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*RESOURCES AND DYNAMIC CAPABILITIES AS PILLARS
OF SUSTAINABILITY IN THE SOCIAL ECONOMY*

*RECURSOS E CAPACIDADES DINÂMICAS COMO PILARES
DA SUSTENTABILIDADE EM ECONOMIA SOCIAL*

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ABSTRACT

The relevance of resources and dynamic capabilities in social economy organizations is fundamental for promoting their sustainability in an environment characterized by volatility and uncertainty. This paper presents a theoretical and critical analysis of how these organizations, dedicated to generating economic and social benefits, can integrate, build, and reconfigure internal and external competencies to effectively respond to contextual changes. The research highlights the necessity of a macro analysis of the political, economic, social, technological, environmental, and legal contexts as a basis for successful social intervention. The interrelations between perception, apprehension, transformation, and strategic integration are explored, emphasizing that the effectiveness of these organizations lies in their ability to continuously adapt their resources and capabilities. It concludes that the effective application of dynamic capabilities is crucial for strategic formulation and viability over the long-term, promoting a holistic management approach that values innovation, continuous learning, and collaboration.

KEYWORDS: social economy; dynamic capabilities; sustainability; resources; strategic integration.

JEL Code: L31, Q01

SUMMARY: 1. INTRODUCTION. 2. THEORETICAL FOUNDATION. 2.1. Concept and Importance of the Social Economy. 2.2. Relevance of Dynamic Capabilities. 2.3. Resources and Capabilities in Social Economy Organizations. 3. CRITICAL ANALYSIS. 3.1. Perception of the Dynamic Environment. 3.2. Apprehension. 3.3. Transformation. 3.4. Strategic Integration. 4. CONCLUSION. 5. REFERENCES.

I INTRODUCTION

The growing complexity of social problems faced by contemporary societies has increased the relevance of social economy organizations as crucial agents in the search for effective and sustainable solutions. This paper develops a theoretical and critical analysis, exploring how these organizations, characterized by their mission to promote community well-being, face the challenge of addressing multidimensional and dynamic issues such as social inequalities, poverty, social exclusion, and emerging needs in health and education. The need for these organizations to develop internal mechanisms that enable rapid adaptation to external pressures has never been more critical, particularly in contexts where resources are limited and dependencies on external factors are high.

To adequately respond to these challenges, it is imperative that these organizations base their actions on a comprehensive macro analysis, allowing for the evaluation of contexts, causes, critical factors, and consequences of identified social problems.

A macro analysis is the first step in structuring a successful social intervention. This analysis should encompass a deep understanding of the political, economic, social, technological, environmental, and legal contexts, identifying how these factors can positively or negatively influence the nature of social problems. Additionally, a thorough analysis of the underlying causes of social deficiencies and dysfunctions, such as economic inequality, lack of access to education, or political instability, is essential to assess their impact on the intensity of the problems and to identify the reasons for their persistence. It is equally important to explore the interconnections between the different problems and the multiple levels of analysis, including micro, meso, and macro dimensions. Such an approach enables organizations to design more precise and effective interventions, aligning their value propositions with the real needs of the recipients. The ability to navigate these complexities requires a robust strategic foundation that includes adaptability, strategic alignment, and the optimization of available resources.

In the specific context of social economy organizations, the structuring of the social value proposition involves six fundamental elements: identity, resources and capabilities, strategy, networks, organization, and value creation. Identity refers to the distinctive and enduring attributes that define the organization's mission and objectives, while resources and capabilities represent the tangible and intangible assets controlled by the organization and the competencies it possesses to use them effectively. The strategy outlines the path to achieving the organizational vision and objectives, and networks are the relationships established with other entities to enhance available resources and competencies. Organization refers to the internal structure that coordinates activities and processes, and value creation encompasses generating social and economic benefits from the developed intervention. This integrated approach ensures that organizations are well-positioned to respond to challenges and create sustainable value for their beneficiaries.

This paper specifically focuses on understanding the second mentioned dimension: resources and capabilities. The concept of dynamic capabilities, widely discussed in strategic management literature, is particularly relevant for social economy organizations as they operate in volatile and uncertain environments where the ability to adapt, integrate, and reconfigure internal and external competencies quickly and effectively can determine their viability and long-term sustainability. The capacity to leverage these capabilities effectively allows organizations to balance immediate social responses with longer-term structural impacts, ensuring both operational resilience and meaningful social transformation.

Dynamic capabilities are understood as “the organization’s ability to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments”¹. In different historical and geographical contexts, these adaptations may vary, as each context presents distinct challenges for the actors involved. In the context of social economy organizations, these capabilities are crucial to ensure that available resources are used efficiently, enabling adaptation to changing social needs and the external environment.

Analyzing dynamic capabilities in social economy organizations involves a detailed understanding of how these organizations develop, combine, and reconfigure their resources and competencies to meet the demands of the environment in which they operate. This paper aims to contribute to the theoretical and practical understanding of how dynamic capabilities can be leveraged as pillars of sustainability, providing social economy organizations with a solid foundation to generate and maintain significant and lasting social impacts.

¹ Teece, D. J., Pisano, G., & Shuen, A. (1997). Dynamic capabilities and strategic management. *Strategic Management Journal*, 18(7), p. 516.

Throughout this paper, the interrelations between resources and dynamic capabilities and other structuring elements of social economy organizations will be explored to provide a comprehensive and integrated vision.

2 THEORETICAL FOUNDATION

2.1 Concept and Importance of the Social Economy

The Social Economy, as a multidisciplinary field, has gained prominence for its ability to act in areas where the public and traditional private sectors often fail to provide adequate and sustainable solutions. This sector comprises a diversity of entities, including cooperatives, mutual associations, foundations, private social solidarity institutions, among others, that operate with the mission of generating social and community benefits, often prioritizing collective well-being over individual profit. However, these organizations often face resource scarcity, “which creates external dependencies that must be managed strategically to ensure long-term sustainability”².

The concept of the Social Economy is founded on the premise that the organizations it comprises are guided by values of solidarity, participation, autonomy, and democracy, distinguishing themselves from conventional business models. Borzaga and Defourny (2001) define the Social Economy as:

“A set of private organizations, formally constituted, with autonomy of decision and freedom of membership, created to meet the needs of their members through the provision of services and/or sale of goods, and in which decision-making and any distribution of profits or surpluses among members are not directly related to capital or contributions made by each member”³.

The importance of the Social Economy lies in its ability to respond flexibly and innovatively to complex social problems such as poverty, social exclusion, inequalities in access to essential services, among others. These organizations are particularly valuable in contexts of economic crisis, where resilience and adaptation to changes become crucial. Wei-Skillern and Marciano (2008) argue that isolated social responses are insufficient to create lasting change; instead, collective structural impact is necessary, which often requires collaboration between

² Pfeffer, J., & Salancik, G. R. (1978). *The External Control of Organizations: A Resource Dependence Perspective*. New York: Harper & Row, p. 55.

³ Borzaga, C., & Defourny, J. (2001). *The Emergence of Social Enterprise*. London: Routledge, p. 15.

multiple entities⁴. As Pearce (2003) points out, the Social Economy “allows local communities to become more self-sufficient by providing a sustainable alternative to traditional forms of goods and services provision, based on principles of solidarity and cooperation”⁵.

Moreover, social economy organizations play a crucial role in promoting social cohesion and strengthening social capital. They facilitate the inclusion of marginalized groups and promote active citizen participation in community life. Nicholls (2006) highlights that “Social Economy entities often operate in areas neglected by the traditional market, creating employment and training opportunities for people at risk of social exclusion and promoting the development of local capacities”⁶. Kania and Kramer (2011) highlight the concept of collective impact, where multiple organizations align their efforts to address complex social issues, amplifying their overall effect⁷.

In the European context, the Social Economy has been recognized and promoted as a vital component for sustainable development. The European Commission (2013) underscores the relevance of this sector by stating that “the Social Economy is an essential component of the European social model, significantly contributing to inclusive economic growth, job creation, and social innovation”⁸.

Thus, it is evident that the Social Economy plays an indispensable role in the contemporary socioeconomic structure, offering crucial solutions to social and economic challenges, and promoting a more just and equitable development model. Its distinctive characteristics of solidarity, democratic participation, and orientation towards the common good make this sector a fundamental pillar for building a more inclusive and resilient society. While this paper focuses primarily on the broader context, it is essential to recognize the geographical and historical diversity that influences the Social Economy across different regions. The evolution of social economy organizations has been shaped by the specific challenges and needs of each context, meaning that the principles and operational practices may vary significantly.

⁴ Wei-Skillern, J., & Marciano, S. (2008). *The Networked Nonprofit*. San Francisco: Jossey-Bass, p. 52.

⁵ Pearce, J. (2003). *Social Enterprise in Anytown*. London: Calouste Gulbenkian Foundation, p. 47.

⁶ Nicholls, A. (2006). *Social Entrepreneurship: New Models of Sustainable Social Change*. Oxford: Oxford University Press, p. 32.

⁷ Kania, J., & Kramer, M. (2011). Collective impact. *Stanford Social Innovation Review*, 9(1), p. 36.

⁸ European Commission. (2013). *Social Economy and Social Entrepreneurship*. Luxembourg: Publications Office of the European Union, p. 21.

2.2 Relevance of Dynamic Capabilities

In the contemporary context, marked by increasing volatility and uncertainty, dynamic capabilities emerge as a central concept in strategic management, particularly relevant for social economy organizations. These organizations often operate in “environments where resource scarcity and external dependencies shape their strategic decisions, requiring dynamic capabilities to navigate these pressures”⁹. Dynamic capabilities, as defined by Teece *et al.* (1997), refer to the “organization’s ability to integrate, build, and reconfigure internal and external competencies to address rapidly changing environments”¹⁰. This concept emphasizes the importance of organizational adaptability and the capacity to respond to constant changes in the external environment, essential characteristics for the long-term viability of social economy organizations. The term ‘long-term sustainability’ here is understood as the organization’s ability to ensure ongoing adaptability and resilience over extended periods, beyond short-term performance, maintaining alignment with its mission and social objectives.

The relevance of dynamic capabilities lies in their function of enabling organizations to continuously adjust their resources and competencies to market demands and beneficiaries’ needs. This process of reconfiguration and adaptation is crucial for addressing social challenges that are inherently dynamic and multi-dimensional. Wei-Skillern and Marciano (2008) highlight the importance of dynamic capabilities in enabling organizations to transition from isolated responses to broader structural change, fostering greater collective impact¹¹. As pointed out by Eisenhardt and Martin (2000), dynamic capabilities are not complex processes but “identifiable and specific organizational routines”¹² that allow organizations to evolve and remain competitive in changing contexts.

For social economy organizations, applying the concept of dynamic capabilities implies a strategic approach that integrates continuous innovation, organizational learning, and resource reconfiguration in response to changes in the social and economic environment. Kania and Kramer (2011) argue that collective impact initiatives can enhance dynamic capabilities by fostering collaboration across organizations, which allows for a more coordinated response to complex social is-

⁹ Pfeffer, J., & Salancik, G. R. (1978). *The External Control of Organizations: A Resource Dependence Perspective*. New York: Harper & Row, p. 67.

¹⁰ Teece, D. J., Pisano, G., & Shuen, A. (1997). Dynamic capabilities and strategic management. *Strategic Management Journal*, 18(7), p. 516.

¹¹ Wei-Skillern, J., & Marciano, S. (2008). *The Networked Nonprofit*. San Francisco: Jossey-Bass, p. 48

¹² Eisenhardt, K. M., & Martin, J. A. (2000). Dynamic capabilities: what are they? *Strategic Management Journal*, 21(10-11), p. 1107

sues¹³. These organizations, often operating in scenarios of limited resources and increasing needs, must be particularly proficient in developing and applying dynamic capabilities to maximize their social impact and ensure their sustainability.

Zahra *et al.* highlight that an organization's capacity to renew its competencies in response to external changes is a crucial indicator of its vitality and longevity. For social economy organizations, this renewal capacity is even more critical, as these entities not only face competitive pressures but also bear the responsibility of addressing urgent and constantly evolving social needs¹⁴.

The importance of dynamic capabilities is also reinforced by the need for social innovation in social economy organizations. As Phillips *et al.* (2008) underline, social innovation is fundamental for creating social and economic value, driven by the organization's ability to adapt and reconfigure its resources to explore new opportunities and effectively solve social problems¹⁵. Thus, dynamic capabilities not only facilitate organizational adaptation but also catalyze innovation processes essential for fulfilling these organizations' social missions. Moreover, dynamic capabilities are instrumental in establishing both active and passive partnerships, as discussed by Lewis (2007), where active partnerships involve deep collaboration and passive partnerships provide transactional but valuable resource exchanges¹⁶.

Furthermore, dynamic capabilities are inherent to developing collaboration and network strategies, vital for the social economy. The ability to establish, maintain, and strengthen networks of collaboration with other organizations, communities, and stakeholders is a practical manifestation of dynamic capabilities, enabling the sharing of resources, knowledge, and innovative practices that amplify social impact (Amit and Schoemaker, 1993).

Therefore, the relevance of dynamic capabilities in social economy organizations cannot be underestimated. They represent a set of organizational processes and routines that are fundamental for adaptation, innovation, and long-term sustainability, allowing these organizations to respond effectively and efficiently to social challenges and changes in the external environment. This in-depth understanding of dynamic capabilities provides a solid foundation for structuring organizational strategies that maximize social impact and ensure the continuity and relevance of social economy organizations. It is also crucial to consider that the application of dynamic capabilities will vary depending on geographical and

¹³ Kania, J., & Kramer, M. (2011). Collective impact. *Stanford Social Innovation Review*, 9(1), p. 40.

¹⁴ Zahra, S. A., Sapienza, H. J., & Davidsson, P. (2006). Entrepreneurship and dynamic capabilities: A review, model and research agenda. *Journal of Management Studies*, 43(4), p. 917.

¹⁵ Phillips, J. A., Deiglmeier, K., & Miller, D. T. (2008). Rediscovering social innovation. *Stanford Social Innovation Review*, 6(4), p. 36.

¹⁶ Lewis, D. (2007). *The Management of Non-Governmental Development Organizations*. New York: Routledge, p. 139.

historical contexts, as each environment brings its own set of challenges and opportunities. This geographical diversity shapes the development and use of dynamic capabilities, as organizations must adapt to the specific social, economic, and cultural conditions they encounter.

2.3 Resources and Capabilities in Social Economy Organizations

Social economy organizations, characterized by an intrinsic commitment to creating economic and social value, require robust strategic management that effectively integrates their resources and capabilities. In environments where resources are scarce, these “organizations must strategically manage their external dependencies to ensure sustainability”¹⁷. These elements are fundamental to ensuring the sustainability and resilience of these organizations in an increasingly complex and dynamic environment.

Resources, both tangible and intangible, constitute the foundation upon which social economy organizations operate and perform their functions. Tangible resources include physical facilities, equipment, and financial capital, while intangible resources encompass human capital, knowledge, reputation, and relationship networks. As argued by Barney (1991), resources must be valuable, rare, inimitable, and organized (VRIO) to provide a sustainable competitive advantage¹⁸. In the context of the Social Economy, these resources must be aligned with the mission and social objectives of the organizations, promoting their ability to meet the beneficiaries’ needs.

Capabilities, on the other hand, refer to the competencies and organizational processes that enable organizations to mobilize and utilize their resources efficiently. Dynamic capabilities, in particular, are crucial for continuous adaptation and innovation, allowing organizations to respond quickly to changes in the external and internal environment. However, as noted earlier, these responses must be critically assessed, taking into account the voices of beneficiaries and their ‘contexts of speech’, which add nuance to the data collected. Lewis (2007) emphasizes that partnerships – both active and passive – play a critical role in expanding the resource base of social economy organizations, with active partnerships fostering deep collaboration and passive partnerships providing essential yet transactional support¹⁹. Teece *et al.* (1997) emphasize that capabilities involve the ability to integrate, build, and reconfigure internal and external competencies to address

¹⁷ Pfeffer, J., & Salancik, G. R. (1978). *The External Control of Organizations: A Resource Dependence Perspective*. New York: Harper & Row, p. 102.

¹⁸ Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), p. 101.

¹⁹ Lewis, D. (2007). *The Management of Non-Governmental Development Organizations*. New York: Routledge, p. 142.

rapidly changing environments²⁰. For social economy organizations, this means developing and implementing practices that facilitate organizational learning, social innovation, and interorganizational collaboration.

Effective integration of resources and capabilities is essential for formulating and implementing strategies that maximize social impact. Therefore, social economy organizations must invest in the capacity building of their staff, promoting an organizational culture that values continuous learning and innovation. Additionally, they must establish governance mechanisms that ensure transparency and accountability, strengthening trust among stakeholders and facilitating the mobilization of additional resources²¹.

A resource and capability centered strategic approach allows social economy organizations to leverage their unique advantages and differentiate themselves from other entities, whether public or private. As Grant (1991) and Amit and Schoemaker (1993) affirm, developing strategic capabilities depends not only on acquiring new resources but also on the ability to combine and use them in innovative ways²². In the context of the Social Economy, this may involve creating strategic partnerships, using emerging technologies to improve operational efficiency, and implementing management practices that encourage active participation by beneficiaries and local communities.

Moreover, an organization's ability to create and sustain social value is closely linked to its ability to manage its resources and capabilities effectively. This implies a deep understanding of the beneficiaries' needs and the ability to adjust and adapt service offerings in response to changes in social, economic and environmental circumstances. Zahra *et al.* (2006) highlight that the ability to innovate and adapt is a key determinant of an organization's longevity and vitality, particularly in sectors characterized by limited resources and increasing demands²³.

Social economy organizations face an external environment often characterized by uncertainty and volatility, requiring continuous adaptation and resilience. This environment includes changes in government policies, economic fluctuations, and variations in the needs and expectations of the communities they serve. Therefore, the ability to identify and respond to these changes is vital for long-term survival and success. According to Eisenhardt and Martin (2000), dynamic

²⁰ Teece, D. J., Pisano, G., & Shuen, A. (1997). Dynamic capabilities and strategic management. *Strategic Management Journal*, 18(7), p. 516.

²¹ Grant, R. M. (1991). The resource-based theory of competitive advantage: Implications for strategy formulation. *California Management Review*, 33(3), p. 116.

²² Amit, R., & Schoemaker, P. J. H. (1993). Strategic assets and organizational rent. *Strategic Management Journal*, 14(1), p. 33.

²³ Zahra, S. A., Sapienza, H. J., & Davidsson, P. (2006). Entrepreneurship and dynamic capabilities: A review, model and research agenda. *Journal of Management Studies*, 43(4), p. 917

capabilities are specific organizational processes, such as product development practices, strategic alliances, and acquisition integration, that create, integrate, recombine, and release resources to match or create market changes²⁴.

Thus, dynamic capabilities are not only a mechanism for operational efficiency but also a driver of innovation and strategic growth. For social economy organizations, often operating with limited resources, the ability to leverage networks and collaborations and promote social innovation is particularly critical. Social innovation, as defined by Phillips *et al.* (2008) as “the invention, development, and implementation of new ideas to address social problems,”²⁵ allows these organizations to expand their impact and find more effective and sustainable solutions to the challenges they face.

Given their central role in creating economic and social value, social economy organizations must adopt a strategic approach that recognizes the interdependence between resources and capabilities. This includes the need to develop a deep understanding of the assets they possess, as well as the processes and competencies that enable their effective use. Strategic management of these elements can result not only in greater operational efficiency but also in a greater capacity to innovate, adapt, and thrive in a constantly changing environment.

Managing resources and capabilities in social economy organizations is, therefore, a central element of their sustainability and effectiveness. Strategic integration of these components allows these organizations to maximize their social impact while ensuring their resilience and ability to respond to changes in the external environment. This understanding underscores the importance of a holistic management approach that recognizes the interdependence between resources, capabilities, and the organization’s social mission.

3 CRITICAL ANALYSIS

In the context of the increasing complexity and dynamism of the environments in which social economy organizations operate, the ability to identify, understand, and respond to external changes becomes a crucial differentiator for the sustainability and effectiveness of these entities. The theoretical foundation outlined emphasizes the importance of resources and capabilities, especially dynamic capabilities, as pillars for continuous adaptation and innovation within these organizations. This chapter aims to deepen the critical analysis of the theoretical and practical implications associated with dynamic capabilities by introducing four

²⁴ Eisenhardt, K. M., & Martin, J. A. (2000). Dynamic capabilities: what are they? *Strategic Management Journal*, 21(10-11), p. 1107.

²⁵ Phillips, J. A., Deiglmeier, K., & Miller, D. T. (2008). Rediscovering social innovation. *Stanford Social Innovation Review*, 6(4), p. 36

key concepts that structure the proposed theoretical framework: Perception of the Dynamic Environment, Apprehension, Transformation, and Strategic Integration.

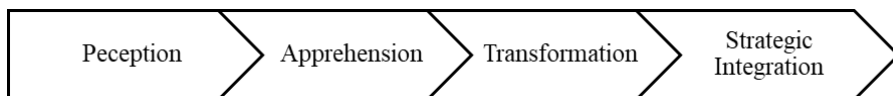


Figure 1: Conceptual model of dynamic capabilities in social economy organizations
Source: Developed by the author.

Perception of the Dynamic Environment refers to the ability of organizations to identify and monitor changes and trends inherent in their surroundings (both external and internal), a fundamental process for anticipating challenges and opportunities. This perception is essential for proactive adaptation and for defining strategies that effectively respond to emerging needs and volatile contextual conditions. In environments characterized by resource scarcity, this capability becomes even more vital, as external dependencies require careful management to ensure long-term sustainability. Understanding these dependencies allows organizations to anticipate potential constraints and adapt accordingly. Furthermore, it is important to recognize that different geographical and historical contexts may influence what organizations perceive as priorities. The nature of the challenges faced, such as environmental, social, or political issues, can vary greatly depending on the context, meaning that perception must be adaptable and contextually aware.

Apprehension involves the ability to interpret and understand the information gathered during the perception phase, translating raw data into useful and applicable knowledge. This critical process allows organizations not only to identify and recognize changes but also to evaluate their implications and determine the necessary actions to respond effectively to these changes. For social economy organizations, isolated responses to emerging challenges may not be sufficient; instead, broader collective efforts that seek to address structural issues often prove more effective. This approach enhances their capacity to generate long-term social impact. However, it is important to consider the subjectivity of perceptions and the diversity of underlying social phenomena. Data collection methods should be designed not only to produce rigorous and objective analyses but also to include the voices of beneficiaries and their ‘contexts of speech.’ This ensures a holistic view of the challenges and opportunities, allowing for more informed and inclusive decision-making. Understanding how different groups perceive their realities is essential for tailoring interventions to be more effective and context-sensitive.

Transformation, mediated by dynamic capabilities, is the process through which organizations adapt, reconfigure, and innovate their internal competen-

cies and resources to respond to new demands and opportunities identified. This stage is central to organizational resilience, allowing social entities to maintain the relevance and effectiveness of their interventions in rapidly changing contexts. This transformation process often involves the formation of strategic partnerships, which allow organizations to pool resources and expertise, thereby enhancing their ability to implement innovative solutions and respond to complex social challenges. The effective management of both internal and external resources during this phase is key to ensuring sustained impact. Effective transformation also requires a conscious process of organizational learning that includes reflection on actions, fostering a culture of openness to questions and criticism, and creating an environment where mistakes can be admitted and learned from. This approach promotes transparency, accountability, and legitimacy, which strengthens trust among stakeholders.

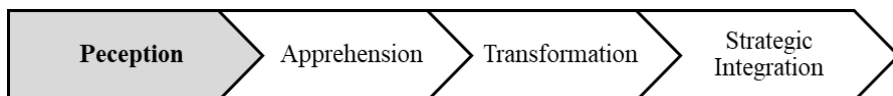
Finally, Strategic Integration pertains to incorporating the changes and innovations resulting from the transformation process into the organization's overall strategy. This concept emphasizes the need to align new capabilities and resources with the defined mission, vision, and strategic objectives, ensuring that the actions undertaken contribute to strengthening the constructed value proposition and ensuring the sustainable success of the organization. In this context, 'success' is understood as the organization's capacity to achieve its long-term mission and generate sustained social and economic impacts. Strategic integration also includes the effective coordination of partnerships, ensuring that collaborations are aligned with the organization's mission and contribute meaningfully to the achievement of long-term objectives. Moreover, this integration process must involve continuous feedback mechanisms, where the outcomes of new strategies and innovations are regularly assessed. This ensures that adjustments can be made in real-time, allowing the organization to remain agile in its approach. Active involvement from all stakeholders, including employees, beneficiaries, and partners, helps to align the strategy with the organization's core mission and fosters a sense of collective ownership.

This chapter will critically explore each of these concepts, analyzing how they interrelate and complement each other to enhance the capacity of social economy organizations to address the multiple challenges related to their respective environments.

3.1 Perception of the Dynamic Environment

In the current scenario of increasing volatility and uncertainty, the perception of the dynamic environment emerges as a fundamental step for social economy organizations. This concept refers to the ability of these entities to identify, moni-

tor, and interpret constant changes occurring in both the external and internal environment, a crucial process for their long-term survival and success.



The perception of the dynamic environment is anchored in the premise that organizations need to be continuously aware of changes in the political, economic, social, technological, environmental, and legal contexts that shape their operations. As emphasized by Teece *et al.* (1997), the ability to sense and seize changes in the environment is a vital component of dynamic capabilities, allowing organizations to proactively adapt their strategies and operations. This continuous vigilance enables social economy organizations to anticipate challenges and identify opportunities that can be exploited to maximize the social and economic impact of their interventions. In environments where resources are scarce, organizations must be particularly adept at identifying external pressures and opportunities, as these factors heavily influence their ability to operate efficiently and sustainably.

The importance of perceiving the dynamic environment is reinforced by the need for rapid adaptation to changes in beneficiaries' needs and market and sector conditions. Eisenhardt and Martin (2000) argue that dynamic capabilities, including the ability to perceive the environment, consist of specific organizational routines that enable organizations to evolve and maintain competitiveness in changing contexts. For social economy organizations, these routines may include regular monitoring of social and economic indicators, participation in collaborative networks, and the implementation of management systems that facilitate the collection and analysis of relevant data.

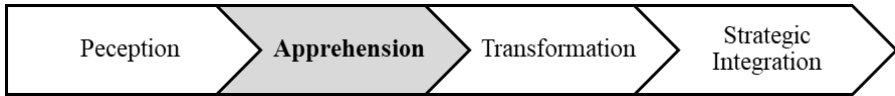
Effective perception of the dynamic environment also requires a holistic approach, involving all levels of the organization. Leadership must foster a culture of vigilance and adaptation, encouraging active participation by employees in identifying and interpreting signs of change. This collaborative approach not only enhances the organization's perception capacity but also promotes innovation and continuous learning, essential elements for resilience and sustainability.

Moreover, the ability to perceive the dynamic environment is intrinsically linked to competitive intelligence and the development of informed strategies. As Grant (1991) and Amit and Schoemaker (1993) highlight, sustainable competitive advantage derives not only from possessing valuable resources but also from the ability to use them effectively in response to environmental changes. In this sense, social economy organizations must invest in contextual analysis mechanisms that allow them to transform information into strategic knowledge, facilitating informed and mission-aligned decision-making.

Therefore, the perception of the dynamic environment is a prerequisite for effective apprehension and transformation. Without a clear and precise understanding of changes occurring in their surroundings, social economy organizations cannot correctly interpret collected data nor adapt their capabilities and resources effectively. Thus, the perception of the dynamic environment is not merely an isolated capability but the foundation upon which other dynamic capabilities are built, reinforcing the interdependence between the different components of the proposed theoretical framework.

3.2 Apprehension

Apprehension, as a critical component of the strategic management process, refers to the ability of social economy organizations to interpret and understand the information gathered during the perception of the dynamic environment, translating data into useful and applicable knowledge. This process is fundamental for transforming initial perceptions into strategic insights that guide decision-making and the formulation of concrete actions.



The concept of apprehension is closely linked to the ability of organizations to process and analyze information from multiple sources, both internal and external, effectively. This competence is highlighted by Teece *et al.* (1997), emphasizing the importance of interpreting environmental changes and developing appropriate strategic responses. In the context of social economy organizations, apprehension involves the capacity to identify the implications of perceived changes in the environment, evaluating the potential impact on beneficiaries, available resources, and organizational operations.

Effective apprehension requires a systemic and integrated approach, where information is collected, analyzed, and disseminated in a structured and continuous manner. This process may involve the use of advanced analytical tools and techniques, as well as the capacity to promote an organizational culture that values learning and innovation. As Eisenhardt and Martin (2000) assert, dynamic capabilities integrate organizational routines that enable organizations to evolve and maintain competitiveness in changing contexts. For social economy organizations, these routines may include trend analysis, performance indicator evaluation, and impact studies.

Apprehension also relates to the ability to convert data into strategic knowledge, facilitating decision-making. Grant (1996) argues that an organization's

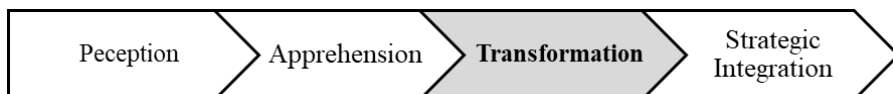
capacity to generate useful knowledge from raw data is a crucial factor for its competitive advantage. In the case of social economy organizations, this competence is essential to ensure that their interventions are evidence-based and targeted to the real needs of beneficiaries. This implies the ability to identify patterns and trends in the data, as well as the aptitude to anticipate the consequences of environmental changes and adapt strategies accordingly. Furthermore, apprehension requires a critical evaluation of the organization's ability to address the challenges at hand, ensuring that responses are coordinated and aligned with long-term goals.

Moreover, apprehension involves the ability to critically evaluate available information and to question the assumptions underlying strategic decisions. This critical process is essential to avoid biases and ensure that decisions are based on rigorous and objective analyses. As Amit and Schoemaker (1993) highlight, the ability to apprehend and use information critically is a key element for building robust and resilient strategies.

The interdependence between perception and apprehension is evident, as without accurate perception of the environment, effective apprehension of information would be unfeasible. However, it is important to note that apprehension goes beyond merely collecting data and involves the capacity to transform information into strategic actions, enabling organizations to respond quickly and effectively to changes. In sectors characterized by limited resources and increasing demands, such as the Social Economy, an organization's ability to innovate and adapt is, as Zahra *et al.* (2006) argue, a crucial indicator of organizational vitality and longevity.

3.3 Transformation

Transformation, as a central component of dynamic capabilities, represents the ability of organizations to adapt, reconfigure, and innovate continuously based on their resource and competence base to respond adequately to emerging changes and challenges. This transformation process is essential to ensure the resilience and long-term sustainability of social interventions, allowing these organizations to maintain relevance and effectiveness in an environment characterized by volatility and uncertainty.



Transformation involves the ability to systematically modify and renew existing capabilities, as well as to develop new competencies that enable organizations to respond proactively to contextual changes. In the context of social economy

organizations, this transformation capability is vital to ensure that available resources are used efficiently and effectively, promoting social innovation and the continuous improvement of services provided. The role of partnerships is crucial in this process, as collaboration can often accelerate transformation by providing access to additional resources, expertise, and innovative approaches. Partnerships that align with the organization's goals can strengthen its capacity to implement meaningful and sustainable change.

Effective transformation depends on a strategic approach that incorporates continuous organizational learning and innovation. Eisenhardt and Martin (2000) highlight that dynamic capabilities integrate specific organizational routines that enable structures to evolve and maintain competitiveness. For social economy organizations, these routines may include reconfiguring internal processes, adopting new technologies, and implementing management practices that encourage innovation and collaboration.

One crucial aspect of transformation is the ability to integrate and recombine resources in differentiated ways to leverage the simultaneous creation of economic and social value. As Amit and Schoemaker (1993) argue, the ability to combine resources in new and innovative ways is essential for creating sustainable competitive advantage. In the context of the Social Economy, this may involve forming strategic partnerships with other organizations, implementing new technologies to improve operational efficiency, and adopting participatory management practices that involve beneficiaries and local communities in co-creating solutions.

Social innovation thus plays a central role in the transformation process. Phills *et al.* (2008) define social innovation as “the invention, development, and implementation of new ideas to address social problems.”²⁶ This approach allows social economy organizations to conceive solutions to social challenges, expanding their impact and contributing to creating sustainable value. The ability to continuously innovate and adapt practices in response to emerging needs is thus a critical factor for these organizations' success.

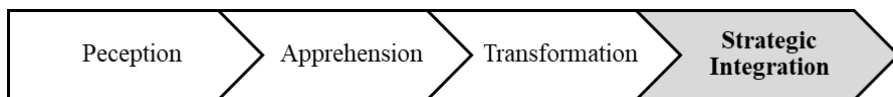
However, transformation is not an isolated process; it is an integrated component of the organization's overall strategy, manifested in the mutation of resources and competencies to ensure that actions undertaken enhance the constructed value proposition and contribute to achieving defined economic goals.

3.4 Strategic Integration

Strategic integration, as a continuous and multidimensional process, translates the alignment of innovations, resources, and newly acquired or reconfigured ca-

²⁶ Phills, J. A., Deiglmeier, K., & Miller, D. T. (2008). Rediscovering social innovation. *Stanford Social Innovation Review*, 6(4), p. 36.

pabilities with the organization's objectives and mission. This stage is essential to ensure that internal changes and developments not only respond to emerging needs but are also coherently integrated into the organizational strategy, promoting the necessary synergy to maximize the created value.



Strategic integration should not be seen as an end but as a dynamic phase of continuous incorporation and alignment of capabilities and resources within the organization's strategic framework. Teece *et al.* (1997) emphasize the importance of a clear strategic vision that guides the reconfiguration of resources and competencies and their effective integration with the mission and organizational objectives. This clear strategic vision is particularly relevant for social economy organizations, where creating social value must be the core of all actions and decisions.

In the context of social economy organizations, strategic integration should be approached through a lens that considers both adaptability and coherence. Adaptability refers to the ability to adjust strategy in response to new information and emerging circumstances, while coherence pertains to ensuring that all initiatives and changes align with the organization's identity. Grant (1991) argues that strategic effectiveness results not only from possessing valuable resources but also from the ability to integrate them consistently and effectively into the strategic plan. The alignment of resources with the organization's mission is particularly important in collaborative efforts, where pooled resources and collective action can generate more substantial social outcomes.

The capacity for strategic integration is reinforced by the active and inclusive participation of all stakeholders, including employees, beneficiaries, partners, and local communities. This inclusive approach ensures that the strategy reflects the needs and expectations of beneficiaries while benefiting from the knowledge and skills shared by the different actors involved. Barney (1991) emphasizes that sustainable value creation is closely linked to effective resource management and stakeholder integration, promoting a collaborative approach that strengthens the organization's responsiveness and innovation capacity.

Moreover, strategic integration requires a robust system of continuous monitoring and evaluation. The ability to measure the outcomes of actions and adjust strategy based on empirical data is crucial for continuous improvement and adaptation to changing conditions. Partnerships that align with the organization's mission also play a crucial role in ensuring that these strategies remain relevant and effective over time.

Strategic flexibility, combined with a strong mission orientation, is fundamental to ensuring that social economy organizations are equipped to face changes. This flexibility allows for the rapid reconfiguration of resources and competencies in response to new opportunities and challenges, promoting organizational resilience.

Strategic integration also involves institutionalizing management practices that ensure transparency, accountability, and effectiveness in strategy implementation. These governance mechanisms are fundamental to strengthening trust among stakeholders and ensuring the mobilization of additional resources.

4 CONCLUSION

Social economy organizations emerge as crucial agents in addressing the complex and multidimensional social challenges of contemporary societies, standing out for their ability to promote community well-being through focused and restorative interventions. This paper sought to explore the relevance of resources and capabilities, with particular emphasis on dynamic capabilities, for the sustainability and success of these organizations in an environment marked by volatility and uncertainty.

The analysis presented underscores that the effectiveness of social economy organizations largely depends on their ability to perceive, apprehend, transform, and strategically integrate the resources and capabilities they possess. The critical importance of perception, apprehension, transformation, and strategic integration, discussed in detail throughout this paper, reinforces the notion that organizational survival and success in this sector are predicated on the dynamic interaction of these elements. This continuous and dynamic process is essential for a timely and effective adaptation to contextual changes, ensuring the relevance and pertinence of their interventions.

In particular, the challenge of managing resource scarcity and external dependencies demands that organizations develop robust mechanisms to anticipate, navigate, and mitigate these pressures. This ability to strategically manage their external partnerships and resource flows is vital for ensuring long-term sustainability. As discussed, this process involves not only the anticipation of constraints but also the strategic alignment of partnerships that enable social economy organizations to leverage collective impact and strengthen their interventions.

The perception of the dynamic environment emerges as the first crucial step in building a successful social intervention. By actively monitoring political, economic, social, technological, environmental, and legal contexts, organizations are better positioned to identify both opportunities and threats. This awareness allows them to anticipate challenges and collaborate more effectively with other entities to maximize collective impact. The ability to sense and apprehend changes in

political, economic, social, technological, environmental, and legal contexts is fundamental for anticipating challenges and opportunities, enabling proactive and strategic responses by these organizations.

Apprehension, understood as the ability to interpret and transform data into useful knowledge, plays a vital role in formulating informed and appropriate strategies. Isolated responses to challenges are often insufficient; thus, leveraging collective action and aligning organizational efforts with broader structural changes becomes essential for achieving meaningful and lasting social impact. This process, as discussed by Grant (1996), involves converting raw data into strategic insights that guide decision-making, ensuring that designed interventions are evidence-based and targeted to the real needs of beneficiaries.

Transformation, in turn, integrates continuous mechanisms of adaptation, re-configuration, and innovation of resources and capabilities, ensuring the resilience and sustainability of action in the long term. This transformation not only refers to internal adjustments but also to the organization's ability to innovate and collaborate effectively, as emphasized in the case of strategic partnerships and the role of social innovation in expanding impact. Collaborative partnerships enhance this transformation process by providing access to additional resources, expertise, and innovative approaches that organizations may not possess independently. Social innovation, as defined by Phillips *et al.* (2008), is fundamental in this context, allowing organizations to conceive effective and sustainable solutions to the social problems they face.

Finally, strategic integration stands out as the process that ensures the alignment of innovations and capabilities with the organization's mission and objectives. This stage is essential for consolidating the changes introduced during the transformation phase, ensuring that these are not isolated initiatives but part of a coherent long-term strategy. Strategic integration ensures that organizational innovations are directly aligned with the mission and objectives, creating a unified and effective approach to resource management and operational effectiveness. This includes the coordination of both internal resources and external partnerships, ensuring that all efforts contribute meaningfully to the organization's long-term sustainability and social goals. This phase, as argued by Barney (1991), is essential to ensure that all changes and developments are coherently integrated into the strategy and promote a synergy that maximizes the created economic and social value.

This paper contributes to the theoretical and practical understanding of how dynamic capabilities can be leveraged as pillars of sustainability in social economy organizations, providing a solid foundation for generating and maintaining significant and lasting social impacts. The ability to manage both internal resources and external collaborations effectively becomes a key driver of success, enabling organizations to balance short-term operational needs with long-

term structural goals. The integration of the concepts of perception, apprehension, transformation, and strategic integration offers a specific framework for analyzing and managing resources and capabilities in these organizations, enabling them to successfully face the multiple challenges inherent in the dynamic contexts in which they operate.

Thus, it is concluded that the development and utilization of dynamic capabilities are determinants for the strategic formulation and sustainability of social economy organizations. This understanding underscores the importance of a holistic approach to strategic management, recognizing the interdependence between resources, capabilities, and the organization's social mission, promoting an organizational culture that values innovation, continuous learning, and collaboration. The role of strategic partnerships, social innovation, and continuous organizational learning cannot be overstated in this context. By integrating these elements, social economy organizations are better positioned to anticipate external pressures, adapt to evolving social needs, and drive sustainable change. As a result, social economy organizations will be better positioned to adapt to the volatile environments in which they operate, ensuring both their immediate operational effectiveness and their long-term contributions to building a more inclusive, just, and resilient society.

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