisations be willing to cannibalise on their current investments (Chandy & Tellis, 1998; Assink, 2006; Slater et al, 2014).

A theoretical conceptual model has been proposed to enable an OSD dynamic capability within organisations. The model proposes that four elements are essential of organisations are to successfully self-disrupt. The recommendations for managers in organisations that are confronting changes which may require them to self-disrupt are.

- Create an innovation management system internally. Organisations need to have processes for innovation management that enable an innovation capability. Lawson and Samson (2001) proposed a model for developing an innovation capability through the structures, systems and processes of the organisation. The Crossan and Apaydin (2010) framework may also be useful for organisations thinking about how to manage innovation successfully. Organisations need to create processes and systems that enable them to search, select, implement and learn from opportunities to innovate (Tidd and Bessant, 2009).

- Operationalise the dynamic capabilities of organisational ambidexterity, strategic flexibility and strategic renewal. Pavlou and El Sawy (2011) proposed a model for managers can use to operationalise dynamic capabilities in their organisation. Firstly, the organisational design and structure must be suitable for enabling dynamic capabilities (Felin & Powell, 2016; Eriksson, 2014). Organisational managers at all levels are responsible that the organisation develops sensing, learning, integrating
and coordination capabilities that work together to ensure the dynamism necessary for organisations to reconfigure, renew, or modify their operational capabilities (Pavlou & El Sawy, 2011).

- Central to developing the dynamic capabilities is the cultural realignment required for organisations to develop a willingness to cannibalise. This requires a shift in mindset at all levels of the organisation. Self-disruption means that “business as usual” will have to be set aside as organisations respond to discontinuous change by transforming their strategies, business models and resources. A mindset that recognises the need to constantly test the assumptions about the business environment is necessary.

7.4 Future research

The purpose of this study was to explore how organisations can develop an OSD dynamic capability in order to sustain their competitive advantage. This study proposed a theoretically constructed conceptual model for enabling an OSD dynamic capability within organisations. Interviews with managers were conducted to evaluate the constructs of the conceptual model.

While the study confirmed the value for organisations to develop an OSD dynamic capability as well as the significance of a strategic innovation management system and the dynamic capabilities of organisational ambidexterity, strategic flexibility and strategic renewal when enabling the organisation to self-disrupt, further research is required to test the proposed model as well as the themes that emerged quantitatively. Future research in the following areas is recommended:

- This study looked at four constructs which are research areas separately. A qualitative study on each of the constructs is recommended. The aim is to explore each element of the model in the context of self-disruption.
- The study found that there were organisations that were successfully disrupting themselves. Further studies using a case study method can be used to discover if organisations which are self-disrupting have enabled the capabilities proposed in the study.
• This study only focused on three industries. Studies which look at other industries, particularly industries that are not dominated by services are recommended to determine if the findings are transferable to other contexts.

• Unwillingness to cannibalise is an important element of an OSD dynamic capability as proposed in this study. A future research may look to undertake a quantitative study on the correlations between unwillingness to cannibalise and the constructs of the proposed model.

7.5 Limitations of research

• The study only focused enabling an OSD dynamic capability in private sector organisations. It particularly focused on the three industries of professional services, financial services and telecommunications. Although discontinuous changes as a result of the fourth industrial revolution are happening in many other sectors and also have an impact on the public sector, this study deliberately focused on a specific context. This may have impact the findings of the research.

• Given the nature of qualitative research, the results are specific to the context of the study. They cannot be generalised to a larger world context.

• The researcher is aware that selection bias may have impacted the findings. Due to time constraints, there was not enough time to determine and select the optimal research method for eliminating any biases.

• Qualitative research is also subjective in nature. Biases on the side of the researcher as well as participants may have influenced the results and findings.

• The study was only based on interviews the researcher was able to secure given the time period.
7.6 Ethical considerations

We operate in a world of bounded ethicality, where individuals, including this researcher, may make decisions or behave in an unintentionally unethical manner (Bazerman & Sezer, 2016). Implicit and motivated biases may cause some actions that are not ethical. As such, besides the ethical approval process used by the Gordon Institute of Business Sciences, the researcher also took several ethical issues into considerations. One way to increase reliability and validity in qualitative studies is to consider the ethical lenses of the research (Christensen et al, 2015).

- There is an acknowledgement that biases the researcher’s side have affected some decisions made during the research process and will have impacted on the findings and presentation of the findings.

- Interviewees who were concerned about their privacy and confidentiality were assured that their information will be anonymised for the study. The researcher has done all that could be done to ensure that the confidentiality and consent were respected.

- The researcher interviewed a participant from an organisation his employer is in direct competition with. Care was taken to ensure that findings no confidential information that could prejudice the other organisations were discussed.

7.7 Conclusion

This study sought to investigate whether organisation can develop an OSD dynamic capability in order to respond to a “VUCA world” characterised by discontinuous changes. Organisations will have to respond if they are to sustain their competitive advantage in an operating environment punctuated by disruptive innovation and changes. Many established organisations fail respond because of barriers internal and external to the organisations which lead to leaders unable or unwilling to make the decisions that may disrupt their own organisations. This unwillingness to cannibalise their investments means organisation may not made the radical changes to their strategies, business models and resources which are necessary for achieving sustainable competitive advantage.
This study proposed a model for enabling Organisational Self-Disruption as a dynamic capability which will enable organisations to respond to discontinuous changes in the environment. The study demonstrated the importance of the ability to self-disrupt as demonstrated in the results. The study found that a strategic management system along with the dynamic capabilities of organisational ambidexterity, strategic flexibility and strategic renewal were important elements to consider in the contexts of and OSD dynamic capability.

The study brings new insights to the knowledge of how organisations that recognise the need to self-disrupt may look at developing the dynamic capabilities that enable them to do so. Organisation will have to consider the internal environment of the organisation by ensuring that their organisational leadership, structure, culture and learning capabilities are in place and ready to empower the organisation should the need to self-disrupt arise. The external environmental and competitive context and the market orientation of the organisation will also be important to consider as the reason for self-disruption will be in response to customer needs and to the trends in the environment.
References


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Schmitt, A., Probst, G., & Tushman, M. L. (2010). M@n@gement in times of economic crisis: insights into organizational ambidexterity. M@n@gement, 13(3), 128-150.


Verhulst, J. (2014). *Is willing to cannibalize part of the "assimilation" or the "demarcation" approach*. Tilburg University, Department of Social and Behavioral Studies. Tilburg: Tilburg University.


Appendix A: Participant Consent Form

Thank you very much for agreeing to be interviewed for this study. This form is to get your consent to be interviewed for the purpose of an academic research study.

I am conducting research on how organisations can build a capability for self-disruption in order to gain a competitive advantage. I am trying to find out what capabilities managers and organisations need in order to successfully and strategically self-disrupt whilst still maintaining a competitive advantage. I would like to get your understanding of some of the constructs that may be useful in building such a self-disruption capability. The interviews should run between 30 and 90 minutes, and will be recorded with your consent.

Your participation is completely voluntary. Should you wish to withdraw, you can do so at any time. The data I am collecting will be kept private and confidential, and is only intended for use in an academic setting. Your name and the name of the organisations you work for will also not be used in any way as part of the final report. Should you have any concerns, please contact my supervisor or myself. Below are our details.

<table>
<thead>
<tr>
<th>Researcher: Ndivhuwo Ramukumba</th>
<th>Supervisor: Dr. Jeff Yu-Jen Chen</th>
</tr>
</thead>
<tbody>
<tr>
<td>Email: <a href="mailto:12363015@mygibs.co.za">12363015@mygibs.co.za</a></td>
<td>Email: <a href="mailto:chenj@gibs.co.za">chenj@gibs.co.za</a></td>
</tr>
<tr>
<td>Phone: +27 82 730 6420</td>
<td>Phone: +27 11 771 4303 (direct)</td>
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<td></td>
<td>+27 11 771 4000 (switchboard)</td>
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</table>

Signature of researcher: ______________________________
Date: ___________________

Name of participant (optional):

Signature of participant: ______________________________
Date: ___________________
Appendix B: Interview Schedule

Interview Schedule

Once again, thank you for agreeing to participate in this study. The main aim of this interview is to understand how you understand organisational self-disruption. I have created a conceptual model of how organisations can successfully develop of self-disruption capability, and the purpose of this study is to test the model’s key constructs. The first two questions are to get your understanding of organisational innovation and disruption. The rest of the questions are related to a proposed conceptual model for self-disruption. I will explain/define at a broad level the key theoretical constructs before asking you any questions about them.

Question 1

Before we go to the model, I would also like to get your understanding of organisational innovation and the management of innovation within your organisation.

*How do you understand innovation in your industry, and particularly in your firm?*

Question 2

I define self-disruption as the ability to radically transform organisational resources, business models, and strategy at the expense of short-term goals and value, in preparation for sustainable long-run competitive advantage.

*Do you believe self-disruption is important?*

Question 3

Organisational ambidexterity is defined as the ability of an organisation to simultaneously explore new opportunities and exploit its current resources.

3.1 *Do you think your organisation is ambidextrous?*

3.2 *How important is this ability for your organisation’s long-term success?*
**Question 4**

The strategic management of innovation has been found to require systems, processes and procedures to ensure that the innovation process is implemented successfully.

4.1 *Does your organisation have a systematic and strategic process for managing innovation?*

4.2 *How important is the strategic management of innovation?*

**Question 5**

Strategic flexibility is defined as the capability to identify changes in the external environment and quickly commit resources to new courses of action in response to change and to act quickly when it is time to deploy, stop or reverse resource commitments.

5.1 *What is your understanding of strategic flexibility in the context of your organisation or industry?*

5.2 *How is important is strategic flexibility to your organisation, in the current environment?*

5.3 *What are the elements of strategic flexibility, in your understanding?*

**Question 6**

Strategic renewal is the process of refreshment or replacement of capabilities of an organization that has the potential to substantially affect its long-term prospects.

6.1 *How do you understand strategic renewal?*

6.2 *Is strategic renewal important to your organisation?*

6.3 *What are the elements of strategic renewal, in your understanding?*

**Question 7**

*Is there anything else you would like to add?*
Appendix C: Ethical clearance approval

31 May 2017

Ndivhuwo Ramukumba

Dear Ndivhuwo Ramukumba,

Please be advised that your application for Ethical Clearance has been approved.

You are therefore allowed to continue collecting your data.

We wish you everything of the best for the rest of the project.

Kind Regards

GIBS MBA Research Ethical Clearance Committee
## Appendix D: List of codes

<table>
<thead>
<tr>
<th>Research Question 1</th>
<th>Be proactive</th>
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<td>Change management</td>
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<td>Customer orientation</td>
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<td>Digitisation</td>
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<td>happens continuously</td>
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<td>remain relevant</td>
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<td>Required: Time to think</td>
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<td>ability to learn</td>
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<td>anticipate customer needs</td>
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<td>Awareness that new technologies mean new solutions</td>
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<td>Breakdown silos</td>
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<td>Bring value to customers</td>
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<td>change business model to give customer value</td>
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<td>Changes in people and resourcing</td>
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<td>changing mindsets</td>
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<td>Communication flow</td>
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<td>creating new business models</td>
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<td>Customer environment is changing</td>
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<td>Customer needs</td>
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<td>Customer needs driven</td>
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<td>Define innovation to you context</td>
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<td>Digital era</td>
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<td>Digitisation as a driver</td>
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<td>Economic conditions</td>
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<td>Fluid organisational structure</td>
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<td>Fourth Industrial revolution</td>
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<td>Guided by top management</td>
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<td>how do you make your strategy flexible</td>
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<td>Incentive schemes</td>
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<td>Industry dependent</td>
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<td>Industry specific</td>
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<td>Latest methodology of working</td>
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<td>Leadership</td>
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<td>Measurement of innovation</td>
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<td>Nature of change is exponential</td>
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<td>New business models</td>
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<td>New competitors</td>
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<td>New skills and capabilities</td>
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<td>Obstacle Self-Interest</td>
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<td>Obstacle: Organisational inertia</td>
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<td>Obstacle: Organisational inertia</td>
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<td>Obstacle: Self Interest</td>
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<td>Research Question 2</td>
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<td>Agile methodology</td>
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<td>Agility</td>
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<td>Building agility</td>
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<td>Business as usual (Organisational inertia)</td>
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<tr>
<td>Consulting is about billable hours (business as usual)</td>
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<tr>
<td>Customer orientation</td>
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<tr>
<td>empowering teams/staff</td>
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<td>Fail fast</td>
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<td>Flexibility</td>
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<td>flexible process</td>
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<td>focus on the bottom line</td>
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<td>Leadership for exploring</td>
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<td>Leadership mindset</td>
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<tr>
<td>Mandate (empowered staff)</td>
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<td>Measurement of progress</td>
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<td>Mindset open to new things</td>
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<td>New capabilities</td>
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<td>No structured process</td>
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<td>Partnership ecosystem</td>
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<td>Rules based</td>
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<td>strategic direction</td>
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<td>Strategic planning</td>
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<td>Structure methodology/process (framework)</td>
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<td>systematic implementation</td>
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<td>Tolerance for failure</td>
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<td>Tolerance for risk</td>
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<td>Vision : Strategic foresight</td>
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<td>Will work if measured and rewarded</td>
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<td>Willingness to fail</td>
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<tr>
<td>Change management required</td>
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<tr>
<td>Changing customer behaviour</td>
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</tbody>
</table>
| Create a Culture  
Digital economy/Digital Era  
Digitisation  
Experimental mindset  
Financial constraints  
Industry dependent  
Interdependence  
Leadership required  
New leadership roles  
Obstacle: Silo mentality  
Obstacle: Silos  
Relevancy: Industry is becoming redundant  
Reputational risks  
Spontaneous  
Staff participation  
strategic acquisitions and investments  
structured process required  
Systematic approach  
Systematic evaluation  
Systems are required  
Time constraints  
Time obstacle  

| Research Question 3 | Acquiring new capabilities  
Adding new people  
Agility  
Buy in from senior management for exploration  
Change Management  
Culture  
Customer driven  
Customer oriented  
Customer-orientation ("best reach our clients")  
Dedicated team  
Digital strategy  
Digital transformation  
Digitisation  
Driven by senior (Executive) Management  
Empower staff  
Exploitation : Results-drive  
Financial resources (investment)  
Future focused : Strategic foresight  
Getting the right time for change  
How far to prepare for the unknown (exploration)  
In response to market opportunities  
Industry related  
listen to staff  
management cognition  

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<thead>
<tr>
<th>New ways of working</th>
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<td>Obstacle: Busy</td>
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<td>Obstacle: Hubris</td>
<td>Fear of failure</td>
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<td>Obstacle: Regulation</td>
<td>Operating outside the norm</td>
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<td>Offer customer value: Customer oriented</td>
<td>Organisational structure to reflect changing environment</td>
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<td>Understanding your customer</td>
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<td>Empower staff</td>
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<td>communication flow</td>
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<td>Accountability</td>
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<td>Right people with place: Allow more flexible people to run with exploration</td>
<td>Leadership commitment</td>
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<td>Scenario planning</td>
<td>culture drives behaviour</td>
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<td>Set them apart competitively</td>
<td>Flexible in delivery to customers</td>
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<td>Strategic foresight</td>
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<td>Time to explore</td>
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<td>Timing</td>
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<td>Uncertain of outcomes</td>
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<td>Vision and Focus (Foresight)</td>
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<tr>
<td>Leadership mindset</td>
<td>Capabilities = people + technology</td>
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<td>right people right place: strong team</td>
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<td>Organisational Structure: breakdown formal structures</td>
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<td>Leadership orientation</td>
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<td>Flexible mindset</td>
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<td>Tolerate Risk</td>
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<td>Decentralised decision making</td>
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<td>Agility</td>
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<td>Leadership with clear vision</td>
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<td>Right people in the right places</td>
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<td>Environmental scanning</td>
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<td>Cultural shift</td>
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<td>empowered staff</td>
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<td>change the business model</td>
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<td>Digital strategy - Digital lens</td>
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<td>Obstacle: Regulation</td>
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<td>Driven by top leadership</td>
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<td>Receptive to market</td>
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<td>Thinking differently about digital</td>
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<td>removing obstacles</td>
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<td>Discontinuous change</td>
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<td>Digitalisation (AI/Machine Learning/AI)</td>
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<td>Customer oriented</td>
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<td>Be informed</td>
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<td>Customer behaviour is changing</td>
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be in tune with what is happening: Strategic foresight  
Obstacle: Time constraint  
Learning  
Leadership decision making (Vision)  
Obstacle: risk aversion  
Lean thinking  
Learning (mix of old capabilities and new capabilities)  
New mindset  
Knowledge sharing  
Leadership  
Organisational awareness  
Experimental Mindset  
Humility  
Financial Resources  
Position ourselves to be relevant  
Organisation wide - new mindset  
people aligned to goals  
Leadership buy-in  
First mover advantage  
Leadership trait: Entrepreneurial Mindset  
Remain relevant resource commitments  
Right measurements  
Right people  
strategic decision  
Top Management leadership  
Training for capabilities and Acquiring capabilities  
Understanding the situation  
Understanding your people’s skills and capabilities  
Value Add to the Customer  
Willingness to fail quickly  

| Research Question 5 | Acquire new skills/capabilities  
Adapting to new opportunities  
Ambidexterity  
Anticipate customer needs  
awareness of the environment  
Bravery  
Building Learning organisation  
Challenging the status quo  
Change management  
Change management system/process  
Change process and capabilites to support new requirements  
Communication flow  
Context dependent strategy  
Continuous learning  
Critical Analysis of resources and capabilities |
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<tr>
<th>Cultural realignment</th>
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<td>Customer oriented</td>
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<td>Data driven</td>
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<td>Data driven collaboration</td>
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<td>diagnose your strength and weaknesses</td>
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<td>Dynamic Leadership</td>
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<td>Empower staff to be proactive</td>
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<td>Empowered staff</td>
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<td>enable people to react to change</td>
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<td>Enabling culture</td>
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<td>Every level of the organisation involved. full buy in</td>
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<td>External focus</td>
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<td>Flat organisational structure: communication flow</td>
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<td>Get buy in</td>
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<td>Leadership commitment</td>
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<td>Learning capability</td>
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<td>Learning: new skills</td>
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<td>Meet customer expectation</td>
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<td>Mindset change</td>
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<td>Mindset shift</td>
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<td>New technologies (AI/Machine learning)</td>
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<td>Obstacle: High regulation</td>
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<td>Obstacle: high staff turnover</td>
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<td>Obstacle: Organisational inertia</td>
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<td>Obstacle: Regulation</td>
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<td>Obstacle: Self Interest</td>
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<td>Obstacle: Traditional industry</td>
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<td>Organisation policy and systems must enable it</td>
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<td>Organisation wide</td>
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<td>Organisational learning</td>
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<td>Organisational Learning &quot;up to date skills&quot;</td>
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<td>Proactive</td>
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<td>Remain relevant to customers</td>
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<td>Remain relevant</td>
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<td>Right people in the right place</td>
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<td>right people with the right skills</td>
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<td>Robust processes</td>
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<td>Rules on how things should be done</td>
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<td>Shot mind to where we are going (flexible mindset)</td>
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<td>Stakeholder engagement</td>
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<td>Strategic timing - &quot;timing&quot;</td>
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<td>Support for learning and development</td>
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<td>Systematic review of capabilities</td>
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<td>Top management structure</td>
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<td>Understand how people work</td>
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<td>Understand regulations</td>
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<td>Understand the market</td>
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<td>Understand your customer</td>
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<td>Very good leadership team</td>
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<td>Willing to be different</td>
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